

CAPITAMALLS MALAYSIA TRUST
CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2013

CAPITAMALLS MALAYSIA TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2013 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 30 JUNE 2013 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2012 (AUDITED) RM'000
Assets		
Plant and equipment	2,313	2,420
Investment properties	3,039,000	2,936,000
Total non-current assets	<u>3,041,313</u>	<u>2,938,420</u>
Trade and other receivables	21,009	24,407
Cash and cash equivalents	149,588	158,965
Total current assets	<u>170,597</u>	<u>183,372</u>
Total assets	<u>3,211,910</u>	<u>3,121,792</u>
Equity		
Unitholders' capital	1,819,309	1,815,222
Undistributed profit	376,533	301,366
Total unitholders' funds	<u>2,195,842</u>	<u>2,116,588</u>
Liabilities		
Borrowings	816,124	815,534
Tenants' deposits	51,759	50,988
Total non-current liabilities	<u>867,883</u>	<u>866,522</u>
Borrowings	63,400	54,000
Tenants' deposits	29,040	27,412
Trade and other payables	55,745	57,270
Total current liabilities	<u>148,185</u>	<u>138,682</u>
Total liabilities	<u>1,016,068</u>	<u>1,005,204</u>
Total equity and liabilities	<u>3,211,910</u>	<u>3,121,792</u>
Number of units in circulation ('000 units)	1,770,392	1,768,038
Net asset value ("NAV")		
- before income distribution	2,195,842	2,116,588
- after income distribution	2,118,830	2,041,624
NAV per unit (RM)		
- before income distribution	1.2403	1.1971
- after income distribution	1.1968	1.1547

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

CAPITAMALLS MALAYSIA TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2013 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER		YEAR TO DATE	
	30 JUNE		30 JUNE	
	2013 (UNAUDITED) RM'000	2012 (UNAUDITED) RM'000	2013 (UNAUDITED) RM'000	2012 (UNAUDITED) RM'000
Gross rental income	60,852	57,539	121,290	115,129
Car park income	4,456	4,414	9,180	9,191
Other revenue	9,246	9,426	18,468	18,462
Gross revenue	74,554	71,379	148,938	142,782
Maintenance expenses	(5,718)	(5,225)	(11,088)	(10,625)
Utilities	(9,784)	(9,639)	(19,232)	(19,079)
Other operating expenses ¹	(8,552)	(7,744)	(16,574)	(15,530)
Property operating expenses	(24,054)	(22,608)	(46,894)	(45,234)
Net property income	50,500	48,771	102,044	97,548
Interest income	1,041	1,105	2,116	1,835
Other non-operating income	-	-	-	96
Fair value gain of investment properties ⁴	77,904	98,384	77,904	98,384
Net investment income	129,445	148,260	182,064	197,863
Manager's management fee	(5,005)	(4,803)	(9,938)	(9,496)
Trustee's fee	(99)	(126)	(198)	(249)
Auditors' fee	(59)	(56)	(118)	(112)
Tax agent's fee	(8)	(6)	(17)	(14)
Valuation fee	(67)	(72)	(127)	(132)
Finance costs	(9,748)	(10,240)	(21,179)	(20,414)
Other non-operating expenses	(176)	(141)	(356)	(188)
	(15,162)	(15,444)	(31,933)	(30,605)
Profit before taxation	114,283	132,816	150,131	167,258
Taxation	-	-	-	-
Profit for the period	114,283	132,816	150,131	167,258
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	114,283	132,816	150,131	167,258
Distribution adjustments ²	(75,895)	(95,570)	(73,067)	(93,042)
Income available for distribution	38,388	37,246	77,064	74,216
Distributable income³	38,469	37,312	77,012	74,151
Profit for the period is made up of the following:				
Realised	36,379	34,432	72,227	68,874
Unrealised ⁴	77,904	98,384	77,904	98,384
	114,283	132,816	150,131	167,258

CAPITAMALLS MALAYSIA TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2013 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(CONTINUED)

	CURRENT QUARTER		YEAR TO DATE	
	2013	2012	2013	2012
	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)
Earnings per unit (sen)⁵				
- before Manager's management fee (sen)	6.74	7.80	9.05	10.02
- after Manager's management fee (sen)	6.46	7.53	8.49	9.48
Distribution per unit ("DPU") (sen)	2.17	2.11	4.35	4.20
DPU (sen) – annualised	8.70	8.49	8.77	8.45

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

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

	CURRENT QUARTER		YEAR TO DATE	
	2013	2012	2013	2012
	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)
	RM'000	RM'000	RM'000	RM'000
Write-back of/(Allowance for) impairment losses of trade receivables	8	(87)	40	30
Realised foreign exchange loss	(5)	(15)	(7)	(15)

**CAPITAMALLS MALAYSIA TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2013 (UNAUDITED)**

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

2. Included in the distribution adjustments are the following:

	CURRENT QUARTER		YEAR TO DATE	
	2013 (UNAUDITED) RM'000	30 JUNE 2012 (UNAUDITED) RM'000	2013 (UNAUDITED) RM'000	30 JUNE 2012 (UNAUDITED) RM'000
Fair value gain of investment properties	(77,904)	(98,384)	(77,904)	(98,384)
Manager's management fee payable in units*	2,112	2,044	4,259	4,074
Depreciation	305	161	608	306
Amortisation of transaction costs on borrowings	198	238	391	485
Net (profit)/loss from subsidiary**	(50)	2	(84)	4
Other tax adjustments	(556)	369	(337)	473
	<u>(75,895)</u>	<u>(95,570)</u>	<u>(73,067)</u>	<u>(93,042)</u>

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

** Net (profit)/loss from subsidiary relates to the wholly owned subsidiary, CMMT MTN Berhad.

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

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

5. Earnings per unit ("EPU") is computed based on profit for the quarter/period divided by the weighted average number of units at the end of the quarter/period. The computation of EPU after Manager's management fee for the current quarter is set out in B12.

**CAPITAMALLS MALAYSIA TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2013 (UNAUDITED)**

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 2012	1,806,696	(5,110)	150,257	1,951,843
Total comprehensive income for the period	-	68,874	98,384	167,258
Increase in net assets resulting from operations	1,806,696	63,764	248,641	2,119,101
Unitholders' transactions				
- Units issued as part satisfaction of the Manager's management fee	4,031	-	-	4,031
- Placement expenses ¹	(2)	-	-	(2)
- Distribution paid to unitholders ²	-	(20,095)	-	(20,095)
Increase in net assets resulting from unitholders' transactions	4,029	(20,095)	-	(16,066)
As at 30 June 2012 (Unaudited)	1,810,725	43,669	248,641	2,103,035
As at 1 January 2013	1,815,222	37,729	263,637	2,116,588
Total comprehensive income for the period	-	72,227	77,904	150,131
Increase in net assets resulting from operations	1,815,222	109,956	341,541	2,266,719
Unitholders' transactions				
- Units issued as part satisfaction of the Manager's management fee	4,087	-	-	4,087
- Distribution paid to unitholders ³	-	(74,964)	-	(74,964)
Increase in net assets resulting from unitholders' transactions	4,087	(74,964)	-	(70,877)
As at 30 June 2013 (Unaudited)	1,819,309	34,992	341,541	2,195,842

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

CAPITAMALLS MALAYSIA TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2013 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	30 JUNE 2013 (UNAUDITED) RM'000	SIX MONTHS ENDED 30 JUNE 2012 (UNAUDITED) RM'000
Cash Flows From Operating Activities		
Profit before taxation	150,131	167,258
Adjustments for:-		
Manager's management fee paid/payable in units	4,259	4,074
Depreciation	608	306
Fair value gain of investment properties	(77,904)	(98,384)
Finance costs	21,179	20,414
Interest income	(2,116)	(1,835)
Operating profit before changes in working capital	96,157	91,833
Changes in working capital:		
Trade and other receivables	(1,124)	(89)
Trade and other payables	(12,300)	(2,190)
Tenants' deposits	2,399	-
Net cash from operating activities	85,132	89,554
Cash Flows From Investing Activities		
Acquisition of plant and equipment	(499)	(388)
Capital expenditure on investment properties	(7,712)	(8,616)
Interest received	2,116	1,835
Net cash used in investing activities	(6,095)	(7,169)
Cash Flows From Financing Activities		
Interest paid	(20,351)	(19,827)
Distribution paid to unitholders	(74,964)	(20,095)
Payment of financing expenses	(2,499)	-
Payment of listing expenses	-	(1,618)
Proceeds from interest bearing borrowings	9,400	8,000
Pledged deposits	(3,289)	-
Net cash used in financing activities	(91,703)	(33,540)
Net (decrease)/increase in cash and cash equivalents	(12,666)	48,845
Cash and cash equivalents at beginning of the period	155,432	115,417
Cash and cash equivalents at end of the period	142,766	164,262
Cash and cash equivalents at end of the period comprises:		
Deposits placed with licensed banks	140,562	149,174
Cash and bank balances	9,026	15,088
	149,588	164,262
Less: Pledged deposits	(6,822)	-
	142,766	164,262

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

CAPITAMALLS MALAYSIA TRUST

FOR THE SECOND QUARTER ENDED 30 JUNE 2013 (UNAUDITED)

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

A1. Basis of Preparation

The condensed consolidated interim financial statements of the Group as at and for the second quarter ended 30 June 2013 comprise CMMT and its subsidiary. These interim financial statements have been prepared on the historical cost basis except for investment properties and financial instruments which are stated at fair value.

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

The condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2012 and the accompanying explanatory notes attached to the condensed consolidated interim financial statements.

A2. Changes in Accounting Policies

On 1 January 2013, the Group and CMMT adopted the following MFRSs and Amendments to MFRSs effective for annual periods beginning on or after 1 January 2013:

MFRS 10, Consolidated Financial Statements
MFRS 12, Disclosure of Interests in Other Entities
MFRS 13, Fair Value Measurement
MFRS 119, Employee Benefits (2011)
MFRS 127, Separate Financial Statements (2011)
Amendments to MFRS 7, Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 101, Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 116, Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 132, Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 134, Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 10, Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 12, Disclosure of Interests in Other Entities: Transition Guidance

The adoption of the above MFRSs and Amendments to MFRSs does not have significant impact on the financial results of the Group and of CMMT.

A3. Audit Report of Preceding Financial Year

The audit report for the financial year ended 31 December 2012 was not qualified.

A4. Comment on Seasonality or Cyclicity of Operations

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

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

Nil.

**CAPITAMALLS MALAYSIA TRUST
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A6. Changes in Estimates Of Amount Reported

Nil.

A7. Debt and Equity Securities

CMMT issued 2,353,700 new units in CMMT at approximately RM1.74* per unit to the Manager during the financial period under review being part payment of management fee for the financial period from 1 July 2012 to 31 December 2012. The units were listed on the Main Market of Bursa Securities on 9 May 2013.

* Based on the 10-day volume weighted average price ("VWAP") of the units up to and including 31 December 2012.

A8. Income Distribution Policy

In line with the distribution policy as set out in the Trust Deed, the Manager will distribute at least 90.0% of its distributable income to its unitholders in each financial year. CMMT will make distributions to its unitholders on a semi-annual basis for each six-month period ending 30 June and 31 December of each year.

A9. Segmental Reporting

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

A10. Valuation of Investment Properties

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

For the quarter ended 30 June 2013, the investment properties were valued based on valuations performed by independent professional valuers on 30 June 2013. Fair value gain arising from the valuations amounting to RM77.9 million was recognised during the quarter.

A11. Subsequent Events

Nil.

A12. Changes in Composition of the Trust

The changes to the composition of CMMT during the current quarter are as follows:

	Units
Balance at beginning of period	1,768,038,200
Units issued as satisfaction of the portion manager's management fee payable in units	2,353,700
Total units in issue	<u>1,770,391,900</u>

A13. Changes in Contingent Liabilities and Contingent Asset

Nil.

A14. Capital Commitments

Capital commitments in relation to capital expenditure are as follows:

	RM'000
Contracted but not provided for	<u>40,197</u>

**CAPITAMALLS MALAYSIA TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2013 (UNAUDITED)**

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

B1. Review of Performance

	2Q 2013 (Unaudited) RM'000	2Q 2012 (Unaudited) RM'000	Change %	YTD 2013 (Unaudited) RM'000	YTD 2012 (Unaudited) RM'000	Change %
(a) Breakdown of Gross Revenue						
Gurney Plaza	29,569	28,171	5.0	58,594	56,105	4.4
Sungei Wang Plaza	17,916	17,883	0.2	36,030	36,098	(0.2)
The Mines	16,995	15,597	9.0	34,072	31,126	9.5
East Coast Mall	10,074	9,728	3.6	20,242	19,453	4.1
Total Gross Revenue	74,554	71,379	4.4	148,938	142,782	4.3
(b) Breakdown of Property Operating Expenses						
Gurney Plaza	9,342	8,748	6.8	18,183	17,294	5.1
Sungei Wang Plaza	4,219	3,892	8.4	8,139	7,900	3.0
The Mines	6,464	5,996	7.8	12,719	12,363	2.9
East Coast Mall	4,029	3,972	1.4	7,853	7,677	2.3
Total Property Operating Expenses	24,054	22,608	6.4	46,894	45,234	3.7
(c) Breakdown of Net Property Income						
Gurney Plaza	20,227	19,423	4.1	40,411	38,811	4.1
Sungei Wang Plaza	13,697	13,991	(2.1)	27,891	28,198	(1.1)
The Mines	10,531	9,601	9.7	21,353	18,763	13.8
East Coast Mall	6,045	5,756	5.0	12,389	11,776	5.2
Total Net Property Income	50,500	48,771	3.5	102,044	97,548	4.6

CAPITAMALLS MALAYSIA TRUST FOR THE SECOND QUARTER ENDED 30 JUNE 2013 (UNAUDITED)

B1. Review of Performance (cont'd)

Quarter Results (2Q 2013 vs 2Q 2012)

The Group recorded gross revenue of RM74.6 million in 2Q 2013, an increase of RM3.2 million or 4.4% over 2Q 2012. The increase was mainly due to higher gross rental income on the back of higher rental rates achieved from new and renewed leases.

Property operating expenses for 2Q 2013 was RM24.1 million, which was RM1.4 million or 6.4% higher compared to 2Q 2012. The increase was mainly due to higher repair and replacement cost incurred for electrical equipment, higher marketing expenses and reimbursable staff costs. As a result, net property income for 2Q 2013 was RM50.5 million which was 3.5% higher than 2Q 2012.

Interest income for 2Q 2013 was RM1.0 million which was marginally lower compared to 2Q 2012.

CMMT registered a fair value gain of RM77.9 million in 2Q 2013.

Manager's management fee was RM5.0 million, an increase of RM0.2 million or 4.2% over 2Q 2012. The increase was mainly due to higher net property income and increase in asset base after the valuation of investment properties.

Finance costs for 2Q 2013 were RM9.7 million, which were RM0.5 million or 4.8% lower compared to 2Q 2012. In May 2013, CMMT re-priced the credit margin of floating rate credit facilities at a more competitive rate. The resultant decline in credit margin coupled with the better interest rate achieved from the re-fixing of fixed rate term loans (in March 2013) and the unrated medium term notes (issued in December 2012), had reduced CMMT's finance costs in 2Q 2013. Average cost of debt for 2Q 2013 was 4.31% p.a. (2Q 2012: 4.74% p.a.).

CMMT has incurred RM20.2 million capital expenditure during the current quarter. The restroom upgrading works of East Coast Mall was completed in 2Q 2013. Sungei Wang Plaza's refurbishment works are in progress and are targeted to complete in 2013. The storm water rectification works of The Mines are still in progress. East Coast Mall has commenced asset enhancement initiative ("AEI") works in April 2013, which includes the conversion of some car park bays on the third floor into retail space.

Overall, distributable income to unitholders for 2Q 2013 was RM38.5 million which was RM1.2 million or 3.1% higher compared to 2Q 2012.

Financial Year-to-date Results (YTD 2013 vs YTD 2012)

The Group recorded gross revenue of RM148.9 million, which was RM6.2 million or 4.3% higher than last year's corresponding period. The increase was mainly due to higher gross rental income on the back of higher rental rates achieved from new and renewed leases.

Property operating expenses for the period was RM46.9 million, which was RM1.7 million or 3.7% higher than last year's corresponding period. The overall property operating expenses for the current period was higher largely due to higher repair and replacement cost incurred for electrical equipment, higher utility expenses because of higher electricity consumption, higher marketing expenses and reimbursable staff costs. As a result, net property income for the period was RM102.0 million which was 4.6% higher than last year's corresponding period.

Interest income for the period was RM2.1 million, which was RM0.3 million or 15.3% higher compared to last year's corresponding period. The increase was mainly attributed to higher available cash on deposit and active cash management.

CMMT registered a fair value gain of RM77.9 million in YTD 2013.

Manager's management fee was RM9.9 million, an increase of RM0.4 million or 4.7% over last year's corresponding period mainly due to higher net property income and an increase in asset base after the valuation of investment properties.

**CAPITAMALLS MALAYSIA TRUST
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Financial Year-to-date Results (YTD 2013 vs YTD 2012) (cont'd)

Finance costs for the period were RM21.2 million, which were RM0.8 million or 3.7% higher compared to last year's corresponding period. This was mainly due to the impact of finance costs arising from the additional revolving credit facilities drawn down by CMMT during the period and a one-off incidental cost incurred for the purpose of re-fixing CMMT's fixed rate term loans in March 2013. The better interest rate achieved from the re-fixing of fixed rate term loans and unrated medium term notes (issued in December 2012), coupled with the re-pricing of the credit margin of CMMT's floating rate credit facilities (in May 2013) had partially mitigated the negative impact of the above. Average cost of debt for YTD 2013 was 4.44% p.a. (YTD 2012: 4.74% p.a.).

CMMT has incurred RM25.1 million capital expenditure for the properties during the period. East Coast Mall had completed the installation of new auto-pay machines and the restroom upgrading works during the period. The rest of the on-going capital expenditure works and new AEI works are outlined in the performance review of 2Q 2013.

Overall, distributable income to unitholders for the period was RM77.0 million which was RM2.9 million or 3.9% higher compared to last year's corresponding period.

B2. Material Changes in Quarter Results

	Quarter ended 30 June 2013 RM'000	Quarter ended 31 March 2013 RM'000
Profit before taxation	114,283	35,848
Less: Fair value gain of investment properties	(77,904)	-
Profit before taxation, excluding fair value gain of investment properties	36,379	35,848

Other than the fair value gain of RM77.9 million resulting from the valuation as at 30 June 2013, there is no other material change in the financial results of 2Q 2013 as compared to 1Q 2013.

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 uncertain global economic climate, Malaysia's economy charted growth of 5.6% in 2012 and is forecast to grow between 5.0% and 6.0% in 2013 as a result of robust domestic demand (source: Bank Negara).

Such growth bodes well for a dedicated retail real estate investment trust like CMMT. Moreover, CMMT's malls are largely focused on necessity shopping, which have in the past proven resilient through economic cycles and should continue to do so. CMMT's unitholders also enjoy both income and geographical diversification from CMMT's portfolio of four well-performing malls in Penang, Kuala Lumpur, Selangor and Kuantan.

**CAPITAMALLS MALAYSIA TRUST
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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 90.0% 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 intends to distribute 100.0% of its distributable income for the financial year ending 31 December 2013 to its unitholders, no provision for tax has been made for the current quarter.

B7. Status of Corporate Proposals

Nil.

B8. Borrowings and Debt Securities

	As at 30 June 2013 (Unaudited) RM'000	As at 31 December 2012 (Audited) RM'000
Long term borrowings		
Secured term loans	519,750	519,750
Unrated medium term notes	300,000	300,000
Less: Unamortised transaction costs	(3,626)	(4,216)
	816,124	815,534
Short term borrowings		
Unsecured revolving credits	63,400	54,000
Total borrowings	879,524	869,534

All the borrowings are denominated in Ringgit Malaysia.

As at 30 June 2013, CMMT's unsecured revolving credit facilities increased by RM9.4 million to RM63.4 million for the purpose of funding the capital expenditure incurred by Gurney Plaza, Sungei Wang Plaza, The Mines and East Coast Mall.

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

B9. Change in Material Litigation

Nil.

**CAPITAMALLS MALAYSIA TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2013 (UNAUDITED)**

B10. Income Distribution

CMMT intends to distribute its first income distribution of RM77.0 million or 4.35 sen per unit on 30 August 2013 (book closure date: 2 August 2013), based on the number of units in issue of 1,770,391,900 for the period from 1 January 2013 to 30 June 2013. This means CMMT will distribute approximately 100.0% of its distributable income to its unitholders for the financial period ended 30 June 2013.

First income distribution to unitholders is from the following sources:

	1 January to 30 June 2013 RM'000
Gross rental income	121,290
Interest income	2,116
Other income	27,648
Less: Property operating expenses and trust expenses (realised)	<u>(73,990)</u>
Income available for distribution	77,064
Less: Rollover adjustment for rounding difference	<u>(52)</u>
First income distribution	<u>77,012</u>
Number of units in circulation ('000 units)	1,770,392
Distribution per unit (sen), of which	4.35
- taxable distribution of income (sen)	4.32
- tax exempt distribution of income (sen)	0.03

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% |

B11. Composition of Investment Portfolio as at 30 June 2013

As at 30 June 2013, CMMT's portfolio comprised the following shopping malls:

Investment properties	Cost of Investment¹ RM'000	Net Book Value² RM'000	Market Value RM'000	Market Value as % of NAV³ %
Gurney Plaza	1,068,761	1,179,484	1,230,000	56.0
Sungei Wang Plaza	737,884	824,883	825,000	37.6
The Mines	559,885	596,799	624,000	28.4
East Coast Mall	330,929	359,930	360,000	16.4
Total	<u>2,697,459</u>	<u>2,961,096</u>	<u>3,039,000</u>	

The market value of Sungei Wang Plaza, The Mines and East Coast Mall were stated at valuations conducted by PPC International Sdn. Bhd. as at 30 June 2013. The market value of Gurney Plaza was stated at valuation performed by CB Richard Ellis (Malaysia) Sdn. Bhd. as at 30 June 2013.

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

² Net book value comprised market value of the investment properties as at 31 December 2012 and capital expenditure incurred during the reporting period.

³ This is calculated in accordance with the REITs Guidelines.

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

	Quarter ended 30 June 2013	Quarter ended 31 March 2013
Number of units in circulation (units)	1,770,391,900	1,768,038,200
NAV before income distribution (RM'000)	2,195,842	2,077,472
NAV after income distribution (RM'000)	2,118,830	2,038,929
NAV per unit ¹ (RM)	1.1968	1.1532
Total comprehensive income (RM'000)	114,283	35,848
Weighted average number of units in issue ² (units)	1,769,409,036	1,768,038,200
EPU after manager's management fee (sen)	6.46	2.03
Distributable income (RM'000)	38,469	38,543
DPU (sen)	2.17	2.18
Market price (RM)	1.75	1.89
DPU yield (%)	1.24	1.15

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

² Weighted average number of units in issue for YTD 2013 is 1,768,727,405.

B13. Soft Commission Received By The Manager And Its Delegates

Nil.

B14. Manager's Fee

For the financial period ended 30 June 2013, the Manager has accounted for a base fee of 0.29% per annum of the total asset value and a performance fee of 4.75% per annum of net property income. Total fees accrued to the Manager (inclusive of 6.0% service tax) were as follows:

	2Q 2013 Actual (Unaudited) RM'000	YTD 2013 Actual (Unaudited) RM'000
Base management fee	2,462	4,800
Performance fee	2,543	5,138
Total fees	5,005	9,938

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

	No of units	Percentage of unitholdings	Market value ³ at 28 June 2013
	Units	%	RM
CMMT Investment Limited ¹	623,938,000	35.24	1,091,891,500
Menang Investment Limited ¹	13,628,900	0.77	23,850,575
Skim Amanah Saham Bumiputera ²	100,000,000	5.65	175,000,000
AS 1 Malaysia ²	20,000,000	1.13	35,000,000
Amanah Saham Wawasan 2020 ²	35,049,500	1.98	61,336,625
Sekim Amanah Saham Nasional ²	3,500,000	0.20	6,125,000
Amanah Saham Malaysia ²	29,300,000	1.65	51,275,000
Amanah Saham Nasional 2 ²	1,368,500	0.08	2,394,875
Amanah Saham Nasional 3 Imbang ²	551,000	0.03	964,250
Amanah Saham Gemilang for Amanah Saham Persaraan ²	217,700	0.01	380,975
Amanah Saham Gemilang for Amanah Saham Kesihatan ²	449,700	0.02	786,975
Amanah Saham Gemilang for Amanah Saham Pendidikan ²	346,700	0.02	606,725
Direct unitholdings of the Directors of the Manager:			
Mr Lim Beng Chee ⁴ (alternate director to Simon Ho and Ng Kok Siong)	100,000	0.01	175,000
Mr Ng Kok Siong ⁴	100,000	0.01	175,000
Ms Sharon Lim Hwee Li	100,000	0.01	175,000
Ms Tan Siew Bee	100,000	0.01	175,000
Mr Peter Tay Buan Huat	100,000	0.01	175,000
	828,850,000	46.83	1,450,487,500

¹ An indirect wholly-owned subsidiary of CapitaMalls Asia Limited.

² Managed by Amanah Saham Nasional Berhad, a wholly-owned subsidiary of Permodalan Nasional Berhad ("PNB"). PNB is also the ultimate holding company of Malaysian Industrial Development Finance Berhad who in turn is a substantial shareholder of the Manager.

³ The market value of the units is computed based on the closing price of RM1.75 per unit as at 28 June 2013.

⁴ Units held through nominees.

The Manager disposed 4,893,500 units in CMMT at cost to a related party, Menang Investment Limited, on 6 June 2013.

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B16. Responsibility Statement and Statement by the Directors of the Manager

In the opinion of the Directors of the Manager, the quarterly condensed consolidated interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting and with IAS 34: Interim Financial Reporting, Paragraph 9.44 of the Listing Requirements of Bursa Securities, provisions of the Trust Deed and the REITs Guidelines so as to give a true and fair view of the financial position of the Group and of CMMT as at 30 June 2013 and of their financial performance and cash flows for the quarter ended on that date and duly authorized for release by the Board of Directors of the Manager on 19 July 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: 19 July 2013