

CAPITAL MANAGEMENT

KEY FINANCIAL INDICATORS

	As at 31 December 2019	As at 31 December 2018
Unencumbered Assets as % of Total Assets (%) ¹	100.0	89.8
Aggregate Leverage (%) ²	32.9	34.2
Net Debt / EBITDA (times) ^{1,3}	6.4	6.8
Interest Coverage (times) ^{1,4}	4.7	5.2
Average Term to Maturity (years)	5.0	4.4
Average Cost of Debt (%) ^{1,5}	3.2	3.1
CMT's Issuer Rating ⁶	'A2'	'A2'

1 Exclude the effect of Financial Reporting Standard (FRS) 116 Leases which was effective from 1 January 2019.

2 In accordance with Property Funds Appendix, CMT's proportionate share of its joint ventures' borrowings and deposited property values are included when computing aggregate leverage. Correspondingly, the ratio of total gross borrowings to total net assets is 51.8%.

3 Net Debt comprises Gross Debt less temporary cash intended for refinancing and capital expenditure and EBITDA refers to net income of CMT Group before fair value changes, non-operational gain and/or loss, finance cost (net of interest income), tax, depreciation and amortisation.

4 Ratio of net income of CMT Group before fair value changes, non-operational gain and/or loss, finance cost (net of interest income) and tax over interest expense.

5 Ratio of interest expense over weighted average borrowings.

6 Moody's Investors Service has placed on review for downgrade the 'A2' issuer rating of CMT on 24 January 2020.

CAPITAL MANAGEMENT

In 2019, CMT MTN Pte. Ltd. (CMT MTN) issued a Singapore dollar denominated note and a US\$ denominated note under the unsecured S\$3.5 billion Multicurrency Medium Term Note Programme (MTN Programme) as follows:

1. S\$100.0 million fixed rate notes due 11 February 2026 at 3.15% per annum on 11 February 2019; and
2. US\$300.0 million fixed rate notes due 4 April 2029 at 3.609% per annum on 4 April 2019, which was swapped to S\$407.1 million at 3.223% per annum.

The above fixed rate notes were used to partially repay bank loans of S\$304.6 million and S\$202.5 million of the secured bank loans of Infinity Mall Trust (IMT).

The remaining secured bank loans of S\$202.5 million owed by IMT were repaid on 9 October 2019 using bank loans and internal sources of funds.

In October 2019, ¥10.0 billion fixed rate notes (swapped to S\$157.6 million) under the Euro-Medium Term Note Programme (EMTN Programme) was repaid with proceeds from internal source of funds.

CMT also drew down S\$180.0 million of bank loans and has entered into interest rate swaps for these bank loans to minimise its exposure to interest rate volatility.

CMT and its subsidiaries (CMT Group) hold derivative financial instruments to hedge its currency and interest rate risk exposures. The fair value derivative for Financial Year (FY) 2019, which was included in the financial statements as financial derivatives assets and financial derivatives liabilities were S\$25.0 million and S\$33.7 million respectively. This net financial derivatives liabilities of S\$8.7 million represented 0.1% of the net assets of CMT Group as at 31 December 2019.

The total borrowings of CMT Group as at 31 December 2019 are as follows:-

TOTAL BORROWINGS OF CMT GROUP

	S\$ million	%
Bank loans	292.9	8.3
Retail bonds	350.0	9.9
Unsecured Medium term notes and Euro-Medium term notes issued by CMT MTN ¹	2,904.1	81.8
Total unsecured borrowings at CMT Group	3,547.0	100.0

FOR INFORMATION ONLY

CMT's 40.00% interest in RCS Trust	S\$ million	%
Unsecured loans and unsecured Euro-Medium term notes issued by RCS Trust	468.6	100.0
	468.6	100.0

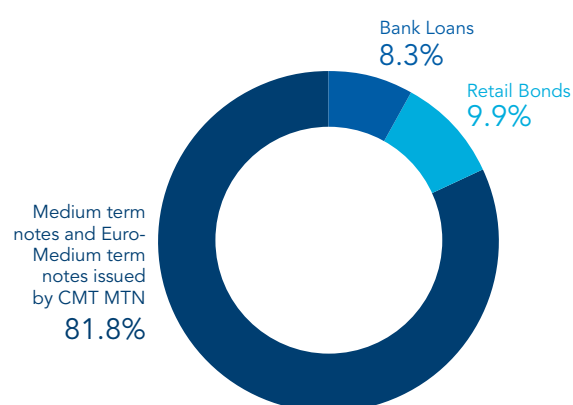
CMT GROUP – DEBT MATURITY PROFILE¹

	S\$ million	%
Within a year	262.2	7.4
After 1 year but within 5 years	1,678.8	47.3
After 5 years	1,606.0	45.3
	3,547.0	100.0

1 Includes foreign currency denominated notes which have been swapped to Singapore dollars at their respective swapped rates.

CMT GROUP - DEBT MIX BY TYPE (%)

As at 31 December 2019

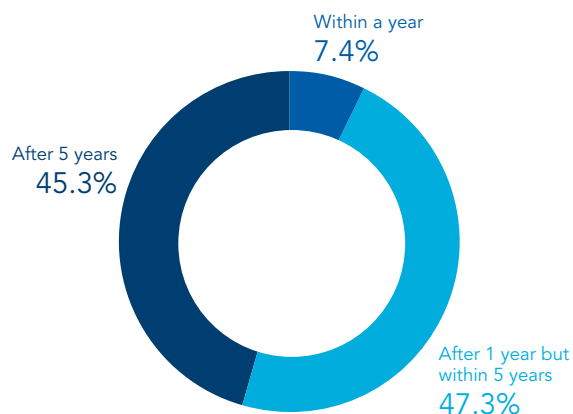


In summary, the total borrowings of CMT Group as at 31 December 2019 were S\$3,547.0 million with aggregate leverage at 32.9% and 100.0% unsecured. Average cost of debt was 3.2% as at 31 December 2019 compared to 3.1% as at 31 December 2018.

As at 31 December 2019, 7.4% or S\$262.2 million of CMT Group's borrowings will mature in 2020. CMT has

CMT GROUP - DEBT MATURITY PROFILE

As at 31 December 2019



sufficient internal resources and bank facilities to cover the repayments due in 2020. The manager of CMT (Manager) will continue to adopt a rigorous and focused approach to capital management.

The Manager is also committed to diversifying funding sources and will continue to review its debt profile to reduce refinancing risk.

CAPITAL MANAGEMENT

CMT'S 40.00% interest in RCS Trust

CMT has a 40.00% interest in RCS Trust. As at 31 December 2019, borrowings at RCS Trust amounted to S\$1,171.5 million comprising unsecured bank loans and unsecured notes of S\$446.5 million and S\$725.0 million respectively. CMT's 40.00% share thereof is S\$468.6 million.

Cash Flows and Liquidity

CMT Group takes a proactive role in monitoring its cash flow position and requirements to ensure sufficient liquidity and adequate funding is available for distribution to the Unitholders as well as to meet any short-term obligations.

Cash and Cash Equivalents

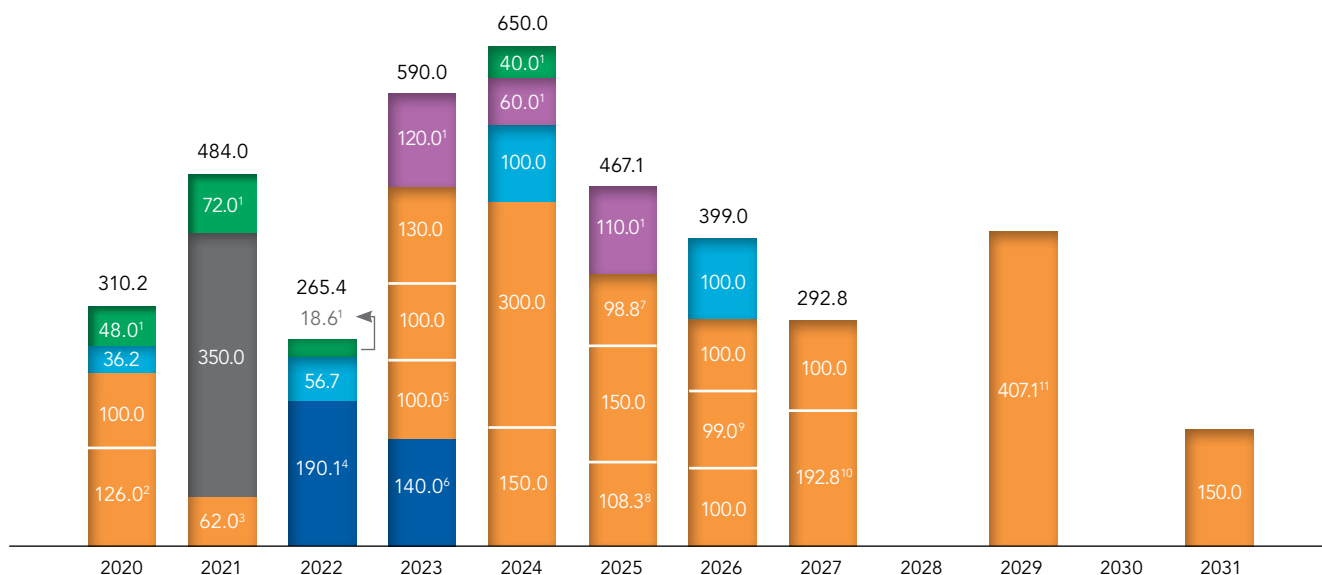
As at 31 December 2019, the value of cash and cash equivalents of CMT Group stood at S\$202.2 million, a decrease of S\$146.3 million compared to S\$348.5 million as at 31 December 2018 mainly due to utilisation of internal sources of funds to repay notes and bank loans.

ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the *Statement of Recommended Accounting Practice 'Reporting Framework for Unit Trusts'* (RAP 7) issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted generally comply with the principles relating to recognition and measurement of the Singapore Financial Reporting Standards.

DEBT MATURITY PROFILE AS AT 31 DECEMBER 2019

(including CMT Group's 40.00% interest in RCS Trust)
(S\$ million)



- Unsecured Bank Loans - 40.00% interest in RCS Trust
- Unsecured Bank Loans
- Notes issued under Multicurrency Medium Term Note Programme (unsecured)
- Notes issued under RCS Trust's Euro-Medium Term Note Programme (unsecured) - 40.00% interest in RCS Trust
- Retail Bonds due 2021 at fixed rate of 3.08% per annum (p.a.) (unsecured)
- Notes issued under Euro-Medium Term Note Programme (unsecured)

- 1 S\$1.1715 billion unsecured bank loans and notes by RCS Trust. CMT's 40.00% share thereof is S\$468.6 million.
- 2 ¥10.0 billion 1.039% fixed rate notes were swapped to S\$126.0 million at a fixed rate of 3.119% p.a. in November 2013.
- 3 ¥5.0 billion floating rate (at 3 months JPY LIBOR + 0.48% p.a.) notes were swapped to S\$62.0 million at a fixed rate of 3.148% p.a. in February 2014.
- 4 HK\$1.15 billion 3.76% fixed rate notes were swapped to S\$190.1 million at a fixed rate of 3.45% p.a. in June 2012.
- 5 ¥8.6 billion floating rate (at 3 months JPY LIBOR + 0.25% p.a.) notes were swapped to S\$100.0 million at a fixed rate of 2.85% p.a. in February 2015.
- 6 HK\$885.0 million 3.28% fixed rate notes were swapped to S\$140.0 million at a fixed rate of 3.32% p.a. in November 2012.
- 7 HK\$555.0 million 3.836% fixed rate notes were swapped to S\$98.8 million at a fixed rate of 3.248% p.a. in November 2018.
- 8 HK\$650.0 million 3.25% fixed rate notes were swapped to S\$108.3 million at a fixed rate of 3.25% p.a. in November 2014.
- 9 HK\$560.0 million 2.71% fixed rate notes were swapped to S\$99.0 million at a fixed rate of 2.928% p.a. in July 2016.
- 10 HK\$1.104 billion 2.77% fixed rate notes were swapped to S\$192.8 million at a fixed rate of 3.25% p.a. in February 2015.
- 11 US\$300.0 million 3.609% fixed rate notes were swapped to S\$407.1 million at a fixed rate of 3.223% p.a. in April 2019.