




CapitaLand Malaysia Trust

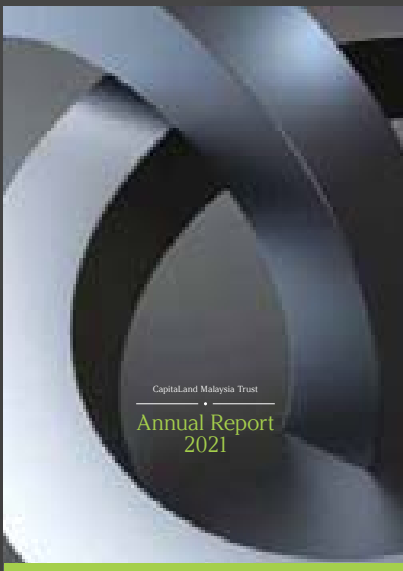
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Annual Report 2021



We reaffirm our
commitment to delivering
sustainable income
distributions in the
long term. 

LUI CHONG CHEE
CHAIRMAN



CapitaLand
Malaysia Trust

Our cover page features the letters "C" and "O" intersecting to form an interlocked design, where the "C" stands for CapitalLand and the "O" stands for ONE. Together, they represent the ONE CapitalLand ecosystem, and symbolise how the respective businesses that form our Group benefit from cross-platform synergies and complementary strengths; and are united and committed to the same shared purpose of Enriching Lives, Building Communities and Growing Sustainably.

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Expansion of Investment Mandate

Since the inception of CapitaLand Malaysia Trust in July 2010, the Manager has been taking a proactive and disciplined approach to grow its portfolio of quality assets which are well located in key urban centres of Malaysia – the Northern region, the Klang Valley and East Coast region.

In line with the Manager's mission to deliver long term and sustainable distribution of income and potential capital growth to Unitholders, we have expanded the investment mandate of CapitaLand Malaysia Trust beyond the retail sector, and this now includes commercial, office and industrial asset classes.

A geographical and sector-diversified portfolio will benefit CapitaLand Malaysia Trust in the long term as it enhances the resiliency of its portfolio and is less susceptible to unprecedented adverse events and unforeseeable external-led occurrences and factors.

In line with our
strategic plans,
we remain focused
on delivering our
priorities in 2022.

We will strive to maintain a healthy portfolio occupancy and sustainable rental income, whilst actively pursuing inorganic growth opportunities in existing and new asset classes.



Income and Geographical Diversification

CLMT's portfolio provides Unitholders with recurring cash flow underpinned by income and geographical diversification within Malaysia.



Retail Strategy

We will continue to work closely with tenants to navigate the challenges brought on by the pandemic, and support the wellbeing of our stakeholders.

Leveraging the ONE CapitaLand Ecosystem

- Capital Management

We continued to proactively manage and strengthen CLMT's balance sheet by ensuring robust liquidity and a diversified funding base.



- ## Proactive Asset Management

Shoppers' experience at our malls is of paramount importance to us. We proactively undertake retail and asset management initiatives to continually refresh the tenant mix and introduce new experiences in CLMT's malls to enhance their attractiveness.

- ## Digital Collaborations

We deepened connections with our shoppers by making shopping more rewarding through omnichannel marketing activities and leveraging CapitaStar, CapitaLand's digital rewards and lifestyle programme. We also launched several digital retail experiences to engage shoppers 24/7.

Value Creation

Integrated Real Estate Management And Capital Management Platforms

CLMT enjoys access to CapitaLand's unique integrated platform, combining the best of real estate management and capital management capabilities.

REAL ESTATE MANAGEMENT

REAL ESTATE CAPITAL MANAGEMENT



Investment Objective

The principal investment objective of CLMT is to invest, on a long term basis, in a portfolio of income-producing real estate as deemed fit by the Manager, that are used for retail, commercial, office and industrial purposes or such other non-real estate investments as may be permitted under the Deed¹, the REITs Guidelines² or by the Securities Commission Malaysia, with a view to providing Unitholders with long term and sustainable distribution of income and potential capital growth.

The Manager believes that CLMT has achieved its investment objective for the financial year ended 31 December 2021.

Investment Strategies

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



Future Prospects of the Market

The Manager views the Malaysian real estate sector to be resilient in the long term and will continue to pursue the abovementioned investment strategies. For more information on the markets in which CLMT currently invests in, refer to the section 'Independent Retail Market Overview' in CLMT Annual Report 2021.

1 The Deed dated 7 June 2010 (as amended and restated on 13 July 2021) entered into between the Manager and the Trustee.

2 Guidelines on Listed Real Estate Investment Trusts.

Salient Features

Fund Name	CapitaLand Malaysia Trust (CLMT)
Fund Category	Real Estate Investment Trust
Fund Type	Income
Fund Duration	CLMT shall terminate on the earlier of: <ul style="list-style-type: none"> the occurrence of any of events listed in Clause 25.2 of the Deed¹; or the expiration of a period of twenty-one (21) years after the death of the last survivor of the issue now living of His Majesty, the current Yang di-Pertuan Agong of Malaysia or until such further period as the law may permit.
Authorised Investments	Real estate, non-real estate assets, cash, deposits and money market instruments in accordance with the REITs Guidelines ² and the Deed.
Authorised Investments Limits	<ul style="list-style-type: none"> At least 75% of CLMT's total asset value must be invested in real estate that generates recurrent rental income at all times; and Such other investments or limits as may be permitted by SC and/or the REITs Guidelines.
Distribution Policy	Payout policy ratio: <ul style="list-style-type: none"> At least 90.0% of CLMT's distributable income of each financial year. Semi-annual distribution payment for the six-month period ending 30 June and 31 December of each year.
Borrowing Limitations	Up to 60.0% (FY 2020: 60.0%) of CLMT's total asset value at the time the borrowings or financing facilities or deferred payment arrangements are incurred. As announced by the Securities Commission on 12 August 2020, the gearing limit for Malaysia Real Estate Investment Trusts was temporarily increased from 50% to 60% until 31 December 2022.
Performance Benchmarks	<ul style="list-style-type: none"> FTSE Bursa Malaysia Kuala Lumpur Composite Index FTSE Bursa Malaysia EMAS Index Bursa Malaysia REIT Index
Revaluation Policy	Valuation of investment properties are carried out: <ul style="list-style-type: none"> Annually based on independent professional valuation; and When a real estate is to be acquired or disposed by CLMT.
Management Fee	<ul style="list-style-type: none"> Base Fee: up to 1.0% per annum of the value of Deposited Property³ (FY 2021 actual: 0.29%) Performance Fee: up to 5.0% per annum of Net Property Income (before Management Fee) (FY 2021 actual: 4.75%) Acquisition Fee: up to 1.0% of the purchase price of any Authorised Investments directly or indirectly acquired by the Trustee on behalf of CLMT Divestment Fee: up to 0.5% of the sale price (after deducting the interest of any co-owners or co-participants) of any Authorised Investments directly or indirectly sold or divested by the Trustee on behalf of CLMT
Financial Year	1 January 2021 to 31 December 2021
Listing Market	Main Market of Bursa Malaysia Securities Berhad
Minimum Investment	100 units per board lot
Bursa Securities Stock Name/Code	CLMT 5180

1 The Deed dated 7 June 2010 (as amended and restated on 13 July 2021) entered into between the Manager and the Trustee.
2 Guidelines on Listed Real Estate Investment Trusts.
3 As defined in the Deed, the value of Deposited Property is equal to all the assets of CLMT (total asset value).

GROSS REVENUE
RM224.1
MILLION

NET PROPERTY INCOME
RM103.1
MILLION

DISTRIBUTABLE INCOME
RM39.0
MILLION

Highlights

**DISTRIBUTION
PER UNIT**
1.84
SEN

**MARKET
CAPITALISATION**
RM1.2
BILLION

**PROPERTY
VALUATION**
RM3.8
BILLION

ANNUAL SHOPPER
TRAFFIC

27.0
MILLION

NO. OF
COMMITTED LEASES

1,084
LEASES

NET LETTABLE
AREA

3.1
MILLION SQ FT

of FY 2021

PORTFOLIO OCCUPANCY
RATE

82.5%

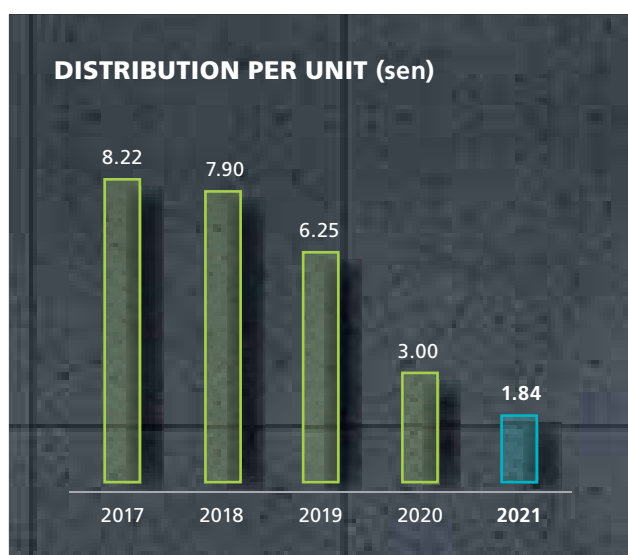
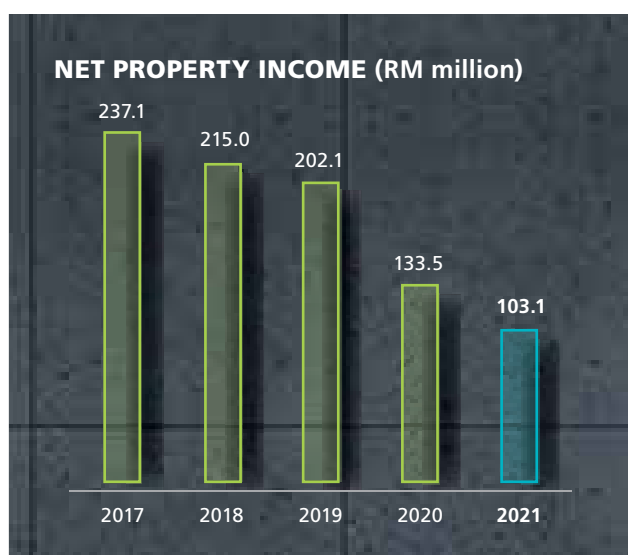
GEARING
RATIO

35.9%

AVERAGE COST
OF DEBT

3.3%

Financial Highlights



Financial Highlights

CLMT Group Performance Highlights (RM million)					
	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Gross Rental Income	185.6	210.3	266.9	271.2	289.4
Car Park Income	12.9	14.6	23.1	24.2	24.5
Other Revenue	25.6	36.5	52.3	54.7	55.0
Gross Revenue	224.1	261.4	342.3	350.1	368.9
Net Property Income	103.1	133.5	202.1	215.0	237.1
Distributable Income	39.0	61.8	128.0	161.3	167.4
Distribution Per Unit (sen)	1.84	3.00	6.25	7.90	8.22
Distribution Yield ¹ (%)	3.20	4.80	6.25	7.82	4.49
Annual Total Return ² (%)	(5.0)	(34.5)	5.2	(40.5)	25.0
Average Total Return (3 years) (%)	(11.4)	(23.3)	(3.4)	0.5	14.8
Average Total Return (5 years) (%)	(10.0)	(5.6)	1.8	2.5	7.1
(Loss) / Earnings Per Unit (sen)	(1.44)	(4.11)	3.55	6.64	7.97
Management Expense Ratio ³ (%)	0.8	0.8	0.9	0.9	0.9
CLMT Group Financial Position Highlights (RM million)					
	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Portfolio Property Valuation	3,826.0	3,895.0	4,035.0	4,019.0	3,966.0
Total Assets	3,932.9	3,999.4	4,143.8	4,143.0	4,177.9
Total Borrowings ⁴	1,413.3	1,411.6	1,376.7	1,321.9	1,341.0
Unitholders' Funds	2,391.3	2,443.9	2,601.9	2,666.6	2,687.2
Net Asset Value (NAV) Before Final Income Distribution	2,391.3	2,443.9	2,601.9	2,666.6	2,687.2
Net Asset Value (NAV) After Final Income Distribution	2,370.4	2,402.8	2,539.8	2,587.3	2,604.1
NAV Per Unit (Before Final Income Distribution) (RM)	1.1222	1.1842	1.2681	1.3045	1.3187
NAV Per Unit (After Final Income Distribution) (RM)	1.1124	1.1643	1.2378	1.2657	1.2779
CLMT Group Capital Management Highlights (RM million)					
	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Gearing Ratio (%)	35.9	35.3	33.2	31.9	32.1
Unencumbered Assets as % of Total Assets	27.8	28.1	28.3	28.0	29.7
Average Term to Maturity (years)	4.0	3.5	4.4	4.8	5.7
Interest Coverage (times)	1.9	2.1	3.0	3.2	3.7
Average Cost of Debt (%)	3.3	4.1	4.4	4.5	4.4

1 Based on the closing market price of the respective financial year.

2 Annual total return is equal to the DPU plus capital appreciation (in sen) during the year divided by the opening unit price at the beginning of the financial year.

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

4 Before deducting unamortised transaction costs.

2021 Initiatives

FRESH OFFERINGS @ GURNEY PLAZA

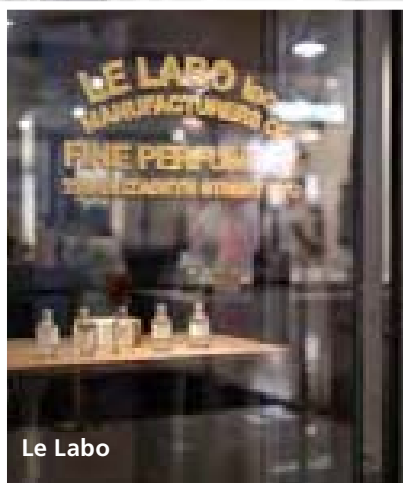


Kate Spade New York



Karl Lagerfeld

Various new-to-Northern region brands were brought in to elevate the shopping experience at Gurney Plaza



Le Labo



Ecco



Havaianas



Nespresso

2021 Initiatives

FRESH OFFERINGS @ EAST COAST MALL



Victoria's Secret



Tommy Hilfiger



Bath & Body Works



Tomei

Introduced new international fashion, cosmetics, and beauty and health brands to the East Coast region; added more variety of food and beverage options at East Coast Mall



Kyochon



A&W

2021 Initiatives

FRESH OFFERINGS @ 3 DAMANSARA



Fancier Esthetic World



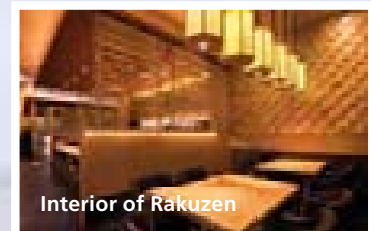
Interior of Fancier Esthetic World



GSC

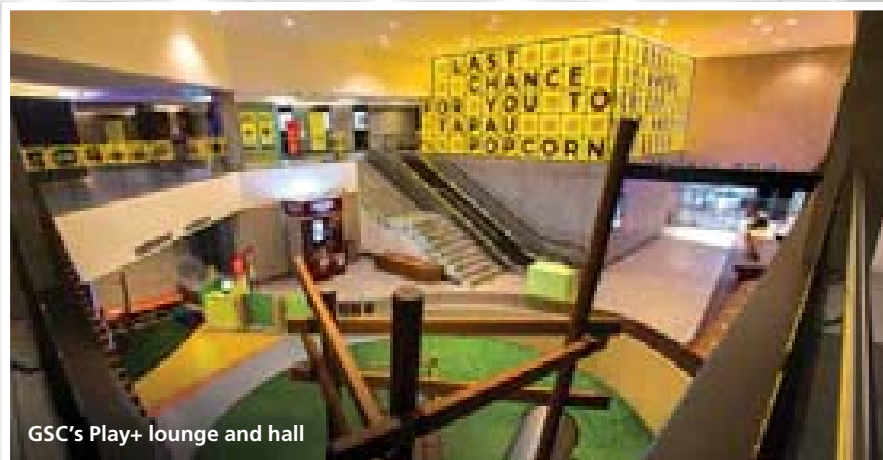


Rakuzen



Interior of Rakuzen

New offerings include beauty and gym operators while GSC and Rakuzen reopened their outlets after refurbishments



GSC's Play+ lounge and hall



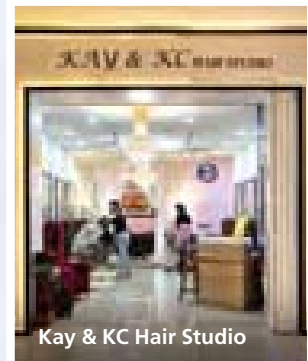
Par Fitness



Churrito's Fresh Mex

2021 Initiatives

FRESH OFFERINGS @ THE MINES



Introduced fresh brands including discount and book store operators; while strengthening IT-related offerings at Digitamart on Level 4



Tenants Speak



TOMEI

CLMT always delivers first-class services and care for their tenants' satisfaction. We are appreciative of their prompt attention and support to our requests and needs over the years. All of their malls are well maintained with pleasing aesthetics and they constantly look for ways to provide shoppers with a distinctive shopping experience. When an opportunity arises, we unhesitatingly upgraded our TOMEI store in Gurney Plaza to become the largest outlet in Malaysia in 2020; followed by an expansion in East Coast Mall in 2021. We look forward to a long and wonderful relationship with CLMT for the years to come.

Datuk Ng Yih Pyng
Managing Director
TOMEI CONSOLIDATED BERHAD

WATSONS

Watsons has been working with CapitaLand for more than 10 years since the opening of our first store at CapitaLand malls. CapitaLand has been a valued business partner to us, supporting our expansion plans with their strong mall management expertise and in-depth industry knowledge. CLMT's continuous support for its tenants and firm understanding of the local retail scene has helped us to improve our businesses and grow together.

Kevin Kim
Property & Business
Development Director
Watson's Personal Care Stores Sdn. Bhd.



L'ORÉAL

In 2012, we opened our first store in Gurney Plaza which immediately garnered positive feedback from our customers. Since then, we have strengthened our partnership with CapitaLand and today, we have successfully operated five stores together. Although the COVID-19 pandemic has disrupted our retail business in the past months, in L'Oréal, we highly believe in the relevance and strategic role of brick and mortar retailing to continue recruiting and retaining new customers. Our mission is to offer the customers the best in luxury cosmetic shopping experiences as they continue to enjoy their visits to the malls. We are extremely happy to have partnered with CapitaLand over the past 10 years and we look forward to further strengthening our partnership in the years to come.

Matteo Ciuti
Luxe General Manager
Loreal Malaysia

Tenants Speak

FOCUS POINT

Focus Point Vision Care Group currently operates eight stores in CapitaLand malls. We find CapitaLand is a forward-looking business partner and we share their vision of focusing on the customer experience and responding to customer needs. We look forward to a continued strong working relationship with CapitaLand in the years to come, helping us to grow our brands and business in Malaysia.

Dato' Liaw Choon Liang
President/CEO
Focus Point Holdings Bhd



SWITCH AND URBAN REPUBLIC

Our experience in retail began with CapitaLand at Gurney Plaza back in November 2001. Since then, we have grown and expanded our retail business across Malaysia. To date, Switch has become Malaysia's Largest Apple Premium Reseller by revenue and store coverage, while Urban Republic is one of the largest mobile phones resellers in the country. CapitaLand has always been an amazing, reliable mall partner and landlord over the decades. We are glad to have grown by leaps and bounds with CapitaLand malls. In fact, Switch is looking forward to expand our business beyond Malaysia with CapitaLand malls and foster an even stronger and deeper partnership with CapitaLand.

Li Chau Ging
Co-founder & Managing Director
CG Computers Sdn. Bhd.

JANUARY

- CapitaLand Malaysia Mall Trust (CMMT) announced an annual distribution per unit (DPU) of 3.00 sen for the period 1 January 2020 to 31 December 2020.
- CapitaStar members can redeem parking rebates to offset the parking fees at CMMT malls from 4 January 2021. An e-Wallet payment feature was incorporated to the cashless parking kiosks subsequently to provide a safe and contactless approach for shoppers' convenience.
- A five-month digital stamp card campaign – "Mission STAMPo\$\$ible Rewards" was organised at CMMT malls.

MARCH

- Organised a virtual non-deal roadshow for major local investors.
- Held a virtual Annual General Meeting of CMMT and all resolutions, including the proposed DRP, were approved by Unitholders.



CMMT's 2021 Annual General Meeting was conducted virtually

- CMMT re-fixed the interest rate for part of the existing secured term loans for three years.
- CMMT extended the tenure of an existing secured revolving credit facilities maturing in 2022 for another six years.
- CMMT malls switched off non-essential lights for an hour on 27 March 2021 in support of the global Earth Hour campaign to combat climate change.
- A distribution of 1.99 sen per unit for the period from 1 July 2020 to 31 December 2020 was paid to Unitholders. The Manager announced it had issued and allotted a total of 42,314,470 new CMMT units pursuant to the DRP, which represented approximately 58.4% of the total number of new CMMT Units, had all the entitled unitholders of CMMT elected to reinvest their respective electable portion under the DRP in new CMMT Units.

APRIL

- CMMT announced a distribution per unit of 0.36 sen for the period 1 January 2021 to 31 March 2021.

MAY

- Announced the appointment of Mr Foo Wei Hoong and Ms Tan Ming-Li as Independent Non-Executive Directors with effect from 1 June 2021. Mr Foo and Ms Tan were also appointed as the chairman and a member of the Audit Committee respectively.
- Announced the redesignation of Mr Lui Chong Chee as chairman of the Board and resignation as member of the Audit Committee with effect from 1 June 2021.
- Announced the retirement of Mr David Wong Chin Huat as Chairman with effect from 1 June 2021.
- Announced the retirement of Tuan Haji Rosli bin Abdullah as Non-Executive Independent Director and cessation as chairman of the Audit Committee with effect from 1 June 2021.
- Announced the proposed expansion of investment strategy to include investments in other asset classes, namely commercial, office and industrial in order to enable CMMT to widen its investment opportunities and to diversify its revenue stream. Ancillary to the proposed mandate expansion, the names of CMMT and the Manager are proposed to be changed to "CapitaLand Malaysia Trust" and "CapitaLand Malaysia REIT Management Sdn. Bhd."

JUNE

- Organised a virtual non-deal roadshow on the proposed mandate expansion for major local investors.
- Held a virtual Extraordinary General Meeting of CMMT and resolution on the proposed expansion of CMMT's investment objective and policy mandate was approved by Unitholders.
- At the DNA Paris Design Awards 2021, Gurney Food Hall won an Honorable Mention Award under Interior Design / Retail category.



Gurney Food Hall is an upscale contemporary food hall offering local heritage street food and international delights

JULY

- Announced the change of name of the Manager to CapitaLand Malaysia REIT Management Sdn. Bhd. with effect from 7 July 2021 in line with the expanded investment objective and policy of CMMT.
- CMMT's DPU for the period 1 April 2021 to 30 June 2021 was 0.50 sen, which resulted in a total of 0.86 sen for the 1H 2021 income distribution. The DRP was applied on the 1H 2021 income distribution where the gross electable portion is the entire 0.86 sen per unit.

SEPTEMBER

- Announced the name change of CMMT to CapitaLand Malaysia Trust (CLMT) with effect from 20 September 2021, in line with its expanded investment objective and policy.
- The Securities Commission Malaysia had registered the Fifth Amended and Restated Deed of CLMT on 20 September 2021.
- A distribution of 0.86 sen per unit which pertained to the period from 1 January 2021 to 30 June 2021 was paid to Unitholders. The Manager announced it had issued and allotted a total of 17,585,000 new units, which represented approximately 57.9% of the total number of new CLMT units, had all the entitled unitholders of CLMT elected to reinvest their respective electable portion under the DRP in new CLMT Units.
- CLMT obtained additional RM50.0 million unsecured committed revolving credit facility.

OCTOBER

- CLMT announced a DPU of 0.15 sen for the period 1 July 2021 to 30 September 2021.
- Announced the formation of Nominating and Remuneration Committee.
- The Manager announced the appointment of CEO Designate, Mr Tan Choon Siang with effect from 1 November 2021.
- CapitaLand Group, through its philanthropic arm CapitaLand Hope Foundation, has pledged RM200,000 worth of donation to support more than 650 children from vulnerable communities in Malaysia in their daily necessities and online educational needs. Members of the public were also invited to join CapitaLand in its effort to

support the vulnerable who have been adversely impacted by COVID-19 through the CapitaStar #GivingBersama fundraising initiative from 1 October to 31 December 2021.



CapitaLand staff with the children from The Children's Protection Society in Penang

NOVEMBER

- CLMT malls took part in CapitaLand X Shopee Double 11 Big Giveaways campaign.
- CLMT malls took part in CapitaLand's unique augmented reality game - "Plant Rewards" where shoppers can grow plants virtually and get rewarded.

DECEMBER

- CMMT MTN Berhad's unrated and secured Medium Term Notes of RM300.0 million was refixed at a lower coupon rate of 3.24% per annum for the remaining tenure of 1.5 years.
- CLMT completed the exercise to extend the tenure of an existing secured term loan maturing in 2022 for another 5 years.
- Announced the resignation of Ms Low Peck Chen as Chief Executive Officer with effect from 1 January 2022.
- Announced the appointment of Mr Tan Choon Siang as Chief Executive Officer with effect from 1 January 2022.
- Announced the resignation of Mr Lim Cho Pin Andrew Geoffrey as a member of Audit Committee with effect from 1 January 2022.

Despite the challenges, we remained proactive and stayed focused in executing our long term sustainable growth strategy.



LUI CHONG CHEE
CHAIRMAN



TAN CHOON SIANG
CHIEF EXECUTIVE OFFICER

Letter to Unitholders

Dear Unitholders

As the world continues to grapple with the disruptions from COVID-19, Malaysia has not been spared. In 2021, Malaysia clocked close to 300 days of economic and social restrictions under various phases of the Movement Control Order, aimed at curbing the spread of COVID-19; and the National Recovery Plan, aimed at managing the safe reopening of the economy. One of the key focus areas heralding Malaysia's return to normalcy is the good progress in the country's inoculation programme. To this end, we encouraged our employees and tenants to be vaccinated through government initiatives and 100% of our employees, save for those who are medically ineligible, are fully vaccinated.

The various forms of restrictions were gradually eased after Malaysia achieved its target of inoculating 90% of its adult population in early October 2021. Since then, almost all retail trades have been allowed to resume operations at full capacity, in addition to the resumption of dine-in services at food and beverage outlets. Interstate borders have also reopened and domestic tourism activities have begun picking up.

Despite the challenges, we remained proactive and stayed focused in executing our long term sustainable growth strategy. In June 2021, substantially all participating Unitholders voted in favour of the

expansion of CapitaLand Malaysia Mall Trust (CMMT)'s investment mandate to explore asset classes beyond retail, and pivot into new sectors covering commercial, office and industrial asset classes¹. Consequentially, the renaming of CMMT to CapitaLand Malaysia Trust (CLMT) reflected our new focus to achieve a sector-diversified portfolio mix, which will enhance the resiliency of CLMT's income for the benefit of Unitholders in the long term.

Leveraging the ONE CapitaLand Ecosystem

One of CLMT's competitive advantages is its close relationship with CapitaLand Investment Limited² (CLI or Sponsor) – a leading global real estate investment manager with a strong foothold in Asia. CLI is the largest unitholder in CLMT and the majority shareholder of its manager, CapitaLand Malaysia REIT Management Sdn. Bhd. (Manager). The other shareholder of the Manager is Malaysian Industrial Development Finance Berhad (MIDF), which is part of the Permodalan Nasional Berhad group of companies and a leading financial services provider in Malaysia.

Being a part of the CapitaLand Group – one of Asia's largest diversified real estate groups with a portfolio spanning across diversified real estate classes including integrated developments, retail, office, lodging, residential and new economy sectors such as business parks, industrial, logistics and data centres – will enable CLMT

to leverage the Sponsor's strong support, regional network and operational expertise to enter into new economy asset classes with confidence.

Financial Performance

2021 was yet another challenging year for CLMT that entailed managing the fallout from a second year of COVID-19 and an increasingly competitive operating landscape. Standing in solidarity with tenants affected by the pandemic, we continued to provide them with rental support during this period, which aided in defending CLMT's portfolio occupancy in the near term. Maintaining a higher tenant retention rate for CLMT's assets will also position the portfolio to ride the eventual economic upturn.

For the financial year ended 31 December 2021 (FY 2021), CLMT's financial performance reflected the impact of negative rental reversions and rental support that was rendered to tenants affected by the pandemic. Gross revenue for FY 2021 was RM224.1 million and property operating expenses was RM121.0 million, resulting in net property income (NPI) of RM103.1 million (FY 2020: RM133.5 million).

To strengthen CLMT's financial position amidst the uncertainties, we took proactive steps to manage costs and conserve cash, including deferring non-essential capital expenditure, which resulted in cash conservation of approximately RM15.3 million.

- 1 It shall include but shall not be limited to business parks, logistics facilities, warehouses, distribution centres, data centres and integrated developments.
- 2 CapitaLand Investment Limited (CLI) was listed on the Singapore Exchange on 20 September 2021 after CapitaLand Limited restructured its business to form two distinct entities – CLI, the listed real estate investment management business; and CapitaLand Development, the privatised property development arm.

Letter to Unitholders

CLMT's distributable income for the year was RM39.0 million, 36.9% lower than FY 2020, due to lower NPI. This led to a 38.7% year-on-year decline in distribution per unit (DPU) to 1.84 sen. CLMT's distribution policy is to pay out at least 90% of distributable income in each financial year on a half-yearly basis. For FY 2021, CLMT will pay out approximately 100% of distributable income, similar to preceding years.

During FY 2021, CLMT made two income distributions to Unitholders totalling RM59.2 million or 2.85 sen per unit. This comprised (i) a final income distribution for FY 2020 of 1.99 sen per unit for the period from 1 July 2020 to 31 December 2020, which was paid on 23 March 2021; and (ii) the first income distribution for FY 2021 of 0.86 sen per unit for the period from 1 January 2021 to 30 June 2021, which was paid on 22 September 2021. We applied the Distribution Reinvestment Plan (DRP) on both income distributions, which received generous support from Unitholders with a take-up rate of more than 50% in each exercise. For the FY 2021 final income distribution of 0.98 sen per unit for the period from 1 July 2021 to 31 December 2021, the DRP will also be applied.

The DRP, established in 2020, offers additional flexibility to Unitholders to receive future income distribution in cash, units or a combination of cash and units. The DRP also provides Unitholders with an opportunity to enhance and maximise the value of their unitholdings in CLMT by investing in DRP units at a discount.

Capital Management

We continued to proactively manage and strengthen CLMT's balance sheet by ensuring robust liquidity and a diversified funding base. In March 2021, we re-fixed an existing secured term loan at a lower interest rate and extended the tenure of an existing secured revolving credit facility maturing in 2022 to 2028. Following this, we obtained an unsecured committed revolving credit facility of RM50.0 million in September 2021. In December 2021, we re-fixed the RM300.0 million Medium Term Notes at a lower coupon rate of 3.24% per annum for the remaining tenure of 1.5 years. Additionally, we have extended the tenure of an existing secured term loan maturing in 2022 to 2027.

As at 31 December 2021, CLMT's total borrowings stood at RM1,413.3 million³, translating to a healthy gearing level of 35.9% (FY 2020: 35.3%). This gives CLMT a comfortable debt headroom of RM1.1 billion to fund potential acquisitions, to carry out asset enhancement initiatives (AEIs) and for working capital needs. Both Sungei Wang Plaza and East Coast Mall remain unencumbered, providing CLMT with further financial flexibility. At the end of FY 2021, approximately 81% of CLMT's debt was at fixed interest rates. The average cost of debt for FY 2021 was reduced to 3.3% per annum (FY 2020: 4.1% per annum) while the average term to maturity for outstanding debt was improved to 4.0 years (FY 2020: 3.5 years).

Based on its closing unit price of RM0.58 on 31 December 2021, CLMT ended the year with a market capitalisation of RM1.2 billion, a free float⁴ of approximately 62% and total asset value of RM3.9 billion. As at 31 December 2021, CLMT's property portfolio was valued at RM3.8 billion, approximately 1.8% lower than the portfolio valuation of RM3.9 billion in FY 2020.

Retail performance

With five shopping malls and an office block located strategically in the key urban centres of Klang Valley, Penang and Kuantan and a diverse list of about 1,100 leases, CLMT's portfolio provides Unitholders with recurring cash flow underpinned by income and geographical diversification within Malaysia.

In FY 2021, CLMT's shopping malls registered an annual shopper traffic of approximately 27.0 million, 16.7% lower than the 32.4 million recorded a year ago, as a result of the lengthier movement restrictions that were in place. Meanwhile, our portfolio tenant sales per square foot in 4Q 2021 had recovered to about 100.5% of 2019's average level. The better 4Q 2021 tenant sales was a positive sign on the returning consumer confidence. While occupancy rate remained stable at 82.5% as at 31 December 2021, rental reversion for the portfolio eased by 12.7%, reflecting our efforts in balancing rental reversions and occupancy levels to ensure portfolio stability.

³ Before deducting unamortised transaction costs.

⁴ Free float is the proportion of units that are held by investors excluding units held by CLMT's sponsor, CapitaLand Investment. It is a measure of the market liquidity of CLMT.

Letter to Unitholders

Proactive Asset Management

Shoppers' experience at our malls is of paramount importance to us. We proactively undertake retail and asset management initiatives to continually refresh the tenant mix and introduce new experiences in CLMT's malls to enhance their attractiveness.

During FY 2021, CLMT invested about RM7.4 million in capital expenditure to refresh and revitalise our malls. At Gurney Plaza, we continued our efforts to reinforce the mall's positioning as Penang's premium regional lifestyle shopping mall with the introduction of international fashion brands and food and beverage options that were new-to-market in Penang or even the northern region of Malaysia.

At East Coast Mall, we expanded the range of international beauty brands and added more dining options.

Our Klang Valley malls continue to be affected by the pandemic and an oversupply of retail space, dampening retailer sentiment which led to a longer lead time when signing and renewing leases. To manage these challenges, we rolled out flexible leasing strategies for some of our new and existing tenants during the year.

Digital Collaborations

We deepened connections with our shoppers by making shopping more rewarding through omnichannel marketing activities and leveraging CapitaStar, CapitaLand's digital rewards and lifestyle programme.

We also launched several digital retail experiences to engage shoppers 24/7. CLMT took part in CapitaLand's collaboration with Shopee through the CapitaLand x Shopee 11.11 Double Big Giveaways campaign to drive sales, traffic and engagement at its malls. Another ongoing campaign, Plant Rewards, is a unique augmented reality game that injects fun into the shopping process, thereby enhancing customer stickiness.

Caring for Stakeholders

Even as we navigated COVID-19 challenges, we upheld our commitment to Environment, Social and Governance goals. In FY 2021, we continued to care for underprivileged children. With funding support from CapitaLand Hope Foundation (CHF), the philanthropic arm of CapitaLand Group, we donated RM200,000 to provide daily essentials and educational supplies to more than 650 children from 17 beneficiary homes.

In response to the recent floods that hit various areas in Malaysia, we committed RM150,000, with funding support from CHF, to support relief activities organised by Mercy Malaysia – a leading non-governmental organisation that provides medical and humanitarian aid to affected communities.

Active Lookout for Acquisition Opportunities

Whilst we continue to strengthen the performance of the existing portfolio, we remain on an active lookout for acquisition opportunities in CLMT's existing

and new asset classes to create value for Unitholders. In line with our strategy, we will review factors such as the positioning, location, yields, accretion and valuation of the target property, as well as its complementarity with the rest of the portfolio. With financial discipline, we will continue to source for assets from our Sponsor's pipeline as well as third-party vendors to take advantage of market opportunities and target acquisitions that are beneficial to Unitholders.

Outlook

As new COVID-19 variants continue to weigh on consumer and retailer sentiments, we are cautious in our outlook for 2022 given the challenging operating conditions and ongoing economic uncertainties.

However, we will continue to work closely with tenants to navigate the challenges brought on by the pandemic, and support the well-being of our stakeholders. We will strive to maintain a healthy portfolio occupancy and sustainable rental income, whilst actively pursuing inorganic growth opportunities in existing and new asset classes. To ensure we are ready for the eventual economic recovery, we will continue to exercise financial discipline and prioritise cost containment measures. On the liquidity front, we will maintain a healthy and adequate balance sheet to meet our financial and operational obligations.

Letter to Unitholders

In line with our strategic plans, we remain focused on delivering our priorities in 2022, which include exploring new ways to improve the performance of our malls by sharpening their competitive strengths in their respective local markets. For Gurney Plaza and East Coast Mall, we will reinforce their leadership positions in Penang and Kuantan respectively by stepping up efforts to introduce exciting, new-to-market brands and retailers to enhance the malls' appeal.

Due to the micro market challenges faced by our Klang Valley malls, we expect recovery for these assets to take a longer period. The Mines will maintain its suburban mall positioning with a focus on its digital and telecommunication-related services, while we diversify its F&B mix and explore experiential concepts. Our plans for Sungei Wang Plaza and 3 Damansara, which have seen lower occupancies due to oversupply of retail space, include re-establishing their mall positioning and improving their trade mix to better cater to their shopper catchments. In the immediate term, we will work to improve their performances through flexible leasing strategies

to attract good retailers and explore suitable niche retail offerings and services to complement their offerings.

Acknowledgements

Mr David Wong Chin Huat retired from his role as Chairman and Non-Executive Director on 1 June 2021. We would like to record our gratitude for Mr Wong, who provided steady counsel to the Board in the past nine years. Separately, Ms Low Peck Chen stepped down as Chief Executive Officer and Executive Director on 1 January 2022. We would similarly like to express our appreciation to Ms Low for her leadership in the last seven years and wish her well for her new role in the CapitaLand Group. We would also like to thank Non-Executive Director Tuan Haji Rosli bin Abdullah, who retired from the Board during the financial year after close to nine years of service.

We are pleased to welcome Mr Foo Wei Hoong and Ms Tan Ming-Li to the Board. We look forward to tapping on their expertise in financial services and law, and believe their experiences will be invaluable to the Board.

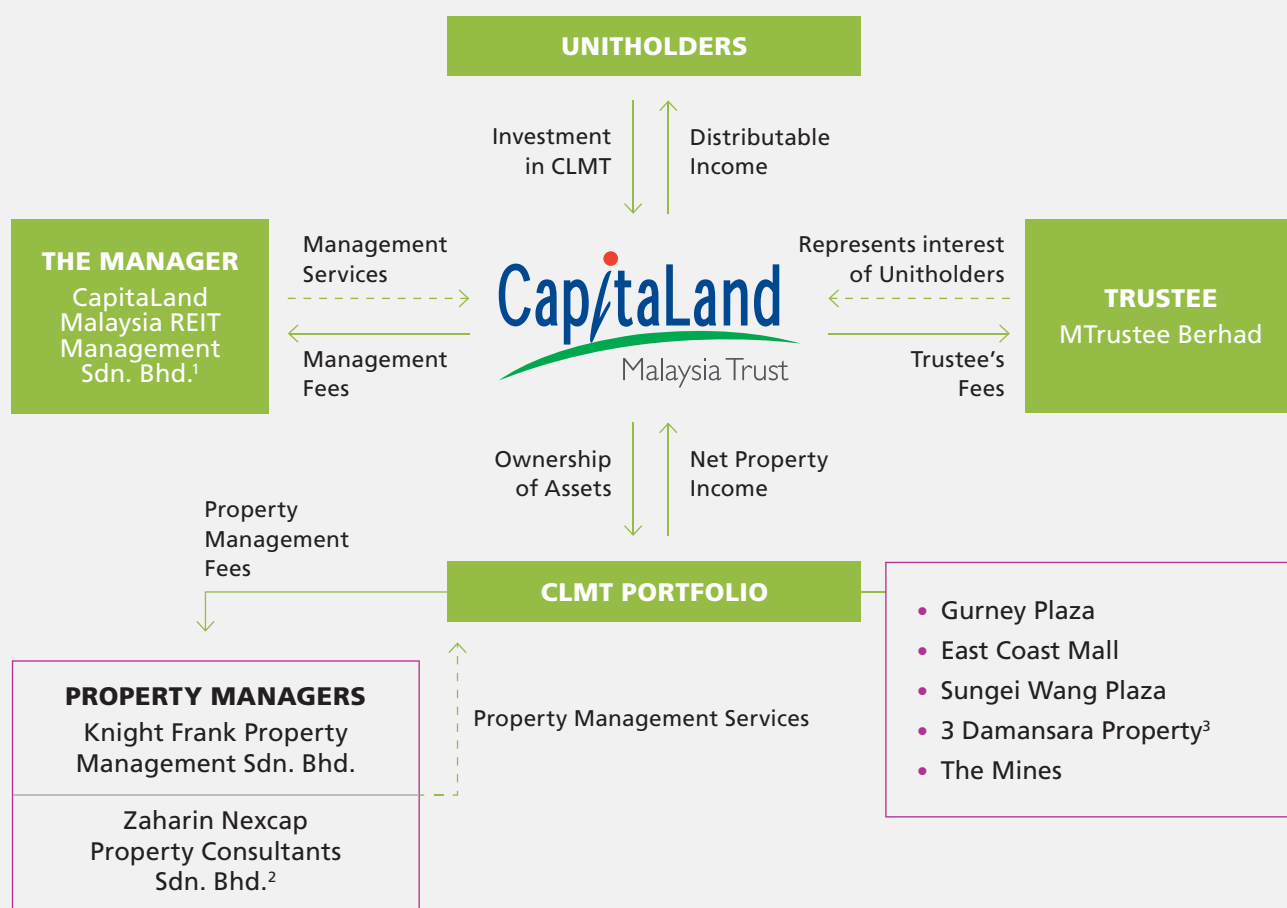
Last but not least, we would like to extend our deepest appreciation to CLMT's Unitholders, tenants, shoppers, business partners and employees for their continued support in 2021. On behalf of the Board and Management, we reaffirm our commitment to delivering sustainable income distributions for Unitholders in the long term. We look forward to our stakeholders' continued support as we seek to propel CLMT to an even stronger position amidst and despite the challenges.

LUI CHONG CHEE
Chairman

TAN CHOON SIANG
Chief Executive Officer

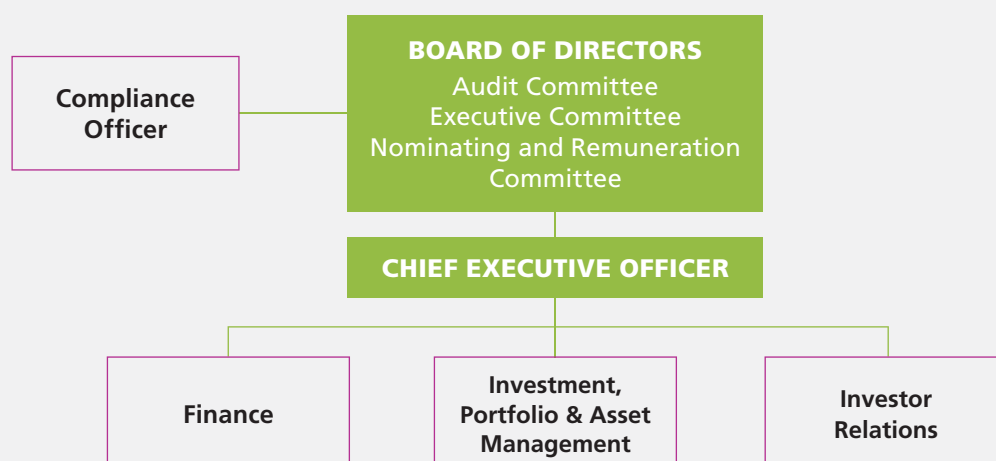
14 February 2022

Trust Structure



- 1 Formerly known as CapitaLand Malaysia Mall REIT Management Sdn. Bhd. The Manager holds a Capital Markets Services Licence issued by the Securities Commission of Malaysia for the regulated activity of fund management in relation to asset management restricted to real estate investment trust.
- 2 Zaharin Nexcap Property Consultants Sdn. Bhd. only manages CLMT's interest in Sungei Wang Plaza.
- 3 Refers to 3 Damansara and 3 Damansara Office Tower.

Organisation Structure



Our Board of Directors



LUI CHONG CHEE

Chairman
Non-Executive Independent Director



TAN CHOON SIANG

Chief Executive Officer
Executive Non-Independent Director



MOHD YUSOF BIN HUSSIAN

Non-Executive Independent Director



TAN MING-LI

Non-Executive Independent Director

Our Board of Directors

CLMT Board of Directors (Board) welcomed two new Non-Executive Independent Directors in year 2021, namely Mr Foo Wei Hoong and Ms Tan Ming-Li. In October 2021, the Board announced the formation of the Nominating and Remuneration Committee.



FOO WEI HOONG

Non-Executive Independent Director



TAN BOON PENG

Non-Executive Independent Director



JONATHAN YAP NENG TONG

Non-Executive Non-Independent Director



LIM CHO PIN ANDREW GEOFFREY

Non-Executive Non-Independent Director

Our Board of Directors

LUI CHONG CHEE, 61

Nationality: Singaporean | Gender: Male
Chairman
Non-Executive Independent Director

- Bachelor of Science, New York University, United States of America
- Master of Business Administration, New York University, United States of America

Date of first appointment as a Director

1 October 2020

Date of appointment as Chairman

1 June 2021

Length of service as a Director (as at 31 December 2021)

1 year 3 months

Board committees served on

- Nominating and Remuneration Committee (Member)

Present directorship of public company and listed issuer

- Nil

Past directorship in other listed company held over the preceding three years

- Executive Director of Far East Orchard Limited

Background and working experience

- Managing Director and Chief Executive Director of Far East Orchard Limited (2014 to 2019)
- Group Chief Financial Officer of Raffles Medical Group Ltd (2011 to 2014)
- Various senior management positions with the CapitaLand Group, including Group Chief Financial Officer of CapitaLand Limited; Chief Executive Officer of CapitaLand Residential Limited and CapitaLand Financial Limited (2001 to 2010)
- Managing Director of Citicorp Investment Bank (Singapore) Limited (1998 to 2001)

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year

- Nil

TAN CHOON SIANG, 45

Nationality: Singaporean | Gender: Male
Chief Executive Officer
Executive Non-Independent Director

- Bachelor of Science in Economics, Massachusetts Institute of Technology
- Master of Science in Economics, Massachusetts Institute of Technology

Date of appointment as a Director

1 January 2022

Length of service as a Director (as at 31 December 2021)

Nil

Board committees served on

- Executive Committee (Member)

Present directorship of public company and listed issuer

- CMMT MTN Berhad

Background and working experience

- Chief Financial Officer of Ascendas Property Fund Trustees Pte. Ltd. (From 2017 to 2021)
- Head of Corporate Finance & Treasury of Ascendas-Singbridge Pte. Ltd. (From 2016 to 2017)
- Various positions with Genting Singapore Limited, including Vice President of Corporate Finance, Vice President of Investments and Director of Corporate Planning (From 2011 to 2016)
- Executive Director, Corporate Solutions of Goldman Sachs, Singapore (From 2010 to 2011)
- Executive Director, Equities Structuring of Goldman Sachs, Hong Kong (From 2006 to 2010)

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year

- Nil

Our Board of Directors

FOO WEI HOONG, 61

**Nationality: Malaysian | Gender: Male
Non-Executive Independent Director**

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

Date of first appointment as a Director

1 June 2021

Length of service as a Director (as at 31 December 2021)

7 months

Board committees served on

- Audit Committee (Chairman)

Present directorship of public company and listed issuer

- Etiqa Life Insurance (Cambodia) PLC

Past directorship in other listed company held over the preceding three years

- Nil

Background and working experience

- Head, Finance & Information Technology of Malaysian Industrial Development Finance Berhad (From 2007 to 2020)
- Head of Corporate Planning of Malaysian Industrial Development Finance Berhad (From 2006 to 2007)
- Vice President of Financial Services of Malaysian National Insurance Berhad (now known as Etiqa Insurance Berhad) (From 2001 to 2006)
- Financial Controller of PanGlobal Insurance Berhad (From 1996 to 2001)

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year

- Nil

TAN BOON PENG, 55

**Nationality: Malaysian | Gender: Male
Non-Executive Independent Director**

- Master of Arts and Bachelor of Arts, University of Cambridge, United Kingdom

Date of first appointment as a Director

1 April 2019

Length of service as a Director (as at 31 December 2021)

2 years 9 months

Board committees served on

- Nominating and Remuneration Committee (Chairman)

Present directorship of public company and listed issuer

- Hap Seng Consolidated Berhad

Background and working experience

- Various positions, Regional Head of Equity Capital Markets being the last position at CIMB Group (From 2003 to 2016)
- Head of Singapore Research and Coordinator of the Singapore/Malaysian Research Product of Indosuez W.I. Carr Securities (S) Pte Ltd (From 2000 to 2001)
- General Manager - Research of RHB Institute Sdn. Bhd. (From 1999 to 2000)

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year

- Nil

Our Board of Directors

MOHD YUSOF BIN HUSSIAN, 72

**Nationality: Malaysian | Gender: Male
Non-Executive Independent Director**

- Fellow Member of Chartered Certified Accountants, United Kingdom
- Member of Chartered Institute of Purchasing and Supply, United Kingdom
- Chartered Accountant (Malaysia), Member of the Malaysian Institute of Accountants

Date of first appointment as a Director

1 October 2020

Length of service as a Director (as at 31 December 2021)

1 year 3 months

Board committees served on

- Audit Committee (Member)

Present directorship of public company and listed issuer

- Nil

Past directorship in other listed company held over the preceding three years

- Independent Director and Audit Committee member of Boilermech Holdings Berhad

Background and working experience

- Various positions, Re-engineering being the last position of Shell Malaysia (1986 to 1999)
- Finance and Administration Manager cum Company Secretary, PTM Thompson Advertising Sdn. Bhd., an affiliate of J. Walter Thompson Group in USA (1976 to 1985)
- External Auditor, Coopers & Lybrand (now known as PwC Malaysia) (1971 to 1976)

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year

- Nil

TAN MING-LI, 52

**Nationality: Malaysian | Gender: Female
Non-Executive Independent Director**

- Double degree, Law (Honours) and Science, University of Melbourne, Australia

Date of first appointment as a Director

1 June 2021

Length of service as a Director (as at 31 December 2021)

7 months

Board committees served on

- Audit Committee (Member)

Present directorship of public company and listed issuer

- Tune Protect Group Berhad
- Tune Insurance Malaysia Berhad
- BP Plastics Holding Berhad
- OM Holdings Limited (a public company listed on the Australia Securities Exchange)

Present principal commitments (other than directorships in other listed companies)

- Legal Practitioner, Chooi & Company + Cheang & Ariff (Partner)
- Disciplinary Committee of the Advocates & Solicitors' Disciplinary Board of Malaysia

Past directorship in other listed company held over the preceding three years

- Ikhmas Jaya Group Berhad

Background and working experience

- Legal Practitioner, Messrs Allen & Gledhill (From 1993 to 1997)

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year

- Nil

Our Board of Directors

JONATHAN YAP NENG TONG, 54

**Nationality: Singaporean | Gender: Male
Non-Executive Non-Independent Director**

- Bachelor of Science in Estate Management (Honours), National University of Singapore
- Master of Science in Project Management, National University of Singapore

Date of first appointment as a Director

6 July 2020

Length of service as a Director (as at 31 December 2021)

1 year 5 months

Board committees served on

- Executive Committee (Chairman)
- Nominating and Remuneration Committee (Member)

Present directorship of public company and listed issuer

- Nil

Present principal commitments

- CapitaLand Investment (CEO, Fund Management) (September 2021 to current)
- Institute of South Asian Studies, National University of Singapore (Member, Management Board)
- Real Estate Investment Trust Association of Singapore (REITAS) (President)

Background and working experience

- President, CapitaLand Financial, CapitaLand Limited (From July 2019 to September 2021)
- Group Chief Operating Officer, Ascendas-Singbridge Pte.Ltd. (From July 2018 to June 2019)
- Group Chief Financial Officer, Ascendas-Singbridge Pte. Ltd. (From September 2017 to June 2019)
- Chief Investment Officer and Head of Real Estate Funds, Ascendas-Singbridge Pte. Ltd. (From June 2015 to November 2017)
- Assistant Group Chief Executive Officer for Overseas Funds & India, Ascendas Pte Ltd (From July 2012 to May 2015)
- Head of Real Estate Funds, Ascendas Pte Ltd (From January 2008 to May 2015)
- Executive Director and Chief Executive Officer, Ascendas Property Fund Trustee Pte. Ltd. (From June 2007 to September 2014)

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year

- Nil

Our Board of Directors

LIM CHO PIN ANDREW GEOFFREY, 52

Nationality: Singaporean | Gender: Male
Non-Executive Non-Independent Director

- Bachelor of Commerce (Economics), University of Toronto, Canada
- Master in Business Administration, Rotman School of Business, University of Toronto, Canada
- Chartered Financial Analyst® and Member, CFA Institute

Date of first appointment as a Director

15 April 2018

Length of service as a Director (as at 31 December 2021)

3 years 8 months

Board committees served on

- Executive Committee (Member)

Present directorship of public company and listed issuer

- Ascendas Fund Management (S) Limited (Manager of Ascendas Real Estate Investment Trust) which is listed on the Singapore Exchange Securities Trading Limited (SGX-ST)
- Ascott Residence Trust Management Limited (Manager of Ascott Residence Trust which is listed on the SGX-ST)
- CapitaLand Retail China Trust Management Limited (Manager of CapitaLand Retail China Trust which is listed on the SGX-ST)
- CapitaLand Integrated Commercial Trust Management Limited (Manager of CapitaLand Integrated Commercial Trust which is listed on the SGX-ST)

Present principal commitments

- Accounting for Sustainability Circle of Practice (Member)
- CapitaLand Investment Limited (Group Chief Financial Officer)
- Institute of Singapore Chartered Accountants' CFO Committee (Member)
- Singapore Sports Council (Director)

Past directorship in other listed company held over the preceding three years

- CapitaLand Mall Trust Management Limited (Manager of CapitaLand Mall Trust)

Background and working experience

- President of Real Estate Investment Trust Association of Singapore (REITAS) (From 4 May 2018 to 25 September 2020)
- Group Chief Financial Officer (Designate) of CapitaLand Limited (From 25 November 2016 to 31 December 2016)
- Managing Director and Head of SEA Coverage Advisory of HSBC Global Banking (From January 2016 to December 2016)
- Managing Director and Head of SEA Real Estate of HSBC Global Banking (From January 2015 to December 2015)
- Managing Director, SEA Investment Banking of HSBC Global Banking (From April 2013 to December 2014)
- Director, SEA Investment Banking of HSBC Global Banking (From April 2010 to March 2013)
- Associate Director, Investment Banking of HSBC Global Banking (From April 2007 to March 2010)
- Associate, Investment Banking of HSBC Global Banking (From July 2004 to March 2007)

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year

- Nil

Notes: In addition to the earlier disclosure, none of the Directors have:

- any family relationship with any Director of the Manager and/or major unitholder of CLMT; and
- any conflict of interest with CLMT.

Trust Management

TAN CHOON SIANG

Nationality: Singaporean | Gender: Male
Chief Executive Officer and Executive Non-Independent Director

Assisted by the management, Choon Siang is responsible for executing CLMT's strategy and its day-to-day operations. Please refer to his profile in Board of Directors, CLMT Annual Report 2021.

SOON YEONG CHYAN, 52

Nationality: Malaysian | Gender: Male
Chief Financial Officer

- Bachelor of Accounting, University of Malaya
- Chartered Accountant (Malaysia), Member of the Malaysian Institute of Accountants
- Member of the Malaysian Institute of Certified Public Accountants

Date of appointment
10 December 2019

Working Experience

Yeong Chyan began his career with Price Waterhouse, currently known as PwC. He has more than 20 years of working experience in the field of auditing as well as in leading and managing the full spectrum of finance functions of companies involved in various industries including plantation and integrated palm oil manufacturing; property development and investment; and investment holdings.

Responsibilities

Yeong Chyan leads the finance team and is responsible for CLMT's financial management functions including the financial and management reporting, taxation, budgeting, treasury and all other finance-related matters.

MATTHEW LOH WOEI LIEH, 39

Nationality: Malaysian | Gender: Male
Head, Investment, Portfolio & Asset Management

- Bachelor of Commerce, Deakin University, Australia

Date of appointment
1 July 2018

Working Experience

Matthew has worked for a reputable conglomerate in Malaysia and a government-linked real estate company in Singapore and China. He has more than 16 years of experience in the real estate industry covering financial feasibility study, capital structuring, due diligence, valuation and strategic planning.

Responsibilities

Matthew heads the investment, portfolio and asset management department of the Manager. He is responsible for formulating and executing investment and divestment strategies to enhance CLMT's portfolio returns. He is also in charge of developing and implementing asset management strategies to maximise income and improve asset value of properties through asset enhancement initiatives.

JASMINE LOO PIK KWAN ABDULLAH, 43

Nationality: Malaysian | Gender: Female
Senior Manager, Investor Relations & Corporate Communications

- Bachelor of Arts (English Language), University Putra of Malaysia

Date of appointment
1 October 2014

Working Experience

Jasmine began her career in advertising and media with New Straits Times Press and subsequently joined The Edge Communications Sdn. Bhd. as a journalist with core focus on the real estate sector. After being in the media industry for more than a decade, she joined the corporate sector and was with Bolton Berhad, one of Malaysia's oldest property developers. In her corporate communications role, she was instrumental in setting up the department as well as rebuilding the developer's branding image. Thereafter, she joined the Manager and has close to 20 years of experience in the field of corporate communications, media and investor relations.

Responsibilities

Jasmine is responsible for building rapport and facilitating transparent communications with various stakeholders including CLMT's Unitholders, potential and existing institutional investors, analysts and media. She is also responsible for formulating and implementing overall investor relations strategy, production of annual report and corporate communications function for the Manager.

NORLYN KAMAL BASHA, 44

Nationality: Malaysian | Gender: Female
Compliance Officer
Head, Legal & Secretariat

- LLB (Honours) Degree, University of Malaya
- Advocate & Solicitor, High Court of Malaya

Date of appointment
6 September 2021


Working Experience

With more than 18 years of experience, Norlyn has been an in-house legal counsel in both public listed and private limited companies. She advised large and diversified corporations in corporate and commercial matters, litigation, property development, landlord and tenant issues, industrial relations, conveyancing as well as on compliance and governance.

Responsibilities

Norlyn helms the portfolios of legal, secretariat, compliance and risk management for the Manager.



We will continue to explore new ways to improve the performance of our malls by sharpening their competitive strengths in their respective local markets. 

TAN CHOON SIANG
CHIEF EXECUTIVE OFFICER

Property Portfolio

CLMT's portfolio provides both income and geographical diversification to Unitholders, comprising strategically located shopping malls and a complementary office block in the Klang Valley, Penang and Pahang.

Note: CLMT's interest in Sungei Wang Plaza comprises:
(i) 205 strata parcels within the mall which represents approximately 61.9% of the aggregate retail floor area, and
(ii) 1,298 car park bays which comprise 100% of the car park bays.





1 Gurney Plaza, Penang



2 East Coast Mall, Kuantan, Pahang



3 Sungei Wang Plaza, Kuala Lumpur



4 3 Damansara Property, Petaling Jaya, Selangor



5 The Mines, Seri Kembangan, Selangor

Property Details



GURNEY PLAZA

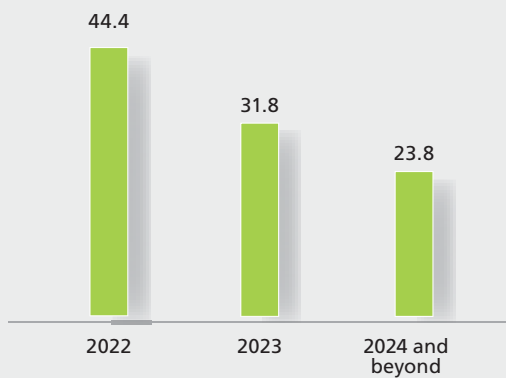
Strategically located along the popular Gurney Drive promenade in Penang, Gurney Plaza is situated in one of the prime real estate areas in the island. Opened in July 2001, the nine-storey Gurney Plaza has undergone regular asset upgrading initiatives and today, it is widely recognised as the leading premier regional lifestyle shopping mall, in the Northern region, and the preferred destination for shopping, dining and entertainment under-one roof catering to both locals and tourists.

Centre Management Office

Lot No. 170-06-01, Level 6
 Persiaran Gurney
 10250 Penang, Malaysia
 Tel: +60 4 222 8222
 Fax: +60 4 228 6666
 Website: www.gurneyplaza.com.my

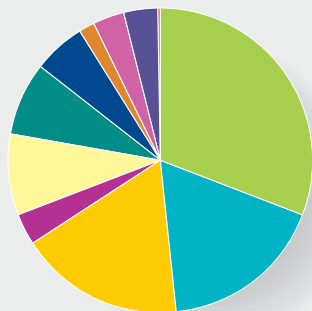
LEASE EXPIRY PROFILE

% of Gross Rental Income



TRADE SECTOR ANALYSIS

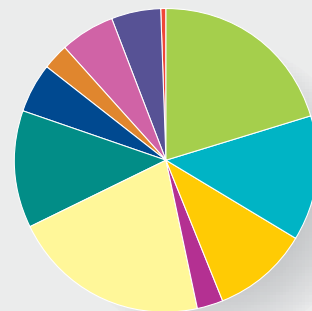
% of Gross Rental Income



● Fashion/Accessories	31.0	● Electronics/I.T.	5.7
● Food & Beverage	17.4	● Supermarket/Hypermarket	1.7
● Beauty/Health	17.5	● Gifts/Specialty/Books/Hobbies/Toys/Lifestyle	3.3
● Services	3.5	● Houseware/Furnishings	3.5
● Department Store	8.5	● Others	0.2
● Leisure & Entertainment/ Sports & Fitness	7.7		

TRADE SECTOR ANALYSIS

% of Net Lettable Area



● Fashion/Accessories	20.4	● Electronics/I.T.	5.3
● Food & Beverage	13.4	● Supermarket/Hypermarket	2.8
● Beauty/Health	10.1	● Gifts/Specialty/Books/Hobbies/Toys/Lifestyle	5.9
● Services	2.8	● Houseware/Furnishings	5.3
● Department Store	21.2	● Others	0.4
● Leisure & Entertainment/ Sports & Fitness	12.4		

Property Details

Title Particulars	
Title¹	HS(D) 17259 Lot 5626 Seksyen 1, Bandar George Town, Daerah Timor Laut, Negeri Pulau Pinang and Geran 130393 Lot 5628 Seksyen 1, Bandar George Town Daerah Timor Laut, Negeri Pulau Pinang
Tenure	Freehold
Restrictions-in-Interest	Nil
Express Conditions	<p>(FIRST GRADE)</p> <p>The land comprised in the title:</p> <p>a) shall not be affected by any provision of the National Land Code (Code) limiting the compensation payable on the exercise by the State Authority of a right of access or use conferred by Chapter 3 of Part Three of the Code or on the creation of a Land Administrator's right of way; and</p> <p>b) subject to the implied condition that land is liable to be re-entered if it is abandoned for more than three years shall revert to the State only if the proprietor for the time being dies without heirs; and</p> <p>the title shall confer the absolute right to all forest produce and to all oil, mineral and other natural deposits on or below the surface of the land (including the right to work or extract any such produce or deposit and remove it beyond the boundaries of the land).</p>
Encumbrances²	<p>There was a lease of part of the land in favour of Parkson Corporation Sdn Bhd (Company No. 157029-X), registered on 13 October 2004 via presentation no. 0799SC2004029845 for a period of fifteen (15) years commencing from 3 August 2001 to 2 August 2016 that remains endorsed on the title.</p> <p>There is a charge on the land in favour of Public Bank Berhad (Company No. 64630-H) vide presentation no. 0799SC2011034916 registered on 5 October 2011.</p>
Endorsements	<p>Transfer of ownership by Gurney Plaza Sdn Bhd (Company No. 141240-K) to AmTrustee Berhad (Company No. 163032-V) registered on 5 October 2011 vide presentation no. 0799SC2011034910.</p> <p>An easement in favour of Gurney Plaza over the vehicle ramp of G Hotel to enable, among other things, the visitors of Gurney Plaza to use the vehicle ramp for the purpose of accessing Basements 1 and 2 of Gurney Plaza.</p> <p>An easement in favour of Gurney Plaza over part of Basement 2 of G Hotel to enable the owner of Gurney Plaza access to the exhaust fan room located on Basement 2 of G Hotel.</p> <p>An easement in favour of G Hotel over part of Basement 2 of Gurney Plaza to enable G Hotel access to its car parks on Basement 2 of Gurney Plaza.</p> <p>An easement in favour of G Hotel over part of the al-fresco area located between Gurney Plaza and G Hotel.</p> <p>An easement in favour of Gurney Plaza in respect of the roadway along the main entrance of G Hotel fronting Gurney Drive.</p> <p>An easement in favour of G Hotel in respect of the roadway along the main entrance of Gurney Plaza fronting Gurney Drive.</p> <p>An easement in favour of G Hotel over part of the landscape park to allow the use of buggies, carts, trishaws or similar conveyances through over and along part of the landscape park for the purpose of ferrying guests, employees, luggage, baggage and the like to and from G Hotel.</p> <p>An easement in favour of the landscape park over the driveway of Pine and Maple Towers for the purpose of access to and from the landscape park.</p> <p>Change of name registered on 20 March 2017 vide presentation no. 0799B2017002419 from AmTrustee Berhad to MTrustee Berhad;</p> <p>Change of no. from 163032-V to 163032-V;</p> <p>Change of type of identity from S to S.</p> <p>Change of address from MTrustee Berhad Tingkat 22, Bangunan Ambank Group, 55, Jalan Raja Chulan, 50200 to MTrustee Berhad B-2-9 (Aras 2), Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur registered on 02 December 2016 vide presentation no. 0799B201612153.</p>
Other matters relating to the title	Nil
<p>1 The title HS(D) 17259 Lot 5626 is one of the sub-divided titles resulting from a sub-division application for the master title Geran 97112, Lot 2903 and the financing documentation for Gurney Plaza makes reference to this master title. The adjacent landscape park is on another subdivided title which was HS(D) 17261 Lot 5628 which is now under a final title Geran 130393 Lot 5628.</p> <p>2 The encumbrances pertain to the title HS(D) 17259 Lot 5626. The title Geran 130393 Lot 5628 is unencumbered.</p>	

Property Details



EAST COAST MALL

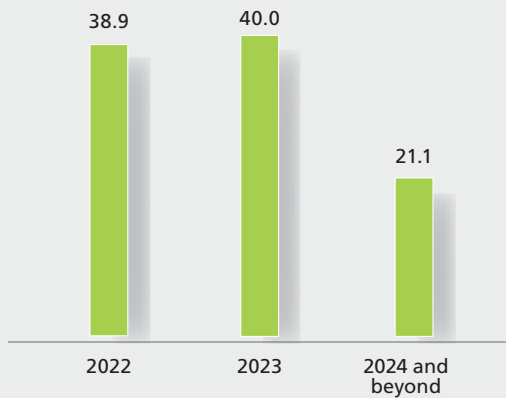
East Coast Mall is strategically located in the heart of Kuantan's city centre in Pahang, which is the third largest state in Malaysia by geographical size. East Coast Mall is the preferred shopping destination in the East Coast region and is a modern family lifestyle mall with an established mix of local and international retailers ranging from fashion; entertainment; arts and culture; with local delicacies and international gourmet shops all under one roof.

As a part of the Putra Square development, which also comprises Zenith Hotel, Menara Zenith as well as the Sultan Ahmad Shah International Convention Centre, East Coast Mall is a four-storey building with a basement. With about 1,100 parking bays, the mall's carpark is located at the basement, ground and third floors including the rooftop level.

Aside locals, East Coast Mall also attracts visitors from towns within the neighbouring states of Terengganu and Kelantan, including tourists visiting the East Coast region of Peninsular Malaysia. It is also close to other tourists attractions such as the Darul Makmur Stadium, the Urban Transformation Centre - Kuantan, Sultan Ahmad 1 State Mosque and newly completed Menara Kuantan 188.

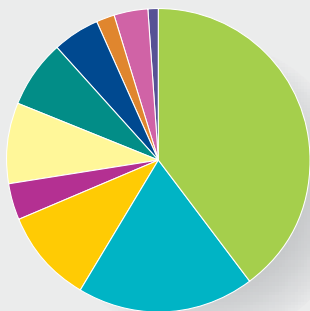
LEASE EXPIRY PROFILE

% of Gross Rental Income



TRADE SECTOR ANALYSIS

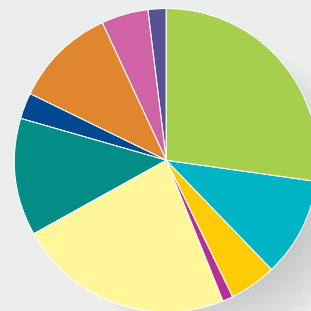
% of Gross Rental Income



Fashion/Accessories	39.8	Electronics/I.T.	5.2
Food & Beverage	18.7	Supermarket/Hypermarket	1.9
Beauty/Health	10.2	Gifts/Specialty/Books/Hobbies/Toys/Lifestyle	3.8
Services	3.8	Houseware/Furnishings	0.9
Department Store	8.7		
Leisure & Entertainment/ Sports & Fitness	7.0		

TRADE SECTOR ANALYSIS

% of Net Lettable Area



Fashion/Accessories	27.4	Electronics/I.T.	2.9
Food & Beverage	10.6	Supermarket/Hypermarket	10.9
Beauty/Health	4.8	Gifts/Specialty/Books/Hobbies/Toys/Lifestyle	5.0
Services	1.2	Houseware/Furnishings	1.7
Department Store	22.9		
Leisure & Entertainment/ Sports & Fitness	12.6		

Property Details

Title Particulars	
Title	H.S.(D) 28468, No. PT. 92050, Bandar Kuantan, Daerah Kuantan, Negeri Pahang Darul Makmur
Tenure	Leasehold interest for 99 years expiring on 18 December 2106.
Restrictions-in-Interest	This land shall not be transferred, leased or charged save with the prior written approval of the State Authority.
Express Conditions	This land shall be used as a commercial building only.
Encumbrances	Nil
Endorsements	Transfer of land by Pasdec Corporation Sdn Bhd (Company No. 55031-P) to MTrustee Berhad (Company No. 163032-V) registered on 25 October 2011 vide presentation no. 9818/2011. Change of address from Tingkat 22, Bangunan Ambank Group, 55, Jalan Raja Chulan, 14 to B-2-9 (Aras 2), Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 14 registered on 29 November 2016 vide presentation no. 4036/2016.
Other matters relating to the title	Revision of quit rent from RM38,910 to RM94,692 according to Section 101 of the National Land Code starting 1 January 2020.

Centre Management Office

Lot L3-01A, Level 3
Jalan Putra Square 6, Putra Square
25200 Kuantan
Pahang Darul Makmur, Malaysia
Tel: +60 9 565 8688
Fax: +60 9 565 8699
Website: www.eastcoastmall.com.my

Property Details



SUNGEI WANG PLAZA

Sungei Wang Plaza, which translates as 'the river of gold', opened in 1977 and is one of the most popular shopping centres in Kuala Lumpur's prime shopping and commercial precinct – the 'Golden Triangle' – an area that comprises three bordering streets, namely Jalan Bukit Bintang, Jalan Sultan Ismail and Jalan Imbi. A one-stop shopping centre 'for all kinds of everything', the 11-storey Sungei Wang Plaza is well-known for its unique blend of specialty stores and entertainment outlets that appeals to the mass market. Being strategically located in the Bukit Bintang shopping precinct, it also commands strong patronage from local and international tourists. At end- September 2019, a new and vibrant energetic lifestyle zone known as JUMPA@Sungei Wang was unveiled to shoppers upon the completion of the asset enhancement initiative to reconfigure the annex space offering a fresh retail experience with a focus catering to the young and young-at-heart shoppers.

Centre Management Office

(for CLMT strata parcels only)

Lot No. 6F-111, Level 6 (SWP Box No. 129)

Jalan Sultan Ismail

50250 Kuala Lumpur, Malaysia

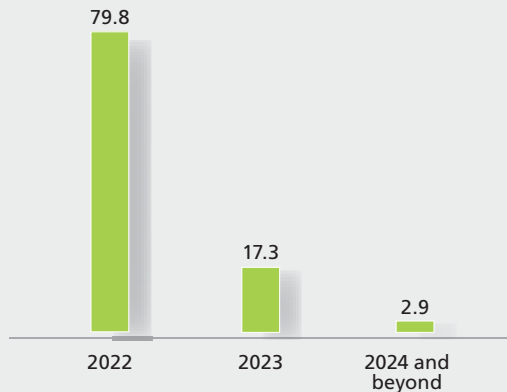
Tel: +60 3 2117 0288

Fax: +60 3 2117 0388

Website: www.sungeiwang.com

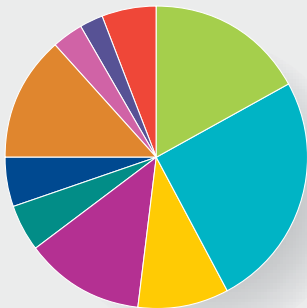
LEASE EXPIRY PROFILE

% of Gross Rental Income



TRADE SECTOR ANALYSIS

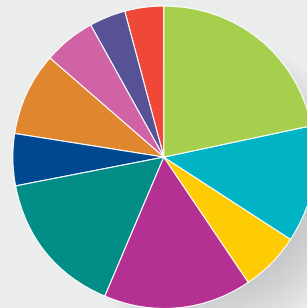
% of Gross Rental Income



Fashion/Accessories	17.1	Electronics/I.T.	5.3
Food & Beverage	25.3	Supermarket/Hypermarket	13.5
Beauty/Health	9.6	Gifts/Specialty/Books/Hobbies/Toys/Lifestyle	3.2
Services	12.9	Houseware/Furnishings	2.6
Leisure & Entertainment/ Sports & Fitness	4.9	Others	5.6

TRADE SECTOR ANALYSIS

% of Net Lettable Area



Fashion/Accessories	20.7	Electronics/I.T.	5.1
Food & Beverage	12.0	Supermarket/Hypermarket	8.4
Beauty/Health	6.0	Gifts/Specialty/Books/Hobbies/Toys/Lifestyle	5.4
Services	14.9	Houseware/Furnishings	3.6
Leisure & Entertainment/ Sports & Fitness	15.1	Others	8.8

Property Details

Title Particulars	
Title	205 parcels, each with individual strata title ¹ , in the building erected on land held under master title GRN 11043, Lot 1197 Seksyen 67, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur. ²
Tenure	Freehold
Restrictions-in-Interest	Nil
Express Conditions	The land must be used for commercial building only. Development on the land must comply with the development order issued by the Datuk Bandar, Kuala Lumpur.
Encumbrances	<p>There is a lease of part of the land to Tenaga Nasional Berhad registered on 31 December 1993 vide presentation no. PDSC21493/1993 for a period of 30 years commencing from 15 March 1993 to 14 March 2023.³</p> <p>Strata title bearing Geran 11043/M1/3/312 is subject to a lease of land in favour of Premier Honour Sdn. Bhd. (Company No. 653322-W) registered on 26 March 2012 vide presentation no. PDSC9564/2012 for 30 years starting 31 August 2008 to 31 August 2038.</p>
Endorsements	<p>Grant of an easement for a perpetual term registered on 22 August 2001 vide presentation no. PDSC15174/2001.⁴</p> <p>Grant of an easement for a perpetual term registered on 22 August 2001 vide presentation no. PDSC15175/2001.⁴</p> <p>Strata title bearing Geran 11043/M1/6/673 is subject to an easement for a perpetual term registered on 5 November 2020 vide presentation no. PDSC32846/2020.⁵</p> <p>Strata title bearing Geran 11043/M1/B1/11 is subject to two easements for a perpetual term registered on the land on 5 November 2020 vide presentation no. PDSC32845/2020 and PDSC32847/2020.⁵</p> <p>Registration of Sungei Wang Plaza Management Corporation (SWPMC) on 21 November 2008 vide presentation no. PDN1183/2008.⁴</p> <p>The 205 Individual Strata Titles are imposed with individual parcel rent in accordance with Gazette No. P.U. (A) 27 dated 28 January 2020 from 1 January 2020 and Section 4C Strata Title Act 1985 Gazette No. P.U. (B) 380 dated 8 August 2019.</p>
Other matters relating to the title	<p>Revision of quit rent from RM70,696.00 to RM81,301.00 according to Section 101 of the National Land Code starting 1 January 2006.⁴</p> <p>Issuance of duplicate issue document of title pursuant to Section 175 (1) (a)/(b) or Section 187B(1)(a)/(b) of the National Land Code 1965 vide presentation no. PDC3138/2018 registered on 22 November 2018.⁴</p> <p>Cessation of quit rent from 1 January 2020 in accordance with Section 4C, Strata Titles Act 1985, Gazette No. P.U (B) 380 dated 08 August 2019.⁴</p>

- 1 The strata title held under Geran 11043/M1/3/312 is subject to a lease registered in favour of Premier Honour Sdn. Bhd. (Company No. 653322-W) on 26 March 2012 vide presentation no. PDSC9564/2012. The said lease is for a period of 30 years starting from 31 August 2008 to 30 August 2038.
- 2 The total share units allocated to the 205 strata titles owned by CLMT represent approximately 62.8% of the voting rights in SWPMC.
- 3 This lease of part of the land to Tenaga Nasional Berhad is endorsed on the master title to Sungei Wang Plaza.
- 4 The endorsements are stated on the master title to Sungei Wang Plaza, which is registered in the name of SWPMC.
- 5 These easements relate to three easement agreements between MTrustee Berhad (MTB) and UDA Holdings Berhad (UDA) whereby UDA agreed to grant to MTB a right of way from the entrance of Basement 1 and over the ramps of Bukit Bintang Plaza to access Levels 4 and 5 of Sungei Wang Plaza and MTB in turn agreed to grant to UDA the right of way over part of Basement 2 of Sungei Wang Plaza.

Property Details

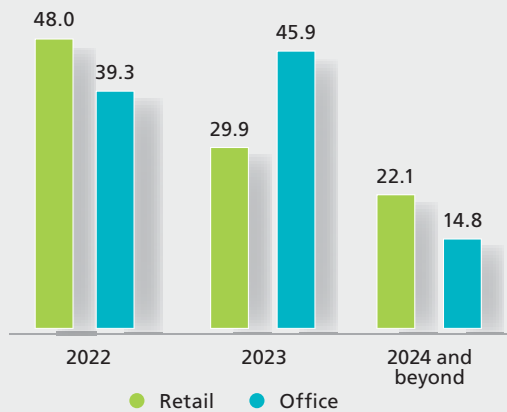


3 DAMANSARA PROPERTY

3 Damansara Property, which comprises 3 Damansara and 3 Damansara Office Tower, are part of an integrated commercial development which is strategically located at the intersection of two major highways, making it easily accessible from Kuala Lumpur and various parts of Petaling Jaya. With its positioning as the preferred dining options and established retailers, which appeals to the residents from the surrounding established and affluent residential estates as well as workers from the neighbouring office catchment. The 12-storey 3 Damansara Office Tower is seamlessly connected to the mall via an overhead covered link bridge.

LEASE EXPIRY PROFILE

% of Gross Rental Income



Centre Management Office

Lot B3-01, Basement B3

No. 3, Jalan SS20/27

47400 Petaling Jaya

Selangor Darul Ehsan, Malaysia

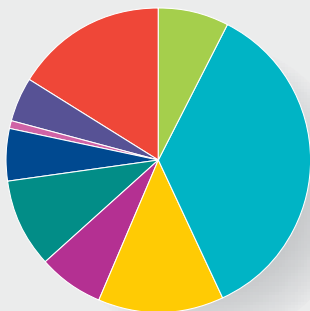
Tel: +60 3 7663 2888

Fax: +60 3 7663 2899

Website: www.threedamansara.com/en/

TRADE SECTOR ANALYSIS

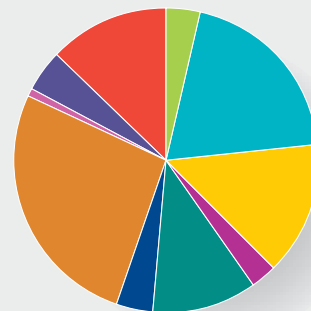
% of Gross Rental Income



Fashion/Accessories	7.6	Electronics/I.T.	5.6
Food & Beverage	35.5	Gifts/Specialty/Books/Hobbies/Toys/Lifestyle	0.7
Beauty/Health	13.3	Houseware/Furnishings	4.6
Services	7.0	Others	16.1
Leisure & Entertainment/ Sports & Fitness	9.6		

TRADE SECTOR ANALYSIS

% of Net Lettable Area



Fashion/Accessories	3.7	Electronics/I.T.	4.0
Food & Beverage	19.8	Supermarket/Hypermarket	26.7
Beauty/Health	14.2	Gifts/Specialty/Books/Hobbies/Toys/Lifestyle	0.6
Services	2.6	Houseware/Furnishings	4.5
Leisure & Entertainment/ Sports & Fitness	11.2	Others	12.7

Property Details

Title Particulars	
Title	2 parcels; Geran 54431/M1/B4/2 and Geran 54431/M1/B4/1, each with individual strata titles for the mall and office building respectively, erected on land held under Master Title Geran 54431, Lot 45821, Seksyen 39, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor. There is also a provisional strata title for the provisional block held under Geran 54431/P1, Lot 45821, Seksyen 39, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor.
Tenure	Freehold
Restrictions-in-Interest	Nil
Express Conditions	Commercial Building The type of building must be other than low costs.
Encumbrances	<p>The strata title bearing Geran 54431/M1/B4/2, Lot 45821 Seksyen 39, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor is subject to a charge secured for a principal sum registered in favour of CIMB Bank Berhad (Company No. 13491-P) on 21 November 2018 vide presentation no. 57229/2018.</p> <p>The strata title bearing Geran 54431/M1/B4/1, Lot 45821 Seksyen 39, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor is subject to a charge secured for a principal sum registered in favour of CIMB Bank Berhad (Company No. 13491-P) on 21 November 2018 vide presentation no. 57229/2018.</p>
Endorsements	<p>Amendment made pursuant to Section 380 of the National Land Code 1965 vide presentation no. 2337/2018.¹</p> <p>Amendment made pursuant to Section 380 of the National Land Code 1965 vide presentation no. 2340/2018.²</p>
Other matters relating to the title	Nil
1	Endorsement relates to Geran 54431/M1/B4/2, Lot 45821, Seksyen 39, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor.
2	Endorsement relates to Geran 54431/M1/B4/1, Lot 45821, Seksyen 39, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor.

Property Details



THE MINES

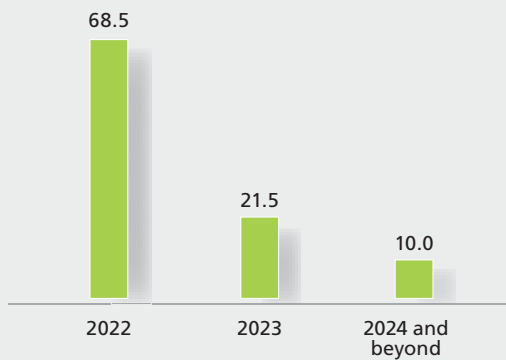
The Mines, well-known for its Venetian-like internal water canal, is located at the south of the federal district of Kuala Lumpur in Seri Kembangan town centre. The five-storey suburban family mall is linked to the Mines International Exhibition & Convention Centre, Philea Mines Beach Resort and The Mines Resort & Golf Club, and targeted at residents residing and working in the southern region of Kuala Lumpur and Selangor. It underwent an asset enhancement exercise in 2008-2009 which involved the creation of an extension wing and a dedicated drop-off area for the convenience of shoppers. The Mines offers a wide variety of retail, food and beverage, homewares and family edutainment options.

Centre Management Office

Box No. 228, Level 4 Centre Management Office
The Mines, Jalan Dulang, MINES Resort City
43300 Seri Kembangan
Selangor Darul Ehsan, Malaysia
Tel: +60 3 8949 6288
Fax: +60 3 8949 6388
Website: www.the-mines.com.my

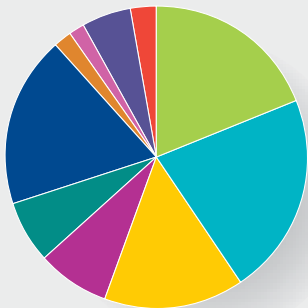
LEASE EXPIRY PROFILE

% of Gross Rental Income



TRADE SECTOR ANALYSIS

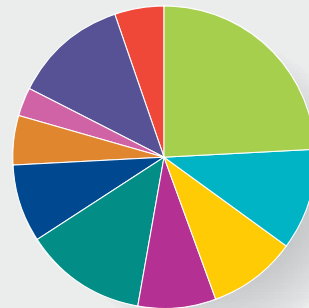
% of Gross Rental Income



Fashion/Accessories	19.0	Supermarket/Hypermarket	1.9
Food & Beverage	21.7	Gifts/Specialty/Books/Hobbies/Toys/Lifestyle	1.6
Beauty/Health	15.0	Houseware/Furnishings	5.3
Services	7.7	Others	2.6
Leisure & Entertainment/ Sports & Fitness	6.8		
Electronics/I.T.	18.4		

TRADE SECTOR ANALYSIS

% of Net Lettable Area



Fashion/Accessories	24.2	Supermarket/Hypermarket	5.3
Food & Beverage	11.0	Gifts/Specialty/Books/Hobbies/Toys/Lifestyle	3.0
Beauty/Health	9.3	Houseware/Furnishings	12.4
Services	8.4	Others	5.1
Leisure & Entertainment/ Sports & Fitness	13.0		
Electronics/I.T.	8.3		

Property Details

Title Particulars	
Title	H.S.(D) 59894, No. PT. 16722, Mukim Petaling, Daerah Petaling, Negeri Selangor Darul Ehsan
Tenure	Leasehold interest for 99 years expiring on 20 March 2091
Restrictions-in-Interest	The land cannot be transferred, leased or charged without the prior consent of the State Authority.
Express Conditions	Commercial building
Encumbrances	N/A
Endorsements	<p>Transfer of ownership by Mutual Streams Sdn Bhd (Company No. 79107-P) to MTrustee Berhad (Company No. 163032-V) registered on 23 September 2010 vide presentation no. 98339/2010.</p> <p>An easement between The Mines and Mines International Exhibition and Convention Centre registered vide presentation no. 117530/2009 on 15 December 2009 pursuant to an easement agreement made between Mutual Streams Sdn. Bhd. and the owner of Mines International Exhibition and Convention Centre.</p> <p>Change of address from Tingkat 22, Bangunan AmBank GR, 55, Jalan Raja Chulan, 14 to B-2-9 (Tingkat 2), Pusat Perdagangan Kuchai, No. 2 Jalan 1/128, Off Jalan Kuchai Lama, 14 registered on 28 October 2016 vide presentation no. 52655/2016.</p> <p>There is a charge by Mtrustee Berhad, (Company No. 16032-V) as trustee to Malaysian Trustees Berhad (Registration No. 21666-V) registered on 19 February 2020 vide presentation no.13245/2020.</p>
Other matters relating to the title	Revision of quit rent from RM84,975 to RM84,975 according to Section 101 of the National Land Code starting 1 January 2017.

Property Summary

	Gurney Plaza	East Coast Mall	Sungei Wang Plaza	3 Damansara Property		
				Mall	Office Tower	The Mines
Acquisition Date	14 Jul 2010 & 28 Mar 2011	14 Nov 2011	14 Jul 2010	10 Jul 2015		14 Jul 2010
Gross Floor Area (sq ft)	1,253,314	1,033,849 ¹	511,103 ²	639,477	129,630	1,150,798
Net Lettable Area (sq ft)	885,982	466,529	411,595	467,141	101,258	734,145
Number of Committed Leases	384	198	147	101	4	250
Committed Occupancy (%)	96.3	97.5	66.4	73.1	47.0	76.2
Weighted Average Lease Expiry (years)	1.4	1.4	0.8	1.2		0.9
Car Park Lots	1,836	1,101	1,298	1,759		1,282
Year of Completion	2001 ³	2008	1977	2008	2009	1997
Acquisition Price (RM million)	1,015.0 ⁴	310.0	724.0	540.0		530.0
Market Value/ Net Book Value⁴ (RM million)	1,665.0	579.0	442.0	480.0		660.0
Annual Shopper Traffic (million)	7.9	5.2	6.2	2.7	–	5.0
Key Tenants	Parkson Elite, Padini Concept Store, Mercato, JD Sports, Rolex, Uniqlo, Habib Jewels, Golden Screen Cinemas, Tomei, Watsons	Parkson, Padini Concept Store, Max, Aeon Big, Golden Screen Cinemas, Al-Ikhsan, Pizza Hut, Sushi King, Uniqlo, Nando's	Giant, CMY Audio & Visual, Snips College of Creative Arts, Nose, Guardian, Mr. D.I.Y., Kopi Club, Famous Amos, Ayam Penyet Batawi, Dubuyo	CGS-CIMB Securities Sdn. Bhd., Golden Screen Cinemas, Mr. D.I.Y., TBM, Nando's, Cotton On, Kluang Station Heritage Shared, Starbucks Coffee, Mu Tong Yu Steamboat, Astar		TGV, Lotus's, Dees Simplicity, Starbucks Coffee, Watsons, KFC, Tewah, Switch, Mr. D.I.Y., Ace Hardware
<p>1 As per required by the authorities in Kuantan to be inclusive of the car park area. 2 Equal to 47,483 sq m, representing approximately 61.9% of the aggregate retail floor area of Sungei Wang Plaza. 3 The completion of Gurney Plaza and Gurney Plaza Extension was in 2001 and 2008 respectively. 4 Equals to RM800.0 million for Gurney Plaza and RM215.0 million for Gurney Plaza Extension. 5 Equals to carrying value.</p>						

Data as at 31 December 2021 unless otherwise stated.

PORTFOLIO-WIDE ACTIVITIES

In 2021, we continued to accelerate our digital transformation initiatives to provide a safe and convenient, yet rewarding, shopping experience to our shoppers through various initiatives and digital campaigns.

CAPITASTAR

CapitaStar is CapitaLand's multi-store, multi-mall loyalty initiative that offers shoppers with additional benefits over and above existing store rewards. All CLMT malls participate in this card-less loyalty programme.

The CapitaStar App had been enhanced with new features to provide shoppers with a seamless and contactless engagement. These features include:

Electronic Voucher

StarVouchers continue to be CapitaStar's signature deal where members can redeem STARVouchers through the CapitaStar App in the denomination of RM10 and RM50. These vouchers can be utilised across more than 200 outlets in CLMT's portfolio. There were also RM5 STARVoucher for members as a surprise gift through various campaigns held throughout the year.

Seamless Parking Rebates

The seamless parking rebates feature was launched in January 2021 where members were able to offset their parking fees directly at the cashless payment kiosks. Members can also redeem parking rebate deals in various denomination ranging between RM1 and RM10 using their STAR\$®.

Birthday Privileges

Birthday privileges for CapitaStar members was introduced from March 2021 where members earn 2X STAR\$® and an additional 500 STAR\$® on the first transaction performed on their birthday month.

MISSION STAMPO\$\$IBLE REWARDS

A new digital stamp card campaign – "Mission STAMPO\$\$ible Rewards" was organised from 1 January until 31 May 2021 to drive shopper traffic and entice repeat spending. With a minimum spend of RM50 in a single receipt, shoppers were able to collect one stamp and upon collecting eight stamps, CapitaStar members were rewarded.

PLANT REWARDS AR CAMPAIGN

Plant Rewards is a unique Augmented Reality (AR) campaign curated for CapitaLand Malaysia that allows shoppers to grow plants virtually with total rewards worth RM80,000. CLMT malls also took part in this campaign which was organised from 18 November 2021 until 15 February 2022. The AR experience required shoppers to login daily to catch the nutrient points and game tokens, and complete a CapitaStar mission by uploading receipts amounting to a daily minimum spend of RM100 to grow a plant successfully.



CLMT malls participated in CapitaLand's Plant Rewards augmented reality campaign

CAPITALAND X SHOPEE DOUBLE 11 BIG GIVEAWAYS

The CapitaLand X Shopee Double 11 Big Giveaways campaign was held from 8 November to 12 December 2021 with a total reward of RM500,000 allocated to reward shoppers that spent at CapitaLand malls using ShopeePay. CLMT malls also participated in this campaign whereby the shopper with the highest spend from each mall took home an iPhone 13. Other top spenders were also rewarded with STARVouchers. Throughout the campaign, shoppers were also entitled to a RM3 cashback with a minimum spend of RM15 at participating outlets.

GURNEY PLAZA

Spring Garden of Prosperity at Gurney Plaza

In welcoming the Lunar New Year of the Ox, the mall's centre atrium was transformed into a flourishing Spring Garden of Prosperity. The enchanting garden were embellished with cherry blossom trees, denoting the arrival of spring, while a kaleidoscope of butterflies around the decoration represents hope, endurance, and courage to embrace the transformation in making life better. Red thundering drums were also present in the decoration. The colour red symbolises power and luck, while drums were used to signify the symbol of strength.

Raya Moroccan Summer Palace @ Gurney Plaza

In conjunction with the glorious Hari Raya Aidilfitri celebration this year, the mall's centre atrium was transformed into a Moroccan Summer Palace, granting shoppers the opportunity, imagination, and experience of being abroad during the pandemic. It was decorated with warm earth tone colours of blue, green, and beige. The architecture of the structure was filled with intricate details on the walls of Gurney Plaza's twist of a Moroccan Summer Palace.

In collaboration with Shopee, tenants offered exclusive e-vouchers on Shopee for shoppers to redeem at Gurney Plaza's outlets. CapitaStar members who purchased the e-vouchers throughout the campaign period were entitled to participate in the Spend & Win contest and three members won 5,000 STAR\$® respectively. As part of the collaboration with ShopeePay, shoppers can received RM3 cashback when they spend RM15 and above when they pay using ShopeePay e-wallet at Gurney Food Hall.

Deepavali Décor and Campaign

To celebrate the Festival of Lights, beautiful and colourful kolams adorned Gurney Plaza and deep within the enchanting garden lies the Happy Elephant – greeting and bringing shoppers all the symbolic representation of knowledge, power and the gentle strength of God. Throughout the month, several social media contests and various redemptions were held such as exclusive Deepavali packets, Paratha Set from Chennai Express at Gurney Food Hall and Eureka curry popcorn.



The Gurney Plaza team wishes shoppers a Happy Deepavali celebration

Winter Wonderland at Gurney Plaza

In conjunction to their second store opening in Malaysia, Gurney Plaza collaborated with Karl Lagerfeld for its Winter Wonderland 2021. The first Karl Lagerfeld White Christmas Tree was showcased at Gurney Plaza, which stood elegantly in the centre atrium and the 28ft tall tree was beautifully decorated with signature white and black ornaments.

The showcase included a silhouette cut out of the famous German fashion designer himself as well as a cut out of Choupette – Karl Lagerfeld’s beloved blue-cream tortie Birman cat, adorned together with dazzling stars at its base. Various exciting events and shopping rewards took place throughout the month including snowfall experience, Shop & Win and Karl Lagerfeld popcorn distribution were curated to boost footfall and shopping excitement.



Christmas festivities with a designer twist at Gurney Plaza

SEVERAL MARKETING COMMUNICATION INITIATIVES WERE CARRIED THROUGHOUT 2021 TO ASSIST GURNEY PLAZA'S TENANTS' BUSINESS RECOVERY. THESE INCLUDE:

GP Treats & Pick-up Point

GP Treats, a F&B QR code directory, and a dedicated self-pick-up collection point were created to provide shoppers with the convenience to make their order and collect their food through a safe and contactless approach. This initiative was aimed to assist Gurney Food Hall and other F&B tenants during the movement control period where dine-in services were not allowed to be carried out.

To attract shoppers, Gurney Food Hall operators also offered promotional set deals. In addition, a Chinese New Year Face Mask redemption programme was implemented to encourage shoppers to spend a minimum of RM20 at Gurney Food Hall.



A convenient and hassle-free way for diners to order and collect their food from a dedicated pick-up point

Luxe E-Concierge

Luxe E-Concierge makes retail shopping easier for those who preferred to shop from the comfort of their homes. With a total of 16 luxury brands participating in this campaign, shoppers only had to browse through the e-catalogues, select their desired products through a direct link, choose to pick up their items or have it delivered to their doorsteps.

#GPVaccinated

The #GPVaccinated campaign was held to help reinstate shoppers' confidence to visit the mall by emphasising on the mall's safe environment and encourage shoppers to practice the new lifestyle safety norms while in the mall. The #GPVaccinated campaign also reaffirmed the mall's commitment that all staff, tenants and frontliners have been fully vaccinated and ready to serve the community.



All the mall's staff, tenants and frontliners were fully vaccinated and ready to welcome back shoppers

Privilege PLUS+ Welcome Back Rewards & Private Events

Collaborating closely with several international brands, Gurney Plaza extended private shopping event invitations to its Privilege PLUS+ members. For example, Hugo Boss curated tiered rewards to entire affluent shopper spending. With a minimum spend of RM500, Privilege PLUS+ members were rewarded with RM50 Hooga cash vouchers while RM100 Bonia cash vouchers were given for every RM1,000 spent. Privilege PLUS+ members were also pampered with birthday gift vouchers along with a personalised pampering session by Aesop.

EAST COAST MALL

Prosperous Chinese New Year

East Coast Mall ushered in the Lunar New Year of Ox with the theme of "Spring into Abundance". The mall's main concourse was transformed into a Peranakan themed celebration with a traditional Peranakan house that was adorned with festive elements such as cherry blossom trees, red lanterns and lion dance street art. In conjunction with the prosperous mood, various activities were carried out such as kids' face mask redemption, CapitaStar Top Spender contest and 2X STAR\$® rewards for CapitaStar members.

Keindahan Aidilfitri 2021

Shoppers were transported to Morocco during the Hari Raya celebration with the transformation of the mall's main entrance to the main concourse into a Moroccan-inspired city. The city was alive with art and tradition, water fountain and palm trees where shoppers were able to experience the uniqueness of Moroccan architecture during the Keindahan Aidilfitri celebrations. To reward shoppers, several activities were organised throughout the celebrations such as weekly special redemptions, CapitaStar Top Spender Contest and 2X STAR\$® rewards for CapitaStar members.



Moroccan-inspired festivities for Hari Raya

Happy Deepavali 2021

To celebrate the festival of lights, East Coast Mall's main entrance was decorated with the colourful traditional kolam with Lights of Deepavali, diyas and traditional colourful lantern to bring about prosperity, blessings and happiness. To encourage spending, the first 500 shoppers with a minimum spend of RM200 were rewarded with RM10 Parkson cash voucher and 2X STAR\$® rewards.



A colourful and intricate traditional kolam welcomes shoppers

Joyous Christmas 2021

East Coast Mall celebrated a Joyous Christmas 2021 throughout the month of December 2021 and the mall's main concourse was decorated with a giant Christmas box with a swinging Christmas tree at the top. It was also surrounded by different sizes of presents, teddy bears, ginger bread men, nutcrackers and assorted Christmas trees. More rewards awaited shoppers including Double Joy Redemption with RM10 STARVoucher and RM10 Parkson cash voucher with a minimum spend of RM250 in a single receipt, and 3X STAR\$® rewards for CapitaStar members. At the same time, with a minimum spend of RM30, 10 lucky shoppers also stood the chance to win exclusive prizes including the latest mobile phones and IT gadgets; cash vouchers and 100,000,000 STAR\$®.



Enjoying a joyous Christmas holiday at East Coast Mall

SUNGEI WANG PLAZA

Sungei Wang Plaza's marketing and promotional activities were organised through Sungei Wang Plaza's Management Corporation (SWPMC). Several initiatives were conducted to attract shoppers during the movement restrictions that were in place in 2021. This included the two-hour free parking redemption from February 2021 and collaboration with Grab to promote the food and beverage tenants' offerings.

Other promotions include super deals in conjunction with Merdeka and Malaysia Day, and double sales dates such as 10.10, 11.11 and 12.12.

In conjunction with the Mid-Autumn festival and Christmas in 2021, Sungei Wang Walk along Jalan Sultan Ismail was transformed into a beautifully decorated street in conjunction with the festivities.



Bundle Expo is a collectors' haunt for rare, vintage clothing and accessories

Bundle Expo

One of the most popular thrift events, Bundle Expo, took place at Sungei Wang Plaza in over the 3-day Christmas weekend in December 2021. With about 200 participating vendors, the event took place at the mall's car park area on Level 4 and shoppers were able to hunt for vintage and rare pieces of apparel and unique merchandise.

Collectors Market @ Jumpa@Sungei Wang

The popular Collectors' Market event was held in Jumpa@Sungei Wang from 18 to 19 December 2021. There were more than 80 booths offering a selection of pop culture toys, antiques, vintage clothing, streetwear, records, music memorabilia, collectibles and many more unique goods.



Superheroes appeared at 3 Damansara in conjunction with the reopening of GSC after its renovation

3 DAMANSARA

F&B Top Eats

As part of the efforts to promote 3 Damansara as the preferred destination offering a variety of international eateries, F&B Top Eats campaign was organised to create buzz and excitement. Some of the amazing rewards offered during the campaign included double STAR\$® and parking rebates. There was also a lucky draw conducted and a lucky shopper took home a Samsung Galaxy A71 upon the successful sign-up as CapitaStar member.

GSC Re-opening Promotion Tie-Up

To celebrate the successful reopening of the newly renovated Golden Screen Cinemas (GSC) amidst strict containment COVID-19 measures which affected the retail sector, 3 Damansara and Golden Screen Cinemas collaborated to organise several fun and exciting activities to entice shoppers to enjoy the cinema experience in a safe manner. Shoppers, especially those with children, had fun when they got to “meet” the famous superheroes such as Iron Man, Spider-Man, Transformers and Deadpool characters. There were also irresistible GSC promotions and CapitaStar e-deals such as free movie tickets and popcorn giveaways.

‘Kami Tote-ally Malaysian’ Merdeka Campaign

In the spirit of unity for the month of Merdeka in August 2021, 3 Damansara unveiled the ‘Kami Tote-ally Malaysian’ Merdeka Campaign to spread some positivity and share good cheer with fantastic Merdeka rewards. The mall’s social media followers were also encouraged to participate in the Merdeka Month Trivia and share their heartfelt messages in 3 Damansara’s social media to shed light on the diversity and uniqueness of Malaysia. The first 100 shoppers that answered the trivia quizzes correctly walked away with a unique, customised Merdeka tote bag.

Art Beat Eats Artisan Showcase

3 Damansara organised a festival-like marketplace, themed ‘Art Beats Eats’ to promote and attract art and music lovers. The artisan market brought together numerous creative vendors under one roof, peddling a wide variety of fun and interesting accessories, knick-knacks, food and drinks. The artisan market also provided a platform to support street performances by local artists of different backgrounds and interactive art activities to the delight of shoppers.

A 'Jolly Christmas' at 3 Damansara

3 Damansara celebrated Christmas 2021 by inviting and welcoming shoppers to find a 'Jolly Christmas' through gorgeous Christmas decor and attractive shopping rewards. The centre concourse was transformed into a 3MOJI Christmas Town, featuring the first of its kind 3MOJI Christmas tree with cute

Emoji smiley faces. Shoppers could also browse for lovely gifts at the various kiosks filled with festive merchandise and enjoyed a line-up of activities including Christmas caroling, Santa Claus & Emoji Walkabout, and art and craft workshops throughout the month-long celebration.

THE MINES

Riang Raya Di Kampung

During the Hari Raya festive celebration in 2021, The Mines' "Balik Kampung" concept was well-received by shoppers with traditional kampung house set up at the centre court. Other activities that were organised included FB Live Raya Cooking Classes hosted by celebrity Chef Adu Amran who conducted live cooking demonstrations featuring his Raya specialties. The festive mood was livened up by a variety of rewarding activities and promotional deals.



Facebook live cooking session in progress

Vaccine Reward Program

In support of the government's efforts in accelerating the vaccination progress, The Mines collaborated with Mines International Exhibition & Convention Centre, one of the key mega vaccination centres, to encourage shoppers to sign up for vaccination with rewards including shopping vouchers and STAR\$®. Shoppers only needed to flash their vaccination status at the Information Counter to be rewarded with an additional RM10 STARVoucher and RM2 parking rebate when they spent a minimum of RM100.

September-Funtember

In conjunction with the school holidays, The Mines teamed up with one of its tenants, BookXcess, and gave away DIY craft kits fully to children for shoppers that spent at the mall. Aside that, several videos of DIY craft kits were published for the children to attend the online workshops.

A Joyous Sparkling Christmas

The mall's centre court was transformed into a beautifully decorated insta-worthy Christmas display full of glitter and sparkle. The main highlight of the celebration was the Christmas-themed dazzling cruises offering a serene and mystical cruise ride along the waterways akin to the Venetian canal experience. For those that checked in daily, shoppers were rewarded with exclusive redemption gifts from the magical claw machines. For foodies, there was also a buy 1 free 1 promotion at participating tenant outlets.



Get on board the festive Christmas cruises at The Mines

Year-End Electrifying Sale

IT and gadget enthusiasts flocked to The Mines for the Year-End Electrifying Sale for the exciting promotions that were offered by participating tenants on all types of digital and IT products. There were also exclusive e-deals through the CapitaStar App and lucky members were rewarded with IT gadgets, lucky draw prizes and STAR\$® upon their spending at any digital & IT stores.

Operations Review

LEASE RENEWALS AND NEW LEASES

For the leases that expired in 2021, the average rental of the renewed/new lease term eased by 12.7% on a portfolio basis against preceding average rental of typical three-year leases. The lower rental reversion was mainly due to the lower performance from the malls as a result of movement control order measures implemented to contain the spread of the COVID-19. Until the challenging situation normalises, CLMT's ongoing priority remains on stabilising its portfolio and building greater resilience in its retail ecosystem.

Summary of Renewals/New Leases (excluding newly created and reconfigured units) (as at 31 December 2021)

Property	Number of Renewals/ New Leases	Change in Rental Rates ¹ (%)
Gurney Plaza	88	(10.6)
East Coast Mall	62	(1.1)
Sungei Wang Plaza	28	(45.7)
3 Damansara Property	34	(22.1)
The Mines	76	(15.4)
CLMT Portfolio	288	(12.7)

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

PORTFOLIO LEASE EXPIRY PROFILE

The portfolio lease expiry remained spread out as at 31 December 2021, with 48.8% and 31.4% of the leases by gross rental income due for renewal in 2022 and 2023 respectively, with the balance expiring from 2024 onwards. For the portfolio lease expiry profile as at 31 December 2021 by gross rental income, 8.5% is made up by the lease expiry cases of anchor and mini anchor tenants. About 621 leases are due to expire in 2022, of which 12.6%, based on gross rental income, is made up by the lease expiry cases of anchor and mini anchor tenants.

Portfolio Lease Expiry Profile (as at 31 December 2021)

	Number of Leases	% of Gross Rental Income
2022	621	48.8
2023	285	31.4
2024 and beyond	168	19.8

Portfolio Lease Expiry Profile for 2022 (as at 31 December 2021)

Property	Number of Renewals	% of Gross Rental Income	% of Net Lettable Area
Gurney Plaza	169	22.3	20.9
East Coast Mall	90	8.6	7.8
Sungei Wang Plaza	119	4.3	9.3
3 Damansara Property	64	3.6	4.0
The Mines	179	10.0	16.9
CLMT Portfolio	621	48.8	58.9

Majority of the tenancies of CLMT properties typically have a three-year lease term.

Operations Review

TOP 10 TENANTS

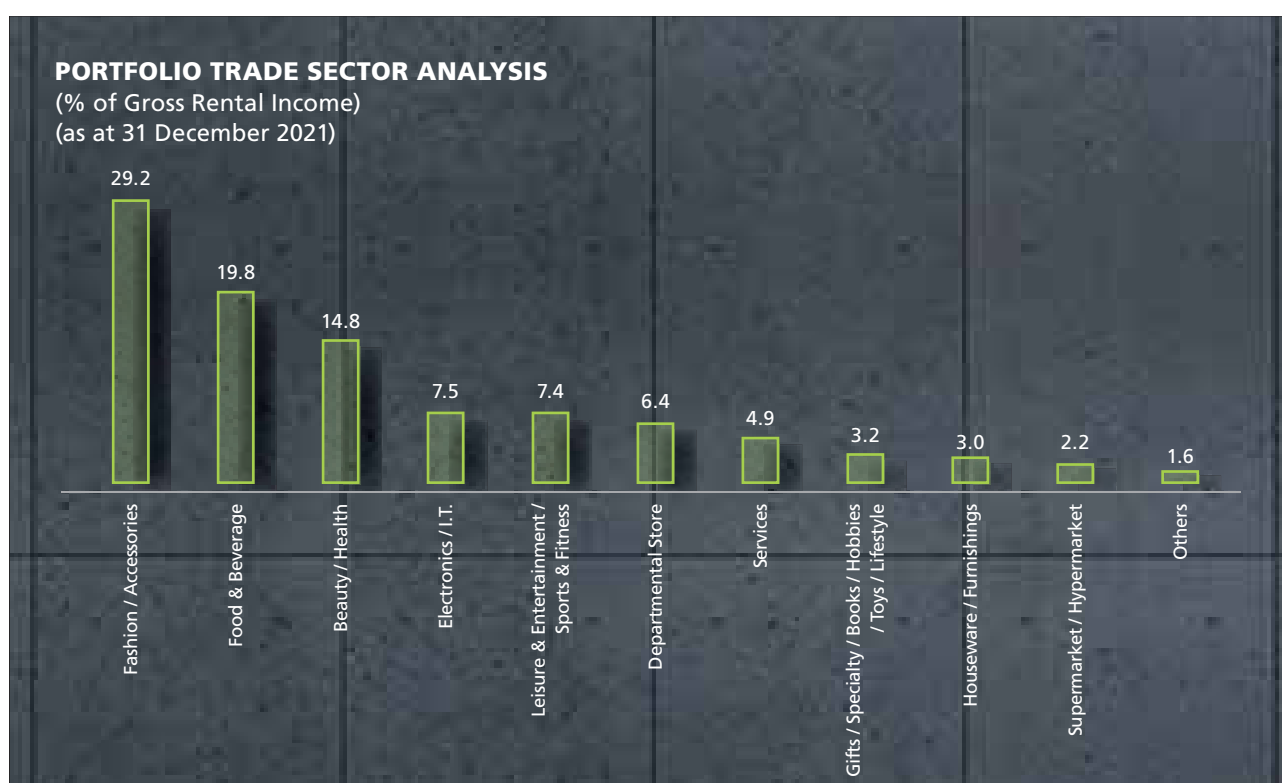
CLMT's gross rental income is well distributed within its portfolio of 1,084 leases. Collectively, the 10 largest tenants accounted for about 15.4% of the total gross rental income.

10 Largest Tenants of CLMT (as at 31 December 2021)

Tenant	Trade Sector	% of Gross Rental Income
Parkson Elite / Parkson	Departmental Store	5.9
Padini Concept Store	Fashion / Accessories	1.6
Golden Screen Cinemas	Leisure & Entertainment / Sports & Fitness	1.4
Watsons	Beauty / Health	1.0
Nando's	Food & Beverage	1.0
Mr. D.I.Y.	Houseware / Furnishings	0.9
JD Sports / JD Sports, King of Trainers	Leisure & Entertainment / Sports & Fitness	0.9
Uniqlo	Fashion / Accessories	0.9
Mercato	Supermarket / Hypermarket	0.9
Switch	Electronics / I.T.	0.9
Total		15.4

TRADE SECTOR ANALYSIS

CLMT's portfolio is well diversified and leverages on many different trade sectors for rental income. As at 31 December 2021, Fashion / Accessories remained the largest contributor to gross rental income at 29.2% of the total portfolio. The Food & Beverage trade remained the second largest contributor to gross rental income at 19.8%.



Operations Review

OCCUPANCY RATE

As a result of active mall management, proactive leasing strategy and access to CapitaLand's extensive network of local and international retailers, CLMT's occupancy rate has remained largely stable, above 90%, throughout the years. However, with COVID-19 having greatly affecting the retail sector, CLMT malls were not spared and resulted in occupancy rate falling below 90% since 2020. Given that the potential impact of COVID-19 is fluid and evolving, the recovery of the retail sector remains uncertain and as a result, the portfolio occupancy rate as at 31 December 2021 declined marginally to 82.5% from 86.6% a year ago.

Occupancy Rate (%)

As at 31 December	2021	2020	2019	2018	2017
Gurney Plaza	96.3	98.6	99.8	99.9	99.4
East Coast Mall	97.5	97.4	99.5	99.0	98.9
Sungei Wang Plaza	66.4	64.2	82.0	75.3	90.1
3 Damansara Property	68.5	77.0	92.8	92.3	91.6
The Mines	76.2	85.2	90.5	89.1	94.4
CLMT Portfolio	82.5	86.6	93.8	93.2	95.4

VALUE CREATION

Amidst the challenges in the operating environment, the Manager continues to proactively undertake retail and asset management initiatives to continually refresh and introduce new experiences in CLMT's malls to enhance their attractiveness.

At Gurney Plaza, we introduced exciting new-to-Northern region brands and experiences to further strengthen its position as Penang's leading premier lifestyle destination. Some of the noteworthy international fashion brands that were introduced in 2021 include Kate Spade New York and Karl Lagerfeld as part of the tenant remixing initiatives on the Ground Floor. Other exciting offerings that were brought in include Le Labo - a niche perfume house which has become iconic for its collection of hand-made perfumes and home scents; shoe retailers - Ecco and Havaianas; and Nespresso - the first kiosk in the Northern region.

For East Coast Mall, we expanded the range of fashion brands with the introduction of international label Tommy Hilfiger and homegrown label Kamsiah Boutique. Aside from that, we also introduced popular cosmetics and beauty brands Victoria's Secret and Bath & Body Works to the east coast region shoppers. More food and beverage (F&B) choices were brought in including A&W and Kyochoon.

Shoppers are able to enjoy a greater variety of dining options at 3 Damansara such as Churrito's Fresh Mex - a new Tex-Mex food joint, and Rakuzen which has reopened after completion of renovation works during the year under review. We also brought in a new gym operator - Par Fitness on Level 1 as well as the introduction of a one-stop haircare, aesthetic and wellness destination, Fancier Esthetic World, which occupies 14,500 square feet on Level 2. Cinema operator, GSC, has also reopened after the completion of its renovation works during the year and the outlet features a Play+ lounge and hall; and a Play+ cinema hall suitable for children and families.

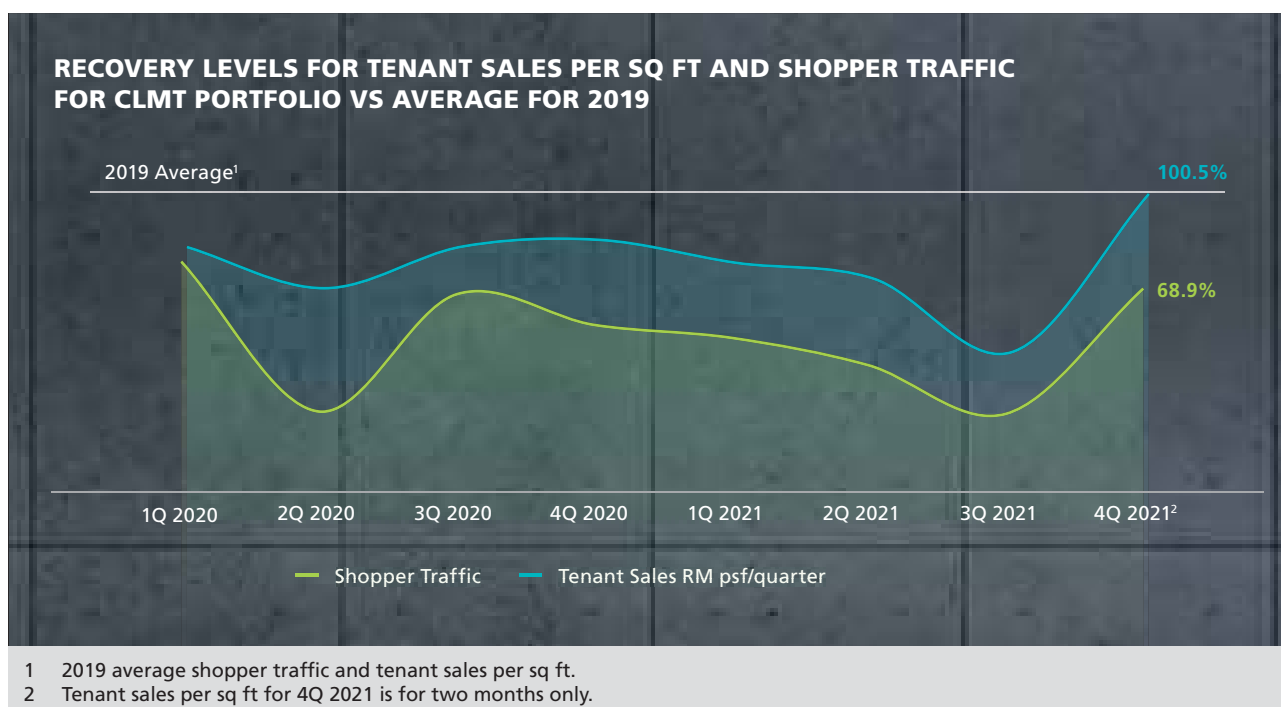
At The Mines, the F&B tenants that commenced operations in 2021 include KaijuCrunch and we expanded the IT and digital-related brands and offerings on Level 4's Digitamart with the opening of Honor. Popular value store Mr. Dollar and bookstore BookXcess also opened during the year under review.

Operations Review

SHOPPER AND VEHICULAR TRAFFIC

Shopper and vehicular traffic continued to be affected by the restriction in business activities and strict social distancing measures that remain in force for most of 2021, which was lengthier than in 2020, due to the evolving COVID-19 pandemic. CLMT's shopping malls registered an annual shopper traffic of 27.0 million in 2021, which was 16.9% lower from the 32.4 million achieved in 2020. Vehicular traffic registered at 4.5 million in 2021, or 17.7% lower than 2020's record of 5.4 million.

Shopper Traffic and Tenant Sales Quarterly Performance



The COVID-19 pandemic continued to affect the recovery of the retail sector throughout 2021. In June 2021, the Government announced the National Recovery Plan (NRP), a four-phase exit strategy from the COVID-19 crisis which was enforced from June to December 2021. Based on the NRP, the thresholds to transition to a more relaxed phase are premised on (i) the number of daily average cases; (ii) state of the healthcare system; and (iii) percentage of fully vaccinated population.

Come mid-August 2021 when dine-in for fully vaccinated shoppers was resumed, shopper traffic for CLMT portfolio had seen gradual improvements and by then, almost all retail trades have been allowed to resume operations at full capacity. As Malaysia has achieved its 90% COVID-19 adult population inoculation target sometime October 2021, the ban on interstate travel had also been lifted consequently which augured well for CLMT malls that cater to domestic travellers.

In 4Q 2021, shopper traffic and tenant sales for CLMT's portfolio continued to show improvements. This was supported by the resumption of dine-in services for fully vaccinated individuals and the malls' various marketing activities. Gurney Plaza and East Coast Mall, which are popular with local tourists, have also benefited from the resumption of domestic travel activities.

Financial Review

GROSS REVENUE

Gross revenue for FY 2021 of RM224.1 million was RM37.3 million or 14.3% lower than FY 2020. The decrease was largely due to lower gross rental income attributable to negative rental reversions and rental relief provided during the financial year. The longer period of lockdown in FY 2021 as compared to the previous financial year had caused disruptions to tenants' business. The start-stop nature of the lockdown had caused tenants from certain trade categories to scale down or put on hold their business plans. Rental relief was provided to deserving tenants to support them throughout the pandemic, which also forms part of CLMT strategy to maintain tenant occupancy and improve collection for rent arrears.

There was a clear trend whereby the quarter-on-quarter results were impacted by the various movement controls and gradual recovery was only seen after a broad segment of the population had been fully inoculated against COVID-19. The last quarter of the financial year recorded the highest gross revenue in tandem with the majority of the adult population having been inoculated, and it also coincided with major festivities which led to improvement in the portfolio shopper traffic during the same period.

Gross Revenue by Property	FY 2021 RM'000	FY 2020 RM'000	Change (%)
Gurney Plaza	104,421	121,423	(14.0)
East Coast Mall	50,146	49,483	1.3
Sungei Wang Plaza	14,664	20,094	(27.0)
3 Damansara Property	18,876	29,299	(35.6)
The Mines	36,000	41,100	(12.4)
Total	224,107	261,399	(14.3)

NET PROPERTY INCOME

Net property income (NPI) for FY 2021 of RM103.1 million was RM30.4 million, or 22.7%, lower than FY 2020. The decrease was a result of the above mentioned decrease in gross revenue, which translated into lower NPI for CLMT Group. Among the properties in CLMT portfolio, East Coast Mall had performed better than the previous financial year despite the pandemic challenges. CLMT's leading malls, Gurney Plaza and East Coast Mall, continue to be the main contributors to the Group. The negative impact from lower gross revenue was mitigated by lower utilities consumption, and the 10% electricity discount received for the 12-month duration during the financial year. Additionally, there were also higher savings from marketing and general and administrative expenses due to lesser mall activities during the prolonged lockdown.

Net Property Income by Property	FY 2021 RM'000	FY 2020 RM'000	Change (%)
Gurney Plaza	65,288	80,630	(19.0)
East Coast Mall	32,754	30,019	9.1
Sungei Wang Plaza	(7,617)	(2,408)	>100.0
3 Damansara Property	(1,069)	8,289	(>100.0)
The Mines	13,782	16,971	(18.8)
Total	103,138	133,501	(22.7)

Financial Review

DISTRIBUTIONS

For FY 2021, CLMT declared a distribution per unit (DPU) of 1.84 sen. During the financial year, CLMT made two income distributions to Unitholders, totaling RM59.2 million or 2.85 sen per unit, which comprised (i) a final income distribution for FY 2020 of 1.99 sen per unit for the period from 1 July 2020 to 31 December 2020, which was paid on 23 March 2021 and (ii) the first income distribution for FY 2021 of 0.86 sen per unit for the period from 1 January 2021 to 30 June 2021, which was paid on 22 September 2021. Both income distributions were subjected to the Distribution Reinvestment Plan (DRP) where Unitholders may elect to convert the income distribution received (net of withholding tax) into new CLMT units. A total of 59,899,470 of new units were issued out of 102,880,622 units eligible for both of the DRP exercises, representing a blended take-up rate of 58.2%. For the final income distribution for the period from 1 July 2021 to 31 December 2021, CLMT intends to apply the DRP on the distribution per unit of 0.98 sen, and will be distributed to Unitholders by March 2022. The total DPU from 1H 2021 and 2H 2021 of 1.84 sen represents a payout of approximately 100% of CLMT's FY 2021 distributable income of RM39.0 million.

Distribution History

Period	DPU sen	Distributions RM'000
FY 2021		
1 January to 30 June 2021	0.86	18,151
1 July to 31 December 2021	0.98	20,882
Total	1.84	39,033
FY 2020		
1 January to 30 June 2020	1.01	20,759
1 July to 31 December 2020	1.99	41,071
Total	3.00	61,830
FY 2019		
1 January to 30 June 2019	3.22	65,822
1 July to 31 December 2019	3.03	62,169
Total	6.25	127,991
FY 2018		
1 January to 30 June 2018	4.02	82,034
1 July to 31 December 2018	3.88	79,314
Total	7.90	161,348
FY 2017		
1 January to 30 June 2017	4.14	84,234
1 July to 31 December 2017	4.08	83,140
Total	8.22	167,374

Financial Review

FINANCIAL POSITION

The total assets for CLMT Group were RM3,932.9 million as at 31 December 2021 compared to RM3,999.4 million as at 31 December 2020. The decrease of RM66.5 million was mainly due to the fair value losses recognised for the valuations of the Klang Valley malls at the balance sheet date. Cash and cash equivalents have increased by RM4.3 million to RM76.2 million at balance sheet date due to higher collection of rent arrears after the re-opening of economy sectors in 4Q 2021.

Total borrowings increased by RM1.7 million to RM1,413.3 million¹ at the balance sheet date due to drawdown of revolving credit facilities to fund capital expenditure works and working capital during the financial year. The lower-than-expected drawdown can be explained by the savings from the DRP exercises which helped to contribute at least RM32.8 million to CLMT's existing cash reserve. For more details, please refer to the Capital Management section of CLMT Annual Report 2021.

Unitholders' fund for CLMT Group as at 31 December 2021 was RM2,391.3 million, a decrease of RM52.6 million from 31 December 2020 mainly attributable to the valuation loss from Investment Properties. Additional CLMT units were issued during the financial year in respect of the DRP exercises and management fees payable in units which created additional CLMT units of 59,899,470 and 7,109,900 units respectively, issued at prices between RM0.5398 – RM0.6296.

VALUATIONS AND PROPERTY YIELD

CLMT Portfolio	Valuation (RM million)			Property Yield (%)		Capitalisation Rate (%)	
	31 Dec 2021	31 Dec 2020	Decrease	FY 2021	FY 2020	31 Dec 2021	31 Dec 2020
Gurney Plaza	1,665	1,665	–	3.9	4.8	6.75	6.75
East Coast Mall	579	579	–	5.7	5.2	7.00	7.00
Sungei Wang Plaza	442	475	(33.0)	(1.7)	(0.5)	7.00	7.00
3 Damansara Property	480	496	(16.0)	(0.2)	1.7	6.50	6.50
The Mines	660	680	(20.0)	2.1	2.5	7.00	7.00
CLMT Portfolio	3,826	3,895	(69.0)	2.7	3.4		
Less: Additions			(7.4)				
FY 2021 Fair Value Losses			(76.4)				

As at 31 December 2021, the valuation for Gurney Plaza, Sungei Wang Plaza and The Mines were conducted by Nawawi Tie Leung Property Consultants Sdn. Bhd. The valuation for East Coast Mall was conducted by Savills (Malaysia) Sdn. Bhd. while the valuation for 3 Damansara and 3 Damansara Office Tower (collectively known as 3 Damansara Property) was conducted by PPC International Sdn. Bhd.

¹ Before deducting unamortised transaction costs.

Capital Management

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

BORROWINGS

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

In March 2021, CLMT Group had re-fixed the interest rate at a lower rate for part of the existing secured term loans for three years. At the same time, CLMT Group extended the tenure of an existing secured revolving credit facilities maturing in 2022 for another six years to 2028.

In September 2021, CLMT Group obtained unsecured committed revolving credit facility of RM50.0 million in addition to the existing revolving credit facilities of the Group.

In December 2021, CMMT MTN Berhad, a wholly owned subsidiary of CLMT, had re-fixed the coupon rate of the RM300.0 million unrated and secured Medium Term Notes (MTN) at a lower coupon rate of 3.24% per annum for the remaining tenure of 1.5 years. In a separate exercise, CLMT Group completed the extension of the tenure of an existing secured

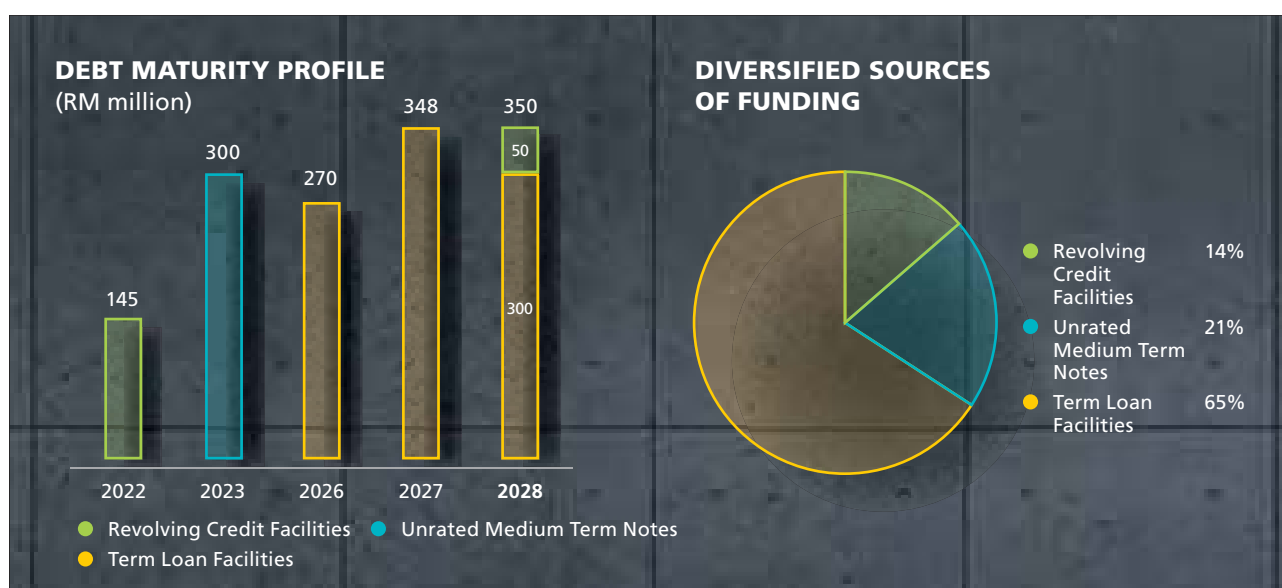
term loan maturing in 2022 for another five years to 2027.

The interest rate risk management initiative paved the way for CLMT Group to limit the adverse impact on the cost of debt in the event of an increase in market interest rate and banks' cost of funds. As at 31 December 2021, CLMT Group locked in 81.0% (FY 2020: 81.0%) of its total borrowings at fixed rates.

The total borrowings of the CLMT Group as at 31 December 2021 was RM1,413.3 million¹ (FY 2020: RM1,411.6 million), which translates to a healthy gearing level of 35.9% (FY 2020: 35.3%). In response to the COVID-19 pandemic, the Securities Commission Malaysia has temporarily increased the gearing limit from 50% to 60% until 31 December 2022. This provides CLMT Group with a comfortable debt headroom to increase its borrowings for future acquisitions, carry out asset enhancement initiatives (AEI) and/or working capital needs. The average cost of debt for CLMT Group for FY 2021 was at approximately 3.3% per annum (FY 2020: 4.1% per annum), and the average term to maturity for outstanding debt was 4.0 years (FY 2020: 3.5 years). Sungei Wang Plaza² and East Coast Mall remain unencumbered, thus providing CLMT Group with further financial flexibility.

DEBT PROFILE

The debt maturity and diversified sources of funding profile for CLMT Group as at 31 December 2021 were as follows:



¹ Before deducting unamortised transaction costs.

² CLMT Group's interest in Sungei Wang Plaza comprises (i) 205 strata parcels within the mall which represents approximately 61.9% of the aggregate retail floor area, and (ii) 1,298 car park bays which comprise 100% of the car park bays.

Capital Management

CASH FLOWS AND LIQUIDITY

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

CASH AND CASH EQUIVALENTS

As at 31 December 2021, the cash and cash equivalents of CLMT Group stood at RM76.2 million, an increase of RM4.3 million compared to FY 2020. The increase was mainly the result of the cash outflows of RM5.9 million and RM72.8 million (excluding the withdrawal on pledged deposit of RM1.3 million) from investing and financing activities respectively and offset by the cash inflows of RM83.0 million from operating activities.

OPERATING ACTIVITIES

CLMT Group's operating net cash inflow for FY 2021 was RM83.0 million, a decrease of RM30.1 million from the preceding year. The decrease was mainly attributed to the lower net property income in addition to the slower collection due to the business disruptions that resulted from the lockdowns imposed by the Government during the financial year.

INVESTING ACTIVITIES

Net cash used in investing activities for FY 2021 amounted to RM5.9 million resulted from cash outflows of RM1.3 million incurred on plant and equipment and RM5.8 million on AEI works and capital expenditure, including payments for previous years' capital expenditure. The impact of these cash outflows was partly mitigated by interest income of RM1.2 million as a result of active cash management.

FINANCING ACTIVITIES

Net cash used in financing activities for FY 2021 amounted to RM71.5 million and was mainly attributed to income distribution to Unitholders of RM26.4 million and interest paid of RM47.7 million offset by net drawdown of revolving credit facilities of RM1.7 million and withdrawal of pledged deposits of RM1.3 million.

Investor and Media Relations

CapitaLand Malaysia Trust (CLMT) is committed to the principles of delivering timely, objective and transparent information to our stakeholders. Our stakeholders include Unitholders, potential retail and institutional investors, analysts and the media. Guided by our Unitholders' Communication and Investor Relations Policy, we advocate a regular, effective and fair communication channel with our stakeholders. The senior management and investor relations (IR) team proactively engage with the investment community to articulate strategy, performance and prospects to aid them in their investment decisions.

Despite the disruptions caused by COVID-19, the management and the IR team continued to regularly engage with CLMT stakeholders locally and globally through participation in one-on-one meetings, post-results briefings, teleconferences and roadshows to provide timely updates on the evolving COVID-19 developments in Malaysia and its latest financial performance and prospects.

CLMT is a member of the Malaysian Investor Relations Association (MIRA) and the Malaysian REIT Managers Association (MRMA).

As at 31 December 2021, eight analysts covered CLMT and we monitor analyst, market and media reports closely as part of ongoing best practices. As part of best corporate governance practices, financial results are released immediately after the Board of Directors' meetings followed by conference calls to the investment community to brief them on the financial performance, performance analysis of the assets and earnings outlook for the following quarter and financial year.

The Annual General Meeting (AGM) is an important communication channel with Unitholders. CLMT held its AGM that was arranged as a fully virtual general meeting on 31 March 2021. In respect of CLMT's proposed expansion of investment mandate, CLMT also held a fully virtual Extraordinary General Meeting (EGM) on 14 June 2021. Substantially all participating Unitholders voted in favour of the expansion of CLMT's investment mandate to explore asset classes beyond retail, and pivot into new sectors covering commercial, office and industrial asset classes. Consequentially, the renaming of of the Trust reflected our new focus to achieve a sector-diversified portfolio mix, which will enhance the resiliency of CLMT's income for the benefit of Unitholders in the long term. Unitholders were invited to submit substantial and relevant questions ahead of the AGM and EGM and to the Board of Directors and management team addressed their concerns and feedback during the virtual sessions. Following the conclusion of the AGM and EGM, the voting results were uploaded on Bursa Malaysia and made available on CLMT's website. The Manager's responses to substantial and relevant questions were also uploaded on CLMT's website within 24 hours while the minutes of the AGM and EGM were also made available subsequently on CLMT's website for greater transparency.

General information on CLMT including property portfolio details, investor presentations and annual reports is updated regularly on the corporate website (www.clmt.com.my). All news releases, presentation, circulars and announcements are also made available on both CLMT and Bursa Malaysia websites. CLMT's unit price performance information is also available on its website with 15-minutes lag time. Investors and the general public may sign up for email alerts to receive the latest updates on CLMT. They can also post queries to CLMT via a dedicated 'Ask Us' email address and queries are answered promptly.

UNITHOLDER & MEDIA ENQUIRIES

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

Jasmine Loo
Investor Relations and Corporate Communications

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Fax : +603 2279 9889
Email : ask-us@clmt.com.my
Website: www.clmt.com.my

Investor and Media Relations

POST-RESULTS RESEARCH COVERAGE

Research Institutions	Date of Last Report	Recommendation	Target Price (RM)
AllianceDBS Research Sdn. Bhd.	25 January 2021	Hold	0.65
CGS-CIMB Securities International Pte. Ltd.	28 January 2022	Hold	0.59
Kenanga Investment Bank Berhad	28 January 2022	Market Perform	0.56
Maybank Investment Bank Berhad	28 January 2022	Hold	0.57
MIDF Amanah Investment Bank Berhad	23 July 2021	Neutral	0.58
RHB Research Institute Sdn. Bhd.	28 January 2022	Sell	0.50
TA Securities Holdings Berhad	28 January 2022	Sell	0.60
UOB Kay Hian Securities (M) Sdn. Bhd.	28 January 2022	Hold	0.55
Average Target Price			0.57

INVESTOR & MEDIA RELATIONS CALENDAR 2021

First Quarter	<ul style="list-style-type: none">• Full Year 2020 results press release followed by media and analysts' briefings• Engagement with institutional investors (Non Deal Roadshow)• CMMT Annual General Meeting
Second Quarter	<ul style="list-style-type: none">• First Quarter 2021 results press release followed by analysts' briefing• Engagement with institutional investors (Non Deal Roadshow)• CMMT Extraordinary General Meeting and expansion of investment mandate press release
Third Quarter	<ul style="list-style-type: none">• First Half 2021 results press release followed by analysts' briefing• Citi-CapitaLand Group and Listed Trusts Corporate Day 2021
Fourth Quarter	<ul style="list-style-type: none">• Third Quarter 2021 results press release followed by analysts' briefing• DBS Vickers – CapitaLand Investment & REITs Taiwan Corporate Day• Engagement with institutional investors (Non Deal Roadshow)

Trading & Yield Performance

As at 31 December 2021, CLMT's closing market price registered a slight decline of 8.0% at RM0.575 compared to RM0.625 a year ago while its market capitalisation was approximately RM1.2 billion. Trading volume in 2021 was approximately 167 million units, which translated to an average daily trading volume of approximately 676,000 units.

CLMT'S 5-YEAR TRADING PERFORMANCE

Trading Highlights	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Opening Market Price (RM per unit)	0.625	1.00	1.01	1.83	1.53
Closing Market Price (RM per unit)	0.575	0.625	1.00	1.01	1.83
Highest Traded Price (RM per unit)	0.74	1.02	1.13	1.47	1.83
Lowest Traded Price (RM per unit)	0.57	0.59	1.00	0.99	1.39
Total Trading Volume (million units)	167.0	204.8	181.5	257.3	326.9
Capital Appreciation ¹ (%)	(8.0)	(37.5)	(1.0)	(44.8)	19.6
Market Capitalisation ² (RM million)	1,225.2	1,289.9	2,051.8	2,064.6	3,729.1
Units in Circulation ³ (unit '000)	2,130,856	2,063,846	2,051,753	2,044,176	2,037,753

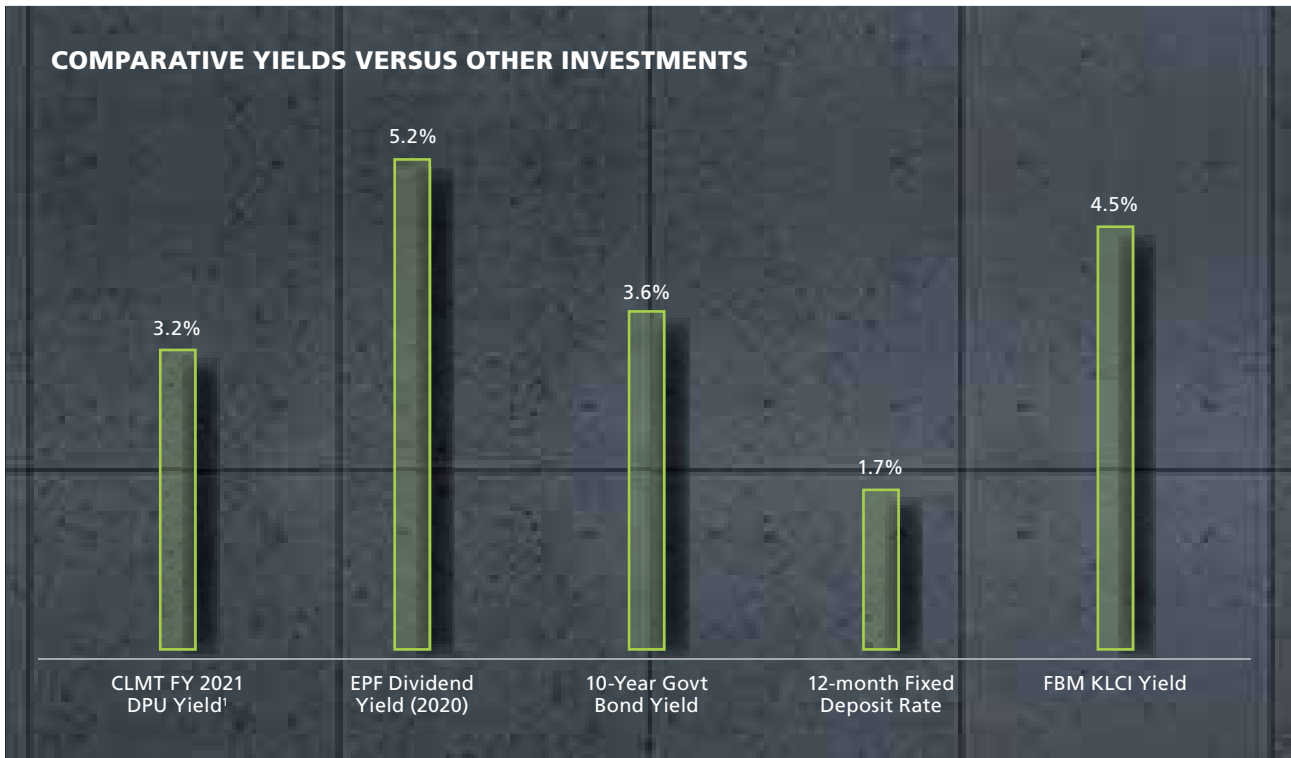
1 Based on the opening and closing market price of the respective financial year.

2 Based on the closing market price of the respective financial year.

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



Trading & Yield Performance



Source: Bloomberg, Bank Negara Malaysia, Employees Provident Fund.

¹ Based on DPU of 1.84 sen for the period 1 January 2021 to 31 December 2021 and the closing unit price of RM0.575 on 31 December 2021.

Corporate Governance

OUR ROLE

We, as the Manager of CLMT, set the strategic direction of CLMT and make recommendations to the Trustee, in its capacity as trustee of CLMT on any investment or divestment opportunities for CLMT and the enhancement of the assets of CLMT in accordance with the stated investment strategy for CLMT. The research, evaluation and analysis required for this purpose are coordinated and carried out by the Manager.

As the Manager, we have general powers of management over the assets of CLMT. Our primary responsibility is to manage the assets and liabilities of CLMT for the benefit of the Unitholders of CLMT. We do this with a focus on generating rental income and enhancing asset values over time so as to maximise returns from the investments and ultimately, the distribution and total returns to Unitholders.

Our other functions and responsibilities of the Manager include:

- (a) using our best endeavour to conduct CLMT's business in a proper and efficient manner in the best interests of the Unitholders;
- (b) preparing annual business plans for review by the Directors of the Manager, including forecasts on revenue, net income and capital expenditure, explanations on major variances in previous years' financial results, written commentaries on key issues and underlying assumptions for rental rates, operating expenses and other relevant assumptions;
- (c) ensuring compliance with relevant laws and regulations, including but not limited to the Companies Act 2016, the Capital Markets and Services Act 2007 (CMSA), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia) (Listing Requirements), the Securities Commission's (SC) Guidelines on Listed Real Estate Investment Trusts (REITs Guidelines), Licensing Handbook, written directions, notices, codes and other applicable guidelines issued by SC and/or Bursa Malaysia and the tax rulings issued by the Inland Revenue Board of Malaysia on the taxation of CLMT and its Unitholders as well as any updates and amendments to such relevant laws and regulations;

- (d) attending to all regular communications with Unitholders; and
- (e) supervising Knight Frank Property Management Sdn. Bhd. and Zaharin Nexcap Property Consultants Sdn. Bhd. (collectively, the Property Managers), which pursuant to the property management agreements, perform the day-to-day property management functions (including leasing, marketing & promotion, operations coordination and other property management activities) for CLMT's properties namely Gurney Plaza, Sungei Wang Plaza¹, 3 Damansara and 3 Damansara Office Tower, The Mines and East Coast Mall.

The Manager also considers sustainability issues (including environmental and social factors) as part of its responsibility. CLMT's environmental, sustainability and community outreach programmes are set out on pages 110 to 126 of the CLMT Annual Report 2021. Please refer to the Sustainability Management section of CLMT Annual Report 2021.

The Manager administers the enterprise risk management and ensures that internal controls are in place to mitigate and manage the risks as set out in the Enterprise Risk Management section of CLMT Annual Report 2021.

CLMT, constituted as a trust, is externally managed by the Manager. The Manager appoints experienced and well qualified personnel to run its day-to-day operations.

The Manager was appointed in accordance with the terms of the deed dated 7 June 2010 (as amended, supplemented or restated from time to time) (Trust Deed). The Trust Deed outlines certain circumstances under which the Manager can be removed, including by notice in writing given by the Trustee upon the occurrence of certain events, or by resolution passed by a simple majority of Unitholders present and voting at a meeting of Unitholders duly convened held in accordance with the provisions of the Trust Deed.

The Manager is a subsidiary of CapitaLand Investment Limited² (CLI) which also holds a significant unitholding interest in CLMT. CLI is a long term real estate developer and investor, with a vested interest in

1 CLMT's interest in Sungei Wang Plaza comprises (i) 205 strata parcels within the mall which represents approximately 61.9% of the aggregate retail floor area, and (ii) 1,298 car park bays which comprise 100% of the car park bays.

2 Formerly known as CapitaLand Investment Management Limited and CapitaLand Financial Limited.

Corporate Governance

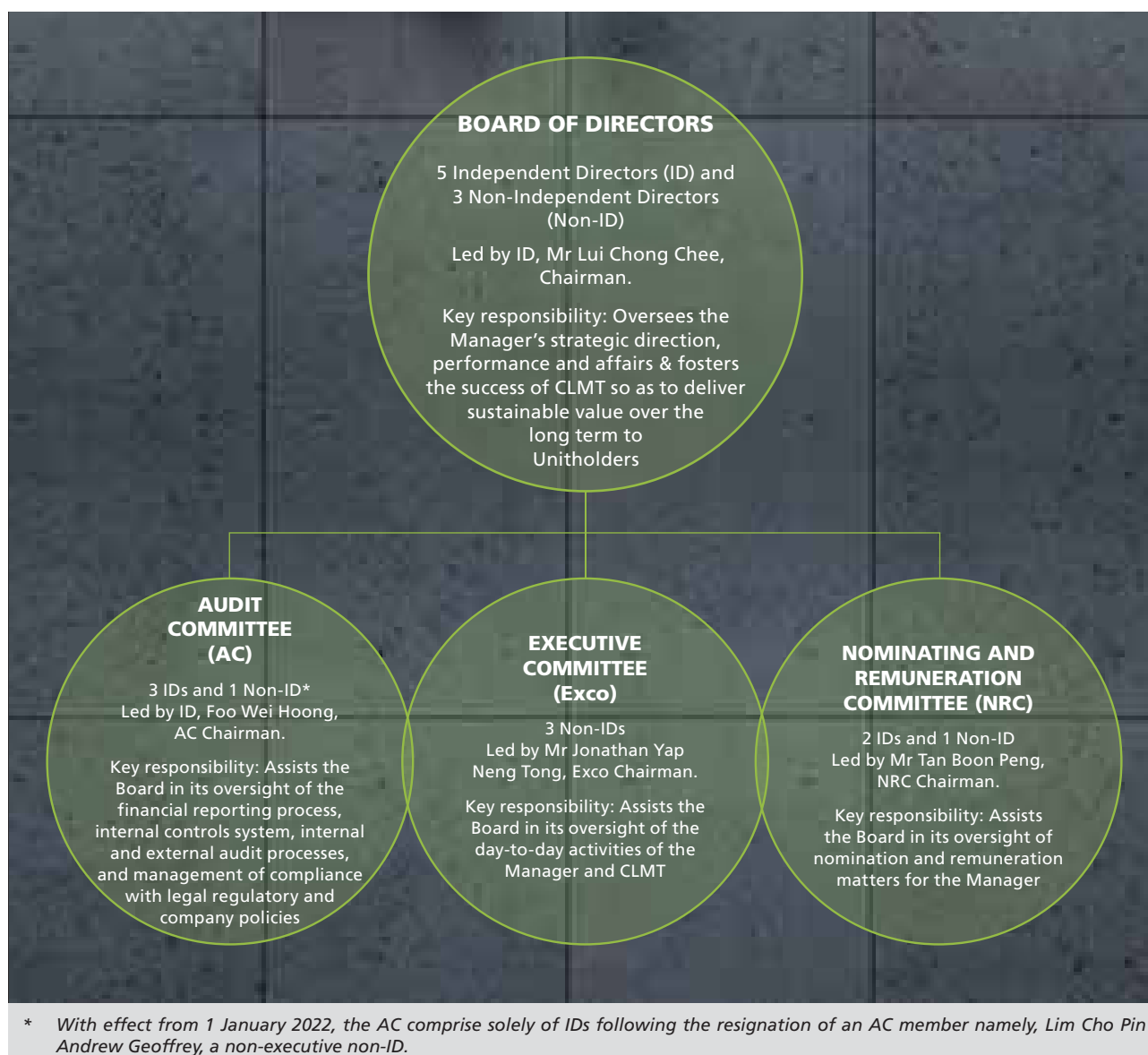
the long term performance of CLMT. CLI's significant unitholding in CLMT demonstrates its commitment to CLMT and as a result, CLI's interests is aligned with that of other Unitholders. The Manager's association with CLI provides the following benefits, among other things, to CLMT:

- (a) a stable pipeline of property assets through CLI's development activities;
- (b) wider and better access to banking and capital markets;
- (c) fund raising and treasury support; and
- (d) access to a bench of experienced management talent.

OUR CORPORATE GOVERNANCE FRAMEWORK AND CULTURE

The Manager embraces the tenets of good corporate governance, including accountability, transparency and sustainability. It is committed to enhancing long term Unitholder value and has appropriate people, processes and structure to direct and manage the business and affairs of the Manager with a view to achieving operational excellence and delivering CLMT's long term strategic objectives. The policies and practices developed meet the specific business needs of the CLMT and provide a firm foundation for a trusted and respected real estate investment trust.

Our corporate governance framework is set out below:



Corporate Governance

The Board of Directors (Board) sets the tone from the top and is responsible for the Manager's corporate governance standards and policies, underscoring their importance to the Manager and CLMT.

On 28 April 2021, the SC issued the revised version of the Malaysian Code on Corporate Governance (Code) which introduced new and/or enhanced best practices and further guidance to strengthen the corporate governance culture of listed companies. This Corporate Governance Overview Statement (Statement) sets out the corporate governance practices for financial year (FY) 2021 with reference to the principles of the Code.

Throughout FY 2021, the Manager has complied in general with the principles of corporate governance laid down by the Code and substantially, with the underlying provisions of the Code. Where there are deviations, appropriate explanations are provided in this Statement. This Statement also sets out additional policies and practices adopted by the Manager which are not provided in the Code.

BOARD MATTERS

Intended Outcome 1.0

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1: The board should set the company's strategic aims, ensures that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards and ensure that its obligations to its shareholders and other stakeholders are understood and met.

The Board oversees the strategic direction, performance and affairs of the Manager, in furtherance to the Manager's primary responsibility in fostering the success of CLMT so as to deliver sustainable value over the long term to Unitholders. It provides overall guidance to the management team (Management), led by the Chief Executive Officer (CEO). The Board works with Management to achieve CLMT's objectives and long term success and Management is accountable to the Board for its performance. Management is responsible for the execution of the strategy for CLMT and the day-to-day operation of CLMT's business.

The Board establishes goals for Management and monitors the achievement of these goals. It ensures that proper and effective controls are in place to assess and manage business risks and compliance with requirements under the Listing Requirements, REITs Guidelines as well as any other applicable guidelines prescribed by Bursa Malaysia, SC or other relevant authorities and such other applicable laws. It also sets the disclosure and transparency standards for CLMT and ensures that obligations to Unitholders and other stakeholders are understood and met. The goals and achievements of CLMT are set in the Balance Scorecard approved by the Board and measured at the end of each financial year. The Board also receives periodic reports on the risks, compliance, conflicts of interest and internal controls managed and applied by Management for CLMT and the Manager.

The Directors are fiduciaries and are collectively, as the Board and individually, are obliged at all times to act honestly and objectively in the best interests of CLMT. Consistent with this principle, the Board is committed to good ethics and integrity of action and has adopted a Board Code of Business Conduct and Ethics (Board Code) which provides that every Director is expected to, among other things, adhere to the highest standards of ethical conduct. All Directors are required to comply with the Board Code. This sets the appropriate tone from the top in respect of the desired organisational culture and assists the Board in ensuring proper accountability by the Manager. In line with this, the Board has a standing policy that a Director must not allow himself or herself to get into a position where there is a conflict between his or her duty to CLMT and his or her own interests. Where a Director has a conflict of interest in a particular matter, he or she will be required to disclose his or her interest to the Board, recuse himself or herself from deliberations on the matter and abstain from voting on the matter. Every Director has complied with this policy, and where relevant, such compliance has been duly recorded in the minutes of meeting or written resolutions.

Furthermore, the Directors have the responsibility to act with due diligence in the discharge of their duties and ensure that they have the relevant knowledge to carry out and discharge their duties as Directors, including understanding their roles as executive, non-executive, and IDs, the business of CLMT and the environment in which CLMT operates. The Directors are also required to dedicate the necessary effort, commitment and time of their work as Directors, and are expected to attend all meetings of the Board, unless unusual circumstances make attendance impractical.

Corporate Governance

Board Committees

The Board has established various Board Committees to assist in the discharge of its functions. These Board Committees are the Audit Committee (AC), Nominating and Remuneration Committee (NRC) and the Executive Committee (Exco). The Board undertakes all the responsibilities for approving corporate disclosures other than certain non-material and routine disclosures which approvals are delegated to Management, following the dissolution of the Corporate Disclosure Committee on 1 February 2020.

All the Board Committees have clear written terms of reference setting out their respective composition, authorities and duties. Each of these Board Committees operates under delegated authority from the Board with the Board retaining overall oversight. The decisions and significant matters discussed at the respective Board Committees are reported to the Board on a periodic basis. The minutes of the Board Committee meetings which record the key deliberations and decisions taken during these meetings are also circulated to all Board members for their information. The composition of the various Board Committees is set out under the Corporate Information section of CLMT Annual Report 2021. The duties and responsibilities of the Board Committees are set out in this Statement.

The Board may form other Board Committees from time to time as dictated by business imperatives. The composition of each Board Committee is also reviewed as and when there are changes to Board membership and is managed to ensure an equitable distribution of responsibilities among Board members, to maximise the effectiveness of the Board and to foster active participation and contribution from Board members. Diversity of experience and appropriate skills are considered in the composition of the respective Board Committees.

Meetings of Board and Board Committees

Board and Board Committee meetings are scheduled prior to the start of each financial year in consultation with the Directors. The Constitution of the Manager (Constitution) permits the Directors to participate in Board and Board Committee meetings via audio or video conference. If a Director is unable to attend a Board or Board Committee meeting, he or she may provide his or her comments to the Chairman or the relevant Board Committee chairman ahead of the meeting and these comments are taken into consideration in the deliberations. The Board and Board Committees may also make decisions by way of written resolutions. In addition to scheduled

meetings, the Board may also hold ad hoc meetings as and when required by business imperatives.

At each scheduled Board meeting, the Board is apprised, amongst others, of the following:

- (a) significant matters discussed at the AC meeting which is typically scheduled before the Board meeting;
- (b) AC's recommendation on CLMT's periodic and year-end financial results following AC's review of the same;
- (c) decisions made by Board Committees in the period under review;
- (d) updates on the CLMT Group's business and operations in the period under review, including market developments and trends, as well as business initiatives and opportunities;
- (e) financial performance, budgetary and capital management related matters in the period under review, including any material variance between any projections in budget or business plans and the actual results from business activities and operations;
- (f) any risk management issues that materially impact CLMT's operations or financial performance;
- (g) updates on key Unitholder engagements in the period under review, as well as analyst views and market feedback; and
- (h) prospective transactions which Management is exploring.

This allows the Board to develop a good understanding of the progress of CLMT Group's business as well as the issues and challenges faced by CLMT, as well as promotes active engagement with Management.

The Manager adopts and practises the principle of collective decisions and therefore, no individual Director influences or dominates the decision-making process. There is mutual respect and trust among the Directors and therefore the Board benefits from a culture of frank and rigorous discussions. Such discussions conducted on a professional basis contribute to the dynamism and effectiveness of the Board. The Board composition is such that there is diversity in views and perspectives which

Corporate Governance

enriches deliberations and contributes to better decision-making by the Board. At Board and Board Committee meetings, all the Directors actively participate in discussions, and particularly, they engage in open and constructive debate and will challenge the Management on its assumptions and recommendations.

A total of six Board meetings were held in FY 2021. A table showing the attendance record of the Directors at meetings of the Board and Committees in FY 2021 is set out on page 96 of the Corporate Governance section of CLMT Annual Report 2021. The Manager believes in the manifest contribution of its Directors beyond attendance at formal Board and Committee meetings. To judge a Director's contributions based on his attendance at formal meetings alone would not do justice to his overall contributions, which include being accessible to Management for guidance or exchange of views outside the formal environment of Board and Board Committee meetings. In addition to the formal meetings held in FY 2021, Management has received and benefited from the strategic guidance of the Board through the Directors having had many interactive sessions with Management in person and also through electronic means.

Directors' Development

In view of the increasingly demanding, complex and multi-dimensional roles of a Director, the Board recognises the importance of continuous training and development for its Directors so as to equip them to discharge the duties and responsibilities of their office based on their abilities as Directors. The Manager has in place a training framework to guide and support the Manager towards meeting the objective of having a Board which comprises individuals who are competent and possess up-to-date knowledge and skills necessary to discharge duties and responsibilities. Newly appointed Directors who have no prior experience as a director of a listed issuer are provided with training on the roles and responsibilities of a director of a listed issuer in accordance with the listing rules of the MMLR.

Upon appointment, each Director is provided a copy of the Director's Manual (which includes information on a broad range of matters relating to the role, duties and responsibilities of a director). All Directors, upon appointment, also undergo an induction programme which focuses on orientating the Director to CLMT's business, operations, strategies,

organisation structure, responsibilities of the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the Manager (key management personnel), as well as financial and governance practices. Through the induction programme, the new Director also gets acquainted with members of Management which facilitates their interaction at Board meetings.

Following their appointment, Directors are provided with opportunities for continuing education in areas such as Directors' duties and responsibilities, changes to regulations and accounting standards and industry-related matters, so as to be updated on matters that affect or which may enhance their performance as Directors or Board Committee members. The Directors may also recommend suitable training and development programmes to the Board. In FY 2021, the training and professional development programmes for the Directors included seminars conducted by experts and senior business leaders on board practices and issues faced by boards. The Directors also regularly receive reading materials on topical matters or subjects as well as updates on regulatory changes and their implications. The Board has been continuously briefed and updated on the Corporate Liability Provision under Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 (MACC Act), the gap analysis addressed with the policies and procedures put in place by Management for the Manager's compliance as guided by the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the MACC Act and the updated version of the Code to keep the Board abreast of the latest development on the governance matters as well as a gap analysis to identify improvement areas.

All Directors (with the exception of Mr Tan Choon Siang who was appointed on 1 January 2022) have attended the Mandatory Accreditation Programme (MAP) as prescribed by Bursa Malaysia, within four months of their appointments. Mr Tan Choon Siang is scheduled to attend the MAP on 15 March – 17 March 2022. Training programmes, seminars and conferences attended by the Directors during FY 2021 are set out on page 97 of the Corporate Governance section of CLMT Annual Report 2021.

Practice 1.2: A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Corporate Governance

The Board presently comprises eight Directors, five of whom are IDs. The Chairman of the Board is a non-executive ID. Profiles of the Chairman and the Directors are provided in the Board of Directors' Profile section of CLMT Annual Report 2021.

During FY 2021, Chairman has been responsible for:

- (a) providing leadership to the Board so that the Board can perform its responsibilities effectively;
- (b) overseeing the Board agenda and interfacing between Management and Board members for delivery of information required at each Board meeting;
- (c) leading all Board meetings and discussions;
- (d) encouraging active participation and allowing dissenting views to be freely expressed by the Directors;
- (e) managing the interface between Board and Management on all other matters;
- (f) ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board; and
- (g) leading the Board in establishing and monitoring good corporate governance practices in the Manager.

Practice 1.3: The positions of Chairman and CEO are held by different individuals.

The roles and responsibilities of the Chairman and the CEO are held by separate individuals, in keeping with the principles that there be a clear division of responsibilities between the leadership of the Board and Management and that no one individual has unfettered powers in decision making. During the FY 2021, the CEO was Ms Low Peck Chen and whereas on 1 June 2021, Mr Lui Chong Chee was redesignated as the non-executive independent Chairman in place of Mr David Wong Chin Huat. Mr Tan Choon Siang was appointed as the CEO with effect from 1 January 2022 in place of Ms Low Peck Chen. The Chairman and the CEO enjoy a positive and constructive working relationship between them and support each other in their respective leadership roles. They do not share any family ties.

The Chairman provides leadership to the Board and facilitates the conditions for the overall effectiveness of the Board, Board Committees and individual Directors. This includes approving the agenda set for the Board meetings and ensuring that there is sufficient information provided and time given at meetings to address all agenda items, and promoting open and constructive engagement among the Directors as well as between the Board and the Management on strategic issues.

The Chairman devotes considerable time to understanding the business of CLMT, as well as the issues and the competition that CLMT faces. He plays a leadership role by providing oversight, direction, advice and guidance to the CEO. He also maintains open lines of communication and engages with other members of Management regularly, and acts as a sounding board for the CEO on any strategic and significant operational matters.

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

The CEO has full executive responsibilities to manage CLMT's Group business and to develop and implement policies approved by the Board.

The separation of the roles and responsibilities between the Chairman and the CEO and the resulting clarity of roles provide a healthy professional relationship between the Board and Management, facilitates robust deliberations on CLMT Group's business activities and the exchange of ideas and views to help shape CLMT's strategic process thus ensuring an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

Since the roles of the Chairman and the CEO are held by separate individuals who are not related to each other, whereby the Chairman is an ID, no lead ID is appointed.

Practice 1.4: The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.

Corporate Governance

Mr Lui Chong Chee is a non-executive independent Chairman and he is also a member of the NRC. The Board delegates and entrusts its review function to the NRC which operates within clearly defined terms of reference and specific powers granted thereunder.

The Board adopts and practices the principle of collective decision-making, no individual member can influence or dominate the Board's decision-making process. Based on peer review assessments conducted on objectivity and independence status of its members, the Board believes that the non-executive independent Chairman, is capable of exercising objective and impartial judgment to the Board's deliberations.

The Board also believes that having the same person assume the positions of Chairman of the Board and member of the Board Committee helps to ensure that all key and appropriate issues are discussed in detail at the Board Committee level before making any recommendation to the Board for decision.

Practice 1.5: The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

The Board is supported by a suitably qualified and competent Company Secretary (the Secretary). The Directors also have separate and independent access to the Company Secretary of the Manager (Company Secretary). The Company Secretary keeps herself abreast of relevant developments. She has oversight of corporate secretarial administration matters and advises the Board and Management on corporate governance matters. The Company Secretary attends Board meetings and assists the Chairman in ensuring that procedures are followed. The Company Secretary also facilitates the induction programme for new Directors and oversees professional development administration for the Directors. The appointment and the removal of the Company Secretary is subject to the Board's approval.

During FY 2021, the Secretary has advised on corporate disclosures and compliance with the Companies Act 2016 and provided updates on the Code, REITs Guidelines, Listing Requirements, the Corporate Liability Provision under Section 17A of the MACC Act and other related laws for the Manager's and Board's information.

Practice 1.6: Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

The Manager recognises the importance of providing the Board with complete, adequate and timely information prior to Board meetings and on an on-going basis, to enable the Directors to make informed decisions to discharge their duties and responsibilities.

The Secretary of the Manager works with the Chairman and Management to ensure that Board papers and agendas are provided to each Director at least five working days in advance of the Board meetings so that they can familiarise themselves with the matters prior to the Board meetings.

The Board meets regularly and at each Board meeting, the CEO provides updates on CLMT's business and operations as well as its financial performance. Presentations in relation to specific businesses areas are also made by key executives and external consultants or experts. This allows the Board to develop a good understanding of the progress of CLMT's business as well as the issues and challenges facing CLMT, and also promotes active engagement between the Board and the key executives of the Manager.

In line with the Manager's ongoing commitment to minimise paper wastage and reduce its carbon footprint, the Manager does not provide printed copies of Board and Board Committee meeting materials. Instead, the Directors are provided with tablet devices to enable them to access and review meeting materials prior to and during meetings. This initiative also enhances information security as the meeting materials are made available through a secure channel. The Directors are also able to review and approve written resolutions using tablet devices.

The Manager practices timely circulation of the minutes of the Board and Committee meetings after each meeting. Minutes are complete and accurately reflect the deliberations and decisions of the Board and Board Committees, including whether any Director abstained from voting or deliberating on any matter.

Corporate Governance

Intended Outcome 2.0

There is demarcation of responsibilities between the board, board committees and management. There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1: The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies: -

- › ***The respective roles and responsibilities of the board, board committees, individual directors and management; and***
- › ***Issues and decisions reserved for the board.***

The Board's duties and responsibilities have been guided by a Board Charter and in FY 2021 include:

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

The Board Charter is periodically reviewed to reflect changes to the Board's policies, procedures and processes as well as any development in statutes and regulations that may have an impact on the discharge of the Board's duties and responsibilities.

The Board has also adopted a set of internal control which establishes financial approval limits for capital expenditure, investments, divestments, bank borrowings and issuance of debt instruments and this is clearly communicated to Management in writing. The Board has reserved authority to approve certain matters including:

- (a) material acquisition, investments and divestments;
- (b) issue of new units in CLMT (Units);
- (c) income distributions and other returns to Unitholders; and
- (d) matters which involve a conflict of interest for a controlling Unitholder or a Director.

Apart from matters that specifically require the Board's approval, the Board delegates authority for transactions below the Board's approval limits to Board Committees and Management to optimize operational efficiency.

Intended Outcome 3.0

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness. The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1: The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering. The Code of Conduct and Ethics is published on the company's website.

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

The policies and guidelines are published on CapitaLand's Intranet which is accessible by all employees of the Manager. The policies that the Manager has implemented aim to help to detect and prevent occupational fraud mainly in three ways.

First, the Manager offers fair compensation packages, based on practices of pay-for-performance and promotion based on merit to its employees. The Manager also provides various healthcare subsidies and financial assistance schemes to alleviate the common financial pressures its employees face.

Corporate Governance

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

Finally, the Manager seeks to build and maintain the right organisational culture through its core values, educating its employees on good business conduct and ethical values. This is achieved through orientation training of new employees and periodic training updates for existing employees.

Bribery and Corruption Prevention Policy

The Manager adopts a strong stance against corruption and bribery. In addition to clear guidelines and procedures for the giving and receipt of corporate gifts and concessionary offers, all employees of the Manager are required to make a declaration on an annual basis where they pledge to uphold the Manager's core values and not to engage in any corrupt or unethical practices. This serves as a reminder to all employees to maintain the highest standards of integrity in their work and business dealings. This is in line with the Corporate Liability Provision under Section 17A of the MACC Act which came into force on 1 June 2020.

The Board had on 22 January 2020 adopted the anti-bribery and anti-corruption policy for the Manager's compliance (ABC Policy). The ABC Policy underpins CLMT Group's strategies in identifying, preventing and managing bribery and corruption issues. The ABC Policy applies to all Directors, managers and employees of the Manager in dealing with external parties in the commercial context. The Manager's zero tolerance policy towards corruption and bribery has been extended to its business dealings with third parties. Pursuant to the ABC Policy, amongst others, the Manager requires that certain agreements incorporate anti-bribery and anti-corruption provisions and communication of the zero tolerance policy towards corruption and bribery is disseminated to all third parties in all correspondences to emphasise the Manager's commitment and seriousness. The ABC Policy is reviewed periodically to ensure that it continues to remain relevant, appropriate and effective to enforce the principles highlighted therein and to ensure continued compliance with the prevailing laws relating to corruption and bribery in Malaysia. A copy of the ABC Policy can be found on CLMT's website at www.clmt.com.my (Website).

A set of comprehensive communication slides has been established to communicate and disseminate the Corporate Liability Provision under Section 17A of the MACC Act as well as the ABC Policy throughout the CLMT Group through online training modules and other communication channels. The compliance with the policies and procedures put in place as guided by the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the MACC Act will be monitored closely, both on an ongoing basis and in conjunction with the annual assessment of the CLMT Group's corruption risks. The annual risk assessment is carried out to identify the corruption risks to which the CLMT Group is exposed to and the appropriateness of the mitigation measures established to minimise the exposure to these risks.

Anti-Money Laundering and Countering the Financing of Terrorism Measures

The Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLATFA) lays down various activities which AMLATFA views as unlawful activities and which the Manager must be aware of. The Manager has applied a policy on the prevention of money laundering and terrorism financing and is alert at all times to suspicious transactions. As part of its business operational practices, the Manager performs due diligence checks on its counterparties in order to ensure that it is able to detect any suspicious money laundering and terrorist financing activities and it does not enter into business transactions with terrorist suspects or other high-risk persons or entities.

Under this policy, all relevant records or documents relating to business relations with the CLMT's Group's customers or transactions entered into must be retained for a period of at least seven years following the termination of such business relations or the completion of such transactions.

All prospective employees, officers and Capital Markets Services Representatives Licence (CMSRL) representatives of the Manager are also screened against various money laundering and terrorism financing information sources and lists of designated entities and individuals provided by SC. Periodic training is provided by the Manager to its Directors, employees and CMSRL representatives to ensure that they are updated and aware of applicable anti-money laundering and countering of terrorism financing regulations, the prevailing techniques and trends in money laundering and terrorism financing and the measures adopted by the Manager to combat money laundering and terrorism financing.

Corporate Governance

Practice 3.2: *The board establishes, reviews and together with management implements policies and procedures on whistleblowing.*

A whistle-blowing policy and other procedures are put in place to provide the Manager's employees and parties who have dealings with the Manager with well defined, accessible and trusted channels to report suspected fraud, corruption, dishonest practices or other improprieties in the workplace, and for the independent investigation of any reported incidents and appropriate follow up action.

The objective of this policy is to encourage the reporting of such matters so that employees or external parties making any reports in good faith will be able to do so with the confidence that they will be treated fairly and, to the extent possible, be protected from reprisal. The AC reviews all whistle-blowing complaints at its scheduled meetings. Independent, thorough investigation and appropriate follow up actions are then taken. The outcome of each investigation is reported to the AC. All employees of the Manager are informed of this policy which is made available on CapitaLand's Intranet. A copy of the policy can be found on the Website.

Intended Outcome 4.0

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long term strategy and success.

Practice 4.1: *The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets. The Board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management. Strategic management of material sustainability matters should be driven by senior management.*

Practice 4.2: *The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.*

Practice 4.3: *The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.*

Practice 4.4: *Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.*

Practice 4.5: *The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company. (Step-up)*

The Board takes cognisance of the Code to strengthen the oversight of sustainability with five new practices.

In 2020, CLI launched the Sustainability Master Plan that articulates the CLI Group's sustainability targets, strategies and plans for the next decade till 2030. The CLI 2030 Master Sustainability Plan focuses on three key themes to drive sustainability efforts in the environment, social and governance (ESG) pillars, enabling the CLI Group to create a larger positive impact for the environment and society.

During FY 2021, the Board was briefed and updated by the Chief Sustainability Officer of CLI on CLI 2030 Master Sustainability Plan as well as the proposed execution strategy and action plan of CLMT to meet sustainability target by 2030. Management, led by the CEO, is working with CLI towards achieving CLI Sustainability Master Plan 2030 targets. The targets will be reviewed every two years to ensure that they remain relevant.

To ensure the sustainability practice becomes an integral part of the organisational activities, the Board, in January 2021, had approved the sustainability performance and the achievement of set targets as part of CLMT 2021 Balanced Scorecard and these are cascaded down throughout the organisation from the Board through senior management to employees. The sustainability goals are part of the Balanced Scorecard for measuring performance which include measurements that track progress towards sustainability target for the Manager.

The Manager, through company disclosures and various engagement channels including dialogues, video conferencing, newsletters and email circulars seeks to understand its stakeholders' views, communicate effectively with them and respond to their concerns.

Corporate Governance

The Manager is committed to increasing stakeholder engagement and communication with key stakeholders, in line with the pathway towards achieving the sustainability target by 2030 as articulated in CLI 2030 Master Sustainability Plan.

The Board is mindful of the importance for its members to have an adequate understanding of the industry issues that may pose threat to the sustainability of the business, and they should possess the appropriate skills and experience to manage these risks. Whenever required, the Directors will undergo education programmes, such as through internal workshops and training to be apprised of changes to emerging sustainability issues including climate-related topics and their impacts on the Group.

Questionnaire on Board's oversight of sustainability management vis-à-vis targets set will be included in the annual performance evaluation exercise effective from the financial year 2022.

Intended Outcome 5.0

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights

Practice 5.1: The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

The Company has on 21 October 2021 established the NRC. The newly formed NRC is entrusted to assist the Board in, inter alia, matters relating to the appointment, re-appointment and retirement of Board and Board Committees members, review of Board's performance and Director's independence; the leadership development and succession plan and framework for the CEO; and the remuneration for the Directors.

A summary of key activities undertaken by the NRC in discharging its nomination duties during the financial year under review is set out below:-

- (a) reviewed the size and composition of the Board, structure and membership of the Board Committees;

- (b) reviewed the process and criteria for the evaluation of the performance of the Board, Board Committees and Directors;
- (c) reviewed the succession plan for the CEO/ Executive Director;
- (d) considered annually and, as and when circumstances require, if a Director is independent; and
- (e) reviewed whether a Director has been adequately carrying out his or her duties as a Director.

Practice 5.2: At least half of the board comprises independent directors. For Large Companies³, the board comprises a majority independent directors

The Board has a strong independent element: it presently comprises eight Directors, five of whom (including the Chairman) are IDs. None of the IDs had served on the Board for nine years or longer. Profiles of the Directors are provided in the Board of Directors' Profile section of CLMT Annual Report 2021 reflecting that there is a majority of IDs on the Board of the Manager being manager of CLMT.

The Board reviews from time to time the size and composition of the Board and each Board Committee, with a view of ensuring that its size is appropriate in facilitating effective decision making, and the composition reflects a strong independent element as well as there is balance and diversity of thought and backgrounds. The review takes into account the scope and nature of CLMT Group's operations, and the competition that it faces.

Practice 5.3: The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director. If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Practice 5.4: The board has a policy which limits the tenure of its independent directors to nine years without further extension. (Step Up)

³ Large Companies refers to (1) Companies on the FTSE Bursa Malaysia Top 100 Index; or (2) Companies with market capitalisation of RM2 billion and above, at the start of the companies' financial year.

Corporate Governance

During FY 2021, the Board through NRC, assessed (and as and when circumstances require) the independence of each Director in accordance with the Listing Requirements, REITs Guidelines and the guidance in the Code. A Director is considered independent if he or she is independent in conduct, character and judgement and:

- (a) has no relationship with the Manager, its related corporations, its major shareholders, CLMT's major Unitholders (being Unitholders who have interests in voting Units with 10% or more of the total votes attached to all voting Units) or the Manager's officers that could interfere, or be reasonably perceived to interfere with the exercise of his or her independent business judgement in the best interests of CLMT;
- (b) is independent from the management of the Manager and CLMT, from any business relationship with the Manager and CLMT, and from every major shareholder of the Manager and every major unitholder of CLMT;
- (c) is not a major shareholder of the Manager or a major unitholder of CLMT;
- (d) is not employed by the Manager or CLMT or their related corporations; and
- (e) has not served on the Board for a continuous period of nine years or longer.

There is a rigorous process to evaluate the independence of each ID. As part of the process:

- (a) each ID provides information on his business interests and confirms, upon appointment, as well as on an annual basis, that there are no relationships which interfere with the exercise of his independent business judgement in the best interests of Unitholders; and such information is reviewed by the NRC; and
- (b) the NRC also reflects on the respective IDs' conduct and contributions at Board and Board Committee meetings, specifically, whether the relevant ID has exercised independent judgement in discharging his or her duties and responsibilities.

Each ID is required to recuse himself or herself from the Board's deliberations on his or her independence. In appropriate cases, the NRC also reviews the independence of an ID as and when there is a change of circumstances involving the ID. In this regard, an ID is required to report to the Manager when there is any change of circumstances which may affect his or her independence.

The NRC has carried out the assessment of each of the independence of its IDs for FY 2021 and the paragraphs below set out the outcome of the assessment.

Mr Tan Boon Peng, Mr Lui Chong Chee, Encik Mohd Yusof bin Hussian, Mr Foo Wei Hoong and Ms Tan Ming-Li do not have any relationships which interfere with the exercise of their independence and have therefore demonstrated independence of character and judgement in the discharge of his/her responsibilities as a Director of the Manager in FY 2021. The Board was satisfied that each relevant non-executive Director had acted with independent judgement.

On the bases of the declarations of independence provided by the relevant ID and the guidance in the Code, REITs Guidelines and the Listing Requirements, the NRC concluded that each of Mr Tan Boon Peng, Mr Lui Chong Chee, Encik Mohd Yusof bin Hussian, Mr Foo Wei Hoong and Ms Tan Ming-Li is an ID. Each of the above Directors had recused himself or herself from the Board's deliberations on his or her independence. All assessments and evaluations carried out by the NRC were duly documented.

The Manager believes that Board renewal is a necessary and continual process, for good governance and ensuring that the Board has the skills, expertise and experience which are relevant to the evolving needs of CLMT's business; renewal or replacement of a Director therefore does not necessarily reflect his/her performance or contributions to date. The Board has established the guideline that an ID will serve for an initial two three-year terms and any extension of term up to a maximum period of nine years (inclusive of the initial two terms served) will be individually considered by the Board.

Corporate Governance

Practice 5.5: Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Practice 5.6: In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates. If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Practice 5.7: The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

The Board embraces diversity and formally adopted a Board Diversity Policy in January 2020. The Board Diversity Policy provides that the Board shall comprise talented and dedicated Directors with a diverse mix of expertise, experience, perspectives, skills and backgrounds, with due consideration given to other diversity factors including but not limited to diversity in business or professional experience, age and gender.

The Board believes in diversity and values the benefits that diversity can bring to the Board in its deliberations. Diversity enhances the Board's decision making capability and ensures that the Manager has the opportunity to benefit from all available talent and perspectives.

The Board, in carrying out its duties of determining the optimal composition of the Board in its Board renewal process, identifies possible candidates and makes recommendations of board appointments to the Board whilst considers diversity factors such as age, educational, business and professional backgrounds of its members. Female representation is also considered an important aspect of diversity. The current Board comprises eight members who are professionals with varied backgrounds, expertise and experience including in finance, retail management, investment, real estate, legal and accounting. The current Board has one female member.

The Board has a formal and transparent process for the appointment and re-appointment of Directors. The NRC assisted the Board in matters relating to reviewing and recommending to the Board all nominations for the appointment and re-appointment of Directors. For Board nomination, the NRC shall consider candidates on merit and against objective criteria and with due regard to the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position. Prior to the appointment of a Director, the proposed appointee shall be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest and of members to the various Board Committees.

Board Composition and Renewal

The Board strives to ensure that there is an optimal blend in the Board of backgrounds, experience and knowledge in business and general management, with expertise relevant to the CLMT Group's business and track record, whereby each Director can bring to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made in the interests of the CLMT Group.

There is a structured process for determining Board composition and for selecting candidates for appointment as Directors. The Board through NRC evaluates the Board's competencies on a long term basis and identifies competencies which may be further strengthened in the long term. Board succession planning takes into account the need to maintain flexibility to effectively address succession planning and to ensure that the Manager continues to attract and retain highly qualified individuals to serve on the Board. The process ensures that the Board composition is such that the Board has capabilities and experience which are aligned with CLMT's strategy and environment.

Corporate Governance

NRC assisted the Board to carry out Board succession planning through the annual review of the Board's composition as well as when a Director gives notice of his or her intention to retire or resign. The NRC will seek to refresh the Board membership progressively and in an orderly manner, whilst ensuring continuity and sustainability of corporate performance. During FY 2021, the NRC reviewed the succession plan for CEO/Executive Director of the Manager, which were subsequently approved by the Board.

The Board may retain external consultants from time to time to assist the Board in identifying suitable candidates for appointment to the Board. Candidates are identified based on the needs of CLMT and the relevant skills required, taking into account, among other things, the requirements in the Listing Requirements, REITs Guidelines and the Code, as well as the factors in the Board Diversity Policy. The candidates will be assessed against a range of criteria including their skills and expertise, market and industry knowledge. The Board also considers the qualities of the candidates, in particular whether they are aligned to the strategic directions and values of CLMT. In addition, the Board assesses the candidates' ability to commit time to the affairs of CLMT, taking into consideration their other current appointments.

Practice 5.8: The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

The NRC is chaired by Mr Tan Boon Peng, a non-executive independent Director.

Practice 5.9: The board comprises at least 30% women directors.

Practice 5.10: The board discloses in its annual report the company's policy on gender diversity for the board and senior management

During the FY 2021, on 1 June 2021, the Board has appointed one female director and the women director made up 25% of the composition of the Board. The Board recognises and embraces the benefits of having a diverse Board and sees the increasing gender diversity at Board level as a good corporate governance practice, with that, the Board aims to achieve at least 30% female representation in the composition of the Board and senior management positions. Currently, the Board comprises 12.5% woman director following the resignation of Ms Low Peck Chen as CEO/Executive Director on 1 January 2022.

Intended Outcome 6.0

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1: The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

The Manager believes that oversight from a strong and effective Board goes a long way towards guiding a business enterprise to achieving success.

Whilst Board performance is ultimately reflected in the long term performance of CLMT Group, the Board believes that engaging in a regular process of self-assessment and evaluation of board performance provides an opportunity for the Board to reflect on its effectiveness including the quality of its decisions, and for Directors to consider their performance and contributions. It also enables the Board to identify key strengths and areas for improvement which are essential to effective stewardship and attaining success for CLMT.

As part of the Manager's commitment towards improving corporate governance, the Board has approved and implemented a process to evaluate annually the effectiveness of the Board as a whole and that of each of its Board Committees and individual Directors. As part of the process, a questionnaire is sent to the Directors, and the evaluation results are aggregated and discussed at the NRC meeting which were then shared with the Board and follow up action is taken where necessary with a view to enhance the effectiveness of the Board and individual Directors in the discharge of its or their duties and responsibilities respectively.

Board and Board Committees

The evaluation categories covered in the questionnaire included Board composition, Board processes, strategy, performance and governance, access to information and Board Committee effectiveness. As part of the questionnaire, the Board also considered whether the creation of value for Unitholders has been taken into account in the decision-making process. For FY 2021, the outcome of the evaluation was satisfactory and the Directors on the whole provided affirmative ratings across all the evaluation categories.

Corporate Governance

In December 2021, the NRC reviewed the composition of the Board Committees and the Board has, upon the recommendation of the NRC, accepted the resignation of Lim Cho Pin Andrew Geoffrey as AC member effectively on 1 January 2022 to meet the recommended best practice of the Code whereby the AC should comprise solely of independent directors.

Individual Directors

The evaluation categories covered in the questionnaire include Director's duties, contributions, conduct and interpersonal skills, as well as strategic thinking and risk management. For FY 2021, the outcome of the evaluation was satisfactory and each of the Directors on the whole received affirmative ratings across all the evaluation categories.

The Board also recognises that contributions by an individual Director can take different forms including providing objective perspectives on issues, facilitating business opportunities and strategic relationships, and accessibility to Management outside of the formal environment of Board and/or Committee meetings.

Board Evaluation as an Ongoing Process

The Board believes that the performance evaluation should be an ongoing process and the Board achieves this by seeking feedback on a regular basis. The regular interactions among the Directors, and between the Directors and Management, also contribute to this ongoing process. Through this process of engaging its members, the Board also benefits from an understanding of shared norms among Directors which also contributes to a positive Board culture. The collective Board performance and the contributions of individual Directors are also reflected in, and evidenced by, synergistic performance of the Board in discharging its responsibilities as a whole by providing proper guidance, diligent oversight and able leadership, as well as lending support to Management in steering CLMT in the appropriate direction, for the long term performance of CLMT whether under favourable or challenging market conditions.

Intended Outcome 7.0

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long term objectives. Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1: The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

A formal and transparent procedure exists for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel, the primary responsibility of which has been delegated to the NRC. These policies are in line with CLMT Group's business strategy and the executive compensation framework is based on the key principle of linking pay to performance, which is aligned with the long term success of CLMT. Pay-for-performance is emphasised by linking total remuneration to the achievement of corporate and individual goals and objectives. The Board has access to independent remuneration consultants for advice on remuneration matters as and when required.

In terms of the process adopted by the Manager for developing and reviewing policies on remuneration and determining the remuneration packages for Directors and key management personnel, the Manager, through an independent remuneration consultant, takes into account compensation benchmarks within the industry, as appropriate, so as to ensure that the remuneration packages payable to Directors and key management personnel are in line with the objectives of the remuneration policies. It also considers the compensation framework of CLI as a point of reference. The Manager is a subsidiary of CLI which also holds a significant stake in CLMT. The association with the CLI Group puts the Manager in a better position to attract and retain better qualified management talent whereby it provides an intangible benefit to the Manager such that it allows its employees to associate themselves with an established corporate group which can offer them the depth and breadth of experience and enhanced career development opportunities.

In FY 2021, an independent remuneration consultant, Willis Towers Watson, provided professional advice on Board and executive remuneration. Willis Towers Watson, the consultant, is not related to the Manager, its controlling shareholder, its related corporations nor to any of its Directors.

Corporate Governance

Remuneration Policy for Key Management Personnel

The remuneration framework and policy is designed to support the implementation of CLMT Group's strategy and deliver sustainable Unitholder value. The principles governing the Manager's key management personnel remuneration policy are as follows:

Business Alignment

- › Focus on generating rental income and enhancing asset value over time so as to maximise returns from investments and ultimately the distribution and total return to Unitholders.
- › Provide sound and structured funding to ensure affordability and cost-effectiveness in line with performance goals.
- › Enhance retention of key talent to build strong organisational capabilities.

Motivate Right Behaviour

- › Pay for performance – align, differentiate and balance rewards according to multiple dimensions of performance.
- › Strengthen line-of-sight by linking rewards with performance.

Fair & Appropriate

- › Ensure competitive remuneration relative to the appropriate external talent markets.
- › Manage internal equity such that the remuneration systems are being viewed as fair across the CLMT Group.
- › Significant and appropriate portion of pay-at-risk, taking into account risk policies of the CLMT Group, symmetrical with risk outcomes and sensitive to the risk time horizon.

Effective Implementation

- › Maintain rigorous corporate governance standards.
- › Exercise appropriate flexibility to meet strategic business needs and practical implementation considerations.
- › Facilitate employee understanding to maximise the value of the remuneration programmes.

Remuneration for Key Management Personnel

Remuneration for key management personnel comprises a fixed component, variable cash component and employee benefits. A significant proportion of key management personnel's remuneration is in the form of variable compensation, awarded in a combination of short-term and long term incentives, in keeping with the principle that the interests of key management personnel align with those of Unitholders and that the remuneration framework links rewards to corporate and individual

performance. The fixed component for key executives comprises the base salary, fixed allowances and compulsory employer contribution to the employees' Employees Provident Fund. The variable cash component comprises the Balanced Scorecard Bonus Plan which is linked to the achievement of annual performance targets for each key management personnel as agreed at the beginning of the financial year with the Board.

Under the Balanced Scorecard Framework, CLMT Group's strategy and goals are translated to performance outcomes comprising both quantitative and qualitative targets in the dimensions of:

- (a) Financial: This includes targets relating to profitability, distributions, capital structure, capital recycling and risk management;
- (b) Execution: This includes targets relating to occupancy rates, operational efficiency and stakeholder engagement;
- (c) Future Growth: This includes targets relating to investment or portfolio growth and asset enhancements; and
- (d) Sustainability: This includes targets relating to talent management, competency development and sustainability corporate practices.

These are cascaded down throughout the organisation, thereby creating alignment across the CLMT Group.

After the close of each year, the Board reviews CLMT Group's achievements against the targets set in the Balanced Scorecard and determines the overall performance taking into consideration qualitative factors such as the business environment, regulatory landscape and industry trends.

In determining the payout quantum for each key management personnel under the plan, the Board considers the overall business performance and individual performance as well as the affordability of the payout for the Manager.

For FY 2021, remuneration for key management personnel comprises a fixed component, a performance-based variable cash component, a performance-based variable equity-based component or cash-based component and market related benefits. For the equity-based or cash-based component, for FY 2021, either shares of CapitaLand or cash was awarded pursuant to the Balanced Scorecard Bonus Plan of CapitaLand.

Corporate Governance

Practice 7.2: The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management. The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

The NRC which comprises exclusively non-executive directors with majority of them being independent directors, has been tasked with expanded duties and responsibilities to assist the Board in reviewing the appropriate framework and policies on matters relating to remuneration and compensation of the Board and key management personnel. The roles and responsibilities of NRC are governed by its terms of reference.

The Board assisted by NRC, considers all aspects of remuneration, including overseeing the design and implementation of the remuneration policy and the specific remuneration packages for each Director and key management personnel. No Director, however, is involved in any decision of the Board relating to his own remuneration.

Intended Outcome 8.0

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1: There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

The Directors' fees for FY 2021 are shown in the table below. The CEO who is an executive Director, is remunerated as part of the key management personnel of the Manager and does not receive any Director's fees. The non-executive Directors who are employees of the CLI Group also do not receive any Directors' fees. The compensation policy for Directors is based on a scale of fees divided into basic retainer fees for serving as Director and additional fees for attendance of and serving on any of the Committees. The framework for the non-executive Directors' fees has remained unchanged from that of the previous financial year.

The compensation package is benchmarked against market, taking into account the effort, time spent and demanding responsibilities on the part of the non-executive Directors in light of the scale, complexity and geographic scope of CLMT Group's business. The remuneration of non-executive Directors is reviewed from time to time to ensure that it is appropriate to attract, retain and motivate the non-executive Directors to provide good stewardship of the Manager.

Directors' Fees¹

Board Members	FY 2021 (RM)
Lui Chong Chee ^{2,3}	204,807
Tan Boon Peng ³	108,918
Foo Wei Hoong ⁴	93,289
Mohd Yusof bin Hussian	147,000
Tan Ming-Li ⁵	82,735
Jonathan Yap Neng Tong ^{3,6}	164,143
Lim Cho Pin Andrew Geoffrey ⁶	193,000
David Wong Chin Huat ⁷	93,603
Tuan Haji Rosli bin Abdullah ⁸	71,713

1 Inclusive of attendance fees of (a) RM4,000 (local director) and RM5,000 (foreign director) per meeting attendance in person, (b) RM2,000 per meeting attendance via tele-conference or video conference, and (c) RM2,000 per project or verification meeting subject to a maximum of RM20,000 per Director per annum.

2 Redesignated as Chairman of the Board and resigned as a Member of the AC with effect from 1 June 2021.

3 Mr Tan Boon Peng is appointed as Chairman of the NRC whilst Mr Lui Chong Chee and Mr Jonathan Yap Neng Tong are appointed as Members of the NRC consequent upon the formation of NRC on 21 October 2021.

4 Appointed as a Director and Chairman of the AC with effect from 1 June 2021.

5 Appointed as a Director and a Member of the AC with effect from 1 June 2021.

6 In respect of the Directors who are nominees of CapitaLand, the Director's fees are payable to CapitaLand.

7 Retired as Chairman of the Board with effect from 1 June 2021.

8 Retired as a Director and ceased as Chairman of the AC with effect from 1 June 2021.

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Practice 8.2: *The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.*

Practice 8.3: *Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis. (Step Up)*

The Manager has opted not to disclose the top 5 Senior Management's remuneration. In arriving at its decision, the Manager has taken into account the intense competition for talent in the industry, as well as the need to balance the confidentiality and commercial sensitivities associated with remuneration matters. In addition, the remuneration of the CEO and other key management personnel of the Manager is paid out of the fees that the Manager receives (of which the quantum and basis have been disclosed), and is not being borne by CLMT.

Intended Outcome 9.0

There is an effective and independent Audit Committee. The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.1: *The Chairman of the Audit Committee is not the Chairman of the board.*

Practice 9.2: *The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.*

Practice 9.3: *The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.*

Practice 9.4: *The Audit Committee should comprise solely of independent directors. (Step Up)*

The AC has established an External Auditors' Independence Guideline that considers among others:

- (a) The competence, audit quality and resource capacity of the external auditor (EA) in relation to the audit;
- (b) The nature and extent of the non-audit services rendered and the appropriateness of the level of fees; and

- (c) The written assurance obtained from the EA confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The AC has reviewed the nature and extent of non-audit services provided by the EA during FY 2021 and the fees paid for such services. The AC also undertook a review of the independence of the EA, taking into consideration, among other factors, CLMT's relationship with the EA in FY 2021, as well as the processes and safeguards adopted by the Manager and the EA relating to audit independence. Based on the review and the results of the assessment by Management of the EA in FY 2021, the AC is satisfied that the EA are adequately resourced, effective and independent, the latter of which was confirmed through the provisions of the EA's written confirmation of their independence to the AC. The aggregate amount of fees paid and payable to the external auditors for FY 2021 was RM190,000, of which audit (and audit related) fees amounted to RM181,450 and non-audit fees amounted to RM8,550.

The Chairman of the AC is not the Chairman of the Board. At present, the AC comprises three members, all of whom are non-executive independent directors (including the Chairman of the AC). The members bring with them invaluable recent and relevant managerial and professional expertise in accounting, auditing and related financial management domains.

The EA Independence Policy were updated in October 2021 to comply with the changes made in the recently issued Code, particularly in assessing the suitability, objectivity, independence and transparency of the EA in carrying out their duties, among others.

The Company had also adopted the enhanced practice introduced by the Code, i.e. a former partner of the EA is to observe a cooling-off period of at least three years before being appointed as a member of the AC. The extended cooling off period is to safeguard the independence of the audit by avoiding the potential threats and the former partner shall now apply to all former partners of the audit firm and/or its affiliates, including those providing advisory services and tax consulting. In this regard, the AC's terms of reference have been amended accordingly. Currently, none of the AC members was previously a partner of the incumbent external auditors, KPMG PLT (KPMG), within the period of three years commencing on the date of their ceasing to be a partner of KPMG. The

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AC also does not comprise former partners of CLMT's incumbent external auditors, KPMG (a) within a period of three years commencing from the date of their ceasing to be partners of KPMG; or (b) who has any financial interest in KPMG.

The AC has explicit authority to investigate any matter within its terms of reference. Management provides the fullest co-operation in providing information and resources, and in implementing or carrying out all requests made by the AC. The AC has direct access to the internal and external auditors and full discretion to invite any Director or key management personnel to attend its meetings. Similarly, both the internal and external auditors have unrestricted access to the AC.

Practice 9.5: Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the AC undertook continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

At present, there is a level of financial literacy amongst the AC members who collectively have the appropriate competence and sufficient understanding of CLMT's business. The qualification and experience of the individual AC members are disclosed in the profile of Directors in the Annual Report 2021.

Key Audit Matters

In the review of the financial statements of the CLMT Group for FY 2021, the AC has discussed with Management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements and also considered the clarity of key disclosures in the financial statements. The AC reviewed the valuation of the investment properties, being the key audit matter as reported by the EA for FY 2021.

The AC was updated of the valuation methodologies and key assumptions applied by the valuers for the investment properties in arriving at the valuations. Due diligence of the valuers' competency and independence was also presented to the AC.

The AC reviewed the outputs from the valuation process of the investment properties and held discussions with Management to review the valuation

methodologies, focusing on significant changes in fair value measurement and key drivers of the changes including the reasonableness of the capitalisation rates adopted by the valuers.

The AC considered the findings of the EA, including their assessment of the appropriateness of valuation methodologies and the key assumptions applied in the valuation of the investment properties.

No significant matter came to the attention of the AC during the review.

The AC was satisfied with the valuation process, the methodologies used and the valuation of the investment properties.

In FY 2021, the AC also met with the internal and external auditors, separately and without Management's presence, to discuss the reasonableness of the financial reporting process, the system of internal controls, and the significant comments and recommendations by the auditors.

In FY 2021, changes to accounting standards, accounting systems and accounting issues which have a direct impact on the financial statements were reported to and discussed with the AC at its meetings.

Intended Outcome 10.0

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1: The board should establish an effective risk management and internal control framework.

The Manager maintains an adequate and effective system of risk management and internal controls addressing material financial, operational, compliance and information technology (IT) risks to safeguard Unitholders' interests and CLMT Group's assets.

The Board has overall responsibility for the governance of risk and oversees the Manager in the design, implementation and monitoring of the risk management and internal control systems whilst the day-to-day risk management resides with the respective business units risk owners.

The AC and Exco assist the Board in carrying out the Board's responsibility of overseeing the risk management framework and policies for CLMT Group.

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The AC and Exco, guided by their respective terms of reference, and in particular, during FY 2021:

- (a) made recommendations to the Board on CLMT Group's risk strategy, risk appetite and risk limits;
- (b) assessed the adequacy and effectiveness of the risk management and internal control systems established by the Manager to manage risks;
- (c) oversaw the formulation, updating and maintenance of an adequate and effective risk management framework, policies and strategies for managing risks that were consistent with CLMT Group's risk appetite and reported to the Board on its decisions on any material matters concerning the aforementioned;
- (d) made the necessary recommendations to the Board such that an opinion regarding the adequacy and effectiveness of the risk management and internal controls systems could be made by the Board in CLMT Annual Report 2021; and
- (e) considered and advised on risk matters referred to it by the Board or Management, including reviewing and reporting to the Board on any material breaches of the RAS (as defined below) any material non-compliances with the approved framework and policies and the adequacy of any proposed actions.

Practice 10.2: The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

The Manager adopts an Enterprise Risk Management (ERM) Framework which sets out the required environmental and organisational components for managing risks in an integrated, systematic and consistent manner. The ERM Framework and related policies are reviewed annually.

As part of the ERM Framework, the Manager undertakes and performs a Risk and Control Self-Assessment (RCSA) annually to identify material risks along with their mitigating measures. The adequacy and effectiveness of the systems of risk management and internal controls are reviewed at least annually by Management, the AC and the Board.

CLMT Group's Risk Appetite Statement (RAS), incorporating the risk limits, addresses the management of material risks faced by CLMT Group. Alignment of CLMT Group's risk profile to the RAS is achieved through various communication and monitoring mechanisms (including key risk indicators set for Management) put in place across the various functions within the Manager.

More information on the Manager's ERM Framework including the material risks identified can be found in the Enterprise Risk Management section of CLMT Annual Report 2021.

The internal and external auditors conduct reviews of the adequacy and effectiveness of the material internal controls (including financial, operational, compliance and IT controls) and risk management systems. This includes testing, where practicable, material internal controls in areas managed by external service providers. Any material non-compliance or lapses in internal controls together with corrective measures recommended by the internal and external auditors are reported to and reviewed by the AC and Exco. The AC also reviews the adequacy and effectiveness of the measures taken by the Manager on the recommendations made by the internal and external auditors in this respect.

The Board has received assurance from the CEO, the Chief Financial Officer and the relevant key management personnel of the Manager who have responsibility regarding various aspects of risk management and internal controls that the systems of risk management and internal controls for the CLMT Group are adequate and effective to address the risks (including financial, operational, compliance and IT risks) which the Manager considers relevant and material to its current business environment.

The CEO, the Chief Financial Officer and the relevant key management personnel of the Manager have obtained similar assurances from the respective risk and control owners for the purposes of Board assurance.

Based on the ERM Framework and the reviews conducted by Management and both the internal and external auditors, as well as the assurance from the CEO and the Chief Financial Officer of the Manager, the Board is of the opinion, that the system of risk management and internal controls (including financial, operational, compliance and IT risks) which

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the CLMT Group considers relevant and material to its current business environment as at 31 December 2021 is adequate. No material weakness in the systems of risk management and internal controls were identified by the Board or the AC in the review for FY 2021.

The Board notes that the systems of risk management and internal control established by the Manager provide reasonable assurance that CLMT Group, as it strives to achieve its business objectives, will not be significantly affected by any event that can be reasonably foreseen or anticipated. However, the Board also notes that no system of risk management and internal controls can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision making, human error, losses, fraud or other irregularities.

Intended Outcome 11.0

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1: The Audit Committee should ensure that the internal audit function is effective and able to function independently.

The Manager has in place an internal audit (IA) function supported by CapitaLand's Internal Auditors Department (CLI IA) which reports directly to the AC. CLI IA is independent of the activities it audits. The AC has carried out a review and is of the view that the internal audit function performed by CLI IA is, effective and independent. CLI IA plans its internal audit schedules in consultation with, but independently of, Management and its plan is submitted to the AC for approval prior to the beginning of each financial year. The AC also meets with CLI IA at least twice a year without the presence of Management. CLI IA has unfettered access to the Manager's documents, records, properties and employees, including access to the AC. During FY 2021, CLI IA has conducted all audit assignments pursuant to the 2021 annual internal audit plan as approved by AC and has also on a quarterly basis reported to AC a summary of the Related Party Transactions and Recurrent Related Party Transactions entered into by CLMT.

Practice 11.2: The board should disclose:

- (a) whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;***
- (b) the number of resources in the internal audit department;***
- (c) name and qualification of the person responsible for internal audit; and***
- (d) whether the internal audit function is carried out in accordance with a recognised framework.***

CLI IA is adequately resourced and staffed with persons having relevant qualifications and experience. CLI IA is a corporate member of The Institute of Internal Auditors Inc. (IIA), Singapore, which is an affiliate of the IIA with its headquarters in the United States of America (USA). CLI IA subscribes to, and is guided by, the International Standards for the Professional Practice of Internal Auditing (Standards) developed by IIA, and has incorporated these Standards into its audit practices. With respect to FY 2021, the AC has reviewed and is satisfied as to the adequacy and effectiveness of the IA function.

None of the CLI IA team members are related to the CEO nor Management. To ensure that internal audits are performed by competent professionals, CLI IA recruits and employs suitably qualified professional staff with the requisite skill sets and experience. For instance, CLI IA staff who are involved in IT audits have the relevant professional IT certifications and are also members of the Information System Audit and Control Association (ISACA) Singapore Chapter, a professional body administering information system audit and information security certifications that is headquartered in the USA. The ISACA Information System Auditing Standards provide guidance on the standards and procedures to be applied in IT audits. CLI IA identifies and provides training and development opportunities for its staff to ensure that their technical knowledge and skill sets remain current and relevant.

As of 31 December 2021, CLI IA staff strength is at 40 persons, including Head of CLI IA.

CLI IA is headed by Ms Jenny Tan. She has more than 10 years of experience in Internal Audit, Compliance and Group Finance. Ms Tan has a Masters of Professional Accounting (MPA) from University of Adelaide (Australia) as well as a Masters of Business Administration (MBA) from the University of Leicester (UK).

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Intended Outcome 12.0

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1: The board ensures there is effective, transparent and regular communication with its stakeholders.

Practice 12.2: Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

The Manager is committed to keeping all Unitholders, other stakeholders, analysts and the media informed of the performance and changes in CLMT or its business which would likely materially affect the price or value of the Units. This is performed on a timely and consistent basis to assist Unitholders and investors in their investment decisions.

The Manager has in place an Investor Relations and Corporate Communications team which facilitates effective communication with Unitholders, analysts and the media. The Manager also maintains the website which contains information on CLMT including but not limited to current and past announcements and new releases, financial statements, investor presentations and annual reports of CLMT.

The Manager actively engages with Unitholders with a view to solicit and understand their views, and has put in place a Unitholders' Communication and Investor Relations Policy (Policy) to promote regular, effective and fair communication with Unitholders. The Policy, which sets out the mechanism through which Unitholders may contact the Manager with questions and through which the Manager may respond to such questions, is available on the Website. Unitholders are welcomed to engage with the Manager beyond general meetings and they may do so by contacting the Investor Relations department whose details may be found on the Website under the heading "Manager Contacts" or email the Manager at ask-us@clmt.com.my.

The Manager has a formal policy on corporate disclosure controls and procedures to ensure that CLMT complies with its disclosure obligations under the Listing Requirements. These controls and procedures

incorporate the decision-making process and an obligation on internal reporting of the decisions made.

More information on the Manager's investor and media relations with Unitholders can be found in the Investor & Media Relations section of CLMT Annual Report 2021.

CLMT's distribution policy is to distribute at least 90.0% of its distributable income (other than gains from the sale of real estate properties by CLMT which are determined to be capital gains), with the actual level of distribution to be determined at the Manager's discretion. FY 2021 saw distributions of approximately 100.0% of CLMT's distributable income to Unitholders.

Intended Outcome 13.0

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1: Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

The Manager is committed to treating all Unitholders fairly and equitably.

All Unitholders enjoy specific rights under the Trust Deed and the relevant laws and regulations. These rights include, among other things, the right to participate in profit distributions. They are also entitled to attend general meetings and are accorded the opportunity to participate effectively and vote at general meetings (including through proxies, if they are unable to attend in person, or if their Units are held through corporations).

All Unitholders were given at least 28 days' notice prior to the Annual General Meeting which is beyond the minimum requirement of 21 days. The notice includes details of the resolutions proposed along with any background information and reports or recommendations that are relevant. The Annual General Meeting of CLMT for 2022 will take place on 30 March 2022. Full details and the notification can be found in the Notice of Annual General Meeting section of CLMT Annual Report 2021.

Practice 13.2: All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

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Practice 13.3: Listed companies should leverage technology to facilitate –

- (a) **voting including voting in absentia; and**
- (b) **remote shareholders' participation at general meetings**

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Practice 13.4: The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

Practice 13.5: The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

CLMT supports the principle of encouraging Unitholders' participation and voting at general meetings. CLMT Annual Report 2021 is provided to Unitholders within 2 months from the end of CLMT's financial year. Unitholders may download CLMT Annual Report 2021 from the Website and printed copies of the same are available upon request. More than the legally required and minimum notice period for general meetings is generally provided by CLMT. Unitholders will receive the notices of general meetings and may download these notices from the Website. Notices of the general meetings are also advertised in the press and issued on Bursa Link. The rationale and explanation for each agenda item which requires Unitholders' approval at a general meeting are provided in the notice of the general meeting or in the accompanying circular (if any) issued to Unitholders in respect of the matter(s) for approval at the general meeting. This enables Unitholders to

exercise their votes on an informed basis. Unitholders can download CLMT Annual Report 2021 and notice of the annual general meeting electronically at www.clmt.com.my while printed copies will be available upon request. Notices of the general meetings are also advertised in the press and issued via Bursa Link. All Unitholders are given the opportunity to participate effectively in and to vote at general meetings.

The AGM of CLMT held on 31 March 2021 (2021 AGM) and the Extraordinary General Meeting of CLMT held on 14 June 2021 (EGM) were conducted on fully virtual basis through live streaming and online remote voting using the Remote Participation and Voting (RPV) facilities via the online portal of Boardroom Share Registrars Sdn Bhd. The RPV facilities enabled unitholders to attend, participate, posed questions (via real time submission of typed texts) and vote remotely without physically attending the meeting. The administrative details of the 2021 AGM and 2021 EGM as well as the detailed registration and voting procedures were shared with the Unitholders and the same were also published in the Website.

At the 2021 AGM, Management made a presentation to Unitholders to update them on CLMT's performance, position and prospects. The presentation materials were made available to Unitholders on the Website and BursaLink. Unitholders were informed of the rules governing general meetings and were given the opportunity to communicate their views and discuss with the Board and Management matters affecting CLMT. Representatives of the Trustee, Directors (including the chairmen of the respective Board Committees) and key management personnel were present for the entire duration of the 2021 AGM to address any queries from the Unitholders.

To safeguard Unitholders' interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings. To ensure transparency in the voting process and better reflect Unitholders' interest, the Manager conducts electronic poll voting for all the resolutions proposed at the general meetings. One Unitholder is entitled to one vote. Voting procedures and the rules governing are explained and vote tabulation procedures are disclosed at the general meetings. An independent scrutineer is also appointed to validate the vote tabulation procedures. Votes cast, for or against and the respective percentages, on each resolution are

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tallied and displayed 'live on-screen' to Unitholders immediately at the general meetings. An independent scrutineer is also appointed to validate the vote tabulation procedures. Votes cast for or against and the respective percentages, on each resolution are tallied and displayed 'live' on-screen to Unitholders immediately after each resolution is voted on at the general meeting. The total number of votes cast for or against each resolution and the respective percentages are also announced on Bursa Link after the general meetings. Voting in absentia and by email may only be possible following careful study to ensure that the integrity of information and authentication of the identity of Unitholders through the web are not compromised.

Practice 13.6: Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

Minutes of the general meeting, recording the substantial and relevant comments made, questions raised and answers provided, are prepared and made available to Unitholders for their inspection upon request. The Minutes of the general meeting was also made available subsequently on the Website.

OTHERS

Dealing with Related Parties

Review Procedures for Related Party Transactions (including Recurrent Related Party Transactions)

The Manager has established internal control procedures to ensure that all Related Party Transactions are made on terms which are the best available for CLMT and which are no less favourable to CLMT than an arm's length transaction between independent parties. In respect of such transactions, the Manager would have to demonstrate to the AC that the transactions are the best available for CLMT and are no less favourable than an arm's length transaction between independent parties which may include obtaining (where applicable) third party quotations or obtaining valuations from independent valuers (in accordance with the REITs Guidelines and the Listing Requirements). The internal control procedures also ensure compliance with the Listing Requirements and the REITs Guidelines.

In particular, the procedures in place include the following:

Related Party Transactions ¹ (RPT) with percentage ratio ² :	Internal Approval, Procedures and Disclosure
Below 0.25%	Audit Committee recommends to Board ⁴
0.25% or more	Audit Committee recommends to Board ⁴ Immediate announcement
5% or more	Audit Committee recommends to Board ⁴ Immediate announcement Independent Adviser Unitholders
25% or more	Audit Committee recommends to Board ⁴ Immediate announcement Independent Adviser Principal Adviser Unitholders
Recurrent Related Party Transactions (RRPT) with percentage ratio ²	Immediate Announcement, Independent Adviser and Unitholders
Below 1% ³	Audit Committee recommends to Board ⁴
1% or more	Audit Committee recommends to Board ⁴ Immediate announcement

1 RPT of less than RM500,000 or RRPT is noted.

2 The calculation is based on the total assets which are the subject matter of the transaction compared with the total assets of CLMT.

3 Periodic review only.

4 Board save for interested directors who shall abstain.

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Role of the Audit Committee for Related Party Transactions

The Manager's internal control procedures are intended to ensure that RPT are conducted on terms which are best available for CLMT and which are no less favourable to CLMT than arm's length transaction between independent parties.

The Manager maintains a register to record all Related Parties of CLMT and RPT which are entered into by CLMT (and the basis, including the quotations obtained to support such basis upon which they are entered into). All RPT are subject to regular periodic reviews by the AC, which in turn obtains advice from CLI IA, to ascertain that the guidelines and procedures established to monitor RPT, including the relevant provisions of the Listing Requirements and the REITs Guidelines, as well as any other guidelines which may from time to time be prescribed by Bursa Malaysia, the SC or other relevant authority, have been complied with. The review includes an examination of the nature of the transaction and its supporting documents or such other information deemed necessary by the AC. If a member of the AC has an interest in a transaction, he is to abstain from participating in the review and approval process in relation to that transaction.

Details of all RPT entered into by CLMT during the financial year are disclosed on page 184 of the Financial Statements section of CLMT Annual Report 2021.

Dealing with Conflicts of Interest

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

- (a) The Manager will be a dedicated manager to CLMT and will not manage any other REITs or be involved in any other real property business;
- (b) All executive officers of the Manager will be employed by the Manager;
- (c) All resolutions at meetings of the Board of the Manager in relation to matters concerning CLMT must be decided by a majority vote of the Directors, including at least one ID;
- (d) In respect of matters in which CapitaLand and/or its subsidiaries have an interest, whether direct or indirect, any nominees appointed by CapitaLand and/or its subsidiaries to the Board will abstain from voting;

(e) In respect of matters in which a Director or his associates have an interest, whether direct or indirect, such interested Director will abstain from voting;

(f) If the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of CLMT with an affiliate of the Manager, the Manager is obliged to consult with a reputable law firm (acceptable to the Trustee) which shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee, on behalf of CLMT, has a prima facie case against the party allegedly in breach under such agreements, the Manager is obliged to pursue the appropriate remedies under such agreements. The Directors of the Manager have a duty to ensure that the Manager complies with the aforesaid. Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee with an affiliate of the Manager, and the Trustee may take such action as it deems necessary to protect the rights of Unitholders and/or which is in the interests of Unitholders. Any decision by the Manager not to take action against an affiliate of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such affiliate; and

(g) The Board shall comprise at least one-third of IDs. Currently the Board comprises a majority of IDs.

The Manager and the Trustee have been granted a right of first refusal (ROFR) by CapitaLand Mall Asia Limited (CMA) where:

- (a) For so long as the Manager shall remain the manager of CLMT and whereby the Manager and CMA are both subsidiaries of CapitaLand, neither CMA nor any subsidiary of CMA, will (a) purchase any relevant retail property which CMA and/or its subsidiaries may identify and target for acquisition in the future without granting the ROFR to CLMT to purchase such relevant retail property at the offer price and based on the terms and conditions as proposed to the relevant member of CMA and its subsidiaries, subject to various procedural requirements, including notice provisions, as set out in the letters of undertakings; or (b) sponsor or act as the manager of another REIT or any listed company in Malaysia that competes or

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will compete for the acquisition of relevant retail property, save that (a) and (b) shall not be applicable to any relevant retail property which is the subject matter of any of the following:

- (i) joint venture or proposed joint venture with CMA and/or its subsidiaries and any third party or parties; or
 - (ii) a proposal made exclusively available to CMA and/or its subsidiaries; or
 - (iii) a fund or proposed fund managed by CMA and/or its subsidiaries.
- (b) In the event CMA should sponsor a Malaysian retail property fund for the acquisition and/or development of relevant retail property, CMA shall endeavour to procure that such fund shall grant to CLMT a ROFR in relation to any relevant retail properties of which the fund wishes to dispose.

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

Dealing in Securities

The Manager has devised and adopted a securities dealing policy for the Manager's officers and employees which applies the best practice recommendations in the Listing Requirements. To this end, the Manager has issued guidelines to its Directors and employees as well as certain relevant executives of the CLI Group, which set out prohibitions against dealings in CLMT's Units (i) while in possession of material unpublished price-sensitive information, (ii) during the periods commencing 30 calendar days before the release of CLMT's quarterly results and up to the time of each announcement of CLMT's financial statements during a financial year. In addition, if any of such affected persons deal in CLMT's Units during the closed periods or outside closed periods under the Listing Requirements, they are required to comply with the conditions as set out in the Listing Requirements. They are also made aware of the applicability of the insider trading laws at all times.

Fees payable to the Manager

The methodology for computing the fees payable to the Manager is contained in Clause 18 of the Trust Deed, details of which are disclosed under Notes to Financial Statements.

The Management Fees, which are contained in Clause 18 of the Trust Deed, are fees earned by the Manager for the management of CLMT's portfolio.

The Management Fees are fees earned by the Manager for the management of CLMT's portfolio. The Management Fee should be viewed holistically as a whole which comprise two components, namely the Base Fee and Performance Fee, which are elaborated further below:

Base Fee

The Base Fee enables the Manager to cover operational and administrative overheads incurred in the management of the portfolio. The Base Fee is calculated at a percentage of assets value as the asset value provides an appropriate metric to determine the resources for managing the assets.

Performance Fee

The Performance Fee is calculated in reference to the net property income before payment of the Management Fee, for each Distribution Period based on the unaudited or as the case may be, the audited accounts of the Trust determined for the relevant Distribution Period but subject to reconciliation to the amount calculated by reference to the audited account of the Trust for the relevant Financial Year.

In addition, the Manager is also paid an Acquisition Fee or a Divestment Fee upon the successful completion of an acquisition or divestment respectively. Further details on the Acquisition Fee and Divestment Fee are provided below:

Acquisition Fee

The Acquisition Fee, which is contained in Clause 18.3 of the Trust Deed, is earned by the Manager upon the successful completion of an acquisition. This fee seeks to motivate and compensate the Manager for its efforts expended to continually seek and acquire Distribution Per Unit accretive assets to increase longer term returns for Unitholders. In addition, the Acquisition Fee allows the Manager to recover the additional costs and resources incurred by the Manager in the course of seeking new acquisition opportunities, including but not limited to, due diligence efforts and man hours spent in evaluating the transaction.

Divestment Fee

The Divestment Fee, which is contained in Clause 18.3 of the Trust Deed, is earned by the Manager upon the completion of a divestment. This fee seeks to motivate and compensate the Manager for its efforts expended to maximise value received by CLMT in the event of a divestment. In addition, the Divestment Fee allows the Manager to recover additional costs and resources incurred by the Manager for the divestment, including but not limited to due diligence efforts and man hours spent in marketing and maximising the divestment price.

Corporate Governance

Composition and Meeting Attendance in FY 2021

Board Members	Composition			Meeting Attendance			
	Audit	Executive Committee	Nominating and Remuneration Committee ⁹	Board Number of Meetings Held: 6	Audit Committee Number of Meetings Held: 4	Executive Committee Number of Meetings Held: 4	Nominating and Remuneration Committee Number of Meetings: 1
Lui Chong Chee ¹	–	–	Member	6/6	2/2	N.A.	1/1
Low Peck Chen ²	–	Member	–	6/6	N.A.	4/4	N.A.
Foo Wei Hoong ³	Chairman	–	–	3/3	2/2	N.A.	N.A.
Tan Boon Peng	–	–	Chairman	6/6	N.A.	N.A.	1/1
Mohd Yusof bin Hussian	Member	–	–	6/6	4/4	N.A.	N.A.
Tan Ming-Li ⁴	Member	–	–	3/3	2/2	N.A.	N.A.
Jonathan Yap Neng Tong	–	Chairman	Member	6/6	N.A.	4/4	1/1
Lim Cho Pin Andrew Geoffrey ⁵	Member	Member	–	6/6	4/4	3/4	N.A.
Tan Choon Siang ⁶	–	Member	–	N.A.	N.A.	N.A.	N.A.
David Wong Chin Huat ⁷	–	–	–	3/3	N.A.	N.A.	N.A.
Tuan Haji Rosli bin Abdullah ⁸	Chairman	–	–	3/3	2/2	N.A.	N.A.

N.A. – Not applicable.

1 Redesignated as Chairman of the Board and resigned as a Member of the Audit Committee with effect from 1 June 2021.

2 Resigned as Chief Executive Officer/Executive Director with effect from 1 January 2022.

3 Appointed as a Director and Chairman of the Audit Committee with effect from 1 June 2021.

4 Appointed as a Director and a Member of the Audit Committee with effect 1 June 2021.

5 Resigned as a Member of the Audit Committee with effect from 1 January 2022.

6 Appointed as Chief Executive Officer/Executive Director with effect from 1 January 2022.

7 Retired as a Director/Chairman of the Board with effect from 1 June 2021.

8 Retired as a Director and ceased as Chairman of the Audit Committee with effect from 1 June 2021.

9 Nominating and Remuneration Committee is formed by the Board on 21 October 2021.

Corporate Governance

Training programmes, seminar and conferences attended by the Directors during FY 2021 were:

- › Mandatory Accreditation Programme (Asia School of Business)
- › ASEAN Economic Update
- › BlackRock Asia Pacific C-Suite Summit
- › Board and Audit Committee Priorities 2021 (KPMG)
- › Briefing on CapitaLand Environmental, Health and Safety Management System
- › Briefing on Fraud, Bribery & Corruption and Related Party Transactions
- › Digital Economy and Capital Market Series: Financial Technology (Fintech) and Big Data
- › Digital Marketing: Strategies, Models and Framework (National University of Singapore)
- › Ecosperity Week: The Value of Nature for Business
- › ESG – Making Sense of the Madness (IMD)
- › ESG & Sustainability: The international policies and reporting frameworks that investors cannot ignore
- › Front Seats: Conversation in Global Finance Forum (Singapore Stock Exchange)
- › Implementing Amendments in the Malaysian Code on Corporate Governance (Asia School of Business)
- › Leadership for Enterprise Sustainability Asia 2021 (Asia School of Business)
- › Malaysia Virtual Corporate Day (CGS CIMB)
- › Managing Fraud, Bribery and Corruption Risks at Work
- › Malaysian Financial Reporting Standard 17 (Ernst & Young)
- › MIA International Accountants Conference 2021: Navigating a Sustainable Future with Agility and Resilience (Malaysian Institute of Accountants)
- › REITAS Conference: Emerging Stronger from COVID and the Future of S-REITS
- › Second Half of Internet: Online Shopping and Influencer Marketing (Wanghong) Economy
- › Series 2: SRI Integration into Investment Decision Making
- › Sustainability Training (Climate Governance Malaysia)
- › Talk on Pre & Post COVID-19 with Update on Vaccine
- › Temasek CEO Cyber Resilience Forum (Temasek)
- › The Economics of a Post-Brexit UK (University of Cambridge)
- › Trustwave Cybersecurity Readiness Training (Trustwave Company)
- › Updates to the MCGG and their implications to Listed Corporations, Directors & Management (Malaysian Institute of Accountants)
- › US Forced Labor Legislation: Impact on Corporate Malaysia (KPMG)
- › Value Creation Strategies: An innovative take on creating impactful, healthy companies (Malaysian Alliance of Corporate Directors)

Audit Committee Report

The Audit Committee (AC) of the Manager was formed on 10 June 2010 to assist the Board in fulfilling its oversight responsibilities for the financial reporting process, the management of risk and system of internal controls, the governance processes, and the audit process for CLMT and the Manager as well as the Manager's process for monitoring compliance with laws and regulatory requirements.

The Board is pleased to present the report of the AC for FY 2021 to provide insights into the manner which the AC has discharged its functions during FY 2021.

(A) COMPOSITION

Presently, the AC consists of three members, comprising exclusively of non-executive independent directors. The members bring with them invaluable and professional expertise in accounting and related financial management domains. None of the AC members was previously a partner in the incumbent external auditors, KPMG PLT (KPMG), in the previous three years, nor do any of the AC members hold any financial interest in KPMG.

The list of the members of the AC during FY 2021 are as follows:

- | | | |
|----|---|---|
| 1. | Foo Wei Hoong | Chairman / Non-Executive Independent Director |
| 2. | Mohd Yusof bin Hussian | Member / Non-Executive Independent Director |
| 3. | Tan Ming-Li | Member / Non-Executive Independent Director |
| 4. | Lim Cho Pin Andrew Geoffrey
(Resigned on 1.1.2022) | Member / Non-Executive Non-Independent Director |

(B) MEETINGS AND ATTENDANCE

A total of four AC meetings were held during the financial year under review. The members of the AC and their attendance records are as follows:

	Number of AC Meetings Attended
Foo Wei Hoong ¹	2 / 2
Mohd Yusof bin Hussian	4 / 4
Tan Ming-Li ²	2 / 2
Lim Cho Pin Andrew Geoffrey ³	4 / 4
Tuan Haji Rosli bin Abdullah ⁴	2 / 2
Lui Chong Chee ⁵	2 / 2

- 1 Appointed as the Chairman of the AC with effect from 1 June 2021.
- 2 Appointed as a Member of the AC with effect from 1 June 2021.
- 3 Resigned as a Member of the AC with effect from 1 January 2022.
- 4 Ceased as the Chairman of the AC with effect from 1 June 2021.
- 5 Resigned as a Member of the AC with effect from 1 June 2021.

Audit Committee Report

(C) SUMMARY OF THE WORK OF THE AUDIT COMMITTEE

Throughout FY 2021 and up until to the date of this report, AC has met its responsibilities in discharging its functions and obligations in accordance with its Terms of Reference (TOR) as described below:

1. Financial Reporting

- (a) Reviewed the quarterly results for all the financial quarters and year-end financial statements, ensuring the integrity of the financial statements of CLMT, and announcements relating to CLMT's financial performance, prior to the approval by the Board for the release of the announcements, focusing particularly on:
 - (i) changes in or implementation of major accounting policy changes;
 - (ii) significant matters highlighted including financial reporting issues, significant judgements made by Management, significant and unusual events or transactions, and how these matters are addressed; and
 - (iii) compliance with accounting standards and other legal requirements.
- (b) Discussed the key audit matters raised by the external auditors with Management and the disclosure thereof in the Auditors' Report for FY 2021.
- (c) Recommended to the Board for its approval, the half-yearly income distribution for payment to the Unitholders.

2. External Auditors (EA)

- (a) Reviewed the EA's report on the conduct of the audit of CLMT's financial statements FY 2021, the findings on significant accounting and financial reporting issues and its impact to the consolidated financial statements of the CLMT Group and, the findings on the internal control system as well as an overview of issues found during the interim audit.
- (b) Reviewed EA's scope of work and audit plans for the year under review to understand their audit methodology, significant risk areas and accounting policies/disclosures and timing.
- (c) Reviewed, in consultation with Management, the performance of the EA and their fees, upon satisfaction of their independence and objectivity including non-audit services rendered by the EA.
- (d) Conducted bi-annual private sessions with the EA and CLI IA without the presence of Management to discuss any issues or reservations arising from their audit. No major concerns were highlighted by EA and CLI IA and they received full cooperation from Management.
- (e) Reviewed and updated the assessment criteria of External Auditors' Independence Guidelines prior to their recommendations to the Board for approval.

Audit Committee Report

3. CapitaLand Investment Limited (CLI) Internal Auditors (IA)

The IA function is outsourced and undertaken by CLI IA that reports directly to the AC. The IA function was undertaken to provide independent assessments on the adequacy, efficiency and effectiveness of the internal control systems to manage risk exposures of the Manager and the CLMT Group. The AC had full access to the services and advice of the IA and received reports on all audits that were performed.

During FY 2021, CLI IA has executed the following IA services:

- (a) A total of five audit assignments were conducted on CLMT and the Manager based on the 2021 IA plan, adhering to the International Standards for the Professional Practice of Internal Auditing (Standards) issued by the Institute of Internal Auditors;
- (b) Conducted regular follow up with Management on agreed corrective actions on outstanding audit issues to ensure key risks and weaknesses were addressed effectively and in a timely manner including the tightening of internal controls, whereby the status of implementation of the IA recommendations were reported to the AC on a quarterly basis; and
- (c) Prepared the annual IA plan and scope for FY 2022 to be deliberated and approved by the AC.

The reports from CLI IA, including the result of findings, recommendations and Management's responses, were presented to the AC.

During FY 2021, AC monitored and assessed the role, performance and effectiveness of the IA function by reviewing the IA plan from time to time and recommended to the Board for approval any changes to the IA plan.

A quality assurance review on the CLI IA's function was performed by Ernst & Young Advisory Pte Ltd in 2018 and the assessment affirmed that CLI IA conformed to the Standards. The next review will be due in 2023.

The total costs incurred by the IA function for FY 2021 amounted to RM250,000.

4. Risk Management and Internal Control

AC also assisted the Board in examining the adequacy and effectiveness of CLMT's ERM Framework and the appropriateness of Management's responses to key risk areas and recommendations for improvements to be implemented. Based on the RCSA exercise conducted annually as well as the quarterly key risk indicator reports presented to AC with insights on the areas of risks, their likelihood, impact and management action on CLMT's operating business, AC was thus able to keep under review the adequacy and effectiveness of CLMT's risk management system along with its risk portfolio, risk levels and risk mitigation strategies. No significant irregularity or deficiency in internal controls came to the attention of AC during FY 2021.

Audit Committee Report

5. Related Party Transactions and Conflicts of Interest

The AC has:

- (a) reviewed and approved processes to regulate the RPT and RRPT (as defined in the Listing Requirements) and ensured compliance with the proper disclosure requirements in accordance with the REITs Guidelines and the Listing Requirements;
- (b) received reports from the Management and CLI IA on RPT and RRPT, reviewed and approved RPT and RRPT as required by the internal approval processes; and
- (c) reviewed and assessed from time to time whether additional processes are required to be put in place to manage any material conflicts of interest within the CLMT Group and proposed, where appropriate, the relevant measures for the management of such conflicts for approval by the Board.

AC was satisfied that all RPT and RRPT were in the best interest of CLMT, whereby the terms concluded were made on terms which were the best available for CLMT and which were no less favourable to CLMT than an arm's length transaction between independent parties and the monitoring procedures to regulate such transactions were appropriate and sufficient.

6. Compliance

The AC reviewed the level of compliance of the Manager and CLMT with the REITs Guidelines, Listing Requirements, Companies Act 2016, CMSA, the Deed as well as Corporate Liability Provision under Section 17A of the MACC Act. The AC was satisfied that there were no major non-compliances based on the compliance reports completed by the Management and as reported by the Compliance Officer at the quarterly meetings during FY 2021.

7. Other Matters

- (a) The AC reviewed the valuation of properties prior to their recommendations to the Board for approval and to make the relevant announcement thereof;
- (b) The AC reviewed and is satisfied with the annual Statement on Corporate Governance, Risk Management and Internal Control and the AC Report for publication in CLMT Annual Report 2021; and
- (c) The AC undertook an evaluation exercise to assess whether the AC has carried out their duties and responsibilities in accordance with its TOR.

The AC Report was approved by the Board on 14 February 2022.

Statement on Risk Management and Internal Control

INTRODUCTION

Paragraph 15.26(b) of the Listing Requirements requires the board of directors of any public listed issuer to include in its annual report a statement about the state of internal control of the listed issuer as a group and the Board is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD'S RESPONSIBILITY

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

RISK MANAGEMENT

Effective risk management is a fundamental part of CLMT's business strategy. The key risks and control measures are described in the Enterprise Risk Management section of CLMT Annual Report 2021. Recognising and managing risk is central to CLMT's business and to protect Unitholders' interests and value. CLMT operates within guidelines and parameters set by the Board for the Manager and CLMT. Based on the RCSA, transactions are analysed to understand the risks involved. Responsibility for managing risk lies initially with the business unit concerned, working within the overall strategy endorsed by the Board.

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

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

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

The Manager has a risk identification and management framework for the CLMT Group. The Manager proactively identifies and addresses risks in the CLMT Group. The ownership of these risks lies with the CEO and function heads of the Manager with stewardship residing with the Board. The AC and Exco assist the Board to oversee management

Statement on Risk Management and Internal Control

in the formulation, updating and maintenance of an adequate and effective risk management framework while the Board reviews the adequacy and effectiveness of the system of risk management and internal controls.

KEY INTERNAL CONTROL PROCESSES

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

The Manager performs a RCSA exercise and maintains a risk register which identifies the material risks faced by the CLMT Group and the internal controls in place to manage or mitigate those risks. The risk register is reviewed and updated at least once a year by the CEO and function heads of the Manager and is also reviewed quarterly by the AC and Exco and annually by the Board. The Management is tasked to review the risk register and will report to the AC as to the approach taken in identifying and assessing risks and internal controls under the RCSA. The Manager has established an approach on how the risk appetite is defined, monitored and reviewed for CLMT Group. Approved by the Board, the CLMT Group's RAS incorporates the risk limits and addresses the management of material risks faced by the CLMT Group. Alignment of the CLMT Group's risk profile with the RAS is achieved through various communication and monitoring mechanisms (including key performance indicators set for Management) put in place across the various functions by the Manager. Internal auditors conduct audits that involve testing the effectiveness of the material internal control systems for CLMT Group. Any material non-compliances or lapses in internal controls together with proposed corrective measures by the internal auditors are reported to the AC. The system of risk management and internal controls is continually being refined by the Manager and reported to the AC and the Board for their approval.

The Board has also received assurance from the CEO and Chief Financial Officer of the Manager that the risk management and internal control systems in place within the CLMT Group are adequate and effective in addressing the material risks in the CLMT Group in its current business environment including material financial, operational, compliance and IT risks. The CEO and Chief Financial Officer of the Manager have obtained similar assurances from the function heads of the Manager.

The Board has adopted a set of internal controls which sets out the authority limits for investments and divestments, acceptance of banking facilities

or treasury products, budgetary approval, capital and operating expenditure, lease renewals, marketing, professional services expenditure and other operational matters. The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions within those limits to authorised personnel to facilitate operational efficiency. Only authorised personnel are empowered to approve a transaction (including payments) on behalf of the Board.

Internal control procedures are established to ensure that RPT are undertaken in compliance with the REITs Guidelines, the Listing Requirements and the Trust Deed and, are made on terms which are best available for CLMT and which are no less favourable than an arm's length transaction between independent parties. The Manager incorporates into its annual internal audit plan a review of all RPT and RRPT. These established procedures are further explained on pages 93 to 94 of CLMT Annual Report 2021.

Policies, guidelines and processes are established for dealing with any potential conflicts of interest. This is explained in further detail on pages 94 to 95. In order to deal with any potential conflict of interest situations that may arise, the Manager's policy is that any such transactions carried out for and on behalf of CLMT shall be executed on terms that are best available to CLMT and which are no less favourable to CLMT than transactions between independent parties. The Manager has outsourced its internal audit function to CLI IA which reports directly to the AC.

CLI IA is adequately resourced and staffed with persons having relevant qualifications and experience. CLI IA is a corporate member of The Institute of Internal Auditors Singapore (IIA), which is an affiliate of the IIA with its headquarters in the United States of America (USA). CLI IA subscribes to, and is guided by, the International Standards for the Professional Practice of Internal Auditing (Standards) developed by the IIA and has incorporated these Standards into its audit practices.

To ensure that internal audits are performed by competent professionals, CLI IA recruits and employs suitably qualified professional staff with the requisite skill sets and experience. This includes CLI IA staff who are involved in Information Technology (IT) audits having relevant professional IT certifications. The IT auditors are also members of the Information System Audit and Control Association (ISACA) Singapore Chapter, a professional body administering information system audit & security certifications that is headquartered in the USA. The ISACA Information System Auditing Standards provide guidance on

Statement on Risk Management and Internal Control

the standards and procedures to be applied in IT audits. CLI IA identifies and provides training and development opportunities for its staff to ensure their technical knowledge and skill sets remain current and relevant.

The AC reviews the internal audit reports and activities on an on-going basis. The AC also reviews and approves the annual internal audit plan with respect to CLMT. The AC is of the view that the internal audit function performed by CLI IA is adequately resourced, effective and independent. Information about CLI IA is on page 90 of CLMT Annual Report 2021.

The scope of the internal audit function for FY 2021 included the following:

- (a) Carried out scheduled audit assignments in accordance with the 2021 annual internal audit plan approved by the AC;
- (b) Reported to the AC on key findings and management's agreed actions;
- (c) Updated the AC on the implementation status of management's agreed actions on a quarterly basis;
- (d) Reviewed RPT including RRPT and presented the findings of the review to the AC on a quarterly basis;
- (e) Reporting whistle-blowing cases and investigated various matters when required and as directed by the AC;
- (f) Updated AC on the key observations on the effectiveness of IA function of listed issuers by Bursa Securities; and
- (g) Prepared the 2022 annual internal audit plan for submission to the AC for approval.

The AC has put in place a whistle-blowing policy to provide employees of the Manager with procedures and accessible channels to report suspected fraud, corruption, dishonest practices or other similar matters relating to CLMT and the Manager and also for independent investigation of any reports by employees with the appropriate follow up action. This whistle-blowing policy has been established and is being reviewed periodically to promote fraud awareness and to encourage the reporting of such matters in good faith, with the confidence that employees making such reports will be treated fairly and, to the extent possible, be protected from reprisals. The adopted whistle-blowing policy is further explained on page 79 of CLMT Annual Report 2021.

The AC reviews, monitors and evaluates the effectiveness and adequacy of CLMT's internal controls and financial and risk management issues raised by the external and internal auditors, regulatory authorities and Management. The AC also reviews written reports issued by the internal and

external auditors and ensures that appropriate and prompt remedial actions are taken by Management where deficiencies in internal controls have been identified. In FY 2021, the issues raised were attended to and responded by Management to the internal and external auditors with agreed actions to be undertaken by Management. The AC also convenes meetings with both external and internal auditors without the presence of Management.

In addition, the AC has undertaken an assessment of the scope, functions and competency of the internal audit function. The AC also reviews and evaluates the procedures established to ensure compliance with applicable legislation, the REITs Guidelines and the Listing Requirements.

The Anti-Bribery and Corruption (ABC) Policy is established by the Board, in line with the corporate liability provision of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and the Guidelines on Adequate Procedures based on the five T.R.U.S.T. principles (T-top level commitment; R-risk assessment; U-undertake control measures; S-systematic review, monitoring and enforcement; T-training and communication). In our effort to strengthen the governance of risk management, the Manager has updated the Compliance Plan by incorporating an Anti-Corruption Compliance Programme, with emphasis on periodic review of an adequate anti-corruption compliance programme as part of the adequate procedures recommended by the Malaysian Anti-Corruption Commission (MACC) pursuant to Section 17A(5) of the MACC (Amendment) Act 2018. The ABC Policy is further explained on page 78 of CLMT Annual Report 2021.

The Board reviews and approves, inter alia, the following reports from Management, upon recommendation of the AC and Exco, on a periodic basis:

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

Based on these reviews, the Board opined, with the concurrence of the AC, that there are adequate internal controls in place within CLMT Group addressing financial, operational, compliance and IT risks.

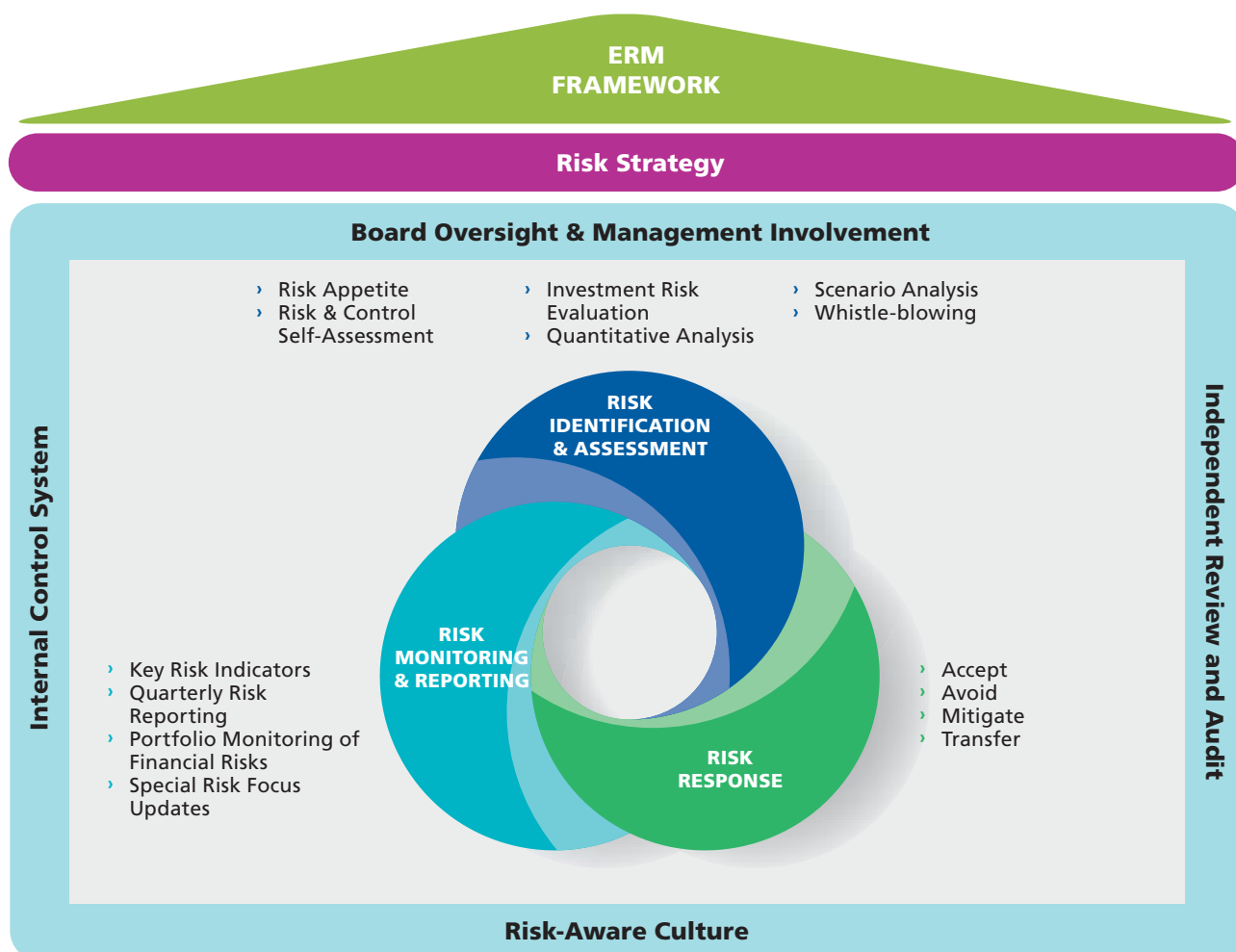
Enterprise Risk Management

CLMT Group believes in maintaining a robust risk management framework to proactively identify, assess and respond to material risks that can impact our objective to deliver stable distributions and sustainable total returns to Unitholders.

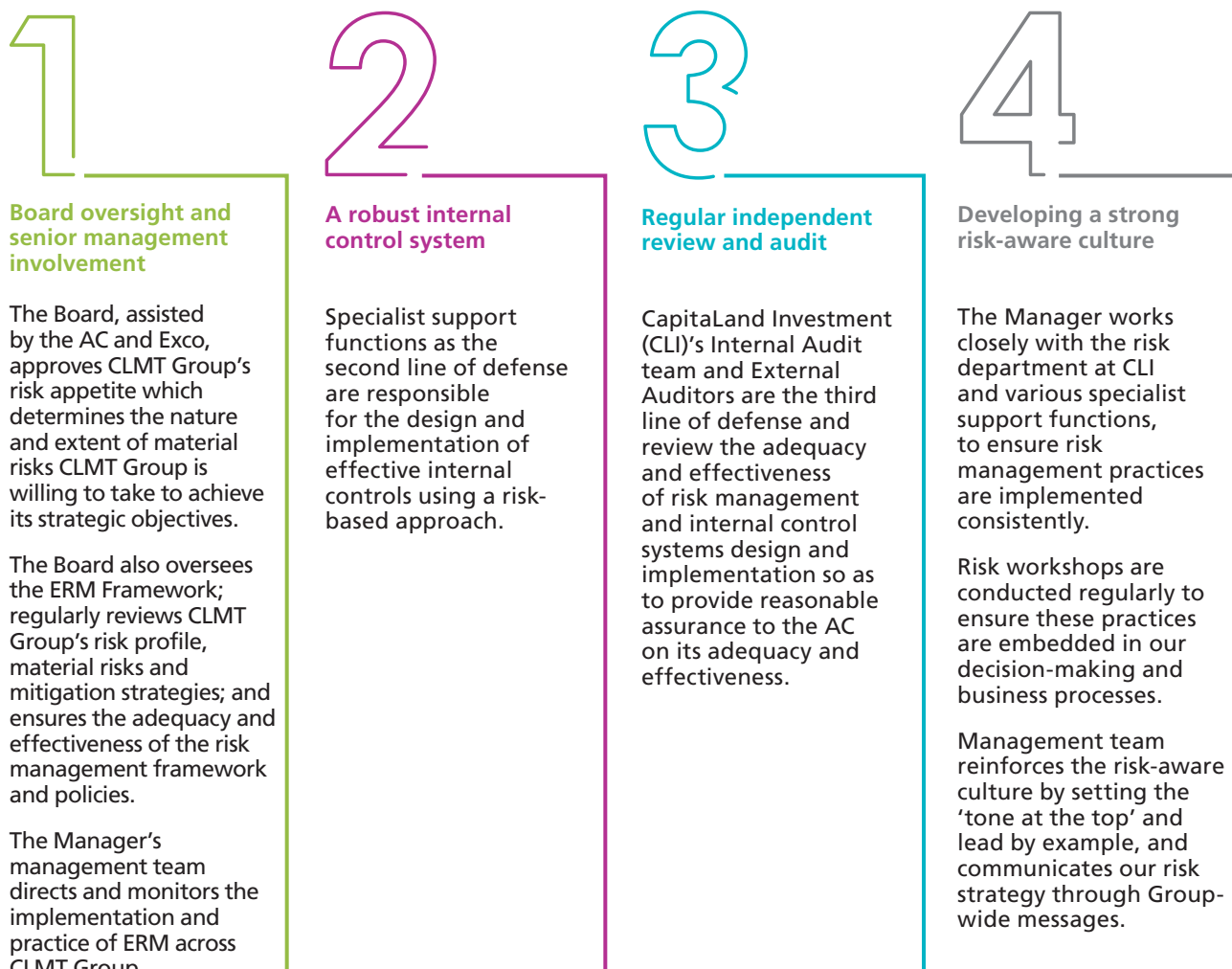
By adhering to pre-defined risk parameters within the Manager's Enterprise Risk Management (ERM) Framework (the Framework) and pursuing a risk strategy of optimisation of opportunities within the approved risk appetite levels instead of risk minimisation, we position CLMT for long term sustainable results.

Ensuring Best-in-class Risk Management Standards and Approaches to Optimise Opportunities

The Manager's ERM Framework is adapted from the International Organization for Standardization (ISO) 31000 International Risk Management and is benchmarked against other relevant best practices and guidelines and reviewed annually to ensure its continued relevance and practicality. It sets out the required environmental and organizational components needed to identify, assess, respond, monitor and report material risks in an integrated, systematic and consistent manner as depicted below.



Enterprise Risk Management



CLMT'S MATERIAL RISKS AND OPPORTUNITIES

CLMT Group's Risk and Control Self-Assessment (RCSA) exercise, coordinated by the Manager, is conducted annually. From the 2021 Group-wide RCSA results, we identified a list of risks and opportunities that CLMT faces in delivering our strategic objectives. They are set out below with measures taken to mitigate material risks and set CLMT up to capitalise on attractive opportunities:

Material Risk	Risk Details	Opportunities	Key Mitigating Action
Business Interruption/ Pandemic	<ul style="list-style-type: none"> Business disruptions arising from the COVID-19 pandemic have resulted in potential structural disruptions to some of the real estate asset classes, amongst others, retail sector. It also spurred stakeholders' attention on the diversification and resilience in CLMT Group's supply chain. 	<ul style="list-style-type: none"> Ride on the digital adoption trend and ongoing business digitalisation to innovate and improve product offerings to our customers. Opportunities to reposition or repurpose our assets to meet the new norms. 	<ul style="list-style-type: none"> Continue to place the well-being of our tenants, shoppers, guests and customers as top priority by adopting contactless technologies and innovative tech solutions to enhance safety, cleanliness and hygiene at CLMT Group's properties. Future proof CLMT Group's business through digitalisation of business operations and processes, innovation and flexibility in CLMT Group's product offerings such as: <ul style="list-style-type: none"> accelerating our omnichannel solutions, assisting our customers with digital transition, optimising the use-of-space. Build collaborative relationships and work closely with supply chain contractors, vendors and suppliers to achieve environmental and social goals through CLI's Supply Chain Code of Conduct.

Enterprise Risk Management

Material Risk	Risk Details	Opportunities	Key Mitigating Action
Competition	<ul style="list-style-type: none"> Keen industry competition from established players who are able to capture our customers by meeting their expectations or reacting aptly to market trends. 	<ul style="list-style-type: none"> Tap on ONE CapitaLand ecosystem to benefit from the development expertise and opportunities without the associated risks. 	<ul style="list-style-type: none"> Constantly strive to differentiate ourselves from our peers through asset enhancement initiatives. Constant stream of shopper-centric initiatives and shopper loyalty programme. Focus on building key enablers that give CLMT Group a competitive advantage amidst the competition and digital disruptions, such as: <ul style="list-style-type: none"> embarking on digital transformation in our processes, enhancing our data analytics capabilities to speed up data-driven decisions, and leveraging innovation tools and solutions to assist our customers pivoting to the new digital operating model. Incorporate Environmental, Social and Governance (ESG) considerations in CLMT Group's business to reinforce our leading position as a sustainable REIT. Enhance CLMT's competitive strengths in the new asset class by tapping on CapitaLand's development expertise. Leverage in-house team of industry analysts to keep CLMT Group on top of latest market trends.
Economic	<ul style="list-style-type: none"> Exposure to event risks, such as political leadership uncertainties/ changes, trade wars, economic downturns and sudden changes in real estate related regulations in major economies as well as key financial and property markets. 	<ul style="list-style-type: none"> Leverage on the existing local business presence under the ONE CapitaLand ecosystem and its in-depth market knowledge to further enhance CLMT's investment opportunities in Malaysia. 	<ul style="list-style-type: none"> Diversify CLMT's portfolio across different asset classes. Disciplined approach to financial, investment and asset management. Maintain robust investment criteria and processes to ensure portfolio sustainability and seize growth or recycling potential of the assets in different life cycle and location. Actively monitor macroeconomic trends, policies and regulatory changes in key markets.
Financial	<ul style="list-style-type: none"> Exposure to financial risks involving liquidity, and interest rates. Volatility of cash flow negatively impacting planned cash generation and cash usage profile. 	<ul style="list-style-type: none"> Managing our financial risks well gives confidence to our investors. 	<ul style="list-style-type: none"> Proactively review the capital management of CLMT Group to ensure that adequate financial resources are available for the working capital, distribution and acquisition requirements. Focus on instilling financial discipline and deploy capital to earn optimal risk-adjusted returns and maintain a strong balance sheet. For more details, please refer to the Financial Risk Management section on pages 177 to 181.

Enterprise Risk Management

Material Risk	Risk Details	Opportunities	Key Mitigating Action
Leasing	<ul style="list-style-type: none"> › Strong competition, poor economic and market conditions due to COVID-19 pandemic are some key factors that could result in key tenants not renewing their leases, adversely affecting the leasing performance of CLMT Group's properties. 	<ul style="list-style-type: none"> › Focus efforts on stabilising the portfolio through constructive tenant engagement, proactive asset and lease management to build greater resilience in the retail ecosystem. 	<ul style="list-style-type: none"> › Establish and maintain a diversified tenant base and sustainable trade mix. › Rental relief was provided to deserving tenants to support them throughout the pandemic. › Proactive tenant management strategies which are in line with the malls' positioning are in place. › Closely monitor tenants' sales performance and maintain positive relationships and rapport with retailers to build trust and loyalty with CLMT Group's properties.
Climate Change	<ul style="list-style-type: none"> › Physical risks such as rising sea levels, violent storms, long intense heat waves, flash floods and fresh water depletion. › Transitional risks including potentially more stringent regulations and increased expectations from stakeholders. 	<ul style="list-style-type: none"> › Enhance our positive reputation and strong track record in sustainability efforts as a competitive advantage for CLMT Group to build a resilient portfolio of assets and achieve resources efficiency. › Accelerate sustainability innovation and collaboration with tenants, supply chain contractors, vendors and suppliers. 	<ul style="list-style-type: none"> › Assess the detailed physical risks in the assessment of any new acquisitions above a stipulated investment threshold. › Incorporate shadow internal carbon price and compute a Return on Sustainability (ROS) in the evaluation of new investment/ capital expenditure decisions above a stipulated investment value threshold. This helps to price in climate-related costs and opportunities, support low-carbon investments, prepare for stringent climate legislation, and avoid stranded assets. › Regularly review CLMT Group's mitigation and adaptation efforts, which include: <ul style="list-style-type: none"> • future proofing our portfolio against changing climatic conditions from the design stage; and • improving the operational efficiency of our properties, setting targets for carbon emissions, water, energy and waste efficiency. › CLI has a well-established Group environmental management system which is externally certified to ISO 14001. › For more information, please refer to CLI's Global Sustainability Report 2021, to be published by 31 May 2022.
Safety, Health & Well-being	<ul style="list-style-type: none"> › Increased expectations from stakeholders to provide a safe and healthy environment, including well-being, at our assets and operations. 	<ul style="list-style-type: none"> › Having an adequate and effective Enterprise Risk Management Framework to enhance business resilience and agility. 	<ul style="list-style-type: none"> › Regularly review CLMT Group's mitigation efforts which include work-related safety targets applicable to both CLMT Group and our supply chains. › CLI has a well-established Group health and safety management system which is externally certified to ISO 45001. › For more information, please refer to CLI's Global Sustainability Report 2021, to be published by 31 May 2022.

Enterprise Risk Management

Material Risk	Risk Details	Opportunities	Key Mitigating Action
Fraud, Bribery & Corruption	<ul style="list-style-type: none"> › Any forms of fraud, bribery and corruption that could be perpetrated by employees, third parties or collusion between employees and third parties. 	<ul style="list-style-type: none"> › Recognising the strong governance and upholding the highest level of integrity are important to build stakeholders confidence. 	<ul style="list-style-type: none"> › Promote an ethical culture at all levels of CLMT Group. › Adopt a zero-tolerance stance against fraud, bribery and corruption (FBC) in the conduct of business and reinforce the importance of integrity – one of CLMT Group’s core values. This is also in line with the Corporate Liability Provision under Section 17A of the MACC Act which came into force on 1 June 2020. › Communicate the commitment to integrity from the top through policies and practices, such as FBC Risk Management Policy, Whistle-blowing Policy, Ethics and Code of Business Conduct Policies and Anti-Money Laundering and Countering the Financing of Terrorism Policy and mandatory FBC eLearning. › All third party communication to include CLMT Group’s zero tolerance stand against FBC.
Cyber Security & Information Technology	<ul style="list-style-type: none"> › Ongoing business digitalisation exposes the business to IT-related threats, which may result in compromising the confidentiality, integrity and availability of CLMT Group’s information assets and/or systems. 	<ul style="list-style-type: none"> › Building a cyber resilience infrastructure and network enable us to harness the full potential of innovation and digital transformation of our business processes. 	<ul style="list-style-type: none"> › The outsourced Information Technology (IT) executes its Cyber Security Strategy through ongoing review against existing/evolving threat landscapes, and institute measures to minimise vulnerability exposure and manage threat vectors. › Ongoing mandatory staff IT Security Awareness Training to counter human intervention in the information security chain. › Periodically review and update Group-wide IT Security Policy and Data Protection Framework to ensure relevancy. › Maintain and test IT Security Incident Management Procedure to ensure prompt response and timely remediation to cyber security incidents. › Conduct annual Disaster Recovery Plan exercise to ensure timely recoverability of business-critical IT systems. › Enhanced protection controls are put in place for Crown Jewel systems in which personal data resides.
Regulatory & Compliance	<ul style="list-style-type: none"> › Non-compliance to applicable local laws and regulations, including relevant data protection and privacy regulations, in the markets CLMT Group operates in, which may lead to hefty penalties/ fines and negative publicity. 	<ul style="list-style-type: none"> › Keeping abreast on the changing regulatory landscape allow us to focus on the potential improvements in the various compliance areas and the day-to-day operations. 	<ul style="list-style-type: none"> › Maintain a framework that proactively identifies the applicable laws and regulations, and embeds compliance into day-to-day operations. › Leverage in-house specialised teams from both locally and CLI such as compliance and tax to provide advisory services and updates on latest changes to laws and regulations. › Report significant regulatory non-compliance cases to the Audit Committee on a quarterly basis for oversight by the Board.

Sustainability Management

BOARD STATEMENT

At CapitaLand Malaysia Trust (CLMT), sustainability is at the core of everything we do. We are committed to growing in a responsible manner, delivering long term economic value, and contributing to the environmental and social well-being of our communities. The material environmental, social and governance (ESG) factors have been identified and encapsulated in the CapitaLand 2030 Sustainability Master Plan, which was launched in 2020, and will be reviewed by the Board of the Manager of CLMT together with management every two years.

The CapitaLand 2030 Sustainability Master Plan steers our efforts on a common course to maximise impact through building a resilient and resource efficient real estate portfolio, enabling thriving and future-adaptive communities, and accelerating sustainability innovation and collaboration. Ambitious ESG targets have been set which include carbon emissions reduction targets validated by the Science Based Targets initiative (SBTi).

The Board of the Manager of CLMT is responsible for overseeing the Manager's sustainability efforts, and takes ESG factors into consideration in determining its strategic direction and priorities. The Board also approves the executive compensation framework based on the principle of linking pay to performance. The Manager's business plans are translated to both quantitative and qualitative performance targets, including sustainable corporate practices and are cascaded throughout the organisation.

REPORTING SCOPE AND PERIOD

This report covers CLMT's income-producing and geographically diversified portfolio of five shopping malls and a complementary office block from 1 January to 31 December 2021, unless otherwise indicated. The report forms part of CLMT Annual Report 2021, a copy of which can be downloaded from www.clmt.com.my.

Properties:

- › Gurney Plaza
- › East Coast Mall
- › Sungei Wang Plaza – CLMT's interest in Sungei Wang comprises (i) 205 strata parcels within the mall which represents approximately 61.9% of the aggregate retail floor area, and (ii) 1,298 car park bays which comprise 100% of the car park bays.
- › 3 Damansara Property
- › The Mines

SUSTAINABILITY COMMITMENT

As an externally managed real estate investment trust, CLMT is managed by CapitaLand Malaysia REIT Management Sdn. Bhd. (formerly known as CapitaLand Malaysia Mall REIT Management Sdn. Bhd.) (CMRM or the Manager), a 70%-direct subsidiary of CapitaLand Investment Limited, which is part of the CapitaLand (CL or CL Group). Meanwhile, CLMT's properties are managed by Knight Frank roperty Management Sdn. Bhd. and Zaharin Nexcap Property Consultants Sdn. Bhd. (collectively known as Property Managers) that oversees the daily property operations. The Manager and Property Managers are responsible for the property operations across CLMT's portfolio.

The Manager of CLMT are part of the CL Group and our sustainability strategy is aligned to that of CapitaLand. Since starting on its sustainability journey, CLMT has built on CapitaLand's firm foundation to strengthen its portfolio and sustainability practices to be resilient to the challenges faced by the retail real estate sector. As we progress, we endeavour to make a meaningful and positive impact in the communities we operate in as we create value for our Unitholders.

CLMT is committed to improving the economic and social well-being of its stakeholders through management of human capital, asset, portfolio and property operations. The Manager and Property Managers firmly uphold CapitaLand's credo of 'Building People. Building Communities.', and abide by CapitaLand's sustainability framework, policies, guidelines, as well as ethics and code of business conduct.

We uphold high standards of corporate governance and transparency to safeguard shareholders' interests. We have in place an adequate and effective Enterprise Risk Management Framework to enhance business resilience and agility. CapitaLand's proactive approach towards environmental, health and safety (EHS) management, which incorporates universal design into its developments, ensures that its properties are sustainable and future-proof. Policies and guidelines are put in place to ensure the efficient use of energy, water and other resources.

CapitaLand's integrated human capital strategy aims to recruit, develop and motivate employees to drive growth. Community development is an important component of its commitment to sustainability. It focuses on providing support to enhance the lives of underprivileged children and vulnerable elderly, through corporate philanthropy and employee volunteerism.

Sustainability Management

With the launch of CapitaLand's 2030 Sustainability Master Plan in 2020, CapitaLand elevated its commitment to global sustainability in the built environment given its presence in more than 250 cities and over 30 countries. The Master Plan focuses on three key pillars to drive CapitaLand's sustainability efforts in the ESG pillars, enabling CL Group to create a larger positive impact for the environment and society.

- **BUILD:** Portfolio Resilience and Resource Efficiency
- **ENABLE:** Thriving and Future-Adaptive Communities
- **ACCELERATE:** Sustainability Innovation and Collaboration

CapitaLand identified five pathways to achieve its sustainability objectives and will adapt its strategies as technologies evolve and new scientific data become available:

1. Integrate sustainability in CapitaLand's real estate life cycle

From the earliest stage of its investment process, to design, procurement, construction, operations and redevelopment or divestment, sustainability targets will be embedded in policies, processes, best practices, and key performance indicators of its business operations.

2. Strengthen innovation and collaboration to drive sustainability

CapitaLand will continue to source globally for new ideas and technologies to meet its sustainability ambitions and work with like-minded partners to create shared values.

3. Leverage sustainability trends and data analytics

This allows CapitaLand to track critical performance and progress in water usage, waste management, energy consumption, carbon emission, and health and safety. These measurements along with social indicators are key to driving performance improvement across its operating properties and development projects.

4. Monitor and report progress to ensure transparency

As CapitaLand tracks its sustainability progress, it will continue to validate its performance by external assurance and align its Global Sustainability Report to international standards.

5. Increase engagement and communication with key stakeholders

It is key to build awareness among CL Group's employees, investors, customers and communities, and collectively effect transformational change to achieve CapitaLand's 2030 targets.

Push boundaries of change

To push the boundaries of change, CapitaLand will transit to a low-carbon business that is aligned with climate science. In November 2020, CapitaLand had its carbon emissions reduction targets approved by the Science Based Targets initiative (SBTi) for a 'well-below 2°C scenario. The targets are in line with the goals of the Paris Agreement to keep global temperature rise well below 2°C in this century. CapitaLand is also developing a new metric, Return on Sustainability, in addition to the regular financial return to measure CL Group's ESG impact.

CapitaLand has also launched the inaugural CapitaLand Sustainability X Challenge (CSXC), an innovation challenge to enable CapitaLand to accelerate its sustainability efforts and meet its 2030 targets. The CSXC covers seven challenge statements and reflect the key themes and goals in CapitaLand's 2030 Sustainability Master Plan.

CapitaLand aims to be a leader in sustainable finance and secure S\$6 billion through sustainable finance by 2030. Proceeds and interest rate savings from CapitaLand's efforts in sustainable finance can also be used to drive more sustainability initiatives and innovations within the company.

As part of the CapitaLand Group, CLMT is committed to working towards long term and annual targets under CapitaLand's 2030 Sustainability Master Plan Framework.

CLMT is aligned with CapitaLand's long term targets:

- › Reduce carbon emissions intensity by 78% by 2030.
- › Reduce energy intensity by 35% by 2030
- › Reduce water intensity by 45% by 2030 (Using 2008 as base year)

CLMT keeps track of its performance to ensure its properties are on track to meet CL Group's targets.

Measured against global benchmarks

CapitaLand was one of the first companies in Singapore to voluntarily publish an annual Global Sustainability Report and externally assure the entire report. Benchmarking against an international standard and framework that is externally validated helps CL Group to overcome the challenges in sustainability reporting that may arise from its portfolio of diverse asset types and geographical presence globally.

CapitaLand is also a signatory to the United Nations (UN) Global Compact and its Global Sustainability Report serves as its Communication on Progress, which will be made available at www.unglobalcompact.org when published.

Sustainability Management

For its efforts, CL Group is listed in the Global 100 Most Sustainable Corporations Index, Dow Jones Sustainability World Index and Asia-Pacific Index, Global Real Estate Sustainability Benchmark (Global Sector Leader, Diversified- Listed), FTSE4Good Index Series, MSCI Global Sustainability Indexes and The Sustainability Yearbook.

CapitaLand Investment Global Sustainability Report 2021 will be published by 31 May 2022. It will continue to be prepared in accordance with the Global Reporting Initiative Standards: Core option. CapitaLand will continue to apply the Guiding Principles of the International Integrated Reporting Framework and ISO 26000:2010 Guidance on Social Responsibility, and reference the UN Sustainable Development Goals (UN SDGs) and the Taskforce on Climate Related Financial Disclosure. CapitaLand also plans to align its sustainability report to the Sustainability Accounting Standards Board (SASB). It will continue to be externally assured to AA1000 Assurance Standard.

The report will cover the Group's global portfolio and employees, including its listed real estate investment trusts (REITs) and business trusts - CapitaLand Integrated Commercial Trust, Ascendas Real Estate Investment Trust, Ascott Residence Trust, CapitaLand China Trust, Ascendas India Trust and CapitaLand Malaysia Trust, unless otherwise indicated.

STRATEGIC SUSTAINABILITY MANAGEMENT STRUCTURE



CAPITADNA

Visions, Mission, Credo and Core Values

CORE VALUES

WINNING MINDSET | ENTERPRISING | RESPECT | INTEGRITY

COMMITMENT TO OUR STAKEHOLDERS

We create great customer value and experiences through high-quality products and services.

for our Customers
Tenants, shoppers, home owners, residents

We deliver sustainable shareholder returns and build a strong global network of capital partners.

for our Investors
including business partners

We develop high performing people and teams through rewarding opportunities.

for our People Staff

We care for and contribute to the economic, environmental and social development of communities.

for our Communities
Government agencies/ NGOs, general public, environment suppliers/ contractors

Sustainability Management

BOARD, TOP MANAGEMENT AND STAFF COMMITMENT INVOLVEMENT

CapitaLand Investment (CLI) Group-wide sustainability management comes under the purview of CapitaLand Sustainability Council (SC) which comprises two Independent Board members and four executive committee members that report to the CLI Board. CapitaLand's Management Council consisting of the Group Chief Executive Officer (CEO), all Presidents and/or CEOs of business units and key management officers of the Corporate Office provide strategic management of ESG implementation across the Group. The SC is supported by the Group Sustainability Office and various work teams to drive continued progress and improvement in the areas of ESG. It was chaired by one of CLI Board's independent directors and

member of its Executive Resource and Compensation Committee and Risk Committee. The work teams comprise representatives from CapitaLand business units and corporate functions. This governance is cascaded from the Group level to CLMT level through the operations of CapitaLand's EHS Committee.

The Manager's properties are overseen by representatives in the Environmental, Health and Safety (EHS) Committee to drive initiatives within its properties. The Board of the Manager is updated regularly through the Executive Committee and Audit Committee on matters relating to sustainability risks and business malpractice incidents. The Board of the Manager is also updated on the sustainability management performance of CLMT, key material issues identified by stakeholders and the planned

PRIORITISATION OF ESG MATERIAL ISSUES



BUILD

Portfolio Resilience and Resource Efficiency



ENABLE

Thriving and Future-Adaptive Communities



ACCELERATE

Sustainability Innovation and Collaboration

Anchored by strong Governance and sustainable financial performance

- Compliance
- Business ethics

MATERIAL ESG FACTORS/INDICATORS

KEY MATERIAL ISSUES

- Climate change and carbon reduction
- Energy efficiency
- Water management

MEDIUM PRIORITY

- Waste management
- Biodiversity

KEY MATERIAL ISSUES

- Occupational Health & Safety
- Human Capital
- Stakeholder engagement
- Supply Chain Management
- Diversity (Board and staff)

MEDIUM PRIORITY

- Human rights

KEY MATERIAL ISSUES

- Product and service (incl. customer health and safety)

Sustainability Management

follow-up measures. The Manager works closely with the Property Managers in carrying out strategies and relevant activities, abiding by CapitaLand's sustainability framework and policies.

MATERIALITY

CLMT has a regular review, assessment and feedback process in relation to ESG topics. Key to this is an annual Group-wide Risk and Control Self-Assessment exercise which entails the identification, assessment and documentation of material risks and corresponding internal controls. These material risks include fraud and corruption, environmental (e.g. climate change), health and safety, and human capital risks which are ESG-relevant.

We identify and review material issues that are most relevant and significant to us and our stakeholders. These are prioritised based on the likelihood and potential impact of issues affecting business continuity and development.

For external stakeholders, priority is given to issues important to the society and applicable to CLMT. More information on stakeholder engagement is available in the Social and Relationship Capital, Human Capital and Environmental Capital chapters of the CapitaLand Global Sustainability Report 2021.


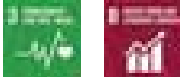
The Manager and Property Managers engage stakeholders through various programmes and channels to identify and assess material ESG issues which significantly impact business operations and stakeholders. The Group-wide Risk and Control Self-Assessment exercise provides the framework for the identification, assessment and documentation of material risks and corresponding internal controls. These are prioritised based on the likelihood and potential impact of issues affecting business continuity and development.

CREATING VALUE AND ALIGNMENT TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGS)

The Guiding Principles of the International Integrated Reporting Council (IIRC) Framework were referenced in this report, and the material ESG issues are grouped into six Capitals – Environmental, Manufactured, Human, Social and Relationship, Organisational, and Financial. This is also mapped against eight UN SDGs that are most aligned with CapitaLand's Master Plan 2030 targets, and where CapitaLand can achieve the greatest positive impact. More information will be available in the CapitaLand Investment Global Sustainability Report 2021.

Capitals	What We Do	2021 Value Created
Environmental Capital <ul style="list-style-type: none"> › Carbon emissions › Energy management › Water stewardship › Waste and resource management 	CapitaLand is committed to: <ul style="list-style-type: none"> › Reduce water consumption, reuse water and prevent water pollution, especially in countries where the availability of clean water and sanitation are of concern › Transit to low-carbon business and reduce energy consumption through improved energy efficiency and increase use of renewable energy › Green its global operational portfolio by 2030 › Actively embrace innovation to ensure commercial viability without compromising the environment for future generations 	<ul style="list-style-type: none"> › For 2021, CLMT's operational properties total energy consumption was 49,875MWh. It was solely contributed by purchased electricity and there was no contribution from direct energy consumption from gas, diesel and other fuels. For water, total consumption was about 425,781m³ › Energy and Water Usage and Carbon Intensity Reduction: For 2021, the reduction in water usage in m³/m² was 46% from the 2009 baseline, and the reduction in carbon intensity (kg/m²) was 34% from the 2009 baseline. Energy usage in kWh/m² also reduced by 34% from the 2009 baseline. Using a 'Business as Usual' approach, it is estimated that CLMT avoided costs of more than RM36.1 million for utilities since 2009 › CLMT is in the process of obtaining the green rating re-certification process and is targeted to achieve 100% by 2024, save for Sungei Wang Plaza. We will continue to implement energy and water conservation measures to ensure efficient operations and minimise resource wastage
Manufactured Capital <ul style="list-style-type: none"> › Environmentally sustainable, healthy, safe and accessible quality buildings › Innovative and sustainable construction methods and technologies 		

Sustainability Management

Capitals	What We Do	2021 Value Created
<p>Environmental Capital (con't)</p> <p>Manufactured Capital (con't)</p> 	<ul style="list-style-type: none"> › Future-proof its developments by addressing the risks of climate change right from the design stage › Preserve the biodiversity of its sites as well as the wider area where possible › Build safe, accessible, vibrant and quality real estate developments to enhance the lives of its shoppers, tenants, serviced residence and hotel guests, homeowners and members of the community 	<ul style="list-style-type: none"> › Retained ISO14001 certification. All CLMT properties have no environmental non-compliance › Safety talks and briefings are given to employees and tenants on a periodic basis, and regular emergency evacuation drills are conducted at least once a year at each property to familiarise both employees and tenants on the emergency response plan › All CLMT properties are subjected to fire safety audits and regular maintenance on safety equipment › All CLMT properties participated in the recycling of waste programme › All CLMT properties participated in the Earth Hour initiative
<p>Manufactured Capital</p> <ul style="list-style-type: none"> › Environmentally sustainable, healthy, safe and accessible quality buildings › Innovative and sustainable construction methods and technologies <p>Human Capital</p> <ul style="list-style-type: none"> › Health and safety › Job creation and security › Learning and development › Benefits and remuneration 	<ul style="list-style-type: none"> › CapitaLand believes that regardless of ethnicity, age or gender, staff can make a significant contribution based on their talent, expertise and experience. CapitaLand adopts consistent, equitable, and fair labour policies and practices in rewarding as well as developing staff under the direct hire of CapitaLand Group › CapitaLand is a signatory to the UN Global Compact › CapitaLand aims to provide a work environment that is safe and contributes to the general well-being of its staff › Occupational health and safety of our stakeholders is of utmost importance to CapitaLand. This includes all its staff, tenants, contractors, suppliers and the communities that use its properties 	<p>Employees of the Manager and Property Managers are identified as CLMT employees where CLMT adopts the same policies of CapitaLand Group.</p> <p>CLMT employees comprise:</p> <ul style="list-style-type: none"> › A multi-racial workforce › An almost equal proportion of males and females, at a ratio of 53:47 › About 69% of CLMT's employees are aged between 30 and 50 years › About 50% of senior and middle management are women › Average training hours per employee is more than 13 hours › Almost 63% of employees have been with CLMT for five years or longer › Zero incident resulting in staff permanent disability or fatality <p>Save for those with medical conditions, 100% of employees have completed two doses of COVID-19 vaccination</p>

Sustainability Management

Capitals	What We Do	2021 Value Created
<p>Social and Relationship Capital</p> <ul style="list-style-type: none"> › Stakeholder relations › Social license to operate › Community development › Cross-sectoral partnership 	<ul style="list-style-type: none"> › CapitaLand is committed to building safe, accessible, vibrant and quality real estate developments to enhance the lives of its shoppers, tenants, serviced residence and hotel guests, homeowners and members of the community › CapitaLand is committed to activities that are aligned with its focus on community investment. CapitaLand engages its stakeholders, raising awareness in the areas of philanthropy, environment, health and safety › Promote sustainability within the tenant community › Integrate CapitaLand's ESG performance with financial metrics 	<p>COVID-19 continues to affect the lives and livelihoods of Malaysians. With support from CapitaLand Hope Foundation, CLMT contributed towards enhancing the well-being and educational needs of underprivileged children.</p> <ul style="list-style-type: none"> › Donated RM200,000 to benefit more than 650 children from 17 orphanages <p>CapitaLand Malaysia together with CLMT committed RM150,000 to support the efforts of Mercy Malaysia in respect of the flood that affected various parts of Malaysia in December 2021.</p> <p>Retained ISO14001 certification</p> <p>Refer to Investor & Media Relations, CLMT Annual Report 2021</p>
<p>Organisational Capital</p> <ul style="list-style-type: none"> › Leadership and culture › Corporate Governance › Risk Management 	<ul style="list-style-type: none"> › CapitaLand is a signatory to the UN Global Compact › CapitaLand's Supply Chain Code of Conduct influences its supply chain to operate responsibly in the areas of anti-corruption, human rights, health and safety, as well as environmental management › All staff are required to make an annual declaration to uphold CapitaLand's core values and not to engage in any corrupt or unethical practices › Requires third-party service providers and vendors to adhere to anti-bribery and anti-corruption provisions › Requires main contractors to ensure no child labour and forced labour at CapitaLand project sites 	<ul style="list-style-type: none"> › Refer to Corporate Governance, CLMT Annual Report 2021 › Refer to Enterprise Risk Management, CLMT Annual Report 2021 › No reported incident relating to discrimination, child labour or forced labour in CLMT
<p>Financial Capital</p> <ul style="list-style-type: none"> › Sustainable financing › Earnings › Equity › Investments › Assets 	<ul style="list-style-type: none"> › Combination of operating income from investment properties and trading properties, disciplined capital recycling and growth of fee income › Calibrated balance across product platforms and geographies 	<ul style="list-style-type: none"> › Refer to Financial Highlights, Financial Review and Capital Management, CLMT Annual Report 2021

Sustainability Management

FINANCIAL CAPITAL

Financial Performance

CLMT delivered a set of respectable results for FY 2021 as it remains affected by the ongoing operating challenges as a result of the COVID-19 pandemic. For detailed financial results and performance, please refer to the following sections of this Annual Report - Financial Highlights, 2021 Highlights, Financial Review and Financial Statements.

ORGANISATIONAL CAPITAL

Corporate Governance Culture

The Manager embraces the tenets of good corporate governance, including accountability, transparency and sustainability. It is committed to enhancing longterm Unitholder value and has appropriate people, processes and structure to direct and manage the business and affairs of the Manager with a view to achieving operational excellence and delivering CLMT's long term strategic objectives.

The policies and practices developed meet the specific business needs of CLMT and provide a firm foundation for a trusted and respected real estate investment trust. The Manager remains focused on ensuring compliance with relevant laws and regulations, including but not limited to the Companies Act 2016, the Capital Markets and Services Act 2007 (CMSA), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia) (Listing Requirements), the Securities Commission's (SC) Guidelines on Listed Real Estate Investment Trusts (REITs Guidelines), Licensing Handbook, written directions, notices, codes and other applicable guidelines issued by SC and/or Bursa Malaysia and the tax rulings issued by the Inland Revenue Board of Malaysia on the taxation of CLMT and its Unitholders as well as any updates and amendments to such relevant laws and regulations while achieving operational excellence and delivering CLMT's long term strategic objectives. The Board is responsible for the Manager's corporate governance standards and policies, underscoring their importance to the Manager.

CLMT adheres to the policies, guidelines and practices relating to Communicating with Shareholders, Dealing with Interested Persons, Dealing with Conflicts of Interest, Dealings in Securities and Code of Business Conduct, amongst others. For details on CLMT's policies, guidelines and practices, please refer to the Corporate Governance section of this Annual Report.

Compliance

CLMT is a member of the Malaysian Investor Relations Association (MIRA) and Malaysia REIT Managers Association (MRMA).

In 2021, there were zero incidents on material non compliance with laws and regulations relevant to the REIT, the Manager or the Property Managers. This includes regulations and industry codes concerning marketing communications and PDPA.

In alignment with CapitaLand, CLMT's zero tolerance towards bribery and corruption is further reflected through the anti-bribery and anti-corruption provisions incorporated into its business contracts and agreements. In 2021, there were zero incidents with regards to corruption.

Enterprise Risk Management (ERM)

As an integral part of corporate governance, a comprehensive ERM framework enables CLMT to proactively identify, assess, manage and communicate risks in an integrated, systematic and consistent manner.

The Board is responsible for the governance of risks across CLMT, assisted by the Audit Committee which provides oversight of risk management at the Board level. The Board approves CLMT's risk appetite which determines the nature and extent of material risks that the Manager is willing to take to achieve the CLMT's business objectives and corporate strategy. For more details, please refer to the ERM section of this Annual Report.

ENVIRONMENTAL CAPITAL

CLMT is committed to environmental sustainability and value creation as a real estate owner. By leveraging technologies and analytics in optimising the usage of energy, water and waste management across our properties, we believe that we can manage our business more efficiently and create long term value for all stakeholders.

Managing Our Environmental Footprint

CapitaLand's Environmental Management System (EMS) is a key tool in managing CLMT's environmental footprint across its entire portfolio. The EMS, together with CapitaLand's Occupational Health and Safety Management System (OHSMS) are integrated as CapitaLand's Environmental, Health and Safety Management System (EHSMS) that complies with ISO 14001 and OHSAS 18001 standards. ISO 14001

Sustainability Management

and OHSAS 18001 are internationally recognised standards for environmental management and occupational health and safety management of businesses respectively.

Environmental, Health and Safety Policy

CLMT is committed to protecting the environment and upholding the occupational health and safety (OHS) of everyone in the workplace. We regularly conduct the following:

- › Carry out exemplary EHS practices to minimise pollution as well as health and safety risks
- › Seek continual improvement on its EHS performance
- › Comply with relevant legislations and other requirements
- › Implement CapitaLand's OHS programmes

The EHS policy is readily available to all employees, tenants, suppliers and service providers. Since 2012, all business functions such as property management for CLMT's properties are EHS certified.

Risk Management of Environmental Aspects and Impacts

As part of the certified EMS, new or updated legal requirements are reviewed quarterly and compliance is evaluated annually.

CapitaLand's EMS provides a systematic process to manage environmental impact and to continuously improve its environmental performance. A key element is to identify and manage significant environmental aspects of its business operations that can potentially have a negative impact on the environment. The significance level of each environmental aspect and impact is assessed using a risk assessment technique based on factors comprising the likelihood of the occurrence, severity of the impact and control measures implemented.

CLMT strives to minimise environmental impact in areas such as resource depletion, carbon emissions and waste generation. This is done by setting environmental targets such as green building rating targets, carbon emissions, energy and water usage reduction targets, participating in stakeholder engagement activities, as well as implementing various measures to achieve them.

Training

To facilitate effective implementation of CapitaLand's EHSMS, training and awareness programmes are planned and conducted for all employees. New employees are introduced to the EHSMS and

EHS policies and briefed on their roles. Heads of Departments in administration, operations, and project management including heads of operating properties, design managers and project managers undergo more detailed training.

Internal and External Audits

CapitaLand has in place an internal audit system to ensure the conformance and effective implementation of its EMS to ISO 14001 international standards. External audits are conducted annually by a third-party accredited certification body.

Our Environmental Commitments

Leveraging CapitaLand's Environmental Tracking System (ETS), we track energy and water usage, waste collection and disposal, as well as carbon emissions at our operating properties.

The management team of each property submits monthly data and uploads supporting documentation onto the platform. The aggregated data is analysed to gauge consumption patterns better and help uncover opportunities for further operational efficiency improvements.

CLMT continues to implement various energy conservation measures which focuses on innovation to reduce energy consumption. The measures are listed in the table below.

Focus	Measures
Central Air Conditioning System	<ul style="list-style-type: none"> › Installed with Measurement & Verification (M&V) system to monitor system performance daily › Perform preventive and periodic servicing and maintenance › Conduct energy audit periodically
Lighting	<ul style="list-style-type: none"> › Replacing existing non-LED type with LED type › Lighting power budget of not more than 22 Watts per m² for tenanted areas
Control, Metering and Monitoring	<ul style="list-style-type: none"> › Building Management System › Sub-metering
Equipment	<ul style="list-style-type: none"> › Replace equipment with higher efficiencies

As part of the CapitaLand Group, CLMT is committed to working towards the long term and annual targets under CapitaLand's 2030 Sustainability Master Plan Framework.

Sustainability Management

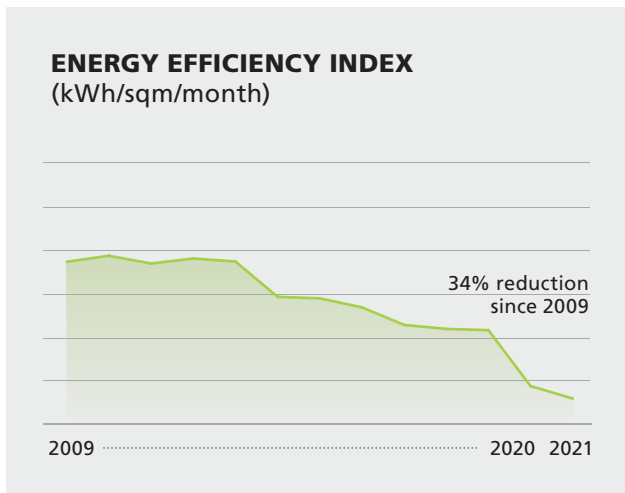
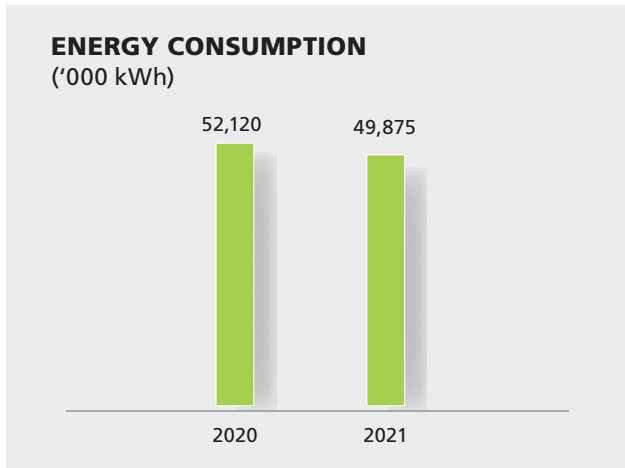
CLMT is aligned with CapitaLand's long term targets of:

- › Reduce carbon emissions intensity by 78% by 2030.
- › Reduce energy intensity by 35% by 2030
- › Reduce water intensity by 45% by 2030 (Using 2008 as base year)

Energy

In 2021, CLMT reduced energy intensity measured in kilowatts-hour per square metre (kWh/m²) by 34% from base year 2009. Energy usage for operating properties was approximately 49,875 kWh compared to 52,120 kWh in 2020. The decrease was marginally due to movement restrictions enforced by the authorities as part of the measures to contain the pandemic.

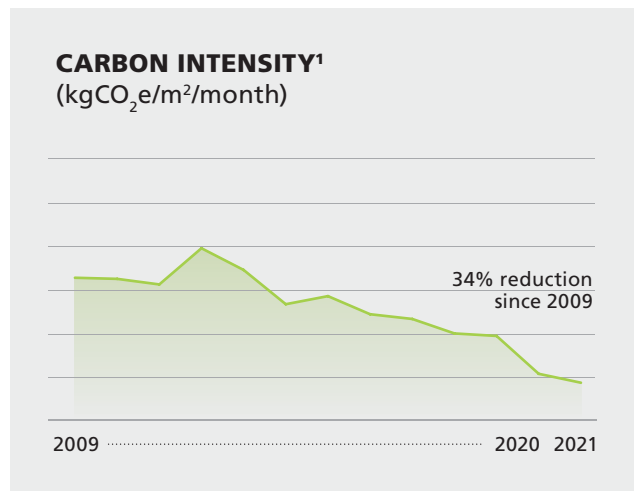
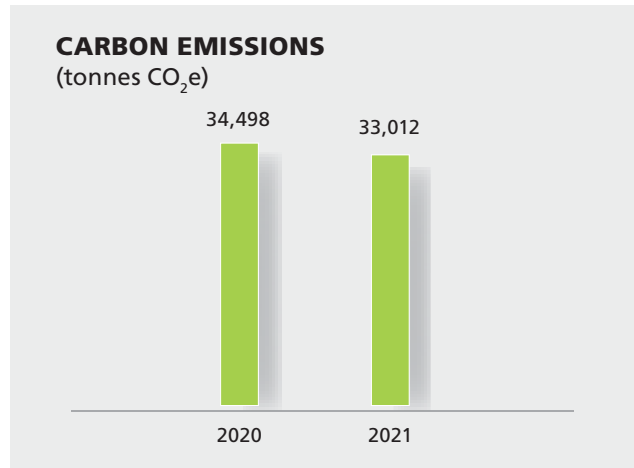
In support of the annual Earth Hour campaign, all non-essential lights were turned off at all CLMT's properties for one hour on 27 March 2021.



Carbon Emissions

CLMT is committed to address climate change risks through the reduction of its energy consumption. Improving energy efficiency represents the largest and most cost-effective way to mitigate those emissions.

In 2021, CLMT's carbon emissions was approximately 33,012 tonnes. Carbon intensity was 7.3 kgCO₂e/m² per month. The improvement represented a 34% reduction in carbon emission intensity compared to 2009 baseline.



1 Total carbon emissions is computed mostly from purchased electricity consumption under scope 2, as defined by the Greenhouse Gas (GHG) Protocol (operational control approach) and using individual country CO₂ emission factors retrieved from the International Energy Agency (IEA) Statistics – CO₂ emission factors from fuel combustion. Scope 1 is minimal or zero as scope 1 emissions is only from ad-hoc usage of diesel genset.

Sustainability Management

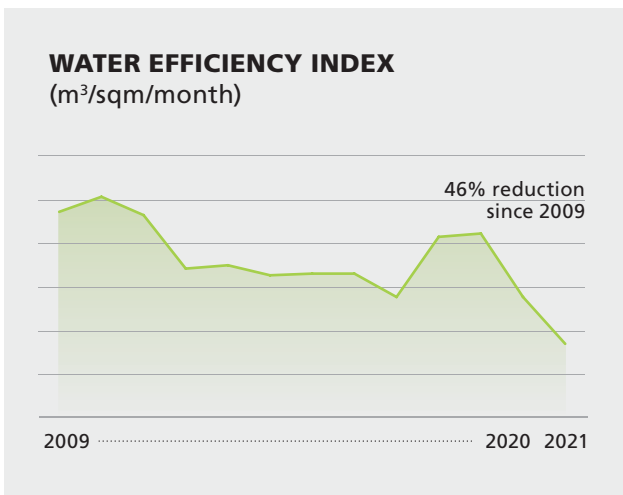
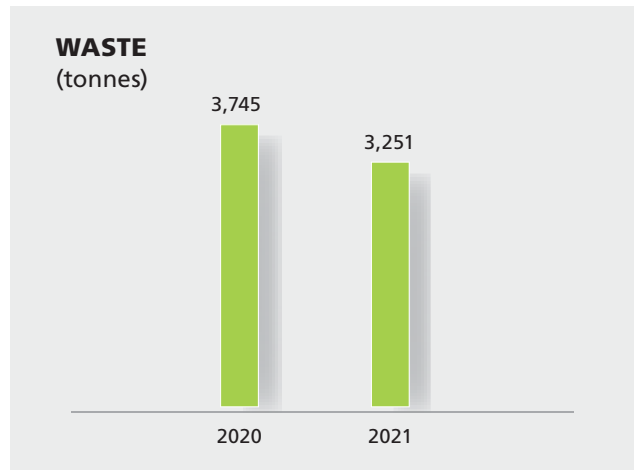
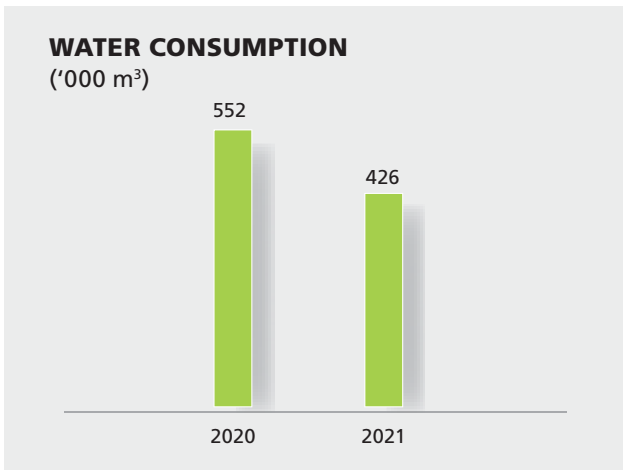
Water

CLMT is committed to reducing water usage and preventing water pollution. Water usage and discharge for each property are monitored and checked regularly. In 2021, CLMT's water usage was approximately 425,781m³. Water intensity was reduced by 46% compared to 2009 baseline. The decrease was marginally due to movement restrictions enforced by the authorities as part of the measures to contain the pandemic.

Waste

In 2021, we collected 3,251 tonnes of non-recyclable waste, a reduction of 13.2% compared to 2020. Most of the recyclable waste collected comprised paper with the rest made up of metal, plastic, glass and others.

CLMT aims to manage waste at its properties responsibly. As waste generated at its properties is mostly from tenants, we engage our stakeholders through various means to minimise and recycle waste. Recycling bins are made available at all CLMT's properties.



Sustainability Management

HUMAN CAPITAL

Our People

As an externally managed real estate investment trust, CLMT has no employees and is managed by the Manager and Property Managers. These teams have more than 240 employees and are responsible for CLMT's property and portfolio operations in Malaysia. We recognise that people are our greatest asset contributing to the success of the business. Our workforce comprises mainly full-time and permanent employees who are based in Malaysia.

Employment

Fairness and Diversity

CapitaLand has in place an integrated human capital strategy designed to recruit, develop and motivate employees. At CLMT, the Manager and Property Managers are committed to developing a high-performance work culture that embraces diversity and collaboration.

CLMT upholds CapitaLand's commitment to be a workplace of choice for employees and adheres to its policies on non-discriminatory employment practices and equal remuneration. We have adopted the five key principles of fair employment advocated by the Tripartite Alliance for Fair and Progressive Employment Practices. This is reflected in the Employers' Pledge for Fair Employment Practices signed by CapitaLand.

The five key principles of fair employment we adhere to include:

- › Recruit and select employees on the basis of merit (such as skills, experience or ability to perform the job), regardless of age, race, gender, religion, marital status and family responsibilities, or disability
- › Treat employees fairly and with respect and implement progressive human resource management systems
- › Provide employees with equal opportunity to be considered for training and development based on their strengths and needs to help them achieve their full potential
- › Reward employees fairly based on their ability, performance, contribution and experience
- › Comply with the labour laws and abide by the Tripartite Guidelines on Fair Employment Practices

For CLMT, we have a vibrant and competent team of employees in our workforce. New hires represented 12% of the total headcount in 2021. The workforce also comprises an almost equal ratio of male and female employees. Female employees are well represented in the middle and senior management levels. In 2021, close to 62% of the employees who are managers and above were female. Approximately 25% of the senior management, comprising those at Vice President level and above, were female.

To attract top talent, all job opportunities are advertised publicly via online job portals, with selections based wholly on individual merit. This is consistent with CapitaLand's non-discriminatory employment practices.

Human Rights

CLMT upholds and respects the fundamental principles set out in the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, United Nations Global Compact's principles on Human Rights and Malaysia government's legal frameworks and legislation to protect individual rights, i.e. Employment Act and Malaysia National Wages Consultative Council's Guidelines.

We have no acts of discrimination or human rights violation reported in 2021.

Positive Work Environment

We are committed to providing a positive and vibrant workplace that promotes personal development, good health and well-being, as well as a fulfilling career. We continue to have initiatives such as flexible hours and work arrangements, comprehensive medical benefits, and employee engagement programmes were implemented to foster a culture of high performance and work-life harmony. Part-time employees were entitled to the same benefits as their full-time colleagues, on a prorated basis.

We advocate a pay-for-performance philosophy to drive ownership of collective goals. This encourages a high-performance work culture, which supports the creation of long term Unitholders' value. For CLMT, we also adopt CapitaLand's robust performance management system to ensure that all employees receive regular performance and career development reviews.

Sustainability Management

Talent Management

We actively seek innovative, dynamic and talented individuals, both internally and externally, with the right experience level to support our growth. This is managed through the recruitment of talent across different career stages, from entry-level graduates to mid-career professionals and industry veterans. All new hires are required to undergo an orientation programme that helps them assimilate to CapitaLand's business operations, strategy, core values and management philosophy. We constantly build our management bench strength by identifying and developing high-potential talent as part of the regular succession planning process.

Our talent management programme addresses the development of organisational core competencies as well as position-specific competencies. During the annual performance and career development review, all employees are highly encouraged to openly discuss their performance and aspirations with their supervisors, as well as to identify any training needs.

Fair Remuneration

Our people are offered comprehensive and competitive remuneration packages. These include short-term cash bonus and long term cash-based and equity-based reward plans such as restricted cash, share and performance share programmes. Such cash-based and equity reward plans help to strengthen the link between reward and performance, as well as to retain talent.

As part of CapitaLand Group, CLMT employees enjoy a flexible benefits plan, paid maternity/paternity leave, and time off for volunteer work. A flexible benefits plan enables the employees to complement their personal medical and insurance needs with those provided by the company. Employees can also customise their benefits for themselves and their families.

To ensure that our remuneration packages are competitive, external human resource consultants are regularly engaged to benchmark our compensation and benefits packages against local industry peers. We also actively review our employee compensation strategies to ensure that they commensurate with market practice.

More than 63% of our employees have been with us for five years or longer. We conduct exit interviews with employees who have tendered their resignations as part of continuing efforts to improve retention policies and initiatives.

Learning and Development

CapitaLand encourages the cross fertilisation of talent and ideas and leverages on CapitaLand's Human Resource functions to develop our people. For CLMT, we are committed to talent development programmes that enable people to acquire the relevant knowledge and skills for business excellence and to reach their full potential.

CapitaLand allocates up to 1.5% of its annual wage bill towards learning and development programmes for employees. In line with its drive to upskill employees, CapitaLand conducts formal classroom training, and provides on-the-job exposure, mentoring and coaching, and opportunities for job rotation and overseas postings.

Our employees have direct access to a year-long training calendar comprising a series of pre-evaluated training courses. CapitaLand has an in-house training hub, CapitaLand Institute of Management and Business (CLIMB), which supports the training and development needs of employees.

CapitaLand also has in place training roadmaps and a wide variety of courses to equip our teams with the skills and confidence to carry out their duties. In 2021, approximately 100% of CLMT employees attended at least one training event, and the average number of training hours completed by each employee exceeded 13 hours. Employees pursuing relevant courses are eligible for paid examination leave of up to 10 days per calendar year.

Job Security

CLMT is committed to providing meaningful jobs for its employees. In the event of termination or employee resignation, there is a minimum notice period of one month that needs to be fulfilled, depending on the employee's job grade.

Re-employment Opportunities

In alignment with CapitaLand, CLMT has a re-employment policy in place for employees who have reached the current statutory retirement age of 60, to enable them to continue to work if they are still able and willing to continue contributing to CLMT. In 2021, four employees were above the age of 60.

Ethics and Integrity

In alignment with CapitaLand, CLMT adopts a strong stance against bribery and corruption. In addition to complying with clear guidelines and procedures regarding the giving and receipt of corporate gifts, all

Sustainability Management

employees are required to pledge their commitment to CapitaLand's core values, which includes upholding the highest standards of integrity.

CapitaLand has established a whistle-blowing policy and other procedures to provide employees and business partners with well-defined, accessible and trusted channels for reporting suspected fraud, corruption dishonest practices or other workplace improprieties.

The whistle-blowing policy and procedures also allow for the independent investigation of any reported incidents and appropriate follow-up action, while assuring whistle blowers of protection from reprisals.

In alignment with CapitaLand, CLMT upholds a strict policy on ethical business conduct, which deals with issues such as confidentiality, conduct and work discipline, corporate gifts and concessionary offers. Clear policies and guidelines on how to handle workplace harassment and grievances are also in place. These policies have helped to detect and prevent occupational fraud primarily in three ways:

First, we offer fair compensation packages, based on practices of pay-for-performance and promotion based on merit to our employees. We also provide various healthcare subsidies and financial assistance schemes to alleviate the common financial pressures our employees face.

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

Finally, we seek to build and maintain the right organisational culture through CapitaLand's core values, educating our employees on good business conduct and ethical values.

To instill CapitaLand's core values and principles, new CLMT hires are placed to undergo the CapitaLand Immersion Programme which includes a mandatory module on anti-corruption policies and procedures. Employees are retrained on how the core values and principles can apply to their daily work.

Occupational Health and Safety (OHS)

CLMT strives to achieve zero work-related injuries resulting in employee permanent disability or fatality

by adopting stringent OHS practices. Employees are expected to take ownership of OHS issues, and proactively report all OHS-related incidents alongside non-compliance and non-conformities. CLMT regularly monitors the operations to control workplace safety risks and strives to eliminate or minimise them through various measures. Hazards Identification and Risk Assessments are reviewed annually or when appropriate. OHS hazards are identified for the administration, development and operational functions of the business and risks are assessed. Standard operating procedures are in place to minimise the occurrence of such hazards.

In 2021, there was zero work-related fatality or permanent disability.

Employee Well-being

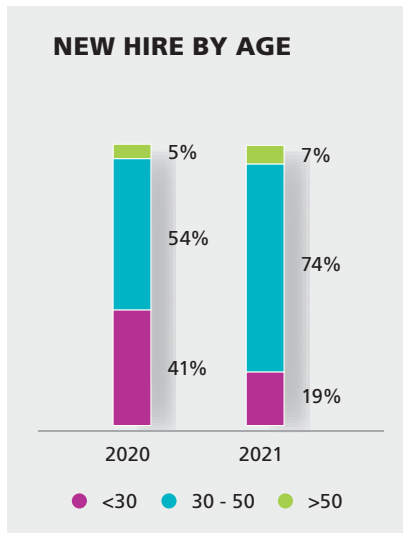
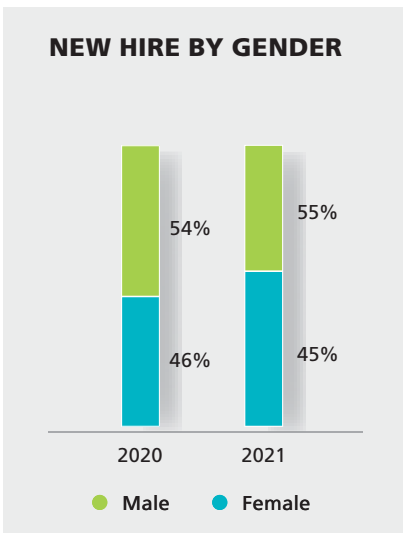
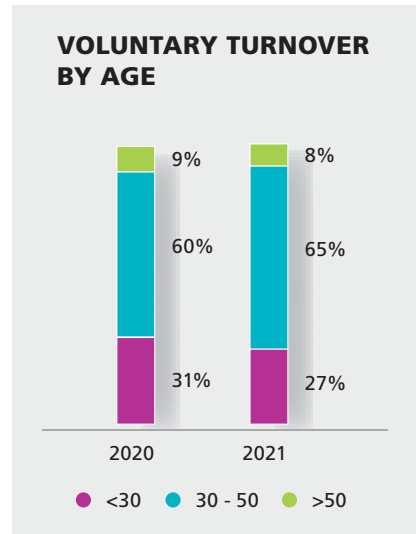
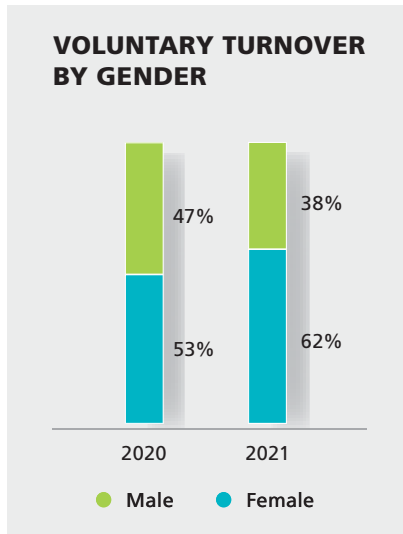
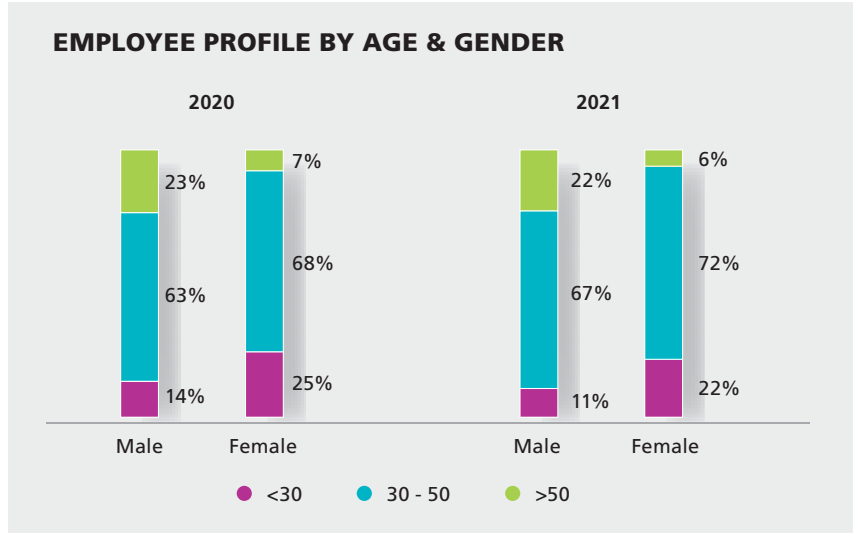
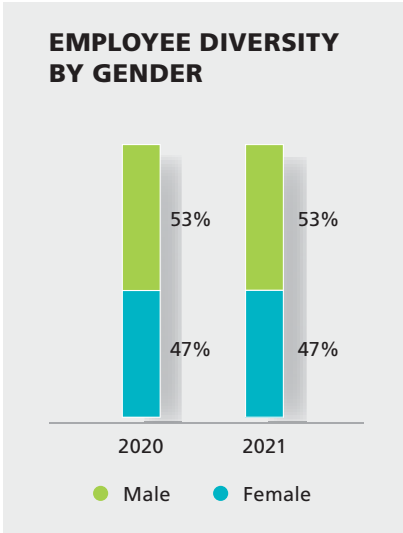
CLMT aims to provide a safe work environment that contributes to the general well-being of its employees. In Malaysia, this is carried out through a Total Well-Being Programme to promote health and well-being of all employee. CLMT supports the programme by engaging its workforce through regular health and recreational activities, as well as brainstorming workshops. We also have a flexible work arrangement policy that permits flexible work hours, working from home or part-time work arrangements for our workforce.

In 2021, some of the activities conducted to encourage a well-balanced and healthy lifestyle among employees include free COVID-19 screening, virtual health-related activities through Wellness Wednesday programmes on health talk, fitness and distribution of fruits box. Tips on healthy living and effective exercise were published regularly through CapitaLand's intranet and email blasts. CLMT also sent circulated regular reminders and updates of the latest information relating to COVID-19 to keep employees abreast with safety guides, standard operating procedures and government issued guidelines.

In 2021, save for those with medical condition, 100% of CLMT employees have completed two doses of COVID-19 vaccination. As we continue to adapt to the new norms and safe lifestyle, CLMT is forthcoming with hygiene and safety practices at workplace. Employees' concerns and anxiety are mitigated by proactively highlighting workplace sanitary health practices, provision of safety and health equipment and with sharing of guidelines by Ministry of Health.

Sustainability Management

Human Capital – Employee Profile



Sustainability Management

STAKEHOLDER ENGAGEMENT

Stakeholders are groups that CLMT's business has a significant impact on, and those with a vested interest in its operations. Key stakeholders include employees, customers, business associates, builders and suppliers, as well as the investment and local community. Other groups include regulators and key government agencies, non-governmental organisations (NGOs), representatives of the capital market and the media. They are mapped into groups based on their impact on CLMT.

Through the various engagement channels, CLMT seeks to understand its stakeholders' views, communicate effectively with them and respond to their concerns. Engagement channels include dialogues with government agencies, participation at conferences, member representations in industry-related associations, benchmarkings and responding to sustainability surveys.

Stakeholders	Engagement Channel	Issues	Sustainability Report*
Tenants	<ul style="list-style-type: none"> › Green fit out guide › Joint promotions and strategic partnerships › Tenant shop openings › Tenant satisfaction survey 	<ul style="list-style-type: none"> › Facilities management 	Social and Relationship Capital, Environmental Capital
Shoppers	<ul style="list-style-type: none"> › Marketing and promotional events › Loyalty programmes › Online and mobile platforms › Shopping redemptions and contests › Social media › Shopper survey 	<ul style="list-style-type: none"> › Customer experience 	Social and Relationship Capital, Environmental Capital
Investor, analysts and media	<ul style="list-style-type: none"> › Annual general meetings › Quarterly financial results announcements › Media releases and interviews › Annual reports › Company website › Regular investor and analyst meetings and updates › Roadshows, conferences and meetings › Tour of CLMT's properties 	<ul style="list-style-type: none"> › Operational efficiency, monetary savings, cost avoidance › Return on equity, earnings, business strategy, market outlook › ESG risks and opportunities 	Financial Capital, Social and Relationship Capital
Employees	<ul style="list-style-type: none"> › Regular dialogue sessions with senior management › Regular employee engagement survey › Volunteer programmes › Performance appraisals › Training courses 	<ul style="list-style-type: none"> › Work-life balance › Remuneration and benefits › Employee welfare 	Human Capital, Social and Relationship Capital

Sustainability Management

Stakeholders	Engagement Channel	Issues	Sustainability Report*
Supply Chain – main contractors, vendors, suppliers	<ul style="list-style-type: none"> › CapitaLand Supply Chain Code of Conduct › Environmental, Health and Safety (EHS) › Policy and quarterly EHS monitoring › Vendor evaluation, including events, meetings and trainings 	<ul style="list-style-type: none"> › Design and quality › Occupational health and safety practices › Workers welfare and well-being › Environmental compliance 	Human Capital, Social and Relationship Capital, Environmental Capital
Government/ national agencies/ community and non-governmental organisations (NGOs)	<ul style="list-style-type: none"> › Longstanding partner of various national programmes › Sustainability reports › Participation in external conferences/forums › Corporate advertisements › Consultation and sharing with academics, NGOs and business associations 	<ul style="list-style-type: none"> › Stakeholder programmes to advocate sustainable tenant/consumer behaviours › Advocating best practices 	Social and Relationship Capital

* For more information, please refer to the CapitaLand Investment Global Sustainability Report 2021.

OUR COMMUNITY

#GivingBersama

In 2021, CLMT collaborated with CapitaLand Malaysia, to provide essential supply relief to support more than 650 children from vulnerable communities in Malaysia. The beneficiaries are from 17 orphanages in the Klang Valley, Kuantan, Penang and Johor. Aside receiving daily necessities for a period of three months, the children were also provided with digital devices to enable them access to remote learning and remain digitally connected. The donation is made possible with funding from CapitaLand Hope Foundation (CHF), CapitaLand's philanthropic arm.



RM Caring Home was one of the beneficiary homes for the #GivingBersama corporate social responsibility programme

With the support of CapitaLand Hope Foundation, CapitaLand Malaysia together with CLMT committed RM150,000 to support the efforts of Mercy Malaysia in respect of the flood that affected various parts of Malaysia in December 2021. Mercy Malaysia's 2021 Malaysia Flood Response, Recovery and Preparedness Plan was drawn up to assist in the ongoing emergency response and relief work of the affected communities.

FEEDBACK

CLMT values feedback from stakeholders which is essential for continual improvement in its sustainability policies, processes and performance. Please send your comments and suggestions to ask-us@clmt.com.my.



Digital devices were also provided to the beneficiaries to provide better access to remote learning

Prepared by: JLL Property Services (Malaysia) Sdn. Bhd.
Date: 14 February 2022

1.1 MACROECONOMIC & DEMOGRAPHIC OVERVIEW

The global economic growth for the year 2021 is estimated at 5.9% by the International Monetary Fund (IMF). Compared to 2020's estimated -4.9% growth (IMF), the global economy has taken a positive turn and is growing steadily despite the resurgence of the COVID-19 pandemic. However, many countries are considering or have already imposed lockdowns in light of recent Omicron variant infections, while other countries, like Malaysia, have instead implemented travel restrictions on selected countries in order to mitigate the possibility of another lockdown which may inhibit any economic progress made since the lifting of the Movement Control Order.

During the first two quarters of 2021, global GDP growth was broadly in line with expectations due to increasing economic adaptability to the COVID-19 pandemic. However, increasing infections in many developing countries as well as disrupted global supply lines have caused a weaker-than-anticipated growth rate in the third quarter. Hence, a weaker recovery was indicated in the fourth quarter.

After the third Movement Control Order (MCO 3.0) that was imposed from 12 May to 28 June 2021, the Government adopted the first phase of the National Recovery Plan (NRP) on 29 June 2021, applying the phasing strategy at a state level, to allow certain states to reduce restrictive measures once certain vaccination rates have been achieved and ICU capacity has been successfully managed. This allows states to progress through the phases of recovery individually, which allows for an earlier reopening of the economy in certain well-performing states. By November 2021, 11 states and all three federal territories were inducted into the fourth phase of the NRP, allowing the reopening of most economic sectors, large social gatherings at 50% capacity and full capacity for business operations, as well as interstate travel.

Bank Negara Malaysia (BNM) reported that the country's economic growth expanded by 3.6% in 4Q 2021 compared to the decrease of 4.5% in 3Q 2021. This growth was induced by an increase in domestic demand as economic activity improved gradually following the relaxing of containment measures under the NRP, as states enter new phases which allowed less stringent control measures.

The latest figures show that domestic demand grew by 2.3% in 4Q 2021 (3Q 2021: -4.1%). This was driven by the improvement in private sector expenditure which followed the loosening of restrictions. Private consumption increased by 3.7% in 4Q 2021 (3Q 2021: -4.2%), as movement restrictions and strict containment policies were gradually lifted, especially consumption in regards to discretionary items which include restaurants, hotels and other recreational activities which improved over the fourth quarter. Stronger employment and wage growths during this period is also indicative of an improving labour market in 4Q 2021. Furthermore, various policy measures continue to be provided, such as permitting withdrawals from the Employees Provident Fund and the introduction of Bantuan Khas COVID-19 (COVID-19 Special Assistance) provided immediate financial assistance to those in need.

The labour market began to show signs of recovery in 4Q 2021 as lesser movement restriction policies allowed national economic activities to resume, allowing demand conditions to recover as well. Hence, the unemployment rate in 4Q 2021 decreased to 4.3% (3Q 2021: 4.7%). This was mostly driven by a solid recovery in employment as well as an increase in the national labour force. 4Q 2021 oversaw a greater return of full-time workers along with the net re-entry of workers back into the labour force.

Wages for the private sector registered a growth of 2.5% in 4Q 2021 (3Q 2021: -0.9%). Wages in the services sector increased by 1.2% (3Q 2021: -2.6%), as the wholesale and retail, private health, and transportation and storage subsectors gradually improved.

Independent Retail Market Overview

The headline inflation figures increased to 3.2% during 4Q 2021 (3Q 2021: +2.2%) mainly due to the lapse in electricity bill discounts, which were implemented since July until September 2021.

In the Monetary Policy Committee's (MPC) latest meeting in January 2022, BNM maintained the overnight policy rate (OPR) at 1.75%. This was decided albeit the fact that economic activity in Malaysia rebounded in 4Q 2021 with positive growth and is expected to gain further momentum in 2022. However, the risks on potential growth forecasts remain high due to the uncertainty that surrounds possible future supply chain disruptions, weaker-than-expected global growth and the rise of dangerous, vaccine-resistant COVID variants. Hence, the MPC is in view that the current OPR of 1.75% would continue to be appropriate till newer data can prove otherwise.

In 4Q 2021, the MOF announced Malaysia's largest ever allocation for Budget 2022 of RM332.1 billion (or 11.2% of GDP) for government spending to improve measures that assist business expansion and economic recovery.

In Budget 2022, the Government also abolished the Real Property Gains Tax (RPGT) on properties sold after five years, which took effect from 1 January 2022, whereby individual property owners will be allowed to dispose of property without the need to pay RPGT from the sixth year onwards.

Budget 2022 also includes an allocation made to defer SME income tax instalment payments for approximately six months, from 1 January until 30 June 2022, to alleviate the burden of SMEs. Budget 2022 also allocates RM33.0 million to revitalise the trade distribution sector by boosting the sale and production of local products via several campaigns, including programmes such as Buy Malaysian Products Campaign, Mega Sales Programme and the 'Khazanah Alam Industri' direct selling programme. The Government also

continued its Shop Malaysia Online and the Go-eCommerce Onboarding campaigns with an additional allocation of RM250.0 million.

The Budget 2022 also includes an allocation of RM40.0 billion under the 'Program Semarak Niaga Keluarga Malaysia' (SemarakNiaga) which aims to provide business assistance, particularly for retailers in the micro, small and medium enterprises (MSMEs) and informal sectors. This would include micro credit financing with minimal interest rates and attractive moratorium terms and other types of soft loan packages. This will ensure immediate monetary aid for smaller retailers to overcome financial challenges.

From January till September 2021, Malaysia only received 73,309 international tourists. This was a massive decline of 98.3% year-on-year (y-o-y) from 4.25 million international tourists between January and June 2020. This was due to the continuous closure of international borders as well as tightened border controls across the world. Malaysia's border controls caused a loss of over RM90.0 billion in terms of tourist receipts. However, the Government is making preparations to reopen its international borders to quarantine-free travel from March 2022. Partial reopening of the international borders had been allowed in Langkawi, Kedah as a pilot project since 15 November 2021 for fully vaccinated travellers with strict SOPs in place. International tourists are required to engage travel agency services to manage their trips to the island. They will also be subjected to the COVID-19 screening processes before their departure and upon arrival in Malaysia.

On 29 November 2021, the Government launched a vaccinated travel lane (VTL) with Singapore to allow quarantine-free travel for vaccinated travellers to and from both countries. The Malaysia-Singapore VTL was temporarily suspended on Christmas Eve, due to concerns over the growing number of Omicron variant infections in Singapore, but has since resumed on 21 January 2022 with a halved capacity.

Independent Retail Market Overview

Alongside the proposed opening of international borders in March 2022, several positive global developments, such as high vaccination rates in advanced economies (AE) which allow for more economic activities to resume, and the continuous growth of emerging market economies (EME) as trade activities increase and domestic demand improves, have assisted in recovering investor sentiment.

1.2 RETAIL RECOVERY OUTLOOK IN THE GLOBAL, REGIONAL AND LOCAL CONTEXT

Retail markets all over the world are recovering, albeit at varying rates as each country has its own distinct COVID-19 pandemic situation, economic conditions as well as international border policies. Due to increasing vaccination rates and the easing of movement restrictions in AEs, countries such as the US and most of Europe have experienced large improvements in their retail sectors.

Many prime retail locations across the world are experiencing a hike in leasing activity with prime retail space, i.e., city centres, being the centre of demand as movement restrictions are eased.

Countries that experienced restrictive containment policies have seen retailers focus on domestic demand, with retail expansion more prominent in the suburban areas. The retail sectors of countries that depend heavily on international tourism are experiencing longer lags in terms of retail growth recovery.

In the Asia Pacific, recoveries in the retail market are not uniform just as it is in a global context, as countries in the region enact different COVID-19 containment measures, face different economic challenges, and have different international border policies.

Potential headwinds ahead, such as the emergence of new COVID-19 variants, supply chain disruptions and inflation, have most Asian Pacific retailers focusing primarily on operational resilience. Despite the ongoing pandemic, strong retail brands and well-

capitalised operators in the region are expected to commit to new expansion plans. E-commerce continues to grow tremendously in the region despite movement restrictions having loosened or lifted, as consumers have grown accustomed to making purchases online. This adds further pressure to retailers to move beyond omnichannel strategies and tap into omni-experiential elements made possible via incorporation of technology and adjusting their tenant mixes to include more experience-based tenants such as food and beverage (F&B), entertainment and leisure operators to enhance retail experience in order to retain customers.

A steady improvement in Asia Pacific's retail market rent rates may be on the horizon in 2022, as easing of restrictions and border controls will improve retailer sentiment as footfall from locals and foreign travellers increase, along with a more stabilised retail vacancy scenario – albeit at different speeds depending on the type of market and asset category.

In Malaysia, the MCO 3.0, which was subsequently followed by the NRP Phase 1, had a major impact on the retail sector as footfall was largely inhibited. During the lockdown, only essential services tenants were allowed to operate with social distancing and limited number of shoppers were allowed at any given time for a limited period. These included supermarkets, grocers, F&B outlets, pharmacies and optical stores. Dine-in was strictly prohibited during the MCO 3.0, with F&B outlets serving takeaways or deliveries only.

Shopping malls in Kuala Lumpur city centre were hit the hardest as these malls rely heavily on working-class customers and tourists, alike. Suburban malls registered a steadier albeit smaller, stream of customers as most of the working population worked from their homes in the suburbs.

Rentals remain under pressure since retailers still face persistent operational challenges as a result of long periods without revenue, despite the reopening of the economy and increased

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mall traffic. Several tenants continued to request for rent reductions and waivers to ride-out the pandemic challenges, with several landlords still granting rent assistance on a case-by-case basis to prevent any further retail closures. It should be noted that some retail landlords only granted rent rebates to selected tenants that could not operate during the COVID-19 lockdown period. Another approach landlords took were staggered rents, which ensured landlords recovered full compensation in due time, whilst providing immediate financial relief to struggling tenants.

By 4Q 2021, less stringent containment measures were imposed, and the total lockdown was lifted. With all states and federal territories transitioned to Phase 4 of the NRP, most shopping malls were operating at 80% to 90% of the net lettable area (NLA).

However, due to the continued closure of international borders, malls were reliant on domestic shoppers, particularly those malls in the city centre.

Improved traffic had also been observed during 4Q 2021, much to the relief of retailers, as most economic activities had been allowed to resume and interstate travel bans had been lifted. Several malls have had already recovered between 75% to and 85% of pre-COVID-19 footfall traffic levels during the weekends from October 2021 onwards.

Malls had also started to host events and exhibitions, such as furniture displays, baby products, domestic tour expos, etc., which also contributed to the high footfall during the weekends.

Retail sales performance also improved during 4Q 2021 as consumer spending picked up due to the festivities and year-end sales.

Overall vacancy rates increased slightly during 4Q 2021 due to the introduction of new malls into the market. However, during 4Q 2021, many new outlet openings were observed, even more so than retail closures. This was due to the resumption and completion of renovation works following the lifting of MCO 3.0, which caused several construction hiccups across sectors that had already suffered from multiple work stalls since the first lockdown in 2020. Most new take-ups in malls were by market-dominant multinational brands which have stronger capital reserves compared to domestic players or smaller brands.

Mall operators benefited from the extension of 10% discounts on electricity under the National People's Well-Being and Economic Recovery Package (PEMULIH) through the end of 2021, which reduces operating expenses (OPEX) moderately.

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1.3 MAIN ECONOMIC INDICATORS

State	2016	2017	2018	2019	2020	2021
GDP at Constant 2015 Prices (RM billion)¹						
Malaysia	1,229.3	1,300.8	1,363.8	1,424.3	1,343.9	1,385.6
WP Kuala Lumpur ¹⁶	191.6	206.2	220.4	233.9	216.4	–
Selangor	281.8	302.2	323.2	345.1	326.8	–
Penang	82.5	86.8	91.2	94.7	92.6	–
Pahang	50.9	54.6	56.3	58.4	55.0	–
Real GDP Growth (%)²						
Malaysia	4.5	5.8	4.8	4.4	-5.6	3.1
WP Kuala Lumpur ¹⁶	6.0	7.6	6.9	6.1	-7.5	–
Selangor	4.8	7.2	7.0	6.8	-5.3	–
Penang	5.6	5.2	5.1	3.8	-2.1	–
Pahang	2.9	7.3	3.1	3.8	-5.9	–
GDP at Current Prices (RM billion)²						
Malaysia	1,249.7	1,372.3	1,447.8	1,513.12	1,416.6	1,514.6^e
GDP per Capita at Current Prices (RM)³						
Malaysia	39,505	42,854	44,708	46,526	43,475	–
WP Kuala Lumpur	103,506	113,358	121,509	129,724	121,100	–
Selangor	45,506	49,048	51,547	55,052	52,073	–
Penang	48,633	51,130	52,921	55,215	54,818	–
Pahang	32,688	35,751	35,577	36,568	36,145	–
Mean Monthly Household Income⁴						
Malaysia	6,958	–	–	7,901	7,089	–
WP Kuala Lumpur	11,692	–	–	13,257	11,728	–
Selangor	9,463	–	–	10,827	9,668	–
Penang	6,771	–	–	7,774	6,850	–
Pahang	5,012	–	–	5,667	5,144	–
Domestic Aggregate Demand in Current Prices (RM billion)²						
Private Consumption	684.7	759.7	831.4	904.2	861.8	918.0^e
Private Investment	211.5	234.5	245.8	252.6	222.2	227.1^e
Public Consumption	157	167.1	173.3	176.7	184.1	191.3^e
Public Investment	107.4	109.4	104.6	94.5	74.3	73.5^e
Malaysia Retail Trade⁶ (RM billion)	403.8	450.3	500.0	537.6	511.0	533.6^p
Malaysia Retail Trade Index ⁷ (2015 = 100)	107.1	117.3	128.9	139.5	131.0	135.7^p
Consumer Price Index⁸ (Average Prices at 2015=100)						
Malaysia	102.4	106.7	107.9	108.7	107.3	110.7
Peninsular Malaysia	102.2	107.1	108.3	109.2	107.9	111.4

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State	2016	2017	2018	2019	2020	2021
Core Inflation (%)⁹	2.1	2.2	1.6	1.5	1.1	0.7
Consumer Sentiment¹⁰ Index (every 4Q of the year)	73.7	82.6	96.8	82.3	85.2	97.2
Consumer Sentiment Index Growth Rate (%)	5.9	12.1	17.2	-15.0	3.5	12.0
Population ('000)¹¹						
Malaysia	31,634 ^e	32,023 ^e	32,382 ^e	32,523 ^e	32,584 ^e	32,655^e
WP Kuala Lumpur	1,790 ^e	1,793 ^e	1,790 ^e	1,783 ^e	1,766 ^e	1,747^e
Selangor	6,292 ^e	6,381 ^e	6,475 ^e	6,506 ^e	6,525 ^e	6,555^e
Penang	1,718 ^e	1,744 ^e	1,763 ^e	1,768 ^e	1,770 ^e	1,774^e
Pahang	1,627 ^e	1,647 ^e	1,665 ^e	1,671 ^e	1,677 ^e	1,685^e
Unemployment Rate (%)¹²	3.4	3.4	3.3	3.3	4.5	4.3
Overnight Policy Rate (%)¹⁴	3.00	3.00	3.25	3.00	1.75	1.75
Base Lending Rate (%)¹³	6.7	6.7	6.9	6.8	5.8	5.5 (Oct'21)
Base Rate (%)¹³	3.7	3.6	3.9	3.8	2.8	2.4 (Oct'21)
Tourist Arrivals¹⁵ (million persons)	26.8	26.0	25.8	26.1	4.3	0.1 (Jan-Sep'21)
Tourist Receipts¹⁵ (RM billion)	82.1	82.1	84.1	86.1	12.7	0.1 (Jan-Sep'21)

Sources: Many of the 2021 data are estimates. Full-year 2021 data have not been released as of the date of this report.

- 1 Department of Statistics Malaysia (DOSM).
- 2015–2021 data is based on Department of Statistics Malaysia (DOSM), Gross domestic product (GDP) by States: National Accounts.
- 2 Ministry of Finance (MOF).
- Economic Outlook 2022 Report.
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- State GDP Table 2015-2020, Gross Domestic Product (GDP) By State 2020.
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- Household Income Estimates and Incidence of Poverty Report, Malaysia 2020.
The 2020 figure refers to estimated value based on the above-mentioned report.
- DOSM household income estimates limited to 2016, 2019 and 2020.
- 6 Department of Statistics Malaysia (DOSM).
- Performance of Wholesale & Retail Trade, December 2021.
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- Performance of Wholesale & Retail Trade December 2021.
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- 2016–2021^e data is extracted from the Current Population Estimates, 2021.
- 12 Department of Statistics Malaysia (DOSM).
- Key Statistics of Labour Force in Malaysia, December 2021.
- 13 Bank Negara Malaysia (BNM).
- Base Rates/BLR.
- 14 Bank Negara Malaysia (BNM).
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- 15 Tourism Malaysia.
- My Tourism Data.
Figures for 2021 are for the first 9 months (January-September 2021).
- 16 Includes WP Putrajaya.

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2.1 RETAIL MARKET OVERVIEW & TRENDS

Throughout the century, retail malls have been constantly evolving from the pre-war, outdoor shopping plaza to the big-box boom of the 1960s and the introduction of large megamalls in the 1980s. Nowadays, many retail malls have adapted to the competition from the internet and the prominence of social media by providing an experiential shopping space that allows customers of all ages and demographics to enjoy activities specifically catered to their likings. Increasing globalisation and logistical prowess introduced previously unknown challenges to the retail scene, such as e-commerce which delivers a much wider variety of goods at a tap of the finger, without the need for customers to even leave their couch, and the purchased goods will arrive right at their doorstep.

Hence, landlords of retail outlets are becoming more ingenious by continually reassessing their tenant mix and upgrading their malls via asset enhancement initiatives (AEIs) so as not to be left behind in a rapidly changing retail environment.

New attraction and retail concepts

With its expansion completed in 1Q 2021, Setia City Mall is now Shah Alam's largest shopping mall. After construction stalled for nearly a year due to the pandemic, the new wing of Setia City Mall has since increased the mall's retail space to a total of 1.2 million sq ft with Lulu Hypermarket & Department Store occupying 150,000 sq ft as the anchor tenant.

As of 2021, Pavilion Bukit Jalil is the only new mall that opened (December 2021) and is the largest mall to-date in Bukit Jalil with 1.8 million sq ft NLA. There is a 6,000 sq ft centre court which features a decked-out hall fitted with a 15x46m LED screen. The mall also features a 47,000 sq ft exhibition centre consisting of three exhibition halls and a 28,000 sq ft covered outdoor venue equipped with luminescent lighting, ceiling fans and a 16x10m LED screen.

The mall is anchored by the second largest Parkson store in the country with a size of around 300,000 sq ft. The mall also hosts Malaysia's first The Food Merchant, a Harvey Norman Superstore, HOHM, DADI Cinema and will soon host Southeast Asia's first Tsutaya Bookstore by April 2022. Pavilion Bukit Jalil will also feature Blue Ice Snow Park, an ice-skating rink illuminated by virtually simulated northern lights.

Earlier in April, Lotus's opened its first flagship store in Kepong, Kuala Lumpur, providing amenities such as scan-and-shop to improve customers experience at the cashier counters. Lotus's has since taken over and rebranded all of Tesco's outlets and launched two more flagship stores: Lotus's Penang E-gate in Penang and Lotus's Desa Tebrau in Johor, which will take the lead in expanding the Lotus's brand to the northern and southern Peninsular Malaysia respectively.

In Johor Bahru, Topp Shopping Centre is currently building a nine-storey structure that will provide seven storeys of car park space with 1,600 car park bays by 3Q 2022. On top of the car park, two levels will be dedicated to a new retailtainment space, called the RoofTopp. Crowning Topp Shopping Centre since 2019, The Topp managed to captivate Johoreans' eye and emerged to become a community hotspot. The RoofTopp, just like its predecessor The Topp, will provide various F&B and entertainment outlets, fitness centres as well as co-working spaces.

In Iskandar Puteri, Johor, EcoWorld launched a new high street-concept mall in the Eco Botanic township. The mall has 680,000 sq ft of net lettable area, consisting of retail units, as well as hotels and boutique offices. A total of 150,000 sq ft of Eco Galleria's NLA will be taken up by the mall's main anchor – The University of Southampton Malaysia. The university will have a capacity for 2,000 students which could translate to 2,000 direct customers on weekdays. The mall's design is heavily influenced by the British colonial

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era architecture, featuring several blocks of 5-storey shop lots interconnected by bridges, escalators, staircases and a covered plaza.

Experiential shopping enhances customer engagement

As most retail landlords seek to organise a tenant mix that encourages experiential shopping to engage with as many human senses as possible and attract customers, Tropicana Gardens Mall recently introduced a new Golden Screen Cinemas (GSC) outlet, featuring six unique halls that offer higher-end of cinematic experiences, such as 4K LED resolution with distortion-free HDR picture quality, immersive sound quality, moving chairs that sync with the movie and special technology that emulates light, water, wind, fog and even scents to immerse movie-goers fully into the movie. It also introduced Kim Hin Joo's very first Mothercare Experience Store in Malaysia, which will provide customers a chance to test strollers on the dedicated stroller testing track. The store will also provide a babywearing zone and baby gear cleaning services. Nursery advisers will also be on standby to cater to parents so that they can make the best purchasing decisions.

In MyTOWN Shopping Centre, a new BookXcess store opened, which also harbours a co-working space, an art gallery, a Japanese restaurant and a café bar. Similar concepts have been emulated by several other bookstores.

Co-working operators still prefer to be in malls

Despite the pandemic, co-working space operators still view retail office options favourably due to the high footfall, excellent convenience and accessibility that malls generally provide. Retail malls provide a steady stream of potential walk-in customers as compared to office-based co-working spaces, especially during the height of the pandemic when office towers were generally desolate.

Co-working offices generally provide greater flexibility than traditional office spaces, such as shorter lease terms, fully fitted and customisable office layouts, a variety of office rooms from which to select and to change to with short notice, rentable meeting

spaces, event spaces as well as additional or complimentary services such as coffee and tea, catering and office cleaning. These types of office spaces are best suited for small companies or project-based companies that prefer to avoid the long term commitment that comes with traditional office spaces.

Infinity 8, a co-working space operator hailing from Johor, has taken up 11,000 sq ft in MyTOWN Shopping Centre. Several malls that have also harboured co-working spaces include Tropicana Gardens Mall and The Starling (Co-Labs), Glo Damansara Mall (WORQ) and CITTA Mall (Common Ground).

Major asset enhancement initiatives in malls

In 2Q 2021, Fahrenheit88 mall successfully opened its Hijau section, which is an extensive revitalisation project providing 22,000 sq ft of green space and targets the young urban population. BookXcess is Hijau's anchor tenant, occupying about 13,000 sq ft of space after relocating from its previous space in the same mall. Hijau will also have a diverse tenant mix, featuring various F&B outlets, home furniture stores and aromatherapy centres.

After the departure of Parkson department store, MyTOWN Shopping Centre conducted an "anchor-to-specialty" space reconfiguration exercise that oversaw the subdivision of Parkson's previously tenanted space into multiple smaller units, which currently host SSF Furniture Store, Decathlon, BookXcess, and others. By doing this, MyTOWN Shopping Centre aims to increase its revenue by renting out subdivided spaces to high-brand specialty stores as anchor tenants, which generally pay lower rents and are hooked in for the long haul. More tenants also diversify MyTOWN Shopping Centre's tenant mix and product offerings, generating higher footfall.

In November 2021, the 30-year-old AEON Alpha Angle Shopping Centre in Wangsa Maju underwent a major refurbishment, particularly in the Atrium. The mall's refurbishment is expected to complete by April 2022. The refurbishment will include design and service upgrades as well as the installation of solar panels, making AEON Alpha Angle Shopping

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Centre the second of AEON's malls to operate using solar power in line with AEON's initiative to create more sustainable developments. This is also in line with the Kuala Lumpur City Hall's (DBKL) decision to earmark Wangsa Maju as one of the future carbons neutral centres and will involve the development of more feeder bus lanes and a free electric bus line to increase access to Wangsa Maju.

Integration of e-commerce in mall operations

As e-commerce continues to threaten the relevance of physical malls, some retail landlords have chosen to embrace e-commerce to complement their mall operations.

The Sunway Group recently launched Sunway eMall.com, an e-commerce platform that will amalgamate the product mixes of all seven of Sunway malls under one digital platform. The digital mall will serve as a one-stop centre for customers, providing seamless collaboration between the physical and digital aspects of retail. Sunway eMall will also serve as a hedge against potential unforeseen regional lockdowns, allowing retailers to continue their business online.

Similarly, AEON Malaysia launched an online platform called SuperApp as part of its digital transformation this year. The app will enable the sale of all of AEON's products online. Talks are also in place with the app developer to provide grocery subscription plans, whereby, the app will observe the user's usual buying patterns, lockdown a package of items the user usually buys, and allow the user to order it for delivery. AEON will also be launching a new app called AEON Makan, a food-delivery app for their own tenants, charging only 10-15% in fees instead of the market's standard 30%.

CapitaLand Malaysia also integrated e-commerce as part of its operations by being the first mall operator in Malaysia to utilise GrabMart's Grab Malls app platform for all seven of its malls, allowing consumers to shop from about 100 of CapitaLand's platform-registered tenants and have the order delivered to their doorstep.

On the other hand, e-commerce players are also setting up physical retail stores, promising customers with a wider variety of products. In December, Country Heights Holdings (CHHB) and China's e-commerce platform operator, JD.com partnered up to launch a new e-commerce platform alongside a 100,000 sq ft store called JDMines in Mines International Exhibition & Convention Centre (MIECC), which is targeted to launch by next year.

Foreign retailers and brands debut in Malaysia

It has been a challenging year as the COVID-19 pandemic continued, negatively impacting retail businesses and mall traffic. Regardless, many foreign brands are still optimistic and continue to penetrate Malaysia.

These foreign retailers include Siam Piwat, a leading Thai mall operator, which will debut three Thai brands; namely, Ecotopia, ICONCRAFT and Absolute Thai, serving local tastes in its first physical store in Malaysia in Pavilion Bukit Jalil. The three brands will share a store spanning 11,000 sq ft. This will pave the way for more Thai designer crafts to enter the Malaysian market.

In Pavilion Kuala Lumpur, DJI opened its first flagship Experience Store Premium in Malaysia. Spanning over 18,000 sq ft, the DJI flagship store will feature a netted drone testing enclosure, allowing customers to test the products and for passersby to watch DJI drones in action. Onitsuka Tiger opened a new flagship store in Pavilion Kuala Lumpur as well, occupying 2,016 sq ft of space.

The popular Japanese convenience store, Don Don Donki recently launched JONETZ, a new addition to the Japanese retail chain. Located in Tropicana Gardens Mall, JONETZ is its second store and its largest outlet (42,000 sq ft) in the ASEAN region and in Malaysia. Also, in Tropicana Gardens Mall, Sports Direct launched its 33rd outlet in the country (28,000 sq ft) while Taco Bell opened its third store (2,000 sq ft) and mall-debut outlet in the country.

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Sunway Pyramid launched the largest Adidas store in Malaysia (17,000 sq ft) and will launch the first Jollibee restaurant in Peninsular Malaysia come January 2022. Jollibee aims to open 120 stores in Peninsular Malaysia over the next ten years.

The Gardens Mall saw the third store opening of Tiffany & Co (2,400 sq ft) in Malaysia. The Starhill has been graced by Balmain's first flagship store in Malaysia. The 1,745 sq ft fashion boutique had its interiors designed by Paris' Studio AMV, featuring wooden and marble furnishings. Tom Ford also launched its first Malaysian flagship store in Starhill (2,800 sq ft) featuring an extensive collection from the luxury brand, from the immensely popular fragrances to its immaculately tailored bespoke suits, which have become a staple on the red carpet.

Meanwhile in Suria KLCC, a new beauty boutique hailing from Singapore, Essentials by Luxasia, set up shop (568 sq ft) spotlighting eight highly curated brands, featuring exclusive ultra-niche beauty products such as Bvlgari and Penhaligon's.

In Gurney Plaza in Penang, Lucas Mart, a food mart selling international food products took up 1,500 sq ft and opened shop in May 2021. Meanwhile, a Japanese dessert store, Châteraisé Patisserie opened its second Penang outlet in Queensbay Mall, which also welcomed HaiDiLao Hot Pot in 2021.

3.1 RETAIL SUPPLY IN WP KUALA LUMPUR, SELANGOR, PENANG AND PAHANG

According to the Valuation and Property Services Department (JPPH) of the Ministry of Finance Malaysia, Malaysia's total retail stock, including shopping centres, retail arcades and hypermarkets, stands at 181.6 million sq ft as of 3Q 2021, a marginal increase of 0.2% from 3Q 2020. A vast majority of the retail space is located in shopping centres, which possess 75.6% of the total retail stock as of 3Q 2021. In terms of geographical contributions, Selangor and WP Kuala Lumpur are, by and large, the biggest contributors of shopping centres with about 42.6% of the total national shopping centre stock, followed by Penang and Pahang at 9.7% and 3.0%, respectively. In 3Q 2021, the total retail space per capita in Malaysia remained unchanged y-o-y from 3Q 2020 at 5.6 sq ft, and the total shopping centre space per capita increased to 4.2 sq ft 3Q 2021 as compared to 4.1 sq ft in 3Q 2020.

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3.1.1 Shopping Centre Stock in Malaysia as of 3Q 2021

State	No. of properties	Total Space (sq ft)	Percentage of Total Space in Malaysia (%)
WP Kuala Lumpur	71	28.4	20.6
WP Putrajaya	2	0.9	0.6
WP Labuan	1	0.3	0.2
Selangor	89	30.2	22.0
Johor	71	19.3	14.0
Penang	42	13.3	9.7
Perak	36	5.9	4.3
Negeri Sembilan	30	3.4	2.5
Melaka	22	4.7	3.4
Kedah	37	4.9	3.6
Pahang	25	4.1	3.0
Terengganu	10	1.1	0.8
Kelantan	9	2.6	1.9
Perlis	4	0.2	0.2
Sabah	42	7.6	5.5
Sarawak	71	10.6	7.7
MALAYSIA	562	137.3	100.0

Source: The Valuation and Property Service Department (JPPH) of the Ministry of Finance Malaysia. Adjustments have been made for rounding accuracy.

3.1.2 Per Capita Retail Stock and Shopping Centre Stock in Malaysia and Selected States as of 3Q 2021

State	Malaysia	WP Kuala Lumpur	Selangor	Penang	Pahang
Retail Stock (million sq ft)	181.6	33.2	40.0	20.1	4.7
Shopping Centre Stock (million sq ft)	137.3	28.4	30.2	13.3	4.1
Percentage of Shopping Centre Stock out of Retail Stock (%)	75.6	85.4	75.5	66.3	87.0
Population 2021 ^e (million)	32.7	1.7	6.6	1.8	1.7
Retail Stock per capita (sq ft per person)	5.6	19.0	6.1	11.3	2.8
Shopping Centre Stock per capita (sq ft per person)	4.2	16.2	4.6	7.5	2.4

Source : The Valuation and Property Service Department (JPPH) of the Ministry of Finance Malaysia & Department of Statistics Malaysia (DOSM).

^e Estimates

The population estimates for the year 2021 adopted for the per capita calculation is derived from the mid-year population estimate based on the 2010 Population and Housing Census of Malaysia, published by the DOSM).

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3.2 FUTURE RETAIL SUPPLY IN W.P. KUALA LUMPUR, SELANGOR, PENANG AND PAHANG

W.P. Kuala Lumpur & Selangor

Greater Kuala Lumpur (which comprises of W.P. Kuala Lumpur and parts of Selangor) will continue to be on the frontline in bringing in new malls into the country amidst improving market conditions despite the threat of new COVID-19 variants. JLL estimates approximately 4.2 million sq ft and 2.1 million sq ft of new notable retail space to be ready by 2022 in the W.P. Kuala Lumpur and Selangor, respectively.

Significant future malls which will be completed soon in W.P. Kuala Lumpur include Pavilion Damansara Heights (2022: 1.1 million sq ft), Mitsui Shopping Park Lalaport KL (2022: 861,000 sq ft), The Exchange Mall @ TRX (2022: 1.3 million sq ft) and the 118 Mall @ Warisan Merdeka (2023: 850,000 sq ft). In 2024, Retail mall @ Maju Kuala Lumpur is expected to be completed (750,000 sq ft).

Whereas in Selangor, 2022 will mark the completion of IOI City Mall Phase 2 (1.0 million sq ft) and KSL Esplanade Mall (650,000 sq ft). Empire City Mall (2.5 million sq ft) meanwhile is slated for completion in 2024.

Penang

In Penang, the total new supply in 2022 is estimated to be about 500,000 sq ft whereas 2023 will see an additional 1.3 million sq ft of mall completions coming in. The Sunway Carnival Shopping Mall Extension is expected to complete by 2022.

Sunshine Central (900,000 sq ft) and Penang Sentral (409,000 sq ft) are slated for completion in 2023 whereas Waterfront Shoppes and Sunway Valley City (1.0 million sq ft each) are slated for completion in 2024.

Pahang

KIP Mall Indera Mahkota (117,000 sq ft) will be scheduled for completion in 2022 while AEON Mall in Tanjung Lumpur (727,600 sq ft) is slated to complete by 2023.

3.2.1 Future Supply of Retail Space in Shopping Centres in Selected States

State	Future Shopping Centre Stock (million sq ft NLA) 2022-2024	Future Shopping Centre Supply
W.P. Kuala Lumpur	6.2	2022: The Starhill (refurbishment), The Exchange Mall, Mitsui Shopping Park Lalaport KL, Datum Mall, Pavilion Damansara Heights, Retail mall @ SENADA Residences, 2023: 118 Mall, Retail mall @ KLCC Lot L, L1, M, Retail podium @ 8 Conlay 2024: Retail mall @ Maju Kuala Lumpur
Selangor	4.6	2022: IOI City Mall - Phase 2, KSL Esplanade Mall, Mitsui Outlet Park KLIA - Phase 3 2024: Empire City Mall
Pulau Pinang	3.8	2022: Sunway Carnival Shopping Centre (extension) 2023: Penang Sentral Mall, Sunshine Central 2024: The Waterfront Shoppes, Sunway Valley City Mall
Pahang	0.8	2022: KIP Mall Indera Mahkota 2023: AEON Tanjung Lumpur

Source: JLL Research.

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3.3 RETAIL STOCK AND OCCUPANCY

Total available retail space, particularly shopping complexes, in Malaysia increased by 0.9% in 3Q 2021, compared to 3Q 2020. The occupancy rate of retail space (shopping complex) in Malaysia decreased by -0.9% from 77.5% in 3Q 2020 to 76.6% in 3Q 2021. In the near future, occupancy rates are expected to decline slightly further due to the completion

of new malls. Since the nation put an end to the Movement Control Order (MCO), footfall has begun to recover to pre-COVID-19 levels and all categories of retailers were allowed to resume business, albeit subject to certain social-distancing measures. This has been very promising for many retailers that plan to make a comeback or expand into Malaysia.

3.3.1 Occupancy Rates of Retail Space (Shopping Complex) in Malaysia as of 3Q 2021

State	Total Space (million sq ft)	Occupied Space (million sq ft)	Occupancy Rate (%)
WP Kuala Lumpur	33.2	27.2	82.0
WP Putrajaya	0.9	0.8	88.0
WP Labuan	0.3	0.3	95.7
Selangor	40.0	31.7	79.2
Johor	26.3	19.4	73.7
Penang	20.1	14.3	71.2
Perak	10.3	8.7	84.1
Negeri Sembilan	6.5	4.4	67.2
Melaka	6.8	4.3	63.3
Kedah	6.3	4.6	73.8
Pahang	4.7	3.2	68.3
Terengganu	2.1	1.6	78.3
Kelantan	4.1	3.3	80.1
Perlis	0.6	0.6	92.0
Sabah	8.2	6.2	76.4
Sarawak	11.3	8.4	74.8
MALAYSIA	181.6	139.1	76.6

Source: The Valuation and Property Service Department (JPPH) of the Ministry of Finance Malaysia. Adjustments have been made for rounding accuracy.

3.4 CAPITAL VALUES

Very few retail transactions were witnessed in 2021 as the Malaysian retail investment sector was still reeling from the negative impact of COVID-19. There were no retail transactions in Wilayah Persekutuan Kuala Lumpur, but Selangor recorded one transaction with an investment value of RM180.0 million, while Penang and Pahang recorded no retail transactions.

A glove maker listed on Malaysia stock exchange, Rubberex Corp (M) Bhd, ventured into property investment via a strategic 20% stake in the ongoing development of Empire City Mall for RM180.0 million cash. The mall forms part of the RM5.0 billion Empire City Damansara mixed-development project launched by Mammoth Empire Holding Sdn Bhd (MEH) in 2011.

In Pahang, Mentakab Star Mall is up for sale. The mall, which sits on freehold land in the mukim of Mentakab in Temerloh district, is a five-storey shopping complex with a gross floor area of 807,000 sq ft and a total lettable area of about 322,500 sq ft. In 2018, the mall was valued at around RM120.0 million. Based on online research, Pacific Hypermarket and Golden Screen Cinemas (GSC) are two of its anchor tenants.

In terms of value per sq ft recorded in the past five years, it is apparent that transactions for shopping malls outside of Greater Kuala Lumpur and its fringe locations were much lower, between RM380 and RM580 per sq ft. Based on historical mall transactions, the capital values and yields have varied widely, primarily due to location and performance factors of the malls.

Independent Retail Market Overview

4.1 RECENT SHOPPING MALL TRANSACTIONS

4.1.1 Capital Values from Shopping Centre Transactions from 2017 to 2021

State	Year	NLA (million sq ft)	Transaction Price (RM million)	Capital Value (RM psf)	Purchaser
W.P. Kuala Lumpur					
Ampang Point Mall	2020	0.3	250	833	Purple Boulevard Berhad
Pavilion Bukit Jalil ¹	2019	1.8	1,480	1,678	Regal Path Sdn Bhd
Elite Pavilion Mall ²	2017	0.2	580	2,397	Pavilion Real Estate Investment Trust
M3 Shopping Mall	2017	0.2	105	575	LBS Bina Group Bhd
Selangor					
Empire City Mall ³	2021	1.7	180	–	Rubberex Corp
SStwo Mall ⁴	2018	0.5	180	391	DK-MY Properties Sdn Bhd
AEON Mahkota Cheras Shopping Centre ⁵	2017	0.2	88	415	Foremost Wealth Management Sdn Bhd
Empire Shopping Gallery	2017	0.4	570	1,629	Pelaburan Hartanah Bhd
Penang					
1st Avenue Mall ⁶	2019	0.4	153	376	Ideal United Bintang International Berhad
Perak					
AEON Mall Kinta City Shopping Centre	2018	0.5	208	392	KIP REIT Management Sdn Bhd

Source: JLL Research, REIT Prospectuses and Annual Reports, Bursa Malaysia Announcements.

1 The purchase consideration of RM1,480.0 million was for 49% stake in the under-construction five-storey shopping mall to be known as Pavilion Bukit Jalil.

2 The acquisition price includes Elite Pavilion Mall, along with related assets and rights comprised of the extension-connections, subway linkage and 50 car park bays.

3 Rubberex Corp ventured into property investment via a strategic 20% stake in the on-going development of Empire City Mall for RM180.0 million. A market valuation was conducted for the development using an income approach to derive a valuation of RM1.0 billion or RM571 psf.

4 SStwo Mall is permanently closed since 2015, and currently being redeveloped as medical centre, LifeCare DK Mall, slated to open in 2022.

5 AEON Mahkota Cheras Shopping Centre is now known as BMC Mall.

6 The purchase consideration represents a discount of 30.45% from the market value of the property at RM220.0 million.

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Statements of Financial Position

AS AT 31 DECEMBER 2021

	Note	Group		Trust	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Assets					
Plant and equipment	3	3,490	3,491	3,490	3,491
Investment properties	4	3,826,000	3,895,000	3,826,000	3,895,000
Investment in subsidiary	5	–	–	*	*
Total non-current assets		3,829,490	3,898,491	3,829,490	3,898,491
Trade and other receivables	6	27,283	29,047	27,231	28,995
Amount due from subsidiary	7	–	–	5,263	6,709
Cash and cash equivalents	8	76,176	71,876	71,237	65,637
Total current assets		103,459	100,923	103,731	101,341
Total assets		3,932,949	3,999,414	3,933,221	3,999,832
Equity					
Unitholders' capital	9	2,235,447	2,198,446	2,235,447	2,198,446
Undistributed profits		155,851	245,466	155,866	245,481
Total unitholders' funds		2,391,298	2,443,912	2,391,313	2,443,927
Liabilities					
Borrowings	10	1,267,324	1,269,053	967,915	969,839
Tenants' deposits		26,131	33,256	26,131	33,256
Deferred tax liabilities	11	1,738	7,228	1,738	7,228
Amount due to subsidiary	7	–	–	300,000	300,000
Total non-current liabilities		1,295,193	1,309,537	1,295,784	1,310,323
Borrowings	10	144,945	140,760	144,945	140,760
Tenants' deposits		50,684	50,295	50,684	50,295
Trade and other payables	12	50,829	54,910	50,495	54,527
Total current liabilities		246,458	245,965	246,124	245,582
Total liabilities		1,541,651	1,555,502	1,541,908	1,555,905
Total equity and liabilities		3,932,949	3,999,414	3,933,221	3,999,832
Net assets value (NAV)					
– before final income distribution		2,391,298	2,443,912	2,391,313	2,443,927
– after final income distribution		2,370,416	2,402,841	2,370,431	2,402,856
Units in circulation ('000)	9	2,130,856	2,063,846	2,130,856	2,063,846
NAV per unit (RM)					
– before final income distribution		1.1222	1.1842	1.1222	1.1842
– after final income distribution		1.1124	1.1643	1.1124	1.1643

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

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

Statements of Profit or Loss and Other Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Group		Trust	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Gross rental income		185,620	210,288	185,620	210,288
Car park income		12,915	14,602	12,915	14,602
Other revenue		25,572	36,509	25,572	36,509
Gross revenue		224,107	261,399	224,107	261,399
Maintenance expenses		(35,075)	(35,263)	(35,075)	(35,263)
Utilities		(34,353)	(40,436)	(34,353)	(40,436)
Other operating expenses	13	(51,541)	(52,199)	(51,541)	(52,199)
Property operating expenses		(120,969)	(127,898)	(120,969)	(127,898)
Net property income		103,138	133,501	103,138	133,501
Interest income		1,215	1,512	1,215	1,512
Other non-operating income		3,250	4,958	3,250	4,958
Fair value losses on investment properties (net)	4	(76,389)	(157,850)	(76,389)	(157,850)
Net investment income/(loss)		31,214	(17,879)	31,214	(17,879)
Manager's management fee	14	(16,437)	(18,244)	(16,437)	(18,244)
Trustee's fee	15	(400)	(400)	(400)	(400)
Auditor's fee		(181)	(181)	(175)	(170)
Tax agent's fee		(31)	(30)	(29)	(26)
Valuation fee		(277)	(281)	(277)	(281)
Finance costs	16	(48,121)	(58,479)	(48,121)	(58,479)
Other non-operating expenses		(1,650)	(1,277)	(1,658)	(1,292)
Total non-operating and trust expenses		(67,097)	(78,892)	(67,097)	(78,892)
Loss before taxation		(35,883)	(96,771)	(35,883)	(96,771)
Taxation	17	5,490	12,267	5,490	12,267
Loss for the financial year	18	(30,393)	(84,504)	(30,393)	(84,504)
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive loss for the financial year		(30,393)	(84,504)	(30,393)	(84,504)
Distribution adjustments	A	69,523	146,242	69,523	146,242
Income available for distribution		39,130	61,738	39,130	61,738
Distributable income¹	19	39,033	61,830	39,033	61,830

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

Statements of Profit or Loss and Other Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Group		Trust	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Total comprehensive loss for the financial year is made up as follows:					
Realised		40,506	61,079	40,506	61,079
Unrealised		(70,899)	(145,583)	(70,899)	(145,583)
		(30,393)	(84,504)	(30,393)	(84,504)
Loss per unit (sen)					
	18				
– before Manager's management fee		(0.66)	(3.22)	(0.66)	(3.22)
– after Manager's management fee		(1.44)	(4.11)	(1.44)	(4.11)
Distribution per unit (DPU) (sen)					
– for the financial year	19	1.84	3.00	1.84	3.00
Income distribution²					
Distribution of 1.01 sen per unit relating to 1.1.2020 to 30.6.2020				–	20,759
Distribution of 1.99 sen per unit relating to 1.7.2020 to 31.12.2020 ³	19			–	41,071
Distribution of 0.86 sen per unit relating to 1.1.2021 to 30.6.2021				18,151	–
Distribution of 0.98 sen per unit relating to 1.7.2021 to 31.12.2021 ³	19			20,882	–
				39,033	61,830

1 The difference between income available for distribution and distributable income is due to the rounding effect of DPU.

2 Income distributable to resident individuals, non-resident individuals, resident institutional investors, non-resident institutional investors and non-resident companies are subject to withholding tax.

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

	Note	Group		Trust	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Note A					
Distribution adjustments comprise:					
Manager's management fee payable in units		3,343	4,915	3,343	4,915
Depreciation	3	1,349	1,251	1,349	1,251
Amortisation of transaction costs on borrowings	16	854	834	659	638
Tax and other adjustments		(6,922)	(6,341)	(6,727)	(6,145)
Realised portion		(1,376)	659	(1,376)	659
Fair value losses on investment properties (net)	4	76,389	157,850	76,389	157,850
Deferred tax reversal	17	(5,490)	(12,267)	(5,490)	(12,267)
Unrealised portion		70,899	145,583	70,899	145,583
Total distribution adjustments		69,523	146,242	69,523	146,242

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

Statements of Changes in Net Asset Value

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Unitholders' capital RM'000	Undistributed profits RM'000	Total unitholders' funds RM'000
Group			
At 1 January 2020	2,189,028	412,898	2,601,926
Total comprehensive loss for the financial year	–	(84,504)	(84,504)
Unitholders' transactions			
– Units issued as part satisfaction of the Manager's management fee	5,847	–	5,847
– Units issued under the Distribution Reinvestment Plan (net of issue costs)	3,571	–	3,571
– Distribution paid to unitholders	–	(82,928)	(82,928)
Increase/(Decrease) in net assets resulting from unitholders' transactions	9,418	(82,928)	(73,510)
At 31 December 2020/1 January 2021	2,198,446	245,466	2,443,912
Total comprehensive loss for the financial year	–	(30,393)	(30,393)
Unitholders' transactions			
– Units issued as part satisfaction of the Manager's management fee	4,469	–	4,469
– Units issued under the Distribution Reinvestment Plan (net of issue costs)	32,532	–	32,532
– Distribution paid to unitholders	–	(59,222)	(59,222)
Increase/(Decrease) in net assets resulting from unitholders' transactions	37,001	(59,222)	(22,221)
At 31 December 2021	2,235,447	155,851	2,391,298
	Note 9		
Trust			
At 1 January 2020	2,189,028	412,913	2,601,941
Total comprehensive loss for the financial year	–	(84,504)	(84,504)
Unitholders' transactions			
– Units issued as part satisfaction of the Manager's management fee	5,847	–	5,847
– Units issued under the Distribution Reinvestment Plan (net of issue costs)	3,571	–	3,571
– Distribution paid to unitholders	–	(82,928)	(82,928)
Increase/(Decrease) in net assets resulting from unitholders' transactions	9,418	(82,928)	(73,510)
At 31 December 2020/1 January 2021	2,198,446	245,481	2,443,927
Total comprehensive loss for the financial year	–	(30,393)	(30,393)
Unitholders' transactions			
– Units issued as part satisfaction of the Manager's management fee	4,469	–	4,469
– Units issued under the Distribution Reinvestment Plan (net of issue costs)	32,532	–	32,532
– Distribution paid to unitholders	–	(59,222)	(59,222)
Increase/(Decrease) in net assets resulting from unitholders' transactions	37,001	(59,222)	(22,221)
At 31 December 2021	2,235,447	155,866	2,391,313
	Note 9		

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

Statements of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Group		Trust	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash flows from operating activities					
Loss before taxation		(35,883)	(96,771)	(35,883)	(96,771)
Adjustments for:					
Manager's management fee paid/payable in units		3,343	4,915	3,343	4,915
Depreciation	3	1,349	1,251	1,349	1,251
Fair value losses on investment properties (net)	4	76,389	157,850	76,389	157,850
Finance costs	16	48,121	58,479	48,121	58,479
Impairment losses for trade receivables (net)	6	6,068	5,923	6,068	5,923
Interest income		(1,215)	(1,512)	(1,215)	(1,512)
Plant and equipment written off		2	–	2	–
Operating profit before changes in working capital		98,174	130,135	98,174	130,135
Changes in working capital:					
Trade and other receivables		(4,304)	(13,913)	(3,337)	(14,244)
Trade and other payables		(4,137)	2,972	(5,104)	3,228
Tenants' deposits		(6,736)	(6,104)	(6,736)	(5,871)
Amount due to/from subsidiary		–	–	(10,876)	(12,436)
Net cash generated from operating activities		82,997	113,090	72,121	100,812
Cash flows from investing activities					
Acquisition of plant and equipment	3	(1,350)	(1,541)	(1,350)	(1,541)
Capital expenditure on investment properties		(5,808)	(22,454)	(5,808)	(22,454)
Interest received		1,215	1,512	1,215	1,512
Net cash used in investing activities		(5,943)	(22,483)	(5,943)	(22,483)
Cash flows from financing activities					
Distribution paid to unitholders		(26,424)	(79,062)	(26,424)	(79,062)
Interest expense and other financing costs paid		(47,753)	(58,798)	(35,577)	(46,521)
Payment of transaction costs related to Distribution Reinvestment Plan		(266)	(295)	(266)	(295)
Proceeds from interest-bearing borrowings		77,789	102,040	77,789	102,040
Repayment of interest-bearing borrowings		(76,100)	(67,200)	(76,100)	(67,200)
Withdrawal of pledged deposits from a licensed bank		1,300	–	–	–
Net cash used in financing activities		(71,454)	(103,315)	(60,578)	(91,038)
Net increase/(decrease) in cash and cash equivalents		5,600	(12,708)	5,600	(12,709)
Cash and cash equivalents at 1 January		65,646	78,354	65,637	78,346
Cash and cash equivalents at 31 December		71,246	65,646	71,237	65,637
Cash and cash equivalents at end of the financial year comprise:					
Deposits placed with licensed banks		63,099	58,827	58,166	52,595
Cash and bank balances		13,077	13,049	13,071	13,042
	8	76,176	71,876	71,237	65,637
Less: Pledged deposits	8	(4,930)	(6,230)	–	–
		71,246	65,646	71,237	65,637

Non-cash transactions

A portion of the income distribution was paid in new CLMT units pursuant to the Distribution Reinvestment Plan and a portion of management fees were paid in new CLMT units to the Manager.

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

Statements of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Reconciliation of movements of liabilities to cash flows arising from financing activities

	At 1 January 2020 RM'000	Net changes from financing cash flows RM'000	Other changes RM'000	At 31 December 2020/ 1 January 2021 RM'000	Net changes from financing cash flows RM'000	Other changes RM'000	At 31 December 2021 RM'000
Group							
Secured term loans	918,430	–	–	918,430	–	–	918,430
Secured revolving credit	26,687	51,290	–	77,977	(8,461)	–	69,516
Unsecured revolving credit	131,610	(16,450)	–	115,160	10,150	–	125,310
Unrated and secured MTN	300,000	–	–	300,000	–	–	300,000
Less: Unamortised transaction costs	(2,578)	–	824	(1,754)	–	767	(987)
Total liabilities from financing activities	1,374,149	34,840	824	1,409,813	1,689	767	1,412,269
Trust							
Secured term loans	918,430	–	–	918,430	–	–	918,430
Secured revolving credit	26,687	51,290	–	77,977	(8,461)	–	69,516
Unsecured revolving credit	131,610	(16,450)	–	115,160	10,150	–	125,310
Amount due to subsidiary	300,000	–	–	300,000	–	–	300,000
Less: Unamortised transaction costs	(1,606)	–	638	(968)	–	572	(396)
Total liabilities from financing activities	1,375,121	34,840	638	1,410,599	1,689	572	1,412,860

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

Notes to the Financial Statements

AS AT 31 DECEMBER 2021

CapitaLand Malaysia Trust (CLMT or the Trust) is a Malaysia domiciled real estate investment trust (REIT) constituted by a deed dated 7 June 2010 (which was amended and restated on 13 July 2021) (the Deed) entered into between CapitaLand Malaysia REIT Management Sdn. Bhd. (formerly known as CapitaLand Malaysia Mall REIT Management Sdn. Bhd.) (the Manager) and MTrustee Berhad (the REIT Trustee). The Deed was registered with Securities Commission Malaysia (SC) on 20 September 2021 and the Trust assumed its new name as CapitaLand Malaysia Trust since the investment objectives and strategies have now been expanded to beyond mall properties as may be permitted by the Deed and the SC's Guidelines on Listed Real Estate Investment Trusts (REIT guidelines) or by the SC. CLMT is regulated by the REIT Guidelines, the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities) and other relevant laws and regulations.

CLMT is listed on the Main Market of Bursa Securities.

The consolidated financial statements reported for the financial year ended 31 December 2021 relates to the Trust and its subsidiary (the Group).

Under the Deed, the principal activity of CLMT is to invest, on a long term basis, in a portfolio of income-producing real estate as deemed fit by the Manager, that are used for retail, commercial, office and industrial purposes, or such other non-real estate investments, as may be permitted under the Deed, the REIT Guidelines or by the SC, with a view of providing unitholders with long term and sustainable distribution of income and potential capital growth. The principal activity of the subsidiary is as disclosed in Note 5 to the financial statements. Except as disclosed above, there have been no significant changes in the nature of these activities during the financial year.

For financial reporting purposes, the intermediate and ultimate holding company of the Group are CapitaLand Investment Limited (CLI) and Temasek Holdings (Private) Limited respectively. The intermediate and ultimate holding companies are incorporated in the Republic of Singapore.

The principal activity of the Manager is to manage and administer CLMT. The Manager, incorporated in Malaysia, is a subsidiary of CLI.

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

Unit No.1-27, Level 27, Naza Tower
No.10, Persiaran KLCC
50088 Kuala Lumpur

The financial statements were approved by the Manager's Board of Directors on 14 February 2022.

Notes to the Financial Statements

AS AT 31 DECEMBER 2021

1. BASIS OF PREPARATION

(a) Statement of compliance

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

The Group and the Trust has applied the following MFRSs and amendments to MFRSs for the first time for the annual period beginning on or after 1 June 2020 and 1 January 2021:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 June 2020

- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions*.

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*.

The application of these amendments to standards does not have a material effect on the financial statements.

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

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*;
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*;
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*;
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*; and
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*.

Notes to the Financial Statements

AS AT 31 DECEMBER 2021

1. BASIS OF PREPARATION (continued)

(a) Statement of compliance (continued)

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

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*;
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*; and
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*.

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*.

The Group and the Trust plan to apply the abovementioned amendments:

- from the annual period beginning on 1 January 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022; and
- from the annual period beginning on 1 January 2023 for those amendments that are effective for annual periods beginning on or after 1 January 2023.

The initial application of the accounting standards, amendments or interpretations are not expected to have material financial impact to the current and prior period financial statements of the Group and of the Trust.

(b) Basis of accounting

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

(c) Functional and presentation currency

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

Notes to the Financial Statements

AS AT 31 DECEMBER 2021

1. BASIS OF PREPARATION (continued)

(d) Use of estimates and judgements

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

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

There are no significant areas of estimation uncertainty and critical judgement in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 4 – valuation of investment properties
- Note 11 – deferred tax liabilities

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of consolidation

Subsidiary

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

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

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

Business combinations

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

Transactions eliminated on consolidation

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

Notes to the Financial Statements

AS AT 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Foreign currencies

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

(c) Plant and equipment

(i) Recognition and measurement

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

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

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

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

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

(ii) Subsequent costs

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

Notes to the Financial Statements

AS AT 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Plant and equipment (continued)

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant parts of individual assets are assessed, and if a part has a useful life that is different from the remainder of that asset, then that part is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment from the date that they are available for use.

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

Computer	2 – 3 years
Office equipment	3 – 5 years

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

(d) Investment properties

Investment properties are properties which are owned or held under leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, used in the production or supply of goods or services or for administrative purposes. Investment properties are measured initially at cost and subsequently at fair value with any changes therein recognised in profit or loss for the period in which they arise. Cost includes expenditure that is directly attributable to the acquisition of the investment properties.

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

When an investment property is disposed of, the resulting gain or loss is recognised in profit or loss in the year in which the item is derecognised. Investment properties are not depreciated. The properties are subject to continued maintenance and are regularly revalued on the basis mentioned above. For taxation purposes, the Group or the Trust may claim capital allowances on assets that qualify as plant and machinery under the Income Tax Act, 1967.

Notes to the Financial Statements

AS AT 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Leases

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commitment date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the leases liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

Short term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short term leases, including office equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group leases out its investment properties. The Group has classified these leases as operating leases.

The Group recognises lease payments received from investment properties under operating leases as rental income on a straight-line basis over the lease term as part of revenue.

Notes to the Financial Statements

AS AT 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Trust becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, in the case for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Trust changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(g)(i)) where the effective interest rate is applied to the amortised cost.

All financial assets are subject to impairment assessment (see Note 2(g)(i)).

Financial liabilities

The financial liabilities at initial recognition of the Group and of the Trust are classified as amortised cost. Financial liabilities are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

Notes to the Financial Statements

AS AT 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial instruments (continued)

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group and the Trust currently have a legally enforceable right to set off the amounts and they intend either to settle them on a net basis or to realise the asset and liability simultaneously.

(g) Impairment

(i) Financial assets

The Group and the Trust recognise loss allowances for expected credit losses on financial assets measured at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Trust measure loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balance for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since the initial recognition and when estimating expected credit loss, the Group and the Trust consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Trust are exposed to credit risk.

Notes to the Financial Statements

AS AT 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment (continued)

(i) Financial assets (continued)

The Group and the Trust estimate the expected credit losses on trade receivables by assessing the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Trust assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Trust determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Trust's procedures for recovery of amounts due.

(ii) Other assets

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

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

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

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

Notes to the Financial Statements

AS AT 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances and deposits placed with licensed banks. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of pledged deposits.

(i) Equity instruments

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

(j) Provisions

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

(k) Revenue recognition

(i) Rental income

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

(ii) Car park income

Car park income is recognised as income in the financial year in which they are earned.

(iii) Other revenue

Other revenue consists of recovery of utilities charges from tenants, kiosk rental, advertising and other miscellaneous income. These are recognised as income in the financial year in which they are earned.

(l) Interest income

Interest income is recognised as it accrues, using the effective interest method in profit or loss.

Notes to the Financial Statements

AS AT 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Expenses

(i) Property operating expenses

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

(ii) Manager's management fee

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

(iii) Trustee's fee

Trustee's fee is recognised on an accrual basis using the applicable formula as set out in Note 15.

(iv) Finance costs

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

(n) Tax expense

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

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

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

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

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

Where investment properties are carried at fair value in accordance with the accounting policy set out in Note 2(d), the amount of deferred tax recognised is measured using the tax rates that would apply on the sale of those assets at their carrying values at the reporting date unless the property is depreciable and is held with the objective to consume substantially all the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

Notes to the Financial Statements

AS AT 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Earnings per unit

The Group and the Trust present basic and diluted earnings per unit. Basic earnings per unit is calculated by dividing the total return by the weighted-average number of units outstanding during the financial year. Diluted earnings per unit is determined by adjusting the total return and the weighted-average number of units outstanding, for the effects of all dilutive potential units.

(p) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' results are reviewed and used by the Group's Chief Operating Decision Makers for strategic decision making and resources allocation.

(q) Fair value measurements

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

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

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

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

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

Notes to the Financial Statements

AS AT 31 DECEMBER 2021

3. PLANT AND EQUIPMENT

	Computer RM'000	Office equipment RM'000	Total RM'000
Group and the Trust			
Cost			
At 1 January 2020	3,648	8,675	12,323
Additions	322	1,219	1,541
Write-off	(22)	(35)	(57)
At 31 December 2020/1 January 2021	3,948	9,859	13,807
Additions	79	1,271	1,350
Write-off	–	(3)	(3)
At 31 December 2021	4,027	11,127	15,154
Accumulated depreciation			
At 1 January 2020	3,185	5,937	9,122
Depreciation for the financial year	248	1,003	1,251
Write-off	(22)	(35)	(57)
At 31 December 2020/1 January 2021	3,411	6,905	10,316
Depreciation for the financial year	264	1,085	1,349
Write-off	–	(1)	(1)
At 31 December 2021	3,675	7,989	11,664
Carrying amounts			
At 1 January 2020	463	2,738	3,201
At 31 December 2020/1 January 2021	537	2,954	3,491
At 31 December 2021	352	3,138	3,490

Notes to the Financial Statements

AS AT 31 DECEMBER 2021

4. INVESTMENT PROPERTIES

	2021 RM'000	2020 RM'000
Group and the Trust		
At 1 January	3,895,000	4,035,000
Capital expenditure capitalised	7,389	17,850
Fair value losses (net)	<u>(76,389)</u>	<u>(157,850)</u>
At 31 December	3,826,000	3,895,000

Investment properties refer to shopping malls and office block which primarily generate rental income from leasing out retail shops and space to third parties via lease or licence agreements. CLMT's lease agreements generally contain an initial non-cancellable period of three years and subsequent renewals are negotiated with the lessee. The rental rates are negotiated based on prevailing market rates and are pre-agreed over the lease tenure. Gross turnover rent of RM10,601,000 (FY 2020: RM9,224,000), which represents CLMT's contingent rent, was recognised as income in the financial year.

Gurney Plaza, The Mines and 3 Damansara Property, collectively valued at RM2,805,000,000 (FY 2020: RM2,841,000,000), are pledged as securities for borrowings as disclosed in Note 10. East Coast Mall and CLMT's 205 strata titles in Sungei Wang Plaza are unencumbered as at the reporting date.

Details of the investment properties are as follows:

	Date of acquisition	Location	Tenure	Fair value	Fair value	% of	% of
				at 31 December 2021 ¹ RM'000	at 31 December 2020 ² RM'000	fair value to NAV at 31 December 2021 ³ %	fair value to NAV at 31 December 2020 ³ %
Gurney Plaza	14 Jul 2010 & 28 Mar 2011	Penang	Freehold	1,665,000	1,665,000	69.6	68.1
East Coast Mall	14 Nov 2011	Pahang	Leasehold ⁴	579,000	579,000	24.2	23.7
Sungei Wang Plaza ⁵	14 Jul 2010	Kuala Lumpur	Freehold	442,000	475,000	18.5	19.4
3 Damansara Property	10 Jul 2015	Selangor	Freehold	480,000	496,000	20.1	20.3
The Mines	14 Jul 2010	Selangor	Leasehold ⁴	660,000	680,000	27.6	27.8
				<u>3,826,000</u>	<u>3,895,000</u>		

1 Based on valuation carried out on 31 December 2021.

2 Based on valuation carried out on 31 December 2020.

3 This is computed based on market value of the investment properties over the NAV before final income distribution as at 31 December 2021 and 31 December 2020. This is calculated in accordance with the REIT Guidelines.

4 The leases have unexpired lease periods of more than 50 years.

5 CLMT's interest in Sungei Wang Plaza comprises (i) 205 strata parcels within the mall represents approximately 61.9% of the aggregate retail floor area, and (ii) 1,298 car park bays which comprise 100% of the car park bays.

Notes to the Financial Statements

AS AT 31 DECEMBER 2021

4. INVESTMENT PROPERTIES (continued)

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

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

	2021 RM'000	2020 RM'000
Group and the Trust		
Gross revenue	224,107	261,399
Less: Property operating expenses	(120,969)	(127,898)
Net property income	<u>103,138</u>	<u>133,501</u>

(a) Operating lease payments receivable

The operating lease payments to be received are as follows:

	2021 RM'000	2020 RM'000
Group and the Trust		
Less than one year	151,936	168,973
One to two years	66,820	85,237
Two to three years	22,653	37,837
Three to four years	71	499
Four to five years	–	479
More than five years	–	6,051
Total undiscounted lease payments	<u>241,480</u>	<u>299,076</u>

(b) Fair value information

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

The significant assumptions and unobservable inputs underlying the estimation of fair value of investment properties are those related to term capitalisation and reversionary capitalisation rates, car park and other income, outgoings expenses and allowance for void. Term capitalisation and reversionary capitalisation rates for the investment properties range from 6.25% to 6.50% (FY 2020: 6.25% to 6.50%) and from 6.50% to 7.00% (FY 2020: 6.50% to 7.00%) respectively. The estimated fair value would increase (decrease) if the capitalisation rates, outgoings expenses and allowance for void were lower (higher) and if car park and other income was higher (lower).

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

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

(d) Highest and best use

The Group's and the Trust's investment properties are currently valued at their highest and best use.

Notes to the Financial Statements

AS AT 31 DECEMBER 2021

5. INVESTMENT IN SUBSIDIARY

		Trust	
	2021	2020	
	RM'000	RM'000	
CMMT MTN Berhad			
At cost			
Unquoted shares	*	*	

* Denotes RM2

CLMT holds 100% equity interest in CMMT MTN Berhad, a special purpose vehicle incorporated and primarily operating in Malaysia. Its principal activity is to raise financing on behalf of and on-lending to CLMT through the issuance of rated/unrated secured Medium Term Notes under the Medium Term Notes Programme as set out in Note 10(b).

6. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Trade				
Trade receivables	31,007	27,868	31,007	27,868
Less: Allowance for impairment losses	(14,485)	(8,600)	(14,485)	(8,600)
	16,522	19,268	16,522	19,268
Other receivables	8,302	7,819	8,302	7,819
	24,824	27,087	24,824	27,087
Non-trade				
Deposits	1,091	1,084	1,091	1,084
Interest receivables	68	59	63	53
	1,159	1,143	1,154	1,137
Prepayments	1,300	817	1,253	771
	2,459	1,960	2,407	1,908
	27,283	29,047	27,231	28,995

Other receivables mainly comprise of accrued revenue yet to be billed.

Notes to the Financial Statements

AS AT 31 DECEMBER 2021

6. TRADE AND OTHER RECEIVABLES (continued)

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables.

	Gross carrying amount RM'000	Allowance for impairment losses RM'000	Net balance RM'000
Group and the Trust			
2021			
Not past due	7,623	(1,058)	6,565
Past due 1 – 30 days	2,786	(547)	2,239
Past due 31 – 90 days	4,842	(1,609)	3,233
Past due more than 90 days	15,756	(11,271)	4,485
	<u>31,007</u>	<u>(14,485)</u>	<u>16,522</u>
2020			
Not past due	6,917	(1,027)	5,890
Past due 1 – 30 days	6,055	(589)	5,466
Past due 31 – 90 days	3,632	(1,133)	2,499
Past due more than 90 days	11,264	(5,851)	5,413
	<u>27,868</u>	<u>(8,600)</u>	<u>19,268</u>

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

	Note	2021 RM'000	2020 RM'000
Group and the Trust			
At 1 January		8,600	2,775
Amounts written off		(183)	(98)
Impairment losses (net)	13	6,068	5,923
At 31 December		<u>14,485</u>	<u>8,600</u>

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

7. AMOUNT DUE FROM/(TO) SUBSIDIARY

The amount due from subsidiary of RM5,263,000 (FY 2020: RM6,709,000) is non-trade in nature, unsecured, and is repayable on demand. Included in the amount due from subsidiary is an interest-bearing loan from CLMT of RM4,930,000 (FY 2020: RM6,230,000) where the average interest rate of 2.00% (FY 2020: 2.83%) per annum is based on the prevailing deposit rates of licensed banks.

The amount due to subsidiary of RM300,000,000 (FY 2020: RM300,000,000) is pursuant to the REIT Trustee Financing Agreement (RTFA) entered into by the Trustee on behalf of CLMT and the subsidiary on 9 December 2019 where the funds raised from the unrated and secured MTN, as detailed in Note 10(b), were advanced to CLMT. The amount due to subsidiary is secured, subject to interest rate at 3.24% (FY 2020: 4.07%) per annum which is payable semi-annually and the principal is repayable in 2023 (FY 2020: repayable in 2023).

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8. CASH AND CASH EQUIVALENTS

	Group		Trust	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Deposits placed with licensed banks	63,099	58,827	58,166	52,595
Cash and bank balances	13,077	13,049	13,071	13,042
	76,176	71,876	71,237	65,637

Gurney Plaza maintains a separate designated revenue account while The Mines and 3 Damansara Property maintain separate designated revenue and operating accounts with licensed banks. This forms part of the financing covenants and the usage of funds in these designated revenue and operating accounts are not restricted as long as no event of default has occurred on the borrowings. The balance of the designated revenue and operating accounts at the end of the financial year that is included in the cash and cash equivalents is RM48,346,000 (FY 2020: RM37,335,000).

Included in the Group's cash and cash equivalents are pledged deposits of RM4,930,000 (FY 2020: RM6,230,000). This is in relation to a separate debt service reserves account and trustee reimbursement account assigned by the subsidiary to the security trustee pursuant to the unrated and secured MTN, as set out in Note 10(b). The deposits are maintained with licensed banks and the funds are restricted in use.

9. UNITHOLDERS' CAPITAL

	Amount	Number of units	Amount	Number of units
	2021 RM'000	2021 '000	2020 RM'000	2020 '000
Trust				
Issued and fully paid:				
At 1 January	2,198,446	2,063,846	2,189,028	2,051,753
Units issued as part satisfaction of the Manager's management fee	4,469	7,110	5,847	6,309
Units issued under Distribution Reinvestment Plan (net of issue costs)	32,532	59,900	3,571	5,784
At 31 December	2,235,447	2,130,856	2,198,446	2,063,846

The Distribution Reinvestment Plan (DRP) was established on 19 June 2020 to enable unitholders to reinvest the income distribution received into new units. During the financial year, DRP was applied to the income distribution for the period from 1 July 2020 to 31 December 2020 (2H 2020) and 1 January 2021 to 30 June 2021 (1H 2021).

For the 2H 2020 income distribution, CLMT paid RM41.1 Million or 1.99 sen per unit, in which a total of 42,315,000 of new units were issued out of 72,486,000 units eligible under the DRP, this represents a take up rate of 58.4%. The new units were issued at the issuance price of RM0.5398 per unit.

For the 1H 2021 income distribution, CLMT paid RM18.2 Million or 0.86 sen per unit, in which a total of 17,585,000 of new units were issued out of 30,395,000 units eligible under the DRP, this represents a take up rate of 57.9%. The new units were issued at the issuance price of RM0.5662 per unit.

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9. UNITHOLDERS' CAPITAL (continued)

Unitholdings of the Manager and parties related to the Manager

As at 31 December 2021, the Manager has no direct unitholdings in CLMT. Nevertheless, parties related to CLMT and the Directors of the Manager holding units in CLMT are as follows:

	Number of units '000	Percentage of unitholdings %	Market value ³ RM'000
2021			
<i>Direct unitholdings of parties related to CLMT</i>			
CMMT Investment Limited	754,036	35.4	433,571
Menang Investment Limited	63,831	3.0	36,703
Ms Ng Kuan Yee ¹	13	N.M.	7
<i>Direct unitholdings of the Directors of the Manager who held office at 31 December 2021</i>			
Ms Low Peck Chen	13	N.M.	7
Mr Lim Cho Pin Andrew Geoffrey ²	50	N.M.	29
Mohd Yusof bin Hussain	63	N.M.	36
2020			
<i>Direct unitholdings of parties related to CLMT</i>			
CMMT Investment Limited	716,346	34.71	447,716
Menang Investment Limited	54,438	2.64	34,023
<i>Direct unitholdings of the Directors of the Manager who held office at 31 December 2020</i>			
Ms Low Peck Chen	12	N.M.	8
Mr Lim Cho Pin Andrew Geoffrey ²	47	N.M.	30
Mohd Yusof bin Hussain	60	N.M.	38

N.M. – Not meaningful

1 Appointed as the director of CMMT Investment Limited during the financial year.

2 Units held through nominees.

3 The market value of the units for the respective years are computed based on the closing market price of RM0.575 per unit as at 31 December 2021 and RM0.625 per unit as at 31 December 2020.

CMMT Investment Limited and Menang Investment Limited are indirect wholly-owned subsidiaries of CLI and are regarded as parties that have joint control over the Group and the Trust for financial reporting purposes.

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10. BORROWINGS

	Group		Trust	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current				
Secured term loans				
– Fixed rate	848,680	848,680	848,680	848,680
– Floating rate	69,750	69,750	69,750	69,750
Secured revolving credit	49,816	52,377	49,816	52,377
Unrated and secured MTN	300,000	300,000	–	–
Less: Unamortised transaction costs	(922)	(1,754)	(331)	(968)
	1,267,324	1,269,053	967,915	969,839
Current				
Secured revolving credit	19,700	25,600	19,700	25,600
Unsecured revolving credit	125,310	115,160	125,310	115,160
Less: Unamortised transaction costs	(65)	–	(65)	–
	144,945	140,760	144,945	140,760
	1,412,269	1,409,813	1,112,860	1,110,599

(a) Secured term loans and revolving credit

CLMT had entered into three separate secured facility agreements with licensed banks on 10 June 2010 (Secured Facility 1), 17 March 2011 (Secured Facility 2) and 26 June 2015 (Secured Facility 3).

Secured Facility 1 comprises fixed and floating rate term loan facilities of RM500.0 Million and a revolving credit facility of RM61.0 Million. Secured Facility 2 comprises fixed and floating rate term loan facilities of RM69.8 Million and a revolving credit facility of RM20.0 Million. During the financial year, the maturity of the revolving credit facilities was extended for another 6 years from original maturity of January 2022 to March 2028. Both Secured Facilities 1 and 2 will now mature between 2026 to 2028.

Secured Facility 3, comprises term loan facility of RM348.7 Million, a revolving credit facility of RM100.0 Million and a bank guarantee facility of RM10.0 Million. During the financial year, the maturity of the term loan under the Secured Facility 3 was extended for another 5 years from original maturity of July 2022 to July 2027.

As at 31 December 2021, the principal amounts utilised under the Secured Facilities 1, 2 and 3 were RM536.5 Million (FY 2020: RM549.0 Million), RM83.1 Million (FY 2020: RM73.1 Million) and RM368.4 Million (FY 2020: RM374.3 Million) respectively, of which total secured revolving credit utilised under these facilities was RM69.5 Million (FY 2020: RM78.0 Million).

The average effective interest rate for the Secured Facilities 1, 2 and 3 was approximately 3.1% (FY 2020: 4.1%) per annum.

Notes to the Financial Statements

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10. BORROWINGS (continued)

(b) Secured Medium Term Notes Programme

The Group has a secured Medium Term Notes Programme of up to RM3.0 Billion in nominal value (MTN Programme) under CMMT MTN Berhad (the Issuer), pursuant to which rated/unrated notes in series or tranches may be issued from time to time in Ringgit Malaysia. The MTN Programme has a tenure of twenty years from the date of first issuance of MTN, which was on 20 December 2012. The net proceeds from the issue of the MTN (after deducting issue expenses) will be on-lent to CLMT, which in turn will utilise such proceeds to refinance its existing and/or future borrowings and/or to finance investments, capital expenditure, asset enhancement initiatives and/or working capital of CLMT. The Issuer will also be allowed to use the proceeds to refinance maturing MTN on the respective maturity dates. The security trustee of the MTN Programme is Malaysian Trustees Berhad.

On 20 December 2019, the Issuer issued a RM300.0 Million three and a half-year unrated and secured MTN (3-TM) which will be maturing on 20 June 2023. The proceeds were used to redeem the outstanding RM300.0 Million three years unrated and secured MTN which matured on 20 December 2019. 3-TM bears a coupon rate of 4.07% per annum for the first 2 years which is payable semi-annually. During the financial year, upon expiration of the first 2 years, the issuer elected to refix 3-TM at a fixed rate of 3.24% per annum.

(c) Unsecured revolving credit

As at 31 December 2021, the outstanding unsecured revolving credit was RM125.3 Million (FY 2020: RM115.2 Million) at an average effective interest rate of approximately 3.2% (FY 2020: 3.4%) per annum.

The secured borrowings are secured by charges on investment properties as disclosed in Note 4 with an amount of RM2,805,000,000 (FY 2020: RM2,841,000,000).

11. DEFERRED TAX LIABILITIES

With effect from 1 January 2019, the applicable Real Property Gain Tax (RPGT) rate under the Finance Act 2020 for disposal of real properties or shares in real properties companies which have been held for more than 5 years is 10%.

It is the business model of CLMT to hold investment properties to earn rental income and for long term capital growth. Hence, there are no expected disposals of investment properties held for less than 5 years.

During the financial year, CLMT reversed RM5,490,000 of deferred tax liabilities to the profit or loss, this being the net changes on the RPGT exposure subsequent to the reassessment of fair value on freehold investment properties.

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12. TRADE AND OTHER PAYABLES

	Group		Trust	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current				
Trade				
Trade payables	2,376	1,454	2,376	1,454
Amount due to related parties	5,082	6,151	5,082	6,151
	<u>7,458</u>	<u>7,605</u>	<u>7,458</u>	<u>7,605</u>
Non-trade				
Interest payables	3,745	4,318	3,426	3,950
Accruals	33,602	36,932	33,587	36,917
Other payables	498	649	498	649
Advances	5,526	5,406	5,526	5,406
	<u>43,371</u>	<u>47,305</u>	<u>43,037</u>	<u>46,922</u>
	<u>50,829</u>	<u>54,910</u>	<u>50,495</u>	<u>54,527</u>

Included in the amount due to related parties is an amount due to the Manager of RM5,015,000 (FY 2020: RM6,084,000) of which RM1,630,000 (FY 2020: RM2,755,000) is payable in units of CLMT as payment for the performance component of management fee for the period from 1 July 2021 to 31 December 2021 (FY 2020: for the period from 1 July 2020 to 31 December 2020) and Trustee's fee of RM67,000 (FY 2020: RM67,000). The relationship and transactions of the above are further disclosed in Note 25.

13. OTHER OPERATING EXPENSES

	Note	2021 RM'000	2020 RM'000
Group and the Trust			
Property management fee and reimbursement		23,986	21,944
Marketing expenses		3,914	6,073
Quit rent and assessment		11,821	11,595
General and administrative expenses		5,752	6,664
Impairment losses for trade receivables (net)	6	6,068	5,923
		<u>51,541</u>	<u>52,199</u>

The property management fee is payable to the property managers, namely (1) Knight Frank Property Management Sdn. Bhd. for all CLMT's properties for the full year under review except for Sungei Wang Plaza; and (2) Zaharin Nexcap Property Consultants Sdn. Bhd., the property manager for CLMT's interest in Sungei Wang Plaza. Property management reimbursement includes reimbursable staff costs and other reimbursements for managing the investment properties.

The property management fee for Gurney Plaza, The Mines, East Coast Mall and 3 Damansara Property is based on a monthly fee of RM75,000 (FY 2020: RM75,000) as stipulated in the property management agreement dated 28 March 2019. Property management fee for CLMT's interest in Sungei Wang Plaza is based on a monthly fee of RM19,000 (FY 2020: RM19,000) as stipulated in the property management agreement dated 13 March 2020.

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14. MANAGER'S MANAGEMENT FEE

	2021 RM'000	2020 RM'000
Group and the Trust		
Base management fee	11,538	11,903
Performance fee	4,899	6,341
	<u>16,437</u>	<u>18,244</u>

Pursuant to the Deed, the Manager is entitled to a base fee of up to 1% per annum of the total asset value and a performance fee of up to 5% per annum of net property income. For the financial year ended 31 December 2021, the Manager has accounted for a base fee of 0.29% (FY 2020: 0.29%) per annum of the total asset value, payable quarterly in arrears, and a performance fee of 4.75% (FY 2020: 4.75%) per annum of net property income, payable semi-annually in units after distribution to unitholders, except for the performance fee related to East Coast Mall which is payable in cash.

In addition to the above, the Manager is also entitled to an acquisition fee of up to 1% of the purchase price and a divestment fee of up to 0.5% of the sale price of any authorised investment/divestment.

During the financial year ended 31 December 2021, the Manager was paid 7,110,000 of units (FY 2020: 6,309,000 of units) in CLMT or equivalent to RM4,469,000 (FY 2020: RM5,847,000), as part settlement of its management fee for the period from 1 July 2020 to 30 June 2021. The Manager disposed 4,388,000 and 2,722,000 of CLMT units (FY 2020: 3,634,000 and 2,675,000) at cost to a related party, Menang Investment Limited, on 12 May 2021 and 10 November 2021 (FY 2020: 18 March 2020 and 30 November 2020) respectively.

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

15. TRUSTEE'S FEE

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

With the agreement from Trustee, the Trustee's fee for the financial year ended 31 December 2021 was RM400,000 (FY 2020: RM400,000).

Notes to the Financial Statements

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16. FINANCE COSTS

	Group		Trust	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Interest expense on secured term loans	29,703	39,214	29,703	39,214
Interest expense on unrated and secured MTN	12,128	12,243	–	–
Interest expense on RTFA with subsidiary	–	–	12,128	12,243
Interest expense on secured and unsecured revolving credits	5,261	6,022	5,261	6,022
Amortisation of transaction costs on borrowings	854	834	659	638
Others	175	166	370	362
	48,121	58,479	48,121	58,479

17. TAXATION

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

As CLMT will distribute more than 90% of its distributable income for the financial year ended 31 December 2021 to its unitholders, no provision for tax expense has been made for the current financial year.

	2021 RM'000	2020 RM'000
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Group and the Trust

Deferred tax reversal	(5,490)	(12,267)
Taxation for the financial year	(5,490)	(12,267)

Reconciliation of tax expense is as follows:

Loss before taxation	(35,883)	(96,771)
Income tax at Malaysian statutory tax rate of 24%	(8,612)	(23,225)
Effect of net fair value losses on investment properties not subject to tax	18,333	37,884
Effect of income not subject to tax	(8,580)	(16,886)
Effect of expenses not deductible for tax purposes	2,768	2,227
Effect of double deduction on tax expense	(3,909)	–
	–	–
Effect of net cumulative fair value changes on investment properties subject to Real Property Gain Tax	(5,490)	(12,267)
Taxation for the financial year	(5,490)	(12,267)

Notes to the Financial Statements

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18. LOSS PER UNIT

Basic and diluted loss per unit

The calculation of loss per unit is based on the weighted average number of units and loss for the financial year.

	2021 RM'000	2020 RM'000
Group and the Trust		
Loss for the financial year	(30,393)	(84,504)
Add: Manager's management fee	16,437	18,244
Loss for the financial year before Manager's management fee	<u>(13,956)</u>	<u>(66,260)</u>
	2021 '000	2020 '000
Issued units at the beginning of the financial year	2,063,846	2,051,753
Weighted average number of units issued during the financial year	40,877	4,423
Weighted average number of units at the end of the financial year	<u>2,104,723</u>	<u>2,056,176</u>
Loss per unit (sen)		
– before Manager's management fee	(0.66)	(3.22)
– after Manager's management fee	<u>(1.44)</u>	<u>(4.11)</u>

Diluted loss per unit equals to basic loss per unit as there are no potential dilutive units in issue.

Notes to the Financial Statements

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19. DISTRIBUTIONS TO UNITHOLDERS

	2021 RM'000	2020 RM'000
Group and the Trust		
Distributions to unitholders are from the following sources:		
Gross rental income	185,620	210,288
Interest income	1,215	1,512
Car park income and other revenue	38,487	51,111
Less: Expenses	(186,192)	(201,173)
Less: Adjustment for rounding difference	(97)	92
Distributable income	<u>39,033</u>	<u>61,830</u>
Distribution per unit (sen) of which:		
– taxable income (sen)	1.10	2.60
– non-taxable income (sen)	0.74	0.40
	<u>1.84</u>	<u>3.00</u>

The Manager declared a final income distribution of approximately RM20,882,000 or 0.98 sen per unit on 27 January 2022, for the period from 1 July 2021 to 31 December 2021. In total, CLMT will be paying approximately RM39,033,000, which is more than 90% of its distributable income, to its unitholders for the financial year ended 31 December 2021.

In the prior financial year, the Manager declared a final income distribution of approximately RM41,071,000 or 1.99 sen per unit on 22 January 2021, for the period from 1 July 2020 to 31 December 2020. This final income distribution was paid on 23 March 2021. In total, CLMT had paid approximately RM61,830,000, which is more than 90% of its distributable income, to its unitholders for the financial year ended 31 December 2020.

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

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 CLMT level is as follows:

Resident unitholders

- (a) Corporate Tax flow through, no withholding tax
- (b) Other than corporate Withholding tax at 10%

Non-resident unitholders

- (c) Corporate Withholding tax at 24%
- (d) Institutional investors Withholding tax at 10%
- (e) Individuals Withholding tax at 10%

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20. PORTFOLIO TURNOVER RATIO

There were neither acquisitions nor disposals of investments during and in the previous financial year. Hence, the Group portfolio turnover ratio (PTR) for both financial years was not computed.

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

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

21. MANAGEMENT EXPENSE RATIO

	2021 %	2020 %
Group		
Management expense ratio (MER)	<u>0.8</u>	<u>0.8</u>

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

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

22. CAPITAL COMMITMENTS

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

	2021 RM'000	2020 RM'000
Group and the Trust		
Contracted but not provided for	<u>1,714</u>	<u>1,881</u>

Notes to the Financial Statements

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23. FINANCIAL INSTRUMENTS

23.1 Categories of financial instruments

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

	Carrying amount Group		Carrying amount Trust	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Financial assets categorised as amortised cost:				
Trade and other receivables	25,983	28,230	25,978	28,224
Amount due from subsidiary	–	–	5,263	6,709
Cash and cash equivalents	76,176	71,876	71,237	65,637
	102,159	100,106	102,478	100,570
Financial liabilities categorised as amortised cost:				
Borrowings	1,412,269	1,409,813	1,112,860	1,110,599
Tenants' deposits	76,815	83,551	76,815	83,551
Amount due to subsidiary	–	–	300,000	300,000
Trade and other payables	45,303	49,504	44,969	49,121
	1,534,387	1,542,868	1,534,644	1,543,271

23.2 Net losses arising from financial instruments

	2021 RM'000	2020 RM'000
Group and the Trust		
Net losses on:		
Financial assets at amortised cost		
– Impairment losses for trade receivables (net)	(6,068)	(5,923)
– Interest income	1,215	1,512
	(4,853)	(4,411)
Financial liabilities at amortised cost		
– Finance costs	(48,121)	(58,479)
– Realised foreign exchange loss	(1)	(1)
	(48,122)	(58,480)

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23. FINANCIAL INSTRUMENTS (continued)

23.3 Financial risk management

Financial risk management is integral to the whole business of the Group and the Trust. The Group and the Trust adopt an integrated approach to manage the financial risks arising in the normal course of business.

The Group and the Trust have identified the following financial risk exposure from its use of financial instruments:

- Liquidity risk
- Credit risk
- Market risk

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

23.4 Liquidity risk

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

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

The health and sentiments of the debt markets in Malaysia directly affects the liquidity position of the Group and the Trust as external sources of funding are needed to fund new acquisitions or asset enhancement initiatives besides the need to refinance the existing borrowings when they mature.

At the reporting date, RM145,010,000 (FY 2020: RM140,760,000) of outstanding revolving credits will be subject to annual review within the next twelve months. The Group and the Trust will continue to manage their capital structure proactively by spreading out the debt maturities to a manageable size and maintaining an optimal gearing level.

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

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23. FINANCIAL INSTRUMENTS (continued)

23.4 Liquidity risk (continued)

Maturity analysis

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

	Note	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	0 – 1 year RM'000	1 – 2 years RM'000	2 – 5 years RM'000	More than 5 years RM'000
Group								
2021								
Bank borrowings (excluding unamortised transaction costs)	10	1,113,256	2.99 – 4.26	1,303,389	223,092	31,138	324,630	724,529
Unrated and secured MTN (excluding unamortised transaction costs)	10	300,000	3.24	314,544	9,705	304,839	–	–
Tenants' deposits		76,815	–	76,815	50,684	18,378	7,753	–
Trade and other payables	12	45,303	–	39,928	39,928	–	–	–
		<u>1,535,374</u>		<u>1,734,676</u>	<u>323,409</u>	<u>354,355</u>	<u>332,383</u>	<u>724,529</u>
2020								
Bank borrowings (excluding unamortised transaction costs)	10	1,111,567	2.90 – 4.60	1,245,861	174,368	423,778	53,531	594,184
Unrated and secured MTN (excluding unamortised transaction costs)	10	300,000	4.07	330,508	12,210	12,210	306,088	–
Tenants' deposits		83,551	–	83,551	50,295	16,387	16,740	129
Trade and other payables	12	49,504	–	42,431	42,431	–	–	–
		<u>1,544,622</u>		<u>1,702,351</u>	<u>279,304</u>	<u>452,375</u>	<u>376,359</u>	<u>594,313</u>

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23. FINANCIAL INSTRUMENTS (continued)

23.4 Liquidity risk (continued)

Maturity analysis (continued)

	Note	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	0 – 1 year RM'000	1 – 2 years RM'000	2 – 5 years RM'000	More than 5 years RM'000
Trust								
2021								
Bank borrowings (excluding unamortised transaction costs)	10	1,113,256	2.99 – 4.26	1,303,389	223,092	31,138	324,630	724,529
Tenants' deposits		76,815	–	76,815	50,684	18,378	7,753	–
Amount due to subsidiary	7	300,000	3.24	314,544	9,705	304,839	–	–
Trade and other payables	12	44,969	–	39,913	39,913	–	–	–
		<u>1,535,040</u>		<u>1,734,661</u>	<u>323,394</u>	<u>354,355</u>	<u>332,383</u>	<u>724,529</u>
2020								
Bank borrowings (excluding unamortised transaction costs)	10	1,111,567	2.90 – 4.60	1,245,861	174,368	423,778	53,531	594,184
Tenants' deposits		83,551	–	83,551	50,295	16,387	16,740	129
Amount due to subsidiary	7	300,000	4.07	330,508	12,210	12,210	306,088	–
Trade and other payables	12	49,121	–	42,416	42,416	–	–	–
		<u>1,544,239</u>		<u>1,702,336</u>	<u>279,289</u>	<u>452,375</u>	<u>376,359</u>	<u>594,313</u>

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

For the Group:

- (a) an amount of RM3,745,000 (FY 2020: RM4,318,000) for interest payable on the borrowings, was incorporated in the contractual cash flows of the bank borrowings and unrated and secured MTN; and
- (b) an amount of RM1,630,000 (FY 2020: RM2,755,000) for Manager's performance fee payable in units was not incorporated in the contractual cash flows.

For the Trust:

- (a) an amount of RM3,426,000 (FY 2020: RM3,950,000) for interest payable on the borrowings, was incorporated in the contractual cash flows of the bank borrowings; and
- (b) an amount of RM1,630,000 (FY 2020: RM2,755,000) for Manager's performance fee payable in units was not incorporated in the contractual cash flows.

Notes to the Financial Statements

AS AT 31 DECEMBER 2021

23. FINANCIAL INSTRUMENTS (continued)

23.5 Credit risk

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

Credit risk is controlled by credit verification procedures before lease agreements are entered into with tenants and ongoing balance monitoring to ensure minimum credit risk exposure. In addition, there is a stringent collection policy in place to ensure that credit risk is minimised. Other than the collection of security deposits, which typically amounts to an average of three months' rent in the form of cash or bankers' guarantee, the Group and the Trust also have vigilant monitoring and debt collection procedures. Debt turnover of the Group and the Trust as at 31 December 2021 was approximately 54 days (FY 2020: 43 days).

For other financial assets, the Group and the Trust minimise credit risk by dealing with restricted counterparties that meet the appropriate credit criteria and have high credit standing.

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

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

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

23.6 Market risk

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

23.6.1 Interest rate risk

The Group's and the Trust's investments in financial products and its fixed rate borrowings are exposed to a risk of change in the fair values of the instruments due to changes in interest rates. The Group's and the Trust's floating rate borrowings are exposed to a risk of change in cash flows due to changes in interest rate. Short term receivables and payables are not significantly exposed to interest rate risk. Of these instruments, the primary interest rate risk exposure of the Group and the Trust relates to interest-bearing borrowings.

In line with the Group's overall enterprise risk management framework, the Manager adopts a proactive interest rate management policy to manage the risk associated with changes in interest rates on the Group's and the Trust's loan facilities (including borrowing from subsidiary) and also seeking to ensure a competitive level of cost of debt. Interest rate risk is managed on an ongoing basis with the primary objective of limiting the extent to which interest expense could be affected by adverse movements in interest rates.

To mitigate the Group's and the Trust's exposure to fluctuation in interest rates, the Manager has locked in a proportion of the Group's and the Trust's borrowings at fixed interest rates. As at 31 December 2021, the Group's and the Trust's borrowings at fixed rates are 81.3% (FY 2020: 81.4%) and 81.3% (FY 2020: 81.4%) respectively while the remaining balances are on floating rates.

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

Notes to the Financial Statements

AS AT 31 DECEMBER 2021

23. FINANCIAL INSTRUMENTS (continued)

23.6 Market risk (continued)

23.6.1 Interest rate risk (continued)

Exposure to interest rate risk

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

	Note	Group		Trust	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Financial assets					
<i>Fixed rate instruments</i>					
Deposits placed with licensed banks	8	63,099	58,827	58,166	52,595
Amount due from subsidiary	7	–	–	4,930	6,230
		63,099	58,827	63,096	58,825
Financial liabilities					
<i>Fixed rate instruments</i>					
Secured term loans	10	848,680	848,680	848,680	848,680
Unrated and secured MTN	10	300,000	300,000	–	–
Amount due to subsidiary	7	–	–	300,000	300,000
		1,148,680	1,148,680	1,148,680	1,148,680
<i>Floating rate instruments</i>					
Secured term loans	10	69,750	69,750	69,750	69,750
Secured and unsecured revolving credit	10	194,826	193,137	194,826	193,137
		264,576	262,887	264,576	262,887
		1,413,256	1,411,567	1,413,256	1,411,567

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

An increase of 100 basis points (bp) in interest rate at the reporting date would have increased the finance costs by RM2,646,000 (FY 2020: RM2,629,000) per annum. A decrease in 100 bp in interest rate would have an equal but opposite effect. This analysis assumes that all other variables remain constant.

23.6.2 Currency risk

As the assets of the Group and the Trust are currently based in Malaysia, there is little or no foreign exchange exposure from operations. The Group and the Trust borrows in Malaysian Ringgit from domestic banks and debt capital market hence creating a perfect currency match for the Group's and the Trust's assets and liabilities. At the end of the financial year, the Group and the Trust are not exposed to any significant foreign currency risk.

Notes to the Financial Statements

AS AT 31 DECEMBER 2021

23. FINANCIAL INSTRUMENTS (continued)

23.7 Fair value information

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

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

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

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

	Carrying amount 2021 RM'000	Fair value 2021 RM'000	Carrying amount 2020 RM'000	Fair value 2020 RM'000
Group				
Tenants' deposits	76,815	75,969	83,551	82,259
Fixed rate secured term loans	848,680	841,635	848,680	857,370
Unrated and secured MTN	300,000	299,824	300,000	306,570
Trust				
Tenants' deposits	76,815	75,969	83,551	82,259
Fixed rate secured term loans	848,680	841,635	848,680	857,370
Amount due to subsidiary	300,000	299,824	300,000	306,570

The fair values of the tenants' deposits is categorised as Level 2 and the remaining financial liabilities are categorised as Level 3.

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

	2021 %	2020 %
Group and the Trust		
Tenants' deposits	1.9	1.9
Fixed rate secured term loans	4.1	3.2
Unrated and secured MTN	3.5	3.2
Amount due to subsidiary	3.5	3.2

Notes to the Financial Statements

AS AT 31 DECEMBER 2021

24. CAPITAL MANAGEMENT

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

The Manager maintains an optimal gearing ratio, which is defined as total borrowings divided by total asset value, that complies with regulatory requirements and financing covenants. Under the SC's REIT Guidelines, the gearing ratio of the Group should not exceed 60% (FY 2020: 60%) at the time the borrowings or financing facilities or deferred payment arrangements are incurred. The gearing limit for Malaysia real estate investment trusts was temporarily increased from 50% to 60% until 31 December 2022 as announced by Securities Commission on 12 August 2020. The gearing level of the Group stood at 35.9% (FY 2020: 35.3%), the Group has complied with the SC's requirements during the financial year.

	Note	2021 RM'000	2020 RM'000
Group			
Total asset value (before final income distribution)		3,932,949	3,999,414
Total borrowings (excluding unamortised transaction costs)	10	1,413,256	1,411,567
Gearing ratio (%)		35.9	35.3

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

Notes to the Financial Statements

AS AT 31 DECEMBER 2021

25. RELATED PARTIES

Identity of and transactions with related parties

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

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

	Group		Trust	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
The Manager				
CapitaLand Malaysia REIT Management Sdn. Bhd.				
– Management fee (Note 14)	16,437	18,244	16,437	18,244
The Trustee				
MTrustee Berhad				
– Trustee's fee (Note 15)	400	400	400	400
Related company of a material unitholder and of the Manager				
CapitaLand Retail Malaysia Sdn. Bhd.				
– Project management fee for asset enhancement works	98	420	98	420
U Mobile Sdn. Bhd.				
– Rental income from leasing of space	264	260	264	260

Notes to the Financial Statements

AS AT 31 DECEMBER 2021

26. OPERATING SEGMENTS

The Group has two reportable segments, Retail and Office. For each of the segment, the Group's Chief Operating Decision Makers (CODM) review internal/management reports for the assessment of segment performance.

Segment revenue comprises mainly income generated from its tenants. Segment net property income represents the income earned by each segment after allocating property operating expenses. Segment performance is measured based on the segment net property income.

Segment result include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated expenses comprise mainly non-operating and trust expenses.

	Retail RM'000	Office RM'000	Total RM'000
Group			
Segment loss for the year ended 31 December 2021			
Gross revenue	220,847	3,260	224,107
Net property income	<u>101,813</u>	<u>1,325</u>	<u>103,138</u>
Interest income			1,215
Other non-operating income			3,250
Fair value losses of investment properties (net)			(76,389)
Unallocated expenses			(18,976)
Finance costs			<u>(48,121)</u>
Loss before taxation			(35,883)
Taxation			<u>5,490</u>
Loss for the financial year			<u>(30,393)</u>
Segment loss for the year ended 31 December 2020			
Gross revenue	255,921	5,478	261,399
Net property income	<u>130,027</u>	<u>3,474</u>	<u>133,501</u>
Interest income			1,512
Other non-operating income			4,958
Fair value losses of investment properties (net)			(157,850)
Unallocated expenses			(20,413)
Finance costs			<u>(58,479)</u>
Loss before taxation			(96,771)
Taxation			<u>12,267</u>
Loss for the financial year			<u>(84,504)</u>

No segment assets and liabilities information is prepared as the Group's CODM assess the segment performance based on the segment's net property income.

No geographical segment information is prepared as the Group's properties are all located in Malaysia.

Manager's Report

CapitaLand Malaysia REIT Management Sdn. Bhd. (formerly known as CapitaLand Malaysia Mall REIT Management Sdn. Bhd.), the Manager for CapitaLand Malaysia Trust (CLMT or the Trust), has pleasure in presenting its report together with the audited financial statements of the Group and of the Trust for the financial year ended 31 December 2021.

CLMT is a Malaysia domiciled real estate investment trust (REIT) constituted by a deed dated 7 June 2010 (which was amended and restated on 13 July 2021) (the Deed) entered into between CapitaLand Malaysia REIT Management Sdn. Bhd. (the Manager) and MTrustee Berhad (the REIT Trustee). The Deed was registered with Securities Commission Malaysia (SC) on 20 September 2021. CLMT is regulated by the SC's Guidelines on Listed Real Estate Investment Trusts (REIT Guidelines), the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities) and other relevant laws and regulations.

Under the Deed, the principal activity of CLMT is to invest, on a long term basis, in a portfolio of income-producing real estate as deemed fit by the Manager, that are used for retail, commercial, office and industrial purposes, or such other non-real estate investments, as may be permitted under the Deed, the REIT Guidelines or by the SC, with a view of providing unitholders with long term and sustainable distribution of income and potential capital growth.

The Manager is of the view that it has achieved the investment objective for the financial year ended 31 December 2021. Except as disclosed in the financial statements, there was no change in the strategies and policies employed during the financial year.

Directors

The Directors of the Manager who have held office during the financial year until the date of this report are as follows:

Lui Chong Chee
Tan Choon Siang (appointed on 1 January 2022)
Jonathan Yap Neng Tong
Lim Cho Pin Andrew Geoffrey
Tan Boon Peng
Mohd Yusof bin Hussian
Foo Wei Hoong (appointed on 1 June 2021)
Tan Ming-Li (appointed on 1 June 2021)
David Wong Chin Huat (resigned on 1 June 2021)
Tuan Haji Rosli bin Abdullah (resigned on 1 June 2021)
Low Peck Chen (resigned on 1 January 2022)

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Manager was a party, whereby the Directors of the Manager might acquire benefits by means of the acquisition of units in or debentures of CLMT.

Since the end of the previous financial year, no Director of the Manager has received or become entitled to receive any benefit (other than a benefit included in the aggregated amount of remuneration received or due and receivable by the directors), by reason of a contract made by the Manager or a related corporation with any Director of the Manager or with a firm of which the Director of the Manager is a member of, or with a company in which the Director of the Manager has substantial financial interest.

Manager's Report

Directors' interests

According to the register of Directors' shareholdings kept by the Manager under Section 59 of the Companies Act 2016 in Malaysia, the interests of Directors of the Manager in office at the end of the financial year in units in CLMT during the financial year were as follows:

	At 1.1.2021 Unit	Acquired Unit	Sold Unit	At 31.12.2021 Unit
Low Peck Chen	12,081	576	–	12,657
Lim Cho Pin Andrew Geoffrey ¹	47,319	2,260	–	49,579
Mohd Yusof bin Hussian	60,374	2,883	–	63,257

1 Units held through nominees

The other Directors of the Manager in office at the end of the financial year did not have any interests in units in CLMT during the financial year.

Soft commission

There was no soft commission received by the Manager during the financial year from any broker or dealer by virtue of transactions conducted for CLMT.

Other information

- (a) Before the financial statements of the Group and of the Trust were made out, the Manager took reasonable steps:
- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts; and
 - to ensure that any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Manager is not aware of any circumstances:
- that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and the Trust inadequate to any substantial extent, or
 - that would render the values attributed to the current assets in the financial statements of the Group and of the Trust misleading, or
 - which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Trust misleading or inappropriate, or
 - not otherwise dealt with in this report or financial statements that would render any amount stated in the financial statements of the Group and of the Trust misleading.

Manager's Report

Other information (continued)

- (c) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Trust that has arisen since the end of the financial year which secures the liabilities of any other person; and
 - (ii) any contingent liability of the Group or of the Trust that has arisen since the end of the financial year.
- (d) In the opinion of the Manager:
- (i) except for those already disclosed in the financial statements, the results of the operations of the Group and of the Trust during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature;
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Trust for the financial year in which this report is made; and
 - (iii) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Trust to meet their obligations as and when they fall due.

Other significant events

Except for those already disclosed in the financial statements, there are no significant events during the financial year and up to the date of this report.

Changes in material litigation

The Manager is not aware of any pending litigation which is material since 31 December 2021 up to the date of this report.

Auditors

The auditors, KPMG PLT, have expressed their willingness to continue in office.

Signed on behalf of the Directors of the Manager in accordance with a resolution of the Board of Directors dated 14 February 2022.

Lui Chong Chee
Chairman

Tan Choon Siang
Chief Executive Officer

Date: 14 February 2022

Statement by the Manager

The Manager acknowledges its responsibility for the preparation of the annual financial statements of CapitaLand Malaysia Trust and its subsidiary (the Group). In the opinion of the Directors of the Manager, CapitaLand Malaysia REIT Management Sdn. Bhd. (formerly known as CapitaLand Malaysia Mall REIT Management Sdn. Bhd.), the financial statements set out on pages 142 to 185 are drawn up in accordance with the provisions of the Deed dated 7 June 2010 (which was amended and restated on 13 July 2021), the Securities Commission Malaysia's Guidelines on Listed Real Estate Investment Trusts, Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Trust as at 31 December 2021 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Directors of the Manager in accordance with a resolution of the Board of Directors dated 14 February 2022.

Lui Chong Chee
Chairman

Tan Choon Siang
Chief Executive Officer

Date: 14 February 2022

Statutory Declaration

I, **Soon Yeong Chyan**, the officer of CapitaLand Malaysia REIT Management Sdn. Bhd. (formerly known as CapitaLand Malaysia Mall REIT Management Sdn. Bhd.), primarily responsible for the financial management of CapitaLand Malaysia Trust, do solemnly and sincerely declare that the financial statements set out on pages 142 to 185, are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Soon Yeong Chyan, MIA CA12084, at Kuala Lumpur, Wilayah Persekutuan on 14 February 2022.

Soon Yeong Chyan

Before me:

Trustee's Report

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TO THE UNITHOLDERS OF CAPITALAND MALAYSIA TRUST
(FORMERLY KNOWN AS CAPITALAND MALAYSIA MALL TRUST)
(ESTABLISHED IN MALAYSIA)

We have acted as Trustee of CapitaLand Malaysia Trust (CLMT) for the financial year ended 31 December 2021. In our opinion and to the best of our knowledge, CapitaLand Malaysia REIT Management Sdn. Bhd. (formerly known as CapitaLand Malaysia Mall REIT Management Sdn. Bhd.), the Manager of CLMT, has managed CLMT in accordance with the limitations imposed on the investment powers of the Manager and the Trustee under the Deed dated 7 June 2010 (which was amended and restated on 13 July 2021) (the Deed), the Capital Markets and Services Act, 2007, Securities Commission Malaysia's Guidelines on Listed Real Estate Investment Trusts and other applicable laws during the financial year then ended.

We have ensured that the procedures and processes employed by the Manager to value/price the units of CLMT are adequate and that such valuation/pricing is carried out in accordance with the Deed and other regulatory requirements.

We also confirm that the income distributions declared and paid during the financial year ended 31 December 2021 are in line with and are reflective of the objectives of CLMT.

For and on behalf of the Trustee,
MTrustee Berhad

Nurizan Binti Jalil
Chief Executive Officer

Date: 14 February 2022

Independent Auditors' Report

TO THE UNITHOLDERS OF CAPITALAND MALAYSIA TRUST
(FORMERLY KNOWN AS CAPITALAND MALAYSIA MALL TRUST)
(ESTABLISHED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of CapitaLand Malaysia Trust (CLMT), which comprise the statements of financial position as at 31 December 2021 of the Group and of CLMT, and the statements of profit or loss and other comprehensive income, statements of changes in net asset value and statements of cash flows of the Group and of CLMT for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 142 to 185.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of CLMT as at 31 December 2021, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of CLMT in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants (By-Laws) and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of CLMT for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of CLMT as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties

Refer to Note 2(d) – Significant accounting policy: Investment properties and Note 4 – Investment properties.

Independent Auditors' Report

TO THE UNITHOLDERS OF CAPITALAND MALAYSIA TRUST
(FORMERLY KNOWN AS CAPITALAND MALAYSIA MALL TRUST)
(ESTABLISHED IN MALAYSIA)

The key audit matter

The Group owns a portfolio of investment properties comprising shopping malls and an office block located in Malaysia. Investment properties represent the single largest category of assets on the statements of financial position, at RM3,826,000,000 as at 31 December 2021.

These investment properties are stated at their fair values based on independent external valuations.

The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied i.e. a small change in the assumptions can have a significant impact to the valuation. These assumptions may be impacted by the general market uncertainty due to the outbreak of the COVID-19 pandemic.

This is a key audit matter because of the inherently subjective nature of investment property valuations arising from the use of assumptions in the valuation methodology, the general market uncertainty due to the COVID-19 impact and the financial significance of the balances.

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- We assessed the Manager's processes for the selection of the external valuers, the determination of the scope of work of the valuers, and the review and acceptance of the valuations reported by the external valuers.
- We considered the qualifications and competence of the external valuers vis-à-vis the expert's qualifications, membership of a professional body or industry association, and license to practice.
- We held discussion with the external valuers to understand their process, judgements and observations in determining the assumptions applied in their valuations and how they considered the implications of COVID-19 in their valuations.
- We considered the valuation methodologies used against those applied by other valuers for similar property types. We also considered other alternative valuation methods commonly used by external valuers.
- We tested samples of data applied in the projected cash flows used in the valuations by the external valuers to lease agreements and other supporting documents.
- We challenged the key assumptions used in the valuations by external valuers, such as capitalisation rates, by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected range, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the external valuers.
- We also considered the adequacy of the disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates. This includes the relationships between the key unobservable inputs and fair values, in conveying the uncertainties.

Independent Auditors' Report

TO THE UNITHOLDERS OF CAPITALAND MALAYSIA TRUST
(FORMERLY KNOWN AS CAPITALAND MALAYSIA MALL TRUST)
(ESTABLISHED IN MALAYSIA)

Information Other than the Financial Statements and Auditors' Report Thereon

CapitaLand Malaysia REIT Management Sdn. Bhd. (formerly known as CapitaLand Malaysia Mall REIT Management Sdn. Bhd.), (Manager) is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of CLMT and our auditors' report thereon.

Our opinion on the financial statements of the Group and of CLMT does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of CLMT, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of CLMT or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the Financial Statements

The Manager is responsible for the preparation of financial statements of the Group and of CLMT that give a true and fair view in accordance with the provision of the Deed dated 7 June 2010 (which was amended and restated on 13 July 2021), the Securities Commission Malaysia's Guidelines on Listed Real Estate Investment Trusts, Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determine is necessary to enable the preparation of financial statements of the Group and of CLMT that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of CLMT, the Manager is responsible for assessing the ability of the Group and of CLMT to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intend to liquidate the Group or CLMT or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of CLMT as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of CLMT, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Manager's internal control.

Independent Auditors' Report

TO THE UNITHOLDERS OF CAPITALAND MALAYSIA TRUST
(FORMERLY KNOWN AS CAPITALAND MALAYSIA MALL TRUST)
(ESTABLISHED IN MALAYSIA)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of CLMT to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of CLMT or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or CLMT to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of CLMT, including the disclosures, and whether the financial statements of the Group and of CLMT represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the Group and of CLMT for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

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

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Ow Peng Li
Approval Number: 02666/09/2023 J
Chartered Accountant

Petaling Jaya,

Date: 14 February 2022

CapitaLand Malaysia Trust climate-related disclosure in line with the Taskforce for Climate-related Financial Disclosure (TCFD)



CapitaLand Investments (CLI) had started to align its climate-related disclosures with TCFD recommendations in the four key areas of governance, strategy, risk management and metric and targets since 2017 and further declared its support for TCFD and its recommendations in 2019.

CLI and its REITs, including CapitaLand Malaysia Trust (CLMT) will be enhancing their TCFD reporting and will continue enhancing its implementation of TCFD recommendations.

Governance	
A.	<p>Recommended Disclosure as per TCFD: Describe the Board's oversight of climate-related risks and opportunities</p> <p>[Aligned with GRI 102: General Disclosures 102-18, 102-19, 102-20, 102-26, 102-27, 102-29, 102,31, 102-32]</p>
	<p>The Board of Directors of CapitaLand Malaysia REIT Management Sdn. Bhd., the Manager of CLMT, (the Board) considers sustainability issues as part of CLMT's strategic formulation, determines the material ESG factors and oversees the management and monitoring of the material ESG factors.</p> <p>The Board sets CLMT's risk appetite, which determines the nature and extent of material risks that CLMT is willing to take to achieve their strategic and business objective. As part of the material risk issues being highlighted, climate change has been identified as critical. The Board regularly reviews climate change risks as part of the Manager's Enterprise Risk Management (ERM) Framework.</p> <p>The Board is actively involved in discussions on environment-related initiatives, which include climate-related initiatives. Taking the lead from CLI, the Board is updated on relevant performance metrics as well as stakeholders' expectations on climate change. They are also kept aware of any environmental incidents, which may include climate-related damages or disruptions.</p>
B.	<p>Recommended Disclosure as per TCFD: Describe management's role in assessing and managing climate-related risks and opportunities</p> <p>[Aligned with GRI 102: General Disclosures 102-29, 102-31, 102-32]</p>
	<p>The Manager works closely with CapitaLand's Environmental, Health and Safety (EHS) Committee to manage climate-related risks and opportunities. This EHS Committee drives initiatives related to climate-related risks and opportunities, as well as the broader environmental issues. In alignment with CLI, the Manager's CEO is responsible for CLMT's climate change-related targets. A key objective of the Manager's senior management is to transit to a low-carbon business that is aligned with climate science and build a resilient and resource efficient portfolio.</p> <p>In 2021, CLI Group-wide sustainability management comes under the purview of CapitaLand Sustainability Council (SC) which comprises two Independent Board members and four executive committee members that report to the CLI Board. CapitaLand's Management Council consisting of the Group Chief Executive Officer (CEO), all Presidents and/or CEOs of business units and key management officers of the Corporate Office provide strategic management of ESG implementation across the CLI Group. The SC is supported by the Group Sustainability Office and various work teams to drive continued progress and improvement in the areas of ESG. It was chaired by one of CapitaLand Investment Board's independent directors and member of its Executive Resource and Compensation Committee and Risk Committee. The work teams comprise representatives from CapitaLand business units and corporate functions. This governance is cascaded from the Group level to CLMT level through the operations of CapitaLand's EHS Committee.</p>

CapitaLand Malaysia Trust climate-related disclosure in line with the Taskforce for Climate-related Financial Disclosure (TCFD)

Strategy	
A.	<p>Recommended Disclosure as per TCFD: Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term</p> <p>[Aligned with GRI 102: General Disclosures 102-15]</p>
	<p>As a CapitaLand-sponsored real estate investment trust, CLI's identified ESG issues have been deemed to be material and applicable to CLMT's business and operations. The selection of these issues will be guided by CLI's regular review, assessment and feedback process in relation to ESG topics moving forward.</p> <p>Climate change and emissions reduction is one of the key ESG material issues identified as relevant and critical for CLI and CLMT. Climate change risk has been identified as a key risk as part of its ERM Framework, and includes both physical and transitional risks. Physical risks include consideration of rising sea levels, violent storms, long intense heat waves, flash floods and freshwater depletion. Transitional risks include potentially more stringent regulations and increased expectations from customers and stakeholders.</p> <p>In line with the CLI Group, the Manager's strategy to identify and address climate-related risks and opportunities spans all areas of its real estate life cycle, from the earliest stage of the investment process, to design, procurement, construction, operations and redevelopment or divestment.</p> <ul style="list-style-type: none"> – All new investments into operational assets and development projects undergo the EHS Impact Assessment during due diligence to identify any environmental (including climate change) risks and opportunities related to the asset/project site and its surroundings. The assessment covers performance metrics such as energy efficiency, as well as transitional and physical risk and opportunity considerations. Significant findings from the assessment would be incorporated in the investment paper submitted to CLMT's Board for approval. – Through the implementation of CLI Group's Sustainable Building Guidelines (SBG), it aims to identify and address the risks and opportunities of climate change right from the design stage. The local context of each project will be studied in detail, and appropriate measures will be taken into consideration with regards to adaptation of climate change. SBG also sets guidelines for buildings to be more energy efficient, e.g. setting green rating targets, specifying minimum equipment efficiency, and requiring the use of onsite renewable energy whenever possible. – At the operational asset level, the CLI Group's Environment, Health and Safety Management System (EHSMS), which is audited by a third-party accredited certification body to ISO 14001 standard, serves to monitor transition risks relating to climate regulations via EHS legal registers updates and regular stakeholder engagement. Operational issues pertaining to climate change, energy and water are also identified and managed through the EHSMS to strengthen the climate resilience of its portfolio. – CL Group's 2030 Sustainability Master Plan further outlines the targets and pathways for transition to a low-carbon business that is aligned with climate science. Energy use and carbon reduction targets, as well as green certification targets are set for its operational assets. Initiatives are put in place to improve the environmental performance, resilience and durability of its assets through system upgrades, system optimisation, effective maintenance and changes to user behaviour. The continued achievement of high green building ratings as well as energy and water efficiency measures put in place to achieve the reduction targets would help to mitigate the impact of changing weather conditions. <p>As part of the 2030 Sustainability Master Plan formulation, CLMT generally considers medium term time frames to be until 2030, and long term beyond 2030 in relation to the identification of climate-related risks and opportunities.</p>

CapitaLand Malaysia Trust climate-related disclosure in line with the Taskforce for Climate-related Financial Disclosure (TCFD)

Strategy (continued)	
B.	<p>Recommended Disclosure as per TCFD: Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p> <p>CLI piloted various physical risk platforms with sample global assets (including some CLMT assets), to prepare for its group-wide scenario analysis study. CLI and its REITs aim to conduct its climate scenario analysis in 2022 for its global portfolio, including CLMT’s assets. This analysis would consider scenarios based on the latest global and scientific developments, and likely cover a spectrum of scenarios from 1.5°C to 4°C scenarios for current to long term time frames, to draw conclusions on the financially material physical and transition risks, and validate its current strategy. It will then review its mitigation and adaptation plans, identify opportunities, in alignment with CapitaLand’s 2030 Sustainability Master Plan, which is designed to build resilience throughout its operations and future-proof CLI Group’s real estate portfolio to guard against climate change risks and to avoid premature obsolescence and adopt available opportunities.</p>
Risk Management	
A.	<p>Recommended Disclosure as per TCFD: Describe the organisation’s processes for identifying and assessing climate-related risks</p> <p>[Aligned with GRI 201: Economic Performance 201-2]</p> <p>CLMT conducts an annual Group-wide Risk and Control Self-Assessment (RCSA) exercise that requires business units and corporate functions to identify, assess and document material risk which includes ESG relevant risks, along with their key controls and mitigating measures. Material risks and their associated controls are consolidated and reviewed at the REIT level before they are presented to the Manager’s Audit Committee and the Manager’s Board. This exercise is based on CLI’s annual Group-wide RCSA exercise, review of the Risk Appetite Statement and Key Risk Indicator on Climate Change and Environmental Risk. Such climate-related risks and opportunities are identified and mitigated through CapitaLand’s Enterprise Risk Management (ERM) framework, and its externally certified ISO 14001 Environmental Management System (EMS).</p> <p>CLMT’s risk management process to address its key risks and uncertainties, including climate change, is discussed further in CLMT 2021 Annual Report, Enterprise Risk Management on pages 105 to 109.</p> <p>Upon completion of the scenario assessment study, targeted in 2022, the CLI Group and the Manager will review and update, if appropriate, the processes associated with risk management in order to account for environmental and climate-related risks.</p>

CapitaLand Malaysia Trust climate-related disclosure in line with the Taskforce for Climate-related Financial Disclosure (TCFD)

Risk Management (continued)	
	<p>Climate-related risks and opportunities are identified and mitigated through CLI's ERM Framework. CLMT prioritises material ESG issues based on the likelihood and potential impact of the issues affecting business continuity and development. Notably, CLMT is cognisant of the risk posed by existing and emerging regulatory requirements with relation to climate change as it is outlined in CapitaLand's ERM Framework as a transitional climate change risk. Some of these risks include:</p> <ul style="list-style-type: none"> • Regulatory or compliance risk, prompted by certain regulations in the countries of operation. These include but not limited to the Environmental Risk Management Guidelines introduced by the Monetary Authority of Singapore (MAS) in 2020 requiring financial institutions and asset managers to place greater emphasis on both physical and transitional environmental risks and the Singapore Stock Exchange mandate from December 2021 that all issuers must provide climate reporting that is aligned to the recommendations of the Task Force on Climate-related Financial Disclosures on a 'comply or explain' basis in their sustainability reports from the financial year (FY) commencing 2022. Climate reporting will be mandatory for the materials and buildings industry from FY 2024. Even though these regulations would not cover the activities of CLMT, the REIT is referring to them as best market practice. With this, CLMT will be in a better position to work towards adopting stretch recommendations that are fully aligned with TCFD disclosures by end 2024 that are expected of financial institutions regulated by Bank Negara Malaysia. • Market risks, including shifts in carbon and electricity prices, or customer expectations, prompted by the conclusions of COP26 in November 2021, where it was recognised that urgent action is needed to combat global warming and this can only be done through global action from governments and businesses. Other developments, such as Malaysia's aim to achieve carbon neutrality by 2050 at the earliest, are also monitored by CLMT as they affect the day-to-day operations and practices of the REIT.
B.	<p>Recommended Disclosure as per TCFD: Describe the organisation's processes for managing climate-related risks.</p> <p>Physical risks are observed through the regular monitoring of incidents across the portfolio, for example the cases of floods. In 2020, CLI had conducted a global portfolio baseline study to better understand its portfolio's physical climate risk in relation to floods. This included insights into whether the properties were located in low lying plains, encountered flooding in previous years, had equipment located in the basement, etc. Globally, most of CLI's properties already have flood control features/measures in place, such as flood barriers, sensors, water level pumps and flood emergency response plans.</p>
C.	<p>Recommended Disclosure as per TCFD: Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.</p> <p>Through CLI's ERM Framework and the implementation of the EHS Internal Audit for all new investments, it identifies and prioritise certain physical risks, e.g. floods are highlighted in the due diligence reports and plans to integrate climate change resilience and adaptation considerations into the design, development and management of its properties are identified. To further strengthen climate resilience to flood risk, CLI will regularly engage its business units to ensure flood emergency response plans are implemented across its portfolio.</p>

CapitaLand Malaysia Trust climate-related disclosure in line with the Taskforce for Climate-related Financial Disclosure (TCFD)



Metrics and Targets	
A.	<p>Recommended Disclosure as per TCFD: Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>[Aligned with GRI 102: General Disclosures 102-30]</p>
	<p>At the CLI Group level, CLI has tracked and reduced the carbon emissions of its managed and owned operational properties, including those of CLMT, via its cloud-based Environmental Tracking System. All related metrics have been regularly disclosed in its annual Global Sustainability Report. Since 2010, CapitaLand has been disclosing scope 1, 2 and 3 GHG emissions of its global portfolio and the data has been externally assured.</p> <p>Furthermore, in 2020, the CLI Group had their carbon emissions reduction targets approved by the Science Based Targets initiative (SBTi) for a 'Well-below 2°C' scenario. This target is in line with the goals of the Paris Agreement to keep global temperature rise well below 2°C in this century. In 2022, the CLI Group would be evaluating the targets and the progress towards them and explore options for any long term targets of decarbonisation. Please refer to the CapitaLand Investment Global Sustainability Report 2021 which will be published by May 2022.</p>
B.	<p>Recommended Disclosure as per TCFD: Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p> <p>[Aligned with GRI 102: General Disclosures 102-29, 102-30 and GRI 201: Economic Performance 201-2]</p>
	<p>For the full Financial Year (FY) of 2021, Direct Scope 1 carbon emissions for CLMT portfolio is very minimal and thus not disclosed. Indirect Scope 2 carbon emissions amounted to 33,012 tonnes. Carbon intensity was 7.3 kgCO₂e/m² per month. Overall carbon intensity (tCO₂e/m²) for Indirect Scope 2 carbon emissions was reduced by 34% from the 2009 baseline, which contributes towards the CLI Group's carbon emissions reduction targets. To calculate its carbon emissions, CLMT takes guidance from the operational control approach as defined by the GHG Protocol Corporate Standard, in line with the CLI Group. For more information, please refer to page 119.</p>
C.	<p>Recommended Disclosure as per TCFD: Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.</p>
	<p>In alignment with the CLI Group, CLMT has set sustainability and climate-related performance metrics and targets that are linked to the remuneration policies for members of senior management, such as the Balance Scorecard (BSC) framework for FY 2021 which had included both quantitative and qualitative targets relating to climate change.</p> <p>CLI has also implemented a shadow internal carbon price in 2021 to quantify climate-related risk and opportunities for its new investments. It is also developing a new metric, Return on Sustainability, in addition to the regular financial return to measure the CLI Group's ESG impact. CLI will continue to explore new metrics to measure climate-related risks and opportunities.</p>

Statistics of Unitholdings

AS AT 31 JANUARY 2022

Issued and Fully Paid Units	2,130,855,734 units (voting rights: 1 vote per unit)
Public Spread	As at 31 January 2022, the public unitholding spread of CLMT was 61.61% ¹

¹ The figures were derived at after excluding unitholdings held by CMMT Investment Limited, Menang Investment Limited and Directors of the Manager, pursuant to the definition of "public" under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

ANALYSIS BY SIZE OF UNITHOLDINGS

Size of Unitholdings	No. of Unitholders	% of Unitholders	No. of Units	% of Units
Less than 100	330	3.50	6,050	0.00
100 – 1,000	1,440	15.26	910,686	0.04
1,001 – 10,000	4,404	46.65	22,574,305	1.06
10,001 – 100,000	2,748	29.11	89,801,541	4.21
100,001 – less than 5% of approved fund size	514	5.44	548,840,350	25.76
5% and above the approved fund size	4	0.04	1,468,722,802	68.93
Total	9,440	100.00	2,130,855,734	100.00

THIRTY (30) LARGEST UNITHOLDERS AS PER RECORD OF DEPOSITORS

No	Name of Unitholder	Holdings	%
1	CMMT INVESTMENT LIMITED	754,036,203	35.38
2	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA	244,467,200	11.47
3	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	240,122,199	11.27
4	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	230,097,200	10.80
5	MENANG INVESTMENT LIMITED	63,830,787	2.99
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (AFFIN-HWG)	48,622,459	2.28
7	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA	45,117,000	2.12
8	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 2 – WAWASAN	42,000,000	1.97
9	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	33,574,100	1.58
10	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 3	19,952,900	0.94
11	CARTABAN NOMINEES (ASING) SDN BHD GIC PRIVATE LIMITED FOR GOVERNMENT OF SINGAPORE (C)	15,021,500	0.70

Statistics of Unitholdings

AS AT 31 JANUARY 2022

THIRTY (30) LARGEST UNITHOLDERS AS PER RECORD OF DEPOSITORS (continued)

No	Name of Unitholder	Holdings	%
12	AMANAHRAYA TRUSTEES BERHAD PUBLIC SMALLCAP FUND	14,343,931	0.67
13	AMANAHRAYA TRUSTEES BERHAD ASN UMBRELLA FOR ASN EQUITY 3	13,543,900	0.64
14	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO OF DFA INVESTMENT DIMENSIONS GROUP INC	13,340,903	0.63
15	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA 2	11,465,000	0.54
16	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ZURICH LIFE INSURANCE MALAYSIA BERHAD (LIFE PAR)	7,522,200	0.35
17	AREA STAR SDN BHD	7,513,007	0.35
18	AMANAHRAYA TRUSTEES BERHAD ASN IMBANG (MIXED ASSET BALANCED) 1	5,479,800	0.26
19	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	5,112,690	0.24
20	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ZURICH LIFE INSURANCE MALAYSIA BERHAD (NP-OTHER-REITS)	4,877,500	0.23
21	LIM SUAN	4,831,271	0.23
22	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEOH KOK SAN (BSDM-CL)	4,400,940	0.21
23	AMANAHRAYA TRUSTEES BERHAD ASN UMBRELLA FOR ASN IMBANG (MIXED ASSET BALANCED) 2	4,117,800	0.19
24	REMARKABLE VENTURES SDN BHD	3,900,000	0.18
25	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (AHAM EQUITY FUND)	3,790,205	0.18
26	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR TONG SEECH WI	3,619,528	0.17
27	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HONG HO AIK (E-PTS)	3,536,977	0.17
28	PERMODALAN NASIONAL BERHAD	3,340,500	0.16
29	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHANG SOON KOON (E-JBU)	3,162,048	0.15
30	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHOON BENG	3,070,043	0.14
	Total	1,857,809,791	87.19

Statistics of Unitholdings

AS AT 31 JANUARY 2022

LIST OF DIRECTORS' INTEREST

Name	Designation	Nationality	No. of Units Held Through Own Name	No. of Units Held Through Nominees	Total Unitholdings
Mr Lui Chong Chee	Non-Executive Independent Director	Singaporean	–	–	–
Mr Tan Choon Siang	Executive Non-Independent Director	Singaporean	–	–	–
Mr Foo Wei Hoong	Non-Executive Independent Director	Malaysian	–	–	–
Mr Tan Boon Peng	Non-Executive Independent Director	Malaysian	–	–	–
En Mohd Yusof bin Hussian	Non-Executive Independent Director	Malaysian	63,257	–	63,257
Ms Tan Ming-Li	Non-Executive Independent Director	Malaysian	–	–	–
Mr Jonathan Yap Neng Tong	Non-Executive Non-Independent Director	Singaporean	–	–	–
Mr Lim Cho Pin Andrew Geoffrey	Non-Executive Non-Independent Director	Singaporean	–	49,579	49,579
Total			63,257	49,579	112,836

SUBSTANTIAL UNITHOLDERS

No.	Name	No. of Units Held Through Own Name	No. of Units Held Through Nominees	Total Unitholdings	%
1	CMMT Investment Limited	754,036,203	–	754,036,203	35.38
2	Employees Provident Fund Board Employees Provident FD BD (AFFIN HWG) Registered with: <i>Citigroup Nominees (Tempatan) Sdn. Bhd.</i>	–	240,122,199 48,622,459	288,744,658	13.55
3	Amanah Saham Bumiputera Registered with: <i>AmanahRaya Trustees Berhad</i>	–	244,467,200	244,467,200	11.47
4	Kumpulan Wang Persaraan (Diperbadankan) Kumpulan Wang Persaraan (Diperbadankan) (AHAM Equity Fund) Registered with: <i>Citigroup Nominees (Tempatan) Sdn. Bhd.</i>	230,097,200	– 3,790,205	233,887,405	10.98
Total		984,133,403	537,002,063	1,521,135,466	71.38

Notice of Annual General Meeting

CAPITALAND MALAYSIA TRUST (formerly known as CapitaLand Malaysia Mall Trust)

[Established in Malaysia under the trust deed dated 7 June 2010 (as amended and restated on 13 July 2021) entered into between CapitaLand Malaysia REIT Management Sdn. Bhd. (formerly known as CapitaLand Malaysia Mall REIT Management Sdn. Bhd.) (200801018055 (819351-H)) and MTrustee Berhad (198701004362 (163032-V))]

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of the holders of units (“Units”) (“Unitholders”) of CapitaLand Malaysia Trust (“CLMT”) will be held on fully virtual basis through live streaming via Remote Participation and Electronic Voting facilities (“RPEV”) from the online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC – D6A357657) on Wednesday, 30 March 2022 at 10.00 a.m. to transact the following businesses:

ORDINARY BUSINESS

1. To receive the report of MTrustee Berhad, as trustee of CLMT (the “Trustee”), the report by CapitaLand Malaysia REIT Management Sdn. Bhd., as manager of CLMT (the “Manager”), and the Audited Financial Statements of CLMT for the financial year ended 31 December 2021 and the Auditors’ Report attached thereon.

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any modification, the following resolutions:

2. **PROPOSED AUTHORITY TO ALLOT AND ISSUE NEW UNITS PURSUANT TO PARAGRAPH 6.59 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (“PROPOSED AUTHORITY 1”)**

Ordinary
Resolution 1

“THAT pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), provisions of the trust deed dated 7 June 2010 (as amended and restated on 13 July 2021) and the approval of the relevant regulatory authorities, where such approval is required, authority be and is hereby given to the Manager to allot and issue new units in CLMT (“New Units”) from time to time to such persons and for such purposes as the Manager may in its absolute discretion deem fit and in the best interest of CLMT and its Unitholders, **PROVIDED THAT** the aggregate number of New Units issued pursuant to this resolution, when aggregated with the number of units in CLMT issued during the preceding 12 months, must not exceed 20% of the total number of units issued of CLMT for the time being comprising of 2,130,855,734 Units:

AND THAT the Proposed Authority 1 shall be effective and continue to be in force from the date of receipt of all relevant authorities’ approval or the date the Unitholders pass this resolution, whichever may be the later, until:

- (a) the conclusion of the next AGM of the Unitholders at which time it shall lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Unitholders is required by law to be held; or
- (c) the Proposed Authority 1 is revoked or varied by the Unitholders in a Unitholders’ meeting,

whichever occurs first (“Validity Period”);

Notice of Annual General Meeting

AND THAT the New Units to be issued pursuant to the Proposed Authority 1 shall, upon allotment and issuance, rank pari passu in all respects with the existing Units except that the New Units will not be entitled to any distributable income, right, benefit, entitlement and/or any other distributions that may be declared before the date of allotment and issuance of such New Units;

AND THAT authority be and is hereby given to the Manager and the Trustee, acting for and on behalf of CLMT, to give effect to the aforesaid Proposed Authority 1 with full powers to assent to any condition, variation, modification and/or amendment in any manner as the Manager and the Trustee may deem fit and in the best interest of CLMT and its Unitholders and/or as may be imposed by the relevant authorities, and to deal with all matters relating thereto;

AND FURTHER THAT authority be and is hereby given to the Manager and the Trustee, acting for and on behalf of CLMT, to take all such steps and do all acts, deeds and things in any manner (including execute such documents as may be required) as they may deem necessary or expedient to implement, finalise, complete and give full effect to the Proposed Authority 1."

(Please see Explanatory Note 1)

3. **PROPOSED RENEWAL OF UNIT BUY-BACK AUTHORITY TO REPURCHASE UP TO TEN PERCENT (10%) OF THE TOTAL NUMBER OF UNITS ISSUED ("PROPOSED RENEWAL OF UNIT BUY-BACK MANDATE")**

**Ordinary
Resolution 2**

"**THAT** subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**"), provisions of the trust deed dated 7 June 2010 (as amended and restated on 13 July 2021), and any prevailing laws, guidelines, rules and regulations issued by the relevant authorities, the Board of the Manager shall be authorised to repurchase the Units in CLMT for and on behalf of CLMT through Bursa Securities, subject to the following:

- (a) the aggregate number of Units in CLMT which may be repurchased shall not exceed ten percent (10%) of the total number of Units issued at the time of purchase and the compliance with the public unitholding spread requirements as stipulated under the Listing Requirements;
- (b) the maximum funds to be allocated by CLMT for the purpose of repurchasing the Units shall not exceed the aggregate of the retained profits of CLMT based on the latest audited financial statements of CLMT available at the time of purchase;
- (c) the authority conferred by this resolution shall be effective and continue to be in force from the date the Unitholders pass this resolution, whichever may be the later, until:
 - (i) the conclusion of the next AGM of the Unitholders at which time it shall lapse, unless by a resolution passed at the meeting, the authority is renewed; or

Notice of Annual General Meeting

- (ii) the expiration of the period within which the next AGM of the Unitholders is required by law to be held; or
- (iii) the authority is revoked or varied by the Unitholders in a Unitholders' general meeting,

whichever occurs first;

THAT where the Manager has repurchased the Units, the Board shall cancel the Units so repurchased immediately.

AND THAT authority be and is hereby given to the Board of the Manager, for and on behalf of CLMT, to sign and execute all documents, and do all acts and things as may be required for or in connection with and to give effect to, and to implement the Proposed Renewal of Unit Buy-Back Mandate with full power to do all such acts as they may consider necessary or expedient in the best interest of CLMT and its Unitholders so as to give full effect to the same with further power to assent to any condition, modification, variation and/or amendment as may be required or imposed by the relevant authorities."

(Please see Explanatory Note 2)

4. **PROPOSED AUTHORITY TO ALLOT AND ISSUE NEW UNITS PURSUANT TO THE DISTRIBUTION REINVESTMENT PLAN THAT PROVIDES THE UNITHOLDERS OF CLMT AN OPTION TO REINVEST THEIR CASH DISTRIBUTION INTO NEW UNITS ("PROPOSED AUTHORITY 2")**

Ordinary
Resolution 3

"THAT pursuant to the Distribution Reinvestment Plan ("**DRP**") established at the deferred AGM of CLMT held on 19 June 2020 and as approved by the Unitholders at the AGM of CLMT held on 31 March 2021, provisions of the trust deed dated 7 June 2010 (as amended and restated on 13 July 2021) and the approval of the relevant regulatory authorities, where such approval is required, authority be and is hereby given to the Manager to allot and issue New Units ("**DRP New Units**") from time to time as may be required to be allotted and issued pursuant to the DRP, upon such terms and conditions and to such persons as the Manager may in its absolute discretion deem fit and in the best interest of CLMT and its Unitholders, **PROVIDED THAT** the issue price shall not be more than 10% discount to the volume weighted average market price ("**VWAMP**") of the Units for the five (5) market days immediately preceding the price-fixing date. The VWAMP shall be adjusted ex-distribution(s) before applying the aforementioned discount **AND THAT** such authority to allot and issue New Units shall continue to be in force until the conclusion of the next AGM of CLMT.

THAT the New Units shall, upon allotment and issue, rank equally in all respects with the existing Units in issue, save and except that the holders of the DRP New Units will not be entitled to any distributable income, right, benefit, entitlement and/or any other distributions that may be declared before the date of allotment of the DRP New Units issued pursuant to the DRP.

Notice of Annual General Meeting

AND THAT authority be and is hereby given to the Board to do all such acts and things and enter into all such transactions, arrangements and agreements and to execute, sign and deliver for and on behalf of CLMT, all such documents and impose such terms and conditions or delegate all or any part of its powers as they may consider necessary or expedient in order to give full effect to the Proposed Authority 2 and DRP, with full power to assent to any condition, modification, variation and/or amendment including amendment, modification, suspension and termination of the DRP (irrespective of whether an election to exercise the distribution reinvestment has been made by the Unitholders), as the Board may, in their absolute discretion, deem fit and in the best interest of CLMT and its Unitholders and/or as may be imposed or agreed to by any relevant authorities.”

(Please see Explanatory Note 3)

BY ORDER OF THE BOARD

CAPITALAND MALAYSIA REIT MANAGEMENT SDN. BHD.

(formerly known as CapitaLand Malaysia Mall REIT Management Sdn. Bhd.)

(Registration No. 200801018055 (819351-H))

as Manager of CapitaLand Malaysia Trust (formerly known as CapitaLand Malaysia Mall Trust)

Teo Soh Fung (SSM PC No.: 202008001818) (MAICSA No. 7046614)

Teo Mee Hui (SSM PC No.: 202008001081) (MAICSA No. 7050642)

Company Secretaries

Kuala Lumpur

Malaysia

28 February 2022

Enclosures :

1. Explanatory Notes
2. Proxy Form

cc : MTrustee Berhad

Securities Commission Malaysia

Notice of Annual General Meeting

Notes:

1. **IMPORTANT NOTICE**

As part of the initiatives to curb the spread of Coronavirus Disease 2019 (“COVID-19”), the AGM will be conducted entirely on a fully virtual basis through live streaming via Remote Participation and Electronic Voting facilities (“RPEV”) via online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC – D6A357657).

2. *The conduct of a fully virtual AGM is in line with the revised Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 16 July 2021 (“Revised Guidance Note and FAQs”). The Revised Guidance Note and FAQs state that in a fully virtual general meeting, all meeting participants including the Chairperson of the meeting, board members, senior management and Unitholders are required to participate in the meeting online.*
3. *Unitholders are to participate, pose questions to the Board (via real time submission of typed texts) and vote remotely at the AGM via RPEV facilities. **Please read these Notes carefully and follow the Procedures in the Administrative Guide for the AGM in order to participate remotely.***
4. *Only Unitholders whose names appear in the Record of Depositors on 24 March 2022 are entitled to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote at the AGM.*
5. *A Unitholder may attend the AGM in person or appoint up to two proxies to attend the AGM and vote in the Unitholder’s place. A Unitholder holding 10,000 Units or less shall be entitled to appoint one proxy (whether a Unitholder or not). A Unitholder holding more than 10,000 Units shall be entitled to appoint maximum of two proxies (whether a Unitholder or not).*
6. *On a poll, every Unitholder who is present in person or by proxy/proxies has one vote for every Unit held by him.*
7. *Where the Unitholder is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one proxy for each securities account that holds 10,000 Units or less standing to the credit for the said securities account and up to two proxies for each securities account that has more than 10,000 Units standing to the credit for the said securities account.*
8. *Where a Unitholder appoints two proxies in accordance with such provision, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
9. *Any appointment of a proxy shall be in writing in the **Proxy Form** attached herewith under the hand of the Unitholder or of his duly appointed attorney or, if the Unitholder is a corporation, either under the seal or under the hand of an authorized officer or attorney duly authorised by a valid instrument.*
10. *A Unitholder who has appointed a proxy or attorney or authorised representative to attend, participate, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely at this AGM via RPEV facilities must request his/her proxy to register himself/herself for RPEV facilities via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. Please follow the Procedures in the Administrative Guide for the AGM in order to participate remotely.*
11. *The Proxy Form appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Poll Administrator office, Boardroom Share Registrars Sdn Bhd at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or at its website at <https://investor.boardroomlimited.com> (“eProxy Lodgement”), not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof; in default of this provision, the Proxy Form shall not be treated as valid. Please refer to the Administrative Details for the AGM for the steps on the eProxy Lodgement.*

Notice of Annual General Meeting

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote at the AGM and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of processing and administering the proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the Purposes), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

Explanatory Notes:

1. Ordinary Resolution 1 – Proposed Authority 1

The Proposed Ordinary Resolution 1, if passed, would enable the Manager to allot and issue New Units from time to time provided that the aggregate number of the New Units to be issued during the Validity Period, when aggregated with the number of units issued during the preceding 12 months must not exceed 20% of the total number of units issued of CLMT for the time being comprising of 2,130,855,734 Units.

The Proposed Authority 1 will allow the Manager the flexibility to allot and issue New Units to raise funds to finance future investments, acquisitions and capital expenditure to enhance the value of CLMT and/or to refinance existing debt as well as for working capital purposes, subject to the relevant laws and regulations. With the Proposed Authority 1, delays and further costs involved in convening separate general meetings to approve such issue of New Units to raise funds can be avoided.

Any allotment and issuance of New Units pursuant to the Proposed Authority 1 will be subject to the relevant approvals of Securities Commission Malaysia and Bursa Malaysia Securities Berhad.

2. Ordinary Resolution 2 – Proposed Renewal of Unit Buy-Back Mandate

Unitholders are advised to refer to the Statement to Unitholders dated 28 February 2022, which is available on CLMT website at www.clmt.com.my for further information.

3. Ordinary Resolution 3 – Proposed Authority 2

The Proposed Authority 2, if passed, will give authority to the Board of the Manager to allot and issue the DRP New Units pursuant to the DRP upon such terms and conditions and to such persons as the Manager may in its absolute discretion deem fit and in the best interest of CLMT and its Unitholders, and such authority shall expire at the conclusion of the next Annual General Meeting of CLMT.

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CAPITALAND MALAYSIA TRUST (formerly known as CapitaLand Malaysia Mall Trust)

[Established in Malaysia under the trust deed dated 7 June 2010 (as amended and restated on 13 July 2021) entered into between CapitaLand Malaysia REIT Management Sdn. Bhd. (formerly known as CapitaLand Malaysia Mall REIT Management Sdn. Bhd.) (200801018055 (819351-H)) and MTrustee Berhad (198701004362 (163032-V))]

Proxy Form

ANNUAL GENERAL MEETING

IMPORTANT:**Personal Data Privacy**

By submitting an instrument appointing proxy(ies) and/or representative(s), the Unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 28 February 2022.

I/We, _____ (Name(s) and NRIC no./Passport no./Company

Registration no.) of _____ (Address)

being a unitholder/unitholders of CapitaLand Malaysia Trust ("CLMT"), hereby appoint:

Name :	NRIC/Passport No.:	Proportion of Unitholdings	
		No. of Units	%
Address :			

and/or (delete as appropriate)

Name :	NRIC/Passport No.:	Proportion of Unitholdings	
		No. of Units	%
Address :			

or, failing whom, the Chairman of the Annual General Meeting, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Annual General Meeting of CLMT ("AGM") to be held on fully virtual basis through live streaming via Remote Participation and Electronic Voting facilities ("RPEV") from the online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC – D6A357657) on Wednesday, 30 March 2022 at 10.00 a.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the AGM.

No.	Ordinary Resolution:	For*	Against*
SPECIAL BUSINESS			
1	Proposed Authority 1		
2	Proposed Renewal of Unit Buy-Back Mandate		
3	Proposed Authority 2		

* If you wish to exercise all your votes "For" or "Against", please tick [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2022

Total number of Units held

Signature(s) of unitholder(s) / Common Seal^

^ Where the Proxy Form is executed by a corporation, it shall be either under its Common Seal or under the hand of an attorney or an officer on behalf of the corporation duly authorised, and a certified true copy (by the Company Secretary) of the power of attorney or of the board resolution of that corporation appointing such officer, shall be deposited with the Poll Administrator together with the Proxy Form.

IMPORTANT: PLEASE READ NOTES TO PROXY FORM ON REVERSE PAGE

Affix
postage
stamp

BOARDROOM SHARE REGISTRARS SDN BHD

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia

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IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to Proxy Form:

1. IMPORTANT NOTICE

- As part of the initiatives to curb the spread of Coronavirus Disease 2019 ("COVID-19"), the AGM will be conducted entirely on a fully virtual basis through live streaming via Remote Participation and Electronic Voting facilities ("RPEV") via online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC – D6A357657).
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 - On a poll, every Unitholder who is present in person or by proxy/proxies has one vote for every Unit held by him.
 - Where the Unitholder is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one proxy for each securities account that holds 10,000 Units or less standing to the credit for the said securities account and up to two proxies for each securities account that has more than 10,000 Units standing to the credit for the said securities account.

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- Where a Unitholder appoints two proxies in accordance with such provision, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- Any appointment of a proxy shall be in writing in the **Proxy Form** attached herewith under the hand of the Unitholder or of his duly appointed attorney or, if the Unitholder is a corporation, either under the seal or under the hand of an authorized officer or attorney duly authorised by a valid instrument.
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General

The Manager shall be entitled to reject any Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the Proxy Form submitted. The Manager may reject any Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his/her name in the Record of Depositors as at 24 March 2022.

Corporate Information

REGISTERED ADDRESS

MTrustee Berhad

(Registration Number:
198701004362 (163032-V))
B-2-9 (2nd Floor),
Pusat Perdagangan Kuchai
No. 2, Jalan 1/127
Off Jalan Kuchai Lama
58200 Kuala Lumpur
Telephone No.: +60 3 7983 1088
Facsimile No.: +60 3 7984 9612

Stock Exchange Listing

Main Market of Bursa Malaysia
Securities Berhad
Stock Name: CLMT
Stock Code: 5180

TRUSTEE

MTrustee Berhad

(Registration Number:
198701004362 (163032-V))

Business Address

Level 15, Menara AmFirst
No. 1, Jalan 19/3
46300 Petaling Jaya
Selangor Darul Ehsan
Telephone No.: +60 3 7954 6862
Facsimile No.: +60 3 7954 3712

MANAGER

CapitaLand Malaysia REIT Management Sdn. Bhd.

(formerly known as CapitaLand
Malaysia Mall REIT Management
Sdn. Bhd.)

(Registration Number:
200801018055 (819351-H))

Manager's Registered Office /

Principal Place of Business

Unit No. 1-27, Level 27,
Naza Tower
No. 10, Persiaran KLCC
50088 Kuala Lumpur
Telephone No.: +60 3 2279 9888
Facsimile No.: +60 3 2279 9889

Website

www.clmt.com.my

BOARD OF DIRECTORS OF THE MANAGER

Mr Lui Chong Chee

Chairman and Non-Executive
Independent Director

Mr Tan Choon Siang

Chief Executive Officer and
Executive Non-Independent
Director

Mr Foo Wei Hoong

Non-Executive Independent
Director

Mr Tan Boon Peng

Non-Executive Independent
Director

Encik Mohd Yusof bin Hussian

Non-Executive Independent
Director

Ms Tan Ming-Li

Non-Executive Independent
Director

Mr Jonathan Yap Neng Tong

Non-Executive Non-Independent
Director

Mr Lim Cho Pin Andrew Geoffrey

Non-Executive Non-Independent
Director

Executive Committee

Mr Jonathan Yap Neng Tong
(Chairman)

Mr Lim Cho Pin Andrew Geoffrey

Mr Tan Choon Siang

Audit Committee

Mr Foo Wei Hoong (Chairman)

Encik Mohd Yusof bin Hussian

Ms Tan Ming-Li

Nominating and Remuneration Committee

Mr Tan Boon Peng (Chairman)

Mr Lui Chong Chee

Mr Jonathan Yap Neng Tong

COMPANY SECRETARIES OF THE MANAGER

Teo Soh Fung

(SSM PC No.: 202008001818)

(MAICSA 7046614)

Unit No. 1-27, Level 27

Naza Tower

No. 10, Persiaran KLCC

50088 Kuala Lumpur

Teo Mee Hui

(SSM PC No.: 202008001081)

(MAICSA 7050642)

10th Floor, Menara Hap Seng

No. 1 & 3, Jalan P. Ramlee

50250 Kuala Lumpur

AUDITORS

KPMG PLT

(Firm No: LLP0010081-LCA &
AF0758)

Chartered Accountants

Level 10, KPMG Tower

8, First Avenue, Bandar Utama

47800 Petaling Jaya

Selangor Darul Ehsan

Telephone No.: +60 3 7721 3388

Facsimile No.: +60 3 7721 3399

Partner-In-Charge: Ms Ow Peng Li

UNIT REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.

(Registration Number:

197101000970 (11324-H))

Unit 32-01, Level 32, Tower A

Vertical Business Suite Avenue 3

Bangsar South No. 8 Jalan Kerinchi

59200 Kuala Lumpur, Malaysia

Telephone No.: +60 3 2783 9299

Facsimile No.: +60 3 2783 9222

PROPERTY MANAGERS

Knight Frank Property Management Sdn. Bhd.

(Registration Number:

201601040834 (1211775-H))

Suite 10.01, 10th Floor

Centrepoint South, Mid Valley City

Lingkar Syed Putra

59200 Kuala Lumpur

Telephone No.: +60 3 2289 9688

Facsimile No.: +60 3 2289 9788

Zaharin Nexcap Property Consultants Sdn. Bhd.

(Registration Number:

201401017278 (1093365-D))

Suite 23-5, Oval Tower Damansara

Menara Permata Damansara

No. 685, Jalan Damansara

60000 Kuala Lumpur

Telephone No.: +60 3 7733 2122

Facsimile No.: +60 3 7733 2103

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad

CIMB Bank Berhad

HSBC Bank Malaysia Berhad

Malayan Banking Berhad

Public Bank Berhad

RHB Bank Berhad

United Overseas Bank (Malaysia)

Bhd



**CAPITALAND MALAYSIA REIT
MANAGEMENT SDN. BHD.**

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