

CAPITALAND MALAYSIA MALL TRUST
CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

CAPITALAND MALAYSIA MALL TRUST
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31 DECEMBER 2015 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2014 (AUDITED) RM'000
Assets		
Plant and equipment	2,474	1,864
Investment properties	3,886,000	3,233,000
Total non-current assets	<u>3,888,474</u>	<u>3,234,864</u>
Trade and other receivables	16,367	13,302
Cash and cash equivalents	186,976	156,511
Total current assets	<u>203,343</u>	<u>169,813</u>
Total assets	<u>4,091,817</u>	<u>3,404,677</u>
Equity		
Unitholders' capital	2,153,529	1,832,286
Undistributed profit	521,265	455,172
Total unitholders' funds	<u>2,674,794</u>	<u>2,287,458</u>
Liabilities		
Borrowings	951,067	817,357
Tenants' deposits	58,031	51,271
Total non-current liabilities	<u>1,009,098</u>	<u>868,628</u>
Borrowings	307,297	145,400
Tenants' deposits	38,901	33,242
Trade and other payables	61,727	69,949
Total current liabilities	<u>407,925</u>	<u>248,591</u>
Total liabilities	<u>1,417,023</u>	<u>1,117,219</u>
Total equity and liabilities	<u>4,091,817</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	2,674,794	2,287,458
- after income distribution	2,594,005	2,209,539
NAV per unit (RM)		
- before income distribution	1.3210	1.2858
- after income distribution	1.2811	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 FOURTH QUARTER ENDED 31 DECEMBER 2015 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER 31 DECEMBER		YEAR TO DATE 31 DECEMBER	
	2015 (UNAUDITED)	2014 (UNAUDITED)	2015 (UNAUDITED)	2014 (AUDITED)
	RM'000	RM'000	RM'000	RM'000
Gross rental income	72,959	63,247	272,810	250,566
Car park income	6,047	4,917	21,547	18,503
Other revenue	14,266	12,128	50,454	46,326
Gross revenue	93,272	80,292	344,811	315,395
Maintenance expenses	(7,006)	(5,883)	(26,126)	(22,655)
Utilities	(13,046)	(11,503)	(48,358)	(46,671)
Other operating expenses ¹	(12,642)	(8,352)	(43,942)	(37,167)
Property operating expenses	(32,694)	(25,738)	(118,426)	(106,493)
Net property income	60,578	54,554	226,385	208,902
Interest income	1,412	1,148	4,731	4,624
Fair value gain of investment properties	6,107	18,405	70,889	86,611
Net investment income	68,097	74,107	302,005	300,137
Manager's management fee	(5,869)	(5,386)	(21,989)	(20,741)
Trustee's fee	(101)	(101)	(400)	(400)
Auditors' fee	(24)	(44)	(180)	(179)
Tax agent's fee	2	(6)	(24)	(25)
Valuation fee	(46)	(57)	(187)	(229)
Finance costs	(14,931)	(10,717)	(51,547)	(41,299)
Other non-operating expenses	(446)	(221)	(1,655)	(909)
	(21,415)	(16,532)	(75,982)	(63,782)
Profit before taxation	46,682	57,575	226,023	236,355
Taxation	-	-	-	-
Profit for the period/year	46,682	57,575	226,023	236,355
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period/year	46,682	57,575	226,023	236,355
Distribution adjustments ²	(4,316)	(17,302)	(63,070)	(77,890)
Income available for distribution	42,366	40,273	162,953	158,465
Distributable income³	42,318	40,205	162,800	158,375
Realised	40,575	39,170	155,134	149,744
Unrealised ⁴	6,107	18,405	70,889	86,611
	46,682	57,575	226,023	236,355

CAPITALAND MALAYSIA MALL TRUST
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(CONTINUED)

	CURRENT QUARTER 31 DECEMBER		YEAR TO DATE 31 DECEMBER	
	2015 (UNAUDITED)	2014 (UNAUDITED)	2015 (UNAUDITED)	2014 (AUDITED)
Earnings per unit (sen)⁵				
- before Manager's management fee (sen)	2.60	3.54	13.08	14.47
- after Manager's management fee (sen)	2.31	3.24	11.92	13.31
Distribution per unit ("DPU") (sen)	2.09	2.26	8.60	8.91
DPU (sen) – annualised	8.29	8.97	8.60	8.91

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 31 DECEMBER		YEAR TO DATE 31 DECEMBER	
	2015 (UNAUDITED) RM'000	2014 (UNAUDITED) RM'000	2015 (UNAUDITED) RM'000	2014 (AUDITED) RM'000
(Allowance for) /Write-back of impairment losses of trade receivables	(42)	183	(423)	(215)
Foreign exchange gain/(loss):				
- Unrealised	*	*	*	*
- Realised	(3)	(4)	(9)	(10)

* less than RM1,000

CAPITALAND MALAYSIA MALL TRUST
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(CONTINUED)

2. Included in the distribution adjustments are the following:

	CURRENT QUARTER		YEAR TO DATE	
	31 DECEMBER		31 DECEMBER	
	2015 (UNAUDITED) RM'000	2014 (UNAUDITED) RM'000	2015 (UNAUDITED) RM'000	2014 (AUDITED) RM'000
Fair value gain of investment properties	(6,107)	(18,405)	(70,889)	(86,611)
Manager's management fee payable in units*	2,439	2,223	9,091	8,598
Depreciation	266	291	1,110	1,162
Amortisation of transaction costs on borrowings	363	196	1,106	786
Tax and other adjustments	(1,277)	(1,607)	(3,488)	(1,825)
	<u>(4,316)</u>	<u>(17,302)</u>	<u>(63,070)</u>	<u>(77,890)</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/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.

**CAPITALAND MALAYSIA MALL TRUST
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015 (UNAUDITED)**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSET VALUE

	Unitholders' Capital RM'000	Undistributed Profit		Total Unitholders' Funds RM'000
		Realised RM'000	Unrealised RM'000	
As at 1 January 2014	1,823,567	34,210	344,840	2,202,617
Total comprehensive income for the financial year	-	149,744	86,611	236,355
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 31 December 2014 (Audited)	1,832,286	23,721	431,451	2,287,458
As at 1 January 2015	1,832,286	23,721	431,451	2,287,458
Total comprehensive income for the financial year	-	155,134	70,889	226,023
Unitholders' transactions				
Creation of units				
- Placement of units	316,319	-	-	316,319
- Units issued as part satisfaction of the Manager's management fee	8,573	-	-	8,573
Placement expenses	(3,649)	-	-	(3,649)
Distribution paid to unitholders ²	-	(159,930)	-	(159,930)
Increase/(Decrease) in net assets resulting from unitholders' transactions	321,243	(159,930)	-	161,313
As at 31 December 2015 (Unaudited)	2,153,529	18,925	502,340	2,674,794

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 FOURTH QUARTER ENDED 31 DECEMBER 2015 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	TWELVE MONTHS ENDED	
	31 DECEMBER	31 DECEMBER
	2015	2014
	(UNAUDITED)	(AUDITED)
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	226,023	236,355
Adjustments for:-		
Manager's management fee paid/payable in units	9,091	8,598
Depreciation	1,110	1,162
Fair value gain of investment properties	(70,889)	(86,611)
Finance costs	51,547	41,299
Interest income	(4,731)	(4,624)
Plant and equipment written off	2	1
Operating profit before changes in working capital	212,153	196,180
Changes in working capital:		
Trade and other receivables	(3,065)	1,345
Trade and other payables	9,598	762
Tenants' deposits	12,419	1,806
Net cash generated from operating activities	231,105	200,093
Cash Flows From Investing Activities		
Acquisition of investment properties	(547,311)	-
Acquisition of plant and equipment	(1,722)	(704)
Capital expenditure on investment properties	(54,044)	(51,452)
Interest received	4,731	4,624
Net cash used in investing activities	(598,346)	(47,532)
Cash Flows From Financing Activities		
Interest paid	(49,680)	(40,440)
Distribution paid to unitholders	(159,930)	(160,233)
Payment of financing expenses	(4,632)	(207)
Payment of listing and placement expenses	(3,351)	-
Proceeds from interest bearing borrowings	550,880	88,500
Proceeds from placement of new units	316,319	-
Repayment of interest bearing borrowings	(251,900)	(34,100)
Net cash generated from/(used in) financing activities	397,706	(146,480)
Net increase in cash and cash equivalents	30,465	6,081
Cash and cash equivalents at beginning of the year	149,771	143,690
Cash and cash equivalents at end of the year	180,236	149,771
Cash and cash equivalents at end of the year comprises:		
Deposits placed with licensed banks	153,821	127,820
Cash and bank balances	33,155	28,691
	186,976	156,511
Less: Pledged deposits	(6,740)	(6,740)
	180,236	149,771

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 FOURTH QUARTER ENDED 31 DECEMBER 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 fourth quarter ended 31 December 2015 comprise CapitalLand 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 July 2014:

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
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A7. Debt and Equity Securities

Save as disclosed in B8, there were no issuance, cancellation, repurchase, resale and repayment of equity securities in the current quarter.

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

Segmental results for the quarter/year ended 31 December 2015 are as follows:

Business Segment	4Q 2015			FY 2015		
	Retail RM'000	Office RM'000	Total RM'000	Retail RM'000	Office RM'000	Total RM'000
Gross revenue	91,470	1,802	93,272	341,417	3,394	344,811
Net property income	59,316	1,262	60,578	224,026	2,359	226,385
Interest income			1,412			4,731
Fair value gain of investment properties			6,107			70,889
Unallocated expenses			(6,484)			(24,435)
Finance costs			(14,931)			(51,547)
Profit before taxation			46,682			226,023
Taxation			-			-
Profit for the period/year			46,682			226,023

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 2015, the investment properties were valued based on valuations performed by independent professional valuers as at 31 December 2015. Fair value gain arising from the valuations amounting to RM6.1 million was recognised during the quarter.

A11. Subsequent Event

Nil

**CAPITALAND MALAYSIA MALL TRUST
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015 (UNAUDITED)**

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 acquisitions and capital expenditure are as follows:

Contracted but not provided for	RM'000 <u>5,626</u>
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CAPITALAND MALAYSIA MALL TRUST
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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

	4Q 2015 (Unaudited) RM'000	4Q 2014 (Unaudited) RM'000	Change %	FY 2015 (Unaudited) RM'000	FY 2014 (Audited) RM'000	Change %
(a) Breakdown of Gross Revenue						
Gurney Plaza	32,769	32,031	2.3	128,064	122,586	4.5
Sungei Wang Plaza	12,849	15,654	(17.9)	55,007	67,227	(18.2)
The Mines	20,110	20,232	(0.6)	81,550	79,736	2.3
Tropicana City Property	13,425	-	100.0	25,112	-	100.0
East Coast Mall	14,119	12,375	14.1	55,078	45,846	20.1
Total Gross Revenue	93,272	80,292	16.2	344,811	315,395	9.3
(b) Breakdown of Property Operating Expenses						
Gurney Plaza	10,267	9,266	10.8	39,969	39,309	1.7
Sungei Wang Plaza	4,436	4,428	0.2	17,806	18,052	(1.4)
The Mines	7,504	7,437	0.9	29,951	31,178	(3.9)
Tropicana City Property	5,599	-	100.0	10,620	-	100.0
East Coast Mall	4,888	4,607	6.1	20,080	17,954	11.8
Total Property Operating Expenses	32,694	25,738	27.0	118,426	106,493	11.2
(c) Breakdown of Net Property Income						
Gurney Plaza	22,502	22,765	(1.2)	88,095	83,277	5.8
Sungei Wang Plaza	8,413	11,226	(25.1)	37,201	49,175	(24.3)
The Mines	12,606	12,795	(1.5)	51,599	48,558	6.3
Tropicana City Property	7,826	-	100.0	14,492	-	100.0
East Coast Mall	9,231	7,768	18.8	34,998	27,892	25.5
Total Net Property Income	60,578	54,554	11.0	226,385	208,902	8.4

CAPITALAND MALAYSIA MALL TRUST FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015 (UNAUDITED)

B1. Review of Performance (cont'd)

Quarter Results (4Q 2015 vs 4Q 2014)

The Group recorded gross revenue of RM93.3 million in 4Q 2015, an increase of RM13.0 million or 16.2% over 4Q 2014. The increase was mainly driven by contribution from Tropicana City Property ("TCP") upon its acquisition in 3Q 2015 and the revamped East Coast Mall ("ECM"). 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 4Q 2015 were RM32.7 million, an increase of RM7.0 million or 27.0% over 4Q 2014. This was mainly due to TCP's property operating expenses and higher reimbursable staff costs. The increase was partly offset by lower electricity consumption and electricity tariff rebate during the quarter.

The net property income for 4Q 2015 of RM60.6 million was 11.0% higher than 4Q 2014.

CMMT registered a fair value gain of RM6.1 million on investment properties in 4Q 2015.

Manager's management fee was RM5.9 million, an increase of RM0.5 million or 9.0% over 4Q 2014 mainly due to the corresponding increase in net property income and asset base after the acquisition of TCP.

Finance costs for 4Q 2015 of RM14.9 million were RM4.2 million or 39.3% higher than 4Q 2014. The increase was mainly due to term loan being drawn down to part finance the acquisition of TCP. Average cost of debt for 4Q 2015 was 4.50% p.a. (4Q 2014: 4.35% p.a.).

CMMT has incurred RM17.7 million of capital expenditure in 4Q 2015. Gurney Plaza ("GP") and The Mines ("TM") have completed their third floor and first floor reconfiguration works respectively while TCP has completed its chillers replacement.

Overall, distributable income to unitholders for 4Q 2015 was RM42.3 million, an increase of RM2.1 million or 5.3% against 4Q 2014.

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

The Group recorded gross revenue of RM344.8 million, an increase of RM29.4 million or 9.3% over previous financial year. The increase was mainly driven by contribution from TCP and the revamped ECM. 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 the year were RM118.4 million, an increase of RM11.9 million or 11.2% over previous financial year. 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 partly offset by lower electricity consumption and electricity tariff rebate during the year.

The net property income for the year was RM226.4 million was 8.4% higher than previous financial year.

CMMT registered a fair value gain of RM70.9 million on investment properties in FY 2015.

Manager's management fee was RM22.0 million, an increase of RM1.2 million or 6.0% over the previous financial year mainly due to the corresponding increase in net property income and asset base after the acquisition of TCP.

**CAPITALAND MALAYSIA MALL TRUST
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015 (UNAUDITED)**

B1. Review of Performance (cont'd)

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

Finance costs for FY 2015 of RM51.5 million were RM10.2 million or 24.8% higher than previous financial year. The increase was mainly due to (i) new term loan being drawn down 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 year, 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 FY 2015 was 4.47% p.a. (FY 2014: 4.32% p.a.).

CMMT has incurred RM34.8 million capital expenditure for the properties during the year. GP has completed the digital directories installation, landscape improvements which include the amphitheater, restroom upgrading works at the extension wing and the third floor reconfiguration works. ECM has completed its ceiling refurbishment at the ground, first and second floors. TM has completed its lifts upgrading and first floor reconfiguration works while SWP and TCP have completed the installation of flood gates and chillers replacement works respectively.

Overall, distributable income to unitholders for the financial year was RM162.8 million, an increase of RM4.4 million or 2.8% against FY 2014.

B2. Material Changes in Quarter Results

	Quarter ended 31 December 2015 RM'000	Quarter ended 30 September 2015 RM'000
Profit before taxation	46,682	52,467
Less: Fair value gain of investment properties	(6,107)	(12,679)
Profit before taxation, excluding fair value gain of investment properties	40,575	39,788

Other than the fair value gain in the respective quarter, there is no material change in the financial results of 4Q 2015 as compared to 3Q 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

While the Malaysian economy posted growth of 4.7% in the third quarter of 2015 on the back of private sector demand (source: Bank Negara Malaysia), consumer sentiment continues to be affected by higher costs of living following the implementation of the Goods and Services Tax and the weakening ringgit. Retail sales growth for 2015 is now expected to have come in at 2.0%, down from the 3.1% forecast previously (source: Malaysia Retail Group Industry Report, December 2015).

Bank Negara Malaysia expects domestic demand will continue to be the main driver of the growth for 2016 and a Gross Domestic Product growth of 4.0% to 5.0%. Despite the competitive and inflationary operating environment, the Manager remains confident in its portfolio of quality malls which are strategically located and largely focused on day-to-day necessity shopping. As such, CMMT malls have proven resilient through economic cycles in the past and should continue to do so.

**CAPITALAND MALAYSIA MALL TRUST
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 ended 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 status of the utilisation of gross proceeds as at 31 December 2015 is 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	291,320	-	-	-
Placement expenses	7,683	4,016	-	(3,667)	(47.7)
Transaction costs on borrowings	2,658	3,329	-	671	25.2
Incidental costs on acquisition	8,313	7,311	-	(1,002)	(12.1)
Initial capital expenditure and working capital	6,345	3,286	-	(3,059)	(48.2)
	<u>316,319</u>	<u>309,262</u>		<u>(7,057)[^]</u>	<u>(2.2)</u>

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

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B9. Borrowings and Debt Securities

	As at 31 December 2015 (Unaudited) RM'000	As at 31 December 2014 (Audited) RM'000
Long term borrowings		
Secured revolving credit	38,200	-
Secured term loans	918,430	519,750
Unrated medium term notes	-	300,000
Less: Unamortised transaction costs	(5,563)	(2,393)
	<u>951,067</u>	<u>817,357</u>
Short term borrowings		
Secured revolving credit	-	70,000
Unsecured revolving credit	7,500	75,400
Unrated medium term notes	300,000	-
Less: Unamortised transaction costs	(203)	-
	<u>307,297</u>	<u>145,400</u>
Total borrowings	<u>1,258,364</u>	<u>962,757</u>

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

CMMT intends to distribute its final income distribution of RM80.8 million or 3.99 sen (of which 3.98 sen per unit is taxable and 0.01 sen per unit is tax exempt) to its unitholders on 29 February 2016 (book closure date: 5 February 2016), based on the number of units in issue of 2,024,799,200 for the period from 9 July 2015 to 31 December 2015 (advance income distribution of 0.18 sen for the period of 1 July 2015 to 8 July 2015 was paid on 7 August 2015). This means CMMT will distribute approximately 100.0% of its distributable income to its unitholders for the financial year ended 31 December 2015.

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% |

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B12. Composition of Investment Portfolio as at 31 December 2015

As at 31 December 2015, CMMT's portfolio comprised the following properties:

Investment properties	Cost of Investment¹ RM'000	Net Book Value² RM'000	Market Value RM'000	Market Value as % of NAV³ %
Gurney Plaza	1,113,439	1,370,161	1,372,000	51.3
Sungei Wang Plaza	754,070	804,746	780,000	29.2
The Mines	576,880	696,285	700,000	26.2
Tropicana City Property	550,106	562,785	565,000	21.1
East Coast Mall	389,165	445,916	469,000	17.5
Total	3,383,660	3,879,893	3,886,000	

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 31 December 2015. The market value of Gurney Plaza was stated at valuation performed by Savills (Malaysia) Sdn. Bhd. as at 31 December 2015 while Tropicana City Property ("TCP") was stated at valuation performed by Henry Butcher Malaysia Sdn. Bhd. as at 31 December 2015.

- ¹ Cost of investment comprises purchase consideration and capital expenditure incurred from inception up to the end of the reporting date.
- ² Net book value comprises market value of the investment properties as at 30 June 2015 (except for net book value of TCP which was based on the valuation approved by SC on 14 May 2015) and subsequent capital expenditure incurred up to the end of the reporting date.
- ³ This is computed based on market value of the investment properties over the NAV before income distribution of RM2,674,794,000 as at 31 December 2015. This is calculated in accordance with the REITs Guidelines.

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

	Quarter ended 31 December 2015	Quarter ended 30 September 2015
Number of units in circulation (units)	2,024,799,200	2,024,799,200
NAV before income distribution (RM'000)	2,674,794	2,628,110
NAV after income distribution (RM'000)	2,594,005	2,589,639
NAV per unit ¹ (RM)	1.2811	1.2790
Total comprehensive income (RM'000)	46,682	52,467
Weighted average number of units in issue ² (units)	2,024,799,200	1,997,186,413
EPU after manager's management fee (sen)	2.31	2.63
Distributable income (RM'000)	42,318	41,673
DPU (sen)	2.09	2.08
Market price (RM)	1.38	1.41
DPU yield (%)	1.51	1.48

- 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 2015 is 1,895,937,699.

B14. Soft Commission Received By The Manager And Its Delegates

Nil.

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B15. Manager's Fee

For the financial year ended 31 December 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:

	4Q 2015 Actual (Unaudited) RM'000	FY 2015 Actual (Unaudited) RM'000
Base management fee	2,991	11,083
Performance fee	2,878	10,906
Total management fees	<u>5,869</u>	<u>21,989</u>
Acquisition fee ¹	-	5,400
Total fees	<u>5,869</u>	<u>27,389</u>

¹ Acquisition fee was capitalised as part of the investment property cost of TCP in 3Q 2015.

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

	No of units units	Percentage of unitholdings %	Market value³ at 31 December 2015 RM
CMMT Investment Limited ¹	710,973,600	35.11	981,143,568
Menang Investment Limited ¹	28,400,600	1.40	39,192,828
Direct unitholdings of the Directors of the Manager:			
Mr Ng Kok Siong ²	100,000	0.01	138,000
Ms Low Peck Chen	12,000	0.00	16,560
Ms Tan Siew Bee	100,000	0.01	138,000
Mr Peter Tay Buan Huat ²	100,000	0.01	138,000
	<u>739,686,200</u>	<u>36.54⁴</u>	<u>1,020,766,956</u>

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

² Units held through nominees.

³ The market value of the units is computed based on the closing price of RM1.38 per unit as at 31 December 2015.

⁴ Approximation.

The Manager disposed 6,188,000 units in CMMT at cost to a related party, Menang Investment Limited, on 12 November 2015.

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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 2015 and of their financial performance and cash flows for the quarter/year ended on that date and duly authorised for release by the Board of Directors of the Manager on 20 January 2016.

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: 20 January 2016