CAPITAMALLS MALAYSIA TRUST

CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31 DECEMBER 2012 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2011 (AUDITED) RM'000
Assets		
Plant and equipment	2,420	1,093
Investment properties	2,936,000	2,781,000
Total non-current assets	2,938,420	2,782,093
Trade and other receivables	24,407	9,192
Cash and cash equivalents	158,965	115,417
Total current assets	183,372	124,609
Total assets	**3,121,792**	**2,906,702**
Equity		
Unitholders' capital	1,815,222	1,806,696
Undistributed profit	301,366	145,147
Total unitholders' funds	2,116,588	1,951,843
Liabilities		
Borrowings	815,534	815,231
Tenants' deposits	50,988	47,186
Total non-current liabilities	866,522	862,417
Borrowings	54,000	9,000
Tenants' deposits	27,412	21,936
Trade and other payables	57,270	61,506
Total current liabilities	138,682	92,442
Total liabilities	1,005,204	954,859
Total equity and liabilities	**3,121,792**	**2,906,702**
Number of units in circulation ('000 units)	**1,768,038**	**1,762,652**
Net asset value (NAV)		
- before income distribution	**2,116,588**	**1,951,843**
- after income distribution	**2,041,624**	**1,931,748**
NAV per unit (RM)		
- before income distribution	**1.1971**	**1.1073**
- after income distribution	**1.1547**	**1.0959**

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER 31 DECEMBER		YEAR TO DATE 31 DECEMBER	
	2012[1]	**2011**	**2012[2]**	**2011**
	(UNAUDITED)	**(UNAUDITED)**	**(UNAUDITED)**	**(AUDITED)**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Gross rental income	59,882	52,811	233,426	193,995
Car park income	4,460	3,946	18,417	15,029
Other revenue	9,438	6,388	37,373	21,863
Gross revenue	**73,780**	**63,145**	**289,216**	**230,887**
Maintenance expenses	(6,213)	(5,796)	(22,505)	(19,798)
Utilities	(9,189)	(6,708)	(37,832)	(24,036)
Other operating expenses[3]	(8,922)	(6,872)	(32,895)	(24,658)
Property operating expenses	(24,324)	(19,376)	(93,232)	(68,492)
Net property income	**49,456**	**43,769**	**195,984**	**162,395**
Interest income	1,041	799	3,972	3,063
Other non-operating income	-	422	96	2,305
Fair value gain of investment properties[4]	14,996	14,690	113,380	68,910
Net investment income	**65,493**	**59,680**	**313,432**	**236,673**
Manager's management fee	(4,909)	(4,456)	(19,224)	(16,286)
Trustee's fee	(129)	(124)	(505)	(464)
Auditors' fee	5	(37)	(162)	(142)
Tax agent's fee	(10)	(5)	(32)	(20)
Valuation fee	(39)	-	(228)	(250)
Finance costs	(11,531)	(9,900)	(42,271)	(38,707)
Other non-operating expenses	(231)	(44)	(545)	(990)
	(16,844)	(14,566)	(62,967)	(56,859)
Profit before taxation	**48,649**	**45,114**	**250,465**	**179,814**
Taxation	-	-	-	-
Profit for the period/year	**48,649**	**45,114**	**250,465**	**179,814**
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period/year	**48,649**	**45,114**	**250,465**	**179,814**
Distribution adjustments[5]	(11,200)	(12,460)	(101,186)	(61,531)
Income available for distribution	**37,449**	**32,654**	**149,279**	**118,283**
Distributable income[6]	**37,305**	**32,824**	**149,115**	**118,258**
Profit for the period/year is made up of the following:				
Realised	33,653	30,424	137,085	110,904
Unrealised[7]	14,996	14,690	113,380	68,910
	48,649	45,114	250,465	179,814

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	CURRENT QUARTER 31 DECEMBER		YEAR TO DATE 31 DECEMBER	
	2012[1] (UNAUDITED)	2011 (UNAUDITED)	2012[2] (UNAUDITED)	2011 (AUDITED)
Earnings per unit (sen)[8]				
- before Manager's management fee (sen)	**3.03**	**3.02**	**15.28**	**13.09**
- after Manager's management fee (sen)	**2.75**	**2.75**	**14.19**	**12.00**
Distribution per unit (DPU) (sen)	**2.11**	**1.99**	**8.44**	**7.87**
DPU (sen) – annualised	**8.39**	**7.90**	**8.44**	**7.87**

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

1. 4Q 2012 actual includes the full-quarter financial results of East Coast Mall which was acquired on 14 November 2011.
2. FY 2012 actual includes the full-year financial results of East Coast Mall and Gurney Plaza Extension (acquired on 28 March 2011). The financial results of Gurney Plaza Extension was grouped under Gurney Plaza.
3. Included in the other operating expenses is the following:

	CURRENT QUARTER 31 DECEMBER		YEAR TO DATE 31 DECEMBER	
	2012 (UNAUDITED) RM'000	2011 (UNAUDITED) RM'000	2012 (UNAUDITED) RM'000	2011 (AUDITED) RM'000
(Allowance for)/Write-back of impairment losses of trade receivables	(4)	(297)	77	(376)
Realised foreign exchange loss	(2)	(1)	(19)	(6)

4. The fair value gain of investment properties is the surplus of the appraised values over carrying values in the reporting period. This is an unrealised gain and is not available for income distribution.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

5. Included in the distribution adjustments are the following:

	CURRENT QUARTER 31 DECEMBER 2012 (UNAUDITED) RM'000	CURRENT QUARTER 31 DECEMBER 2011 (UNAUDITED) RM'000	YEAR TO DATE 31 DECEMBER 2012 (UNAUDITED) RM'000	YEAR TO DATE 31 DECEMBER 2011 (AUDITED) RM'000
Fair value gain of investment properties	(14,996)	(14,690)	(113,380)	(68,910)
Manager's management fee payable in units*	2,062	2,079	8,162	7,714
Adjustment for listing expenses	-	(201)	-	(2,085)
Depreciation	381	130	859	527
Amortisation of transaction costs on borrowings	1,317	235	2,041	920
Net loss from subsidiary**	2	7	8	7
Other tax adjustments	34	(20)	1,124	296
	(11,200)	(12,460)	(101,186)	(61,531)

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

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

6. The difference between distributable income and income available for distribution is due to rollover adjustment for rounding effect of DPU.
7. This is an unrealised profit and is not available for income distribution.
8. Earnings per unit (EPU) is computed based on profit for the quarter/year divided by the weighted average number of units at the end of the quarter/year. The computation of EPU after Manager's management fee for the current quarter is set out in B13.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSET VALUE

	Unitholders' Capital RM'000	Undistributed Profit Realised RM'000	Undistributed Profit Unrealised RM'000	Total Unitholders' Funds RM'000
As at 1 January 2011	1,325,560	28,049	81,347	1,434,956
Total comprehensive income for the year	-	110,904	68,910	179,814
Increase in net assets resulting from operations	**1,325,560**	**138,953**	**150,257**	**1,614,770**
Unitholders' transactions				
- Issue of new units	483,550	-	-	483,550
- Units issued as part satisfaction of the Manager's management fee	6,808	-	-	6,808
- Placement expenses[1]	(9,222)	-	-	(9,222)
- Distribution paid to unitholders[2]	-	(144,063)	-	(144,063)
Increase in net assets resulting from unitholders' transactions	**481,136**	**(144,063)**	**-**	**337,073**
As at 31 December 2011 (Audited)	**1,806,696**	**(5,110)**	**150,257**	**1,951,843**
As at 1 January 2012	1,806,696	(5,110)	150,257	1,951,843
Total comprehensive income for the year	-	137,085	113,380	250,465
Increase in net assets resulting from operations	**1,806,696**	**131,975**	**263,637**	**2,202,308**
Unitholders' transactions				
- Issue of new units	-	-	-	-
- Units issued as part satisfaction of the Manager's management fee	8,105	-	-	8,105
- Placement expenses[1]	421	-	-	421
- Distribution paid to unitholders[3]	-	(94,246)	-	(94,246)
Increase in net assets resulting from unitholders' transactions	**8,526**	**(94,246)**	**-**	**(85,720)**
As at 31 December 2012 (Unaudited)	**1,815,222**	**37,729**	**263,637**	**2,116,588**

The unaudited condensed consolidated statement of changes in net asset value should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

1. This refers to the private placement expenses in relation to the acquisitions of Gurney Plaza Extension and East Coast Mall.
2. This refers to (i) 2010 income distribution of 3.40 sen per unit for the period from 14 July 2010 to 31 December 2010 paid in February 2011, (ii) advance income distribution of 1.74 sen per unit for the period from 1 January 2011 to 24 March 2011 paid in April 2011, (iii) income distribution of 2.16 sen per unit for the period from 25 March 2011 to 30 June 2011 paid in August 2011, and (iv) advance income distribution of 2.83 sen per unit for the period from 1 July 2011 to 10 November 2011 paid in December 2011.
3. This refers to the (i) 2011 final income distribution of 1.14 sen per unit for the period from 11 November 2011 to 31 December 2011 paid on 8 March 2012, and (ii) first income distribution of 4.20 sen per unit for the period from 1 January 2012 to 30 June 2012 paid on 30 August 2012.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	TWELVE MONTHS ENDED	
	31 DECEMBER 2012 (UNAUDITED) RM'000	**31 DECEMBER 2011 (AUDITED) RM'000**
Cash Flows From Operating Activities		
Profit before taxation	250,465	179,814
Adjustments for:-		
Manager's management fee paid/payable in units	8,162	7,714
Depreciation	859	527
Fair value gain of investment properties	(113,380)	(68,910)
Finance costs	42,271	38,707
Interest income	(3,972)	(3,063)
Listing expenses	-	(2,085)
Operating profit before changes in working capital	**184,405**	**152,704**
Changes in working capital:		
Trade and other receivables	(15,215)	(2,500)
Trade and other payables	(3,197)	25,128
Net cash from operating activities	**165,993**	**175,332**
Cash Flows From Investing Activities		
Acquisition of plant and equipment	(2,186)	(523)
Acquisition of investment properties	-	(532,659)
Capital expenditure on investment properties	(27,145)	(27,775)
Investment in a subsidiary	-	*
Interest received	3,972	3,063
Net cash used in investing activities	**(25,359)**	**(557,894)**
Cash Flows From Financing Activities		
Interest paid	(45,484)	(37,472)
Distribution paid to unitholders	(94,246)	(144,063)
Payment of financing expenses	(738)	(561)
Payment of listing expenses	(1,618)	(9,656)
Proceeds from issuance of new units	-	483,550
Proceeds from interest bearing borrowings	54,000	78,750
Proceeds from issuance of medium term notes	300,000	-
Repayment of interest bearing borrowings	(309,000)	-
Placement of pledged deposits with a licensed bank	(3,533)	-
Net cash (used in)/from financing activities	**(100,619)**	**370,548**
Net increase/(decrease) in cash and cash equivalents	40,015	(12,014)
Cash and cash equivalents at beginning of the year	115,417	127,431
Cash and cash equivalents at end of the year	**155,432**	**115,417**
Cash and cash equivalents at end of the year comprises:		
Deposits placed with licensed banks	149,216	96,890
Cash and bank balances	9,749	18,527
	158,965	115,417
Less: Pledged deposits	(3,533)	-
	155,432	**115,417**

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

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

A1. Basis of Preparation

The condensed consolidated interim financial statements of the Group as at and for the fourth quarter ended 31 December 2012 comprise CMMT and its subsidiary. These interim financial statements have been prepared on the historical cost basis except for investment properties and financial instruments which are stated at fair value.

The condensed consolidated interim financial statements have been prepared in compliance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (MASB) and with IAS 34: Interim Financial Reporting, Paragraph 9.44 of the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities), provisions of the trust deed dated 7 June 2010 (the Trust Deed) and the Securities Commission's Guidelines on Real Estate Investment Trusts (the REITs Guidelines).

The Group has adopted the MFRS framework, which has become effective for the annual period beginning 1 January 2012, and has applied MFRS 1, First-Time Adoption of Malaysian Financial Reporting Standards. The adoption of the MFRS has no significant impact on the financial statements.

The condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2011 and the accompanying explanatory notes attached to the condensed consolidated interim financial statements.

A2. Changes in Accounting Policies

The significant accounting policies and methods of computation used in the preparation of the condensed consolidated interim financial statements are consistent with those adopted in the preparation of the audited financial statements of the Group and of CMMT for the financial year ended 31 December 2011.

A3. Audit Report of Preceding Financial Year

The audit report for the financial year ended 31 December 2011 was not qualified.

A4. Comment on Seasonality or Cyclicality of Operations

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

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

Nil.

A6. Changes in Estimates Of Amount Reported

Nil.

A7. Debt and Equity Securities

Saved as disclosed in B9, there were no issuance, cancellation, repurchase, resale and repayment of equity securities in the current quarter.

During the financial year under review, CMMT issued new units in CMMT to the Manager: (i) 2,846,300 units at RM1.42* per unit being part payment of management fee for the financial period from 1 July 2011 to 31 December 2011, and (ii) 2,539,800 units at RM1.60** per unit being part payment of management fee for the financial period from 1 January 2012 to 30 June 2012. The units were listed on the Main Market of Bursa Securities on 30 May 2012 and 7 September 2012 respectively.

* Based on the 10-day volume weighted average price (VWAP) of the units up to and including 30 December 2011.
** Based on the 10-day volume weighted average price (VWAP) of the units up to and including 29 June 2012.

A8. Income Distribution Policy

In line with the distribution policy as set out in the Trust Deed, the Manager will distribute at least 90% of its distributable income to its unitholders in each financial year. CMMT will make distributions to its unitholders on a semi-annual basis for each six-month period ending 30 June and 31 December of each year.

A9. Segmental Reporting

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

A10. Valuation of Investment Properties

The investment properties are valued by independent professional valuers and the differences between the valuation and the carrying values of the respective investment properties are charged or credited to the profit or loss for the period in which they arise.

For the quarter ended 31 December 2012, the investment properties were valued based on valuations performed by independent professional valuers as at 31 December 2012. Fair value gain arising from the valuations amounting to RM15.0 million was recognised during the quarter.

A11. Subsequent Events

Nil.

A12. Changes in Composition of the Trust

Nil.

A13. Changes in Contingent Liabilities and Contingent Asset

Nil.

A14. Capital Commitments

Capital commitments in relation to capital expenditure are as follows:

	RM'000
Contracted but not provided for	7,762

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

B1. Review of Performance

	4Q 2012[1] (Unaudited) RM '000	4Q 2011 (Unaudited) RM '000	Change %	FY 2012[2] (Unaudited) RM '000	FY 2011 (Audited) RM '000	Change %
(a) Breakdown of Gross Revenue						
Gurney Plaza	29,195	25,924	12.6	114,014	96,118	18.6
Sungei Wang Plaza	17,985	17,868	0.7	71,778	70,767	1.4
The Mines	16,701	14,725	13.4	64,085	59,374	7.9
East Coast Mall	9,899	4,628	113.9	39,339	4,628	750.0
Total Gross Revenue	73,780	63,145	16.8	289,216	230,887	25.3
(b) Breakdown of Property Operating Expenses						
Gurney Plaza	9,804	7,851	24.9	36,408	27,548	32.2
Sungei Wang Plaza	4,700	4,370	7.6	16,845	16,348	3.0
The Mines	5,982	5,553	7.7	24,801	22,994	7.9
East Coast Mall	3,838	1,602	139.6	15,178	1,602	847.4
Total Property Operating Expenses	24,324	19,376	25.5	93,232	68,492	36.1
(c) Breakdown of Net Property Income						
Gurney Plaza	19,391	18,073	7.3	77,606	68,570	13.2
Sungei Wang Plaza	13,285	13,498	(1.6)	54,933	54,419	0.9
The Mines	10,719	9,172	16.9	39,284	36,380	8.0
East Coast Mall	6,061	3,026	100.3	24,161	3,026	698.4
Total Net Property Income	49,456	43,769	13.0	195,984	162,395	20.7

1 4Q 2012 actual includes the full-quarter financial results of East Coast Mall which was acquired on 14 November 2011.
2 FY 2012 actual includes the full-year financial results of East Coast Mall and Gurney Plaza Extension (acquired on 28 March 2011). The financial results of Gurney Plaza Extension was grouped under Gurney Plaza.

B1. Review of Performance (cont'd)

Quarter Results (4Q 2012 vs 4Q 2011)

The Group recorded gross revenue of RM73.8 million in 4Q 2012, an increase of RM10.6 million or 16.8% over 4Q 2011. The increase was mainly due to the full-quarter contribution from East Coast Mall (ECM) which was acquired on 14 November 2011 as well as the completion of the 2011 asset enhancement works at Gurney Plaza. The Group also benefited from higher gross rental income as a result of the higher rental rates achieved from new and renewed leases.

Property operating expenses for 4Q 2012 was RM24.3 million, which was RM4.9 million or 25.5% higher compared to 4Q 2011. ECM attributed to an increase of RM2.2 million in current quarter's property operating expenses and the other malls accounted for the balance. The overall property operating expenses for the current quarter was higher mainly due to higher utility expenses because of higher electricity consumption, higher maintenance expenses and reimbursable staff costs. As a result, net property income for 4Q 2012 was RM49.5 million which was 13.0% higher than 4Q 2011.

Interest income for 4Q 2012 was RM1.0 million, which was RM0.2 million or 30.3% higher compared to 4Q 2011. The increase was mainly attributed to higher available cash on deposit and active cash management. CMMT registered a fair value gain of RM15.0 million in 4Q 2012, which was RM0.3 million or 2.1% higher compared to 4Q 2011.

Manager's management fee was RM4.9 million, an increase of RM0.5 million or 10.2% over 4Q 2011. The increase was mainly due to higher net property income and increase in asset base.

Finance costs for 4Q 2012 were RM11.5 million, which were RM1.6 million or 16.5% higher compared to 4Q 2011. This was mainly due to the impact of finance costs arising from the additional revolving credit facilities of RM45.0 million drawndown by CMMT during 2012. The additional revolving credit facilities were utilised to fund the capital expenditure incurred by Gurney Plaza, Sungei Wang Plaza and The Mines. Average cost of debt for 4Q 2012 was 4.64% (4Q 2011: 4.74%).

CMMT has incurred RM26.3 million capital expenditure for the properties during the current quarter. ECM has started restroom upgrading works and installation of new auto-pay machines in 4Q 2012. Gurney Plaza's interior refurbishment programme was completed and The Mines' storm water rectification works is still in progress. During 2012, Sungei Wang Plaza Management Corporation called an Extraordinary General Meeting (EGM) to obtain approval from strata parcel owners for a one-off contribution of RM28.1 million to fund major upgrading works to the 35-year old mall. The upgrading works includes, among other things, re-tiling of the common area and replacement of the plaster ceiling and lighting fixtures. The refurbishment works commenced in December 2012 and are targeted to complete in 2013. Works commenced in 2012 within CMMT's strata area of Sungei Wang Plaza, included, among other things, re-tiling of the concourse area.

Overall, distributable income to unitholders for 4Q 2012 was RM37.3 million which was RM4.5 million or 13.7% higher compared to 4Q 2011.

Financial Year-to-date Results (FY 2012 vs FY 2011)

The Group achieved gross revenue of RM289.2 million, which was RM58.3 million or 25.3% higher than previous financial year. The increase was mainly due to full-year contributions from ECM and Gurney Plaza Extension (GPE), which was acquired on 28 March 2011, as well as the completion of the 2011 asset enhancement works at Gurney Plaza. The Group also benefited from higher gross rental income as a result of the higher rental rates achieved from new and renewed leases.

Property operating expenses for FY 2012 was RM93.2 million, which was RM24.7 million or 36.1% higher than previous financial year. ECM attributed to an increase of RM13.6 million in current year's property operating expenses and the other malls accounted for the balance. The overall property operating expenses for the current year was higher mainly due to higher utility expenses because of higher electricity consumption, higher maintenance expenses and reimbursable staff costs. As a result, net property income for the financial year was RM196.0 million which was 20.7% higher than previous financial year.

B1. Review of Performance (cont'd)

Financial Year-to-date Results (FY 2012 vs FY 2011) (cont'd)

Interest income for the financial year was RM4.0 million, which was RM0.9 million or 29.7% higher compared to previous financial year. The increase was mainly attributed to higher available cash on deposit and active cash management. CMMT registered a fair value gain of RM113.4 million in FY 2012, which was RM44.5 million or 64.5% higher compared to previous financial year.

Manager's management fee was RM19.2 million, an increase of RM2.9 million or 18.0% over previous financial year. The increase was mainly due to higher net property income and increase in asset base.

Finance costs for FY 2012 were RM42.3 million, which were RM3.6 million or 9.2% higher compared to previous financial year. This was largely due to the full year impact of finance costs arising from the GPE term loan facility of RM69.7 million (drawndown in late 1Q 2011 for the GPE acquisition), the impact of rising OPR by 25 basis point in May 2011 which resulted in slightly higher finance costs on CMMT's floating rate term loans, and the additional revolving credit facilities as mentioned earlier. Average cost of debt for FY 2012 was 4.69% (FY 2011: 4.70%).

CMMT has incurred RM41.6 million capital expenditure for the properties during FY 2012. ECM has started restroom upgrading works and installation of new auto-pay machines, following its completion of the upgrading works on air-conditioner chillers. Meanwhile, Gurney Plaza's interior refurbishment programme was completed and The Mines' storm water rectification works is still in progress. Sungei Wang Plaza Management Corporation has commenced major upgrading works to the 35-year old mall as described earlier. Works commenced in 2012 within CMMT's strata area of Sungei Wang Plaza, included, among other things, re-tiling of the concourse area.

Overall, distributable income to unitholders for the financial year was RM149.1 million which was RM30.9 million or 26.1% higher compared to previous financial year.

B2. Material Changes in Quarter Results

	Quarter ended 31 December 2012 RM,000	Quarter ended 30 September 2012 RM,000
Profit before taxation	48,649	34,558
Less: Fair value gain of investment properties	(14,996)	-
Profit before taxation, excluding fair value gain of investment properties	33,653	34,558

There is no material change in the financial results of 4Q 2012 as compared to 3Q 2012.

B3. Investment Objectives and Strategies

The investment objective and strategies of the Group remain unchanged, i.e. to invest on a long term basis, in a portfolio of income-producing real estate primarily used for retail purposes and located primarily in Malaysia or such other non-real estate investments as may be permitted under the Trust Deed, the REITs Guidelines or by the Securities Commission of Malaysia, with a view to providing unitholders with long-term and sustainable distribution of income and potential capital growth.

B4. Commentary on Prospects

The Manager views the future prospects of the Malaysian retail sector to be positive.

In spite of the challenging global economic environment, economic growth is projected to be 4.5% to 5.0% for 2012, and 4.5% to 5.5% in 2013, supported by resilient private investment and consumption (source: 2013 Budget Speech). The macroeconomic environment augurs well for retail sales, which are estimated to have grown 5.8% in 2012 and are forecast to grow 6.0% in 2013 (source: Retail Group Malaysia, on behalf of the Malaysian Retailers Association). CMMT is well-positioned to benefit from this growth. In addition, CMMT's malls are essentially focused on necessity shopping, and should prove resilient even in these uncertain times.

CMMT provides its unitholders with both income and geographical diversification from its portfolio of four well-performing malls in Penang, Kuala Lumpur, Selangor and Kuantan.

B5. Profit Guarantee

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

B6. Tax Expense

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

As CMMT intends to distribute 100% of its distributable income for the financial year ended 31 December 2012 to its unitholders, no provision for tax has been made for the current quarter.

B7. Status of Corporate Proposals

Nil.

B8. Utilisation of Proceeds Raised from Issuance of New Units

In conjunction with the acquisition of East Coast Mall, on 14 November 2011, RM329,999,040 was raised from the issuance and placement of 261,904,000 new units in CMMT at the issue price of RM1.26 per unit. The status of the utilisation of gross proceeds as at 31 December 2012 is as follows:

Purpose	Proposed Utilisation	Actual Utilisation	Intended Time frame for Utilisation	Deviation	
	RM '000	RM '000		RM '000	%
Purchase consideration	310,000	310,000	-	-	-
Placement expenses	7,161	5,881	-	(1,280)^	(17.9)
Incidental costs on acquisition	4,839	4,618	-	(221)^	(4.6)
Initial capital expenditure	4,000	4,000	-	-	-
Working capital	4,000	1,821	-	(2,179)^	(54.5)
	330,000	**326,320**		**(3,680)**	**(1.1)**

^ As at the reporting date, the balance of unutilised proceeds of RM3.6 million raised from the private placement will be utilised for future working capital of the existing portfolio.

B9. Borrowings and Debt Securities

	As at 31 December 2012 (Unaudited) RM '000	As at 31 December 2011 (Audited) RM '000
Long term borrowings		
Secured term loans	519,750	819,750
Unrated medium term notes	300,000	-
Less: Unamortised transaction costs	(4,216)	(4,519)
	815,534	815,231
Short term borrowings		
Unsecured revolving credit	54,000	9,000
Total borrowings	**869,534**	**824,231**

All the borrowings are denominated in Ringgit Malaysia.

On 20 December 2012, CMMT MTN Berhad, a wholly-owned subsidiary of CMMT issued RM300.0 million in nominal value of Unrated Medium Term Notes (MTNs) under the RM3.0 billion MTN Programme to refinance existing borrowings undertaken by CMMT. The secured property is The Mines. The tenure of the Unrated MTNs is four years and will be expiring on 20 December 2016.

As at 31 December 2012, the Trustee has drawndown RM54.0 million unsecured revolving credits for the purpose of funding the capital expenditure incurred by Gurney Plaza, Sungei Wang Plaza and The Mines.

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

B10. Change in Material Litigation

Nil.

B11. Income Distribution

CMMT intends to distribute its final income distribution of RM75.0 million or 4.24 sen per unit on 6 March 2013 (book closure date: 8 February 2013), based on the number of units in issue of 1,768,038,200 for the period from 1 July 2012 to 31 December 2012. This means CMMT will distribute 100% of its distributable income to its unitholders for the financial year ended 31 December 2012.

Final income distribution to unitholders is from the following sources:

	1 July to 31 December 2012 RM '000
Gross rental income	118,297
Interest income	2,137
Less: Property operating expenses and trust expenses (realised)	(45,371)
Income available for distribution	75,063
Less: Rollover adjustment for rounding difference	(99)
Final income distribution	74,964
Number of units in circulation ('000 units)	1,768,038
Distribution per unit (sen), of which	4.24
- taxable distribution of income (sen)	3.94
- tax exempt distribution of income (sen)	0.30

B11. Income Distribution (cont'd)

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%

Non-resident unitholders:

(c)	Corporate:	Withholding tax at 25%
(d)	Institutional investors:	Withholding tax at 10%
(e)	Individuals	Withholding tax at 10%

B12. Composition of Investment Portfolio as at 31 December 2012

As at 31 December 2012, CMMT's portfolio comprised the following shopping malls:

Investment properties	**Cost of Investment[1] RM '000**	**Net Book Value[2] RM'000**	**Market Value RM '000**	**Market Value as % of NAV[3] %**
Gurney Plaza	1,063,276	1,172,143	1,174,000	55.5
Sungei Wang Plaza	732,002	816,251	819,000	38.7
The Mines	557,086	583,643	594,000	28.1
East Coast Mall	319,999	348,967	349,000	16.5
Total	**2,672,363**	**2,921,004**	**2,936,000**	

The market value of Sungei Wang Plaza, The Mines and East Coast Mall were stated at valuations conducted by CB Richard Ellis (Malaysia) Sdn. Bhd. as at 31 December 2012. The market value of Gurney Plaza was stated at valuation performed by PPC International Sdn. Bhd. as at 31 December 2012.

[1] Cost of investment comprised purchase consideration and capital expenditure incurred from inception up to the end of the reporting period.
[2] Net book value comprised market value of the investment properties as at 30 June 2012 and capital expenditure incurred during the reporting period.
[3] This is calculated in accordance with the REITs Guidelines.

B13. Changes in NAV, EPU, DPU and Market Price

	Quarter ended 31 December 2012	**Quarter ended 30 September 2012**
Number of units in circulation (units)	1,768,038,200	1,768,038,200
NAV before income distribution (RM '000)	2,116,588	2,067,516
NAV after income distribution (RM '000)	2,041,624	2,029,856
NAV per unit[1] (RM)	1.1547	1.1481
Total comprehensive income (RM'000)	48,649	34,558
Weighted average number of units in issue[2] (units)	1,768,038,200	1,766,160,957
EPU after manager's management fee (sen)	2.75	1.96
Distributable income (RM'000)	37,305	37,660
DPU (sen)	2.11	2.13
Market price (RM)	1.80	1.77
DPU yield (%)	1.17	1.20

[1] NAV per unit is arrived at by dividing the NAV after income distribution/distributable income with the number of units in circulation at the end of the period.
[2] Weighted average number of units in issue for FY 2012 is 1,765,136,848.

B14. Soft Commission Received By The Manager And Its Delegates

Nil.

B15. Manager's Fee

For the financial year ended 31 December 2012, the Manager has accounted for a base fee of 0.29% per annum of the total asset value and a performance fee of 4.75% per annum of net property income. Total fees accrued to the Manager (inclusive of 6% service tax) were as follows:

	4Q 2012 Actual (Unaudited) RM '000	FY 2012 Actual (Unaudited) RM '000
Base management fee	2,419	9,356
Performance fee	2,490	9,868
Total fees	**4,909**	**19,224**

B16. Unitholdings of the Manager and Parties Related to the Manager

	No of units	Percentage of unitholdings	Market value[4] at 31 December 2012
	Units	%	RM
CMMT Investment Limited[1]	623,938,000	35.29	1,123,088,400
Menang Investment Limited[1]	8,735,400	0.49	15,723,720
CapitaMalls Malaysia REIT Management Sdn Bhd (CMRM)[2]	2,539,800	0.14	4,571,640
Skim Amanah Saham Bumiputera[3]	100,000,000	5.66	180,000,000
AS 1 Malaysia[3]	20,000,000	1.13	36,000,000
Amanah Saham Wawasan 2020[3]	35,049,500	1.98	63,089,100
Sekim Amanah Saham Nasional[3]	4,500,000	0.25	8,100,000
Amanah Saham Malaysia[3]	29,000,000	1.64	52,200,000
Amanah Saham Nasional 2[3]	1,368,500	0.08	2,463,300
Amanah Saham Nasional 3 Imbang[3]	551,000	0.03	991,800
Amanah Saham Gemilang for Amanah Saham Persaraan[3]	257,700	0.01	463,860
Amanah Saham Gemilang for Amanah Saham Kesihatan[3]	449,700	0.03	809,460
Amanah Saham Gemilang for Amanah Saham Pendidikan[3]	346,700	0.02	624,060
Direct unitholdings of the Directors of the Manager:			
Mr Lim Beng Chee[5]	100,000	0.01	180,000
Mr Ng Kok Siong[5]	100,000	0.01	180,000
Ms Sharon Lim Hwee Li	100,000	0.01	180,000
Ms Tan Siew Bee	100,000	0.01	180,000
Mr Peter Tay Buan Huat	100,000	0.01	180,000
	827,236,300	**46.80**	**1,489,025,340**

B16. Unitholdings of the Manager and Parties Related to the Manager (cont'd)

[1] An indirect wholly-owned subsidiary of CapitaMalls Asia Limited.
[2] CMRM is the Manager of CMMT.
[3] Managed by Amanah Saham Nasional Berhad (ASNB), a wholly-owned subsidiary of Permodalan Nasional Berhad (PNB). PNB is also the ultimate holding company of Malaysian Industrial Development Finance Berhad (MIDF) who in turn is a substantial shareholder of the Manager.
[4] The market value of the units is computed based on the closing price of RM1.80 per unit as at 31 December 2012.
[5] Units held through nominees.

B17. Responsibility Statement and Statement by the Directors of the Manager

In the opinion of the Directors of the Manager, the quarterly condensed consolidated interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting and with IAS 34: Interim Financial Reporting, Paragraph 9.44 of the Listing Requirements of Bursa Securities, provisions of the Trust Deed and the REITs Guidelines so as to give a true and fair view of the financial position of the Group and of CMMT as at 31 December 2012 and of their financial performance and cash flows for the quarter/year ended on that date and duly authorized for release by the Board of Directors of the Manager on 22 January 2013.

BY ORDER OF THE BOARD

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

Date: 22 January 2013