



Solid Fundamentals

CapitaMalls Malaysia Trust
Annual Report 2014

Corporate Profile

CapitaMalls Malaysia Trust (CMMT), listed on the Main Market of Bursa Malaysia Securities Berhad (Bursa Securities) on 16 July 2010, is a Malaysia focused “pure-play” shopping mall real estate investment trust (REIT). As at 31 December 2014, CMMT had a market capitalisation of approximately RM2.5 billion and its portfolio was independently valued at approximately RM3.2 billion.

CMMT invests, on a long-term basis, in income-producing real estate which is primarily used for retail purposes and located in Malaysia. Its shopping mall portfolio comprises Gurney Plaza in Penang, a majority interest in Sungei Wang Plaza¹ in Kuala Lumpur, The Mines in Selangor and East Coast Mall in Kuantan, Pahang. As at 31 December 2014, the net lettable area of the portfolio was over 2.5 million square feet (sq ft).

CMMT is managed by CapitaMalls Malaysia REIT Management Sdn. Bhd. (the Manager) – a joint venture between CapitaLand Limited, one of Asia’s largest real estate companies headquartered and listed in Singapore, and Malaysian Industrial Development Finance Berhad (MIDF). AmTrustee Berhad is the trustee for CMMT.

Vision

To be Malaysia’s leading shopping mall real estate investment trust through value creation and continuous innovation.

Mission

To deliver long term and sustainable distribution of income and potential capital growth to unitholders.

For Investors

Deliver sustainable total returns

For Tenants

Create profitable opportunities

For Shoppers

Create delightful shopping and lifestyle experiences

For Employees

Provide opportunities to realise personal potential and achieve professional growth

For the Community

Promote social responsibility and environmental sustainability

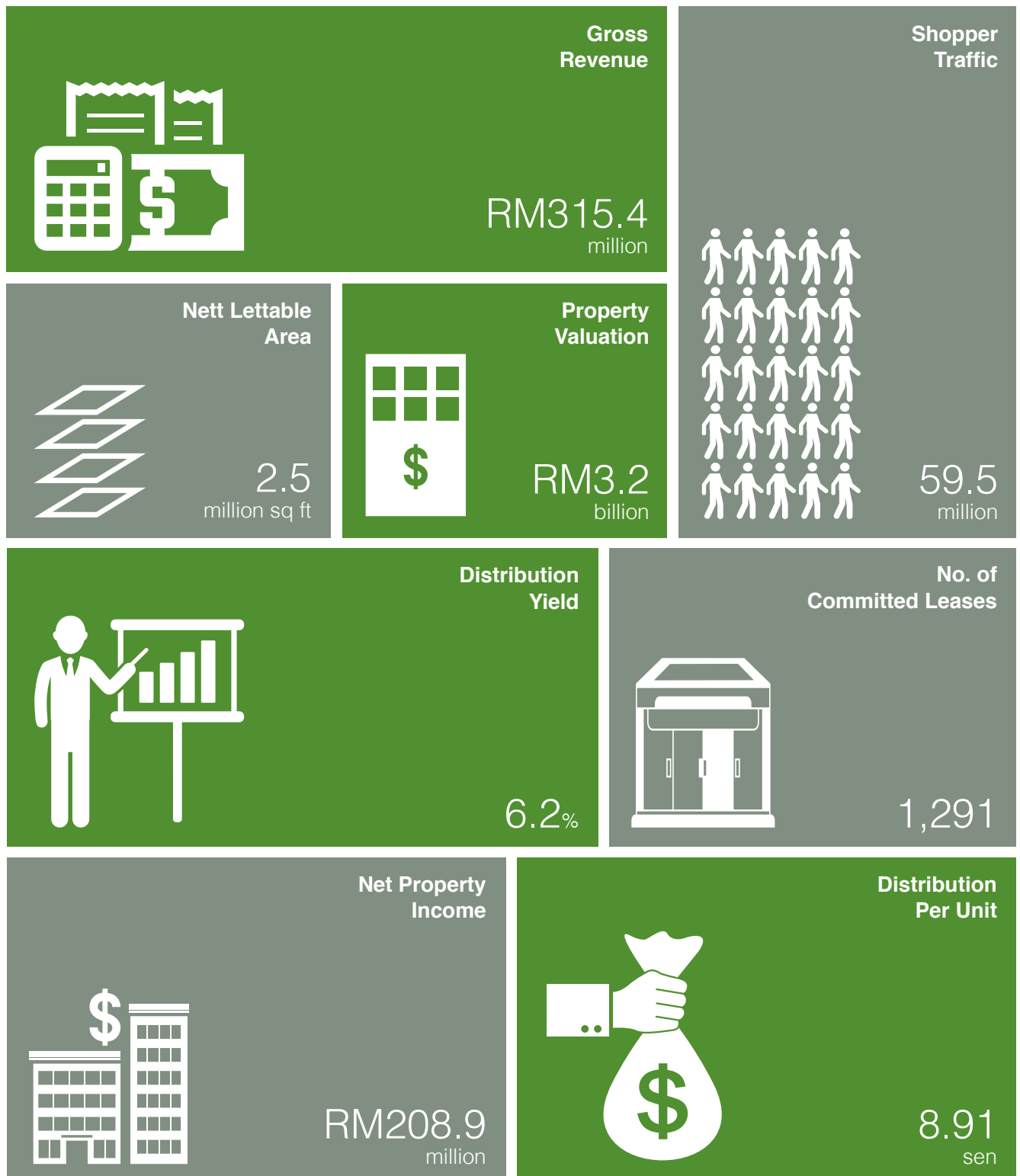
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¹ CMMT’s interest in Sungei Wang Plaza comprises (i) 205 strata parcels within the mall which represents approximately 61.9% of the aggregate retail floor area of Sungei Wang Plaza and (ii) 100.0% of the car park bays in Sungei Wang Plaza.

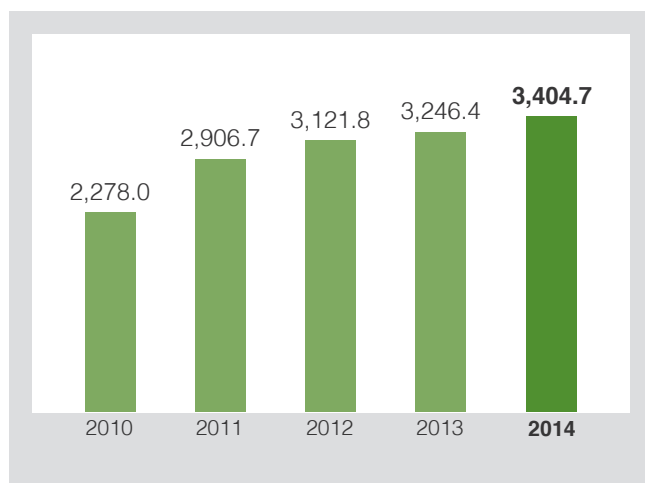
Solid Fundamentals

As the focused “pure-play” shopping mall real estate investment trust in Malaysia, CapitaMalls Malaysia Trust provides income and geographical diversification to its Unitholders through a portfolio of four well-performing assets in the key urban centres of Penang, Kuala Lumpur, Selangor and Kuantan. Helmed by a management team that is experienced in retail real estate and capital management, the trust seeks to optimise returns through proactive asset management and the scalability of its integrated shopping mall business model, while effectively managing operating costs.

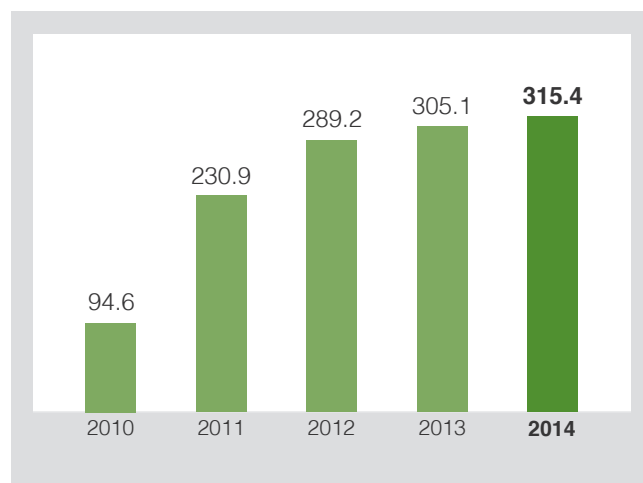


Financial Highlights

Total Assets (RM million)



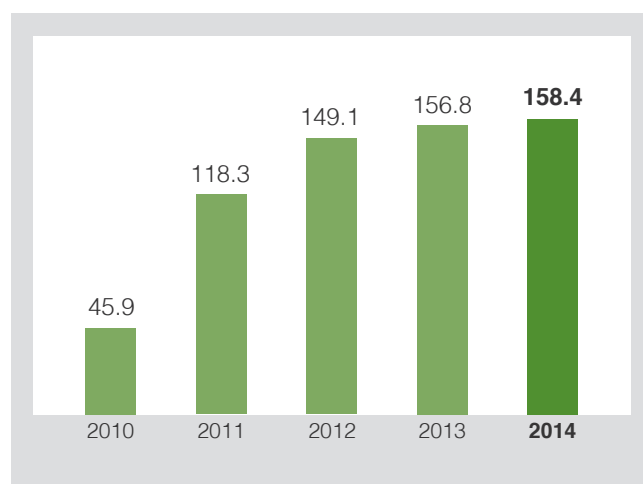
Gross Revenue (RM million)



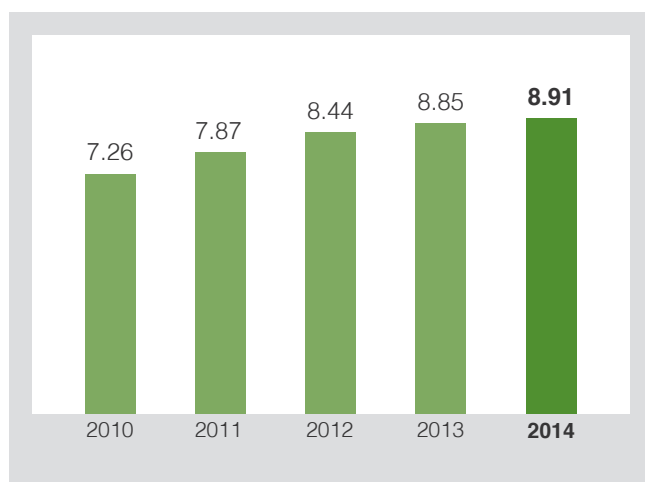
Net Property Income (RM million)



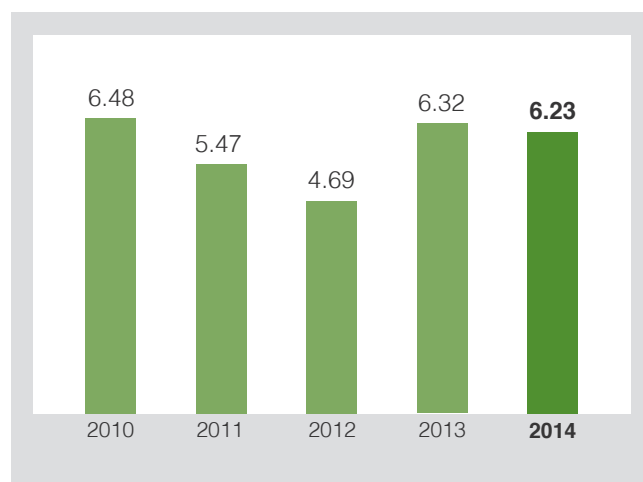
Distributable Income (RM million)



Distribution Per Unit¹ (sen)



Distribution Yield^{1,2} (%)



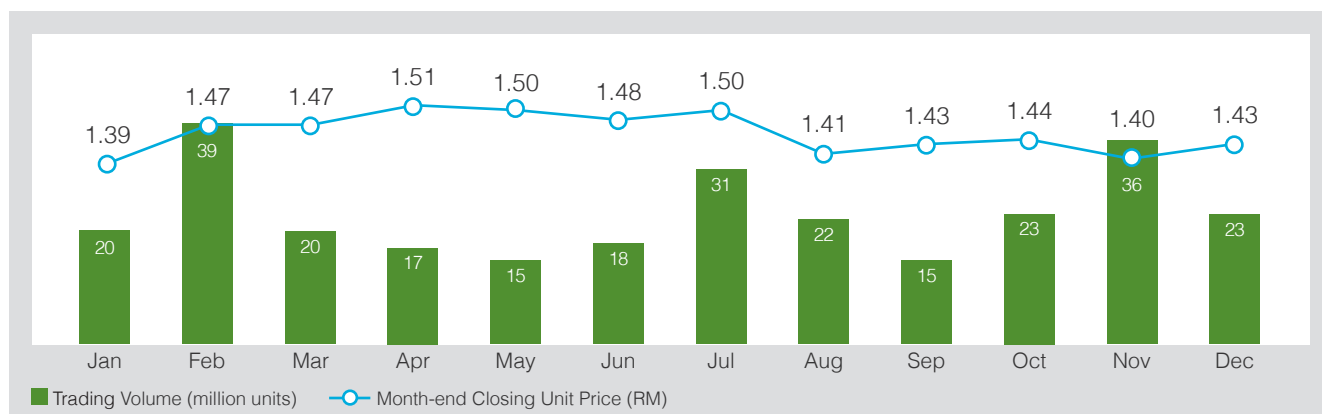
2010 - the financial period from 14 July 2010 to 31 December 2010.
2011, 2012, 2013 and 2014 - the financial year ended 31 December.

¹ Annualised for Financial Period (FP) 2010.

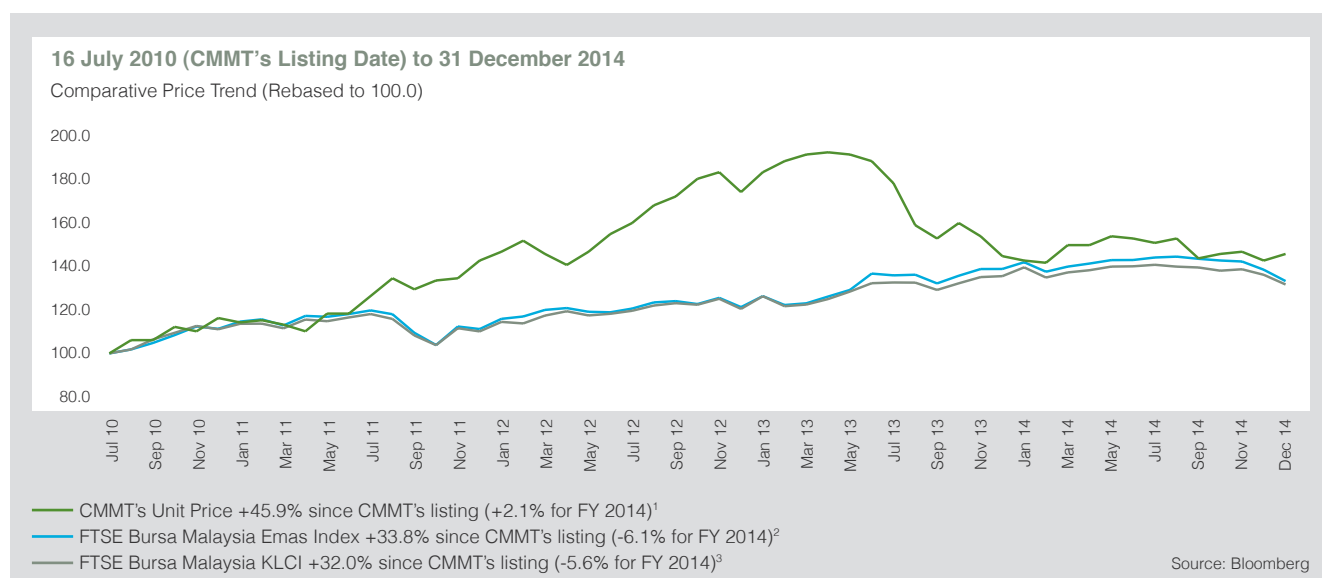
² Based on the closing unit price of RM1.12 on 30 December 2010, RM1.44 on 30 December 2011, RM1.80 on 31 December 2012, RM1.40 on 31 December 2013 and RM1.43 on 31 December 2014.

Unit Price Performance

CMMT's Monthly Trading Performance for 2014



CMMT's Unit Price versus Performance Benchmarks



Comparative Yields



¹ Based on the opening unit prices of RM0.98 on 16 July 2010 and RM1.40 on 2 January 2014 and the closing unit price of RM1.43 on 31 December 2014.

² Based on the opening index values of 9,020 on 16 July 2010 and 12,848 on 2 January 2014 and the closing index value of 12,066 on 31 December 2014.

³ Based on the opening index values of 1,334 on 16 July 2010 and 1,866 on 2 January 2014 and the closing index value of 1,761 on 31 December 2014.

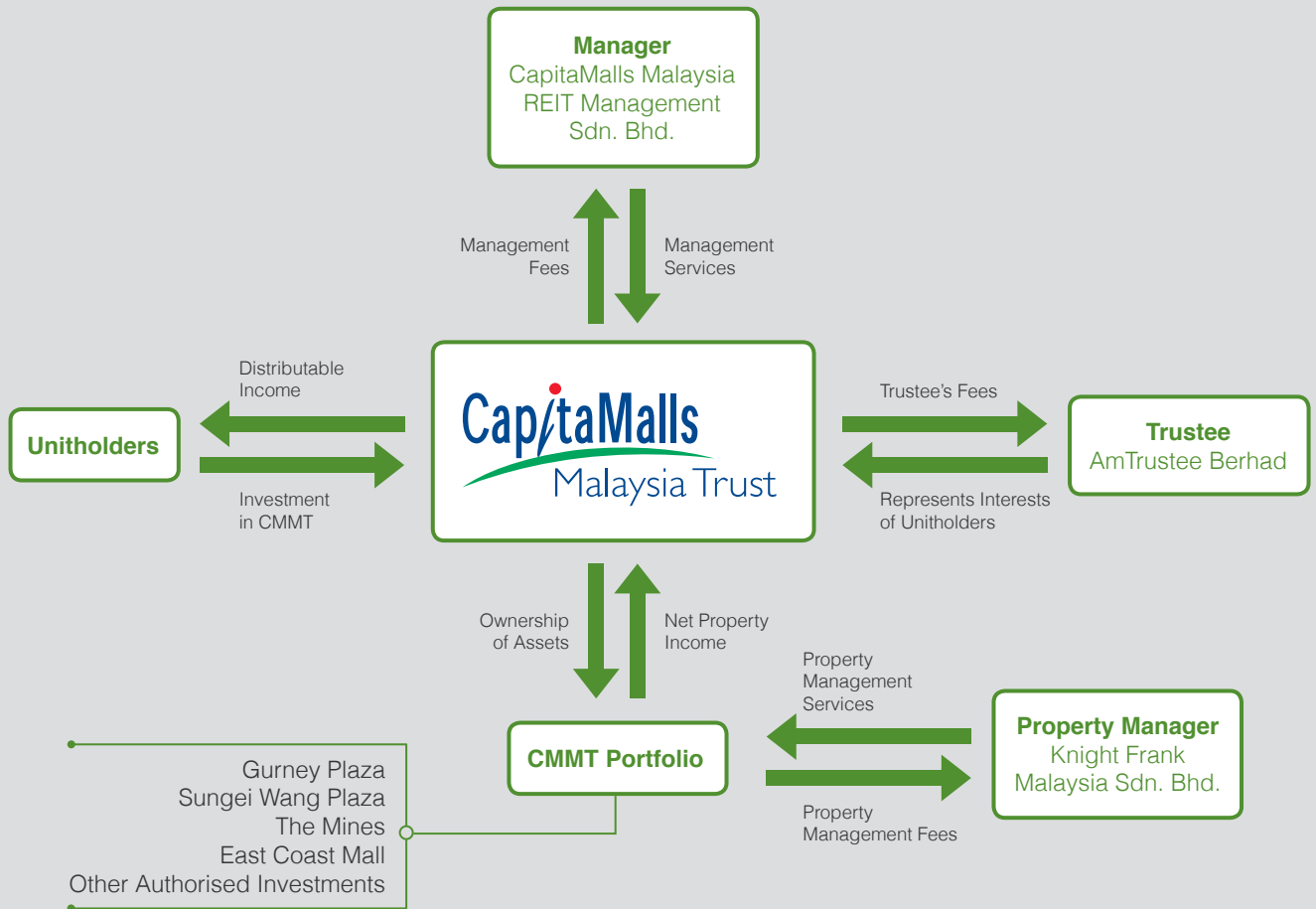
⁴ Dividend Yield of FTSE Bursa Malaysia KLCI as at 31 December 2014 (Source: Bloomberg).

⁵ Average 12-month Fixed Deposit Rate (RM) as at 31 December 2014 (Source: Bloomberg).

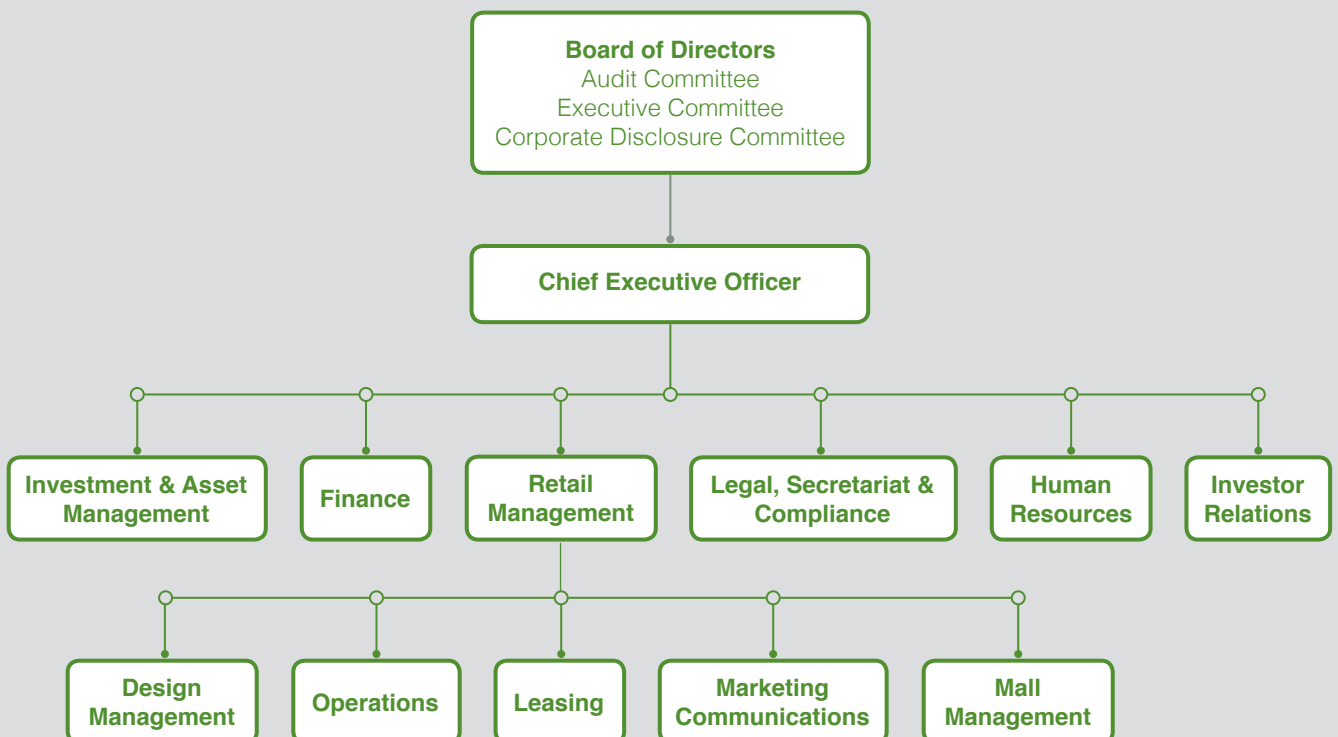
⁶ 10-year Malaysian Government Bond as at 31 December 2014 (Source: Bloomberg).

⁷ Based on the DPU of 8.91 sen for FY 2014 and the closing price of RM1.43 on 31 December 2014.

Trust Structure



Organisational Structure



Board of Directors

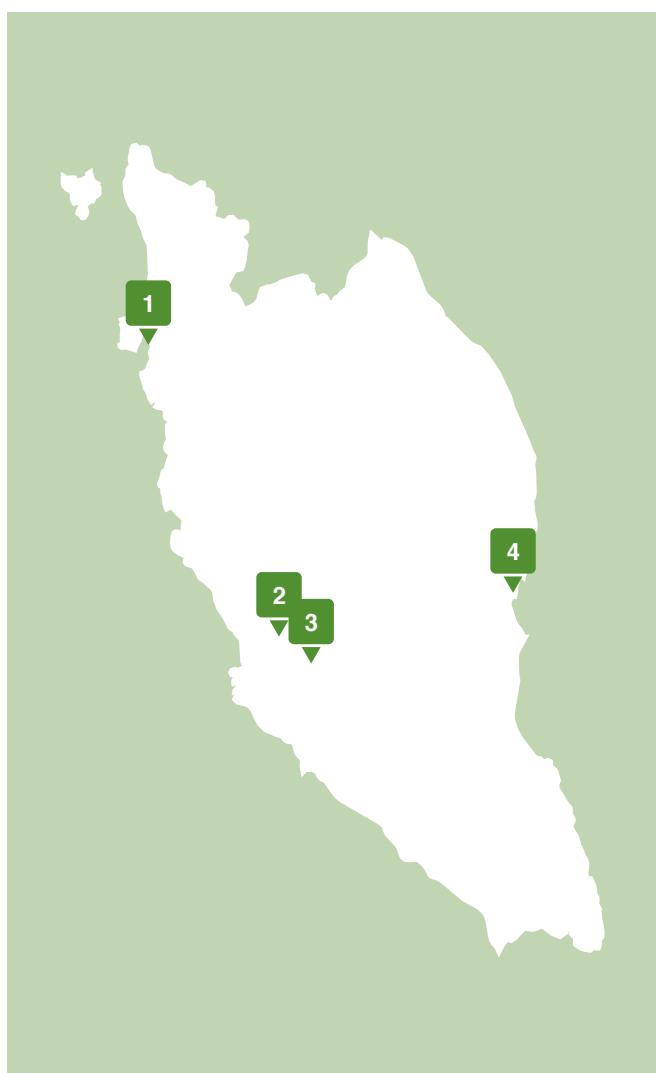


- 1 David Wong Chin Huat
- 2 Tuan Haji Rosli bin Abdullah
- 3 Foo Wei Hoong
- 4 Jason Leow Juan Thong
- 5 Ng Chih Kaye
- 6 Ng Kok Siong
- 7 Tan Siew Bee
- 8 Peter Tay Buan Huat
- 9 Low Peck Chen

- Chairman & Non-Executive Independent Director
- Non-Executive Independent Director
- Non-Executive Non-Independent Director
- Non-Executive Non-Independent Director
- Non-Executive Independent Director
- Non-Executive Non-Independent Director
- Non-Executive Independent Director
- Non-Executive Independent Director
- Chief Executive Officer & Executive Non-Independent Director

Property Portfolio

CMMT invests, on a long-term basis, in income-producing real estate which is primarily used for retail purposes and located in Malaysia.



1. Gurney Plaza

Penang

No. of committed leases	393
Net lettable area	887,754 sq ft
Independent valuation	RM1,295.0 million

2. Sungei Wang Plaza

Kuala Lumpur

No. of committed leases	315
Net lettable area	448,322 sq ft
Independent valuation	RM824.0 million

3. The Mines

Selangor

No. of committed leases	385
Net lettable area	718,926 sq ft
Independent valuation	RM680.0 million

4. East Coast Mall

Kuantan, Pahang

No. of committed leases	198
Net lettable area	485,396 sq ft
Independent valuation	RM434.0 million

Asset Enhancement Initiatives



East Coast Mall underwent major asset enhancement works that involved the extension of the alfresco area, conversion of car park spaces into additional retail space, and reconfiguration of the ground, first and second floors to further enhance its offerings and trade mix. With its new and improved building facade and revamped interior, we believe East Coast Mall will cement its position as the preferred shopping destination in Kuantan.



Gurney Plaza completed its fourth floor and ground floor extension wing reconfiguration works, which involved creation of new retail space and visibility improvement works. As part of our efforts to further strengthen the mall's position as Penang's premier lifestyle shopping mall, we have brought in new fashion brands, the latest brands in health and beauty and more exciting food and beverage options to Penang and the northern region of Malaysia.



Investment Strategies



Integrated Retail and Capital Management Platform

CMMT enjoys access to CapitaLand's integrated shopping mall business model, with in-house capabilities in retail real estate investment, development, mall operations, asset management and fund management.

Retail Real Estate Management



Milestones

February

In February 2014, CMMT managed to tighten up the credit margin for one of its existing revolving credit facilities by approximately 15 basis points.

On 20 February 2014, Gurney Plaza won the Best Shopping Mall (Northern Region) award in the Malaysia Tourism Awards 2012/2013 from the Ministry of Tourism and Culture and Tourism Malaysia.

March

On 7 March 2014, a distribution of 4.50 sen per unit for the period 1 July 2013 to 31 December 2013 was paid to unitholders.

April

On 3 April 2014, at an Annual General Meeting, unitholders approved the proposed authority to allot and issue up to 354,563,980 new units of CMMT.

August

On 29 August 2014, a distribution of 4.53 sen per unit for the period 1 January 2014 to 30 June 2014 was paid to unitholders.

November

On 27 November 2014, CMMT carried out the philanthropic initiative "My Schoolbag" – a key annual CapitaLand corporate social responsibility programme.

Letter to Unitholders

Dear Unitholders,

Despite persisting uncertainty in the global economy, CapitaMalls Malaysia Trust (CMMT) continued our track record to deliver a set of encouraging results. Unitholders enjoyed a total return of about 8.5% in 2014 – comprising a 3 sen appreciation in the unit price over the year, as well as a total distribution per unit (DPU) of 8.91 sen for the financial year ended 31 December 2014 (FY 2014). Malaysia's Gross Domestic Product (GDP) growth in 2014, driven by domestic demand and private sector activity, is expected to have come in between 5.5% and 6.0%. During the year, the hike in electricity tariff and renewable energy surcharge followed by the increase in property assessment fee resulted in a more challenging operating environment for CMMT.

Strong Fundamentals

Notwithstanding the uncertainty in the economic environment, CMMT's overall business fundamentals remain strong to support our goal to provide Unitholders with sustainable income distribution. With four shopping malls located in the key urban centres of Kuala Lumpur, Selangor, Penang and Kuantan and about 1,300 leases, CMMT's portfolio of assets, which has been refreshed over the years, continues to provide Unitholders with stable cash flow, income and geographical diversification, as well as focused exposure to Malaysia's sustainable retail sector.

A distinct competitive advantage that CMMT has is our close relationship with CapitaLand Limited (CapitaLand), one of Asia's largest real estate companies headquartered and listed in Singapore, through CapitaMalls Asia Limited (CMA), the shopping mall business of CapitaLand, which in turn is the largest unitholder in CMMT and majority shareholder of our manager, CapitaMalls Malaysia REIT Management Sdn. Bhd. (Manager).

CapitaLand is one of Asia's largest shopping mall developers, owners and managers by total property value of assets and geographic reach, with 105 shopping malls in 54 cities in Singapore, China, Malaysia, Japan and India. This relationship enables CMMT to tap the breadth and depth of CapitaLand's in-house capabilities in retail real estate investment, development, mall operations, asset management and fund management. Malaysian Industrial Development Finance Berhad (MIDF), which is part of the Permodalan Nasional Berhad group of companies and a leading financial services provider in Malaysia, is the other shareholder of the Manager.

Steady Financial Results

For FY 2014, CMMT registered gross revenue of RM315.4 million and property operating expenses of RM106.5 million, which resulted in a net property income (NPI) of RM208.9 million. Total comprehensive income was RM236.4 million, 2.9% higher than the RM229.7 million recorded in the previous financial year ended 31 December 2013 (FY 2013), of which the (unrealised) fair value gain on investment properties contributed RM86.6 million (FY 2013: RM81.2 million).

As at 31 December 2014, CMMT's property portfolio was valued at RM3.2 billion, an increase of about 5.0% or RM154.0 million, from RM3.1 billion for 2013. By keeping abreast of the constantly changing shopper needs and taking a proactive approach to adjusting our trade mix, our malls continue to attract a strong following from both shoppers and retailers. Despite the temporary impact on Sungei Wang Plaza from the ongoing Mass Rapid Transit (MRT) works and the asset enhancement works at East Coast Mall which involved the closure of some retail space and car park spaces, CMMT's operating metrics remained sustainable, with rental reversions of 2.9%, healthy occupancy levels of 97.7% and shopper traffic of 59.5 million in 2014.

Distributable income for FY 2014 of RM158.4 million was RM1.6 million or 1.0% higher than the RM156.8 million for FY 2013. CMMT Unitholders enjoyed a 2.1% capital gain, or 3 sen, based on CMMT's unit price of RM1.40 at opening on 2 January 2014 and RM1.43 at closing on 31 December 2014. For FY 2014, Unitholders enjoyed a total DPU of 8.91 sen, up 0.7% from 8.85 sen for FY 2013.

CMMT's distribution policy is to pay out at least 90.0% of its distributable income in each financial year on a half-yearly basis. Similar to preceding years, CMMT will pay out approximately 100.0% of our distributable income for FY 2014. During the year under review, CMMT made two distributions to Unitholders totalling

RM160.2 million (9.03 sen in total DPU) in relation to the periods 1 July 2013 to 31 December 2013 and 1 January 2014 to 30 June 2014. The next distribution of RM77.9 million, or 4.38 sen per unit, for the period from 1 July 2014 to 31 December 2014, will be paid to eligible Unitholders on 27 February 2015.

Proactive Asset Enhancement Strategy

With the growing competition in the market, it is necessary for CMMT to constantly look for creative ways to enhance the value of our assets and deliver growth. With this in mind, asset enhancement initiatives (AEI) continued to be one of CMMT's growth drivers by raising the attractiveness of the shopping malls. During the year under review, CMMT invested about RM67.4 million in capital expenditure to refresh and revitalise our portfolio of shopping malls to stay ahead in the ever changing shopping and retail environment.

In 2014, we started reaping the fruits of asset enhancement works at East Coast Mall. The first phase of the AEI was completed in 2013, and the works were fully completed in December 2014. The first phase, which involved the closure of existing retail space for reconfiguration, as well as the conversion of some car park spaces for conversion to new lettable area for enhanced retail offerings, was completed in 2013. In 2014, during the second phase, the alfresco area was extended with more food and beverage offerings and the ground, first and second floors were reconfigured to further enhance its trade mix. With its new and improved building facade and revamped interior, we believe East Coast Mall will cement its position as the preferred shopping destination in Kuantan. Following the completion of the two-year AEI programme, we expect AEI to generate a return on investment (ROI) of about 10.0% to the mall.

In 2014, Gurney Plaza completed its fourth floor and ground floor extension wing reconfiguration works, which involved the creation of new retail space and visibility improvement works. As part of our efforts to further strengthen the mall's positioning as Penang's premier lifestyle shopping mall, we brought in new fashion brands, the latest brands in health and beauty and more exciting food and beverage options to Penang and the northern region of Malaysia.

At The Mines, we replaced an existing chiller to enhance the air conditioning system and to ensure reliability and efficiency. Additional wayfinding signages have been installed for the convenience of the shoppers. We also undertook upgrading initiatives within CMMT's strata parcels in Sungei Wang Plaza which included the installation of wheel stoppers, rubber humps and parking guidance displays, upgrading of closed circuit television and automated payment systems at the car park as well as the new advertising light boxes at the concourse area.

Optimising Capital Management

We continue to proactively manage our capital to strengthen CMMT's financial position and liquidity by diversifying our borrowing sources and fixing interest rates to reduce our refinancing and interest rate risks. In February, the credit margin of an existing revolving credit facility was tightened by approximately 15 basis points.

As at 31 December 2014, CMMT's total borrowings, excluding bank guarantees, stood at RM965.2 million. This equates to a healthy gearing level of 29.0% and provides CMMT with a permissible debt headroom of RM1.4 billion for future acquisitions of shopping malls and/or to carry out AEI. Moreover, two of CMMT's four malls are currently unencumbered, providing CMMT with further financial flexibility. At the end of 2014, CMMT's debt had varying loan tenures of up to four years and about 68.8% of CMMT's debt was at fixed interest rates. CMMT also had an unutilised interest rate swap derivative line of RM90.0 million for debt interest hedging purposes. The average cost of debt for FY 2014 was 4.3% per annum (FY 2013: 4.4%).

Increasing Market Presence

On 26 January 2015, AmTrustee Berhad (the Trustee) entered into a conditional sale and purchase agreement to acquire Tropicana City Mall and Tropicana City Office Tower in Petaling Jaya. Tropicana City Mall is an established neighbourhood mall that serves the shopping needs of several mature and affluent residential catchments including Section 17, SS2, Damansara Jaya, Damansara Utama, Taman Tun Dr Ismail, Sri Hartamas, Mont Kiara, Bukit Damansara and Bangsar. The Tropicana City Office Tower provides a captive catchment of shoppers for the mall.

The proposed acquisition, subject to the satisfactory completion of due diligence and fulfillment of various conditions precedent in the conditional sale and purchase agreement signed, will further increase CMMT's market presence in the Klang Valley and thus, expand our portfolio in terms of both income and geographical spread. The proposed acquisition is expected to be completed by the third quarter of the year.

What to expect in 2015?

Despite global economic uncertainty, the Malaysian economy is expected to grow by 4.5% to 5.5% with domestic demand as the anchor of growth. Given the challenges presented by declining global crude oil prices and the weakening Ringgit, the Malaysian economy is still expected to be resilient, backed by domestic consumption, exports and tourism sector.

There will be continuing cost pressures and a temporary negative impact on Sungei Wang Plaza due to the ongoing MRT works that is expected to affect NPI growth. However as our malls are largely focused on necessity shopping, they have been performing steadily during economic cycles and should continue to do so.

We expect that the introduction of Goods and Services Tax in April will not have a long term impact on prices, although private consumption is expected to moderate as consumers adjust to the higher costs of living in the short term.

Despite the competitive and inflationary operating environment, we expect future prospects of the Malaysian retail sector to remain positive and our assets to continue to perform well given their competitive strengths, i.e. strategic location, efficient trade mix, strong brand name and experienced management team.

We will continue to proactively look for opportunities for asset enhancements and acquisitions as part of our efforts to create value for our Unitholders.

Acknowledgements

We would like to extend our gratitude to CMMT's Unitholders, tenants, shoppers and business partners for their continued support in 2014. We also wish to thank our Trustee and our Board of Directors of the Manager for their contributions and commitment to CMMT's achievements in 2014.

On behalf of the Board members, we would like to take this opportunity to record our gratitude to Mr Lim Beng Chee, Mr Simon Ho Chee Hwee and Ms Sharon Lim Hwee Li who retired from the Board during the year. We wish to express our deepest appreciation to Mr Lim and Mr Ho for their valued guidance in retail real estate management. We would also like to thank Ms Lim for having led CMMT from its listing to its present leadership position in Malaysia.

We are also pleased to welcome Mr Jason Leow Juan Thong, the CEO of CapitaMalls Asia Limited, to the Board. Having been with the CapitaLand group of companies since 1994, Mr Leow was instrumental in streamlining and growing CapitaLand's residential and integrated development businesses in China. We believe his experience and expertise in the real estate industry will be invaluable to the Board.

We look forward to all our stakeholders' continued support as we strive to forge ahead and take CMMT to even greater heights.

David Wong Chin Huat
Chairman

Low Peck Chen
Chief Executive Officer

4 February 2015

Financial and Trading Highlights

Trading Highlights	FY 2014 Group	FY 2013 Group	FY 2012 Group	FY 2011 Group	FP 2010 Trust
Opening Market Price (RM per unit)	1.400	1.800	1.440	1.120	0.985
Closing Market Price (RM per unit)	1.430	1.400	1.800	1.440	1.120
Highest Traded Price (RM per unit)	1.540	1.960	1.980	1.510	1.140
Lowest Traded Price (RM per unit)	1.320	1.330	1.330	1.060	0.970
Average Closing Price (RM per unit)	1.441	1.684	1.590	1.228	1.071
Total Trading Volume (million units)	279.1	297.8	273.2	191.8	196.1
Average Daily Trading Volume (million units)	1.135	1.206	1.115	0.783	1.720
Capital Appreciation (%) ¹	2.1	(22.2)	25.0	28.6	14.3
Market Capitalisation (RM million) ²	2,543.9	2,481.9	3,182.5	2,538.2	1,512.0
Units in Circulation ('000) ³	1,778,976	1,772,820	1,768,038	1,762,652	1,350,000

Performance Highlights	FY 2014 Group	FY 2013 Group	FY 2012 Group	FY 2011 Group	FP 2010 Trust
Gross Rental Income (RM million)	250.6	246.5	233.4	194.0	80.1
Car Park Income (RM million)	18.5	18.4	18.4	15.0	6.4
Other Revenue (RM million)	46.3	40.2	37.4	21.9	8.1
Gross Revenue (RM million)	315.4	305.1	289.2	230.9	94.6
Net Property Income (RM million)	208.9	208.6	196.0	162.4	65.8
Distributable Income (RM million)	158.4	156.8	149.1	118.3	45.9
Distribution per Unit (sen) (annualised)	8.91	8.85	8.44	7.87	7.26
Distribution Yield (%) ²	6.23	6.32	4.69	5.47	6.48
Annual Total Return (%) ⁴	8.5	(17.3)	30.9	35.6	20.8
Earnings per Unit (sen)	13.31	12.98	14.19	12.00	8.10
Management Expense Ratio (%) ⁵	1.0	1.1	1.0	1.1	1.1

¹ For FY 2014, based on the opening price of RM1.40 on 2 January 2014 and the closing price of RM1.43 on 31 December 2014. For FY 2013, based on the opening price of RM1.80 on 2 January 2013 and the closing price of RM1.40 on 31 December 2013. For FY 2012, based on the opening price of RM1.44 on 3 January 2012 and the closing price of RM1.80 on 31 December 2012. For FY 2011, based on the opening price of RM1.12 on 3 January 2011 and the closing price of RM1.44 on 30 December 2011. For FP 2010, based on the initial public offering (IPO) unit price of RM0.98 and the closing price of RM1.12 on 30 December 2010.

² Based on the closing unit price of RM1.43 on 31 December 2014, RM1.40 on 31 December 2013, RM1.80 on 31 December 2012, RM1.44 on 30 December 2011 and RM1.12 on 30 December 2010.

³ Units in circulation at the end of the financial year or financial period.

⁴ For FY 2011 and onwards, equal to the DPU plus capital appreciation (in sen) during the year divided by the opening unit price at the beginning of the given year. For FP 2010, equal to the annualised DPU plus capital appreciation (in sen) from CMMT's listing date to 30 December 2010 divided by the IPO unit price. The annual total return is also equal to the average total return for one year and the average total return for three and five years to the date of the report are 7.4% and 15.7% respectively.

⁵ Refers to the expenses of CMMT excluding property operating expenses and interest expense but including the Manager's management fees, expressed as a percentage of average net assets.

Balance Sheet Highlights	As at 31 Dec 2014 Group	As at 31 Dec 2013 Group	As at 31 Dec 2012 Group	As at 31 Dec 2011 Group	As at 31 Dec 2010 Trust
Portfolio Property Valuation (RM million)	3,233.0	3,079.0	2,936.0	2,781.0	2,143.0
Total Assets (RM million)	3,404.7	3,246.4	3,121.8	2,906.7	2,278.0
Total Borrowings ^{1,2} (RM million)	965.2	910.7	873.7	828.7	750.0
Unitholders' Funds (RM million)	2,287.5	2,202.6	2,116.6	1,951.8	1,435.0
Net Asset Value (NAV) (Before Income Distribution) (RM million)	2,287.5	2,202.6	2,116.6	1,951.8	1,435.0
Net Asset Value (NAV) (After Income Distribution) (RM million)	2,209.5	2,122.8	2,041.6	1,931.7	1,389.0
NAV per Unit (Before Income Distribution) (RM)	1.2858	1.2424	1.1971	1.1073	1.0629
NAV per Unit (After Income Distribution) (RM)	1.2420	1.1974	1.1547	1.0959	1.0289
	FY 2014 Group	FY 2013 Group	FY 2012 Group	FY 2011 Group	FP 2010 Trust
Highest NAV per Unit (After Income Distribution) (RM)	1.2420	1.1974	1.1547	1.0959	1.0289
Lowest NAV per Unit (After Income Distribution) (RM)	1.1960	1.1532	1.0946	1.0333	1.0265

Capital Management Highlights	As at 31 Dec 2014 Group	As at 31 Dec 2013 Group	As at 31 Dec 2012 Group	As at 31 Dec 2011 Group	As at 31 Dec 2010 Trust
Gearing Ratio (%)	29.0	28.8	28.7	28.7	33.6
Unencumbered Assets as % of Total Assets	40.4	40.8	42.0	42.5	39.8
Average Term to Maturity ² (years)	2.0	3.1	4.1	5.2	6.2
	FY 2014 Group	FY 2013 Group	FY 2012 Group	FY 2011 Group	FP 2010 Trust
Interest Coverage (times)	4.6	4.8	4.5	3.8	3.6
Net Debt/EBITDA ³ (times)	5.1	4.9	5.0	5.7	6.0
Average Cost of Debt (%)	4.3	4.4	4.7	4.7	4.7

FP 2010 represents financial period from 14 July 2010 to 31 December 2010, while FY 2011 to FY 2014 represent financial year ended 31 December of each respective year.

The Group refers to the consolidation of the Trust and its wholly-owned subsidiary, CMMT MTN Berhad.

Unitholders are advised that past performance is not necessarily indicative of future performance and unit prices and investment returns may fluctuate.

¹ Before unamortised transaction costs.

² Excludes bank guarantee facility.

³ Net debt comprises gross debt less temporary cash intended for refinancing, if any, and EBITDA refers to earnings before interest, tax, depreciation and amortisation.

Salient Features of CMMT

Fund Name	CapitaMalls Malaysia Trust (CMMT)
Fund Category	Real estate investment trust
Fund Type	Income
Fund Duration	CMMT shall terminate on the earlier of: <ul style="list-style-type: none"> the occurrence of any of events listed in Clause 25.2 of the Deed¹; or the expiration of a period of twenty-one (21) years after the death of the last survivor of the issue now living of His Majesty, the current Yang di-Pertuan Agong of Malaysia or until such further period as the law may permit.
Authorised Investments	Real estate, single-purpose companies, real estate-related assets, non-real estate-related assets, cash, deposits, money market instruments and any investments permitted by Securities Commission Malaysia (SC), the REITs Guidelines ² and the Deed.
Authorised Investments Limits	<ul style="list-style-type: none"> At least 50.0% of CMMT's total asset value must be invested in real estate and/or single-purpose companies at all times; Not more than 25.0% of CMMT's total asset value may be invested in non-real estate-related assets and/or cash, deposits and money market instruments; and Such other investments or limits as may be permitted by SC and/or the REITs Guidelines.
Distribution Policy	<p>Payout policy ratio:</p> <ul style="list-style-type: none"> At least 90.0% of CMMT's distributable income in each financial year. <p>Distribution payment:</p> <ul style="list-style-type: none"> Semi-annual basis for each six-month period ending 30 June and 31 December of each year.
Borrowing Limitations	Up to 50.0% of CMMT's total asset value at the time the borrowings are incurred or such higher amount with the prior approval of CMMT's Unitholders.
Performance Benchmarks	<ul style="list-style-type: none"> FTSE Bursa Malaysia Kuala Lumpur Composite Index (KLCI) FTSE Bursa Malaysia EMAS Index
Revaluation Policy	<p>Investment properties are valued:</p> <ul style="list-style-type: none"> Semi-annually based on internal valuation or independent professional valuation; At least once every three years based on an independent professional valuation pursuant to the REITs Guidelines.
Management Fee	<ul style="list-style-type: none"> Base Fee: up to 1.0% per annum of the value of Deposited Property³ (FY 2014 actual: 0.29%) Performance Fee: up to 5.0% per annum of NPI (before Management Fee) (FY 2014 actual: 4.75%) Acquisition Fee: up to 1.0% of the purchase price of any Authorised Investments directly or indirectly acquired by the Trustee on behalf of CMMT Divestment Fee: up to 0.5% of the sale price (after deducting the interest of any co-owners or co-participants) of any Authorised Investments directly or indirectly sold or divested by the Trustee on behalf of CMMT.
Financial Year (FY)	1 January 2014 – 31 December 2014
Quotation	Main Market of Bursa Malaysia Securities Berhad
Minimum Investment	100 units per board lot
Bursa Securities Stock Number	CMMT 5180

¹ The trust deed dated 7 June 2010 (as amended) entered into between the Manager and the Trustee.

² Guidelines on Real Estate Investment Trusts.

³ As defined in the Deed, the value of Deposited Property is equal to all the assets of CMMT (total asset value).

Investment Objectives and Strategies

Investment Objective

The principal investment objective of CMMT is 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 Deed, the REITs Guidelines and/or by the SC, with a view to providing unitholders with long-term and sustainable distribution of income and potential capital growth.

The Manager believes that CMMT has achieved its investment objective for FY 2014.

Investment Strategies

The key financial objective is to provide unitholders with long-term and sustainable distribution of income and potential capital growth. Specifically, the aim is to seek to increase the cash flow, income and, consequently, the value of CMMT's properties and to seek continued growth through the following strategies:

- enhancing the value of CMMT's portfolio through proactive asset management and AEs;
- actively pursuing acquisition opportunities;
- leveraging on CapitaLand's extensive network of strategic and local partners, including its retailer network across 105 shopping malls in 54 cities spanning five countries as well as its local industry knowledge through its experienced staff in Malaysia; and
- optimising capital management.

Future Prospects of the Market

The Manager views the future prospects of the Malaysian retail sector to remain positive and, going forward, will continue to pursue the abovementioned investment strategies. For more information on the market in which CMMT invests in, refer to the section 'Independent Retail Market Overview'.

Financial Review

Gross Revenue

Gross revenue for FY 2014 of RM315.4 million was RM10.3 million or 3.4% higher than FY 2013. The increase was mainly due to contribution from East Coast Mall, which had completed a two-phase asset enhancement works, and onselling of electricity to tenants at The Mines. CMMT 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 continues to be affected by the ongoing MRT works.

Gross Revenue by Property	FY 2014 RM'000	FY 2013 RM'000
Gurney Plaza	122,586	118,769
Sungei Wang Plaza	67,227	72,175
The Mines	79,736	71,725
East Coast Mall	45,846	42,435
Total	315,395	305,104

Net Property Income

CMMT achieved a net property income of RM208.9 million for FY 2014. The steady performance was due to the abovementioned increase in gross revenue as well as property operating expenses, which increased by 10.4% from RM96.5 million to RM106.5 million. The overall increase in property operating expenses was largely 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 above price adjustments, the overall property operating expenses for the current year were higher mainly due to higher utility expenses because of higher electricity consumption, higher administrative expenses and higher reimbursable staff costs. Despite the above, CMMT maintained a steady net property income for FY 2014 compared to FY 2013.

Net Property Income by Property	FY 2014 RM'000	FY 2013 RM'000
Gurney Plaza	83,277	82,593
Sungei Wang Plaza	49,175	55,837
The Mines	48,558	44,355
East Coast Mall	27,892	25,822
Total	208,902	208,607

Distributions

For FY 2014, CMMT declared a distribution per unit (DPU) of 8.91 sen. During the financial year, CMMT made two income distributions to Unitholders, totaling RM160.2 million or 9.03 sen per unit, which comprised (i) a final income distribution for FY 2013 of 4.50 sen per unit for the period from 1 July 2013 to 31 December 2013, which was paid on 7 March 2014 and (ii) the first income distribution for FY 2014 of 4.53 sen per unit for the period from 1 January 2014 to 30 June 2014, which was paid on 29 August 2014. CMMT's final income distribution for FY 2014 for the period from 1 July 2014 to 31 December 2014 will be distributed to its Unitholders on 27 February 2015. This represents a payout of approximately 100.0% of CMMT's FY 2014 distributable income of RM158.4 million.

CMMT's DPU grew 0.7% year-on-year, from 8.85 sen in FY 2013 to 8.91 sen in FY 2014. Organic growth in the existing malls (except Sungei Wang Plaza) coupled with the contributions from the completion of a two-phase asset enhancement works at East Coast Mall and the onselling of electricity at The Mines underpinned CMMT's revenue base in FY 2014. In addition, active cash management and lower non-operating expenses contributed to an increase in interest income and higher distributable income which in turn improved CMMT's DPU.

Distribution History

Period Start	Period End	DPU sen	Distributions RM'000
FP 2010			
14-Jul-10	31-Dec-10	3.40	45,900
Total		3.40	45,900
FY 2011			
01-Jan-11	24-Mar-11	1.74	23,490
25-Mar-11	30-Jun-11	2.16	32,289
01-Jul-11	10-Nov-11	2.83	42,384
11-Nov-11	31-Dec-11	1.14	20,095
Total		7.87	118,258
FY 2012			
01-Jan-12	30-Jun-12	4.20	74,151
01-Jul-12	31-Dec-12	4.24	74,964
Total		8.44	149,115
FY 2013			
01-Jan-13	30-Jun-13	4.35	77,012
01-Jul-13	31-Dec-13	4.50	79,777
Total		8.85	156,789
FY 2014			
01-Jan-14	30-Jun-14	4.53	80,456
01-Jul-14	31-Dec-14	4.38	77,919
Total		8.91	158,375

FP 2010 represents financial period from 14 July 2010 to 31 December 2010, while FY 2011 to FY 2014 represent financial year ended 31 December of each respective year.

Financial Position

Unitholders' funds for CMMT and its subsidiary (CMMT Group or the Group) at 31 December 2014 was RM2,287.5 million, an increase of RM84.8 million from 31 December 2013. The increase in unitholders' funds was mainly a result of the FY 2014 profit contribution, including the fair value gain of investment properties as well as the issuance of CMMT units to the Manager as part payment of management fee.

The total assets for CMMT Group were RM3,404.7 million at 31 December 2014 compared to RM3,246.4 million at 31 December 2013. The growth of RM158.3 million was primarily derived from a fair value gain of investment properties of RM86.6 million and the capitalisation of capital expenditure of RM67.4 million.

CMMT Group's cash and cash equivalents at 31 December 2014 increased by RM6.1 million to RM156.5 million during the year. Operating activities contributed a total of RM200.1 million to the cash flows for FY 2014. In FY 2014, CMMT Group drew down RM54.4 million (net) to fund its capital expenditure, paid RM160.2 million in income distribution to its Unitholders, which included CMMT's final income distribution for FY 2013 of RM79.8 million, and paid borrowing costs of RM40.4 million.

In February 2014, the credit margin of an unsecured revolving credit facility of CMMT Group was tightened by approximately 15 basis points. The proactive interest rate risk management paved the way for CMMT to limit the adverse impact on the cost of debt due to increase in market interest rate.

At 31 December 2014, CMMT Group had available banking credit facilities of RM750.8 million (excluding the MTN programme) and an unutilised interest rate swap line of up to RM90.0 million. For the year ended 31 December 2014, total banking credit facilities outstanding was RM672.6 million, of which RM519.8 million pertained to secured term loan facilities related to the acquisition of properties, RM145.4 million pertained to secured and unsecured revolving credit facilities for the funding of capital expenditure and the balance of RM7.4 million pertained to a bank guarantee facility for utilities, leaving unutilised banking credit facilities of RM78.2 million. Of the approved 20-year secured MTN programme of RM3.0 billion, a four-year unrated and secured MTN of RM300.0 million was issued in December 2012 and remains outstanding as of the reporting date.

At 31 December 2014, CMMT Group's total borrowings, excluding bank guarantees, stood at RM965.2 million, which equates to a healthy gearing level of 29.0% and provides the Group with a permissible debt headroom of RM1,396.5 million for future acquisitions of shopping malls and/or asset enhancements. The average cost of debt was approximately 4.3% per annum and the average term to maturity (excluding bank guarantee facility) was 2.0 years. Of the four properties in the portfolio, Sungei Wang Plaza and East Coast Mall remain unencumbered, providing CMMT with further financial flexibility.

Unitholders are advised that past performance is not necessarily indicative of future performance and unit prices and investment returns may fluctuate.

Investment Properties and Capital Expenditure

The valuation of CMMT's portfolio increased by RM154.0 million from RM3,079.0 million at 31 December 2013 to RM3,233.0 million at 31 December 2014, which represents a fair value gain of RM86.6 million after accounting for capital expenditure of RM67.4 million. The capital expenditure incurred across the portfolio during the year, includes asset enhancement works. Details of the asset enhancement works are set out in the section 'Operations Review'. Maintenance costs were normal expenses incurred for the upkeep of the buildings.

Valuations and Property Yields

CMMT Portfolio	Valuation ¹ RM million (RM psf NLA ²)			Property Yield (%) ³		Capitalisation Rate (%) ⁴	
	31 Dec 2014	31 Dec 2013	Increase/ (Decrease)	FY 2014	FY 2013	31 Dec 2014	31 Dec 2013
Gurney Plaza	1,295.0 1,459 psf	1,240.0 1,430 psf	55.0	6.4	6.7	7.00	7.00
Sungei Wang Plaza	824.0 1,838 psf	837.0 1,867 psf	(13.0)	6.0	6.7	7.00	7.00
The Mines	680.0 946 psf	629.0 877 psf	51.0	7.1	7.1	7.00	7.00
East Coast Mall	434.0 894 psf	373.0 791 psf	61.0	6.4	6.9	7.25	7.25
CMMT Portfolio	3,233.0 1,273 psf	3,079.0 1,230 psf	154.0	6.5	6.8	-	-
Less: additions ⁵			(67.4)				
FY 2014 Fair Value Gain			86.6				

¹ Based on the independent valuations of Gurney Plaza, an interest in Sungei Wang Plaza, The Mines and East Coast Mall as at 31 December 2014 and 31 December 2013, commissioned by the Trustee.

² RM per square foot of net lettable area.

³ Property yield is calculated by dividing the net property income (NPI) or annualised NPI for the year by the independent valuation of the property.

⁴ Capitalisation rate refers to the reversionary capitalisation rate adopted by the independent valuers to derive the market values of each property.

⁵ Additions refer to capital expenditure incurred across the portfolio during the financial year.

Operations Review

Property Portfolio Summary (As at 31 December 2014)

Property Valuation	RM3,233 million
Net Lettable Area	2,540,398 sq ft
Committed Occupancy Rate	97.7%
Number of Committed Leases	1,291
Total Annual Shopper Traffic ¹	59.5 million

¹ For the year ended 31 December 2014

Portfolio At a Glance

CMMT's portfolio consists of four quality properties that are strategically located in Penang, Kuala Lumpur, Selangor and Kuantan, thus providing investors with geographical diversification within Malaysia. The properties are as follows:

- Gurney Plaza is located along Gurney Drive in Penang and is a popular destination for both tourists and locals alike. It is the premier lifestyle shopping mall in Penang and is connected to G Hotel, a modern concept designer hotel.
- Sungei Wang Plaza, which is positioned as a one-stop shopping mall 'for all kinds of everything', is a well-known shopping mall located in Kuala Lumpur's Bukit Bintang shopping precinct, offering shoppers a wide range of eclectic products and services.
- The Mines, which is located in Selangor's Mines Resort City, is a suburban family-focused shopping mall. It provides shoppers with a complete offering of retail, entertainment and dining options.
- East Coast Mall, which is located in Kuantan, Pahang, is a modern lifestyle shopping mall with established domestic and international retailers. It is a popular destination among the people in Kuantan and eastern Peninsular Malaysia, and regarded as the market leader in Kuantan.

The Manager continues to strive to ensure that each mall under CMMT's portfolio optimises its financial performance, strengthens its market position as the leading mall serving its respective target market, as well as provides the ideal shopping experience for its shoppers. This is achieved through a combination of active tenant remixing, stringent mall maintenance standards and unique mall-centric marketing and promotional activities.

Knight Frank Malaysia Sdn. Bhd. is the property manager for Gurney Plaza, CMMT's interest in Sungei Wang Plaza, The Mines and East Coast Mall.

Acquisitions and Divestments

During 2014, CMMT did not acquire any new assets.

Asset Enhancement Initiatives

Asset enhancement initiatives (AEI) continued to be one of CMMT's growth drivers. During the year in review, CMMT invested approximately RM67.4 million in capital expenditure works.

In early 2013, a RM60.0 million AEI programme at East Coast Mall commenced. The aim of the enhancement was to revamp the trade mix, improve the quality of the retail space through the reconfiguration of existing lettable area and to increase the lettable area through the conversion of certain car park bays to retail area. An additional 45,000 sq ft of retail space was created upon completion of the works, strengthening the position of East Coast Mall as the leading shopping mall in Kuantan. The AEI was completed according to schedule by end of 2014.

As part of ongoing repositioning efforts at Gurney Plaza, international fashion forward brands which are new to Penang and the northern region of Peninsular Malaysia were introduced at the ground floor's extension wing. In addition, these improvement works were also carried out throughout FY 2014 – repainting of multi-storey car park; replacement of chiller; upgrading of sound and lighting equipments; installation of closed circuit television (CCTV) system at restroom corridors and the extension wing and refurbishment of restrooms on the ground floor for shopper comfort and convenience.

Upgrading initiatives that were completed in 2014 within CMMT's strata parcels of Sungei Wang Plaza included the installation of wheel stoppers, rubber humps and parking guidance displays; upgrading of CCTV and automatic payment systems at the car park as well as the new advertising light boxes at the Concourse area. While the property's vehicular traffic is temporarily disrupted by the on-going MRT construction works in Bukit Bintang, Sungei Wang Plaza will stand to be a long-term beneficiary when the Bukit Bintang Central MRT station, which is located minutes away from the mall, opens in 2017.

At The Mines, new chillers were installed to enhance the air conditioning and to ensure reliability and efficiency. Additional wayfinding signages were put up for better shopper navigation.

Occupancy

As a result of active mall management, proactive leasing and access to CapitaLand's extensive network of local and international tenants, CMMT's occupancy rate remained stable at 97.7% as at 31 December 2014.

Shopper Traffic

Shopper traffic for the portfolio increased by 3.7% from 57.4 million in 2013 to 59.5 million in 2014 while vehicular traffic decreased by 4% from 7.41 million to 7.11 million mainly due to the on-going MRT construction works in the Bukit Bintang area and AEI at East Coast Mall.

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Portfolio - Key Information

	Gurney Plaza	Sungei Wang Plaza	The Mines	East Coast Mall
Gross Floor Area (sq ft)	1,226,709	511,103 ¹	1,257,086	996,902 ²
Net Lettable Area (sq ft) (as at 31 Dec 2014)	887,754	448,322	718,926	485,396
Number of Committed Leases (as at 31 Dec 2014)	393	315	385	198
Committed Occupancy (%) (as at 31 Dec 2014)	97.3	95.4	98.5	99.5
Car Park Lots	1,836	1,298	1,282	1,142
Year of Completion	2001 ³	1977	1997	2008
Acquisition Price (RM mil)	1,015 ⁴	724	530	310
Market Value / Net Book Value⁵ (RM mil) (as at 31 Dec 2014)	1,295	824	680	434
Gross Revenue (RM mil) (for FY 2014)	122.6	67.2	79.7	45.9
Net Property Income (RM mil) (for FY 2014)	83.3	49.2	48.5	27.9
Shopper Traffic (mil) (for FY 2014)	16.1	24.3	12.1	7.0
Key Tenants	Parkson, Golden Screen Cinemas, Marks & Spencer, Omega, Rolex, A X Armani Exchange, Montblanc, Swarovski, Topman Topshop, British India, Cold Storage, Uniqlo, MPH, Padini Concept Store and Jatomi Fitness	Parkson, Giant, KFC, McDonald's, F.O.S., SUB, Food Emporium, Big Food Street and Daiso	Giant, TGV Cinemas, Celebrity Fitness, SenQ, ACE Hardware, Uniqlo, Voir Gallery, F.O.S., Daiso, Mines Cruise and Moon Palace Restaurant	Parkson, AEON Big, Golden Screen Cinemas, Uniqlo, Padini Concept Store, Guess, M.A.C, Pandora, Birkenstock, L'Occitane, Daiso, The Coffee Bean & Tea Leaf and Starbucks Coffee

¹ Equal to 47,483 square metres, representing approximately 61.9% of the aggregate retail floor area of Sungei Wang Plaza.

² Includes the car park area as gross floor area is defined by the requisite authorities in Kuantan to be inclusive of the car park area.

³ Gurney Plaza was completed in 2001 and Gurney Plaza Extension in 2008.

⁴ Equal to RM800.0 million for Gurney Plaza and RM215.0 million for Gurney Plaza Extension.

⁵ Equal to carrying value.

Rental Reversions for 2014 Lease Expiries

For leases that expired in 2014, the rental of the first year of the renewed/new lease term increased by 2.9% on a portfolio basis compared to the preceding rate, i.e. the last year's rental of the preceding term.

Lease Expiry Profile

Tenants are typically on a three-year tenancy term. The portfolio lease expiry remained well spread out as at 31 December 2014 with 29.5% and 29.7% of tenancies by gross rental income due for renewal in 2015 and 2016 respectively, with the balance expiring from 2017 onwards. 513 leases are due to expire in 2015.

Lease Structure

Rental income is the total amount payable by all tenants/licensees pursuant to a lease/license, which includes rents/fees payable under a lease or license agreement. Rents paid under CMMT's lease agreements are generally fixed for a period of three years which is the usual market practice in Malaysia.

Most of CMMT's leases include step-up provisions, whereby the rental rate increases by a predetermined amount at various points in the future (typically annually). The vast majority of tenants have a provision in their leases for the payment of a turnover rent in addition to the base (fixed) rent.

Portfolio - Renewals / New Leases (excluding newly created and reconfigured units) (as at 31 December 2014)

Property	Number of Renewals/ New Leases	Net Lettable Area (sq ft)	Percentage of Mall (%)	Change in Rental Rates ¹ (%)
Gurney Plaza	135	887,754	27.1	5.3
Sungei Wang Plaza	83	448,322	46.1	-9.3
The Mines	139	718,926	28.7	10.4
East Coast Mall	36	485,396	31.0	12.0
Total	393	2,540,398	31.6	2.9

Portfolio - Lease Expiry Profile (as at 31 December 2014)

Year	Number of Leases	By Gross Rental Income (%)	By Net Lettable Area (%)
2015	513	29.5	28.0
2016	375	29.7	31.6
2017 and beyond	403	40.8	40.4

Portfolio - Lease Expiry Profile for 2015 (as at 31 December 2014)

Property	Number of Leases	By Gross Rental Income (%)	By Net Lettable Area (%)
Gurney Plaza	111	7.3	4.9
Sungei Wang Plaza	169	7.6	5.9
The Mines	187	12.2	14.4
East Coast Mall	46	2.4	2.8
Total	513	29.5	28.0

¹ Change in the current rental rates versus the preceding rental rates.

Top 10 Tenants

CMMT's gross rental income is well distributed within its portfolio of 1,291 leases. Collectively, the 10 largest tenants accounted for about 15.3% of the portfolio gross rental income.

Trade Sector Analysis

CMMT's portfolio is well diversified and relies on many different trade sectors for rental income. As at 31 December 2014, fashion/accessories remained the largest contributor to gross rental income at 37.6% of the total portfolio. The food and beverage trade was the second largest contributor in terms of gross rental income at 16.3% and occupied 13.0% of the total net lettable area.

Portfolio - 10 Largest Tenants by Total Gross Rental (as at 31 December 2014)

Tenant	Trade Sector	By Gross Rental Income (%)	Expiry Date ¹
Parkson	Departmental Store	7.1	2 Aug 2016 to 15 Oct 2017
Giant	Supermarket/Hypermarket	1.6	2 Jan 2015 to 15 Oct 2017
Padini Concept Store	Fashion/Accessories	1.1	30 Apr 2017 to 31 Dec 2017
Voir Gallery	Fashion/Accessories	1.0	14 Jan 2015 to 31 May 2017
SUB	Fashion/Accessories	1.0	30 Nov 2015 to 31 Oct 2017
Golden Screen Cinemas	Leisure & Entertainment/ Sports & Fitness	0.7	11 Nov 2015 to 14 Jan 2016
AEON Big	Supermarket/Hypermarket	0.7	31 Oct 2016
KFC	Food & Beverages	0.7	30 Apr 2015 to 30 Sept 2017
McDonald's	Food & Beverages	0.7	4 Mar 2015 to 19 Dec 2017
Sasa	Beauty/Health	0.7	22 Feb 2016 to 30 Nov 2017

Portfolio - Trade Sector Analysis (as at 31 December 2014)

Trade Sector	By Gross Rental Income (%)	By Net Lettable Area (%)
Fashion/Accessories	37.6	27.0
Food & Beverages	16.3	13.0
Beauty/Health	11.6	8.1
Services	8.9	4.7
Departmental Store	7.1	15.3
Leisure & Entertainment/Sports & Fitness	5.4	11.0
Electronics/I.T.	3.0	3.1
Supermarket/Hypermarket	2.8	8.1
Gifts/Specialty/Books/Hobbies/Toys/Lifestyle	3.3	3.9
Houseware/Furnishings	2.3	3.5
Others	1.7	2.3

¹ In cases where leases have more than one expiry date (i.e. the tenants have several leases in more than one mall), lease expiry dates are shown as a range.

Gurney Plaza

Gurney Plaza is strategically located in the famous Gurney Drive promenade in Penang and approximately three kilometres to the north-west of the city centre of Georgetown, Penang's capital. It is Penang's premier lifestyle shopping mall and a one-stop shopping and entertainment destination catering to both family and tourists arriving in Penang.

Gurney Plaza is a nine-storey shopping complex with two levels of basement comprising nine floors of retail space from Basement 1 to the 7th floor and car park spaces at the two basement levels, the 4th to 8th floors and on the rooftop. As Penang's premier shopping mall, it houses various well-known brands for shopping, dining and entertainment.

Gurney Plaza is anchored by Parkson and is the only mall in the north of Peninsular Malaysia to carry well-established international brands such as Omega, Rado, Montblanc, Tissot, Thomas Sabo, Pandora, Swarovski, A|X Armani Exchange, CK Jeans, Warehouse, Miss Selfridge, Superdry, HE by Mango, PEPE Jeans, Fossil, Chanel Cosmetics, Dior Parfum, Aveda, Make Up For Ever, Benefit Cosmetics, Bobbi Brown, Shu Uemura, Marks & Spencer and Jatomi Fitness. With many food and beverage outlets located within the mall, Gurney Plaza is also a popular destination for food lovers.

CENTRE MANAGEMENT

Lawrence Teh
Centre Management

Peter Chan
Marketing Communications

Vanessa Lee
Leasing

Yeoh Kim Bock
Operations

Gurney Plaza - Property Information

Title	HS(D) 17259 Lot 5626 Seksyen 1, Bandar George Town, Daerah Timor Laut, Negeri Pulau Pinang and Geran 130393 Lot 5628 Seksyen 1, Bandar George Town, Daerah Timor Laut, Negeri Pulau Pinang
Net Lettable Area (sq ft) (as at 31 December 2014)	887,754
Number of Committed Leases (as at 31 December 2014)	393
Committed Occupancy (%) (as at 31 December 2014)	97.3
Car Park Lots	1,836
Market Valuation (RM mil) Conducted by PPC International Sdn. Bhd. (as at 31 December 2014)	1,295
Gross Revenue (RM mil) (for FY 2014)	122.6
Net Property Income (RM mil) (for FY 2014)	83.3
Shopper Traffic in 2014 (mil)	16.1
Key Tenants	Parkson, Golden Screen Cinemas, Marks & Spencer, Omega, Rolex, A X Armani Exchange, Montblanc, Swarovski, Topman Topshop, British India, Cold Storage, Uniqlo, MPH, Padini Concept Store and Jatomi Fitness

Gurney Plaza - Lease Expiry Profile
(as at 31 December 2014)

Year	By Gross Rental Income (%)	By Net Lettable Area (%)
2015	19.0	14.1
2016	33.8	46.8
2017 and beyond	47.2	39.1

Gurney Plaza - Trade Sector Analysis
(as at 31 December 2014)

Trade Sector	By Gross Rental Income (%)	By Net Lettable Area (%)
Fashion/Accessories	38.5	24.4
Food & Beverages	15.0	11.0
Beauty/Health	13.9	9.3
Services	6.1	3.4
Departmental Store	6.9	19.3
Leisure & Entertainment/Sports & Fitness	5.7	12.0
Electronics/I.T.	3.5	4.4
Supermarket/Hypermarket	1.2	2.7
Gifts/Specialty/Books/Hobbies/Toys/Lifestyle	4.6	6.5
Houseware/Furnishings	3.5	5.0
Others	1.1	2.0

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Gurney Plaza – Title Particulars

Title	HS(D) 17259 Lot 5626 Seksyen 1, Bandar George Town, Daerah Timor Laut, Negeri Pulau Pinang and Geran 130393 Lot 5628 Seksyen 1, Bandar George Town, Daerah Timor Laut, Negeri Pulau Pinang ¹
Tenure	Freehold
Restrictions-in-Interest	Nil
Express Conditions	<p>The land comprised in the title:</p> <ul style="list-style-type: none">▪ shall not be affected by any provision of the National Land Code (Code) limiting the compensation payable on the exercise by the State Authority of a right of access or use conferred by Chapter 3 of Part Three of the Code or on the creation of a Land Administrator's right of way; and▪ subject to the implied condition that land is liable to be re-entered if it is abandoned for more than three years shall revert to the State only if the proprietor for the time being dies without heirs; and▪ the title shall confer the absolute right to all forest produce and to all oil, mineral and other natural deposits on or below the surface of the land (including the right to work or extract any such produce or deposit and remove it beyond the boundaries of the land).
Encumbrances²	<p>There is a lease of part of the land in favour of Parkson Corporation Sdn. Bhd. registered on 13 October 2004 via presentation no. 0799SC2004029845 for a period of fifteen (15) years commencing from 3 August 2001 to 2 August 2016.</p> <p>There is a charge on the land in favour of Public Bank Berhad vide presentation no. 0799SC2011034916 registered on 5 October 2011.</p>
Endorsements	<p>An easement in favour of Gurney Plaza over the vehicle ramp of G Hotel to enable, among other things, the visitors of Gurney Plaza to use the vehicle ramp for the purpose of accessing Basements 1 and 2 of Gurney Plaza.</p> <p>An easement in favour of Gurney Plaza over part of Basement 2 of G Hotel to enable the owner of Gurney Plaza access to the exhaust fan room located on Basement 2 of G Hotel.</p> <p>An easement in favour of G Hotel over part of Basement 2 of Gurney Plaza to enable G Hotel access to its car parks on Basement 2 of Gurney Plaza.</p> <p>An easement in favour of G Hotel over part of the al-fresco area located between Gurney Plaza and G Hotel.</p> <p>An easement in favour of Gurney Plaza in respect of the roadway along the main entrance of G Hotel fronting Gurney Drive.</p> <p>An easement in favour of G Hotel in respect of the roadway along the main entrance of Gurney Plaza fronting Gurney Drive.</p>

¹ The title HS(D) 17259 Lot 5626 is one of the sub-divided titles resulting from a sub-division application for the master title Geran 97112, Lot 2903 and the financing documentation for Gurney Plaza makes reference to this master title. The adjacent landscape park is on another subdivided title which was HS(D) 17261 Lot 5628 which is now under a final title Geran 130393 Lot 5628.

² The encumbrances pertain to the title HS(D) 17259 Lot 5626. The title Geran 130393 Lot 5628 is unencumbered.

Sungei Wang Plaza

Sungei Wang Plaza, which translates as ‘the river of gold’, opened in 1977. It is one of the most popular shopping centres in Kuala Lumpur’s prime shopping and commercial precinct - the ‘Golden Triangle’ – an area that comprises three bordering streets, namely Jalan Bukit Bintang, Jalan Sultan Ismail and Jalan Imbi.

A one-stop shopping centre ‘for all kinds of everything’, Sungei Wang Plaza is also well-known for its unique blend of specialty stores and entertainment outlets that appeal to the mass market. Being strategically located in the Bukit Bintang shopping precinct, it also commands strong patronage from local and international tourists.

Sungei Wang Plaza is an eleven-storey retail shopping centre with two basement levels and two elevated levels of car park. The mall is anchored by Parkson and other key tenants within CMMT’s strata parcels include Giant, KFC, McDonald’s, F.O.S., SUB, Food Emporium, Big Food Street and Daiso.

CENTRE MANAGEMENT

Alicia Yuen
Centre Management

Elise Lim
Centre Management

Jaclyn Tung
Marketing Communications

Yip Yi Jun
Leasing

Suresh S Santhalingam
Operations

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Sungei Wang Plaza - Property Information¹

Title	205 parcels, each with individual strata title, in the building erected on land held under master title GRN 11043, Lot 1197 Seksyen 0067, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur ²
Net Lettable Area (sq ft) (as at 31 December 2014)	448,322
Number of Committed Leases (as at 31 December 2014)	315
Committed Occupancy (%)	95.4
Car Park Lots	1,298
Market Valuation (RM mil) Conducted by CB Richard Ellis (Malaysia) Sdn. Bhd. (as at 31 December 2014)	824
Gross Revenue (RM mil) (for FY 2014)	67.2
Net Property Income (RM mil) (for FY 2014)	49.2
Shopper Traffic in 2014 (mil)	24.3
Key Tenants	Parkson, Giant, KFC, McDonald's, F.O.S., SUB, Food Emporium, Big Food Street and Daiso

Sungei Wang Plaza - Lease Expiry Profile (as at 31 December 2014)

Year	By Gross Rental Income (%)	By Net Lettable Area (%)
2015	34.0	34.5
2016	27.9	16.3
2017 and beyond	38.1	49.2

Sungei Wang Plaza - Trade Sector Analysis (as at 31 December 2014)

Trade Sector	By Gross Rental Income (%)	By Net Lettable Area (%)
Fashion/Accessories	39.1	27.4
Food & Beverages	18.3	17.2
Beauty/Health	11.4	9.8
Services	3.6	3.7
Departmental Store	14.2	25.1
Leisure & Entertainment/Sports & Fitness	2.6	3.8
Electronics/I.T.	1.4	1.1
Supermarket/Hypermarket	3.1	5.2
Gifts/Specialty/Books/Hobbies/Toys/Lifestyle	3.5	3.5
Others	2.8	3.2

¹ All information in this table and pertaining to the lease expiry profile, top 10 tenants and trade sector analysis pertain to CMMT's interest in Sungei Wang Plaza. The strata titles to Sungei Wang Plaza have been issued and the management corporation, Sungei Wang Plaza Management Corporation, is responsible for the maintenance and management of common areas within Sungei Wang Plaza, as well as mall-specific marketing and events.

² The total share units allocated to the 205 strata titles owned by CMMT represent approximately 62.8% of the voting rights in Sungei Wang Plaza Management Corporation. These 205 strata parcels consist of retail space with an aggregate floor area of approximately 511,103 sq ft (representing approximately 61.9% of the aggregate retail floor area of Sungei Wang Plaza) and approximately 1,298 car park bays with an aggregate floor area of approximately 435,411 sq ft, (which comprises 100.0% of the car park bays in Sungei Wang Plaza).

Sungei Wang Plaza – Title Particulars

Title	205 parcels, each with individual strata title, in the building erected on land held under master title GRN 11043, Lot 1197 Seksyen 0067, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur ¹
Tenure	Freehold
Restrictions-in-Interest	Nil
Express Conditions	The land must be used for commercial building only. Development on the land must comply with the development order issued by the Commissioner of the City of Kuala Lumpur (known as Datuk Bandar Kuala Lumpur in Malay, it is a body corporate appointed pursuant to Section 4 of the Federal Capital Act 1960 to administer municipal affairs of the City of Kuala Lumpur)
Encumbrances	There is a lease of part of the land to Tenaga Nasional Berhad registered on 31 December 1993 vide presentation no. 21493/1993 for a period of 30 years commencing from 15 March 1993 to 14 March 2023. ²
Endorsements ³	Easements between Sungei Wang Plaza and Bukit Bintang Plaza vide presentation nos. 15174/2001 and 15175/2001 pursuant to two easement agreements made between the owner of Bukit Bintang Plaza, UDA Holdings Berhad (UDA) and the developer of Sungei Wang Plaza Sdn Bhd (SWPSB). These easements relate to the arrangement between Sungei Wang Plaza and Bukit Bintang Plaza for the exchange of car park areas on terms set out in a car park management agreement dated 2 October 2007 between UDA and SWPSB. Pursuant to the two easement agreements between UDA and SWPSB, UDA agreed to grant to SWPSB a right of way over Basements 1 and 2 of Bukit Bintang Plaza and SWPSB in turn agreed to grant to UDA the right of way over Levels 4 and 5 of Sungei Wang Plaza (which form part of CMMT's interest in Sungei Wang Plaza). Revision on quit rent registered on 1 September 2005 vide presentation no. 8100/2005. Registration of Sungei Wang Plaza Management Corporation (SWPMC) on 21 November 2008 vide presentation no. 1183/2008.

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¹ The total share units allocated to the 205 strata titles owned by CMMT represent approximately 62.8% of the voting rights in s in SWPMC.

² This lease of part of the land to Tenaga Nasional Berhad is endorsed on the master title to Sungei Wang Plaza.

³ The endorsements are stated on the master title to Sungei Wang Plaza, which is registered in the name of SWPMC.

The Mines

The Mines is located at the south of the federal district of Kuala Lumpur in Seri Kembangan town centre. It is a fashionable suburban family mall targeted at residents residing and working in the southern region of Kuala Lumpur and Selangor.

The Mines has five levels of retail and car park area and is well-known for its Venetian-like internal water canal and a wet-and-dry playground known as the Splash Park located at its rooftop.

The Mines underwent a massive asset enhancement exercise in 2008-2009, transforming it into a modern and fashionable suburban mall with extensive retail offerings catering to all market segments.

The Mines is anchored by Giant. Other key tenants include TGV Cinemas, Celebrity Fitness, SenQ, ACE Hardware, Uniqlo, Voir Gallery, F.O.S., Daiso, Mines Cruise and Moon Palace Restaurant.

The Mines is linked with the Mines International Exhibition & Convention Centre, Mines Wellness Hotel and Mines Resort & Golf Club.

CENTRE MANAGEMENT

Alan Cheong
Centre Management

Gary Hor
Marketing Communications

Low Sue Fung
Leasing

Anandan Perumal
Operations

The Mines - Property Information

Title	No. H.S.(D) 59894, No. PT. 16722, Mukim Petaling, Daerah Petaling, Negeri Selangor Darul Ehsan
Net Lettable Area (sq ft) (as at 31 December 2014)	718.926
Number of Committed Leases (as at 31 December 2014)	385
Committed Occupancy (%) (as at 31 December 2014)	98.5
Car Park Lots	1,282
Market Valuation (RM mil) Conducted by CB Richard Ellis (Malaysia) Sdn. Bhd. (as at 31 December 2014)	680
Gross Revenue (RM mil) (for FY 2014)	79.7
Net Property Income (RM mil) (for FY 2014)	48.5
Shopper Traffic in 2014 (mil)	12.1
Key Tenants	Giant, TGV Cinemas, Celebrity Fitness, SenQ, ACE Hardware, Uniqlo, Voir Gallery, F.O.S., Daiso, Mines Cruise and Moon Palace Restaurant

**The Mines - Lease Expiry Profile
(as at 31 December 2014)**

Year	By Gross Rental Income (%)	By Net Lettable Area (%)
2015	50.1	50.5
2016	19.4	18.4
2017 and beyond	30.5	31.1

**The Mines - Trade Sector Analysis
(as at 31 December 2014)**

Trade Sector	By Gross Rental Income (%)	By Net Lettable Area (%)
Fashion/Accessories	32.9	32.5
Food & Beverages	16.2	13.7
Beauty/Health	10.5	8.4
Services	18.0	7.5
Departmental Store	-	-
Leisure & Entertainment/Sports & Fitness	6.8	14.2
Electronics/I.T.	4.4	4.1
Supermarket/Hypermarket	3.9	8.2
Gifts/Specialty/Books/Hobbies/Toys/Lifestyle	1.9	2.2
Houseware/Furnishings	3.9	6.6
Others	1.5	2.6

The Mines – Title Particulars

Title	No. H.S.(D) 59894, No. PT. 16722, Mukim Petaling, Daerah Petaling, Negeri Selangor Darul Ehsan
Tenure	Leasehold interest for 99 years expiring on 20 March 2091
Restrictions-in-Interest	The land cannot be transferred, leased or charged without the prior consent of the State Authority.
Express Conditions	Commercial building
Encumbrances	There is a charge in favour of Malaysian Trustees Berhad, registered vide presentation no. 2284/2013 on 15 January 2013.
Endorsements	An easement between The Mines and Mines International Exhibition and Convention Centre registered vide presentation no. 117530/2009 on 15 December 2009 pursuant to an easement agreement made between Mutual Streams Sdn Bhd and the owner of Mines International Exhibition and Convention Centre. Revision on quit rent registered on 5 August 2005 via presentation no. 28686/2005.

East Coast Mall

East Coast Mall is strategically located in the heart of Kuantan's city centre in Pahang, which is the third largest state in Malaysia by geographical size. It is a modern family lifestyle mall and is part of the Putra Square development, which also comprises Zenith Hotel, Menara Zenith as well as the Sultan Ahmad Shah International Convention Centre. It is also walking distance from other local attractions and amenities such as Darul Makmur Stadium and Urban Transformation Centre, Kuantan.

The building is a four-storey shopping complex with one level of basement and car parks located on the rooftop, third floor and surface level. With an established mix of domestic and international retailers, East Coast Mall is the market leader in Kuantan. Besides local patronage, the mall also attracts shoppers from towns within the neighbouring states of Terengganu and Kelantan, and tourists visiting the east coast of Malaysia.

East Coast Mall is anchored by departmental store Parkson and AEON Big, while other key tenants include Golden Screen Cinemas, Uniqlo, Padini Concept Store, Guess, M.A.C, Pandora, Birkenstock, L'Occitane, Daiso, The Coffee Bean & Tea Leaf and Starbucks Coffee.

CENTRE MANAGEMENT

Chai Wen Yew
Centre Management

Goh Heau Min
Marketing Communications

Samantha Ng
Leasing

Sharin Bin Harom
Operations

East Coast Mall - Property Information

Title	No. H.S.(D) 28468, No. PT. 92050, Bandar Kuantan, Daerah Kuantan, Negeri Pahang Darul Makmur
Net Lettable Area (sq ft) (as at 31 December 2014)	485,396
Number of Committed Leases (as at 31 December 2014)	198
Committed Occupancy (%) (as at 31 December 2014)	99.5
Car Park Lots	1,142
Market Valuation (RM mil) Conducted by CB Richard Ellis (Malaysia) Sdn. Bhd. (as at 31 December 2014)	434
Gross Revenue (RM mil) (for FY 2014)	45.9
Net Property Income (RM mil) (for FY 2014)	27.9
Shopper Traffic in 2014 (mil)	7.0
Key Tenants	Parkson, AEON Big, Golden Screen Cinemas, Uniqlo, Padini Concept Store, Guess, M.A.C, Pandora, Birkenstock, L'Occitane, Daiso, The Coffee Bean & Tea Leaf and Starbucks Coffee

**East Coast Mall - Lease Expiry Profile
(as at 31 December 2014)**

Year	By Gross Rental Income (%)	By Net Lettable Area (%)
2015	15.9	14.2
2016	38.5	37.2
2017 and beyond	45.6	48.6

**East Coast Mall - Trade Sector Analysis
(as at 31 December 2014)**

Trade Sector	By Gross Rental Income (%)	By Net Lettable Area (%)
Fashion/Accessories	40.5	23.1
Food & Beverages	17.1	11.7
Beauty/Health	8.1	3.8
Services	9.3	3.9
Departmental Store	9.0	21.6
Leisure & Entertainment/Sports & Fitness	6.1	11.0
Electronics/I.T.	1.7	0.8
Supermarket/Hypermarket	4.7	19.9
Gifts/Specialty/Books/Hobbies/Toys/Lifestyle	1.9	2.0
Houseware/Furnishings	-	-
Others	1.6	2.2

East Coast Mall – Title Particulars

Title	No. H.S.(D) 28468, No. PT. 92050, Bandar Kuantan, Daerah Kuantan, Negeri Pahang Darul Makmur
Tenure	Leasehold interest for 99 years expiring on 18 December 2106.
Restrictions-in-Interest	This land shall not be transferred, leased or charged save with the prior written approval of the State Authority.
Express Conditions	This land shall be used for commercial building only.
Encumbrances	Nil
Endorsements	Nil

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Marketing and Promotions

We continue to engage our shoppers and tenants through interesting promotional activities and reward-based promotions. Through these activities, we aim to further increase footfall to our malls and enhance tenants' sales.

Gurney Plaza, Penang

Gurney Plaza is positioned as the premier lifestyle shopping mall in the north of Peninsular Malaysia and the team further enhances the positioning by organizing various mall-centered cultural and international events that are appealing to both local visitors and tourists. It is also a popular destination for meet-and-greet sessions with local and international artistes.

Some of the notable iconic events held at Gurney Plaza were the Fashion Meets Art Showcase and Exhibition, French Film and Arts Festival, Georgetown Festival, Oktoberfest as well as The Amazing Japan Fair. In April 2014, "Fashion Meets Art", a Spring/Summer Fashion Showcase was organised featuring ten international models and celebrities emcees such as Hansen Lee and Chelsia Ng. Exclusive jewellery and apparel from international fashion labels including Coach, Thomas Sabo and Swarovski were showcased at the events. For some of the labels, "Fashion Meets Art" was their first foray into Peninsular Malaysia.

Various festive and family oriented events were also organised at Gurney Plaza, including "The Amazing Spiderman 2 Premier Screening" where selected shoppers at the mall were one of the first group to watch the blockbuster movie in the Northern Region. Another highlight of the year certainly was the Trolleys Performance by the multiple award-winning choreographer Shaun Parker from Australia.

A loyalty program had also been introduced on the second quarter of the year which is the Privilege PLUS+. It is targeted at high spending shoppers who will be rewarded with various privileges and pampering sessions throughout the year. The Tourist PLUS+ was also launched on 1 November 2014, where shopping and dining perks at selected stores are rewarded to tourists by just presenting the passport.

The year ended joyfully with "A Royal Christmas" a musical live show at the main atrium against the backdrop of amazing festive decorations. The stellar performances of the all-Australian cast successfully hyped up the Christmas celebration mood in the mall.

Sungei Wang Plaza, Kuala Lumpur

With more than 38 years of history and strategically located in the heart of Bukit Bintang, Sungei Wang Plaza is one of Malaysia's most well known shopping malls. Positioned as a one-stop retail destination 'for all kinds of everything', Sungei Wang Plaza is renowned for its reasonably priced fashion and accessories, mobile phones, gadgets and beauty-related retail offerings. Sungei Wang Plaza also has a reputation for happening events and promotions, which are organised by the Sungei Wang Plaza Management Corporation team.

Some of the popular events that were held at Sungei Wang Plaza include "Jumbo Queen", "Super Dancers" and "Fashion Passion". "Jumbo Queen", an iconic beauty pageant event for plus-sized ladies, returned for the sixth installment and the popular contest generated a lot of publicity and media coverage.

In line with 1Malaysia Grand Prix Sales, Mega Sales Carnival and Year End Sales, several lucky draws were organised to reward shoppers that spent above RM100 at the mall. Aside from attractive prizes such as flight tickets and cash vouchers, shoppers had the chance to win the grand prize of a Nissan Livina X-Gear. The "Shopaholic Dream Bonanza Lucky Draws" was another exciting reward programme organised in where shoppers that spent above RM150 stood a chance to be rewarded with a shopping spree.

As part of the effort to encourage tenants' sales and shoppers' loyalty, the "Groupon Cash Vouchers Campaign" was introduced and received overwhelming response. A total of 8,000 vouchers were sold out within 48 hours after the campaign rolled out on Groupon website.

The year 2014 ended with “A Fun-Tastic Christmas with animated Mr. Bean and Friends” where the characters entertained the crowd with their hilarious gimmicks and energetic dance performance.

The Mines, Selangor

To reinforce the positioning of The Mines as a contemporary suburban family-focused shopping mall, fun family-oriented events and promotional activities remained the focus in 2014.

In conjunction with the movie premier of “How to Train Your Dragon 2”, a photo contest was held at The Mines where more than 500 creative entries were received from children and adults alike. An obstacle race was organised in conjunction with the movie premier of “Captain America 2” where shoppers got to showcase their skills and agility to win movie tickets.

To further promote the interaction and bonding between parents and children, some of the family-oriented activities held at The Mines included the “Little Soldier Creative Costume Contest”; “Mother’s Day Hot & Spicy Cooking Competition”; “It’s Black! It’s White Fashion Show” and “Halloween Freaky Dish Making Competition”. Aside from the good response, these events also generated much mainstream and social media publicity.

Several other popular events which took place at The Mines throughout 2014 were “Fun-Art-ic Bash” and “Panda Valley”. For “Fun-Art-ic Bash”, seven pieces of 3D wall art were painted at one designated section of the mall and through this activity, some 1,000 shoppers searched throughout the mall for the drawings. In conjunction with the arrival of the celebrated pandas from China – Xing Xing and Liang Liang, to Malaysia, a section of the mall was dedicated to this and was decorated with various sizes of panda plush toy much to the delight of shoppers.

The year 2014 ended with a joyous Christmas celebration and the appearance of two mobile puppet characters made famous from “Those Funny Little People”, as seen on America’s Got Talent, that brought much festive cheer to the shoppers.

East Coast Mall, Kuantan

The market leader in Kuantan, East Coast Mall is positioned as a modern family lifestyle shopping mall. Many promotional activities were organised in 2014 to continue strengthening the mall’s positioning and attract locals, tourists and those from the neighbouring states of Terengganu and Kelantan.

In line with East Coast Mall’s family-friendly positioning, different thematic workshops and activities were organised at the main concourse during school breaks, providing edutainment to its shoppers. Families were able to participate in the various educational and entertaining activities when they visited the mall.

Leveraging on the summer movie blockbuster season, and in collaboration with movie partners - “Maleficent” and “How to Train Your Dragon 2” promotions were held where shoppers redeemed movie tickets and joined the fun-filled activities which included photo contest, colouring contest as well as movie premium redemptions.

In collaboration with Tourism Malaysia, the Weekly Top Spender programme was initiated to reward shoppers with gift redemptions during the 1Malaysia Mega Sale and Year End Sale.

Various activities were arranged at East Coast Mall to celebrate festive periods throughout the year. During Chinese New Year, shoppers were entertained with performances such as the lion dance, dragon dance, and acrobatics show. Hari Raya was celebrated with Raya dance performances, a Raya bazaar as well as Raya canisters and voucher redemptions. A “Special Kolam Corner” together with Diwali performance and Henna art redemptions brought happiness to the shoppers during Diwali. In the lead up to Christmas, a Giant Christmas Tree was set in the main concourse together with “Christmas Wonderland Magical Live Show”.

CMMT

The events “My Schoolbag 2014”, “Earth Hour 2014” and “Wear Less Day” which were environmental and/or philanthropic in nature and are described in the section “Corporate Social Responsibility”, were conducted across CMMT’s malls.

From October to December 2014, “Project Style Star”, a fashion talent contest, was held at all the malls where more than 40 fashion enthusiasts took part in the competition with the aim to provide a platform for fashion lovers to showcase their style on stage.

The Manager, in collaboration with CapitaLand, also engages tenants through the “Biz+ Series”, which comprises seminars and networking sessions for retailers. The theme for the 2014 Biz+ Series seminar was “Achieving Productivity through Brand Loyalty”, with the keynote speaker from the Disney Institute. The session provided participants with handy tips of building brand loyalty model, relationships and repeat business.

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Independent Retail Market Overview

Prepared by: CB Richard Ellis (Malaysia) Sdn Bhd

Date: 31 December 2014



Macroeconomic and Demographic Overview

Malaysia sees its economic growth remaining on a steady path despite several economic risks. This is bolstered by the strong growth in the first two quarters of the year (Gross Domestic Product's (GDP) growth of 6.2% in Q1 and 6.5% in Q2) driven by sustained private consumption and investment as well as strong and constant domestic demand. GDP growth in Q3 2014 was at 5.6%, supported by private sector demand and continued growth in net exports of goods and services. It is forecast by Malaysia's Ministry of Finance that 2014's GDP growth will be between 5.5% and 6.0%. However, the World Bank revised in December 2014 its 2015's forecast for Malaysia's economy to 4.7% from 4.9% previously as slower export growth is anticipated as well as less investment in the oil and gas industry, combined with moderate private consumption especially due to the implementation of the Goods and Services Tax (GST) on 1 April 2015.

Malaysia's GDP per capita (at current prices) in 2013 was reported at RM32,984, up 3.3% from RM31,920 in 2012. The GDP per capita in Malaysia is projected to reach RM34,682 in 2014. The national mean gross monthly household income increased from RM4,025 in 2009 to RM5,000 in 2012 based on a compounded annual growth rate (CAGR) of 7.5%. Kuala Lumpur achieved the highest growth of mean gross monthly household income at 16.1% per annum, from RM5,488 in 2009 to RM8,586 in 2012.

Private consumption and investment are expected to reach RM553,484 million and RM182,612 million respectively in 2014, hence increasing by 9.8% and 13.8% over 2013. Public consumption and investment are expected to reach RM137,325 million and RM108,947 million respectively in 2014, which translates into 2.7% and 4.2% increase respectively over 2013.

In July 2014, Bank Negara announced an increase by 25 basis points to the Overnight Policy Rate (OPR), now standing at 3.25%, in order to reduce risks linked to the uncertain economic climate and financial imbalances that could affect the longer term growth of the country. The OPR has remained the same since then. Consequently, the Base Lending Rate (BLR) was also raised in July 2014 by 25 basis points to 6.79%.

The Consumer Price Index (CPI) increased by 2.1% in 2013 versus 2012. Overall, the CPI rose by 3.2% in 2014 over 2013, especially because of higher costs for alcoholic beverages and tobacco, transport and restaurants and hotels. According to Bank Negara Malaysia, the removal of subsidies on fuel will not lead to further inflation hikes. IMF projection shows the CPI to average 4.1% in 2015.

Malaysia's unemployment rate reached 2.8% in November 2014, an improvement compared to 3.1% for the full year of 2013. Projections by IMF show that the unemployment rate will remain at 3.0% in 2014 as well as in 2015.

As reported by the United Nations World Tourism Organization, Malaysia ranked eleventh most-visited country in the world in 2013, after having been ranked tenth most-visited country in 2012. In 2013, tourist arrivals reached 25.7 million, a year-over-year increase of 2.7% from 2012's 25 million tourist arrivals. Half of these arrivals are from Singapore, followed by Indonesia, China, Brunei and Thailand. Tourist receipts have increased by 8.0% in 2013 from 60.6 billion in 2012 to reach 65.4 billion. The cumulative tourist arrivals for January-October 2014 reached 22.8 million, up 9.6% from the same period in 2013.

According to the retail research firm Retail Group Malaysia (RGM), Q1's retail sales grew at a slower pace at 4.9%, compared to 7.5% in Q1 2013. Sales were supported by the Visit Malaysia campaign, back-to-school event, New Year sales and Chinese New Year season. In Q2, sales grew at a slower pace as well at 5% due to the lack of festive holidays during the period and cautious consumer spending. Despite several challenges such as rising costs of living, subsidy rationalization, electricity tariff hikes and rise in property tax, retailers are not expected to be heavily impacted. RGM is expecting 6.5% growth for the final quarter of the year thanks to year-end school holidays and festival celebrations. In addition, in light of the implementation of GST in April 2015, consumers are likely to spend more to escape the 6% on some goods. For the whole year of 2014, RGM is projecting 6% growth for the Malaysian retail industry.

Main Economic Indicators, Malaysia

	2008	2009	2010	2011	2012	2013	2014 ^f
GDP at Constant 2005 Prices (RM million)¹							
Malaysia	639,565	629,885	676,653	711,760	751,934	787,611	832,773
Kuala Lumpur	85,414	88,488	97,830	106,615	114,277	122,059	-
Selangor	139,877	139,237	155,739	164,751	176,377	186,548	-
Penang	48,749	43,626	48,161	50,053	52,571	54,968	-
Pahang	26,465	26,203	27,484	29,201	30,791	32,489	-
Real GDP Growth (%)²							
Malaysia	4.8%	-1.5%	7.4%	5.2%	5.6%	4.7%	5.5-6.0%
Kuala Lumpur	9.1%	3.6%	10.6%	9.0%	7.2%	6.8%	-
Selangor	9.1%	-0.5%	11.9%	5.8%	7.1%	5.8%	-
Penang	5.5%	-10.5%	10.4%	3.9%	5.0%	4.6%	-
Pahang	5.0%	-1.0%	4.9%	6.2%	5.4%	5.5%	-
GDP at Current Prices (RM billion)³							
Malaysia	769.95	712.86	797.33	885.34	941.94	986.73	1,078.18
GDP per Capita at Current Prices (RM)³							
Malaysia	27,929	25,385	27,890	30,464	31,920	32,984	34,682
Kuala Lumpur	56,135	57,040	62,075	68,125	74,579	79,752	-
Selangor	29,273	28,468	31,457	33,687	35,916	37,851	-
Penang	33,694	30,098	33,601	35,069	36,787	38,356	-
Pahang	22,351	20,548	23,008	26,057	26,274	26,759	-
Mean Monthly Household Income⁴							
Malaysia	3,852	4,025	4,327	4,651	5,000	5,375	5,778
Kuala Lumpur	5,404	5,488	6,371	7,396	8,586	9,967	11,571
Selangor	5,768	5,962	6,297	6,650	7,023	7,417	7,833
Penang	4,201	4,407	4,613	4,829	5,055	5,292	5,539
Pahang	3,134	3,279	3,428	3,583	3,745	3,915	4,092
Domestic Aggregate Demand in Current Prices (RM million)⁵							
Private Consumption	335,213	339,395	367,991	418,767	461,295	504,045	553,484
Private Investment	77,986	64,633	78,730	111,626	140,177	160,461	182,612
Public Consumption	91,855	95,918	97,513	115,515	127,473	133,704	137,325
Public Investment	67,427	72,871	76,864	85,789	101,385	104,552	108,947

f: forecast

¹ Department of Statistics Malaysia; projection 2014 from Ministry of Finance Malaysia

² Department of Statistics Malaysia

³ Department of Statistics Malaysia; Ministry of Finance for 2014^f figures

⁴ Department of Statistics Malaysia: years 2007, 2009, and 2012; other years are calculated by CBRE Research based on the compound annual growth rates.

⁵ Ministry of Finance Malaysia

	2008	2009	2010	2011	2012	2013	2014 ^f
Consumer Price Index (Average Prices)¹ (2010=100)							
Malaysia	97.7	98.3	100.0	103.2	104.9	107.1	110.5
Peninsular Malaysia	97.7	98.2	100.0	103.3	105.0	107.1	110.7
Inflation¹	5.4%	0.6%	1.7%	3.2%	1.6%	2.1%	3.2%
Population ('000)²							
Malaysia	27,568	28,081	28,589	29,062	29,510	29,915	30,262
Kuala Lumpur	1,629	1,653	1,675	1,693	1,702	1,717	1,732
Selangor	5,268	5,418	5,502	5,600	5,702	5,796	5,866
Penang	1,531	1,554	1,576	1,601	1,623	1,645	1,663
Pahang	1,462	1,482	1,502	1,527	1,547	1,564	1,584
Urbanisation Rate²							
Malaysia	-	-	71.0%	-	-	-	-
Kuala Lumpur	-	-	100.0%	-	-	-	-
Selangor	-	-	91.4%	-	-	-	-
Penang	-	-	90.8%	-	-	-	-
Pahang	-	-	50.5%	-	-	-	-
Unemployment Rate³	3.3%	3.7%	3.3%	3.1%	3.0%	3.1%	2.8%
Overnight Policy Rate⁴	3.25%	2.00%	2.75%	3.00%	3.00%	3.00%	3.25%
Base Lending Rate⁴	6.70%	5.62%	6.02%	6.45%	6.53%	6.53%	6.79%
Tourist Arrivals (million persons)⁵	22.1	23.6	24.6	24.7	25.0	25.7	-
Tourist Receipts (RM billion)⁵	49.6	53.4	56.5	58.3	60.6	65.4	-

Retail Market Overview

2014 was a challenging year for the retail market in Malaysia amidst an increasing shopping centre supply, subdued consumer sentiment and impacted purchasing power.

According to the Malaysian Institute of Economic Research, the Consumer Sentiment Index for the first three quarters of 2014 was constantly below 100 index points (98 points in Q3 2014), the worst period since 2009.

Factors affecting confidence include the impending introduction of GST and the recent interest rate hikes. But sentiment is expected to improve thanks to year-end sales and lower petrol prices.

In this competitive market environment, the best shopping centres were nevertheless doing well and will continue to prosper, while there are concerns about centres in secondary locations and not benefitting from good catchment areas.

Numerous new international brands entered the Malaysian market in 2014, such as Spotlight, Red Lobsters, Tory Burch, MCM, Melissa, Super Dry and Nars. And despite lower sales, several retailers expanded in Malaysia, such as H&M for instance.

¹ Bank Negara Malaysia, Department of Statistics Malaysia for 2014's figures

² Department of Statistics Malaysia

³ Ministry of Finance Malaysia: 2014's figure is as at November 2014

⁴ Bank Negara Malaysia

⁵ Tourism Malaysia

Retail Supply and Demand

According to the Valuation and Property Services Department, Ministry of Finance, Malaysia (JPPH), the total retail stock in shopping centres, arcades, and hypermarkets in Malaysia stands at 134.4 million sq ft as of Q3 2014. Together, Kuala Lumpur, Selangor, Penang, and Johor account for more than 68% of the total shopping centre stock in the country.

Of the total stock, 71.6% is located within shopping centres. Within Kuala Lumpur, 77.5% of all retail space is in shopping centres, compared to 69.0% in Selangor, 63.9% in Penang, and 93.9% in Pahang.

Additionally, as per Q3 2014's figures, JPPH estimates that 13.9 million sq ft of net lettable retail space is currently under construction throughout the country. Assuming a three-year construction period, it is expected that this additional stock will be completed by 2017, which will increase the current total retail stock by 10.3%.

Based on Q3 2014 stock data, the retail stock per capita for the entire country is currently about 4.4 sq ft per capita, stable compared to 2013, while shopping centre stock per capita is about 3.2 sq ft per capita, the same figure as in 2013.

Shopping Centre Stock in Malaysia as at Q3 2014

State	No. of Properties	Total Space (sq ft)	% of Total Space in Malaysia
WP Kuala Lumpur	57	20,453,085	21.3
WP Putrajaya	1	621,987	0.6
WP Labuan	1	280,542	0.3
Selangor	61	20,864,238	21.7
Johor	64	11,723,449	12.2
Penang	37	11,469,171	11.9
Perak	40	5,705,760	5.9
Negeri Sembilan	26	2,423,116	2.5
Melaka	19	2,704,670	2.8
Kedah	33	3,828,367	4.0
Pahang	19	2,621,142	2.7
Terengganu	7	513,357	0.5
Kelantan	7	1,143,923	1.2
Perlis	4	237,992	0.2
Sabah	31	5,225,588	5.4
Sarawak	52	6,376,389	6.5
Malaysia	459	96,192,776	100.0%

Source: Valuation and Property Services Department (JPPH), Ministry of Finance.

Per Capita Retail Stock in Malaysia and Selected States

	Malaysia	Kuala Lumpur	Selangor	Penang	Pahang
Retail Stock (sq ft) ¹	134,379,757	26,388,721	30,228,929	17,961,682	2,791,267
Shopping Centre Stock (sq ft) ¹	96,192,776	20,453,085	20,864,238	11,469,171	2,621,142
Shopping Centre Stock as a % of Retail Stock	71.6%	77.5%	69.0%	63.9%	93.9%
Retail Stock per capita (sq ft)	4.4	15.2	5.2	10.8	1.8
Shopping Centre Stock per capita (sq ft)	3.2	11.8	3.6	6.9	1.7

¹ Data as at Q3 2014

CBRE Research's findings show that prime shopping complexes in Selangor and Kuala Lumpur enjoy close to full occupancy. A number of international retailers were seen expanding their retail space in Kuala Lumpur and Selangor in 2014.

2014 saw three new shopping malls opening in Selangor, two in suburban Kuala Lumpur, one in Kuala Lumpur city centre, one in KLIA 2 and one in Putrajaya. The new completions in Selangor are Main Place @ USJ 21, Encorp Strand and Jaya Shopping Centre, while the ones in suburban Kuala Lumpur are Nu Sentral and Ikon Connaught. Quill City Mall in Kuala Lumpur city centre offers 763,725 sq ft of retail space. KLIA 2 is said to be the biggest airport shopping mall in the world with a combined total of about 728,902 sq ft (Gateway@KLIA 2 mall – 350,000 sq ft and airside shops – 378,902 sqft) of retail space. IOI City Mall, Putrajaya, is the latest shopping mall that opened in 2014 in the country and the largest completed this year with an NLA of 1.35 million sq ft, with highlights such as an olympic-sized skating rink and an indoor entertainment park.

Major shopping malls in Kuala Lumpur and Selangor that are in the pipeline include Empire City Mall (1,800,000 sq ft in 2015), Sunway Velocity Lifestyle Shopping Mall (850,000 sq ft in 2015), Damansara City Mall (168,963 sq ft in 2015), Tropicana Gardens Mall (1,000,000 sq ft in 2016) and Central Plaza@i-City (1,000,000 sq ft in 2016).

It is expected that approximately 6.558 million sq ft and 10.355 million sq ft of new retail space will be added to the respective existing stocks of Kuala Lumpur and Selangor between 2015 and 2017.

The most recent completed shopping mall in Penang is AEON Bukit Mertajam, which opened in July 2014. AEON Seberang Perai is now known as Perda City Mall, which is currently undergoing upgrading works and was scheduled to re-open on time for the year-end holiday season. There are 8 shopping malls expected to be added to the existing Penang's retail market. As to date, Penang Times Square Phase 3, City Mall Bayan City and Southbay Plaza are under construction and anticipated to be completed within the next two years. A few other malls are still under planning at the moment and are expected to have a significant impact on the local market.

In Kuantan, no new retail complexes were reported in 2014. Retail complexes in Kuantan which are being planned or under construction include the KIP Mart at Indera Mahkota (117,000 sq ft in 2015).

Future Supply of Retail Space in Shopping Centres in Selected States

Location	Future Shopping Centre Stock ('000 sq ft) 2015-2017	Future Shopping Centre Supply
Kuala Lumpur	+6,558	2015: GLO Damansara, Damansara City Mall, KL Eco City retail podium, Sunway Putra Mall's refurbishment, 3-storey retail podium@KL Gateway, Sunway Velocity Lifestyle shopping mall 2016: Boustead Retail @ Jalan Cochrane, Overseas Union Garden Paradigm Mall 2017: Elite Pavilion (Pavilion Kuala Lumpur mall extension), Four Season Place retail podium, Suria KLCC extension, Mall@Tun Razak Exchange
Selangor	+10,355	2015: Sunway Pyramid Phase 3, Mitsui Outlet Park KLIA, Avenue Street Mall, Da;men, Empire City Mall, Damansara Uptown Mall 2016: Central Plaza@i-city, Melawati mall, Tropicana Gardens Mall, Mall@Pacific Star Section 13, Selayang Star City, Kuala Lumpur International Outlet (KLIO), Bangi mall 2017: The Wharf Puchong, Setia City Mall Phase II, Mall@D'Twist
Penang	+5,204	2015: City Mall Bayan City, Penang Times Square Phase 3, Penang Designer Village 2016: Southbay Plaza, Suiwah Corporation's Megamall, The Light Waterfront Mall, The Light Mixed Commercial Mall, IKEA
Pahang	+117	2015: Kip Mart Indera Mahkota

Source: CBRE Research

Capital Values

CBRE Research has found that capital values and yields/capitalisation rates have varied widely based on shopping centre transactions in the last three years. In general, capitalisation rates for retail property in Malaysia have been compressed to below 6.0% in recent transactions.

Shopping Centre Ownership

In terms of ownership, the retail market in Malaysia is extremely fragmented. The vast majority of retail assets are independently owned, with a few larger national players having portfolios of multiple assets.

Capital Values from Selected Shopping Centre Transactions from 2010 to 2014

Property	NLA (sq ft)	Transaction Price (RM mil)	Capital Value (RM psf)	Purchaser
Aeon Bandaraya Melaka	615,608	377.0	612	ARA Asia Dragon Fund
SACC Mall	185,178	90.0	486	ARREIT
1 Mont'Kiara ¹	410,000	333.0	812	ARA Asia Dragon Fund
Gurney Plaza	707,503	800.0	1,131	CMMT
Sungei Wang Plaza ²	450,470	724.0	1,607	CMMT
The Mines	719,563	530.0	737	CMMT
Sunway Pyramid Shopping Mall	1,685,568	2,300.0	1,365	Sunway REIT
Sunway Carnival Shopping Mall	484,364	250.0	516	Sunway REIT
Gurney Plaza (Extension)	139,964	215.0	1,536	CMMT
Queensbay Mall ³	892,361	651.8	730	CapitaMalls Asia
Selayang Mall	379,685	128.0	337	Amanahraya REIT
Putra Place (The Mall) ⁴	507,193	223.0	440	Sunway REIT
East Coast Mall	441,342	310.0	702	CMMT
Landmark Central Shopping Centre	289,462	98.0	339	Hektar REIT
Central Square Shopping Centre ⁵	300,782	83.0	276	Hektar REIT
Pavilion KL Mall	1,335,119	3,190.3	2,390	Pavilion REIT
Citta Mall	424,467	245.0	577	ARA Asia Dragon Fund
Kompleks Sungai Buloh	114,130	68.5	600	The Store (M) Sdn Bhd
Mid Valley MegaMall	1,718,951	3,440.0	2,001	IGB REIT
The Gardens Mall	817,053	1,160.0	1,420	IGB REIT
Quill City Mall @ Vision City	770,000	1,200.0	1,558	Employees Provident Fund (EPF)
KL Festival City	450,000	349	775	Festiva Mall Sdn Bhd & AsiaMalls Sdn Bhd

Source: CBRE Research, REIT prospectuses and annual reports, and published news source

¹ The total net lettable area and acquisition price for 1 Mont'Kiara includes the shopping centre and a 20-storey office tower with roughly 185,000 sq ft of net lettable area.

² CMMT acquired 205 strata parcels within the mall which, based on the total share units allocated to the 205 strata parcels, represents 62.8% of the voting rights in Sungei Wang Plaza Management Corporation. These 205 strata parcels consist of retail space with an aggregate floor area of approximately 511,103 sq ft (representing approximately 61.9% of the aggregate retail floor area of Sungei Wang Plaza) and approximately 1,298 car park bays with an aggregate floor area of approximately 435,411 sq ft, (which comprises 100.0% of the car park bays in Sungei Wang Plaza).

³ CapitaMalls Asia acquired about 90.7% of the mall's retail strata area (about 916,181 sq ft) and all its car park spaces.

⁴ Putra Place consists of The Mall (retail), 100 Putra Place (office), The Legend Hotel (hotel) and 1,323 car parking bays. The consideration paid for the auction of The Putra Place was RM513.95 million. According to the announcement by Sunway REIT, the 507,193sq ft shopping centre was valued at RM223 million.

⁵ The purchase was based on 110 strata parcels within the shopping mall (measuring 464,520 sq ft and representing 85% of the voting rights in Perbadanan Pengurusan Komplek Central Square) together with all the accessory parcels thereto, which consists of retail space with an aggregate NLA of approximately 300,782 sq ft and 488 car parking bays.

Board of Directors

David Wong Chin Huat, 66, Singaporean
Chairman
Non-Executive Independent Director
Bachelor of Laws, University of Singapore
Master of Laws, University of London

Date of First Appointment as a Director and Deputy Chairman: 6 July 2012
Date of Appointment as Chairman: 1 November 2012
Length of Service as a Director (as at 31 December 2014): 2 years 5 months

Board Committee(s) Served on

- Corporate Disclosure Committee (Chairman)

Present Directorships of Public Companies

Nil

Present Principal Commitments (Other Than Directorships in Other Listed Companies)

- Ramdas and Wong, Advocates and Solicitors, Singapore (Senior Partner)
- Public Service Commission, Singapore (Member)

Directorships in Other Listed Companies Held Over the Preceding Three Years

Nil

Background and Working Experience

- Singapore Labour Foundation (Director from 2001 to 2010)
- Bedok Citizen's Consultative Committees (Chairman from 1989 to 2007)
- Shook Lin & Bok, Singapore (Legal Assistant from 1973 to 1974)
- Development Bank of Singapore Ltd (Senior Officer from 1972 to 1973)

Award(s)

Public Service Star (BBM) in 1991 and BBM(L) in 2005 awarded in conjunction with the Singapore National Day

Tuan Haji Rosli Bin Abdullah, 61, Malaysian
Non-Executive Independent Director
Post-Graduate, Diploma in Accounting, Universiti Malaya
Bachelor in Economics (Honours), Universiti Malaya
Master in Business Administration, Universiti Kebangsaan Malaysia
Chartered Accountant (Malaysia), Member of the Malaysian Institute of Accountants

Date of First Appointment as a Director: 6 July 2012
Length of Service as a Director (as at 31 December 2014): 2 years 5 months

Board Committee(s) Served on

- Audit Committee (Chairman)

Present Directorships of Public Companies

- Keretapi Tanah Melayu Berhad
- Bank Pembangunan Malaysia Berhad
- Dagang NeXchange Berhad (fka TIME Engineering Berhad)
- Malaysia Airports Holdings Berhad
- Global Maritime Ventures Berhad

Present Principal Commitments (Other Than Directorships in Other Listed Companies)

Nil

Directorships in Other Listed Companies Held Over the Preceding Three Years

Nil

Background and Working Experience

- Malaysian Institute of Accountants (Chief Executive Officer and Registrar from 2009 to 2012)
- Government of Malaysia (Adviser to Economic Planning Unit on 2008)
- Putrajaya Holdings Sdn. Bhd. (Senior General Manager from 1996 to 2007)
- Kuala Lumpur International Airport Berhad (Financial Controller/General Manager of Finance from 1994 to 1996)
- Ministry of Finance (Director of Corporate Services at the Accountant General Department from 1993 to 1994)
- Universiti Putra Malaysia (Bursar from 1991 to 1993)
- Public Service Department, State Treasurer of the State of Kelantan (Chief Accountant at the Government Pension Department from 1989 to 1991)
- Government of Malaysia (Chief Accountant in the Ministry of Education from 1983 to 1987)
- Government of Malaysia (Chief Accountant in the Ministry of Works from 1981 to 1983)
- State of Kelantan (State Treasurer from 1978 to 1980)
- Government of Malaysia (Accountant, Accountant General's office, Federal Treasury, Ministry of Finance from 1976 to 1977)

Award(s)

- Johan Setia Mahkota (J.S.M.), awarded by His Majesty Yang DiPertuan Agong on 1 June 2002

Foo Wei Hoong, 54, Malaysian

Non-Executive Non-Independent Director
*Chartered Accountant (Malaysia), Member of the Malaysian Institute of Accountants
Fellow of the Association of Chartered Certified Accountants, United Kingdom
Certified Financial Planner, Financial Planning Association of Malaysia*

Date of First Appointment as a Director: 1 June 2012

Length of Service as a Director (as at 31 December 2014): 2 years 7 months

Board Committee(s) Served on

Nil

Present Directorships of Public Companies

- Oriental 1936 Berhad
- MIDF DFI Berhad

Present Principal Commitments (Other Than Directorships in Other Listed Companies)

- Malaysian Industrial Development Finance Berhad (Chief Financial Officer/Head, Finance & Information Technology Division)

Directorships in Other Listed Companies Held Over the Preceding Three Years

Nil

Background and Working Experience

- Malaysian National Insurance Berhad (now known as Etiqa Insurance Berhad) (Vice President of Financial Services from 2001 to 2006)
- PanGlobal Insurance Berhad (Financial Controller from 1996 to 2001)

Award(s)

Nil

Jason Leow Juan Thong, 48, Singaporean

Non-Executive Non-Independent Director
*Executive Master in Business Administration, Fudan University
Certified Public Accountant and a member of the Institute of Singapore Chartered Accountants*

Date of First Appointment as an Alternate Director: 19 September 2014

Date of Appointment as a Director: 1 December 2014

Length of Service as a Director (as at 31 December 2014): 1 month

Board Committee(s) Served from 1 December 2014

- Executive Committee (Chairman)
- Corporate Disclosure Committee (Member)

Present Directorships of Public Companies

Nil

Present Principal Commitments (Other Than Directorships in Other Listed Companies)

- CapitaMalls Asia Limited (Chief Executive Officer)

Directorships in Other Listed Companies Held Over the Preceding Three Years

Nil

Background and Working Experience

- CapitaLand China Holdings Pte. Ltd. (Chief Executive Officer from July 2009 to September 2014)
- CapitaLand China Holdings Pte. Ltd. (Deputy Chief Executive Officer from July 2005 to June 2009)
- CapitaLand Residential Limited (General Manager, Business Development from July 2002 to June 2005)

Award(s)

Nil

Ng Chih Kaye, 59, Malaysian

Non-Executive Independent Director
Chartered Accountant (Malaysia), Member of the Malaysian Institute of Accountants
Fellow of the Association of Chartered Certified Accountants, United Kingdom

Date of First Appointment as a Director: 6 July 2012
Length of Service as a Director (as at 31 December 2014): 2 years 5 months

Board Committee(s) Served on

- Audit Committee (Member)

Present Directorships of Public Companies

- Agrobank (Bank Pertanian Malaysia Berhad)

Present Principal Commitments (Other Than Directorships in Other Listed Companies)

Nil

Directorships in Other Listed Companies Held Over the Preceding Three Years

Nil

Background and Working Experience

- Malayan Banking Berhad (various positions from 1985 to 2010, Executive Vice President being the last position)
- KPMG Kuala Lumpur (Audit Senior from 1983 to 1984)
- Blinkhorn, Lyon & Golding, London (Audit Senior from 1978 to 1982)

Award(s)

Nil

Ng Kok Siong, 43, Singaporean

Non-Executive Non-Independent Director
Bachelor of Accountancy (Honours), Nanyang Technological University of Singapore

Date of First Appointment as a Director: 10 June 2010
Length of Service as a Director (as at 31 December 2014): 4 years 6 months

Board Committee(s) Served on

- Audit Committee (Member)
- Corporate Disclosure Committee (Member)
- Executive Committee (Member)

Present Directorships of Public Companies

Nil

Present Principal Commitments (Other Than Directorships in Other Listed Companies)

- CapitalLand Limited (Chief Corporate Development Officer)

Directorships in Other Listed Companies Held Over the Preceding Three Years

Nil

Background and Working Experience

- CapitaMalls Asia Limited (Chief Financial Officer from November 2009 to August 2014)
- CapitalLand Limited (Senior Vice President of Strategic Finance from October 2008 to September 2009)
- CapitalLand Limited (Senior Vice President, CapitalLand Eurasia from January 2007 to October 2008)
- CapitalLand Limited (Vice President, Office of the President from September 2005 to January 2007)
- Shell Oil Products East (Strategy and Portfolio Manager from August 2003 to September 2005)
- Shell Oil Products East (Planning and Appraisal Advisor from July 2001 to August 2003)
- Exxon Mobil Asia Pacific Pte Ltd (Regional Advisor from May 2000 to July 2001)
- Esso Coordination Centre N.V. (Global Analyst from 1999 to May 2000)
- Esso Singapore Private Limited (Senior Planning Analyst from July 1998 to January 1999)

Award(s)

Nil

Tan Siew Bee, 55, Malaysian

Non-Executive Independent Director

*Barrister at Law, Lincoln's Inn**LL.B (Honours) Degree, University of East Anglia**LL.M, University College, London***Date of First Appointment as a Director:** 10 June 2010**Length of Service as a Director (as at 31 December****2014):** 4 years 6 months**Board Committee(s) Served on**

- Audit Committee (Member)

Present Directorships of Public Companies

Nil

Present Principal Commitments (Other Than Directorships in Other Listed Companies)

Nil

Directorships in Other Listed Companies Held Over the Preceding Three Years

Nil

Background and Working Experience

- Messrs Shahrizat Rashid & Lee (Senior Partner & Head, Finance & Property Department from 2003 to 2007)
- Messrs Shahrizat & Tan (Senior Partner & Head, Finance & Property Department from 1993 to 2003)

Award(s)

Nil

Peter Tay Buan Huat, 66, Singaporean

Non-Executive Independent Director

*Bachelor of Engineering (Honours), Industrial**Engineering, University of Newcastle, Australia**Bachelor of Arts, Economics, University of**Newcastle, Australia**Master of Science in Management (Sloan Fellows**Program), Massachusetts Institute of Technology, US**Fellow of the Chartered Institute of Management**Accountants (CIMA), United Kingdom***Date of First Appointment as a Director:** 10 June 2010**Length of Service as a Director (as at 31 December****2014):** 4 years 6 months**Board Committee(s) Served on**

Nil

Present Directorships of Public Companies

Nil

Present Principal Commitments (Other Than Directorships in Other Listed Companies)

- Koufu Pte. Ltd. (Corporate Advisor on part-time basis)

Directorships in Other Listed Companies Held Over the Preceding Three Years

Nil

Background and Working Experience

- Temasek Holdings Pte. Ltd. (Corporate Advisor from 2007 to 2008)
- Singapore Food Industries (President and Chief Executive Officer from 1989 to 2006)
- Singapore Technologies Group (Concurrent Secondary Appointment, Group Director, Strategic Development from 1998 to 2004)
- Singapore Technologies Group (Concurrent Secondary Appointment, Group Coordinator, Human Resource from 1992 to 1994)
- Singapore Technologies Group (Director, Planning & Human Resource from 1986 to 1989)

Award(s)

Nil

Low Peck Chen, 40, Malaysian

Chief Executive Officer

Executive Non-Independent Director

Bachelor of Accounting (First Class Honours),

University of Malaya

Member of the Malaysian Institute of Accountants

Date of First Appointment as an Alternate Director and

Deputy Chief Executive Officer : 19 September 2014

Date of appointment as a Director and Chief Executive

Officer : 1 November 2014

Length of Service as a Director (as at 31 December 2014) : 2 months

Board Committee(s) Served from 1 November 2014

- Executive Committee (Member)

Present Directorships of Public Companies

- Milky Way Properties Berhad
- CMMT MTN Berhad

Present Principal Commitments (Other Than Directorships in Other Listed Companies)

Nil

Directorships in Other Listed Companies Held Over the Preceding Three Years

Nil

Background and Working Experience

- CapitaMalls Malaysia REIT Management Sdn. Bhd. (Head of Finance from June 2010 to September 2014)
- CapitaLand Retail Malaysia Sdn. Bhd. (Finance Manager from September 2008 to June 2010)
- Halim Mazmin Berhad (Finance Manager/ Accountant from February 2004 to August 2008)
- UEM World Berhad (Finance Executive from August 2002 to February 2004)
- AmFinance Berhad (Finance Officer from May 2000 to July 2002)
- Moores Rowland (Auditor from August 1999 to May 2000)

Award(s)

Nil

Trust Management Team

Low Peck Chen

Chief Executive Officer

Please refer to description under the section on 'Board of Directors'.

Yue Pei San

Acting Head, Finance

Ms Yue has more than 17 years of experience in finance and accounting covering private companies, public listed corporations and real estate fund management. Prior to her current role, she was with CapitaMalls Fund Management Private Limited, a wholly owned subsidiary of CapitaMalls Asia Limited (CMA) since June 2011 where she was responsible for the finance and accounting functions of the Private Real Estate Funds investing in retail properties in China. In 2012, she was involved in the establishment of a new Private Fund to invest in the development of shopping malls and properties predominantly used for retail purposes in China. Her responsibilities also include finance-related support for acquisitions and divestments of retail properties in China directly held by CMA. Before joining CMA, she worked with IMC Pan Asia Alliance Group and Singapore Press Holdings Ltd.

Ms Yue holds a Bachelor of Accountancy from Nanyang Technological University, Singapore and is a member of the Institute of Singapore Chartered Accountants.

Tng Wei Chien

Head, Investment & Asset Management

Mr Tng has more than 6 years of real estate investment and asset management experience, and is responsible for acquisitions, fund raising and overall performance of CMMT's assets. He led the acquisition of Gurney Plaza Extension and East Coast Mall in 2010 and participated actively in the fund raising for these acquisitions. Through major asset enhancement initiatives for Gurney Plaza and East Coast Mall, he has successfully improved the capital value and performance of these assets. He was part of the core team that spearheaded the listing of CMMT on the Main Market of Bursa Securities in 2010. Prior to the listing of CMMT, he was the Manager, Investment & Asset Management for CMA Malaysia, and was responsible for the performance of CMA's properties in Malaysia. Prior to joining CMA, Mr Tng held various appointments in Singapore's civil service at the Ministry of Transport, Ministry of Education and DSO National Laboratories.

Mr Tng holds a Master of Science in Wealth Management from the Singapore Management University and a Bachelor of Science in Electrical and Computer Engineering (Honours) from Carnegie Mellon University.

Fern Tan Feng Ching

General Manager, Retail Management

Ms Tan has more than 19 years of experience in the retail property industry covering leasing, leasing administration, advertising and promotions, human resources and mall operations. Prior to joining the Manager, Ms Tan was with CMA Malaysia and was responsible for the financial and operational performance of The Mines. In such capacity, she formulated and executed the major asset enhancement initiatives in 2008 and 2009, which resulted in significant growth of the asset's income, occupancy and shopper traffic. Before this, she was the Deputy Leasing Head of CapitaRetail China and Group Leasing Manager for CMA in Singapore. Prior to joining CMA, Ms Tan worked for Crimson Berhad and Sungei Wang Plaza Sdn Bhd, which was under Landmark Bhd, and was involved in marketing and leasing activities at Endah Parade and Sungei Wang Plaza.

Ms Tan holds a Bachelor of Science (Travel Industry Management) from Hawaii Pacific University, USA.

Grace Yap Mei Wan

Compliance Officer

Head, Legal, Secretariat & Compliance

Ms Yap has more than 20 years of work experience with seven years as a practicing lawyer and 14 years as an in-house legal counsel in both public listed and private limited companies. Prior to joining the Manager, she was initially a legal practitioner involved in concessions/ privatisation, management buy-outs, public listing, due diligence exercises, joint ventures and mergers and acquisitions practices. From the legal profession she pursued her career as an in-house legal counsel whereby she assisted large and diversified corporations with asset acquisitions, corporate finance, property development, conveyancing, project management as well as corporate advisory matters.

Ms Yap holds an LLB (Honours) degree from the University of Nottingham, England and was admitted to the English Bar and Malaysian Bar in 1991 and 1993 respectively.

Choo Wee Chyn
Head, Design Management

Mr Choo has more than 14 years of experience in the design and development of housing and commercial projects. Prior to joining the Manager, Mr Choo was the Design Manager of CMA Malaysia and oversaw design management and tenancy design for the CMA malls in Malaysia. Mr Choo was involved in conducting feasibility assessments and due diligence for asset acquisitions and the planning, design and execution of various AEs relating to the malls in the CMA portfolio. He was also responsible for establishing and implementing shop fit-out design standards and guidelines as well as ensuring that shop designs were of a standard befitting the respective mall's positioning. Before relocating to Malaysia, Mr Choo participated in CMA's project bids and AEs in Singapore. Prior to joining the CMA Group, he was a practicing architect and worked for various large architectural companies where he focused on commercial and residential building design and construction.

Mr Choo holds a Masters of Architecture and a Bachelor of Arts (Architecture Studies) from the National University of Singapore and is a registered Architect with the Board of Architects (Singapore).

Mah Kok Foon
Head, Human Resources

Mr Mah has over 17 years of experience in human resource management covering manpower planning and recruitment, training and development, compensation and benefit, performance management, talent management as well as industrial and employee relations. Prior to his present position, he lead the Human Resources department of CMA Malaysia, which he joined in 2009. In this capacity, he rolled out series of enhanced employees' benefit programmes, implemented human resources-related policies and procedures in Malaysia and also coordinated the rationalisation of salary and benefits packages for new staff during acquisition-related due diligence exercises. Prior to joining CMA, he worked with Prudential Services Asia Sdn. Bhd., GCH Retail Malaysia Sdn. Bhd. and Gurney Plaza Sdn. Bhd.

Mr Mah holds a Master of Business Administration and a Bachelor of Economics (Hons) from Northern University of Malaysia.

Ibrahim Ahmad
Head, Operations

Mr Ibrahim has over 23 years of experience in real estate covering both project and property management. Prior to joining the Manager, he was the Head of Engineering and Technical Services of CMA Malaysia and was responsible for the implementation of the standard operating procedures and emergency response procedures for the respective shopping malls. He was also involved in the preparation of operations and maintenance budgets, review of equipment performance and procurement of service contracts. In addition to the above, he led the implementation of systems that resulted in the award of ISO9000, ISO14000 and ISO18000, as well as Green Mark certification, for malls within the portfolio.

Mr Ibrahim graduated with a Bachelor of Science (Real Estate Management) from Oxford Brookes University, United Kingdom, and has a Diploma in Building from Singapore Polytechnic. He is a qualified Fire Safety Manager registered with the Fire Safety Bureau of Singapore.

Jasmine Loo Pik Kwan
Senior Manager, Investor Relations

Ms Loo gained experience in corporate communications during her tenure as Corporate Communications Manager with one of the listed property developers in Malaysia for more than five years. Prior to that, she worked as writer for several established publishers in the media industry, e.g. The New Straits Times Press and The Edge Communications.

Ms Loo holds a Bachelor of Arts (English Language) from Universiti Putra Malaysia.

Corporate Governance Report

The Manager

The primary role as the Manager of CMMT is to set the strategic direction of CMMT and make recommendations to the Trustee on the acquisition of new assets and divestment or enhancement of CMMT's assets in accordance with its stated investment strategy. The research, evaluation and analysis required for this purpose is coordinated and carried out by the Manager. The Manager is also responsible for the system of risk management and internal controls for CMMT.

The Manager has general powers of management over the assets of CMMT. The Manager's primary responsibility is to manage the assets and liabilities of CMMT for the benefit of the Unitholders of CMMT. This is done with a focus on generating rental income and enhancing asset values over time so as to maximise the returns from the investments, and ultimately the distributions and total return to Unitholders.

Other functions and responsibilities of the Manager include:

- Using its best endeavours to conduct CMMT's business in a proper and efficient manner and to conduct all transactions on behalf of CMMT at arm's length.
- Preparing annual property plans for review by the Manager's Directors, including forecasts on revenue, net income and capital expenditure, reasons for major variances to previous years' numbers, written commentaries on key issues and underlying assumptions for rental rates, operating expenses and other relevant assumptions. These plans explain the performance of CMMT's assets.
- Ensuring compliance with relevant laws and regulations, including but not limited to the Companies Act, 1965, the Capital Markets and Services Act 2007, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Listing Requirements), the Securities Commission's Guidelines on Real Estate Investment Trusts (REITs Guidelines) and the tax rulings issued by the Inland Revenue Board of Malaysia on the taxation of CMMT and its Unitholders.
- Attending to all regular communications with Unitholders.
- Supervising Knight Frank Malaysia Sdn. Bhd. (Property Manager), which pursuant to the property management agreements, performs the day-to-day property management functions (including leasing, accounting, marketing and promotions, property management and operations) for CMMT's malls namely The Mines, Gurney Plaza, Sungei Wang Plaza and East Coast Mall.

CMMT, constituted as a trust, is externally managed by the Manager and therefore has no personnel of its own. The Manager appoints experienced and well qualified individuals to run its day-to-day operations. All Directors and employees of the Manager are remunerated by the Manager and not CMMT.

The Manager was appointed in accordance with the terms of the trust deed dated 7 June 2010 (as amended, varied or supplemented from time to time) (the Deed). The Deed outlines certain circumstances under which the Manager can be removed; through a special resolution passed by a majority consisting of not less than three-fourths of the Unitholders present and voting at a meeting of Unitholders duly convened and held in accordance with the provisions of the Deed, on grounds of a breach of its obligations under the Deed which the Manager failed to remedy despite the request to remedy from the Trustee.

Corporate Governance Culture

Strong corporate governance has always been the priority of the Manager. The Manager recognises that an effective corporate governance culture is critical to the performance and, consequently, to the success of CMMT.

The Manager (the Company, and together with CMMT and its subsidiary, the Group) is committed to high standards of corporate governance and transparency in the management of CMMT and operates in the spirit of the Malaysian Code on Corporate Governance 2012 (the Code), wherever applicable, in discharging responsibilities of the Manager in dealings with Unitholders and the other stakeholders. The following paragraphs describe corporate governance policies and practices of the Manager in 2014, with specific references to the Code. They encompass proactive measures adopted by the Manager to best safeguard the Unitholders' interests by avoiding situations of conflict and potential conflicts of interest, including prioritising the interests of Unitholders over the Manager's and ensuring that applicable laws and regulations are complied with. For ease of reference, the same provisions referred to in the Code are identified below in *italics*.

PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

Board's Roles and Responsibilities

The Board of Directors of the Manager (the Board) is responsible for guiding and directing the Manager, in furtherance to the Manager's primary responsibility to manage the assets and liabilities of CMMT for the benefit of Unitholders. Each Director must act honestly, with due care and diligence. Decisions are taken objectively in the interest of CMMT's Unitholders. The Manager has adopted guidelines, details of which are set out on pages 64 to 66 for Related Party Transactions (as defined herein) and dealings with conflicts of interest.

The Board provides leadership to the Manager, sets the strategic directions and oversees the competent management of CMMT in pursuance of meeting its objectives. The Board establishes goals for management and monitors the achievement of these goals. It ensures that proper and effective controls are in place to assess and manage business risks and compliance with applicable laws. It also sets the disclosure and transparency standards for CMMT and ensures that obligations to Unitholders and other stakeholders are understood and met.

The Board meets regularly to discuss and review the Manager's key activities, including its business strategies and policies for CMMT. Board meetings are scheduled in advance, and are held at least once every quarter to deliberate on matters of strategic significance for CMMT, including any significant acquisitions and disposals, the annual budget, CMMT's and the Manager's business and financial performance reviews and approval for release of the quarterly and full-year results. Additional Board meetings are held, where necessary, to address significant transactions or issues. The Articles of Association of the Manager permit Board meetings to be held by way of tele-conference and video conference.

The Board had during the year adopted a Board Charter setting forth the duties and responsibilities of the Board. These include:

- (a) approving the Group's broad policies, strategies and objectives;
- (b) approving annual budgets, major funding, including capital management proposals, investment and divestment proposals;
- (c) reviewing at least annually the adequacy and effectiveness of the Group's risk management and internal control systems including financial, operational, compliance and information technology controls;
- (d) reviewing and approving succession plans for Directors;
- (e) reviewing and approving the appointment of and succession plans for the Chief Executive Officer (CEO);
- (f) reviewing and approving Board compensation; and
- (g) approving compensation framework and specific remuneration packages of the CEO and key management personnel.

Specific matters which are reserved for the Board's approval include:

- (a) material acquisitions, investments, disposals, and divestments;
- (b) corporate and financial restructuring;
- (c) share issuance, dividends and other returns to shareholders;
- (d) approving the targets for and accessing the performance of the CEO and reviewing the compensation package for the CEO; and
- (e) matters which involve a conflict of interest for a substantial shareholder or a Director.

In the discharge of its functions, the Board is supported by an Audit Committee that provides independent oversight of the Manager, and which also serves to ensure that there are appropriate checks and balances. The Board is also supported by a Corporate Disclosure Committee and Executive Committee. Each of these Board committees operates under delegated authority from the Board. Other committees may be formed as dictated by business imperatives and/or to promote operational efficiency.

The Audit Committee is established by the Board from among the Directors of the Manager and comprises four members, all non-executive, majority of whom (including the Chairman of the Audit Committee) are independent.

The Audit Committee members have the relevant expertise to discharge the functions of an audit committee. At present, two members of the Audit Committee are members of the Malaysian Institute of Accountants. The principal responsibilities of the Audit Committee under its terms of reference include the following:

- Monitoring and evaluating the effectiveness of internal control processes (including financial, operational, compliance controls, information technology and risk management policies and systems) by reviewing internal and external audit reports to ensure that where deficiencies in internal controls have been identified, appropriate and prompt remedial action is taken by management;
- Reviewing the quality and reliability of information prepared for inclusion in the financial reports and approving the financial statements and the audit report before recommending to the Board for approval;
- Reviewing the adequacy and effectiveness of the internal audit function;
- Monitoring the procedures established to regulate Related Party Transactions (as defined herein) including ensuring compliance with applicable provisions of the Listing Requirements and the REITs Guidelines;
- Reviewing the appointment and re-appointment of both internal and external auditors (including remuneration and terms of engagement) before recommending them to the Board for approval and reviewing the adequacy of existing audits in respect of cost, scope and performance;
- Reviewing the scope and results of the audit and its cost effectiveness, the independence and objectivity of the external auditors, non-audit services provided by the external auditors and confirming that they would not, in the Audit Committee's opinion, impair the independence of the external auditors; and
- Monitoring the procedures in place to ensure compliance with applicable legislation, the Listing Requirements and the REITs Guidelines.

The Audit Committee is authorised to investigate any matters within its terms of reference. The Audit Committee has full access to and co-operation of management and the internal auditors and has full discretion to invite any executive officer and employee to attend its meetings. The internal auditors and CMMT's external auditors have unrestricted access to the Audit Committee. Reasonable resources have been made available to the Audit Committee to enable it to discharge its duties.

The Audit Committee meets CMMT's external auditors, without the presence of management, at least twice a year. In its review of the audited financial statements for FY 2014, the Audit Committee discussed with management and external auditors the accounting principles that were applied. Based on the review and discussions with management and the external auditors, the Audit Committee is of the view that the financial statements are fairly presented, and conform to generally accepted accounting principles in all material aspects. The Audit Committee has also conducted a review of all non-audit services provided by

the external auditors during the financial year and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The aggregate amount of fees paid and payable to the external auditors for FY 2014 was RM188,900, of which audit fees amounted to RM178,900 and non-audit fees amounted to RM10,000.

Management closely monitors changes to accounting standards and other similar issues which may potentially have an impact on financial statements, and provides the Audit Committee with relevant briefings and updates during quarterly Audit Committee meetings and/or at specially convened sessions conducted by professionals or via circulation of Audit Committee papers.

Audit Committee meetings are generally held after the end of every quarter in every financial year. During FY 2014, the Audit Committee met a total of four times.

The Corporate Disclosure Committee pursues best practices concerning transparency and reviews corporate disclosure matters relating to CMMT including announcements made to Bursa Securities.

The Executive Committee oversees the day-to-day activities of the Manager on behalf of the Board. The principal responsibilities of the Executive Committee under its terms of reference include the following:

- Approving or making recommendations to the Board on write-offs of investments;
- Approving or making recommendations to the Board on new investments and acquisitions;
- Approving specific budgets for capital expenditure involving development projects, acquisitions and enhancements/upgrading of properties;
- Reviewing management reports and operating budgets;
- Awarding contracts for development projects;
- Reviewing the adequacy and completeness of the overall risk management framework of CMMT;
- Evaluating and making recommendations for the Board's approval of the risk guidelines and limits for CMMT;
- Reviewing CMMT's risk portfolio mix and risk levels as and when required;
- Reporting to the Board on decisions made by the Executive Committee; and
- Performing such other functions as delegated by the Board.

During FY 2014, the Executive Committee met formally for a total of five times. The members of the Executive Committee also meet informally during the course of the year.

The Board has adopted a set of internal controls which sets out approval limits for, among other things, capital expenditure, new investments and divestments, bank borrowings and minimum signatory requirements for cheques at the Board level. Apart from matters that specifically require the Board's approval such as the issue of new Units and income distribution, the Board, while approving certain transactions exceeding certain threshold limits and delegates authority for transactions below those limits to Board committees and management. Appropriate delegation of authority and approval of sub-limits are also provided at the management level to facilitate operational efficiency.

Code of Conduct and Whistle-Blowing Policy

The Manager adheres to an ethics and code of business conduct policy which deals with issues such as confidentiality, conduct and work discipline, corporate gifts and concessionary offers. Clear policies and guidelines on how to handle work place harassment and grievances are also in place.

All employees of the Manager have each been given a printed employee handbook which sets out these policies clearly.

The Manager believes that the policies it has implemented help to detect and prevent occupational fraud mainly in three ways.

First, the Manager offers fair compensation packages to its employees, based on practices of pay-for-performance and promotion based on merit.

Secondly, clearly documented policies and work procedures incorporate internal controls which ensure that adequate checks and balances are in place. Periodic audits are also conducted to evaluate the efficacy of these internal controls.

Finally, the Manager seeks to build and maintain the right organisational culture through its core values, educating its employees on good business conduct and ethical values. The Manager's zero tolerance stance against all types of fraud is also regularly communicated at staff communication sessions.

Whistle-blowing policies and procedures are put in place to provide employees of the Manager and parties having official dealings with CMMT with well defined, accessible and trusted channels to report suspected fraud, corruption, dishonest practices or other impropriety at the workplace, for the independent investigation of any reported incidents and appropriate follow up action.

The aim of the whistle-blowing policy is to encourage the reporting of such matters in good faith, with the confidence that employees or external parties making such reports will be treated fairly, and to the extent possible, be protected from reprisal. On an ongoing basis, the whistle-blowing policy is covered during periodic communications to employees to promote fraud awareness.

Sustainability

The details of the Manager's sustainability activities including its corporate social responsibility activities at CMMT's malls are set out on pages 75 to 76.

Supply and Access to Information

Management provides the Board with complete and adequate information in a timely manner. This is done through regular updates on financial results, market trends and business developments. Changes to regulations, policies and accounting standards are also monitored closely.

To keep pace with regulatory changes, where these changes have an important and significant bearing on CMMT and its disclosure obligations, the Directors are briefed by management during Board meetings, at specially convened sessions or via circulation of Board papers. Information provided to the Board includes explanatory background information relating to matters to be brought before the Board, budgets, forecasts and management accounts. In relation to budgets, any material variance between projections and actual results are disclosed and explained.

The Board is supported by a suitably qualified and competent Secretary. The Secretary of the Manager works with the Chairman and management to ensure that Board papers and agendas are provided to each Director in advance of the Board meetings so that they can familiarise themselves with the matters prior to the Board meetings. Senior executives who can provide additional insights into matters to be discussed are requested to also attend the Board meetings so as to be at hand to provide clarifications and/or additional information. Board meetings are usually half-day affairs and include presentations by senior executives, external consultants and experts on strategic issues relating to specific business areas.

The Board is entitled to have separate and independent access to the Manager's senior management and the Secretary, and vice versa. The Secretary provides the Board with necessary assistance and is also responsible for assisting the Chairman in ensuring adherence to Board procedures and compliance with applicable laws and regulations. Under the direction of the Chairman, the Secretary's responsibilities include ensuring good information flow within the Board and its committees and between senior management and Non-Executive Directors, as well as facilitating orientation of new directors and assisting with the professional development of the Directors as and when required. The Secretary attends Board meetings and Board committee meetings to take minutes.

Where necessary, the Manager will, upon request of the Directors (whether as a group or individually), provide them with independent professional advice, at the Manager's expense, to enable them to discharge their duties. The Secretary assists the Directors in obtaining such advice.

PRINCIPLE 2: STRENGTHEN COMPOSITION

Currently, the Board consists of nine Directors of whom five are Non-Executive Independent Directors. The Board determines that Mr David Wong Chin Huat, Tuan Haji Rosli bin Abdullah, Ms Tan Siew Bee, Mr Peter Tay Buan Huat and Mr Ng Chih Kaye are considered to be Independent Directors under the Listing Requirements and REITs Guidelines. The majority of the Board consists of Independent Directors.

Non-Executive Directors actively participate in setting and developing strategies and goals for management, reviewing and assessing management's performance. This enables management to benefit from their external and diverse perspectives on issues that are brought before the Board.

It also enables the Board to interact and work with management through a healthy exchange of ideas and views to help shape the strategic process. A clear separation of the roles between the Chairman and CEO is further described on page 58.

The composition of the Board is reviewed regularly to ensure that the Board has the appropriate size and mix of expertise and experience. The Board comprises persons who, as a group, provide the necessary core competencies and the current Board size is appropriate, taking into consideration the nature and scope of CMMT's operations. The profiles of the Directors are set out on pages 43 to 47.

Board Membership

The Manager does not have a nominating committee. In view that the Manager is a dedicated manager to only CMMT, and taking into account the activities and scale of business of CMMT and the limited number of independent director appointments on the Board of the Manager, the Board considers that the objectives of a nominating committee may be achieved by the full board, which comprises a majority of independent directors, undertaking the responsibilities of a nominating committee. Therefore, the Board performs the functions that such a committee would otherwise perform, namely, it administers nominations to the Board, reviews the structure, size and composition of the Board, and reviews the independence of Board members. Directors of the Manager are not subject to periodic retirement by rotation.

The composition of the Board, including the selection of candidates for new appointments to the Board as part of the Board's renewal process, is determined using the following principles:

- The Board should comprise Directors with a broad range of commercial experience, including expertise in fund management, the property industry and in the banking and legal fields; and
- At least one third of the Board should comprise Independent Directors. In the event the Chairman of the Board is not an Independent Director, majority of the Board should comprise Independent Directors.

The selection of candidates is evaluated taking into account various factors including the current and mid-term needs and goals of CMMT, as well as the relevant expertise of the candidates and their potential contributions. Candidates may be put forward or sought through contacts and recommendations. The Manager issues formal letters to newly-appointed Directors setting out various information including their duties and obligations as directors upon their appointment. Newly appointed Directors are briefed on CMMT's business activities, strategic direction and policies, the regulatory environment in which CMMT operates, the Manager's corporate governance practices, and their statutory and other duties and responsibilities as Directors. Directors are also encouraged to participate in industry conferences, seminars and training programmes in connection with their duties.

Board Evaluation

As and when deemed appropriate, reviews of Board performance are informally conducted. The Manager believes that collective Board performance and that of individual Board members are better reflected in and evidenced by its and their proper guidance, diligent oversight and able leadership, and the support that it lends to management in steering CMMT in the appropriate direction resulting in the long-term performance of CMMT whether under favourable or challenging market conditions whilst safeguarding the interests of CMMT and maximising Unitholders' value. Renewal or replacement of Board members do not necessarily reflect their contributions to date, but may be driven by the need to position and shape the Board in line with the medium term needs of CMMT and its business.

Contributions by an individual Board member can also take other forms, including providing objective perspectives on issues, facilitating business opportunities and strategic relationships and accessibility by management outside of a formal environment of Board and/or Board committee meetings.

Pursuant to the Listing Requirements, the limit on the number of directorships in listed issuers is five. A Director with multiple directorships is expected to ensure that sufficient attention is given to the affairs of the Manager and CMMT.

Remuneration

The Manager believes that a framework of remuneration for the Board and key executives should not be taken in isolation. It should be linked to the building of management bench strength and the development of key executives. This is to ensure continual development of talent and renewal of strong and sound leadership for a sustainable business and a lasting company in the best interest of CMMT.

The remuneration of the Directors and staff of the Manager is paid by the Manager, and not by CMMT. As the Manager is a subsidiary of CapitaLand, it adheres to the remuneration policies and practices of CapitaLand. The Manager therefore does not have a remuneration committee.

The Board has carefully considered the remuneration policies and practices of CapitaLand and is satisfied that such policies and practices will provide the Manager with a suitable remuneration policy. Ultimately, the Directors' fees of CMRM is subject to approval of the shareholders of CMRM.

The remuneration of Directors for FY 2014 is shown in the following table. The CEO does not receive Directors' fees. Non-Executive Directors have no service contracts with the Manager. They receive Directors' fees which comprise a basic retainer fee as a Director, an additional fee for serving on any of the Board committees and an attendance fee for participation in meetings of the Board and any of the Board committees. In determining the quantum of such fees, factors such as frequency of meetings, time spent and responsibilities undertaken by directors are considered. The Chairman and members of the Audit Committee receive additional fees to take into account the nature of their responsibilities and the increased frequency of these meetings.

Directors' Remuneration for FY 2014

Board Members	FY 2014 ¹ (RM)	FY 2013 ¹ (RM)
David Wong Chin Huat	160,000	156,000
Tuan Haji Rosli Bin Abdullah	120,000	120,000
Foo Wei Hoong ²	62,000	66,000
Jason Leow Juan Thong ^{3,12}	9,251	-
Ng Chih Kaye	101,000	101,000
Ng Kok Siong ³	149,000	145,000
Tan Siew Bee	101,000	97,000
Peter Tay Buan Huat	74,000	70,000
Lim Beng Chee ^{3,4}	-	34,274
Simon Ho Chee Hwee (Alternate Director to Lim Beng Chee) ^{3,5}	-	13,935
Lim Beng Chee (Alternate Director to Simon Ho Chee Hwee and Ng Kok Siong) ^{3,6}	2,000	-
Jason Leow Juan Thong (Alternate Director to Simon Ho Chee Hwee and Ng Kok Siong) ^{3,7}	2,000	-
Simon Ho Chee Hwee ^{3,11}	97,749	76,726
Sharon Lim Hwee Li ⁹	-	-
Low Peck Chen (Alternate Director to Sharon Lim Hwee Li) ⁸	-	-
Low Peck Chen ¹⁰	-	-

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¹ Inclusive of attendance fees of (a) RM4,000 (local director) and RM6,000 (foreign director) per meeting attendance in person, (b) RM2,000 per meeting attendance via tele-conference or video conference, and (c) RM2,000 per project or verification meeting subject to a maximum of RM20,000 per Director per annum. Directors' fees are subject to the approval of the Manager's shareholders.

² The Director's fees (excluding attendance fees) to Foo Wei Hoong are payable to Malaysian Industrial Development Finance Berhad (MIDF).

³ In respect of Directors who are nominees of CapitaLand or CapitaMalls Asia Limited (CMA), the Directors' fees are payable to CapitaLand and CMA.

⁴ Lim Beng Chee resigned as a Non-Executive Non-Independent Director and ceased to be Chairman of Executive Committee and a member of the Corporate Disclosure Committee with effect from 15 May 2013.

⁵ Simon Ho Chee Hwee ceased as an Alternate Director to Lim Beng Chee and was later appointed as a Non-Executive Non-Independent Director with effect from 15 May 2013.

⁶ Lim Beng Chee was appointed as an Alternate Director to Simon Ho Chee Hwee and Ng Kok Siong with effect from 15 May 2013 and later ceased as an Alternate Director with effect from 19 September 2014.

⁷ Jason Leow Juan Thong was appointed as an Alternate Director to Simon Ho Chee Hwee and Ng Kok Siong with effect from 19 September 2014 and later ceased as an Alternate Director with effect from 1 December 2014.

⁸ Low Peck Chen was appointed as an Alternate Director to Sharon Lim Hwee Li and Deputy Chief Executive Officer with effect from 19 September 2014 and later ceased as Alternate Director and Deputy Chief Executive Officer with effect from 1 November 2014.

⁹ Sharon Lim Hwee Li resigned as an Executive Non-Independent Director and a member of the Executive Committee with effect from 1 November 2014.

¹⁰ Low Peck Chen was appointed as an Executive Non-Independent Director of the Board, Chief Executive Officer and a member of the Executive Committee with effect from 1 November 2014.

¹¹ Simon Ho Chee Hwee resigned as a Non-Executive Non-Independent Director and ceased to be Chairman of the Executive Committee and a member of the Corporate Disclosure Committee with effect from 1 December 2014.

¹² Jason Leow Juan Thong was appointed as a Non-Executive Non-Independent Director of the Board, Chairman of the Executive Committee and a member of the Corporate Disclosure Committee with effect from 1 December 2014.

PRINCIPLE 3: REINFORCE INDEPENDENCE

Annual Assessment of Independence

A Director is considered independent if he/she is independent of the management of the Manager and is free from any business or other relationships which could interfere with the exercise of independent judgement or the ability to act in the best interest of CMMT.

The Manager applies the Listing Requirements, the REITs Guidelines and the Code in determining if a Director is independent. In making the determination, a questionnaire (that contains, amongst others, disclosures of interest by the Director) completed by the director before his/her appointment is taken into consideration. Each year all Directors are asked to reaffirm their status as an Independent Director.

Tenure of Independent Directors

Recommendation 3.2 of the Code states that the tenure of an independent director should not exceed a cumulative term of nine years. None of the Independent Directors has served on the Board beyond nine years.

Chairman and CEO

The roles of Chairman and CEO are separate and are held by two separate persons. This is to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. The division of responsibilities between the Chairman and the CEO facilitates effective oversight and a clear segregation of duties. The Chairman and the CEO are not related to each other and the Chairman is a Non-Executive Independent Director.

The Chairman leads the Board to ensure the effectiveness on all aspects of its role and sets its agenda. He ensures that members of the Board receive accurate, clear and timely information, facilitates the contribution of Non-Executive Directors, encourages constructive relationships between Executive Directors, Non-Executive Directors and management, ensures effective communication with Unitholders and promotes a high standard of corporate governance.

The Chairman also ensures that the Board works together with management with integrity, competency and moral authority, and that the Board constructively engages management in deliberations on strategy, business operations and enterprise risks.

The CEO is a Board member and has full executive responsibilities over the business direction and operational decisions in managing CMMT.

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PRINCIPLE 4: FOSTER COMMITMENT

Time Commitment

Currently, the directorships held by each Board member are disclosed to the Secretary in accordance with the law and regulations. All Directors are aware that they should devote sufficient time to carry out their responsibilities to the Manager and CMMT. Policies and procedures are implemented and strictly complied by the Board before acceptance of any new directorships by any member of the Board.

Board and Board Committee Attendance

The matrix of Board members' participation and attendance records at meetings of the Board and the specialty Board committees during the year are provided below. The participation and attendance records also reflect each Board member's additional responsibilities and special focus on the respective Board committees.

Four Board meetings were held during FY 2014. The table contains the attendance record of Directors at Board and Board committee meetings during the year, and details of their memberships in the Board and Board committees.

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Composition and Meeting Attendance

Board Members	Composition			Meeting Attendance		
	Audit Committee	Executive Committee	Corporate Disclosure Committee	Board Number of Meetings Held: 4	Audit Committee Number of Meetings Held: 4	Executive Committee Number of Meetings Held: 5
David Wong Chin Huat	-	-	Chairman	4	N.A.	N.A.
Tuan Haji Rosli Bin Abdullah	Chairman	-	-	4	4	N.A.
Foo Wei Hoong	-	-	-	3	N.A.	N.A.
Jason Leow Juan Thong ¹	-	Chairman	Member	-	N.A.	1
Ng Chih Kaye	Member	-	-	4	4	N.A.
Ng Kok Siong	Member	Member	Member	4	4	5
Tan Siew Bee	Member	-	-	4	4	N.A.
Peter Tay Buan Huat	-	-	-	4	N.A.	N.A.
Lim Beng Chee ² (Alternate Director to Simon Ho Chee Hwee and Ng Kok Siong)	-	-	-	N.A.	N.A.	1
Jason Leow Juan Thong ³ (Alternate Director to Simon Ho Chee Hwee and Ng Kok Siong)	-	-	-	-	-	1
Simon Ho Chee Hwee ⁴	-	Chairman	Member	3	N.A.	2
Sharon Lim Hwee Li ⁵	-	Member	-	4	N.A.	4
Low Peck Chen ⁶ (Alternate Director to Sharon Lim Hwee Li)	-	-	-	N.A.	N.A.	N.A.
Low Peck Chen ⁷	-	Member	-	-	N.A.	1

N.A. – Not applicable

¹ Jason Leow Juan Thong was appointed as a Non-Executive Non-Independent Director of the Board, Chairman of the Executive Committee and a member of the Corporate Disclosure Committee with effect from 1 December 2014.

² Lim Beng Chee ceased as an Alternate Director to Simon Ho Chee Hwee and Ng Kok Siong with effect from 19 September 2014.

³ Jason Leow Juan Thong was appointed as an Alternate Director to Simon Ho Chee Hwee and Ng Kok Siong with effect from 19 September 2014 and was later ceased as an Alternate Director with effect from 1 December 2014.

⁴ Simon Ho Chee Hwee resigned as a Non-Executive Non-Independent Director and ceased to be Chairman of the Executive Committee and a member of the Corporate Disclosure Committee with effect from 1 December 2014.

⁵ Sharon Lim Hwee Li resigned as an Executive Non-Independent Director and a member of the Executive Committee with effect from 1 November 2014.

⁶ Low Peck Chen was appointed as an Alternate Director to Sharon Lim Hwee Li and Deputy Chief Executive Officer with effect from 19 September 2014 and was later ceased as an Alternate Director and Deputy Chief Executive Officer with effect from 1 November 2014.

⁷ Low Peck Chen was appointed as an Executive Non-Independent Director of the Board, Chief Executive Officer and a member of the Executive Committee with effect from 1 November 2014.

Directors' Training

All Directors attended the Mandatory Accreditation Programme (MAP) as prescribed by Bursa Securities within four months of their appointments.

During the year under review, the Directors attended various conferences/programmes to enhance their knowledge and expertise and to keep abreast with the relevant changes in law, regulations and the business environment. In this regard, the Board will continue to evaluate and determine the training needs of its Directors on an ongoing basis.

The training programmes, conference and seminars attended by the Directors during FY 2014 related to, *inter alia*, corporate governance, audit committee, strategy & risk, and Directors' duties and responsibilities, the details of which are listed in the table below.

Directors' Training Programmes

Date	Course Title / Organiser
24 Feb 14	Workshop on Anti Money Laundering Act by Institute Bank-Bank Malaysia (IBBM)
28 Feb 14	Crisis Management Portal (CMP) Briefing by CapitaMalls Asia Limited
12 Mar 14	Workshop on Accounting for Changes in Shareholders Equity by Commercial Clearing House (M) Sdn. Bhd.
18 Mar 14	Advocacy Sessions on Corporate Disclosure for Directors of Listed Issuers by Bursa Malaysia Securities Berhad
20 Mar 14	Audit Committee Conference 2014 – 'Stepping Up for Better Governance' by Malaysian Institute of Accountants
25 Mar 14	Briefing Session on Corporate Governance Guide : Towards Boardroom Excellence (2 nd Edition) – An Update by Bursa Malaysia Securities Berhad
3 Apr 14	Seminar on Implementation of Goods & Services Tax by PricewaterhouseCoopers
7 Apr 14	Goods and Services Tax Briefing by Lee Hishamuddin Allen Gledhill
8 Apr 14	Anti-Money Laundering & Anti-Terrorism Financing Act (AMLATFA) 2001 : Impact on Capital Market by CHK Consultancy Sdn. Bhd.
9 Apr 14	Conference on Technology & Innovation on the Future of Banking & Financial Services 2014 by Financial Services Technology Media
9 Apr 14	Psychology for Capital Market Intermediaries by Financial Psychology Sdn. Bhd.
10 Apr 14	Bonds – Mechanics, Risks & Trading Strategies by Symphony Digest Sdn. Bhd.
22 Apr 14	Seminar on Update on Industrial Relations and Employment Law by Lee Hishamuddin Allen Gledhill
24 Apr 14	Talk on Corporate Liability by Malaysia Airports Holdings Berhad
9 May 14	Workshop on Monetary Policy & Economic Analysis by Advanced in Business Training Sdn. Bhd.
20 May 14	Seminar on Roles of Nominating Committees by Bank Negara Malaysia
21 May 14	Workshop on Analysis, Rating, Debt Restructuring & Investment Impacts by Advancement in Business Training Sdn. Bhd.
21 May 14	Workshop on Country and Sovereign Risk (Analysis, Rating, Debt Restructuring & Investment Impacts) by Advanced in Business Training Sdn. Bhd.
26 & 27 May 14	IFN 2014 – Issuers & Investors Asia Forum by RED Money Group
30 May 14	Goods and Services Tax Kickoff and Awareness Briefing by Deloitte Tax Services Sdn. Bhd.

Date	Course Title / Organiser
18 Jun 14	Breakfast Talk on Building Excellent, Ethical & Enduring Organisations by Malaysian Directors' Academy
24 & 25 Jun 14	FIDE Elective : Corporate Governance Issues Facing Development Financial Institutions by The ICLIF Leadership & Governance Centre
25 Jun 14	Corporate Governance Statement Reporting Workshop by Bursa Malaysia Securities Berhad
1 Jul 14	Seminar on IFRS : 9 Financial Instruments : Expected Credit Losses and Classification and Measurement : Limited Amendments to IFRS 9 by Malaysian Accounting Standards Board
7 Jul 14	2014 MASB Roundtable on Financial Reporting by Malaysian Accounting Standards Board
4 Aug 14	Workshop on Leadership & Self-Deception Arbinger Core at Work by Arbinger (Malaysia) Sdn. Bhd.
25 Aug 14	Corporate Board Leadership Symposium 2014 – Harnessing Board Energy & Diversity by Malaysian Institute of Accountants
3 Sep 14	Advocacy Session on Corporate Disclosure for Directors of Listed Issuers by Bursa Malaysia Securities Berhad
3 Sep 14	2014 Biz+ Seminar titled “Achieving Productivity Through Brand Loyalty” by CapitaMalls Asia Limited
3 Sep 14	Conference on The Future of Security in Financial Services by Financial Services Technology Media
8 Sep 14	CFO Dialogue by Malaysia Institute of Accountants
9 & 10 Sep 14	Workshop on Real Estate 100 Module 3 by CapitaLand Institute of Management and Business
10 Sep 14	The ETFs & SBL Conference for Institutions, Brokers & Exchange by Bursa Malaysia Securities Berhad
11 & 12 Sep 14	Workshop on Real Estate 100 Module 4 by CapitaLand Institute of Management and Business
17 Sep 14	Seminar on Funds Transfer Pricing by Asian Institute of Chartered Bankers
23 Sep 14	Seminar on Financial Intellectual Property by Bank Negara Malaysia
29 Sep 14	Workshop on ASEAN Corporate Governance Scorecard by Minority Shareholder Watchdog Group and Bursa Malaysia Securities Berhad
14 Oct 14	Risk Management Conference 2014 “Risk Management = Better Decisions, Better Outcomes”
21 Oct 14	In-house training on “Great Companies Deserve Great Boards” by Malaysian Directors Academy
13 Nov 14	Seminar on “Be Prepared. Success Is Only for Those Who are Ready! Crisis Management, New Companies Bill & Tax Risk Management” jointly by Boardroom Corporate Services (KL) Sdn. Bhd. and Malaysian Investor Relations Association
26 Nov 14	Risk Management Conference by Asian Institute of Chartered Bankers

PRINCIPLE 5: UPHOLD INTEGRITY IN FINANCIAL REPORTING

Financial Reporting

The Manager has implemented quarterly financial reporting for CMMT since inception. Financial results and other price sensitive public announcements are presented in a balanced and understandable format for the assessment of CMMT's performance, position and prospects.

As reported on page 52, the Audit Committee has ensured that the financial statements comply with applicable financial reporting standards and assessed the suitability and independence of the external auditors.

Suitability and Independence of External Auditors

The Manager adopted the External Auditor Independence Guide to enable the Audit Committee to assess the suitability and independence of the external auditor.

The Audit Committee meets CMMT's external auditors, and the internal auditors, without the presence of management at least twice annually in order to have unfettered access to any information it may require.

PRINCIPLE 6: RECOGNISE AND MANAGE RISKS

The Manager has put in place a system of internal control and a set of procedures and processes to safeguard the assets of CMMT, interest of Unitholders as well as to manage risk.

The details of the Manager's risk management and internal controls activities are set out on pages 68 to 70.

PRINCIPLE 7: ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

The Listing Requirements require that a listed entity discloses to the market matters that could, or might be expected to have a material effect on the price of the entity's securities. In line with CMMT's disclosure obligations, the Board's policy is to inform Unitholders, on a timely manner, of all major developments that impact CMMT. During the year, a continuous disclosure process was in place to ensure that compliance with such obligations was constantly adhered to.

The Board observes and performs its disclosure and reporting obligations by making timely announcements to the relevant authorities as and when required by the Listing Requirements.

Unitholders and potential stakeholders have 24-hour access to CMMT's website for information on CMMT's major developments, property descriptions, announcements and other corporate information.

CMMT's unit price information (15 minutes lag-time) is also made available on the website. In addition, the public can pose questions via a dedicated 'Ask Us' email address, and have their queries addressed accordingly. Also available on the website is an archive of CMMT's announcements, press releases, annual reports and operational details. The latest information is posted on the website as soon as it is released to the Bursa Securities and the media.

PRINCIPLE 8: STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

CMMT believes in regular, effective, unbiased and transparent communication with Unitholders. The Manager communicates information on CMMT to Unitholders and the investing community through announcements that are released to Bursa Securities via Bursa LINK. Such announcements include the quarterly and full-year results, material transactions, and other developments relating to CMMT Group requiring disclosure under the corporate disclosure policy of Bursa Securities.

The Investor Relations and Communications teams actively engage Unitholders, analysts, fund managers and the media via:

- Media and analysts' briefings;
- One-on-one/group meetings or conference calls, investor luncheons, local/overseas road shows and conferences;
- Annual reports;
- Press releases on major developments of CMMT;
- Notices of, and explanatory memoranda for, annual general meetings (AGMs) and extraordinary general meetings (EGMs); and
- CMMT's website at www.capitamallsmalaysia.com (an email alerts option is available to subscribers who wish to be notified of newly posted announcements, presentations, publications and press releases).

With a majority of units in CMMT held by institutional investors, the Manager considers meetings with local and foreign fund managers an integral part of investor relations. CMMT also participates in various local and overseas conferences as part of its efforts to build interest in Malaysia REIT market. During the year under review, the Manager met and/or had conference calls with institutional investors from Malaysia, Singapore, Hong Kong, Japan, USA and various European countries. These meetings and road shows with investors enabled the Manager to update potential and current Unitholders on CMMT's significant developments and its medium to long term strategies. The Manager will continue to pursue opportunities to educate and keep retail investors informed of the latest developments in the Malaysia REIT industry, through relevant seminars and conferences.

CMMT's AGM was held on 3 April 2014 which allowed Unitholders a forum to communicate their views and interact with members of the Board and the Manager's senior management.

As part of the Manager's proactive corporate governance approach, the Manager has adopted a formal investor relations policy to ensure that Unitholders and the investment community are provided with pertinent and timely information about the CMMT Group, to enable Unitholders to exercise their rights in an informed manner and to allow Unitholders and the investment community to engage actively with CMMT and the Manager.

The Manager supports the principle of encouraging effective Unitholder participation and voting at general meetings. All Unitholders are sent a copy of CMMT's annual report prior to the AGM. As and when an EGM is to be held, each Unitholder will be sent a copy of a circular which contains details of the matters to be proposed for Unitholders' consideration and approval. Notices for the general meetings of Unitholders setting out all items of business to be transacted at the general meeting are served within the minimum notice period, are announced on Bursa LINK and advertised in the newspapers. Members of the Board, the Manager's senior management and the external auditors of CMMT are in attendance at such general meetings, and Unitholders are given the opportunity to air their views and ask questions regarding the matters to be tabled at the general meetings. Resolutions put to the general meeting are separate unless they are interdependent and linked, and the reasons and material implications are explained. Voting at general meetings is conducted by way of a poll. The chairman of the meeting, with assistance of the Manager's staff and service providers, will brief Unitholders to familiarise them with the detailed procedures involved in conducting a poll, and the result of the poll will be announced after the general meeting via Bursa LINK. Minutes of general meeting will be made available to Unitholders at their request. A Unitholder is entitled to appoint one proxy, and for certain categories of Unitholders, two proxies, to attend and vote at the general meetings in his/her stead.

OTHERS

Dealings with Related Parties

Review Procedures for Related Party Transactions

In general, the Manager has established internal control procedures to ensure that all future transactions involving the Trustee and a related party of CMMT (Related Party Transactions) are undertaken on an arm's length basis and on normal commercial terms, which are generally no more favourable than those extended to unrelated third parties. In respect of such transactions, the Manager would have to demonstrate to the Audit Committee that the transactions are undertaken on normal commercial terms which may include obtaining (where applicable) quotations from parties unrelated to the Manager, or obtaining valuations from independent valuers (in accordance with the REITs Guidelines).

In addition, the following procedures are generally followed:

- Save and except for transactions for appointment or renewal of service providers related to the Manager, all non-real estate transactions less than RM250,000 shall be approved by the Chief Executive Officer followed by the advice of internal audit and review by the Audit Committee.
- Save and except for transactions for appointment or renewal of service providers related to the Manager, all non-real estate transactions greater than or equal to RM250,000 shall be approved by the Board upon the advice of internal audit and review/recommendation by the Audit Committee. The same principles apply to real estate transactions less than 5% of the total asset value (TAV) of CMMT and are additionally subject to the Trustee's written confirmation based on the Board's approval.
- Real estate transactions greater than or equal to 5% of TAV shall be approved by the Unitholders based on the Board's approval after internal audit's advice and the Audit Committee's review / recommendation.
- Save and except for transactions which fall within the ambit of Paragraph 10.08(11)(e) and (g)¹ of the Listing Requirements (Exempted Related Party Transaction), the appointment or renewal of service providers related to the Manager shall be approved by the Independent Directors upon the advice of internal audit and review / recommendation by the Audit Committee.
- Exempted Related Party Transactions shall be approved by the Chief Executive Officer followed by approval/ratification of the Independent Directors.

In dealing with any Related Party Transactions, it is the Manager's policy that all related party transactions carried out by or on behalf of CMMT should be:

- Carried out on an arm's length basis and on normal commercial terms.
- In the best interest of Unitholders of CMMT.
- Adequately disclosed to the Unitholders of CMMT.
- In relation to a real estate transaction:
 - Consented by the Trustee;
 - Consistent with the investment objective and strategy of CMMT; and
 - Transacted at a price that is equivalent to the value stated in the valuation report.

The acquisition/disposal may be transacted at a price other than as per the valuation report PROVIDED THAT (a) the acquisition price is not more than 110% of the value assessed in the valuation report; (b) the disposal price is not less than 90% of the value assessed in the valuation report; and (c) the Trustee provides written confirmation that the transaction is based on normal commercial terms, at arm's length, and not prejudicial to Unitholders' interest.

¹ Paragraph 10.08(11)(e) of the Listing Requirements refers to the provision or receipt of financial assistance or services, upon normal commercial terms and in the ordinary course of business, from a corporation whose activities are regulated by any written law relating to banking, finance corporations or insurance and are subject to supervision by Bank Negara Malaysia.

Paragraph 10.08(11)(g) of the Listing Requirements refers to a transaction between a listed issuer or any of its subsidiaries and another person for the provision or receipt of goods or services which are Exempted Transactions where (i) the goods or services are purchased, sold or rendered based on a non-negotiable fixed price or rate which is published or publicly quoted; and (ii) all material terms including the prices or charges are applied consistently to all customers or classes of customers. Exempted Transactions are further defined to mean (aa) provision or usage of public utility services such as water, electricity, telecommunications, postal or courier services, insurance, unit trusts, stockbroking services, public transport, education, medical services, provision or usage of tolled highways, hotel facilities and recreational services, provision or consumption of fuel on retail or food and beverage at eateries, provision or purchase of goods at retail outlets such as supermarkets, hypermarkets or departmental stores; and (bb) such other types of transactions that may be prescribed by Bursa Securities from time to time.

Role of the Audit Committee for Related Party Transactions

The Manager's internal control procedures are intended to ensure that Related Party Transactions are conducted at arm's length and on normal commercial terms, and are not prejudicial to Unitholders' interests. The Manager maintains a register to record all Related Parties of CMMT and Related Party Transactions which are entered into by CMMT (and the basis, including the quotations obtained to support such basis upon which they are entered into). All Related Party Transactions are subject to regular periodic reviews by the Audit Committee, which seeks advice from the internal auditor to ascertain that the guidelines and procedures established to monitor Related Party Transactions, including the relevant provisions of the Listing Requirements and the REITs Guidelines, as well as any other guidelines which may from time to time be prescribed by Bursa Securities, the Securities Commission or other relevant authority, have been complied with. The review includes an examination of the nature of the transaction and its supporting documents or such other information deemed necessary by the Audit Committee. If a member of the Audit Committee has an interest in a transaction, he is to abstain from participating in the review and approval process in relation to that transaction.

Details of all Related Party Transactions entered into by CMMT during the financial year are disclosed on pages 124 to 126 of this Report.

Dealings with Conflicts of Interest

The following principles and procedures have been established to deal with potential conflicts of interest which the Manager (including its Directors, executive officers and employees) may encounter in managing CMMT:

- The Manager will be a dedicated manager to CMMT and will not manage any other REITs or be involved in any other real property business;
- All executive officers of the Manager will be employed by the Manager;
- All resolutions at meetings of the Board of the Manager in relation to matters concerning CMMT must be decided by a majority vote of the Directors, including at least one Independent Director.
- In respect of matters in which CapitaLand and/or its subsidiaries (including CMA) have an interest, whether direct or indirect, any nominees appointed by CapitaLand and/or its subsidiaries (including CMA) to the Board will abstain from voting;
- If the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of CMMT with an affiliate of the Manager, the Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) which shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee, on behalf of CMMT, has a *prima facie* case against the party allegedly in breach under such agreements, the Manager is obliged to pursue the appropriate remedies under such agreements. The Directors of the Manager have a duty to ensure that the Manager complies with the aforesaid. Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee with an affiliate of the Manager, and the Trustee may take such action as it deems necessary to protect the rights of Unitholders and/or which is in the interests of Unitholders. Any decision by the Manager not to take action against an affiliate of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such affiliate.
- The Board shall comprise at least one-third of Independent Directors. Currently the Board comprises majority Independent Directors.

In addition, the Directors and executive officers of the Manager are expected to act with integrity and honesty at all times.

In addition, the Manager and the Trustee have been granted a right of first refusal (ROFR) by CMA where:

- For so long as the Manager shall remain the manager of CMMT and a subsidiary of CMA, neither CMA nor any subsidiary of CMA, will (a) purchase any relevant retail property which CMA and/or its subsidiaries may identify and target for acquisition in the future without granting the ROFR to CMMT to purchase such relevant retail property at the offer price and based on the terms and conditions as proposed to the relevant member of CMA and its subsidiaries, subject to various procedural requirements, including notice provisions, as set out in the letters of undertakings; or (b) sponsor or act as the manager of another REIT or any listed company in Malaysia that competes or will compete for the acquisition of relevant retail property, save that (a) and (b) shall not be applicable to any relevant retail property which is the subject matter of any of the following:
 - Joint venture or proposed joint venture with CMA and/or its subsidiaries and any third party or parties; or
 - A proposal made exclusively available to CMA and/or its subsidiaries; or
 - A fund or proposed fund managed by CMA and/or its subsidiaries.
- In the event CMA should sponsor a Malaysian retail property fund for the acquisition and/or development of relevant retail property, CMA shall endeavour to procure that such fund shall grant to CMMT a ROFR in relation to any relevant retail properties of which the fund wishes to dispose.

This undertaking has the effect of limiting the ability of CMA from undertaking or participating in certain business opportunities, as described above.

Dealings in Securities

The Manager has issued guidelines to its Directors and employees which prohibit them from dealing in CMMT's units while in possession of material unpublished price-sensitive information and during the periods commencing 30 calendar days before the release of CMMT's quarterly results to one full market day after the release of the relevant results to Bursa Securities via Bursa LINK pursuant to the Listing Requirements. In addition, if any of such affected persons deal in CMMT's units during the closed periods or outside closed periods under the Listing Requirements, they are required to comply with the conditions as set out in Paragraphs 14.08 and 14.09 of the Listing Requirements respectively. They are also made aware of the applicability of the insider trading laws at all times.

Anti-Corruption and Bribery Policy

The Manager adopts a strong stance against corruption and bribery. In addition to clear guidelines and procedures for the giving and receipt of corporate gifts and concessionary offers, all employees of the Manager are required to make a declaration on an annual basis where they pledge to uphold CapitaLand's core values and not to indulge in any corrupt or unethical practices.

The Manager's zero tolerance policy towards corruption and bribery extends to its dealings with third party service providers and vendors. Pursuant to such policy, the Manager requires that all agreements with third party service providers and vendors incorporate a robust anti-corruption clause.

Statement on Risk Management and Internal Control

Introduction

Paragraph 15.26(b) of the Listing Requirements requires the board of directors of any given publicly listed company to include in its annual report a 'statement about the state of internal control of the listed issuer as a group'. Although CMMT is a REIT, and it is not required to comply with Paragraph 15.26(b) of the Listing Requirements, the Board has voluntarily adopted the relevant corporate governance disclosure under this section of the Listing Requirements and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed issuers.

Board's Responsibility

In discharging the Board's stewardship responsibilities, the Board assumes the responsibility for the system of internal controls and risk management as set up by the Manager for CMMT. The Board is responsible for the adequacy and integrity of the system of risk management and internal controls. It is an essential part of the Board's responsibilities to identify principal risks, ensure that appropriate systems and policies are in place to manage these risks and to review the adequacy and integrity of such internal controls system and policies. However, the Board acknowledges that no system of risk management and internal controls can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision making, human error, losses, fraud or other irregularities. A sound system of risk management and internal controls therefore provides a reasonable but not absolute assurance that CMMT Group will not be significantly affected by any event that can be reasonably foreseen as it strives to achieve its business objectives.

Risk Management

Effective risk management is a fundamental part of CMMT's business strategy. The key risks and control measures are described on pages 71 to 72. Recognising and managing risk is central to CMMT's businesses and in protecting Unitholders' interests and value. CMMT operates within guidelines and parameters set by the Board for the Manager and CMMT. Based on a risk and control self assessment (RCSA), transactions are analysed to understand the risks involved. Responsibility for managing risk lies initially with the business unit concerned, working within the overall strategy endorsed by the Board.

The Manager's focus on risk management recognises that risk management is, *prima facie*, an issue for management. The risk management framework supports this focus but provides a structured context for management to undertake a review of the past performance of, and to profile the current and future risks it faces within its areas of responsibility. This risk information is consolidated and used as key input into the risk management review sessions which are held at least once a year to review CMMT's strategic direction in detail, and include specific focus on the identification of key businesses and financial risks which could prevent CMMT from achieving its objectives. Management is then required to ensure that appropriate controls are in place to effectively manage those risks, and such risks and controls are monitored by the Executive Committee and Audit Committee respectively on a quarterly basis and by the Board annually. The internal audit plan is developed in conjunction with the risk management programme and is focused on ensuring that the operation of internal controls and assessment of the effectiveness and efficiency of the control environment.

The Manager has determined that significant risks for CMMT will likely arise when making property investment decisions and have identified these in the RCSA. Accordingly, the Manager has established procedures to be followed when making such decisions. In accordance with these procedures, the Board requires comprehensive due diligence to be carried out in relation to any proposed investment and a suitable determination is made as to whether the anticipated return on the proposed investment is appropriate, having regard to the level of risk. In addition, the Board requires that each major proposal submitted to the Board for decision making is accompanied by a comprehensive risk assessment report.

The Board usually meets quarterly, or more often if necessary, to review and approve the financial performance of the Manager and of CMMT Group against a previously approved budget. The Board also reviews the risks to the assets of CMMT Group and acts upon any comments by the auditors of CMMT. In assessing business risk, the Board considers the economic environment and property industry risks. The Board and its Executive Committee review and approve all investment decisions and key treasury matters. Management meets monthly to review the operations of the Manager and CMMT and discuss continuous disclosure issues.

The Manager has a risk identification and management framework for CMMT Group. The Manager proactively identifies and addresses risks in CMMT Group. The ownership of these risks lies with the CEO and function heads of the Manager with stewardship residing with the Board. The Executive Committee assists the Board to oversee management in the formulation, updating and maintenance of an adequate and effective risk management framework while the Board reviews the adequacy and effectiveness of the system of risk management and internal controls.

Key Internal Control Processes

The Manager has put in place systems of internal control and a set of procedures and processes to safeguard the assets of CMMT and interest of Unitholders as well as to manage risk. These are described in the following paragraphs.

The Manager maintains a RCSA which identifies the material risks facing CMMT Group and the internal controls in place to manage or mitigate those risks. The RCSA is reviewed and updated at least once a year by the CEO and function heads of the Manager and is also reviewed quarterly by the Executive Committee and Audit Committee and annually by the Board. The Executive Committee is tasked to review and it is reported to the Audit Committee the approach taken in identifying and assessing risks and internal controls in the RCSA. Internal and external auditors conduct audits that involve testing the effectiveness of the material internal control systems for CMMT Group including testing, where practical, material internal controls in areas managed by external service providers. Any material non-compliance or lapses in internal controls together with proposed corrective measures by internal and external auditors are reported to the Audit Committee. The system of risk management and internal controls is continually being refined by the Manager and reported to the Audit Committee and the Board for their approval.

The Board has also received assurance from the CEO and the Acting Head of Finance of the Manager that:

- (a) The financial records of the CMMT Group have been properly maintained and the financial statements give a true and fair view of CMMT Group's operations and finances; and
- (b) The risk management and internal control systems in place within the CMMT Group are adequate and effective in addressing the material risks in the CMMT Group in its current business environment including material financial, operational, compliance and information technology risks.

The CEO and the Acting Head of Finance of the Manager have obtained similar assurances from the function heads of the Manager.

The Board has adopted a set of internal controls which sets out the authority limits for investments and divestments, acceptance of banking facilities or treasury products, budgetary approval, capital and operating expenditure, lease renewals, marketing, professional services expenditure and other operational matters. The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions within those limits to authorised personnel in order to facilitate operational efficiency. Only authorised personnel are empowered to approve a transaction (including payments) on behalf of the Board.

Internal control procedures are established to ensure that related party transactions are undertaken in compliance with the REITs Guidelines, the Listing Requirements and the Deed and are carried out on an arm's length basis and on normal commercial terms, which are in the best interest of the Unitholders. The Manager incorporates into its annual internal audit plan a review of all related party transactions. These established procedures are further explained on pages 64 to 66.

Policies, guidelines and processes are established for dealing with any potential conflicts of interest. This is explained in further detail on pages 66 to 67. In order to deal with any potential conflict of interest situations that may arise, the Manager's policy is that any such transactions carried out for and on behalf of CMMT are to be executed on terms that are the best available to CMMT and which are no less favourable to CMMT than transactions between independent parties. The Manager has outsourced its internal audit function to CMA which reports directly to the Audit Committee.

To ensure that the internal audits are performed effectively, CMA, through the internal audit department, recruits and employs suitably qualified professional staff with the requisite skill sets and experience and provides training and development opportunities for its staff members to ensure that their technical knowledge and skill sets remain current and relevant.

The Audit Committee reviews the internal audit reports and activities on an on-going basis. The Audit Committee also reviews and approves the annual internal audit plan with respect to CMMT. The Audit Committee is of the view that the internal audit department is adequately resourced to perform its functions and has, to the best of its ability, maintained its independence from the activities that it audits.

The scope of the internal audit function for FY 2014 entailed the following:

- Carried out scheduled audit assignments in accordance with the 2014 annual internal audit plan approved by the Audit Committee;
- Reported to the Audit Committee on key findings and agreed management's actions;
- Updated the Audit Committee on the implementation status of agreed management's actions on a quarterly basis;
- Reviewed related party transactions and presented the findings of the review to the Audit Committee on a half-yearly basis;
- Investigated various matters when required and as directed by the Audit Committee; and
- Prepared the 2015 annual internal audit plan for submission to the Audit Committee for approval.

The Audit Committee has put in place a whistle blowing policy to provide employees of the Manager and CMMT with procedures and accessible channels to report suspected fraud, corruption, dishonest practices or other similar matters relating to CMMT and the Manager and for independent investigation of any reports by employees and appropriate follow up action. This whistle blowing policy has been established to promote fraud awareness and to encourage the reporting of such matters in good faith, with the confidence that employees making such reports will be treated fairly and, to the extent possible, be protected from reprisals. The whistle blowing policy adopted is further explained on pages 53 to 54.

The Audit Committee reviews, monitors and evaluates the effectiveness and adequacy of CMMT's internal controls and financial and risk management issues raised by the external and internal auditors, regulatory authorities and management. The Audit Committee also reviews written reports issued by the internal and external auditors, and ensures that appropriate and prompt remedial actions are taken by management where deficiencies in internal controls have been identified. The Audit Committee also convenes meetings with both external and internal auditors without the presence of management.

In addition, the Audit Committee reviews the adequacy of the scope, functions and competency of the internal audit function. The Audit Committee also reviews and evaluates the procedures established to ensure compliance with applicable legislation, the Listing Requirements and the REITs Guidelines.

The Board reviews and approves, *inter alia*, the following reports from management, upon recommendation of the Audit Committee and Executive Committee, on a periodic basis:

- CMMT Group's quarterly financial results and major variance explanation against the approved budget for the relevant period;
- Status update of major asset enhancement works carried out on the properties as planned;
- Status update of treasury matters including debt profile, maturity and interest rate management; and
- Status update of other operational matters.

Based on these reviews, the Board opined, with the concurrence of the Audit Committee, that there are adequate internal controls in place within CMMT Group addressing financial, operational, compliance and information technology risks.

Key Risks and Control Measures

Risk Management

Effective enterprise-wide risk management is a fundamental part of the Manager's business strategy for CMMT Group. Potential risks are identified and controls to mitigate these risks are established to protect Unitholders' interests and the value of the CMMT Group. The key risks and control measures are described below.

Operational Risk

To mitigate and manage operational risks, the Manager has integrated risk management into the day-to-day activities across all functions. Risk management includes the establishment of planning and control systems and guidelines, information technology control systems, and operational reporting and monitoring procedures involving the Executive Committee and the Board. The operational risk management system is monitored and examined to ensure continued effectiveness.

All risk management frameworks are designed to ensure that the appropriate processes and procedures are in place to prevent, manage and mitigate any operational risk.

Investment Risk

The main sources of growth for CMMT are the acquisition of properties and AEs. The risks involved in such investment activities are managed through a rigorous set of investment criteria which includes yield accretion, market catchment, rental sustainability, growth potential and fit within CMMT's portfolio. The underlying financial projection assumptions are carefully reviewed and a sensitivity analysis is conducted on key variables.

The potential risks associated with proposed projects and the issues that may prevent their smooth implementation or projected outcomes are identified at the evaluation stage. This enables the Manager to determine actions that need to be taken to manage or mitigate risks as early as possible.

Interest Rate Risk

CMMT Group's exposure to changes in interest rates relates primarily to interest-bearing borrowings. Interest rate risk is managed on an ongoing basis with the primary objective of limiting the extent to which interest expense could be affected by adverse movements in interest rates. To reduce CMMT Group's exposure to increases in interest rates, the Manager has locked in a proportion of CMMT Group's borrowings at fixed interest rates.

As at 31 December 2014, 68.8% of CMMT Group's borrowings are based on fixed rates. There is no immediate refinancing risk as the tranches of CMMT Group's term loan and medium term notes have remaining tenures ranging from two to four years.

Currency Risk

As the assets of CMMT Group are currently based in Malaysia, there is little or no foreign exchange exposure from operations. CMMT Group borrows in Malaysian Ringgit from domestic banks and debt capital market.

Credit Risk

Credit risk is the potential earnings volatility caused by tenants' inability and/or unwillingness to fulfill their contractual lease obligations, as and when they fall due. There is a stringent collection policy in place to ensure that credit risk is minimised. Other than the collection of security deposits, which typically amounts to an average of three months' rent in the form of cash or bankers' guarantee, CMMT also has vigilant monitoring and debt collection procedures. Debt turnover of CMMT Group as at 31 December 2014 was approximately 11 days (FY 2013: 10 days).

Liquidity Risk

The Manager actively monitors CMMT Group's cash flow position to ensure that there are sufficient liquid reserves in terms of cash and credit facilities to finance CMMT's operations and AEs. The Manager diligently monitors and observes financing covenants to ensure compliance.

Financing Risk

The health and sentiments of the debt markets in Malaysia directly affects CMMT as external sources of funding are needed to fund new acquisitions or AEs or to refinance the existing borrowings.

CMMT will continue to manage its capital structure proactively by spreading out its debt maturity to a manageable size and maintaining an optimal gearing level.

Legal and Compliance Risk

In line with the compliance requirements as stipulated in Chapter 3 of the REITs Guidelines and the reporting requirements by the SC under Section 298 of the Capital Markets and Services Act 2007, the Manager has in place a compliance management system to ensure that all relevant laws and regulations are complied and adhered to. An amended comprehensive RCSA was adopted by CMMT in FY 2014 and is reviewed periodically to identify and take mitigation steps towards any cases of non-compliance reported.

Human Resource Risk

A key challenge in the retail property industry is talent attraction, retention and development as there is a scarcity of individuals with the required skill-sets and competencies. In particular, CMMT's success is significantly dependent on the efforts, abilities and continued performance of the Manager's senior management team and certain key senior personnel. The resignation or loss of any of these individuals, or of one or more of the Manager's other key employees, could have a material adverse effect on CMMT's business, results of operations and financial condition. However, the Manager has formulated robust succession planning and talent management strategies to ensure that CMMT's current and future human capital needs are met.

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Capital Management

The Manager continues to rigorously monitor the cash position and borrowings level of CMMT Group with the view of strengthening its capital structure and competitive position.

Borrowings

The Manager's capital management strategy involves adopting and maintaining an appropriate aggregate leverage level to ensure optimal returns to unitholders, while maintaining flexibility in respect of future capital expenditure or acquisitions.

In February 2014, the credit margin of an unsecured revolving credit facility of CMMT Group was tightened by approximately 15 basis points. The proactive interest rate risk management paved the way for CMMT to limit the adverse impact on the cost of debt due to increase in market interest rate.

As at 31 December 2014, CMMT Group had available banking credit facilities of RM750.8 million and an unutilised interest rate swap line of up to RM90.0 million. CMMT Group had utilised RM519.8 million for the acquisition of properties, RM145.4 million for the funding of capital expenditure and RM7.4 million for a bank guarantee facility for utilities, leaving unutilised banking credit facilities of RM78.2 million.

Of the approved 20-year secured MTN programme of RM3.0 billion, a four-year unrated and secured MTN of RM300.0 million was issued by CMMT MTN Berhad (CMMT's financing vehicle) and was on-lent to CMMT to refinance an existing secured term loan in December 2012. The unrated and secured MTN remains outstanding as of the reporting date.

The total borrowings of CMMT Group as at 31 December 2014, excluding bank guarantees, were RM965.2 million, which equates to a healthy gearing level at 29.0%. The increase in Bank Negara Malaysia's (BNM) Overnight Policy Rate (OPR) from 3.00% to 3.25% in July 2014 had minimal impact on CMMT's average cost of debt for FY 2014 as majority of the Group's borrowings are at fixed interest rates. The average cost of debt for CMMT Group for FY 2014 was relatively stable at approximately 4.3% per annum as compared to 4.4% per annum in FY 2013.

Debt Maturity Profile

The debt maturity profile for CMMT Group as at 31 December 2014 was as follows:

Year	Debt Maturity (RM million)
2015	145.4
2016	300.0
2017	450.0
2018	69.8

Cash Flows and Liquidity

The Manager proactively monitors its cash and liquid reserves to ensure that adequate funding is available for distribution to the unitholders as well as to meet any short-term liabilities.

Cash and Cash Equivalents

As at 31 December 2014, the cash and cash equivalents of CMMT Group stood at RM156.5 million, an increase of RM6.1 million compared to FY 2013. The RM6.1 million cash increment was mainly the result of cash inflow of RM200.1 million from operating activities, offset by the cash outflows of RM47.5 million and RM146.5 million from investing and financing activities respectively.

Operating Activities

CMMT Group's operating net cash flow for FY 2014 was RM200.1 million, an increase of RM4.7 million over the preceding year. The increase was mainly due to contribution from East Coast Mall, which had completed a two-phase asset enhancement works, and onselling of electricity to tenants at The Mines. CMMT 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 continues to be affected by the ongoing MRT works.

Investing Activities

In 2014, CMMT Group spent RM0.7 million on plant and equipment. The Group also invested RM67.4 million in capital expenditure, which resulted in a cash outflow of RM51.5 million, with the balance to be paid in the next financial year. The impact of this cash outflow was partly mitigated by interest income of RM4.6 million as a result of active cash management.

Financing Activities

In February 2014, the credit margin of an unsecured revolving credit facility of CMMT Group was tightened by approximately 15 basis points. During the year, a net RM54.4 million was drawn down for the funding of capital expenditure. CMMT Group also paid RM40.4 million in borrowing costs and distributed RM160.2 million to its unitholders. In addition, CMMT Group paid RM0.2 million in financing incidental costs.

Accounting Policies

The financial statements have been prepared in accordance with the provisions of the Deed, the REITs Guidelines, Malaysian Financial Reporting Standards and International Financial Reporting Standards. These financial statements also comply with the applicable disclosure provisions of the Listing Requirements.

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Corporate Social Responsibility

'Doing well by doing good' is at the foundation of corporate social responsibility and we are firm believers in this mantra. We are dedicated to being a responsible corporate citizen by operating in an economically, socially and environmentally sustainable manner.

As Corporate Social Responsibility (CSR) encompasses the triple bottom line 'people, planet and profit', many of its facets are covered throughout this annual report. In this section, the Manager's efforts in philanthropy and volunteerism, as well as environment, health and safety, are described.

Philanthropy and Volunteerism

In Malaysia, shopping malls are not simply places to shop; with their air-conditioned comfort and food and beverage and entertainment/lifestyle options, they often serve as de facto community centres or town squares - destinations for families and friends to spend significant amounts of their leisure time. In any business, it is important to engage and give back to the community; given the central role of malls in Malaysians' lives, this is even more important in the context of CMMT's business. As such, the Manager partners with various organisations to hold civic and community events within CMMT's malls. The Manager also promotes volunteerism by organising humanitarian events that staff can volunteer in and provides three days of volunteer leave per year to each employee.

The key of focus of philanthropic efforts is the 'next generation'. Between November and December 2014, CMMT carried out "My Schoolbag" – a key annual CapitaLand CSR programme whereby schoolbags containing school and daily necessities are given to underprivileged children. Funded by CapitaLand Hope Foundation, the philanthropic arm of CapitaLand, approximately RM150,000 was donated to 600 underprivileged children from many shelter homes in Kedah, Kuala Lumpur, Selangor, Penang and Kuantan, Pahang. My Schoolbag took place at the malls and over 130 staff members from the Manager and CapitaLand volunteered for the event.

During the Hari Raya festive season, "My Raya Wishes Charity Drive" was organised at The Mines that was aimed to bring cheer to underprivileged children by fulfilling their wishes. Items that were donated by the public included new clothing shoes. About 30 children from Pusat Jagaan Baitus Sakinah Wal Wahabbah benefited from this CSR campaign.

Environment, Health and Safety

The Manager recognises that the environment and the economy are interdependent and is committed to adopting environmentally sustainable practices and policies. Emphasis is placed on reducing the consumption of electricity and water through utilities conservation, equipment and system efficiencies, pollution minimisation and green technology initiatives, as well as promoting environmental consciousness among shoppers, tenants and staff. The health and safety of shoppers, tenants, staff and vendors are also a priority, and safety is continually assessed using a hazard identification risk assessment approach.

On 29 March 2014, CMMT's malls participated in the global "Earth Hour" campaign organised by World Wildlife Fund to combat global warming. Each mall's facade, signage and other non-essential lights were switched off for up to 24 hours to promote awareness on energy conservation among shoppers, tenants and staff.

In conjunction with "Earth Hour" campaign, Gurney Plaza collaborated with Pusat Khidmat ADUN Kawasan Pulau Tikus, Metro Bike & Majlis Perbandaran Pulau Pinang to organise a 18km route cycling charity event – "Cycle for Charity 2014" on 22 March 2014. "Cycle for Charity 2014" was organised in the aid of the Penang Shan Children's Home Association (PSCHA); a home for underprivileged children. The event garnered a total of 744 participants. A sum of RM 4,233 was collected and donated to PSCHA.

In 2014, ISO14001 and OHSAS18001 certifications were successfully renewed at Gurney Plaza, The Mines and East Coast Mall. The upgrading of fluorescent lights to LED-tube lights continues at East Coast Mall and Gurney Plaza. This initiative resulted in energy consumption savings at the malls.

At East Coast Mall, the rainwater harvesting system, which provides the cooling towers and the restrooms/urinals' flushing system with an alternative water source, has been completed and commissioned. Water efficient fittings (Water Efficiency Labeling and Standards rated) have been installed in the restrooms. These initiatives resulted in a reduction in potable water consumption, thus promoting more efficient use of water.

Since 2010, activated carbon filters and ultra violet bacteria eradication lights were progressively installed in exhaust systems across all the malls as and when new tenants renovated their shops in order to minimise air pollution within and outside of the malls.

The refuse recycling programme continues at Gurney Plaza, The Mines and East Coast Mall. Refuse such as paper, plastic, glass and metal are collected, sorted and weighed, in order to monitor the amount of refuse being recycled, and then sent to recycling centres. Tenants were encouraged to participate in the refuse recycling programme and were educated through series of briefing and circulars.

In March 2014, East Coast Mall worked with Tzu Chi, a non-profit organisation, to promote the "3Rs Campaign" (recycle, reduce and reuse) among the community. An eco lantern making contest was organised at East Coast Mall during the Mid-Autumn Festival in the month of September. Members of the community were encouraged to unleash their creativity and transform discarded items into magnificent pieces of eco-friendly lanterns.

Following the Provisional Green Mark Gold certification for energy and water efficiency that was awarded to The Mines by the Building and Construction Authority (BCA) under the Ministry of National Development of Singapore in 2013, The Mines was awarded the Full Green Mark Gold Certification in October 2014. BCA Green Mark is a green building rating system to evaluate a building for its environmental impact and performance. Endorsed by the National Environment Agency of Singapore, it provides a comprehensive framework for assessing the overall environmental performance of new and existing buildings to promote sustainable design, construction and operations practices in buildings. Gurney Plaza, which received this certification on 23 December 2011, was the first shopping mall in Malaysia to receive this award. East Coast Mall received a Provisional Green Mark Gold certification on 28 December 2012. Achieving the Green Mark Gold certifications essentially means that the mall has achieved the optimum efficiency level for its major equipment which usually translates to substantial energy and water consumption savings.

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Human Capital

We believe our people are the key drivers and differentiators in making our business successful and grow sustainably. It is their passion, professionalism, and commitment that provide CMMT with its competitive advantage. We adopt a robust human capital strategy to attract, develop, retain and engage employees.

Talent Management

The Manager proactively seeks outstanding talent to strengthen the management's bench strength in order to optimise the performance of the assets in CMMT's portfolio and facilitate CMMT's future expansion within Malaysia. High potential individuals are recruited at different transition points in their career paths, from young, mid-career professionals and industry veterans. Robust succession planning and talent management strategies are in place to ensure that CMMT's current and future human capital requirements are met.

Learning and Development

The Manager is committed to staff continuous development and life-long learning. Employees are provided with training and development opportunities to expand their capabilities and realise their potential. Leveraging on the Asia-wide human resource platform of CapitaLand, employees are given opportunities to gain exposure by rotating to different malls, functions, cities and countries as part of their career development.

At the core of the employees development programme is a systematic programme for all new hires to gain insights of Manager's business operations, strategies, core values and management philosophy. As part of their orientation, new hires can gain easy access to company information, policies and processes during their initial first few days of familiarisation through one-on-one sharing sessions and iCampus (described below).

The Manager offers comprehensive training and development programmes to enable employees to acquire the relevant knowledge, skill-sets and competencies to achieve business excellence. This includes sponsorship of diplomas, degrees and masters programmes, management and leadership development programmes as well as retail management core competency programmes. Staff members are also sent on overseas study visits to gain exposure to new retail trends, mall management concepts and network with industry players in different parts of the world.

In addition, training is organised and conducted by internal and external specialists to equip employees with the know-how specific to CMMT's business, as well as communication, presentation, finance, management and leadership skills. Apart from class room training, staff can learn at their convenience via online learning platform iCampus, which carries more than 300 courses in various languages.

Rewards Philosophy

The Manager's remuneration policy and process reiterates its corporate philosophy to attract and retain the best talent as well as to reward high achievers. The total rewards scheme includes both short-term incentives, in the form of cash bonuses, and long-term incentives, in the form of restricted shares. The total rewards scheme ensures organisation-employee alignment as employees are rewarded based on business performance and also encourages talent retention.

A flexible benefits plan is provided to cater for the diverse needs of employees and to enable them to complement their personal medical and insurance needs. Employees can thus customise their benefits for themselves and their families.

The Manager conducts regular benchmarking exercises across markets and seeks to be innovative with regard to compensation strategies to ensure that the Manager remains competitive and continues to attract and retain talent.

Engaging People

The Manager endeavours to foster an open work culture with a focus on communication, teamwork and the open exchange of ideas. In line with this staff engagement strategy, senior management conducts regular staff communication sessions to keep staff abreast of strategies, new developments and financials with a view to encourage the sharing of ideas, views and suggestions for business improvements. In addition, recreational and teambuilding events are regularly organised to foster cohesiveness and a team spirit.

Caring for People

The Manager organised various welfare and health-related activities to encourage a well-balanced and healthy lifestyle among employees. Activities included annual dinner, family movie screenings, offsite staff gatherings, health talks and monthly jogging. The Manager is committed to preserving a culture that embraces diversity and fosters inclusion. To promote mutual respect and a harmonious working environment among the different ethnic groups within the organisation in 2014, a series of cultural festive celebrations were organised, including *Raya* get-together, Deepavali gathering, Chinese New Year yee sang (prosperity) tossing ceremonies and Christmas get-together and gift exchange.

The Manager values and cares for people as the success of an organisation will be shaped by the people. The Manager will continue to develop the human capital to achieve optimal performance.

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Investor and Media Relations

We believe that investor relations and media relations are a dialogue. We are not only dedicated to effective and transparent communication with the investment community but also to listening to the views and feedback from existing unitholders, potential investors, analysts, brokers and the media.

The Manager engages the investment community and media on a regular basis as well as provides stakeholders with timely, material and accurate information pertaining to CMMT so that they can gain a greater understanding about CMMT's business, governance, financial performance and prospects, and thus facilitate the fair valuation of CMMT's units.

CMMT's investment proposition and performance is communicated through various mechanisms, such as news releases, media and analyst briefings, one-on-one meetings, conference calls, local and overseas road shows, site visits, its corporate website and e-mail alerts. Announcements, press releases, presentations, circulars and annual reports are uploaded to the website of Bursa Securities. These are also available on CMMT's website together with real-time information relating to CMMT's unit price performance.

Briefing sessions are conducted for analysts and the media on a semi-annual basis for CMMT's first half and full year results and on an ad hoc basis for material transactions and developments relating to CMMT.

Throughout the year, one-on-one meetings with investors and analysts are arranged to facilitate their understanding of CMMT. Individual and group tours of CMMT's properties are conducted upon request for investors and analysts to further enhance their understanding of the market positioning, trade mix and operations, as well as of any past or planned AEl, of CMMT's malls.

The general public can also post CMMT-specific questions via an 'Ask Us' e-mail address.

2014 Investor and Media Relations Calendar

23 Jan	4Q'2013 results press release and analyst briefing/conference call
6 – 10 Mar	Engagement with institutional investors, Singapore and Hong Kong
16 Apr	1Q'2014 results press release
28 – 29 Apr	Engagement with institutional investors, Kuala Lumpur
17 Jul	2Q'2014 results press release and analyst briefing/conference call
21 Oct	3Q'2014 results press release
27 Nov – 12 Dec	"My Schoolbag" events and press release

Unitholders' Enquiries

If you have any enquiries or would like to find out more about CMMT, please contact:

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	Facsimile No.	+60 3 2279 9889
	E-mail	ask-us@capitamallsmalaysia.com
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FINANCIAL STATEMENTS

Statements of Financial Position as at 31 December 2014

		Group		Trust	
	Note	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Assets					
Plant and equipment	3	1,864	2,323	1,864	2,323
Investment properties	4	3,233,000	3,079,000	3,233,000	3,079,000
Investment in subsidiary	5	-	-	*	*
Total non-current assets		<u>3,234,864</u>	<u>3,081,323</u>	<u>3,234,864</u>	<u>3,081,323</u>
Trade and other receivables	6	13,302	14,647	13,248	14,591
Amount due from subsidiary	7	-	-	7,860	7,771
Cash and cash equivalents	8	156,511	150,430	149,337	143,495
Total current assets		<u>169,813</u>	<u>165,077</u>	<u>170,445</u>	<u>165,857</u>
Total assets		<u>3,404,677</u>	<u>3,246,400</u>	<u>3,405,309</u>	<u>3,247,180</u>
Equity					
Unitholders' capital	9	1,832,286	1,823,567	1,832,286	1,823,567
Undistributed profit		455,172	379,050	455,187	379,065
Total unitholders' funds		<u>2,287,458</u>	<u>2,202,617</u>	<u>2,287,473</u>	<u>2,202,632</u>
Liabilities					
Borrowings	10	817,357	816,569	518,361	517,829
Tenants' deposits		51,271	41,787	51,271	41,787
Amount due to subsidiary	7	-	-	300,000	300,000
Total non-current liabilities		<u>868,628</u>	<u>858,356</u>	<u>869,632</u>	<u>859,616</u>
Borrowings	10	145,400	91,000	145,400	91,000
Tenants' deposits		33,242	40,920	33,242	40,920
Trade and other payables	11	69,949	53,507	69,562	53,012
Total current liabilities		<u>248,591</u>	<u>185,427</u>	<u>248,204</u>	<u>184,932</u>
Total liabilities		<u>1,117,219</u>	<u>1,043,783</u>	<u>1,117,836</u>	<u>1,044,548</u>
Total equity and liabilities		<u>3,404,677</u>	<u>3,246,400</u>	<u>3,405,309</u>	<u>3,247,180</u>
Net assets value (NAV)					
- before income distribution		2,287,458	2,202,617	2,287,473	2,202,632
- after income distribution		2,209,539	2,122,840	2,209,554	2,122,855
Units in circulation ('000)	9	<u>1,778,976</u>	<u>1,772,820</u>	<u>1,778,976</u>	<u>1,772,820</u>
NAV per unit (RM)					
- before income distribution		1.2858	1.2424	1.2858	1.2424
- after income distribution		<u>1.2420</u>	<u>1.1974</u>	<u>1.2420</u>	<u>1.1974</u>

* Denotes RM2 issued and paid-up share capital in CMMT MTN Berhad.

The accompanying notes form an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income for the Financial Year Ended 31 December 2014

		Group		Trust	
	Note	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Gross rental income		250,566	246,487	250,566	246,487
Car park income		18,503	18,401	18,503	18,401
Other revenue		46,326	40,216	46,326	40,216
Gross revenue		315,395	305,104	315,395	305,104
Maintenance expenses		(22,655)	(22,646)	(22,655)	(22,646)
Utilities		(46,671)	(40,162)	(46,671)	(40,162)
Other operating expenses	12	(37,167)	(33,689)	(37,167)	(33,689)
Property operating expenses		(106,493)	(96,497)	(106,493)	(96,497)
Net property income		208,902	208,607	208,902	208,607
Interest income		4,624	4,309	4,624	4,309
Fair value gain of investment properties		86,611	81,203	86,611	81,203
Net investment income		300,137	294,119	300,137	294,119
Manager's management fee	13	(20,741)	(20,294)	(20,741)	(20,294)
Trustee's fee	14	(400)	(400)	(400)	(400)
Auditor's fee		(179)	(171)	(171)	(164)
Tax agent's fee		(25)	(28)	(23)	(25)
Valuation fee		(229)	(213)	(229)	(213)
Finance costs	15	(41,299)	(40,891)	(41,299)	(40,891)
Other non-operating expenses		(909)	(2,462)	(919)	(2,472)
Total non-operating and trust expenses		(63,782)	(64,459)	(63,782)	(64,459)
Profit before taxation		236,355	229,660	236,355	229,660
Tax expense	16	-	-	-	-
Profit for the financial year		236,355	229,660	236,355	229,660
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the financial year		236,355	229,660	236,355	229,660
Less: Distribution adjustments	A	(77,890)	(72,858)	(77,890)	(72,858)
Income available for distribution		158,465	156,802	158,465	156,802
Distributable income¹	18	158,375	156,789	158,375	156,789

The accompanying notes form an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income for the Financial Year Ended 31 December 2014 (continued)

	Note	Group 2014 RM'000	2013 RM'000	Trust 2014 RM'000	2013 RM'000
Total comprehensive income for the financial year is made up as follows:					
Realised		149,744	148,457	149,744	148,457
Unrealised		86,611	81,203	86,611	81,203
		<u>236,355</u>	<u>229,660</u>	<u>236,355</u>	<u>229,660</u>
Earnings per unit (sen)	17				
- before Manager's management fee		14.47	14.12	14.47	14.12
- after Manager's management fee		13.31	12.98	13.31	12.98
Distribution per unit (DPU) (sen)					
- for the financial year	18	8.91	8.85	8.91	8.85
Income distribution²					
Distribution of 4.35 sen per unit from 1.1.2013 to 30.6.2013				-	77,012
Distribution of 4.50 sen per unit from 1.7.2013 to 31.12.2013				-	79,777
Distribution of 4.53 sen per unit from 1.1.2014 to 30.6.2014				80,456	-
Declared distribution of 4.38 sen per unit from 1.7.2014 to 31.12.2014 ³	27			77,919	-
				<u>158,375</u>	<u>156,789</u>

1. The difference between income available for distribution and distributable income is due to the rollover adjustment for the rounding effect of DPU.
2. Income distributable to resident individuals, non-resident individuals, resident institutional investors, non-resident institutional investors and non-resident companies are subject to withholding tax.
3. The declared final income distribution will be recognised in the immediate subsequent financial year.

The accompanying notes form an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income for the Financial Year Ended 31 December 2014 (continued)

	Note	Group		Trust	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Note A					
Distribution adjustments comprise:					
Fair value gain of investment properties	4	(86,611)	(81,203)	(86,611)	(81,203)
Manager's management fee payable in units		8,598	8,682	8,598	8,682
Depreciation	3	1,162	1,168	1,162	1,168
Amortisation of transaction costs on borrowings	15	786	781	532	532
Tax and other adjustments		<u>(1,825)</u>	<u>(2,286)</u>	<u>(1,571)</u>	<u>(2,037)</u>
		<u><u>(77,890)</u></u>	<u><u>(72,858)</u></u>	<u><u>(77,890)</u></u>	<u><u>(72,858)</u></u>

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Net Asset Value for the Financial Year Ended 31 December 2014

	Unitholders' capital RM'000	Undistributed profit		Total unitholders' funds RM'000
		Realised RM'000	Unrealised RM'000	
Group				
At 1 January 2013	1,815,222	37,729	263,637	2,116,588
Total comprehensive income for the financial year	-	148,457	81,203	229,660
Increase in net assets resulting from operations	1,815,222	186,186	344,840	2,346,248
Unitholders' transactions				
- Units issued as part satisfaction of the Manager's management fee	8,345	-	-	8,345
- Distribution paid to unitholders	-	(151,976)	-	(151,976)
Increase/(Decrease) in net assets resulting from unitholders' transactions	8,345	(151,976)	-	(143,631)
At 31 December 2013/ 1 January 2014	1,823,567	34,210	344,840	2,202,617
Total comprehensive income for the financial year	-	149,744	86,611	236,355
Increase in net assets resulting from operations	1,823,567	183,954	431,451	2,438,972
Unitholders' transactions				
- Units issued as part satisfaction of the Manager's management fee	8,719	-	-	8,719
- Distribution paid to unitholders	-	(160,233)	-	(160,233)
Increase/(Decrease) in net assets resulting from unitholders' transactions	8,719	(160,233)	-	(151,514)
At 31 December 2014	1,832,286	23,721	431,451	2,287,458

Note 9

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Net Asset Value for the Financial Year Ended 31 December 2014 (continued)

	Unitholders' capital RM'000	Undistributed profit Realised RM'000	Unrealised RM'000	Total unitholders' funds RM'000
Trust				
At 1 January 2013	1,815,222	37,744	263,637	2,116,603
Total comprehensive income for the financial year	-	148,457	81,203	229,660
Increase in net assets resulting from operations	1,815,222	186,201	344,840	2,346,263
Unitholders' transactions				
- Units issued as part satisfaction of the Manager's management fee	8,345	-	-	8,345
- Distribution paid to unitholders	-	(151,976)	-	(151,976)
Increase/(Decrease) in net assets resulting from unitholders' transactions	8,345	(151,976)	-	(143,631)
At 31 December 2013/ 1 January 2014	1,823,567	34,225	344,840	2,202,632
Total comprehensive income for the financial year	-	149,744	86,611	236,355
Increase in net assets resulting from operations	1,823,567	183,969	431,451	2,438,987
Unitholders' transactions				
- Units issued as part satisfaction of the Manager's management fee	8,719	-	-	8,719
- Distribution paid to unitholders	-	(160,233)	-	(160,233)
Increase/(Decrease) in net assets resulting from unitholders' transactions	8,719	(160,233)	-	(151,514)
At 31 December 2014	1,832,286	23,736	431,451	2,287,473

Note 9

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows for the Financial Year Ended 31 December 2014

		Group		Trust	
	Note	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cash flows from operating activities					
Profit before taxation		236,355	229,660	236,355	229,660
Adjustments for:					
Manager's management fee paid/payable in units		8,598	8,682	8,598	8,682
Depreciation	3	1,162	1,168	1,162	1,168
Fair value gain of investment properties	4	(86,611)	(81,203)	(86,611)	(81,203)
Finance costs	15	41,299	40,891	41,299	40,891
Interest income		(4,624)	(4,309)	(4,624)	(4,309)
Plant and equipment written off		1	-	1	-
Operating profit before changes in working capital		196,180	194,889	196,180	194,889
Changes in working capital:					
Trade and other receivables		1,345	(4,326)	1,343	(4,270)
Trade and other payables		762	524	769	513
Tenants' deposits		1,806	4,307	1,806	4,307
Amount due to subsidiary		-	-	(13,723)	(17,989)
Net cash generated from operating activities		200,093	195,394	186,375	177,450
Cash flows from investing activities					
Acquisition of plant and equipment	3	(704)	(1,072)	(704)	(1,072)
Proceeds from disposal of plant and equipment		-	1	-	1
Capital expenditure on investment properties		(51,452)	(49,978)	(51,452)	(49,978)
Interest received		4,624	4,309	4,624	4,309
Net cash used in investing activities		(47,532)	(46,740)	(47,532)	(46,740)

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows for the Financial Year Ended 31 December 2014 (continued)

	Note	Group		Trust	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cash flows from financing activities					
Interest paid		(40,440)	(39,384)	(26,987)	(26,004)
Distribution paid to unitholders		(160,233)	(151,976)	(160,233)	(151,976)
Payment of financing expenses		(207)	(2,829)	(181)	(1,667)
Proceeds from interest bearing borrowings		88,500	37,000	88,500	37,000
Repayment of interest bearing borrowings		(34,100)	-	(34,100)	-
Pledged deposits		-	(3,207)	-	-
Net cash used in financing activities		<u>(146,480)</u>	<u>(160,396)</u>	<u>(133,001)</u>	<u>(142,647)</u>
Net increase/(decrease) in cash and cash equivalents		6,081	(11,742)	5,842	(11,937)
Cash and cash equivalents at 1 January		<u>143,690</u>	<u>155,432</u>	<u>143,495</u>	<u>155,432</u>
Cash and cash equivalents at 31 December		<u><u>149,771</u></u>	<u><u>143,690</u></u>	<u><u>149,337</u></u>	<u><u>143,495</u></u>

Cash and cash equivalents at end of the financial year comprise:

Deposits placed with licensed banks		127,820	128,228	120,652	121,297
Cash and bank balances		<u>28,691</u>	<u>22,202</u>	<u>28,685</u>	<u>22,198</u>
	8	156,511	150,430	149,337	143,495
Less: Pledged deposits		<u>(6,740)</u>	<u>(6,740)</u>	<u>-</u>	<u>-</u>
		<u><u>149,771</u></u>	<u><u>143,690</u></u>	<u><u>149,337</u></u>	<u><u>143,495</u></u>

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

CapitaMalls Malaysia Trust (CMMT or the Trust) is a Malaysia domiciled real estate investment trust (REIT) constituted by a deed dated 7 June 2010 (the Deed) entered into between CapitaMalls Malaysia REIT Management Sdn. Bhd. (the Manager) and AmTrustee Berhad (the REIT Trustee). The Deed was registered with Securities Commission Malaysia (SC) on 9 June 2010 and is regulated by the SC, the SC's Guidelines on Real Estate Investment Trusts (REITs Guidelines), the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities) and other relevant laws and requirements.

CMMT is listed on the Main Market of Bursa Securities.

The consolidated financial statements reported for the financial year ended 31 December 2014 relates to the Trust and its subsidiary (the Group).

The principal activity of CMMT is 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 Deed, the REITs Guidelines or by the SC, with a view of providing unitholders with long term and sustainable distribution of income and potential capital growth. The principal activity of the subsidiary is as disclosed in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The immediate and ultimate holding corporations during the financial year are CapitaLand Retail (MY) Pte. Ltd. and CapitaMalls Asia Limited (CMA) respectively. Both corporations are incorporated in the Republic of Singapore.

The principal activity of the Manager is to manage and administer CMMT. The Manager, incorporated in Malaysia, is a subsidiary of CapitaLand Retail RECM Pte. Ltd. which is incorporated in the Republic of Singapore and is a wholly-owned subsidiary of CMA.

The Manager's registered office and principal place of business are as follows:

Level 2, Ascott Kuala Lumpur
No 9, Jalan Pinang
50450 Kuala Lumpur

The financial statements were approved by the Manager's Board of Directors on 4 February 2015.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Trust have been prepared in accordance with the provisions of the Deed, the REITs Guidelines, Malaysian Financial Reporting Standards (MFRSs) and International Financial Reporting Standards.

The following are accounting standards, amendments and interpretations of the MFRS framework that have been issued by the Malaysian Accounting Standards Board (MASB) but have not been adopted by the Group and the Trust:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2014

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)*
- Amendments to MFRS 2, *Share-based Payment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Defined Benefit Plans: Employee Contributions*
- Amendments to MFRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 138, *Intangible Assets (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 140, *Investment Property (Annual Improvements 2011-2013 Cycle)*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016

- Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016 (continued)

- Amendments to MFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*
- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure Initiative*
- Amendments to MFRS 10, *Consolidated Financial Statements*, MFRS 12, *Disclosure of Interests in Other Entities* and MFRS 128, *Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 138, *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 141, *Agriculture – Agriculture: Bearer Plants*
- Amendments to MFRS 119, *Employee Benefits (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017

- MFRS 15, *Revenue from Contracts with Customers*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, *Financial Instruments (2014)*

The Group and the Trust plan to apply the abovementioned accounting standards, amendments and interpretations:

- from the annual period beginning on 1 January 2015 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 July 2014, except for amendments to MFRS 2, MFRS 119 and MFRS 138 which are not applicable to the Group and the Trust.
- from the annual period beginning on 1 January 2016 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2016, except for amendments to MFRS 5, MFRS 11, MFRS 14, MFRS 119, MFRS 128, MFRS 138 and MFRS 141 which are not applicable to the Group and the Trust.

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

- from the annual period beginning on 1 January 2017 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2017.
- from the annual period beginning on 1 January 2018 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2018.

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current and prior period financial statements of the Group and of the Trust except as mentioned below:

MFRS 15, *Revenue from Contracts with Customers*

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfer of Assets from Customers* and IC Interpretation 131, *Revenue - Barter Transactions Involving Advertising Services*.

The Group is currently assessing the financial impact of adopting MFRS 15.

MFRS 9, *Financial Instruments*

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets. Upon adoption of MFRS 9, financial assets will be measured at either fair value or amortised cost.

The Group is currently assessing the financial impact of adopting MFRS 9.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for investment properties as disclosed in Note 2(d) and financial instruments as disclosed in Note 2(f).

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Group's and the Trust's functional currency. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

1. Basis of preparation (continued)

(d) Use of estimates and judgements

The preparation of financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgement in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than valuation of investment properties as disclosed in Note 4.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

Subsidiary

Subsidiary is an entity controlled by the Trust. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Accounting for subsidiary by the Trust

Investment in subsidiary is measured in the Trust's statement of financial position at cost less any impairment losses.

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Trust.

2. Significant accounting policies (continued)

(b) Foreign currencies

Transactions in foreign currencies are translated to the functional currency of the Group and of the Trust at exchange rates at the dates of transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rates at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss.

(c) Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain and loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and is recognised net within “other operating income” and “other operating expenses” respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group or to the Trust and its cost can be measured reliably. The carrying amount of the replaced part is derecognised and is charged to profit or loss. The costs of the day-to-day servicing of equipment are recognised in profit or loss as incurred.

2. Significant accounting policies (continued)

(c) Plant and equipment (continued)

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment.

The estimated useful lives for the current and comparative periods are as follows:

Computer	2 - 3 years
Office equipment	3 - 5 years

Depreciation methods, useful lives and residual values are reassessed at the end of the reporting period.

(d) Investment properties

Investment properties are properties which are owned or held under leasehold interest to earn rental income or for capital appreciation or for both. They do not include properties for sale in the ordinary course of business, for use in the production or supply of goods or services or for administrative purposes. Investment properties are initially recognised at cost including transaction costs, and subsequently at fair value with any change therein recognised in profit or loss for the year in which they arise.

Fair value is determined in accordance with the Deed and the REITs Guidelines which requires the investment properties to be valued by independent professional valuers. In determining the fair value, the valuers used valuation techniques which involve certain estimates. In relying on the valuation reports, the Manager has exercised its judgement and is satisfied that the valuation methods and estimates reflect the current market conditions. The fair value is determined once every six months based on internal valuation or independent professional valuation.

When an investment property is disposed of, the resulting gain or loss is recognised in profit or loss in the year in which the item is derecognised.

Investment properties are not depreciated. The properties are subject to continued maintenance and are regularly revalued on the basis mentioned above. For taxation purposes, the Group or CMMT may claim capital allowances on assets that qualify as plant and machinery under the Income Tax Act, 1967.

2. Significant accounting policies (continued)

(e) Leases

Lessees of an operating lease

Where the Group and the Trust have the use of assets under operating leases, payments made under the operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease payments made. Contingent rents are charged to profit or loss in the reporting period in which they are incurred.

Lessors of an operating lease

Assets of the Group and of the Trust subject to operating leases are included in investment properties and are stated at fair value and not depreciated.

(f) Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, borrowings and trade and other payables.

(i) Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less impairment losses, if any.

(ii) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and bank deposits placed with licensed banks. For the purposes of the statements of cash flows, cash and cash equivalents are net of pledged deposits.

(iii) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

(iv) Trade and other payables

Trade and other payables, including tenants' deposits, are recognised initially at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

2. Significant accounting policies (continued)

(f) Financial instruments (continued)

A financial instrument is recognised if the Group and the Trust become parties to the contractual provisions of the instrument. Financial assets are derecognised if the Group's and the Trust's contractual rights to the cash flows from the financial assets expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Group and the Trust commit themselves to purchase or sell the asset. Financial liabilities are derecognised if the Group's and the Trust's obligations specified in the contract expire or are discharged or cancelled. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, is recognised in profit or loss.

(g) Impairment

(i) Financial assets

All financial assets are assessed at each reporting date to determine whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the assets. Losses expected as result of future events, no matter how likely, are not recognised.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. An impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed, if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

2. Significant accounting policies (continued)

(g) Impairment (continued)

(ii) Other assets

The carrying amounts of other assets, other than investment properties, are reviewed at the end of each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset and cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss and reduces the carrying amounts of other assets in the cash-generating unit on a pro-rata basis.

(h) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently. Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(i) Provision

A provision is recognised if, as a result of a past event, the Group and the Trust have a present legal or constructive obligation that can be estimated reliably and is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

2. Significant accounting policies (continued)

(j) Revenue recognition

(i) Rental income

Rental income from leasing out of shopping mall shops and space is recognised in profit or loss on a straight-line basis over the term of the lease and such revenue includes base rent, service charges and advertising and promotion fee. Contingent rents, which include gross turnover rent, are recognised as income in the financial year on an accrual basis. No contingent rents are recognised if there are uncertainties due to the possible return of amounts received.

(ii) Car park income

Car park income is recognised on an accrual basis.

(iii) Other revenue

Other revenue consists of recovery of utilities charges from tenants, kiosk rental, advertising and other miscellaneous income. These are recognised on an accrual basis.

(k) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(l) Expenses

(i) Property operating expenses

Property operating expenses consist of quit rent, assessment, utilities, property management fee, property management reimbursement, advertising and promotion, maintenance and other property outgoings in relation to investment properties where such expenses are the responsibility of CMMT and are recognised on an accrual basis in the year in which they are incurred.

(ii) Manager's management fee

Manager's management fee is recognised on an accrual basis using the applicable formula as set out in Note 13.

2. Significant accounting policies (continued)

(l) Expenses (continued)

(iii) Trustee's fee

The Trustee's fee is recognised on an accrual basis using the applicable formula as set out in Note 14.

(iv) Finance costs

Finance costs comprise interest expense on borrowings and amortisation of transaction costs on borrowings which are expensed in profit or loss using the effective interest method over the tenure of borrowings.

(m) Tax expense

Tax expense comprises current and deferred tax. Tax expense is recognised in profit or loss.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2. Significant accounting policies (continued)

(n) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between the levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. Plant and equipment

Group and the Trust	Computer RM'000	Office Equipment RM'000	Total RM'000
Cost			
At 1 January 2013	2,201	1,899	4,100
Additions	135	937	1,072
Disposals	-	(3)	(3)
At 31 December 2013/1 January 2014	2,336	2,833	5,169
Additions	198	506	704
Write-off	-	(2)	(2)
At 31 December 2014	2,534	3,337	5,871
Accumulated depreciation			
At 1 January 2013	720	960	1,680
Depreciation for the year	683	485	1,168
Disposals	-	(2)	(2)
At 31 December 2013/1 January 2014	1,403	1,443	2,846
Depreciation for the year	477	685	1,162
Write-off	-	(1)	(1)
At 31 December 2014	1,880	2,127	4,007
Carrying amounts			
At 1 January 2013	1,481	939	2,420
At 31 December 2013/1 January 2014	933	1,390	2,323
At 31 December 2014	654	1,210	1,864

4. Investment properties

Group and the Trust	2014 RM'000	2013 RM'000
At 1 January	3,079,000	2,936,000
Capital expenditure capitalised	67,389	61,797
Fair value gain	86,611	81,203
At 31 December	3,233,000	3,079,000

4. Investment properties (continued)

Investment properties refer to shopping malls which primarily generate rental income from leasing out retail shops and space to third parties via lease or licence agreements. CMMT's lease agreements generally contain an initial non-cancellable period of three years and subsequent renewals are negotiated with the lessee. The rental rates are negotiated based on prevailing market rates and are pre-agreed over the lease tenure. Gross turnover rent of RM11,062,000 (2013 : RM10,215,000), which represents CMMT's contingent rent, was recognised as income in the financial year.

Gurney Plaza and The Mines, collectively valued at RM1,975,000,000 (2013 : RM1,869,000,000), are pledged as securities for borrowings as disclosed in Note 10. East Coast Mall and CMMT's 205 strata titles in Sungei Wang Plaza are unencumbered as at the reporting date.

Details of the investment properties are as follows:

	Date of acquisition	Date of valuation	Location	Tenure	Cost of investment ¹ RM'000	Fair value at 31 December 2014 RM'000	% of fair value to NAV at 31 December 2014 ³ %
Gurney Plaza	14 Jul 2010 & 28 Mar 2011	31 Dec 2014	Penang	Freehold	1,099,430	1,295,000	56.6
Sungei Wang Plaza	14 Jul 2010	31 Dec 2014	Kuala Lumpur	Freehold	751,718	824,000	36.0
The Mines	14 Jul 2010	31 Dec 2014	Selangor	Leasehold ²	568,915	680,000	29.7
East Coast Mall	14 Nov 2011	31 Dec 2014	Pahang	Leasehold ²	381,486	434,000	19.0
					<u>2,801,549</u>	<u>3,233,000</u>	

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

² The lease has an unexpired lease period of more than 50 years.

³ This is calculated in accordance with the REITs Guidelines.

4. Investment properties (continued)

All land/strata titles have been transferred and registered in the name of the Trustee.

The following are recognised in profit or loss in respect of investment properties:

Group and the Trust	2014 RM'000	2013 RM'000
Gross revenue	315,395	305,104
Less: Property operating expenses	(106,493)	(96,497)
Net property income	<u>208,902</u>	<u>208,607</u>

(a) Fair value information

The fair value of investment properties of the Group and of the Trust are categorised as Level 3. The properties are valued by independent external valuers using the income capitalisation approach, also known as investment approach. This valuation approach takes into account of the gross revenue and outgoings to estimate the net income for the properties. Capitalisation rates are then applied to the net income of the investment properties to determine the market value of the investment properties.

The significant unobservable input is the reversionary capitalisation rate used in the approach adopted above. The estimated fair value would increase (decrease) if the capitalisation rate was lower (higher). Reversionary capitalisation rates for the investment properties range from 7.0% to 7.3%.

(b) Valuation processes applied to the Group and the Trust for Level 3 fair value

The fair value of investment properties is determined by independent external valuers having appropriate recognised professional qualifications and recent experience in the location and category of the investment properties being valued. The external valuers provide the fair value of the Group's and of the Trust's investment property portfolio every six months. The resultant fair value gain or loss arising from the change in valuation is assessed by the Manager after obtaining the valuation reports from the external valuers.

(c) Highest and best use

The Group's and the Trust's investment properties are currently valued at their highest and best use. The investment properties are situated within sizeable catchment populations with strong demand for shopping mall space.

5. Investment in subsidiary

	2014 RM'000	2013 RM'000
Trust		
At cost		
Unquoted shares	*	*

CMMT holds 100.0% equity interest in CMMT MTN Berhad, a special purpose vehicle incorporated in Malaysia. Its principal activity is to raise financing on behalf of and on-lending to CMMT through the issuance of rated/unrated secured Medium Term Notes (MTN) under the Medium Term Note Programme as set out in Note 10(b).

* Denotes RM2.

6. Trade and other receivables

	Group		Trust	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Trade				
Trade receivables	6,426	8,739	6,426	8,739
Less: Allowance for impairment losses	(559)	(548)	(559)	(548)
	5,867	8,191	5,867	8,191
Non-trade				
Deposit	583	434	583	434
Interest receivable	460	443	453	433
Prepayments	367	409	320	363
Other receivables	6,025	5,170	6,025	5,170
	7,435	6,456	7,381	6,400
	13,302	14,647	13,248	14,591

The ageing of the trade receivables at the end of the financial year is as follows:

	Gross amount RM'000	Allowance for impairment losses RM'000	Carrying amount RM'000
Group and the Trust			
2014			
Not past due	159	-	159
Past due –1 - 30 days	3,277	(16)	3,261
Past due –31 - 90 days	1,470	(24)	1,446
Past due more than 90 days	1,520	(519)	1,001
	6,426	(559)	5,867
2013			
Not past due	249	-	249
Past due –1 - 30 days	5,829	-	5,829
Past due –31 - 90 days	1,189	(18)	1,171
Past due more than 90 days	1,472	(530)	942
	8,739	(548)	8,191

6. Trade and other receivables (continued)

The movement in allowance for impairment losses of trade receivables during the financial year is as follows:

Group and the Trust	2014 RM'000	2013 RM'000
At 1 January	548	459
Impairment losses recognised	215	93
Write-off against allowance for impairment losses	(204)	(4)
At 31 December	<u>559</u>	<u>548</u>

The Manager of CMMT believes that no additional allowance for impairment losses is necessary in respect of past due receivables as these receivables are mainly arising from tenants that have good payment records and sufficient security deposits are held as collateral.

7. Amount due from/(to) subsidiary

The amount due from subsidiary of RM7,860,000 (2013 : RM7,771,000) is non-trade in nature, unsecured, and is repayable on demand. Included in the amount due from subsidiary is an interest-bearing loan from CMMT of RM6,740,000 (2013 : RM6,740,000) where the average interest rate of 3.3% (2013 : 3.2%) per annum is based on the prevailing deposit rates of a licensed bank.

The amount due to subsidiary of RM300,000,000 (2013 : RM300,000,000) is pursuant to a REIT Trustee Financing Agreement (RTFA) entered into by the Trustee on behalf of CMMT and the subsidiary on 7 December 2012 where the funds raised from the unrated and secured MTN, as detailed in Note 10(b), were advanced to CMMT. The amount due to subsidiary is secured, subject to interest at approximately 4.5% (2013 : 4.5%) per annum which is payable semi-annually and the principal is repayable in 2016.

8. Cash and cash equivalents

	Group		Trust	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Deposits placed with licensed banks	127,820	128,228	120,652	121,297
Cash and bank balances	<u>28,691</u>	<u>22,202</u>	<u>28,685</u>	<u>22,198</u>
	<u>156,511</u>	<u>150,430</u>	<u>149,337</u>	<u>143,495</u>

8. Cash and cash equivalents (continued)

Gurney Plaza maintains separate designated revenue account and The Mines maintains separate designated revenue and operating accounts with a licensed bank as mentioned in Note 10. This forms part of the financing covenants and the usage of funds in these designated revenue and operating accounts are not restricted as long as no event of default has occurred on the borrowings. The balance of the designated revenue and operating accounts at the end of the financial year that is included in the cash and cash equivalents is RM78,511,000 (2013 : RM73,237,000).

Included in the Group's cash and cash equivalents are pledged deposits of RM6,740,000 (2013 : RM6,740,000). This is in relation to a separate debt service reserves account and trustee reimbursement account assigned by the subsidiary to the security trustee pursuant to the unrated and secured MTN, as set out in Note 10(b). The deposits are maintained with a licensed bank and the funds are restricted in use.

9. Unitholders' capital

			Number of units 2014 '000	Number of units 2013 '000
Trust				
Approved fund size:				
At 1 January			2,290,371	1,936,763
New units pursuant to general mandate			-	353,608
At 31 December			<u>2,290,371</u>	<u>2,290,371</u>
	Amount 2014 RM'000	Number of units 2014 '000	Amount 2013 RM'000	Number of units 2013 '000
Trust				
Issued and fully paid:				
At 1 January	1,823,567	1,772,820	1,815,222	1,768,038
Units issued as part satisfaction of the Manager's management fee	<u>8,719</u>	<u>6,156</u>	<u>8,345</u>	<u>4,782</u>
At 31 December	<u>1,832,286</u>	<u>1,778,976</u>	<u>1,823,567</u>	<u>1,772,820</u>

9. Unitholders' capital (continued)

Unitholdings of the Manager and parties related to the Manager

As at 31 December 2014, the Manager has no direct unitholdings in CMMT. However, the Directors of the Manager and parties related to the Manager held units in CMMT and the details are as follows:

	Number of units '000	Percentage of unitholdings %	Market value ⁵ RM'000
2014			
<i>Direct unitholdings of parties related to the Manager</i>			
CMMT Investment Limited	623,938	35.07	892,231
Menang Investment Limited	22,213	1.25	31,764
Skim Amanah Saham Bumiputera ¹	179,515	10.09	256,707
AS 1 Malaysia ¹	34,103	1.92	48,768
Amanah Saham Wawasan 2020 ¹	36,549	2.05	52,266
Sekim Amanah Saham Nasional ¹	2,759	0.16	3,945
Amanah Saham Malaysia ¹	34,000	1.91	48,620
Amanah Saham Nasional 3 Imbang ¹	2,170	0.12	3,103
Amanah Saham Nasional 2 ¹	1,350	0.08	1,931
Amanah Saham Gemilang for Amanah Saham Persaraan ¹	837	0.05	1,197
Amanah Saham Gemilang for Amanah Saham Kesihatan ¹	2,235	0.13	3,196
Amanah Saham Gemilang for Amanah Saham Pendidikan ¹	937	0.05	1,340
Amanah Saham Bumiputera 2 ¹	7,280	0.41	10,410
Amanah Harta Tanah PNB ²	50	0.00	71
Yayasan Tun Ismail Mohamed Ali (Berdaftar) ³	100	0.01	143
<i>Direct unitholdings of the Directors of the Manager who held office at 31 December 2014</i>			
Mr Ng Kok Siong ⁴	100	0.01	143
Ms Low Peck Chen	12	0.00	17
Ms Tan Siew Bee	100	0.01	143
Mr Peter Tay Buan Huat	100	0.01	143
	948,348	53.33	1,356,138

9. Unitholders' capital (continued)

Unitholdings of the Manager and parties related to the Manager (continued)

	Number of units '000	Percentage of unitholdings %	Market value ⁵ RM'000
2013			
<i>Direct unitholdings of parties related to the Manager</i>			
CMMT Investment Limited	623,938	35.19	873,513
Menang Investment Limited	16,057	0.91	22,480
Skim Amanah Saham Bumiputera ¹	150,000	8.46	210,000
AS 1 Malaysia ¹	40,333	2.28	56,466
Amanah Saham Wawasan 2020 ¹	36,549	2.06	51,169
Amanah Saham Malaysia ¹	35,875	2.02	50,225
Amanah Saham Nasional 3 Imbang ¹	151	0.01	211
AMB Unit Trust Fund ¹	366	0.02	513
<i>Direct unitholdings of the Directors of the Manager who held office at 31 December 2013</i>			
Mr Lim Beng Chee ⁴	100	0.01	140
Mr Ng Kok Siong ⁴	100	0.01	140
Ms Sharon Lim Hwee Li	100	0.01	140
Ms Tan Siew Bee	100	0.01	140
Mr Peter Tay Buan Huat	100	0.01	140
	903,769	51.00	1,265,277

CMMT Investment Limited and Menang Investment Limited are indirect wholly-owned subsidiaries of CMA who in turn is the ultimate holding corporation of the Manager.

1. Managed by Amanah Saham Nasional Berhad (ASNB), a wholly-owned subsidiary of Permodalan Nasional Berhad (PNB), except for AMB Unit Trust Fund which is managed by Amanah Mutual Berhad, a wholly-owned subsidiary of ASNB where PNB is the ultimate holding company. PNB is the ultimate holding company of Malaysian Industrial Development Finance Berhad (MIDF) who, in turn, is a substantial shareholder of the Manager.
2. Managed by Pelaburan Hartanah Nasional Berhad, a 70% owned subsidiary of PNB.
3. A foundation established by PNB.
4. Units held through nominees.
5. The market value of the units for respective year is computed based on the closing market price of RM1.43 per unit as at 31 December 2014 and RM1.40 per unit as at 31 December 2013.

10. Borrowings

	Group		Trust	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Non-current				
Secured term loans				
- Fixed rate	363,825	363,825	363,825	363,825
- Floating rate	155,925	155,925	155,925	155,925
Unrated and secured MTN	300,000	300,000	-	-
Less: Unamortised transaction costs	(2,393)	(3,181)	(1,389)	(1,921)
	<u>817,357</u>	<u>816,569</u>	<u>518,361</u>	<u>517,829</u>
Current				
Revolving credit				
- Secured	70,000	29,700	70,000	29,700
- Unsecured	75,400	61,300	75,400	61,300
	<u>145,400</u>	<u>91,000</u>	<u>145,400</u>	<u>91,000</u>
	<u>962,757</u>	<u>907,569</u>	<u>663,761</u>	<u>608,829</u>

(a) Secured term loans and revolving credit

CMMT had entered into two separate secured facility agreements with a licensed bank on 10 June 2010 (First Facility Agreement) and 17 March 2011 (Second Facility Agreement) in respect of banking credit facilities of up to RM811.0 million (Secured Facility 1) and up to RM89.8 million (Secured Facility 2) respectively. Secured Facility 1 comprises the fixed and floating rate term loan facility of RM450.0 million, subsequent to the repayment of RM300.0 million secured term loan in December 2012, and revolving credit facility of RM61.0 million which will be maturing in 2017. Secured Facility 2 comprises the fixed and floating rate term loan facility of RM69.8 million and revolving credit facility of RM20.0 million which will be maturing in 2018.

As at 31 December 2014, the principal amounts utilised under the Secured Facilities 1 and 2 are RM500.1 million (2013 : RM459.8 million) and RM89.7 million (2013 : RM89.7 million) respectively, of which total secured revolving credit utilised under both facilities is RM70.0 million (2013 : RM29.7 million).

The average effective interest rate for the Secured Facilities 1 and 2 are approximately 4.2% (2013 : 4.3%) per annum.

The Secured Facilities 1 and 2 are secured by, among others, the following:

- (i) the First and Second Facility Agreements;
- (ii) a mortgage over Gurney Plaza and Gurney Plaza Extension (the Properties);
- (iii) a first party land charge over the land title of the Properties;
- (iv) a deed of assignment in respect of the rental proceeds payable under the various tenancies of the Properties; and

10. Borrowings (continued)

(a) Secured term loans and revolving credit (continued)

- (v) a deed of assignment and a supplemental deed of assignment in respect of the revenue account opened for the purpose of depositing all rental proceeds generated from the Properties.

(b) Medium Term Note Programme

The Group has a 20-year secured Medium Term Note Programme of up to RM3.0 billion in nominal value (MTN Programme) under CMMT MTN Berhad (the Issuer), pursuant to which rated/unrated notes in series or tranches may be issued from time to time in Ringgit Malaysia. The net proceeds from the issue of the MTNs (after deducting issue expenses) will be on-lent to CMMT, which in turn will utilise such proceeds to refinance its existing and/or future borrowings and/or to finance investments, capital expenditure, asset enhancement initiatives and/or working capital of CMMT. The Issuer will also be allowed to use the proceeds to refinance maturing MTNs on their respective maturity dates subsequent to the first issuance. The security trustee of the MTN Programme is Malaysian Trustees Berhad.

On 20 December 2012, the Issuer issued a RM300.0 million four-year unrated and secured MTN (the TM Issue) which will be maturing in 2016. The net proceeds were on-lent to CMMT, via a back-to-back RTFA entered into by the REIT Trustee and the Issuer, for the purpose of refinancing part of the Secured Facility 1. The TM Issue bears a coupon rate of approximately 4.5% per annum which is payable semi-annually.

The TM Issue is secured by, among others, the following:

- (i) a third party legal charge over The Mines (TM);
- (ii) a third party legal assignment by the REIT Trustee of all tenancy agreements and insurance policies in relation to TM;
- (iii) a legal charge and assignment by the Issuer over the debt service reserves account to be opened and maintained in respect of TM;
- (iv) a legal charge and assignment by the REIT Trustee over the operating account and revenue account to be opened and maintained in respect of TM; and
- (v) a first party legal assignment by the Issuer over the RTFA.

(c) Unsecured revolving credit

The unsecured revolving credit facilities of up to RM150.0 million (2013 : RM150.0 million) are granted by various licensed banks to CMMT and are subject to annual review. As at 31 December 2014, the outstanding unsecured revolving credit is RM75.4 million (2013 : RM61.3 million) at an average effective interest rate of approximately 4.5% (2013 : 4.4%) per annum.

11. Trade and other payables

	Group		Trust	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current				
Trade				
Trade payables	31,581	14,601	31,581	14,601
Amount due to related parties	7,532	7,480	7,532	7,480
	<u>39,113</u>	<u>22,081</u>	<u>39,113</u>	<u>22,081</u>
Non-trade				
Interest payable	3,921	3,994	3,554	3,554
Accrued operating expenses	22,651	23,652	22,631	23,597
Other deposits and advance	4,264	3,780	4,264	3,780
	<u>30,836</u>	<u>31,426</u>	<u>30,449</u>	<u>30,931</u>
	<u>69,949</u>	<u>53,507</u>	<u>69,562</u>	<u>53,012</u>

Included in the amount due to related parties are an amount due to the Manager of RM7,465,000 (2013 : RM7,413,000) of which RM4,303,000 (2013 : RM4,424,000) is payable in units of CMMT as payment for the performance component of management fee for the period from 1 July 2014 to 31 December 2014, and Trustee's fee of RM67,000 (2013 : RM67,000). The relationship and transactions of the above are further disclosed in Note 25.

12. Other operating expenses

	2014 RM'000	2013 RM'000
Group and the Trust		
Property management fee and reimbursement	18,549	17,811
Marketing expenses	5,834	5,904
Quit rent and assessment	8,109	7,126
General and administrative expenses	4,675	2,848
	<u>37,167</u>	<u>33,689</u>

The property management fee is payable to the property manager, Knight Frank Malaysia Sdn. Bhd.. Property management reimbursement includes reimbursable staff costs and other reimbursement for managing the investment properties. The property management fee for Gurney Plaza, Sungei Wang Plaza, The Mines and East Coast Mall is based on a monthly fee of RM68,000 (2013 : RM67,000) as stipulated in the property management agreement dated 10 July 2014.

13. Manager's management fee

Group and the Trust	2014 RM'000	2013 RM'000
(inclusive of a service tax of 6.0%)		
Base management fee	10,223	9,791
Performance fee	10,518	10,503
	<u>20,741</u>	<u>20,294</u>

Pursuant to the Deed, the Manager is entitled to a base fee of up to 1.0% per annum of the total asset value and a performance fee of 5.0% per annum of net property income. For the financial year ended 31 December 2014, the Manager has accounted for a base fee of 0.29% (2013 : 0.29%) per annum of the total asset value, payable quarterly in arrears, and a performance fee of 4.75% (2013 : 4.75%) per annum of net property income payable semi-annually in units after distribution to unitholders, except for the performance fee related to East Coast Mall which was payable in cash.

In addition to the above, the Manager is also entitled to an acquisition fee of up to 1.0% of the purchase price and a divestment fee of up to 0.5% of the sale price of any authorised investment/divestment.

During the financial year ended 31 December 2014, the Manager was paid 6,155,700 units (2013 : 4,781,700 units) in CMMT or equivalent to RM8,719,000 (2013 : RM8,345,000), as part settlement of its management fee for the period from 1 July 2013 to 30 June 2014. The Manager disposed 3,250,700 and 2,905,000 units (2013 : 4,893,500 and 2,428,000 units) in CMMT at cost to a related party, Menang Investment Limited, on 27 May 2014 and 15 September 2014 respectively (2013 : 6 June 2013 and 27 November 2013 respectively).

There were no other fees or soft commission paid to the Manager during the financial year other than as disclosed above.

14. Trustee's fee

Pursuant to the Deed, the Trustee is entitled to a fee of 0.02% per annum of the total asset value for the first RM2.0 billion and a 0.01% per annum of the total asset value thereafter, payable monthly in arrears.

Trustee's fee was fixed at RM400,000 (2013 : RM400,000) per annum for the financial year ended 31 December 2014.

15. Finance costs

	Group		Trust	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Interest expense on secured term loans	21,880	22,383	21,880	22,383
Interest expense on unrated and secured MTN	13,380	13,380	-	-
Interest expense on RTFA with subsidiary	-	-	13,380	13,380
Interest expense on secured and unsecured revolving credits	5,107	2,904	5,107	2,904
Amortisation of transaction costs on borrowings	786	781	532	532
Others	146	1,443	400	1,692
	<u>41,299</u>	<u>40,891</u>	<u>41,299</u>	<u>40,891</u>

16. 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 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 criteria, the entire taxable income of the REIT for the year would be subject to income tax.

As CMMT will distribute approximately 100.0% of its distributable income for the financial year ended 31 December 2014 to its unitholders, no provision for tax expense has been made for the current year.

Reconciliation of tax expense is as follows:

	Group		Trust	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit before taxation	<u>236,355</u>	<u>229,660</u>	<u>236,355</u>	<u>229,660</u>
Income tax at Malaysian statutory tax rate of 25.0%	59,089	57,415	59,089	57,415
Effect of fair value gain of investment properties not subject to tax	(21,653)	(20,301)	(21,653)	(20,301)
Effect of income not subject to tax	(38,453)	(39,994)	(38,453)	(39,994)
Expenses not deductible for tax purposes	<u>1,017</u>	<u>2,880</u>	<u>1,017</u>	<u>2,880</u>
Tax expense for the financial year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

17. Earnings per unit

The calculation of earnings per unit is based on the weighted average number of units during the year and profit for the year.

Group and the Trust	2014 RM'000	2013 RM'000
Profit for the financial year	236,355	229,660
Add: Manager's management fee	20,741	20,294
Profit for the financial year before Manager's management fee	<u>257,096</u>	<u>249,954</u>
	2014 '000	2013 '000
Issued units at the beginning of the year	1,772,820	1,768,038
Weighted average number of units issued as part satisfaction of the Manager's management fee	<u>3,517</u>	<u>1,854</u>
Weighted average number of units at the end of the year	<u>1,776,337</u>	<u>1,769,892</u>

18. Distributions to unitholders

Group and the Trust	2014 RM'000	2013 RM'000
Distributions to unitholders are from the following sources:		
Gross rental income	250,566	246,487
Interest income	4,624	4,309
Other income	64,829	58,617
Less: Expenses	(161,554)	(152,611)
Less: Rollover adjustment for rounding difference	(90)	(13)
Distributable income	<u>158,375</u>	<u>156,789</u>
Distribution per unit (sen) of which:		
- taxable distribution of income (sen)	8.65	8.81
- tax exempt distribution of income (sen)	<u>0.26</u>	<u>0.04</u>
	<u>8.91</u>	<u>8.85</u>

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%

19. Portfolio turnover ratio

There were neither acquisitions nor disposals of investments during the financial year. The Group portfolio turnover ratio (PTR) for the financial year is nil (2013 : nil).

The calculation of the PTR is based on the average of total acquisitions and total disposals of investments in CMMT for the year to the average net asset value during the financial year.

Since the basis of calculating the PTR can vary among the REITs, there is no sound basis for providing an accurate comparison of CMMT against other REITs.

20. Management expense ratio

Group	2014	2013
Management expense ratio (MER) (%)	<u>1.0</u>	<u>1.1</u>

MER is calculated based on the total fees of CMMT, including Manager's management fee, Trustee's fee and other trust expenses, to the average net asset value during the financial year.

Comparison of the MER of CMMT with other REITs which may use different basis of calculation may not be an accurate comparison.

21. Capital commitments

Capital commitments in relation to capital expenditure of the existing portfolio of CMMT are as follows:

Group and the Trust	2014 RM'000	2013 RM'000
Contracted but not provided for	<u>5,428</u>	<u>29,806</u>

22. Operating lease

The Group and the Trust have the following commitments at the end of the financial year:

(a) Operating lease rental payable

Future minimum lease payments of the Group and of the Trust on non-cancellable operating leases are as follows:

Group and the Trust	2014 RM'000	2013 RM'000
Less than one year	65	65
Between one and five years	<u>46</u>	<u>110</u>
	<u>111</u>	<u>175</u>

The Group and the Trust lease photocopiers under operating leases. The leases run for a period of five years with an option to renew the leases upon expiry.

22. Operating lease (continued)

(b) Operating lease rental receivable

Future minimum lease rental receivable of the Group and of the Trust on non-cancellable operating leases from investment properties are as follows:

Group and the Trust	2014 RM'000	2013 RM'000
Less than one year	197,340	220,273
Between one and five years	189,304	222,219
After five years	8,844	9,366
	<u>395,488</u>	<u>451,858</u>

23. Financial instruments

23.1 Categories of financial instruments

The financial instruments of the Group and of the Trust are categorised as follows:

	Group Carrying amount		Trust Carrying amount	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Financial assets categorised as loans and receivables:				
Trade and other receivables	12,935	14,238	12,928	14,228
Amount due from subsidiary	-	-	7,860	7,771
Cash and cash equivalents	<u>156,511</u>	<u>150,430</u>	<u>149,337</u>	<u>143,495</u>
	<u>169,446</u>	<u>164,668</u>	<u>170,125</u>	<u>165,494</u>
Financial liabilities measured at amortised cost:				
Borrowings	962,757	907,569	663,761	608,829
Tenants' deposits	84,513	82,707	84,513	82,707
Amount due to subsidiary	-	-	300,000	300,000
Trade and other payables	<u>69,949</u>	<u>53,507</u>	<u>69,562</u>	<u>53,012</u>
	<u>1,117,219</u>	<u>1,043,783</u>	<u>1,117,836</u>	<u>1,044,548</u>

23. Financial instruments (continued)

23.2 Net gains and losses arising from financial instruments

Group and the Trust	2014 RM'000	2013 RM'000
Net gains/(losses) on:		
Loans and receivables		
- Allowance for impairment losses on trade receivables	(215)	(93)
- Interest income	4,624	4,309
	<u>4,409</u>	<u>4,216</u>
Financial liabilities		
- Finance costs	(41,299)	(40,891)
- Realised foreign exchange loss	(10)	(12)
- Unrealised foreign exchange loss	*	*

* less than RM1,000

23.3 Financial risk management

The Group and the Trust have exposure to the following risks from its use of financial instruments:

- Liquidity risk
- Credit risk
- Market risk

The Group and the Trust have implemented risk management policies and guidelines which sets its tolerance of risk and its general risk management philosophy.

23.4 Liquidity risk

Liquidity risk is defined as the risk that the Group and the Trust will not be able to meet its financial obligations as they fall due.

The Group's and the Trust's exposures to liquidity risk arises primarily from various payables and borrowings. The Group and the Trust maintain sufficient liquid reserves in terms of cash and credit facilities to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amount.

23. Financial instruments (continued)

23.4 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and of the Trust's financial liabilities as at the end of the financial year based on undiscounted contractual payments:

2014 Group	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	0 - 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
Non-derivative financial liabilities							
Bank borrowings (excluding unamortised transaction costs)	665,150	4.1 - 4.8	729,941	167,170	24,284	538,487	-
Unrated and secured MTN (excluding unamortised transaction costs)	300,000	4.5	326,723	13,343	313,380	-	-
Tenants' deposits	84,513	-	84,513	33,242	27,586	23,685	-
Trade and other payables	69,949	-	61,725	61,348	33	50	294
	<u>1,119,612</u>		<u>1,202,902</u>	<u>275,103</u>	<u>365,283</u>	<u>562,222</u>	<u>294</u>
Trust							
Non-derivative financial liabilities							
Bank borrowings (excluding unamortised transaction costs)	665,150	4.1 - 4.8	729,941	167,170	24,284	538,487	-
Tenants' deposits	84,513	-	84,513	33,242	27,586	23,685	-
Amount due to subsidiary	300,000	4.5	326,723	13,343	313,380	-	-
Trade and other payables	69,562	-	61,705	61,328	33	50	294
	<u>1,119,225</u>		<u>1,202,882</u>	<u>275,083</u>	<u>365,283</u>	<u>562,222</u>	<u>294</u>

23. Financial instruments (continued)

23.4 Liquidity risk (continued)

Maturity analysis (continued)

2013

Group

Non-derivative financial liabilities

Bank borrowings (excluding unamortised transaction costs)
Unrated and secured MTN (excluding unamortised transaction costs)
Tenants' deposits
Trade and other payables

Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	0 - 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
610,750	4.1 - 4.4	695,727	114,465	22,061	559,201	-
300,000	4.5	340,176	13,453	13,343	313,380	-
82,707	-	82,707	40,920	21,789	19,606	392
53,507	-	45,089	44,695	17	50	327
1,046,964		1,163,699	213,533	57,210	892,237	719

Trust

Non-derivative financial liabilities

Bank borrowings (excluding unamortised transaction costs)
Tenants' deposits
Amount due to subsidiary
Trade and other payables

610,750	4.1 - 4.4	695,727	114,465	22,061	559,201	-
82,707	-	82,707	40,920	21,789	19,606	392
300,000	4.5	340,176	13,453	13,343	313,380	-
53,012	-	45,034	44,640	17	50	327
1,046,469		1,163,644	213,478	57,210	892,237	719

23. Financial instruments (continued)

23.4 Liquidity risk (continued)

Maturity analysis (continued)

Included in the carrying amount of trade and other payables are as follows:

For the Group:

- (a) an amount of RM3,921,000 (2013 : RM3,994,000), for interest payable on the borrowings, was incorporated in the contractual cash flows of the bank borrowings and unrated and secured MTN; and
- (b) an amount of RM4,303,000 (2013 : RM4,424,000) for Manager's performance fee payable in units was not incorporated in the contractual cash flows.

For the Trust:

- (a) an amount of RM3,554,000 (2013 : RM3,554,000), for interest payable on the borrowings, was incorporated in the contractual cash flows of the bank borrowings and amount due to subsidiary; and
- (b) an amount of RM4,303,000 (2013 : RM4,424,000) for Manager's performance fee payable in units was not incorporated in the contractual cash flows.

23.5 Credit risk

Credit risk is defined as the risk of a financial loss to the Group and to the Trust if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Trust's exposures to credit risk arises primarily from trade and other receivables.

Credit risk is controlled by credit verification procedures before lease agreements are entered into with tenants and ongoing balance monitoring to ensure minimum credit risk exposure. For other financial assets, the Group and the Trust minimise credit risk by dealing with restricted counterparties that meets the appropriate credit criteria and of high credit standing.

The Manager establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to the individually significant exposure. The allowance account in respect of trade and other receivables is used to record impairment losses unless the Manager is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

At the end of financial year, there was no significant concentration of credit risk.

Cash and bank balances are placed with financial institutions which are regulated.

23. Financial instruments (continued)

23.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's and the Trust's financial positions or cash flows.

23.6.1 Interest rate risk

The Group's and the Trust's investments in financial products and its fixed rate borrowings are exposed to a risk of change in the fair values of the instruments due to changes in interest rates. The Group's and the Trust's floating rate borrowings are exposed to a risk of change in cash flow due to changes in interest rate. Short term receivables and payables are not significantly exposed to interest rate risk.

The investments in financial products are mainly short term in nature and not held for trading or speculative purposes but are mainly placed in fixed or short term deposits with licensed banks which yield better returns than cash at bank.

Exposure to interest rate risk

The interest rate profile of the Group's and of the Trust's significant interest-bearing financial instruments, based on carrying amounts as at end of the financial year, is as follows:

	Group		Trust	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Financial assets				
<i>Fixed rate instruments</i>				
Deposits placed with licensed banks	127,820	128,228	120,652	121,297
Amount due from subsidiary	-	-	6,740	6,740
	<u>127,820</u>	<u>128,228</u>	<u>127,392</u>	<u>128,037</u>
Financial liabilities				
<i>Fixed rate instruments</i>				
Secured term loans	363,825	363,825	363,825	363,825
Unrated and secured MTN	300,000	300,000	-	-
Amount due to subsidiary	-	-	300,000	300,000
	<u>663,825</u>	<u>663,825</u>	<u>663,825</u>	<u>663,825</u>
<i>Floating rate instruments</i>				
Secured term loans	155,925	155,925	155,925	155,925
Secured and unsecured revolving credit	145,400	91,000	145,400	91,000
	<u>965,150</u>	<u>910,750</u>	<u>965,150</u>	<u>910,750</u>

23. Financial instruments (continued)

23.6.1 Interest rate risk (continued)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Trust do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the financial year would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

An increase of 100 basis points (bp) in interest rate at the reporting date would increase the finance costs by RM3,013,000 (2013 : RM2,469,000) per annum. A decrease in 100 bp in interest rate would have an equal but opposite effect. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

23.6.2 Currency risk

At the end of the financial year, the Group and the Trust are not exposed to any significant foreign currency risk.

23.7 Fair value information

The carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables approximate their fair values due to the relatively short term nature of these financial instruments.

The fair value of the floating rate borrowings approximates its carrying amount as it reprices to market interest rates for liabilities with similar risk profiles.

The fair value of the fixed rate borrowings at initial recognition approximates its carrying amount as its effective interest rate is considered to be the market rate.

The fair values of the non-derivative financial liabilities, together with the carrying amounts shown in the statements of financial position, are as follows:

	Carrying amount 2014 RM'000	Fair value 2014 RM'000	Carrying amount 2013 RM'000	Fair value 2013 RM'000
Group				
Tenants' deposits	84,513	81,099	82,707	80,174
Fixed rate secured term loans	363,825	363,299	363,825	362,245
Unrated and secured MTN	<u>300,000</u>	<u>297,985</u>	<u>300,000</u>	<u>299,702</u>

23. Financial instruments (continued)

23.7 Fair value information (continued)

Trust	Carrying amount 2014 RM'000	Fair value 2014 RM'000	Carrying amount 2013 RM'000	Fair value 2013 RM'000
Tenants' deposits	84,513	81,099	82,707	80,174
Fixed rate secured term loans	363,825	363,299	363,825	362,245
Amount due to subsidiary	<u>300,000</u>	<u>297,985</u>	<u>300,000</u>	<u>299,702</u>

The fair values of the non-derivative financial liabilities are categorised as Level 2.

The above fair values, which are determined for disclosure purposes, are calculated based on the present value of future cash flows discounted at the market rate of interest at the end of the financial year. Interest rates used to determine fair values are as follows:

	2014	2013
Tenants' deposits	3.3%	3.0%
Fixed rate secured term loans	4.8%	4.5%
Unrated and secured MTN	4.8%	4.5%
Amount due to subsidiary	4.8%	4.5%

24. Capital management

The Group's objectives when managing capital are to maintain a strong capital base so as to maintain investor, creditor and market confidence and to ensure optimal returns to unitholders, while maintaining flexibility in respect of future capital expenditure and acquisitions. The Manager continues to rigorously monitor the cash position and borrowings of the Group with the view of strengthening their capital structure and competitive position.

The Manager is determined to maintain an optimal gearing ratio, which is defined as total borrowings divided by total asset value, that complies with regulatory requirements and financing covenants. Under the SC's REITs Guidelines, gearing ratio of the Group should not exceed 50.0% at the time the borrowings are incurred. However, the Group's gearing ratio may exceed this limit with the sanction of its unitholders by way of an ordinary resolution. The Group has complied with the SC's requirement during the financial year.

Group	Note	2014 RM'000	2013 RM'000
Total asset value (after income distribution)		3,326,758	3,166,623
Total borrowings (excluding unamortised transaction costs)	10	965,150	910,750
Gearing ratio (%)		<u>29.0</u>	<u>28.8</u>

There was no change in the Group's approach to capital management during the year.

25. Related parties

Identity of and transactions with related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Trust has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Trust and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

During the financial year, other than disclosed elsewhere in the financial statements, the following related party transactions were carried out in the normal course of business under normal commercial terms:

	Group		Trust	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
The Manager				
CapitaMalls Malaysia REIT Management Sdn. Bhd.				
- Management fee (Note 13)	<u>20,741</u>	<u>20,294</u>	<u>20,741</u>	<u>20,294</u>
The Trustee				
AmTrustee Berhad				
- Trustee's fee (Note 14)	<u>400</u>	<u>400</u>	<u>400</u>	<u>400</u>
Related company of a substantial shareholder of the Manager				
Malayan Banking Berhad				
- Interest income earned from bank accounts	<u>858</u>	<u>58</u>	<u>858</u>	<u>58</u>
- Rental income from leasing of space for placement of automated teller machines	<u>58</u>	<u>68</u>	<u>58</u>	<u>68</u>
- Bank charges	<u>2</u>	<u>*</u>	<u>2</u>	<u>*</u>
Maybank Investment Bank Berhad				
- Annual facility agent fee for the MTN Programme	<u>50</u>	<u>50</u>	<u>-</u>	<u>-</u>

25. Related parties (continued)

Identity of and transactions with related parties (continued)

	Group		Trust	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Related company of a substantial unitholder and of the Manager				
Singapore Telecommunication Limited				
- Leased line expenses for Local Area Network Connectivity	<u>355</u>	<u>352</u>	<u>355</u>	<u>352</u>
CapitaLand Retail Malaysia Sdn. Bhd.				
- Project management fee for asset enhancement works at CMMT's malls	<u>814</u>	<u>1,008</u>	<u>814</u>	<u>1,008</u>
Alliance Bank Malaysia Berhad				
- Drawdown of revolving credit	<u>3,800</u>	<u>-</u>	<u>3,800</u>	<u>-</u>
- Repayment of revolving credit	<u>34,100</u>	<u>-</u>	<u>34,100</u>	<u>-</u>
- Interest paid/payable on revolving credit	<u>1,584</u>	<u>-</u>	<u>1,584</u>	<u>-</u>
- Commitment fees	<u>6</u>	<u>-</u>	<u>6</u>	<u>-</u>
- Rental income from leasing of space for placement of automated teller machines	<u>8</u>	<u>-</u>	<u>8</u>	<u>-</u>
Related company of a substantial unitholder				
RHB Bank Berhad				
- Interest income earned from bank accounts	<u>454</u>	<u>-</u>	<u>454</u>	<u>-</u>
- Rental income from leasing of space for placement of automated teller machines	<u>27</u>	<u>-</u>	<u>27</u>	<u>-</u>
- Bank charges	<u>*</u>	<u>-</u>	<u>*</u>	<u>-</u>

25. Related parties (continued)

Identity of and transactions with related parties (continued)

	Group		Trust	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Related company of a substantial shareholder of the Trustee				
AmBank (M) Berhad				
- Interest income earned from bank accounts	-	734	-	734
- Rental income from leasing of space for placement of automated teller machines	34	32	34	32

* less than RM1,000

26. Operating segments

No segment information is prepared as the Group's and the Trust's activities are predominantly in one industry and its properties are located in Malaysia.

27. Subsequent events

- (a) The Manager declared a final income distribution of approximately RM77,919,000 or 4.38 sen per unit on 20 January 2015, for the period from 1 July 2014 to 31 December 2014. This final income distribution will be paid on 27 February 2015. In total, CMMT will be paying approximately RM158,375,000, which is approximately 100.0% of its distributable income, to its unitholders for the financial year ended 31 December 2014. The book closure date for the final income distribution will be on 5 February 2015.

The declared final income distribution will be recognised in the immediate subsequent financial year.

- (b) On 26 January 2015, the Manager announced that the REIT Trustee had entered into a conditional sale and purchase agreement with Tropicana City Sdn. Bhd., to acquire Tropicana City Mall and Tropicana City Office Tower in Petaling Jaya, Selangor for RM540,000,000.

The proposed acquisition is subject to the satisfactory completion of due diligence and fulfillment of various conditions precedent in the agreement signed.

Statement by the Manager

The Manager acknowledges its responsibility for the preparation of the annual financial statements of CMMT and its subsidiary (the Group). In the opinion of the Directors of the Manager, CapitaMalls Malaysia REIT Management Sdn. Bhd., the financial statements set out on pages 80 to 126 are drawn up in accordance with the provisions of the Deed dated 7 June 2010 (the Deed), Securities Commission Act, 1993 and the Capital Markets and Services Act, 2007, Securities Commission Malaysia's Guidelines on Real Estate Investment Trusts, Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Trust as at 31 December 2014 and of their financial performance and cash flows for the financial year then ended.

The information on the breakdown of realised and unrealised income included in the financial statements has been compiled in accordance with the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

In addition, the Directors confirm the following:

Sanctions and/or penalties

During the financial year there were no sanctions and/or penalties imposed on the Group, its Manager and/or the Directors by any of the relevant regulatory bodies.

Material contracts involving the Group and substantial unitholders

There are no material contracts involving the Group and substantial unitholders other than the Manager's management fee as disclosed in Note 25 to the financial statements.

Other significant events

There are no other significant events during the financial year and up to the date of this report.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Trust during the financial year and up to the date of this report other than those disclosed in the financial statements.

Circumstances which materially affect the interests of unitholders

There are no circumstances which materially affect the interests of unitholders.

Statement by the Manager (continued)

Changes in material litigation

The Manager is not aware of any pending material litigation since 31 December 2014 up to the date of this report.

Manager's remuneration and soft commission

The Manager's remuneration is accrued and paid in accordance with the Deed. No fee or commission has been earned by the Manager in managing CMMT other than that disclosed in Note 13 to the financial statements.

During the financial year, the Manager did not receive any soft commission (i.e. goods and services) from its broker, by virtue of any transaction conducted by CMMT.

Information on Directors

There are no family relationships among the Directors and/or major unitholders. None of the Directors has any conflict of interest with CMMT save for the Directors' interest in CMMT as disclosed in Note 9 to the financial statements. None of the Directors has been convicted of any offences, other than traffic offences, in the past ten years.

Signed on behalf of the Directors of the Manager in accordance with a resolution of the Board of Directors dated 4 February 2015.



.....
David Wong Chin Huat
Chairman



.....
Low Peck Chen
Chief Executive Officer

Date: 4 February 2015

Statutory Declaration

I, Yue Pei San, the officer of CapitaMalls Malaysia REIT Management Sdn. Bhd., primarily responsible for the financial management of CapitaMalls Malaysia Trust, do solemnly and sincerely declare that the financial statements set out on pages 80 to 126, are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur on 4 February 2015.



.....
Yue Pei San

Before me:



38A, JALAN TUN MOHD FUAD 1
TAMAN TUN DR. ISMAIL
60000 KUALA LUMPUR

Trustee's Report to the Unitholders of CapitaMalls Malaysia Trust (Established in Malaysia)

We have acted as Trustee of CapitaMalls Malaysia Trust (CMMT) for the financial year ended 31 December 2014. In our opinion and to the best of our knowledge, CapitaMalls Malaysia REIT Management Sdn. Bhd., the Manager of CMMT, has managed CMMT in accordance with the limitations imposed on the investment powers of the Manager and the Trustee under the Deed dated 7 June 2010 (the Deed), the Capital Markets and Services Act, 2007, Securities Commission Malaysia's Guidelines on Real Estate Investment Trusts and other applicable laws during the financial year then ended.

We have also ensured the following:

- (a) the valuation/pricing is carried out in accordance with the Deed and other regulatory requirements; and
- (b) the creation of units is carried out in accordance with the Deed and other regulatory requirements.

We confirm that the income distributions declared and paid during the financial year ended 31 December 2014 are in line with and are reflective of the objectives of CMMT.

For and on behalf of the Trustee,
AmTrustee Berhad



.....
Tan Kok Cheeng
Chief Executive Officer

Date: 4 February 2015

Independent Auditors' Report to the Unitholders of CapitaMalls Malaysia Trust (Established in Malaysia)

Report on the Financial Statements

We have audited the financial statements of CapitaMalls Malaysia Trust (CMMT), which comprise the statements of financial position as at 31 December 2014 of the Group and of CMMT, and the statements of profit or loss and other comprehensive income, changes in net asset value and cash flows of the Group and of CMMT for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 80 to 126.

Directors of the Manager's responsibility for the Financial Statements

The Directors of the Manager of CMMT are responsible for the preparation and presentation of these financial statements so as to give a fair view in accordance with the Deed dated 7 June 2010, Securities Commission Act, 1993 and the Capital Markets and Services Act, 2007, Securities Commission Malaysia's Guidelines on Real Estate Investment Trusts, Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors of the Manager of CMMT are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to CMMT's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CMMT's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors of the Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of CMMT as of 31 December 2014 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Reporting Responsibilities

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information on the breakdown of realised and unrealised profits or losses included in the statements of profit or loss and other comprehensive income of the financial statements have been compiled by the Directors of the Manager as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not required by the Malaysian Financial Reporting Standards or International Financial Reporting Standards. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

This report is made solely to the unitholders of CMMT and for no other purpose. We do not assume responsibility to any other person for the content of this report.



KPMG

Firm Number: AF 0758
Chartered Accountants

Petaling Jaya,

Date: 4 February 2015



Lam Shuh Siang

Approval Number: 3045/02/15(J)
Chartered Accountant

Statistics of Unitholders as at 31 December 2014

Issued and Fully Paid Units	1,778,975,600 units (voting rights: 1 vote per unit)
Approved Fund Size	2,290,370,640 units
Public Spread	As at 31 December 2014, the public shareholding spread of CMMT was 63.66 ¹

ANALYSIS BY SIZE OF UNITHOLDINGS

Size of Unitholdings	No. of Unitholders	% of Unitholders	No. of Units	% of Units
Less than 100	43	0.77%	558	0.00%
100 - 1,000	824	14.75%	667,685	0.04%
1,001 - 10,000	3,160	56.55%	16,598,490	0.93%
10,001 - 100,000	1,253	22.42%	41,624,600	2.34%
100,001 - less than 5% of approved fund size	305	5.46%	741,390,567	41.68%
5% and above the approved fund size	3	0.05%	978,693,700	55.01%
Total	5,588	100%	1,778,975,600	100%

THIRTY (30) LARGEST UNITHOLDERS AS PER RECORD OF DEPOSITORS

No	Name of Unitholder	Holdings	%
1	CMMT Investment Limited	623,938,000	35.07
2	Amanahraya Trustees Berhad Skim Amanah Saham Bumiputera	179,515,300	10.09
3	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	175,240,400	9.85
4	Cartaban Nominees (Tempatan) Sdn Bhd Exempt Authorised Nominee ("AN") for Eastspring Investments Berhad	66,948,900	3.76
5	Cartaban Nominees (Asing) Sdn Bhd GIC Private Limited for Government of Singapore (C)	52,204,500	2.93
6	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)	45,545,100	2.56
7	Amanahraya Trustees Berhad Amanah Saham Wawasan 2020	36,549,500	2.05
8	AmanahRaya Trustees Berhad AS 1 Malaysia	34,103,200	1.92
9	AmanahRaya Trustees Berhad Amanah Saham Malaysia	34,000,000	1.91

¹ The figures were derived at after excluding unitholdings held by CMMT Investment Limited, Menang Investment Limited and Directors of the Manager, pursuant to the definition of "public" under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

No	Name of Unitholder	Holdings	%
10	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	33,008,800	1.86
11	Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN for AIA Bhd	31,204,500	1.75
12	Menang Investment Limited	22,212,600	1.25
13	Cartaban Nominees (Asing) Sdn Bhd GIC Private Limited for Monetary Authority of Singapore (H)	18,118,400	1.02
14	Amanahraya Trustees Berhad Public Smallcap Fund	14,350,000	0.81
15	HSBC Nominees (Asing) Sdn Bhd HSBC-FS I for JPMorgan Asia Equity Dividend Fund	14,346,500	0.81
16	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (Par 3)	12,718,000	0.70
17	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund (AFFIN-HWG)	12,309,700	0.70
18	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (Par 2)	10,603,700	0.60
19	Tokio Marine Life Insurance Malaysia Bhd As Beneficial Owner (PF)	10,000,000	0.56
20	Citigroup Nominees (Asing) Sdn Bhd CBNY for DFA International Real Estate Securities Portfolio of DFA Investment Dimensions Group Inc	8,847,400	0.50
21	HSBC Nominees (Asing) Sdn Bhd Exempt AN for JPMorgan Chase Bank, National Association (U.S.A)	8,209,311	0.46
22	Cartaban Nominees (Asing) Sdn Bhd BBH (LUX) SCA for Fidelity Funds Asean	7,855,100	0.44
23	DB (Malaysia) Nominee (Asing) Sdn Bhd SSBT Fund W4B3 for Wasatch Emerging Markets Small Cap Fund	7,667,975	0.43
24	AmanahRaya Trustees Berhad Public Dividend Select Fund	7,630,500	0.43
25	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Amasia Pacific Reits	7,417,700	0.42
26	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Aberdeen)	7,300,000	0.41
27	AmanahRaya Trustees Berhad Amanah Saham Bumiputera 2	7,279,600	0.41

No	Name of Unitholder	Holdings	%
28	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaaraan (Diperbadankan) (Aberdeen)	6,700,000	0.38
29	Citigroup Nominees (Tempatan) Sdn Bhd Allianz Life Insurance Malaysia Berhad (P)	6,691,700	0.38
30	Chai Yune Loong	6,375,000	0.36
Total		1,508,891,386	84.82

LIST OF DIRECTORS' INTEREST

Name	Designation	Nationality	No. of Units Held Through Own Name	No. of Units Held Through Nominees	Total Unitholdings
Mr David Wong Chin Huat	Chairman / Non-Executive Independent Director	Singaporean	-	-	-
Tuan Haji Rosli bin Abdullah	Non-Executive Independent Director	Malaysian	-	-	-
Mr Foo Wei Hoong	Non-Executive Non-Independent Director	Malaysian	-	-	-
Mr Jason Leow Juan Thong	Non-Executive Non-Independent Director	Singaporean	-	-	-
Mr Ng Chih Kaye	Non-Executive Independent Director	Malaysian	-	-	-
Mr Ng Kok Siong	Non-Executive Non-Independent Director	Singaporean	-	100,000	100,000
Ms Tan Siew Bee	Non-Executive Independent Director	Malaysian	100,000	-	100,000
Mr Peter Tay Buan Huat	Non-Executive Independent Director	Singaporean	-	100,000	100,000
Ms Low Peck Chen	Executive Non-Independent Director	Malaysian	12,000	-	12,000
Total			112,000	200,000	312,000

SUBSTANTIAL UNITHOLDERS

No.	Name	No. of Units Held Through Own Name	No. of Units Held Through Nominees	Total Unitholdings	%
1	CMMT Investment Limited	623,938,000		623,938,000	35.07
2	Employees Provident Fund Board Employees Provident Fund Board (KIB) Employees Provident Fund Board (Affin-HWG) Employees Provident Fund Board (Aberdeen) <i>Registered with: Citigroup Nominees (Tempatan) Sdn. Bhd.</i>	1,500,000	175,240,400 3,734,600 12,309,700 7,300,000	200,084,700	11.25
3	Skim Amanah Saham Bumiputera <i>Registered with: AmanahRaya Trustees Berhad</i>		179,515,300	179,515,300	10.09
Total		625,438,000	378,100,000	1,003,538,000	56.41

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Glossary

AEI(s)	Asset enhancement initiative(s)
Authorised Investments	Real estates, single-purpose companies, real estate-related assets, liquid assets, non-real estate-related assets, asset-backed securities and any other investments permitted by the SC or the REITs Guidelines
Board of Directors	The Board of Directors of the Manager
Bursa Securities	Bursa Malaysia Securities Berhad
Capitalisation (Cap) Rate	Refers to the reversionary capitalisation rate adopted by the independent valuers to derive the market values of each property
CMA	CapitaMalls Asia Limited, the sponsor of CMMT
CMA Malaysia	CapitaLand Retail Malaysia Sdn. Bhd., an indirect wholly-owned subsidiary of CMA, which is responsible for the business operations of CMA in Malaysia
CMMT	CapitaMalls Malaysia Trust
CMMT Group	CMMT and its subsidiary
Committed Lease	A lease is considered to be “committed” when the letter of offer, tenancy agreement or license agreement, as applicable, is signed.
Common Areas	In relation to strata titled properties like Sungei Wang Plaza, the development area which is not part of any parcels (including accessory parcels) forming part of the said properties, and can include the following: structural elements of the building, stairs, stairways, fire escapes, entrances and exits, corridors, lobbies, lifts, refuse chutes, compound drains, water tanks, sewers, pipes, wires, cables and ducts that serve more than one parcel, the exterior of all common parts of the building, driveways, open spaces, landscape areas, walls and fences, and all other facilities and installations and any part of the land used or capable of being used or enjoyed in common by all the occupiers of the building
Deed	The trust deed dated 7 June 2010 constituting CMMT entered into between the Manager and the Trustee, as amended, varied or supplemented from time to time
Deposited Property	All the assets of CMMT, including all its Authorised Investments for the time being held or deemed to be held upon trust pursuant to the Deed
Directors	Individual members of the Board of Directors
Distributable Income	The distributable income of CMMT
Distribution Yield	DPU divided by the unit price
DPU	Distribution per Unit
EGM	Extraordinary General Meeting
FP 2010	Financial period from 14 July 2010 to 31 December 2010
FY 2011	Financial year ended 31 December 2011
FY 2012	Financial year ended 31 December 2012
FY 2013	Financial year ended 31 December 2013
FY 2014	Financial year ended 31 December 2014
FY(s)	Financial year(s) ended/ending 31 December
GDP	Gross domestic product
GFA	The built-up area of the property. For properties under development, the GFA is based on estimation by reference to, among other things, construction plans, which may change and/or be subject to regulatory approval and final verification by survey. For CMMT’s portfolio, the GFA is based on the relevant local authorities’ definition of GFA.
Gross Rental Income	The total amount payable by all tenants pursuant to a tenancy comprising base rents, service charges, gross turnover rents and, where applicable, advertising and promotion fees.

	For the purpose of deriving property statistics pertaining to the lease expiry profile, trade sector analysis and contribution of the top ten tenants of the respective properties, Gross Rental Income is equal to the aggregate gross rental (excluding gross turnover rental) from Committed Leases, calculated on the basis of gross rental per sq ft per month multiplied by the area of the shop lot, as stated in the relevant property's tenancy schedule. Gross Rental Income includes shop lots that are physically vacant, but have Committed Leases. In such instances the gross rental per sq ft per month (excluding gross turnover rent) payable at the lease's commencement date, multiplied by the area of the shop lot, is used.
Gross Revenue	In relation to any financial year or part thereof, means the gross revenue before expenses for the relevant period. Consists of Gross Rental Income, car park income and other income such as casual leasing, advertising panels/promotions and recovery of utilities and operations and maintenance works carried out for the tenants
Gross Turnover Rental	Rental which is pegged to tenants' sales
Listing Requirements Manager	Main Market Listing Requirements of Bursa Malaysia Securities Berhad CapitaMalls Malaysia REIT Management Sdn. Bhd., in its capacity as the manager of CMMT
MTN	Medium Term Notes
MER	Management expense ratio, calculated by dividing the fees of the REIT by the average NAV of the REIT, where fees of the REIT comprise all fees, including the Manager's management fee, the Trustee's fee, the valuation fee and administration expenses charged to the REIT
NAV	Net asset value
NLA	Net lettable area, which comprises areas in a property that are comprising tenantable space, and excludes space used for building and centre management functions and common areas
NPI	Net property income consists of Gross Revenue less Property Operating Expenses
Occupancy Rate	Equals the total area under Committed Leases divided by the NLA
Property Manager	Knight Frank Malaysia Sdn. Bhd., being the property manager for CMMT's portfolio
Property Operating Expenses	Consists of maintenance, utilities and other expenses such as property management fees, property management reimbursable, marketing expenses, quit rent and assessment and general and administrative expenses
Property Yield	Calculated by dividing the NPI or annualised NPI for the year by the independent valuation of the property
Psf	Per square foot
REIT(s)	Real estate investment trust(s)
REITs Guidelines	The Guidelines on Real Estate Investment Trusts issued by the SC, effective 21 August 2008, updated 28 December 2012, and any subsequent amendments or updates thereof
Rental Reversion	Increase or decrease in rental as compared to the preceding rental being achieved for a retail shop unit
RM and sen	Ringgit Malaysia and sen, respectively
RTFA	REIT Trustee Financing Agreement dated 7 December 2012, entered into between the Trustee on behalf of CMMT and CMMT MTN Berhad
sq ft	Square foot/feet
SC	Securities Commission Malaysia
Step-up Rent	Rental rate that increases by a predetermined amount at various points in the future under a lease agreement
Total Asset Value	The value of all the Deposited Property based on the latest valuation
Total Return	Equal to the DPU plus capital appreciation (in sen) during the year divided by the opening unit price at the beginning of the given year
Unit(s)	An undivided interest in CMMT as set out in the Deed
Unitholder(s)	Holder(s) of the Units of CMMT

Notice of Annual General Meeting

CAPITAMALLS MALAYSIA TRUST

(Established in Malaysia under the trust deed dated 7 June 2010 (as amended) entered into between CapitaMalls Malaysia REIT Management Sdn. Bhd. (819351-H) and AmTrustee Berhad (163032-V))

NOTICE IS HEREBY GIVEN that the Annual General Meeting (**AGM**) of the holders of units (**Units**) (**Unitholders**) of CapitaMalls Malaysia Trust (**CMMT**) will be held on Thursday, 2 April 2015 at 10.00 a.m. at Impiana Banquet Hall, Level 2, Impiana KLCC Hotel, 13 Jalan Pinang, 50450 Kuala Lumpur, Malaysia to transact the following businesses:

(A) AS ORDINARY BUSINESS

1. To receive the report of AmTrustee Berhad, as trustee of CMMT (the **Trustee**), the statement by CapitaMalls Malaysia REIT Management Sdn. Bhd., as manager of CMMT (the **Manager**), and the Audited Financial Statements of CMMT for the financial year ended 31 December 2014 and the Auditors' Report attached thereon.

(B) AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any modification, the following resolution:

2. **PROPOSED AUTHORITY TO ALLOT AND ISSUE NEW UNITS PURSUANT TO CLAUSE 14.03 OF SECURITIES COMMISSION MALAYSIA'S GUIDELINES ON REAL ESTATE INVESTMENT TRUSTS (REITS GUIDELINES) (PROPOSED AUTHORITY)** **Ordinary Resolution 1**

"THAT pursuant to the REITs Guidelines, Main Market Listing Requirements of Bursa Malaysia Securities Berhad (**Bursa Securities**) and the approval of the relevant regulatory authorities, where such approval is required, authority be and is hereby given to the Manager, to allot and issue new units in CMMT (**New Units**) from time to time to such persons and for such purposes as the Manager may in its absolute discretion deem fit and in the best interest of CMMT, provided that the number of New Units to be allotted and issued pursuant to this resolution must not exceed 355,795,120 Units, representing 20% of the existing fund size of CMMT;

AND THAT the Proposed Authority shall be effective and continue to be in force from the date of receipt of all relevant authorities' approval or the date the Unitholders pass this resolution, whichever may be the later, until:

- (a) the conclusion of the next AGM of the Unitholders at which time it shall lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Unitholders is required by law to be held; or
- (c) the Proposed Authority is revoked or varied by the Unitholders in a Unitholders' meeting,

whichever occurs first (**Validity Period**);

AND THAT the New Units to be issued pursuant to the Proposed Authority shall, upon allotment and issuance, rank *pari passu* in all respects with the existing Units except that the New Units will not be entitled to any distributable income, right, benefit, entitlement and/or any other distributions that may be declared before the date of allotment and issuance of such New Units;

AND THAT authority be and is hereby given to the Manager and the Trustee, acting for and on behalf of CMMT, to give effect to the aforesaid Proposed Authority with full powers to assent to any condition, variation, modification and/or amendment in any manner as the Manager and the Trustee may deem fit and in the best interest of CMMT and/or as may be imposed by the relevant authorities, and to deal with all matters relating thereto;

AND FURTHER THAT authority be and is hereby given to the Manager and the Trustee, acting for and on behalf of CMMT, to take all such steps and do all acts, deeds and things in any manner (including execute such documents as may be required) as they may deem necessary or expedient to implement, finalise, complete and give full effect to the Proposed Authority.”

(Please see Explanatory Note 1)

BY ORDER OF THE BOARD
CAPITAMALLS MALAYSIA REIT MANAGEMENT SDN. BHD.
(Company No. 819351-H)
as manager of CapitaMalls Malaysia Trust

Khoo Ming Siang (MAICSA No. 7034037)
Lim Lee Kuan (MAICSA No. 7017753)
Company Secretaries
Kuala Lumpur
24 February 2015

Enclosures :

- 1. Explanatory Notes**
- 2. Proxy Form**

cc : AmTrustee Berhad
Securities Commission Malaysia

Notes:

1. *Only Unitholders whose names appear in the Record of Depositors on 25 March 2015 are entitled to attend, speak and vote at the AGM.*
2. *A Unitholder may attend the AGM in person or appoint up to two proxies to attend the AGM and vote in the Unitholder's place. A Unitholder holding 10,000 Units or less shall be entitled to appoint one proxy (whether a Unitholder or not). A Unitholder holding more than 10,000 Units shall be entitled to appoint up to two proxies (whether a Unitholder or not).*
3. *On a show of hands, every Unitholder who is present in person or by proxy/proxies has one vote.*
4. *On a poll, every Unitholder who is present in person or by proxy/proxies has one vote for every Unit held by him.*
5. *Where a Unitholder is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one proxy for each securities account that holds 10,000 Units or less standing to the credit for the said securities account and up to two proxies for each securities account that holds more than 10,000 Units standing to the credit for the said securities account.*
6. *Where the Unitholder or the authorised nominee appoints more than one proxy, the appointment will be invalid unless the instrument appointing the proxies specifies the proportions of holdings to be represented by each proxy.*
7. *Any appointment of a proxy shall be in writing in the Proxy Form attached herewith under the hand of the Unitholder or of his duly appointed attorney or, if the Unitholder is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.*
8. *The Proxy Form appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited with the Manager at CapitaMalls Malaysia REIT Management Sdn. Bhd., Level 2, Ascott Kuala Lumpur, No. 9, Jalan Pinang, 50450 Kuala Lumpur, Malaysia, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof, by hand or post; in default of this provision, the Proxy Form shall not be treated as valid.*

Explanatory Notes:**1. Ordinary Resolution 1 – Proposed Authority**

At the conclusion of the forthcoming AGM to be held on 2 April 2015, the authority for the Manager to allot and issue up to 20% of CMMT's then existing fund size approved by Unitholders at CMMT's second AGM on 3 April 2014 will lapse (**Existing Authority**). CMMT has not issued any new Units pursuant to Clause 14.03 of the REIT Guidelines under the Existing Authority.

Ordinary Resolution 1 is a new authority for the Manager to allot and issue up to 355,795,120 Units, representing 20% of the current existing fund size of CMMT during the Validity Period.

The Proposed Authority will allow the Manager the flexibility to allot and issue New Units to raise funds to finance future investments, acquisitions and capital expenditure to enhance the value of CMMT and/or to refinance existing debt as well as for working capital purposes, subject to the relevant laws and regulations. With the Proposed Authority, delays and further costs involved in convening separate general meetings to approve such issue of New Units to raise funds can be avoided.

The Manager may, subject to relevant laws and regulations, use the net proceeds from the issuance of New Units under the Proposed Authority at its absolute discretion for other purposes.

Any allotment and issuance of New Units pursuant to the Proposed Authority will be subject to the relevant approvals of Securities Commission Malaysia and Bursa Securities.

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CAPITAMALLS MALAYSIA TRUST

(Established in Malaysia under the trust deed dated 7 June 2010 (as amended) entered into between CapitaMalls Malaysia REIT Management Sdn. Bhd. (819351-H) and AmTrustee Berhad (163032-V))

PROXY FORM

ANNUAL GENERAL MEETING

I/We, _____ (Name(s) and NRIC no./Passport no./
Company Registration no.) _____
(Address) being a unitholder/unitholders of CapitaMalls Malaysia Trust (CMMT), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Unitholdings	
			No. of Units	%

and/or failing whom (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Unitholdings	
			No. of Units	%

or, both of whom failing, the Chairman of the Annual General Meeting, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and if necessary, to demand a poll, at the Annual General Meeting of CMMT to be held on Thursday, 2 April 2015 at Impiana Banquet Hall, Level 2, Impiana KLCC Hotel, 13 Jalan Pinang, 50450 Kuala Lumpur, Malaysia at 10.00 a.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolution to be proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the Annual General Meeting.

No.	Ordinary Resolution:	To be used on a show of hands		To be used in the event of a poll	
		For*	Against*	No. of Votes For**	No. of Votes Against**
	Special business				
1	Proposed Authority				

* If you wish to exercise all your votes "For" or "Against", please tick [✓] within the box provided.

** If you wish to exercise all your votes "For" or "Against", please tick [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2015

Total number of Units held

Signature(s) of unitholder(s) / Common Seal ^

[^] Where the Proxy Form is executed by a corporation, it shall be either under its Common Seal or under the hand of an attorney or an officer on behalf of the corporation duly authorised, and a certified true copy (by the Company Secretary) of the power of attorney or of the board resolution of that corporation appointing such officer, shall be deposited with the Manager together with the Proxy Form.

IMPORTANT: PLEASE READ NOTES TO PROXY FORM ON REVERSE PAGE

Affix
postage
stamp

CapitaMalls Malaysia REIT Management Sdn. Bhd.
(Company No. 819351-H)
(as manager of CapitaMalls Malaysia Trust)

Level 2, Ascott Kuala Lumpur, No. 9, Jalan Pinang
50450 Kuala Lumpur

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IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to Proxy Form:

1. Only unitholders of CMMT (Unitholders) whose names appear in the Record of Depositors on 25 March 2015 are entitled to attend, speak and vote at the AGM.
2. A Unitholder may attend the AGM in person or appoint up to two proxies to attend the AGM and vote in the Unitholder's place. A Unitholder holding 10,000 Units or less shall be entitled to appoint one proxy (whether a Unitholder or not). A Unitholder holding more than 10,000 Units shall be entitled to appoint up to two proxies (whether a Unitholder or not).
3. On a show of hands, every Unitholder who is present in person or by proxy/proxies has one vote.
4. On a poll, every Unitholder who is present in person or by proxy/proxies has one vote for every Unit held by him.
5. Where a Unitholder is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one proxy for each securities account that holds 10,000 Units or less standing to the credit for the said securities account and up to two proxies for each securities account that holds more than 10,000 Units standing to the credit for the said securities account.
6. Where the Unitholder or the authorised nominee appoints more than one proxy, the appointment will be invalid unless the instrument appointing the proxies specifies the proportions of holdings to be represented by each proxy.
7. Any appointment of a proxy shall be in writing in the Proxy Form attached herewith under the hand of the Unitholder or of his duly appointed attorney or, if the Unitholder is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.
8. The Proxy Form appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited with the Manager at CapitaMalls Malaysia REIT Management Sdn. Bhd., Level 2, Ascott Kuala Lumpur, No. 9, Jalan Pinang, 50450 Kuala Lumpur, Malaysia, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof by hand or post; in default of this provision, the Proxy Form shall not be treated as valid.

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Corporate Information

CapitaMalls Malaysia Trust

Registered Address

AmTrustee Berhad
(Company Number: 163032-V)
Level 22, Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur
Phone: +60 3 2036 2633
Fax: +60 3 2032 1914

Stock Exchange Listing

Main Market of Bursa Malaysia
Securities Berhad
Stock Name: CMMT
Stock Code: 5180

Trustee

AmTrustee Berhad
(Company Number: 163032-V)

Business Address

Level 15, Menara AmFirst
No. 1, Jalan 19/3
46300 Petaling Jaya
Selangor
Phone: +60 3 7954 6862
Fax: +60 3 7954 3712

Manager

CapitaMalls Malaysia REIT
Management Sdn. Bhd.
(Company Number: 819351-H)

Manager's Registered Office / Principal Place of Business

Level 2, Ascott Kuala Lumpur
No. 9, Jalan Pinang
50450 Kuala Lumpur
Phone: +60 3 2279 9888
Fax: +60 3 2279 9889
Email: ask-us@capitamallsmalaysia.com

Website: www.capitamallsmalaysia.com

Board of Directors of the Manager

David Wong Chin Huat
*Chairman & Non-Executive
Independent Director*

Tuan Haji Rosli bin Abdullah
Non-Executive Independent Director

Foo Wei Hoong
*Non-Executive Non-Independent
Director*

Jason Leow Juan Thong
*Non-Executive Non-Independent
Director*

Ng Chih Kaye
Non-Executive Independent Director

Ng Kok Siong
*Non-Executive Non-Independent
Director*

Tan Siew Bee
Non-Executive Independent Director

Peter Tay Buan Huat
Non-Executive Independent Director

Low Peck Chen
*Chief Executive Officer & Executive
Non-Independent Director*

Executive Committee

Jason Leow Juan Thong, *Chairman*
Ng Kok Siong
Low Peck Chen

Audit Committee

Tuan Haji Rosli bin Abdullah, *Chairman*
Ng Chih Kaye
Ng Kok Siong
Tan Siew Bee

Corporate Disclosure Committee

David Wong Chin Huat, *Chairman*
Jason Leow Juan Thong
Ng Kok Siong

Company Secretaries of the Manager

Khoo Ming Siang
(MAICSA 7034037)
Level 2, Ascott Kuala Lumpur
No. 9, Jalan Pinang
50450 Kuala Lumpur

Lim Lee Kuan
(MAICSA 7017753)
10th Floor, Menara Hap Seng
No. 1 & 3 Jalan P. Ramlee
50250 Kuala Lumpur

Auditors

KPMG
(Firm No: AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Phone: +60 3 7721 3388
Fax: +60 3 7721 3399
Partner-In-Charge: Mr. Lam Shuh Siang

Unit Registrar

Tricor Investor & Issuing House
Services Sdn. Bhd.
(Formerly known as Equiniti Services
Sdn. Bhd.)
(Company Number: 11324-H)
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Phone: +60 3 2264 3883
Fax: +60 3 2282 1886

Property Manager

Knight Frank Malaysia Sdn. Bhd.
(Company Number: 585479-A)
Suite 10.01, 10th Floor
Centrepont South,
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Phone: +60 3 2289 9688
Fax: +60 3 2289 9788

Principal Bankers

Alliance Bank Malaysia Berhad
CIMB Bank Berhad
Malayan Banking Berhad
Public Bank Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Bhd

**CapitaMalls Malaysia REIT
Management Sdn. Bhd.**

As Manager of CapitaMalls Malaysia Trust
Company Reg. No.: 819351-H

Level 2, Ascott Kuala Lumpur
No. 9 Jalan Pinang
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