

CAPITALAND MALAYSIA MALL TRUST
CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 30 SEPTEMBER 2015 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2014 (AUDITED) RM'000
Assets		
Plant and equipment	2,143	1,864
Investment properties	3,862,245	3,233,000
Total non-current assets	<u>3,864,388</u>	<u>3,234,864</u>
Trade and other receivables	46,204	13,302
Cash and cash equivalents	143,934	156,511
Total current assets	<u>190,138</u>	<u>169,813</u>
Total assets	<u>4,054,526</u>	<u>3,404,677</u>
Equity		
Unitholders' capital	2,153,527	1,832,286
Undistributed profit	474,583	455,172
Total unitholders' funds	<u>2,628,110</u>	<u>2,287,458</u>
Liabilities		
Borrowings	1,264,488	817,357
Tenants' deposits	62,535	51,271
Total non-current liabilities	<u>1,327,023</u>	<u>868,628</u>
Borrowings	13,400	145,400
Tenants' deposits	34,540	33,242
Trade and other payables	51,453	69,949
Total current liabilities	<u>99,393</u>	<u>248,591</u>
Total liabilities	<u>1,426,416</u>	<u>1,117,219</u>
Total equity and liabilities	<u>4,054,526</u>	<u>3,404,677</u>
Number of units in circulation ('000 units)	2,024,799	1,778,976
Net asset value ("NAV")		
- before income distribution	2,628,110	2,287,458
- after income distribution	2,589,639	2,209,539
NAV per unit (RM)		
- before income distribution	1.2980	1.2858
- after income distribution	1.2790	1.2420

The unaudited condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the year ended 31 December 2014.

CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER 30 SEPTEMBER		YEAR TO DATE 30 SEPTEMBER	
	2015 (UNAUDITED) RM'000	2014 (UNAUDITED) RM'000	2015 (UNAUDITED) RM'000	2014 (UNAUDITED) RM'000
Gross rental income	72,000	62,167	199,851	187,319
Car park income	5,610	4,384	15,500	13,586
Other revenue	13,330	11,357	36,188	34,198
Gross revenue	90,940	77,908	251,539	235,103
Maintenance expenses	(6,919)	(5,707)	(19,120)	(16,772)
Utilities	(13,499)	(11,687)	(35,312)	(35,168)
Other operating expenses ¹	(10,756)	(9,877)	(31,300)	(28,815)
Property operating expenses	(31,174)	(27,271)	(85,732)	(80,755)
Net property income	59,766	50,637	165,807	154,348
Interest income	1,151	1,152	3,319	3,476
Fair value gain of investment properties	12,679	-	64,782	68,206
Net investment income	73,596	51,789	233,908	226,030
Manager's management fee	(5,800)	(5,124)	(16,120)	(15,355)
Trustee's fee	(101)	(101)	(299)	(299)
Auditors' fee	(61)	(45)	(156)	(135)
Tax agent's fee	(9)	(1)	(26)	(19)
Valuation fee	(36)	(57)	(141)	(172)
Finance costs	(14,568)	(10,511)	(36,616)	(30,582)
Other non-operating expenses	(554)	(240)	(1,209)	(688)
	(21,129)	(16,079)	(54,567)	(47,250)
Profit before taxation	52,467	35,710	179,341	178,780
Taxation	-	-	-	-
Profit for the period	52,467	35,710	179,341	178,780
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	52,467	35,710	179,341	178,780
Distribution adjustments ²	(10,861)	1,950	(58,754)	(60,588)
Income available for distribution	41,606	37,660	120,587	118,192
Distributable income³	41,673	37,714	120,482	118,170
Realised	39,788	35,710	114,559	110,573
Unrealised ⁴	12,679	-	64,782	68,207
	52,467	35,710	179,341	178,780

**CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (UNAUDITED)**

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

	CURRENT QUARTER 30 SEPTEMBER		YEAR TO DATE 30 SEPTEMBER	
	2015 (UNAUDITED)	2014 (UNAUDITED)	2015 (UNAUDITED)	2014 (UNAUDITED)
Earnings per unit (sen)⁵				
- before Manager's management fee (sen)	2.92	2.30	10.55	10.93
- after Manager's management fee (sen)	2.63	2.01	9.68	10.07
Distribution per unit ("DPU") (sen)	2.08	2.12	6.51	6.65
DPU (sen) – annualised	8.25	8.41	8.70	8.89

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the year ended 31 December 2014.

1. Included in the other operating expenses are the following:

	CURRENT QUARTER 30 SEPTEMBER		YEAR TO DATE 30 SEPTEMBER	
	2015 (UNAUDITED) RM'000	2014 (UNAUDITED) RM'000	2015 (UNAUDITED) RM'000	2014 (UNAUDITED) RM'000
Allowance of impairment losses of trade receivables	(226)	(388)	(381)	(398)
Foreign exchange gain/(loss):				
- Unrealised	*	*	*	*
- Realised	1	(1)	(6)	(6)

* less than RM1,000

CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(CONTINUED)

2. Included in the distribution adjustments are the following:

	CURRENT QUARTER		YEAR TO DATE	
	30 SEPTEMBER		30 SEPTEMBER	
	2015 (UNAUDITED) RM'000	2014 (UNAUDITED) RM'000	2015 (UNAUDITED) RM'000	2014 (UNAUDITED) RM'000
Fair value gain of investment properties	(12,679)	-	(64,782)	(68,206)
Manager's management fee payable in units*	2,381	2,080	6,652	6,375
Depreciation	277	276	844	871
Amortisation of transaction costs on borrowings	350	196	743	589
Tax and other adjustments	(1,190)	(602)	(2,211)	(217)
	<u>(10,861)</u>	<u>1,950</u>	<u>(58,754)</u>	<u>(60,588)</u>

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

3. The difference between distributable income and income available for distribution is due to 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 B13.

**CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (UNAUDITED)**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSET VALUE

	Unitholders' Capital RM'000	Undistributed Profit Realised RM'000	Unrealised RM'000	Total Unitholders' Funds RM'000
As at 1 January 2014	1,823,567	34,210	344,840	2,202,617
Total comprehensive income for the period	-	110,573	68,207	178,780
Increase in net assets resulting from operations	1,823,567	144,783	413,047	2,381,397
Unitholders' transactions				
- Units issued as part satisfaction of the Manager's management fee	8,719	-	-	8,719
- Distribution paid to unitholders ¹	-	(160,233)	-	(160,233)
Increase/(Decrease) in net assets resulting from unitholders' transactions	8,719	(160,233)	-	(151,514)
As at 30 September 2014 (Unaudited)	1,832,286	(15,450)	413,047	2,229,883
As at 1 January 2015	1,832,286	23,721	431,451	2,287,458
Total comprehensive income for the period	-	114,559	64,782	179,341
Increase in net assets resulting from operations	1,832,286	138,280	496,233	2,466,799
Unitholders' transactions				
Creation of units				
- Placement of units (Note A7)	316,319	-	-	316,319
- Units issued as part satisfaction of the Manager's management fee (Note A7)	8,573	-	-	8,573
Placement expenses	(3,651)	-	-	(3,651)
Distribution paid to unitholders ²	-	(159,930)	-	(159,930)
Increase/(Decrease) in net assets resulting from unitholders' transactions	321,241	(159,930)	-	161,311
As at 30 September 2015 (Unaudited)	2,153,527	(21,650)	496,233	2,628,110

The unaudited condensed consolidated statement of changes in net asset value should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the year ended 31 December 2014.

1. This refers to the (i) 2013 final income distribution of 4.50 sen per unit for the period from 1 July 2013 to 31 December 2013 paid on 7 March 2014, and (ii) first income distribution of 4.53 sen per unit for the period 1 January 2014 to 30 June 2014 paid on 29 August 2014.
2. This refers to the (i) 2014 final income distribution of 4.38 sen per unit for the period from 1 July 2014 to 31 December 2014 paid on 27 February 2015, and (ii) advance distribution of 4.61 sen per unit for the period 1 January 2015 to 8 July 2015 paid on 7 August 2015.

CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	30 SEPTEMBER 2015 (UNAUDITED) RM'000	NINE MONTHS ENDED 30 SEPTEMBER 2014 (UNAUDITED) RM'000
Cash Flows From Operating Activities		
Profit before taxation	179,341	178,780
Adjustments for:-		
Manager's management fee paid/payable in units	6,652	6,375
Depreciation	844	871
Fair value gain of investment properties	(64,782)	(68,206)
Finance costs	36,616	30,582
Interest income	(3,319)	(3,476)
Plant and equipment written off	-	1
Operating profit before changes in working capital	155,352	144,927
Changes in working capital:		
Trade and other receivables	(32,902)	(1,571)
Trade and other payables	4,194	1,867
Tenants' deposits	12,562	1,226
Net cash from operating activities	139,206	146,449
Cash Flows From Investing Activities		
Acquisition of investment property	(546,573)	-
Acquisition of plant and equipment	(1,123)	(426)
Capital expenditure on investment properties	(43,218)	(36,953)
Interest received	3,319	3,476
Net cash used in investing activities	(587,595)	(33,903)
Cash Flows From Financing Activities		
Interest paid	(32,032)	(26,462)
Distribution paid to unitholders	(159,930)	(160,233)
Payment of financing expenses	(4,341)	(205)
Payment of listing and placement expenses	(2,884)	-
Proceeds from interest bearing borrowings	534,380	72,100
Proceeds from placement of new units	316,319	-
Repayment of interest bearing borrowings	(215,700)	(34,100)
Net cash generated from/(used in) financing activities	435,812	(148,900)
Net decrease in cash and cash equivalents	(12,577)	(36,354)
Cash and cash equivalents at beginning of the period	149,771	143,690
Cash and cash equivalents at end of the period	137,194	107,336
Cash and cash equivalents at end of the period comprises:		
Deposits placed with licensed banks	95,425	86,561
Cash and bank balances	48,509	27,515
	143,934	114,076
Less: Pledged deposits	(6,740)	(6,740)
	137,194	107,336

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the year ended 31 December 2014.

CAPITALAND MALAYSIA MALL TRUST

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (UNAUDITED)

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

A1. Basis of Preparation

The condensed consolidated interim financial statements of the Group as at and for the third quarter ended 30 September 2015 comprise CapitaLand Malaysia Mall Trust (“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 amended and restated trust deed dated 15 September 2015 (the “Trust Deed”) and the Securities Commission’s Guidelines on Real Estate Investment Trusts (the “REITs Guidelines”).

The condensed consolidated interim financial statements should be read in conjunction with the accompanying explanatory notes attached to the condensed consolidated interim financial statements and the audited consolidated financial statements of the Group for the year ended 31 December 2014.

A2. Changes in Accounting Policies

On 1 January 2015, the Group and CMMT adopted the following Amendments to MFRSs effective for annual periods beginning on or after 1 January 2015:

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 124, Related Party Disclosures (Annual Improvements 2010-2012 Cycle)

Amendments to MFRS 140, Investment Property (Annual Improvements 2011-2013 Cycle)

The adoption of the above 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 2014 was not qualified.

A4. Comment on Seasonality or Cyclicity of Operations

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

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

Nil.

A6. Changes in Estimates Of Amount Reported

Nil.

CAPITALAND MALAYSIA MALL TRUST FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (UNAUDITED)

A7. Debt and Equity Securities

For the period ended 30 September 2015, CMMT has issued new units in CMMT in conjunction with new acquisition ("Placement Units") : a private placement of 239,635,600 Placement Units at an issue price of RM1.32 per Placement Unit were issued and listed on the Main Market of Bursa Securities on 10 July 2015 as part satisfaction of the acquisition cost of Tropicana City Mall and Tropicana City Office Tower (collectively known as Tropicana City Property) of RM540.0 million.

CMMT also issued new units in CMMT to the Manager during the financial period under review : (i) 3,081,700 units at RM1.3961* per unit being part payment of management fee for the financial period from 1 July 2014 to 31 December 2014, and (ii) 3,106,300 units at RM1.3748** per unit being part payment of management fee for the financial period from 1 January 2015 to 30 June 2015. The units were listed on the Main Market of Bursa Securities on 1 September 2015.

* Based on the 10-day volume weighted average price (VWAP) of the units up to and including 31 December 2014.

** Based on the 10-day VWAP of the units up to and including 30 June 2015.

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.

**CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (UNAUDITED)**

A9. Segmental Reporting

Segmental results for the quarter ended 30 September are as follows:

Business Segment	3Q 2015			YTD 2015		
	Retail RM'000	Office RM'000	Total RM'000	Retail RM'000	Office RM'000	Total RM'000
Gross revenue	89,348	1,592	90,940	249,947	1,592	251,539
Net property income	58,669	1,097	59,766	164,710	1,097	165,807
Interest income			1,151			3,319
Fair value gain of investment properties			12,679			64,782
Unallocated expenses			(6,561)			(17,951)
Finance costs			(14,568)			(36,616)
Profit before taxation			52,467			179,341
Taxation			-			-
Profit for the period			52,467			179,341

**CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (UNAUDITED)**

A10. Valuation of Investment Properties

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

During the quarter, fair value gain of RM12.7 million was recognised for Tropicana City Property, which was based on the valuation of RM560.0 million approved by Securities Commission on 14 May 2015.

A11. Subsequent Event

On 12 October 2015, the Trust has changed its name from CapitaMalls Malaysia Trust to CapitaLand Malaysia Mall Trust.

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	1,778,975,600
Units issued pursuant to acquisition of Tropicana City Property	239,635,600
Units issued as satisfaction of the Manager's management fee payable in units	<u>6,188,000</u>
Total units in issue	<u>2,024,799,200</u>

A13. Changes in Contingent Liabilities and Contingent Asset

Nil.

A14. Capital Commitments

Capital commitments in relation to acquisitions and capital expenditure are as follows:

	RM'000
Contracted but not provided for	<u>20,338</u>

**CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (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

	3Q 2015 (Unaudited) RM'000	3Q 2014 (Unaudited) RM'000	Change %	YTD 2015 (Unaudited) RM'000	YTD 2014 (Unaudited) RM'000	Change %
(a) Breakdown of Gross Revenue						
Gurney Plaza	31,730	29,945	6.0	95,295	90,555	5.2
Sungei Wang Plaza	13,142	16,518	(20.4)	42,158	51,573	(18.3)
The Mines	20,007	19,686	1.6	61,440	59,504	3.3
Tropicana City Property	11,687	-	100.0	11,687	-	100.0
East Coast Mall	14,374	11,759	22.2	40,959	33,471	22.4
Total Gross Revenue	90,940	77,908	16.7	251,539	235,103	7.0
(b) Breakdown of Property Operating Expenses						
Gurney Plaza	9,524	10,285	(7.4)	29,702	30,043	(1.1)
Sungei Wang Plaza	4,417	4,124	7.1	13,370	13,624	(1.9)
The Mines	7,473	7,948	(6.0)	22,447	23,741	(5.5)
Tropicana City Property	5,021	-	100.0	5,021	-	100.0
East Coast Mall	4,739	4,914	(3.6)	15,192	13,347	13.8
Total Property Operating Expenses	31,174	27,271	14.3	85,732	80,755	6.2
(c) Breakdown of Net Property Income						
Gurney Plaza	22,206	19,660	13.0	65,593	60,512	8.4
Sungei Wang Plaza	8,725	12,394	(29.6)	28,788	37,949	(24.1)
The Mines	12,534	11,738	6.8	38,993	35,763	9.0
Tropicana City Property	6,666	-	100.0	6,666	-	100.0
East Coast Mall	9,635	6,845	40.8	25,767	20,124	28.0
Total Net Property Income	59,766	50,637	18.0	165,807	154,348	7.4

CAPITALAND MALAYSIA MALL TRUST FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (UNAUDITED)

B1. Review of Performance (cont'd)

Quarter Results (3Q 2015 vs 3Q 2014)

The Group recorded gross revenue of RM90.9 million in 3Q 2015, an increase of RM13.0 million or 16.7% over 3Q 2014. The increase was mainly due to contribution from Tropicana City Property ("TCP") (completion date: 10 July 2015) and East Coast Mall ("ECM"), which had completed its two-year asset enhancement works. The Group also benefited from higher gross rental income on the back of higher rental rates achieved from new and renewed leases, except for Sungei Wang Plaza ("SWP") which continues to be affected by the ongoing Mass Rapid Transit ("MRT") works.

Property operating expenses for 3Q 2015 were RM31.2 million, an increase of RM3.9 million or 14.3% over 3Q 2014. This was mainly due to TCP's property operating expenses. The increase was partly offset by lower electricity consumption and electricity tariff rebate during the quarter.

The net property income for 3Q 2015 of RM59.8 million was 18.0% higher than 3Q 2014.

CMMT registered a fair value gain of RM12.7 million in 3Q 2015 upon the acquisition of TCP.

Manager's management fee was RM5.8 million, an increase of RM0.7 million or 13.2% over 3Q 2014 mainly due to the corresponding increase in net property income and asset base after the acquisition of TCP.

Finance costs for 3Q 2015 of RM14.6 million were RM4.1 million or 38.6% higher than 3Q 2014. The increase was mainly due to new term loan being drawn down to part finance the acquisition of TCP. Average cost of debt for 3Q 2015 was 4.48% p.a. (3Q 2014: 4.34% p.a.).

CMMT has incurred RM3.2 million of capital expenditure in 3Q 2015, mainly due to GP's third floor reconfiguration works.

Overall, distributable income to unitholders for 3Q 2015 was RM41.7 million, an increase of RM4.0 million or 10.5% against 3Q 2014 of which RM3.2 million was paid on 7 August 2015 as advance income distribution.

Financial Year-to-date Results (YTD 2015 vs YTD 2014)

The Group recorded gross revenue of RM251.5 million, an increase of RM16.4 million or 7.0% over previous financial period. The increase was mainly due to contribution from TCP and ECM, which had completed its two-year asset enhancement works. The Group also benefited from higher gross rental income on the back of higher rental rates achieved from new and renewed leases, except for SWP which continues to be affected by the ongoing Mass Rapid Transit ("MRT") works.

Property operating expenses for YTD 2015 were RM85.7 million, an increase of RM5.0 million or 6.2% over previous financial period. This was mainly due to TCP's property operating expenses, higher marketing expenses from ECM following the rebranding event in 2Q 2015 as well as higher property maintenance expenses and reimbursable staff costs. The increase was offset by lower electricity consumption and electricity tariff rebate during the period.

The net property income for YTD 2015 of RM165.8 million was 7.4% higher than YTD 2014.

CMMT registered a fair value gain of RM64.8 million on investment properties in YTD 2015.

Manager's management fee was RM16.1 million, an increase of RM0.8 million or 5.0% over YTD 2014 mainly due to the corresponding increase in net property income and asset base after the acquisition of TCP.

**CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (UNAUDITED)**

B1. Review of Performance (cont'd)

Financial Year-to-date Results (YTD 2015 vs YTD 2014) (cont'd)

Finance costs for YTD 2015 of RM36.6 million were RM6.0 million or 19.7% higher than previous financial period. The increase was mainly due to (i) new term loan being to part finance the acquisition of TCP; (ii) additional revolving credit facilities being drawn down for ECM's asset enhancement works and other capital expenditure; (iii) the impact of higher interest rate post the Overnight Policy Rate hike in July 2014 and (iv) the interest rate re-fixing exercise for part of the existing secured term loans which was completed at a competitive rate for a tenure of three years. During the financial period, the credit margin of existing floating rate credit facilities was further tightened and this has partially mitigated the overall rising interest costs. Average cost of debt for YTD 2015 was 4.46% p.a. (YTD 2014: 4.31% p.a.).

CMMT has incurred RM17.1 million capital expenditure for the properties during the financial period. GP has completed the digital directories installation, landscape improvements which include the amphitheater and restroom upgrading works at the extension wing, ECM has completed its ceiling works at the ground, first and second floors, while SWP and TM have completed the installation of flood gates and lifts upgrading works respectively. Other capex include chillers replacement for GP and TM as well as GP's third floor reconfiguration works.

Overall, distributable income to unitholders for YTD 2015 was RM120.5 million, an increase of RM2.3 million or 2.0% against YTD 2014.

B2. Material Changes in Quarter Results

	Quarter ended 30 September 2015 RM'000	Quarter ended 30 June 2015 RM'000
Profit before taxation	52,467	88,630
Less: Fair value gain of investment properties	(12,679)	(52,103)
Profit before taxation, excluding fair value gain of investment properties	39,788	36,527

The increase in profit before taxation excluding fair value gain of investment property was mainly due to the acquisition of Tropicana City Property in July 2015.

B3. Investment Objectives and Strategies

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

B4. Commentary on Prospects

The Malaysian economy registered 4.9% growth in 2Q 2015, lower than the 5.6% growth in the previous quarter (source: Bank Negara Malaysia). Retail sales contracted 11.9% in 2Q 2015 following the implementation of the Goods and Services Tax, a reversal from the 4.6% expansion in 1Q 2015. Hence, the retail sales growth forecast for 2015 has been lowered further from 4.0% to 3.1%. The weak Ringgit is affecting the costs of goods due to higher import costs, reducing Malaysian consumers' purchasing power (source: Malaysia Retail Group Industry Report, August 2015). With the Manager's proven track record in proactive asset management and retail management, the Manager remains committed to deliver stable income distribution to unitholders.

**CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (UNAUDITED)**

B5. Profit Guarantee(s)

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

B6. Tax Expense

Pursuant to the amendment of Section 61A of the Income Tax Act, 1967, effective from the Year of Assessment 2007, the total income of a REIT for a year of assessment will be exempted from income tax provided that the REIT distributes 90.0% or more of its total income for that year of assessment. If the REIT is unable to meet the 90.0% distribution criterion, the entire taxable income of the REIT for the year would be subject to income tax.

As CMMT intends to distribute at least 90.0% of its distributable income for the financial year ending 31 December 2015 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 issuance and placement of the new 239,635,600 units in CMMT, CMMT received gross proceeds of RM316,318,992 (based on the issue price of RM1.32 per unit). The gross proceeds was utilised as follows :

Purpose	Proposed utilisation RM'000	Actual utilisation RM'000	Intended time frame for utilisation	Deviation RM'000	%
Part funding for the acquisition of Tropicana City Property ("TCP")	291,320	290,820	Within 3 months	(500)	(0.2)
Placement expenses	7,683	3,651	Within 3 months	(4,032)	(52.5)
Transaction costs on borrowings	2,658	4,292	-	1,634	61.5
Incidental costs on acquisition	8,313	7,321	Within 3 months	(992)	(11.9)
Initial capital expenditure and working on TCP	6,345	-	Within 3 months	(6,345)	(100.0)
	<u>316,319</u>	<u>306,084</u>		<u>(10,235)</u>	<u>(3.2)</u>

**CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (UNAUDITED)**

B9. Borrowings and Debt Securities

	As at 30 September 2015 (Unaudited) RM'000	As at 31 December 2014 (Audited) RM'000
Long term borrowings		
Secured revolving credit	52,000	-
Secured term loans	918,430	519,750
Unrated medium term notes	300,000	300,000
Less: Unamortised transaction costs	(5,942)	(2,393)
	1,264,488	817,357
Short term borrowings		
Secured revolving credit	5,900	70,000
Unsecured revolving credit	7,500	75,400
	13,400	145,400
Total borrowings	1,277,888	962,757

All the borrowings are denominated in Ringgit Malaysia.

Secured term loans of RM398.7 million were drawn down to part finance the acquisition of Tropicana City Property and to repay part of the existing revolving credit facilities. Additional revolving credit facilities were also drawn down to fund the capital expenditure incurred by the properties.

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

B10. Change in Material Litigation

Nil.

B11. Income Distribution

On 7 August 2015, CMMT paid an advance income distribution of RM82.0 million or 4.61 sen per unit to its unitholders for the period from 1 January 2015 to 8 July 2015 in conjunction with the acquisition of Tropicana City Property, of which 0.18 sen was for the period of 1 July 2015 to 8 July 2015.

No income distribution was proposed for the period from 9 July 2015 to 30 September 2015 as CMMT's distribution of income is normally paid on a half yearly basis.

Pursuant to Section 109D(2) of the Income Tax Act, 1967, the applicable final withholding tax on distributions of income which is tax exempt at CMMT level is as follows:

Resident unitholders:

(a) Corporate	Tax flow through, no withholding tax
(b) Other than corporate	Withholding tax at 10.0%

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%

CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (UNAUDITED)

B12. Composition of Investment Portfolio as at 30 September 2015

As at 30 September 2015, CMMT's portfolio comprised the following shopping malls:

Investment properties	Cost of Investment¹	Net Book Value²	Market Value	Market Value as % of NAV³
	RM'000	RM'000	RM'000	%
Gurney Plaza	1,106,630	1,363,352	1,360,000	51.7
Sungei Wang Plaza	753,348	804,024	804,000	30.6
The Mines	572,104	691,509	690,000	26.3
Tropicana City Property	547,321	560,000	560,000	21.3
East Coast Mall	386,609	443,360	445,000	16.9
Total	3,366,012	3,862,245	3,859,000	

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 2015. The market value of Gurney Plaza was stated at valuation performed by Savills (Malaysia) Sdn. Bhd. as at 30 June 2015 while Tropicana City Property ("TCP") was stated at valuation performed by Henry Butcher Malaysia Sdn. Bhd. which was approved by Securities Commission Malaysia ("SC") on 14 May 2015.

- ¹ Cost of investment comprises purchase consideration and capital expenditure incurred from inception up to the end of the reporting period.
- ² Net book value comprises market value of the investment properties as at 30 June 2015 and capital expenditure incurred during the reporting period, except for net book value of TCP which was based on the valuation approved by SC on 14 May 2015.
- ³ This is computed based on market value of the investment properties over the NAV before income distribution of RM2,628,110 as at 30 September 2015. This is calculated in accordance with the REITs Guidelines.

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

	Quarter ended 30 September 2015	Quarter ended 30 June 2015
Number of units in circulation (units)	2,024,799,200	1,778,975,600
NAV before income distribution (RM'000)	2,628,110	2,336,413
NAV after income distribution (RM'000)	2,589,639	2,257,604
NAV per unit ¹ (RM)	1.2790	1.2690
Total comprehensive income (RM'000)	52,467	88,630
Weighted average number of units in issue ² (units)	1,997,186,413	1,778,975,600
EPU after manager's management fee (sen)	2.63	4.98
Distributable income (RM'000)	41,673	38,782
DPU (sen)	2.08	2.18
Market price (RM)	1.41	1.34
DPU yield (%)	1.48	1.63

- 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 2015 is 1,852,511,845.

B14. Soft Commission Received By The Manager And Its Delegates

Nil.

**CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (UNAUDITED)**

B15. Manager's Fee

For the quarter ended 30 September 2015, the Manager has accounted for a base fee of 0.29% per annum of the total asset value, a performance fee of 4.75% per annum of net property income and an acquisition fee of 1.00% on the purchase price of Tropicana City Property ("TCP"). Total fees accrued to the Manager (inclusive of 6.0% service tax for the period 1 January 2015 to 31 March 2015) were as follows:

	3Q 2015 Actual (Unaudited) RM'000	YTD 2015 Actual (Unaudited) RM'000
Base management fee	2,962	8,092
Performance fee	2,838	8,028
Total management fees	<u>5,800</u>	<u>16,120</u>
Acquisition fee ¹	5,400	5,400
Total fees	<u>11,200</u>	<u>21,520</u>

¹ Acquisition fee was capitalised as part of the investment property cost of TCP during the period.

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

	No of units units	Percentage of unitholdings %	Market value⁴ at 30 September 2015 RM
CMMT Investment Limited ¹	710,973,600	35.11	1,002,472,776
Menang Investment Limited ¹	22,212,600	1.10	31,319,766
CapitaLand Malaysia Mall REIT Management Sdn. Bhd. ("CMRM") ²	6,188,000	0.31	8,725,080
Direct unitholdings of the Directors of the Manager:			
Mr Ng Kok Siong ³	100,000	0.01	141,000
Ms Low Peck Chen	12,000	0.00	16,920
Ms Tan Siew Bee	100,000	0.01	141,000
Mr Peter Tay Buan Huat ³	100,000	0.01	141,000
	<u>739,686,200</u>	<u>36.55⁵</u>	<u>1,042,957,542</u>

¹ An indirect wholly-owned subsidiary of CapitaLand Mall Asia Limited.

² CMRM is the Manager of CMMT.

³ Units held through nominees.

⁴ The market value of the units is computed based on the closing price of RM1.41 per unit as at 30 September 2015.

⁵ Approximation.

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 30 September 2015 and of their financial performance and cash flows for the quarter ended on that date and duly authorised for release by the Board of Directors of the Manager on 16 October 2015.

**CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (UNAUDITED)**

BY ORDER OF THE BOARD

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

Date: 16 October 2015