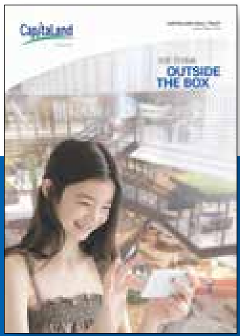
CapitaLand Mall Trust

CAPITALAND MALL TRUST
Annual Report 2018

WE THINK OUTSIDE THE BOX



WE THINK **OUTSIDE THE BOX**

For CapitaLand Mall Trust (CMT), looking at the world through a child's eyes lends a fresh perspective to how we continuously drive growth and create value. Our enthusiasm for new ideas, capacity for transformation, and commitment to constant improvement keep us on track to delivering retail assets of the future. From strengthening our portfolio to getting the best tenants to proactive asset management, CMT is committed to lead the way in terms of pushing boundaries and exemplifying excellence.

VISION

CREATING VALUE
MAXIMISING RETURNS
TRANSFORMING EXPERIENCES

CMT's vision embraces all our stakeholders. We rely on the continued and combined support of our Unitholders, business partners, tenants, shoppers and employees to achieve this vision and, in return, share with them the fruits of our success.

MISSION

To deliver stable distributions and sustainable total returns to Unitholders.

CORPORATE PROFILE

CapitaLand Mall Trust (CMT) is the first real estate investment trust (REIT) listed on Singapore Exchange Securities Trading Limited (SGX-ST) in July 2002. CMT is also the largest retail REIT by market capitalisation, approximately S$8.3 billion (as at 31 December 2018) in Singapore. CMT has been affirmed an ‘A2’ issuer rating by Moody’s Investors Service on 28 August 2018. The ‘A2’ issuer rating is the highest rating assigned to a Singapore REIT.

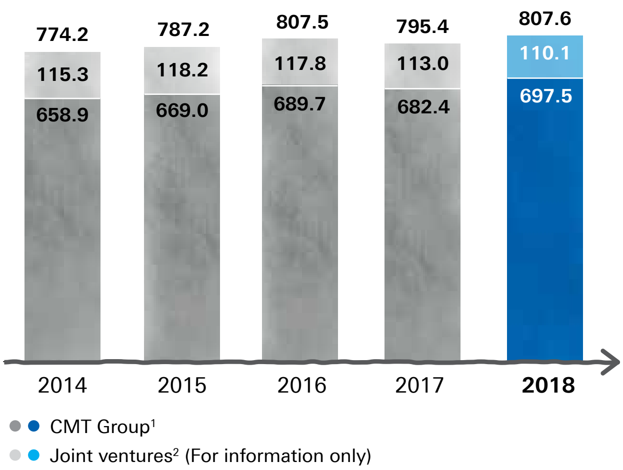
CMT owns and invests in quality income-producing assets which are used, or predominantly used, for retail purposes primarily in Singapore. As at 31 December 2018, CMT’s portfolio comprised a diverse list of close to 2,800 leases with local and international retailers and achieved a committed occupancy of 99.2%. CMT’s 15 quality shopping malls, which are strategically located in the suburban areas and downtown core of Singapore, comprise Tampines Mall, Junction 8, Funan, IMM Building, Plaza Singapura, Bugis Junction, JCube, Raffles City Singapore (40.00% interest), Lot One Shoppers’ Mall, 90 out of 91 strata lots in Bukit Panjang Plaza, The Atrium@Orchard, Clarke Quay, Bugis+, Bedok Mall and Westgate. CMT also owns 122.7 million units in CapitaLand Retail China Trust, the first China shopping mall REIT listed on SGX-ST in December 2006.

CMT is managed by an external manager, CapitaLand Mall Trust Management Limited, which is a wholly owned subsidiary of CapitaLand Limited, one of Asia’s largest real estate companies headquartered and listed in Singapore.

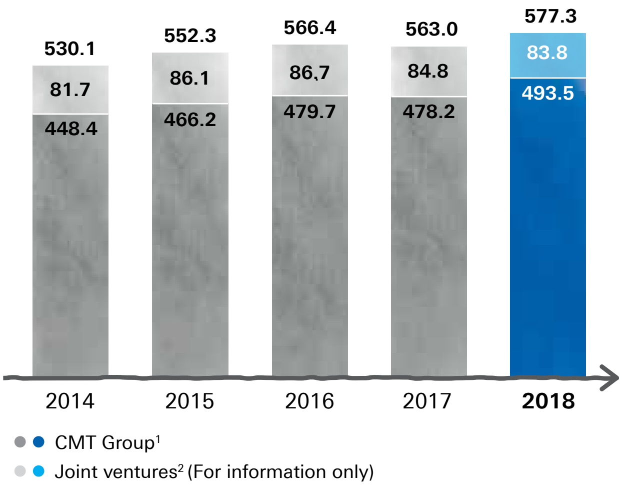
CONTENTS

FINANCIAL HIGHLIGHTS

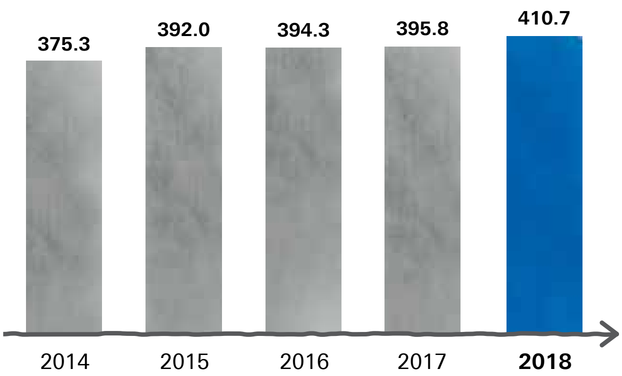
GROSS REVENUE
(S$ million)



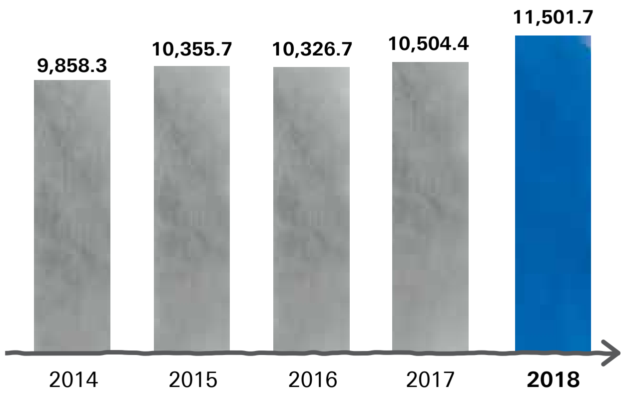
NET PROPERTY INCOME
(S$ million)



DISTRIBUTABLE INCOME
(S$ million)



TOTAL ASSETS
(S$ million)



1 On 1 October 2015, CMT acquired all the units in Brilliance Mall Trust (BMT) which holds Bedok Mall. Upon acquisition, BMT became a wholly owned subsidiary of CMT. On 15 December 2015, the divestment of Rivervale Mall was completed. On 30 August 2016, three private trusts namely Victory Office 1 Trust, Victory Office 2 Trust and Victory SR Trust (collectively, the Victory Trusts, each wholly owned by CMT) were constituted in relation to the redevelopment of Funan. CMT, together with the Victory Trusts jointly own and undertake to redevelop Funan which comprises a retail component (held through CMT), two office towers and serviced residences. On 31 October 2017, CMT divested all of the units held in Victory SR Trust, which holds the serviced residence component of Funan, to Victory SR Pte. Ltd., a wholly owned subsidiary of Ascott Serviced Residence (Global) Fund Pte. Ltd.. On 18 June 2018, the divestment of Sembawang Shopping Centre was completed. On 1 November 2018, the acquisition of the balance 70.00% of the units in Infinity Mall Trust (IMT) was completed. Upon the completion, IMT became a wholly owned subsidiary of CMT and its financials are consolidated to CMT Group's financial results with effect from 1 November 2018.

2 Joint ventures refer to CMT's 40.00% interest in RCS Trust and CMT's 30.00% interest in IMT (until 31 October 2018) and Infinity Office Trust.

GROUP	2014	2015[1]	2016[2]	2017[3]	2018[4]
For the Financial Year					
Selected Statement of Total Return and Distribution Data (S$ million)					
Gross Rental Income	607.9	615.4	639.6	629.4	639.2
Car Park Income	18.0	18.2	17.1	19.9	20.2
Other Income	33.0	35.4	33.0	33.1	38.1
Gross Revenue	**658.9**	**669.0**	**689.7**	**682.4**	**697.5**
Net Property Income	448.4	466.2	479.7	478.2	493.5
Distributable Income	375.3	392.0	394.3	395.8	410.7
Selected Statement of Financial Position Data (S$ million)					
Total Assets	9,858.3	10,355.7	10,326.7	10,504.4	11,501.7
Total Borrowings[5]	3,238.7	3,251.0	3,169.0	3,192.1	3,638.0
Net Asset Value Per Unit[6] (S$)	1.79	1.86	1.86	1.92	2.00
Unitholders' Funds	6,282.4	6,693.2[7]	6,692.2	6,928.0	7,429.3[7]
Market Capitalisation[8]	7,062.8	6,834.5	6,678.7	7,553.9	8,332.4
Portfolio Property Valuation	7,510.0	8,366.0	8,509.0[9]	8,770.4[9]	10,075.6[9]
Key Financial Indicators					
Earnings Per Unit (cents)	17.88	16.65	13.25	18.55	18.96
Distribution Per Unit (cents)	10.84	11.25	11.13	11.16	11.50
Management Expense Ratio[10](%)	0.8	0.7	0.7	0.7	0.7
Unencumbered Assets as % of Total Assets (%)	100.0	100.0	100.0	100.0	89.8[11]
Aggregate Leverage (%)	33.8	35.4	34.8	34.2	34.2
Net Debt / EBITDA[12] (times)	5.6	6.1	6.3	6.3	6.8
Interest Coverage (times)	4.1	4.8	4.8	4.9	5.2
Average Term to Maturity (years)	4.7	5.3[13]	5.3	4.9	4.4
Average Cost of Debt (%)	3.5	3.3	3.2	3.2	3.1

1 On 1 October 2015, CMT acquired all the units in BMT which holds Bedok Mall. Upon acquisition, BMT became a wholly owned subsidiary of CMT. On 15 December 2015, the divestment of Rivervale Mall was completed.

2 On 30 August 2016, three private trusts namely Victory Office 1 Trust, Victory Office 2 Trust and Victory SR Trust (collectively, the Victory Trusts, each wholly owned by CMT) were constituted in relation to the redevelopment of Funan. CMT, together with the Victory Trusts jointly own and undertake to redevelop Funan which comprises a retail component (held through CMT), two office towers and serviced residences.

3 On 31 October 2017, CMT divested all of the units held in Victory SR Trust, which holds the serviced residence component of Funan, to Victory SR Pte. Ltd., a wholly owned subsidiary of Ascott Serviced Residence (Global) Fund Pte. Ltd..

4 The divestment of Sembawang Shopping Centre was completed on 18 June 2018.
On 1 November 2018, CMT completed the acquisition of the balance 70.00% of the units in IMT which holds Westgate. Upon acquisition, IMT became a wholly owned subsidiary of CMT.

5 Amounts included foreign currency denominated notes which have been swapped into Singapore dollars at their respective swapped rates.

6 Excluded the distribution to be paid for the last quarter of the respective financial years except for 2018 which excluded the distribution for the period from 8 November 2018 to 31 December 2018.

7 On 1 October 2015, 4,100,515 and 72,000,000 Units (amounting to S$7.8 million and S$137.0 million) were issued as acquisition fee and partial consideration for the acquisition of BMT respectively.
On 8 November 2018, 134,089,000 Units with gross proceeds of S$277.6 million were issued via a private placement exercise. After deducting finalised transaction costs of S$4.5 million, net proceeds of S$273.1 million were used to partially finance the acquisition of the balance 70.00% of the units in IMT. On 9 November 2018, 3,693,343 Units amounting to S$7.9 million were also issued as acquisition fee for IMT.

8 Based on the closing unit prices of S$2.040 on 31 December 2014, S$1.930 on 31 December 2015, S$1.885 on 30 December 2016, S$2.130 on 29 December 2017 and S$2.260 on 31 December 2018.

9 Included investment properties under development in relation to Funan.

10 Refers to the expenses of CMT Group, excluding property expenses and finance costs but including performance component of CapitaLand Mall Trust Management Limited's management fees, expressed as a percentage of weighted average net assets.

11 Decrease to 89.8% as at 31 December 2018 as IMT is a wholly owned subsidiary of CMT following the acquisition of the balance 70.00% of the units in IMT. The secured bank loans owed by IMT to certain financial institutions are secured by a mortgage on Westgate.

12 Net debt comprises gross debt less temporary cash intended for refinancing and capital expenditure. EBITDA refers to net income of CMT Group before fair value changes, non-operational gain and/or loss, interest, tax, depreciation and amortisation.

13 Higher in 2015 mainly due to the long tenures of eight and 12 years for two series of MTN Notes issued under CMT MTN in 2015.

2018 HIGHLIGHTS

DISTRIBUTABLE INCOME

S$410.7 million

DISTRIBUTION PER UNIT

11.50 cents

MARKET CAPITALISATION

S$8.3 billion

AGGREGATE LEVERAGE

34.2%

PORTFOLIO OCCUPANCY RATE

99.2%

ANNUAL SHOPPER TRAFFIC

338.0 million

EXTENSIVE NETWORK OF TENANTS

~2,800 leases

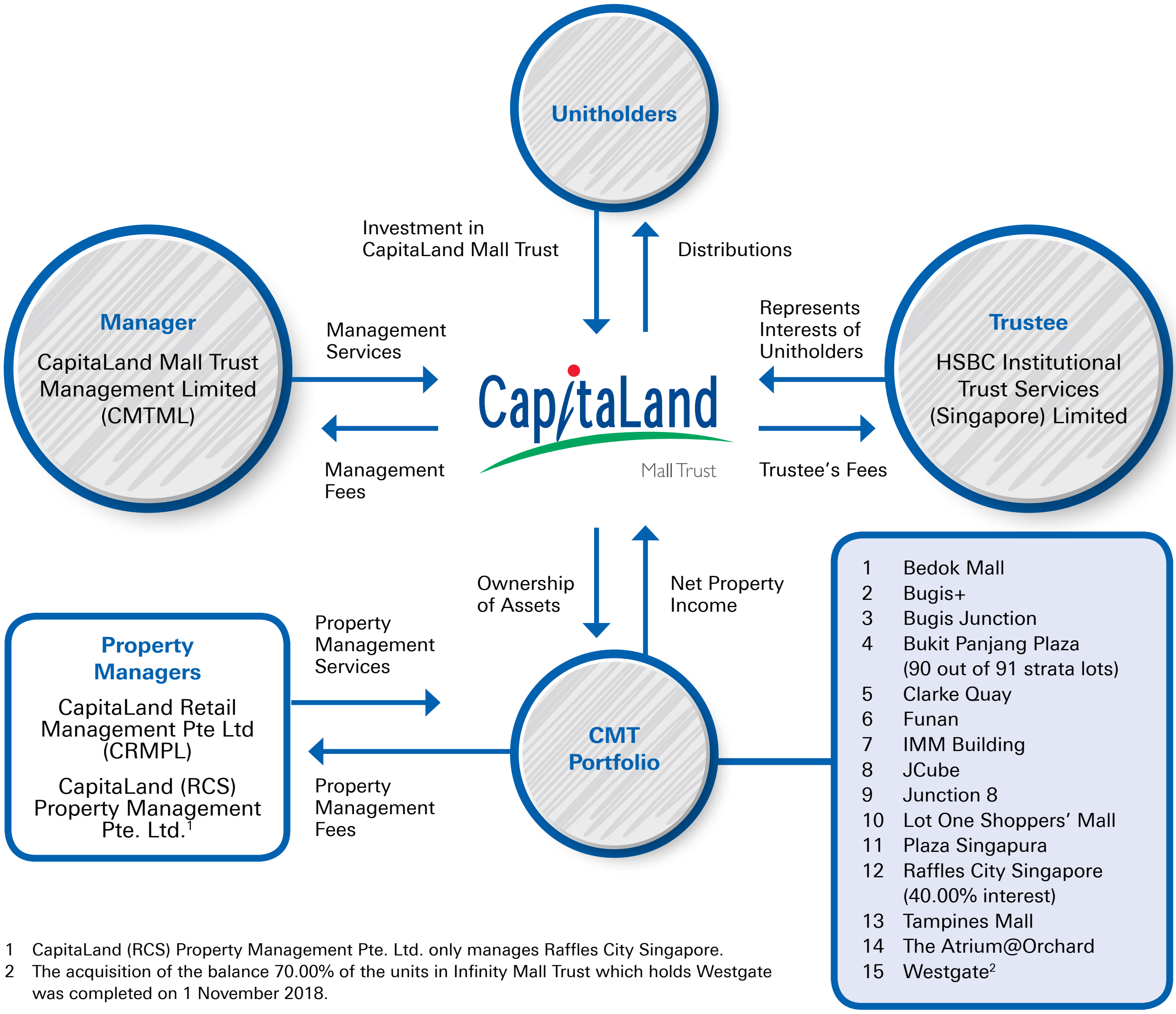
CREDIT RATING

A2 issuer rating by Moody's Investors Service

NUMBER OF PROPERTIES

15

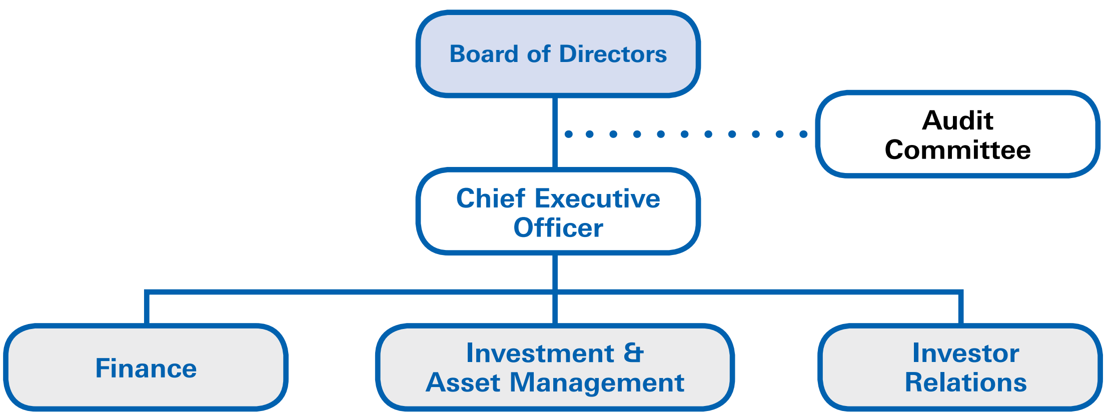
TRUST STRUCTURE



1 CapitaLand (RCS) Property Management Pte. Ltd. only manages Raffles City Singapore.
2 The acquisition of the balance 70.00% of the units in Infinity Mall Trust which holds Westgate was completed on 1 November 2018.

ORGANISATION STRUCTURE

CAPITALAND MALL TRUST MANAGEMENT LIMITED



THINKING BEYOND **BRICK-AND-MORTAR.**

Just as a curious child asks questions and ceaselessly wonders about the world, CMT constantly seeks to innovate and differentiate to maintain our competitive edge. We aim to offer new, extraordinary shopping and lifestyle experiences by harnessing technology and curating unique retail concepts, in sync with the evolving retail landscape.

S$697.5 million	11.50 cents
Gross Revenue	Distribution Per Unit

MESSAGE TO UNITHOLDERS

Dear Unitholders,

CapitaLand Mall Trust (CMT) has maintained its market leadership as Singapore's largest retail REIT in 2018 amidst the challenges of an evolving industry. Keeping our focus on value creation through portfolio reconstitution, proactive asset and capital management, we divested Sembawang Shopping Centre and redeployed the proceeds into the acquisition of the remaining interest in Westgate, a higher yielding quality asset. Thinking outside the box, we continued to ride on innovation and technology to test bed novel retail concepts. Funan's digital blueprint and the launch of NomadX at Plaza Singapura by CapitaLand were among the key initiatives in 2018 that differentiated us as a shopping mall owner who adapts to the evolving retail landscape to stay competitive and deliver sustainable long-term returns to Unitholders.

SOLID FINANCIAL RESULTS

We are pleased to report the results of another strong financial year in 2018. Distributable income was S$410.7 million for financial year (FY) 2018, an increase of 3.8% over the same period last year. Distribution per Unit was 11.50 cents, 3.0% higher than 2017. This translated to a distribution yield of 5.09% based on CMT's closing price of S$2.260 as at 31 December 2018.

Gross revenue and net property income have risen by 2.2% and 3.2% to S$697.5 million and S$493.5 million respectively in FY 2018. Gross revenue was higher mainly due to the completion of the acquisition of the remaining 70.00% interest in Westgate as well as higher contribution from Plaza Singapura, IMM Building, Tampines Mall, Junction 8 and Bedok Mall. This was partially offset by lower gross revenue from mainly Sembawang Shopping Centre due to its divestment, and lower occupancy from JCube and Bukit Panjang Plaza.

IMPROVED PORTFOLIO RESILIENCE

In November, we acquired the remaining 70.00% stake in Westgate for S$789.6 million. With 100% ownership of Westgate, we can now fully capitalise our strengths to capture the long-term growth potential in Jurong Lake District, which is slated to become Singapore's Western Business District.

Westgate's acquisition at an agreed price of S$1,128.0 million, on completed basis, had been preceded by the timely divestment of Sembawang Shopping Centre for S$248.0 million. This is in line with our portfolio reconstitution strategy to redeploy capital into high quality assets with better fundamentals.

Our Funan integrated development achieved structural completion in September 2018, two months ahead of schedule. The opening of the shopping mall in mid-2019 will further enhance our market presence. Including leases under active negotiations, the lease commitment at Funan has reached more than 80.0% as at 31 December 2018.

PROACTIVE ASSET PLANNING

Two asset enhancement initiatives (AEIs) were undertaken and completed during the year. The S$8.2 million rejuvenation of Tampines Mall involved the construction of a new duplex, enhancement of the mall facade and new flooring for the external walkway. Over at Westgate, refurbishment works to enhance shopper experience included the enclosure of selected alfresco dining outlets with air conditioning, improved shopper access with a new entrance point and escalators connecting Level 1 and 2, as well as increased visibility of shops in Basement 1.

AEIs serve to drive visitor traffic, elevate shopping experiences and create value for our retailers. As at 31 December 2018, CMT's portfolio occupancy of 99.2% remained well above the market average of 92.4% for suburban malls and 94.1% for Orchard Road malls[1]. We have been proactive in tenant retention and space optimisation. In 2018, we leased and renewed approximately 23.1% of CMT's net lettable area.

PRUDENT CAPITAL MANAGEMENT

We exercise prudence when managing our capital. Despite undertaking the acquisition of the balance 70.00% stake in Westgate this year, CMT's average cost of debt improved to 3.1% from 3.2% last year and aggregate leverage remained at 34.2% as at 31 December 2018.

Refinancing activities in 2018 included S$378.8 million[2] fixed rate notes due 2023 and beyond, issued by CMT MTN Pte. Ltd. through its S$3.5 billion Multicurrency Medium Term Note Programme (MTN Programme). HSBC Institutional Trust Services (Singapore) Limited as trustee-manager of RCS Trust also issued S$425.0 million fixed rate notes due 2024 and beyond through its US$2.0 billion Euro-Medium Term Note Programme.

In October, a private placement exercise raised about S$277.6 million. 98.4% of the amount was used to partially finance the acquisition of Westgate's remaining 70.00% stake, with the balance 1.6% used for the placement's transactional expenses.

THINKING BEYOND BRICK-AND-MORTAR

The growth of omni-channel retailing has presented new opportunities for CMT to support our retailers and increase their consumer touchpoints. The reimagined Funan, for example, features a digital blueprint that integrates technology and automation into the retail setting. Shoppers at this soon-to-complete development will be able to experience the convenience of a 24-hour click-and-collect drive-through facility, efficiency of automated guided vehicles and a robotic arm – a first for shopping malls in Singapore. The mall also houses a variety of open spaces and studios that promote new forms of retail, experimentation and social learning. Conceived to support the convergence of physical and digital (phygital) retail as Singapore's first online-and-offline shopping mall, Funan represents CMT's effort to pave the way forward in serving the needs of present and future generations of shoppers.

1 Extracted from Independent Retail Market Overview by Cistri on page 111 of this Annual Report.
2 Aggregated issuances under the S$3.5 billion MTN Programme, comprising fixed rate notes of S$130.0 million due 2023 at 3.2115% per annum, S$150.0 million due 2025 at 3.20% per annum; S$98.79 million (HKD555.0 million) due 2025 at a SGD fixed interest rate of 3.248% per annum.

MESSAGE TO UNITHOLDERS

Launch of NomadX at Plaza Singapura

Likewise, NomadX at Plaza Singapura is an experiential platform designed to bring to life phygital shopping experiences. The 11,000 sq ft space features "plug and play" rental units fitted with smart retail infrastructure. With a curated selection of 18 tenants, NomadX aims to delight shoppers with customised experiences by harnessing ecommerce, mobile shopping applications and local data analytics.

Complementing our earlier initiatives of CapitaStar, CapitaVouchers and CapitaCard, StarPay was launched in 2018 to enhance shopper convenience and generate new business opportunities for our retailers. Incorporated as an in-app feature on the CapitaStar mobile application, this ePayment service rewards shoppers with instant STAR$® and provides CapitaLand retailers with deeper consumer insights. Shopper traffic declined 0.9% year-on-year to 338.0 million on a comparable mall basis. Despite this, tenant sales per sq ft improved 0.5%.

Year-round marketing activities were also organised to deepen the malls' engagement with their respective communities. The multi-faceted activities were rolled out across the portfolio or in specific malls catering to a wide audience. The world's first DreamWorks KouKou Festival was one such well received event.

THINKING FOR THE LONG TERM

We are mindful that our continued success as an industry leader cannot depend on technology alone. Our priority is to understand the profile of shoppers in our local communities and stay nimble in serving their needs. Looking ahead, we remain vigilant of the evolving retail environment and global trends. We will be working more closely with tenants and business partners to create seamless retail experiences that delight regular shoppers and entice new visitors.

Our downtown malls, as well as the outlet stores at IMM Building, have enjoyed good traction among overseas visitors and business travellers. We will continue to leverage different communication channels, including collaborations with government agencies, to extend our outreach to this group of shoppers.

On the sustainability front, we are committed to act responsibly to maximise value for Unitholders and contribute to the communities we operate in. We believe in deepening our stakeholder engagement to ensure success in our journey ahead.

CMT received Shareholder Communications Excellence Award (REITs & Business Trusts category) at the SIAS 19th Investors' Choice Award

AWARDS AND ACCOLADES

In an industry marked by constant transformation, good corporate governance remains a priority for CMT. In 2018 our key accolades include:

Singapore Corporate Awards
REITs & Business Trusts category
Best Annual Report – Silver
Best Investor Relations – Silver

SIAS 19th Investors' Choice Award
REITs & Business Trusts category
Singapore Corporate Governance Award – Winner
Shareholder Communications Excellence Award – Winner

Institutional Investor 2018
Developed Markets – Small and Mid Cap category (Singapore)
Most Honoured Companies – ranked 2nd
Corporate Governance – ranked 2nd
Best IR Companies – ranked 2nd

Singapore Governance and Transparency Index
REIT & Business Trust category
Ranked 1st

ACKNOWLEDGEMENTS

Our success journey has been the culmination of teamwork and dedication. We would like to thank our fellow Board members for their guidance and support. We would also like to extend a special word of thanks to Mr Lim Ming Yan, who relinquished his roles as Deputy Chairman and Non-Executive Non-Independent Director in 2018 after more than five years of service. We wish Ming Yan every success in his next endeavour.

We would also like to record our appreciation to all staff, tenants, retailers and business partners for their unwavering loyalty and contributions. Above all, we are most grateful to our Unitholders, whose continued confidence has made our achievements possible.

Adj Prof Richard R. Magnus
Chairman

Tony Tan Tee Hieong
Chief Executive Officer

14 February 2019

致信托单位持有人之信函

尊敬单位持有人，

面对行业转型的挑战，凯德商用新加坡信托在2018年，继续保持市场领导地位，稳坐新加坡最大零售房地产投资信托基金的位置。我们通过重组资产组合与积极管理资产和资本来创造价值，在出售三巴旺购物中心后，将其收益用来购买收益率更高的优质资产西城的剩余权益。我们运用创意思考，通过创新和科技来测试新颖的零售概念。2018年主要的举措包括福南的数码蓝图和凯德集团在狮城大厦推出的NomadX。这些举措让凯德商用新加坡信托脱颖而出，体现了我们在不断变化的零售环境中能够适应、保持竞争力和为信托单位持有人提供可持续的长期回报。

强劲的财务业绩

在2018年里，我们很高兴再次取得良好业绩。可配发收入达4.107亿新元，同比增长3.8%。每单位派息为11.50分，同比高出3.0%。根据2018年12月31日2.260新元的闭市价，派息收益率为5.09%。

总收入和房地产净收入分别增长2.2%至6.975亿新元和3.2%至4.935亿新元。这主要归功于收购西城剩余的70.00%权益，以及狮城大厦，IMM大厦，淡滨尼广场，碧山第八站和勿洛广场的更高收益。部分收入被出售三巴旺购物中心以及裕冰坊和武吉班让大厦的较低出租率所抵消。

坚韧的资产组合

11月份，我们以7.896亿新元收购了西城剩余的70.00%股权。裕廊湖区正在发展成新加坡西部的商业区。有了西城100%的权益，我们可以充分利用信托的优势来捕获裕廊湖区的长期增长潜能。

在以约11.28亿新元完成价收购西城之前，我们以2.48亿新元出售三巴旺购物中心。这符合了我们资产组合的重组策略，将出售所得的资本重新注入质量更高、基础更坚实的资产。

福南综合体的建筑结构于2018年9月竣工，比预期提前两个月。在2019年中期重新开业后，福南将会进一步加强我们的市场网络。包括洽谈中的租赁合约，福南的出租率截至2018年12月31日已达到80.0%以上。

积极的资产规划

在这年内，我们完成了两项资产提升计划。淡滨尼广场耗资820万新元，建造新的双楼层店铺、美化商场外立面和重铺外部走道。西城的翻新计划则注重强化购物体验。主要工程包括为部分露天餐厅的开放空间装备空调，设置新的入口处和自动扶梯以更好的连接第一层和第二层，以及增强负一层商店的能见度。

资产提升计划能驱动客流量、提升购物体验和为租户创造价值。截至2018年12月31日，信托资产组合的整体出租率为99.2%，远高于郊区商场92.4%和乌节路商场94.1%[1]的市场平均水平。我们继续主动保留租户和优化空间的使用。2018年，我们出租和续租的可租用净面积约达23.1%。

严谨的资本管理

在资本管理方面，我们采取谨慎的态度。尽管收购了西城剩余的70.00%股权，截至2018年12月31日的平均债务成本却比去年低，由3.2%改进至3.1%，而资产负债比率则为维持在34.2%。

年内的再融资活动包括CMT MTN私人有限公司通过35亿新元[2]的多币种中期票据计划下所发行的3.788亿新元2023年到期的固定利率票据。作为莱佛士城新加坡信托的信托经理，汇丰机构信托服务（新加坡）有限公司也通过20亿美元的欧元中期票据计划，发行了2024年到期的4.25亿新元的固定利率票据。

10月份的一项私募配售活动，筹集了约2.776亿新元。款项的98.4%用于收购西城剩余70.00%股权的部分融资，剩下的1.6%用来支付配售的交易费用。

突破实体零售的思维局限

全渠道零售方式的增长为信托提供了新商机，让我们能够更多方面的支持零售商和增添他们与消费者的接触点。以福南为例，其数码蓝图将技术和自动化融入零售场景中。商场重新开业后，购物者将能享用更多便利，如全日点击提货的直通设施、自动导引车和在新加坡商场首次运用的机械臂。商场也有各种开放空间和工作室来促进新形式的零售，实验与社交学习。作为新加坡首个线上线下的购物中心，福南融合了实体与数码零售，反映了信托为了满足当下与未来购物者的需求所做的努力。

狮城大厦的NomadX也是一个融合了实体与数码零售的体验平台。在占地11,000平方英尺的空间，设立配有智能零售基础设施的“即插即用”租赁单元。NomadX精选了18个租户，通过利用电子商务科技，购物应用程序和数据分析为购物者量身定制购物体验。

续CapitaStar凯德星，CapitaVoucher凯德购物券和CapitaCard凯德卡之后，我们在2018年推出了StarPay支付星电子付款服务来提高购物者的便利和为零售商带来新商机。作为凯德星应用程序的一部分，支付星可以利用即时STAR$®奖励购物者，并为零售商提供更深入的消费者见解。2018年，尽管客流量同比下降0.9%至3.38亿人次，租户销售额却同比增长了0.5%。

1 摘自本年度报告第111页，Cistri的独立零售市场概览。
2 35亿新元的中期票据计划下的累计发行，包括2023年到期的1.3亿新元3.2115%固定利率票据，2025年到期的1.5亿新元3.20%固定利率票据；以及2025年到期的9879万新元（5.55亿港币）3.248%固定利率票据。

我们也在全年组织营销活动来加深商场与各社区的互动。在全部或个别商场，推出了多方面迎合大众的活动，例如全球首个“梦工厂口口”节就是一项倍受购物者欢迎的活动。

长远的计划

作为行业领导，我们的成功不能仅靠科技，更需要的是优先了解不同社区购物者的需求，以及能够灵活的满足这些需求。展望未来，我们会对在不断变化的零售环境和全球趋势保持警惕。与租户和业务合作伙伴更紧密的合作，打造全面、一致的零售体验，以满足购物者与吸引新访客。

位于市中心商场以及IMM大厦的直销店一直受到海外游客和商务旅客的欢迎。我们将继续利用不同的沟通渠道，包括与政府机构合作，以扩大我们与这群购物者的联系。

在可持续发展方面，我们致力采取负责任的行动，为信托单位持有人创造最大的价值，也为社区做出贡献。我们相信与利益相关者加深沟通与互动能更好的确保信托未来的成功。

荣誉

处于一个不断变化的行业中，良好的公司治理仍然是凯德商用新加坡信托的首要任务。我们在2018年获得的主要荣誉包括：

新加坡企业奖
房地产投资信托与商业信托组别
最佳年度报告 – 银奖
最佳投资者关系 – 银奖

新加坡证券投资者协会第十九届“投资者的选择”
房地产投资信托与商业信托组别
新加坡公司治理奖 – 冠军
股东传播卓越奖 – 冠军

机构投资者 2018
发达市场 – 中小型企业 (新加坡)
最受尊敬的公司 – 第二名
公司治理 – 第二名
最佳投资者关系公司 – 第二名

新加坡治理与透明度指数
房地产投资信托和商业信托组别
第一名

致谢

凯德商用新加坡信托的成功靠的是团队的合作和奉献精神。我们非常感谢各位董事的指导和支持，特别是林明彦先生，他在董事会服务超过五年后，于2018年卸下副主席和非执行非独立董事的职务。在此，我们祝愿林先生鸿业远图、一帆风顺。

我们衷心感谢所有员工、租户、零售商和商业伙伴的忠诚和贡献。我们也要特别感谢所有的信托单位持有人，是你们的信心促使了信托的成就。

Adj Prof Richard R. Magnus
主席

陈智雄
首席执行官

2019年2月14日

YEAR IN BRIEF 2018

JANUARY

- Funan was conferred the Building and Construction Authority (BCA) Green Mark Gold^PLUS award on 8 January 2018.
- CMT's distribution per unit (DPU) of 11.16 cents for the period 1 January 2017 to 31 December 2017 was 0.3% higher than that for the period 1 January 2016 to 31 December 2016.
- Westgate was conferred the BCA Green Mark Platinum award on 29 January 2018.

MARCH

- RCS Trust issued 7-year unsecured fixed rate notes of S$275.0 million at 3.20% per annum under its unsecured US$2.0 billion Euro-Medium Term Notes Programme (RCS EMTN Programme) on 14 March 2018.
- CMT MTN Pte. Ltd. (CMT MTN), a wholly owned subsidiary of CMT, repaid US$400.0 million fixed rate notes, which was swapped to S$505.2 million, on 21 March 2018.
- Completed retail interior rejuvenation and space reconfiguration works at Raffles City Singapore.
- Commenced asset enhancement works at Tampines Mall to refresh the mall.
- Commenced asset enhancement works at Westgate to improve shopper experience.
- Raffles City Singapore and Westgate won the Patron of Heritage Awards by the National Heritage Board on 25 March 2018.

APRIL

- Launch of StarPay, an ePayment service that aims to generate new business opportunities for retailers and enhance convenience for shoppers on 5 April 2018.
- Funan was conferred the BCA Universal Design Mark Gold^PLUS (Design) award on 5 April 2018.
- Announced the divestment of Sembawang Shopping Centre to Lian Beng-Apricot (Sembawang) Pte. Ltd., a joint venture between Lian Beng Group Ltd and Apricot Capital Pte. Ltd. for S$248.0 million on 19 April 2018.
- CMT's DPU of 2.78 cents for the period 1 January 2018 to 31 March 2018 was 1.8% higher than that for the period 1 January 2017 to 31 March 2017.

MAY

- CMT MTN issued 5.5-year fixed rate notes of S$130.0 million through its unsecured S$3.5 billion Multicurrency Medium Term Note Programme (MTN Programme) at 3.2115% per annum on 9 May 2018.
- Raffles City Singapore won the Patron of Heritage Awards: Friend of the Arts Award by the National Heritage Board on 11 May 2018.

JUNE

- Completed the divestment of Sembawang Shopping Centre on 18 June 2018.
- CMT ranked second by Institutional Investors under Developed Markets - Small and Mid Cap category (Singapore) on 26 June 2018 for:
  - Most Honoured Companies
  - Corporate Governance
  - Best IR Companies
- Announced the retirement of Mr Lim Ming Yan as Deputy Chairman and Non-Executive Non-Independent Director with effect from 1 July 2018.

JULY

- CMT won Silver for Best Annual Report (REITs & Business Trusts category) and Best Investor Relations (REITs & Business Trusts category) at the Singapore Corporate Awards on 18 July 2018.
- Clarke Quay won the Outstanding Individual Award at the National Safety & Security Watch Group (NSSWG) Awards 2018 accorded by the Singapore Police Force and Singapore Civil Defence Force on 18 July 2018.
- CMT's DPU of 5.59 cents for the period 1 January 2018 to 30 June 2018 was 2.0% higher than that for the period 1 January 2017 to 30 June 2017.
- CMT ranked first in Singapore for Best Senior Management IR Support by Alpha Southeast Asia's Corporate Institutional Investor Award 8th Annual Poll on 30 July 2018.
- CMT also ranked third in Singapore for Strongest Adherence to Corporate Governance and for Most Organised Investor Relations by Alpha Southeast Asia's Corporate Institutional Investor Award 8th Annual Poll on 30 July 2018.

AUGUST

- CMT ranked first in the Singapore Governance and Transparency Index (REIT and Business Trust category) on 6 August 2018.
- CMT MTN issued 7-year fixed rate notes of S$150.0 million due 2025 through its unsecured MTN Programme at 3.20% per annum on 21 August 2018.
- Announced the proposed acquisition of the balance 70.00% of the units in Infinity Mall Trust which holds Westgate (Acquisition) on 27 August 2018. The transaction was conditional upon Unitholders' approval.

SEPTEMBER

- RCS Trust issued 6-year unsecured fixed rate notes of S$150.0 million at 3.05% per annum under its unsecured RCS EMTN Programme on 4 September 2018.
- Tampines Mall won the Best Efforts in Advertising and Promotions (Shopping Centre) by SRA Retail Awards on 21 September 2018.
- CMT was winner for Singapore Corporate Governance Award and Shareholder Communications Excellence Award under the REITs & Business Trusts category at the SIAS 19th Investors' Choice Award on 25 September 2018.
- Announced the structural completion of Funan on 28 September 2018.

OCTOBER

- Unitholders' approval sought and received for the Acquisition at the Extraordinary General Meeting held on 25 October 2018.
- Completed the asset enhancement works at Tampines Mall.

Tampines Mall

- CMT's DPU of 8.51 cents for the period 1 January 2018 to 30 September 2018 was 3.0% higher than that for the period 1 January 2017 to 30 September 2017.
- Announced CMT raised S$277.6 million through private placement of 134,089,000 new units in CMT at an issue price of S$2.07 per new Unit on 25 October 2018.

NOVEMBER

- Completed the Acquisition on 1 November 2018.
- In relation to the private placement, CMT declared a cumulative distribution of 4.35 cents comprising (i) distribution of 2.92 cents for the period from 1 July 2018 to 30 September 2018, and (ii) an advanced distribution of 1.43 cents for the period from 1 October 2018 to 7 November 2018, the day immediately prior to the date on which the private placement new units were issued.
- CMT MTN issued 7-year fixed rate notes of HK$555.0 million which was swapped to S$98.79 million at 3.248% per annum under its unsecured MTN Programme on 20 November 2018.

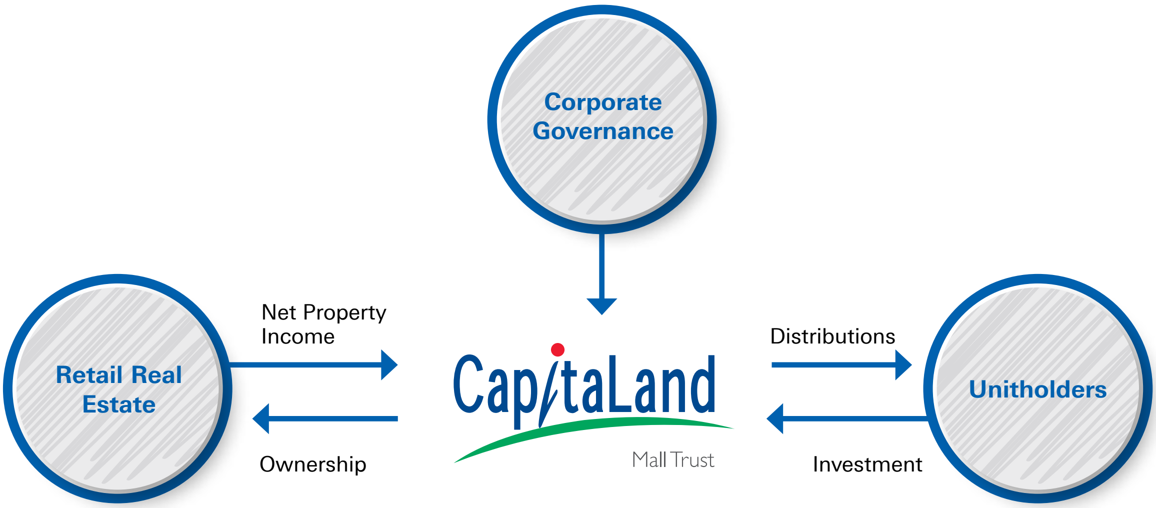
DECEMBER

- Completed the asset enhancement works at Westgate.

Westgate

GROWTH STRATEGIES

INTEGRATED RETAIL REAL ESTATE BUSINESS PLATFORM



INTEGRATED RETAIL REAL ESTATE PLATFORM

We are able to tap on CapitaLand's unique integrated retail real estate platform, combining the best of retail real estate management and capital management capabilities.

Through this platform, we can call upon a professional and experienced team of operations, project and asset managers who work closely and seamlessly with each other to:

- Formulate medium and long-term strategies and initiatives to deliver sustainable returns
- Enhance shopping experiences to attract shoppers and increase shopper traffic
- Review space usage to optimise space productivity and income
- Manage lease renewals and new leases diligently to minimise rental voids
- Manage and monitor rental arrears to minimise bad debts
- Manage projects to ensure timely completion within budgets
- Manage and monitor property expenses to maximise net property income
- Address all key operational issues to ensure alignment with the strategies of the Manager

INTRINSIC GROWTH

Active asset management is important for us to capture opportunities for intrinsic growth. CMT's intrinsic growth has been achieved through:

- Step-up rent
- Gross turnover rent, which is typically about 5.0% of CMT's gross revenue. This is a useful management tool which aligns CMT's interests with those of our tenants. Most of the leases at CMT's properties follow a rental structure which encompasses step-up rent plus a small component of gross turnover rent or a larger component of gross turnover rent only, whichever is higher
- Non-rental income from car parks, atrium space, advertisement panel space, casual leasing, vending machines and customer service counters
- Improved rental rates for lease renewals and new leases

INNOVATIVE ASSET ENHANCEMENT INITIATIVES

Creative asset planning unlocks the potential value of CMT's malls to further propel growth by enhancing the retail environment and improving the attractiveness of our malls to shoppers and retailers. Diverse ways of increasing the yield and productivity of CMT's retail space include:

- Decantation whereby lower-yield space is converted to higher-yield space
- Reconfiguring retail units to optimise space efficiency
- Maximising the use of common areas, such as bridge space, and converting mechanical and electrical areas into leasable space
- Upgrading amenities, enhancing the facade, adding play and rest areas, providing advice on shopfront design and creating better shopper circulation

INVITING EXPERIENCE

To stay ahead of consumer trends, we constantly reinvent the retail experience with innovative shopping, dining and entertainment combinations, which help to maximise the sales of the tenants and generate growth through improved rental income. The increase in shopper traffic is generated through:

- Alignment of tenant mix with current market trends, which ensures a consistently good combination of attractive and popular retail outlets in CMT's malls
- New retail concepts which generate fresh excitement and positive sales
- Enhancing shoppers' experiences with a more pleasant, comfortable and exciting environment by improving connectivity to public amenities, upgrading restroom facilities, nursing rooms, children's playgrounds, designated water play areas with interactive features for children, alfresco dining areas and harnessing technological innovations
- Innovative marketing and promotional events to draw in the crowds as well as attractive loyalty programmes for shoppers to encourage repeat spending
- Attractive shopfronts and visual merchandising design ideas
- Building strategic partnerships to strengthen retail experiences

INSTRUMENTAL INVESTMENTS

The ability to identify value-adding acquisitions, investments, greenfield development projects and redevelopment opportunities to add to the portfolio and further enhance its value is central to CMT's long-term sustainable growth.

Our investments must satisfy the investment criteria of:

- Potential for growth in yield
- Rental sustainability
- Potential for value creation

INTENSIVE CAPITAL AND RISK MANAGEMENT

We seek to optimise returns to Unitholders while maintaining a strong capital base and credit rating to support CMT's growth.

Regular assessments of capital management policies are undertaken to ensure that they are adaptable to changes in economic conditions and the risk characteristics of CMT. We also monitor our exposures to various risk elements by closely adhering to well-established management policies and procedures.

As part of our proactive capital management, we diversify our sources of funding and will continue to review our debt profile to reduce refinancing risk.

PROPERTY PORTFOLIO

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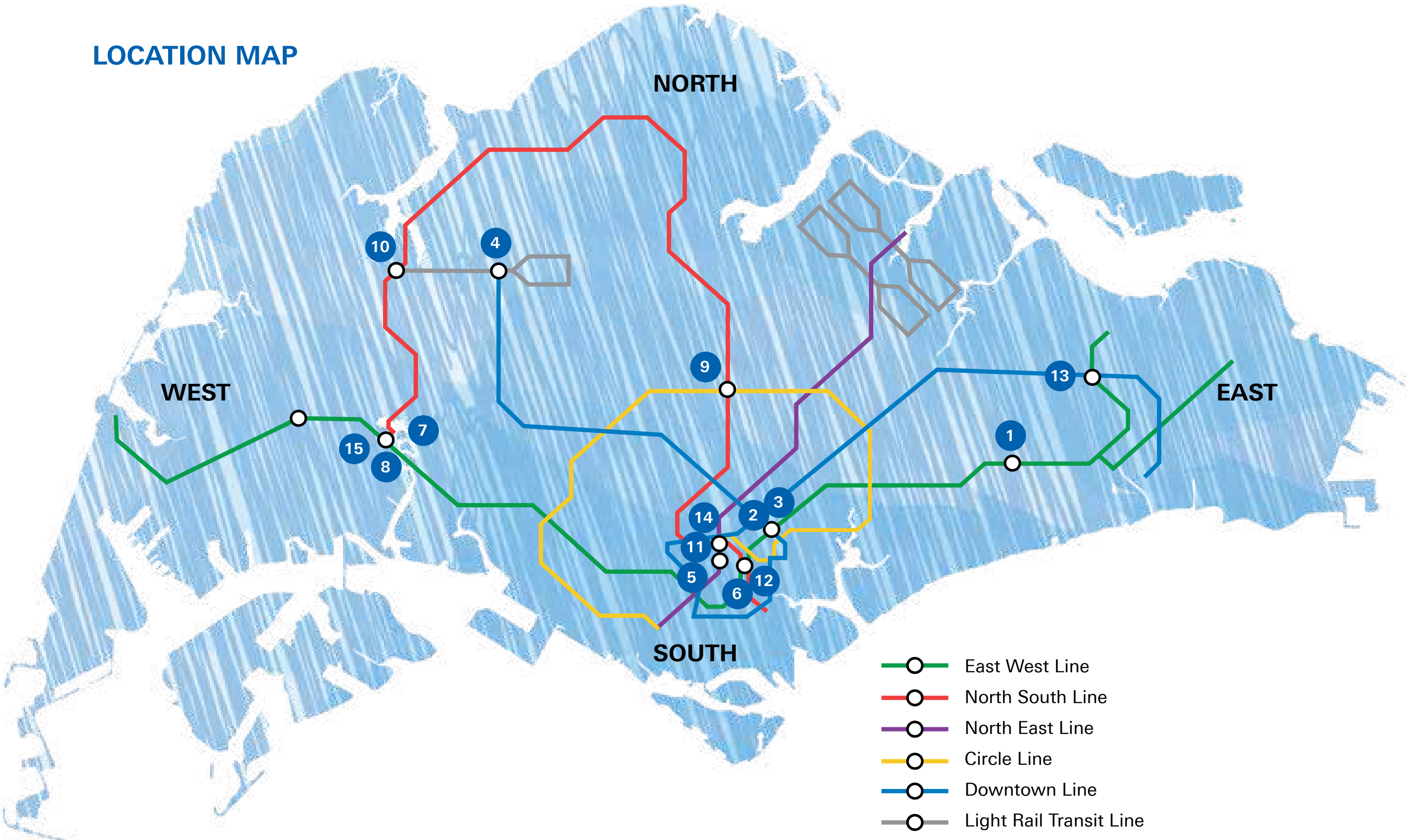
1	Bedok Mall	2	Bugis+	3	Bugis Junction
4	Bukit Panjang Plaza	5	Clarke Quay	6	Funan[1]
7	IMM Building	8	JCube	9	Junction 8
10	Lot One Shoppers' Mall	11	Plaza Singapura	12	Raffles City Singapore (40.00% interest)
13	Tampines Mall	14	The Atrium@Orchard	15	Westgate

1 Artist's impression of Funan.

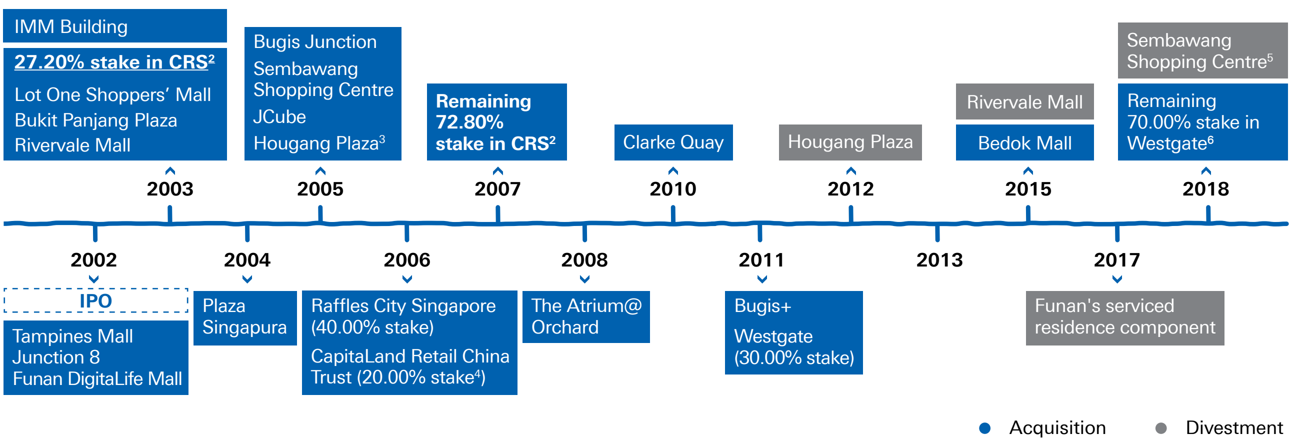
LOCATION MAP



THE PORTFOLIO

The portfolio of CMT has grown since inception and in 2018, there are 15 quality and well-located properties in the suburban and downtown core of Singapore. The properties enjoy excellent connectivity to main transportation hubs and are strategically located either in areas with large population catchments or within Singapore's popular shopping and tourist destinations.

From 3 to 15 assets[1] since inception



1 15 assets, after the divestment of Sembawang Shopping Centre on 18 June 2018.
2 Acquisition of Class 'E' bonds issued by CapitaRetail Singapore Limited (CRS) which owned Lot One Shoppers' Mall, Bukit Panjang Plaza (90 out of 91 strata lots) and Rivervale Mall.
3 Acquired 92.40% stake. Balance 7.6% acquired in June 2006.
4 12.50% stake as at 31 December 2018.
5 The divestment of Sembawang Shopping Centre was completed on 18 June 2018.
6 The acquisition of the remaining 70.00% stake in Infinity Mall Trust which holds Westgate was completed on 1 November 2018.

BOARD OF DIRECTORS

ADJ PROF RICHARD R. MAGNUS
Chairman
Non-Executive Independent Director

TONY TAN TEE HIEONG
Chief Executive Officer
Executive Non-Independent Director

TAN KIAN CHEW
Non-Executive Non-Independent Director

NG CHEE KHERN
Non-Executive Independent Director

LEE KHAI FATT, KYLE
Non-Executive Independent Director

FONG KWOK JEN
Non-Executive Independent Director

GAY CHEE CHEONG
Non-Executive Independent Director

JASON LEOW JUAN THONG
Non-Executive Non-Independent Director

LIM CHO PIN ANDREW GEOFFREY
Non-Executive Non-Independent Director

ADJ PROF RICHARD R. MAGNUS, 74

Chairman
Non-Executive Independent Director
Bachelor of Laws (Honours), University of Singapore
Master of Laws, University of Singapore
Alumni, Harvard Business School and John F Kennedy School of Government, USA

Date of first appointment as a director:
3 May 2010
Date of appointment as Chairman:
1 May 2016
Length of service as a director (as at 31 December 2018):
8 years 8 months

Board committees served on

- Corporate Disclosure Committee (Chairman)
- Investment Committee (Member)

Present principal commitments

- Bioethics Advisory Committee (Chairman)
- Changi Airport Group (Singapore) Pte. Ltd. (Director)
- Changi Airport Group (Singapore) Pte. Ltd.'s Operational Risk & Safety Committee (Member)
- Financial Industry Disputes Resolution Centre Ltd (Adjudicator)
- Home Team Academy (Senior Fellow)
- Integrated Resorts Evaluation Panel under the Casino Control Act (Member)
- Ministry of Home Affairs' Independent Review Panel (Deputy Chairman)
- Ministry of Home Affairs' Resource Panel (Member)
- Prison Fellowship Nominating Committee (Member)
- Political Films Consultative Committee (Chairman)
- Public Service Commission (Member)
- Public Transport Council (Chairman)
- Singapore Consortium Investment Management Limited (Director)
- Singapore University of Social Sciences' School of Law (Adjunct Professor)
- Temasek Foundation Cares CLG Limited (Chairman)
- UITP's Asia Pacific Organising Authority Platform (Chairman)
- UNESCO's International Bioethics Committee (Vice-Chairman)

Background and working experience

- Senior District Judge of Singapore Legal Service Commission (From 1998 to 2008)

Awards

- Public Service Star (2015)
- MSF Outstanding Volunteer Award (2014)
- Meritorious Service Medal (2009)
- Public Administration Medal (Gold) (Bar) (2003)
- Public Administration Medal (Gold) (1994)
- Public Administration Medal (Silver) (1983)

TONY TAN TEE HIEONG, 51

Chief Executive Officer
Executive Non-Independent Director
Bachelor of Accountancy, National University of Singapore
Master of Business Administration, University of Manchester, UK

Date of first appointment as a director:
1 May 2017
Length of service as a director (as at 31 December 2018):
1 year 8 months

Board committees served on

- Corporate Disclosure Committee (Member)
- Executive Committee (Member)

Background and working experience

- Senior Vice President, CEO's Office of CapitaLand Mall Asia Limited (From 1 April 2017 to 30 April 2017)
- CEO of CapitaLand Retail China Trust Management Limited (From July 2010 to 31 March 2017)
- Deputy CEO of CapitaRetail China Trust Management Limited (From April 2010 to June 2010)
- Head, Finance of CapitaRetail China Trust Management Limited (From September 2007 to June 2010)
- Asia Pacific Treasurer of IKEA (From August 1998 to September 2007)
- Treasury Accountant of Wearnes International (From May 1995 to August 1998)
- Money Market Dealer of Credito Italiano Bank (From April 1994 to May 1995)
- Money Market Broker of Harlow Ueda Sassoon (From November 1992 to April 1994)
- Auditor of Ernst & Young (From June 1991 to October 1992)

BOARD OF DIRECTORS

TAN KIAN CHEW, 65

Non-Executive Non-Independent Director
Bachelor of Science (Mechanical Engineering) (First Class Honours), University of Aston in Birmingham, UK
Advanced Management Program, Harvard University, USA

Date of first appointment as a director:
3 May 2010
Length of service as a director (as at 31 December 2018):
8 years 8 months

Present principal commitments

- Central Co-operative Fund Committee (Chairman)
- Centre For Seniors (Chairman)

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

- ARA Trust Management (Suntec) Limited (manager of Suntec Real Estate Investment Trust)

Background and working experience

- CEO of Singapore Labour Foundation (From January 2016 to December 2018)
- CEO of NTUC Fairprice Co-operative Ltd (From October 1997 to December 2015)
- Principal Private Secretary to Deputy Prime Minister Ong Teng Cheong, Prime Minister's Office (From 1988 to 1992)
- Deputy Director of Ministry of Trade and Industry (From 1983 to 1988)
- Head of Naval Operations of Singapore Navy (From 1980 to 1983)

Awards

- NTUC May Day Award - Medal of Commendation (Gold) (2014)
- Singapore Public Administration Medal (Silver) (1991)

NG CHEE KHERN, 53

Non-Executive Independent Director
Bachelor of Arts (Honours) in Philosophy, Politics & Economics, University of Oxford, UK
Master of Arts, University of Oxford, UK
Master in Public Administration, Harvard University, USA

Date of first appointment as a director:
8 June 2012
Length of service as a director (as at 31 December 2018):
6 years 7 months

Present principal commitments

- Changi Airport Group (Singapore) Pte. Ltd. (Director)
- Government Technology Agency (GovTech) (Chairman)
- National Research Foundation (Board Member)
- Smart Nation and Digital Government, Prime Minister's Office, Singapore (Permanent Secretary)

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

- Singapore Technologies Engineering Ltd

Background and working experience

- Permanent Secretary (Defence Development), Ministry of Defence, Singapore (From May 2014 to June 2017)
- 2nd Permanent Secretary, Ministry of Health, Singapore (From August 2014 to March 2016)
- Director of Security and Intelligence Division, Ministry of Defence, Singapore (From September 2010 to April 2014)
- Senior Deputy Director of Security and Intelligence Division, Ministry of Defence, Singapore (From January 2010 to August 2010)
- Chief of Air Force of Republic of Singapore Air Force, Ministry of Defence, Singapore (From March 2006 to December 2009)
- Chief of Staff of Republic of Singapore Air Force, Ministry of Defence, Singapore (From September 2005 to March 2006)
- Director of Joint Operations and Plans Directorate and Joint Staff-MINDEF of Republic of Singapore Air Force, Ministry of Defence, Singapore (From March 2004 to September 2005)
- Head of Joint Operations and Joint Staff-MINDEF of Republic of Singapore Air Force, Ministry of Defence, Singapore (From June 2003 to March 2004)
- Head of Air Operations of Republic of Singapore Air Force, Ministry of Defence, Singapore (From March 2001 to June 2003)

Awards

- Public Administration Medal (Gold) (Military) (2005)
- The Legion of Merit (Degree of Commander) by the United States
- The Bintang Swa Bhuwana Paksa Utama by Indonesia
- The Knight Grand Cross (First Class) of the Most Noble Order of the Crown of Thailand
- Ordre National de la Légion d'honneur by the French Government

LEE KHAI FATT, KYLE, 67

Non-Executive Independent Director

MSc (Distinction) International Management (SOAS), UK
MBA and Diploma in Management (Imperial College), UK
Fellow of the Institute of Chartered Accountants in England and Wales
Fellow of the Institute of Singapore Chartered Accountants
Fellow of the Singapore Institute of Directors

Date of first appointment as a director:
1 November 2012

Length of service as a director (as at 31 December 2018):
6 years 2 months

Board committees served on

- Audit Committee (Chairman)
- Investment Committee (Member)

Present directorships in other listed companies

- ComfortDelgro Corporation Limited
- FEO Hospitality Asset Management Pte. Ltd. (manager of Far East Hospitality Real Estate Investment Trust)
- FEO Hospitality Trust Management Pte. Ltd. (trustee-manager of Far East Hospitality Business Trust)
- Great Eastern Holdings Limited

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

- MFS Technology Ltd[1]

Background and working experience

- Partner of PricewaterhouseCoopers LLP and Price Waterhouse (From June 1990 to June 2010)

1 Delisted on 18 May 2016 and dissolved (Members' Voluntary Winding Up) on 15 March 2017.

FONG KWOK JEN, 69

Non-Executive Independent Director

Bachelor of Laws (Honours), University of Singapore
Advocate and Solicitor

Date of first appointment as a director:
1 November 2012

Length of service as a director (as at 31 December 2018):
6 years 2 months

Board committee served on

- Audit Committee (Member)

Background and working experience

- Executive Director of Equity Law LLC (From June 2014 to March 2018)
- Partner of Fong Partners (From 1995 to June 2004)
- Chairman, Disciplinary Committee of Singapore Exchange Securities Trading Limited (From 1994 to 2007)
- Member of Securities Industry Council (From 1992 to 2003)
- Council Member of The Law Society of Singapore (From 1990 to 1992)
- Deputy Senior State Counsel/Senior State Counsel of Attorney-General's Chambers (From 1982 to 1989)
- Deputy Public Prosecutor of Attorney-General's Chambers (From 1972 to 1982)

Others

- NITA (National Institute of Trial Advocates) Advocacy Programme at Harvard Law School (1986)
- Government Legal Officer's Course under Colombo Plan Award, United Kingdom (1976/77)

BOARD OF DIRECTORS

GAY CHEE CHEONG, 62

Non-Executive Independent Director
Bachelor of Science in Engineering (Honours), Royal Military College of Science, UK
Bachelor of Science in Economics (Honours), University of London, UK
Masters of Business Administration, National University of Singapore

Date of first appointment as a director:
1 November 2012
Length of service as a director (as at 31 December 2018):
6 years 2 months

Board committee served on
- Audit Committee (Member)

Present directorship in other listed company
- Hyflux Ltd

Present principal commitments (other than directorship in other listed company)
- Heliconia Capital Management Pte. Ltd. (Member, Board of Directors; Chairman, Investment and Divestment Committee; and Member, Remuneration Committee)
- Temasek Polytechnic (Deputy Chairman, Board of Governors; Chairman, Investment Committee; and Deputy Chairman, Administration Committee)
- Honestbee Pte. Ltd. (Director)

Background and working experience
- Deputy Chairman & CEO of 2G Capital Pte Ltd (From 2001 to 2006)
- Group Executive Director of JIT Electronics Pte Ltd (From 1997 to 2000)

JASON LEOW JUAN THONG, 52

Non-Executive Non-Independent Director
Executive Master in Business Administration, Fudan University, People's Republic of China
Advanced Management Program, Harvard Business School, USA
Chartered Accountant of Singapore and a member of the Institute of Singapore Chartered Accountants

Date of first appointment as a director:
22 December 2014
Length of service as a director (as at 31 December 2018):
4 years

Board committees served on
- Corporate Disclosure Committee (Member)
- Executive Committee (Chairman)
- Investment Committee (Chairman)

Present principal commitment
- CapitaLand Limited (President (Asia & Retail))

Past directorship in other listed company held over the preceding three years
- CapitaLand Malaysia Mall REIT Management Sdn. Bhd. (manager of CapitaLand Malaysia Mall Trust)

Background and working experience
- Group Chief Operating Officer of CapitaLand Limited (January 2018 to September 2018)
- CEO of CapitaLand Mall Asia Limited (From September 2014 to December 2017)
- CEO of CapitaLand China Holdings Pte Ltd (From July 2009 to September 2014)
- Deputy CEO of CapitaLand China Holdings Pte Ltd (From July 2005 to June 2009)
- General Manager, Business Development of CapitaLand Residential Limited (From July 2002 to June 2005)

LIM CHO PIN ANDREW GEOFFREY, 49

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, Association for Investment Management and Research

Date of first appointment as a director:
1 May 2017

Length of service as a director (as at 31 December 2018):
1 year 8 months

Board committees served on

- Audit Committee (Member)
- Executive Committee (Member)

Present directorships in other listed companies

- Ascott Residence Trust Management Limited (manager of Ascott Residence Trust)
- CapitaLand Commercial Trust Management Limited (manager of CapitaLand Commercial Trust)
- CapitaLand Malaysia Mall REIT Management Sdn. Bhd. (manager of CapitaLand Malaysia Mall Trust)
- CapitaLand Retail China Trust Management Limited (manager of CapitaLand Retail China Trust)

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

- Accounting for Sustainability Circle of Practice (Member)
- Accounting Standards Council (Member)
- CapitaLand Limited (Group Chief Financial Officer)
- Institute of Singapore Chartered Accountants' CFO Committee (Member)
- Real Estate Investment Trust Association of Singapore (REITAS) (President)

Background and working experience

- 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)

TRUST MANAGEMENT TEAM (CMTML)

TONY TAN TEE HIEONG

Chief Executive Officer and Executive Non-Independent Director

Please refer to description under the section on 'Board of Directors'.

TAN LEI KENG

Head, Finance

Lei Keng heads the finance team and is responsible for CMT's financial management functions and the sourcing and management of funds for CMT. She oversees matters involving treasury, accounting and capital management, ensuring alignment with CMT's investment strategy and its mall portfolio management, with a focus on driving revenue and delivering investment returns for CMT.

The finance team works with Investment & Asset Management to review, evaluate and execute appropriate acquisitions, divestments and annual business plans to optimise the value of the portfolio and ensure these are implemented in accordance with CMT's investment and asset management strategies to create value for Unitholders. The team is responsible for the accounting, taxation, treasury, capital management and financial reporting functions of CMT.

Prior to joining CMTML, Lei Keng had extensive regional experience in finance with locally-listed as well as American listed companies. She holds a Master of Business Administration from the University of South Florida and a Bachelor of Accountancy from the University of Singapore.

JACQUELINE LEE

Head, Investment & Asset Management

Jacqueline heads the Investment & Asset Management function at CMTML and is responsible for creating value for Unitholders through acquisitions and divestments, asset enhancement, active asset management and portfolio management. She is also concurrently the Head of Investment and Portfolio Management (Retail) for CapitaLand Singapore, Malaysia and Indonesia.

The Investment & Asset Management team proposes and executes appropriate acquisitions, divestments and asset enhancement initiatives to optimise the value of the portfolio; monitors, analyses and reports on valuation, performance metrics and trends; devises appropriate strategies to optimise operating performance and prepares the annual business plan. The team works with the Property Manager to execute the business plan and other initiatives to drive organic growth. It also puts in place the risk management system for the CMT Group.

Jacqueline has extensive experience in real estate including investment, corporate finance and engineering. Prior to joining CMTML, she worked in a public listed company handling mergers, acquisitions, divestments and business valuation. Jacqueline started her career as an electrical engineer, and was involved in the planning, design and construction of major building and infrastructure projects. She holds a Master of Business Administration from the University of Sydney, Australia; as well as a Master of Arts and a Bachelor of Arts (Honours) in Engineering Science from the University of Oxford, United Kingdom.

LOOI KENG

Head, Asset Management

Looi Keng works closely with the Property Management team to identify key issues and come up with strategies to address key challenges and build the business. Together, they also work on executing asset strategies, boosting rental and non-rental incomes and managing operating expenses.

Looi Keng undertakes asset enhancement and environmentally sustainable initiatives to realise the potential value of CMT Group's portfolio. She also collaborates with the Investment team to evaluate acquisition targets and optimize returns from assets.

Looi Keng has extensive experience in real estate and more than 20 years of experience in asset management function. She holds a Bachelor of Science in Estate Management from National University of Singapore.

LO MUN WAH

Vice President, Investor Relations

Mun Wah heads the investor relations function at CMTML, and is responsible for building relations and facilitating strategic communications with CMT's Unitholders, potential and existing investors and analysts through various communication platforms, as well as collating feedback from the investment community.

The investor relations team ensures clear and timely communications with Unitholders and stakeholders through various engagement channels. The team engages investors and analysts through regular meetings, conferences and events, and produces collaterals such as annual reports and presentations.

Mun Wah has worked in the real estate industry and accumulated more than 20 years of experience in investor relations, property investment, asset management, project marketing and valuation. She holds a Bachelor of Science (Honours) degree in Estate Management from the National University of Singapore and is a licensed appraiser.

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OUR ROLE

We, as the manager of CMT (Manager), set the strategic direction of CMT and its subsidiaries (CMT Group) and make recommendations to HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of CMT (Trustee), on any investment or divestment opportunities for CMT and the enhancement of the assets of CMT in accordance with the stated investment strategy for CMT. The research, evaluation and analysis required for this purpose are coordinated and carried out by us as the Manager.

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

Our other functions and responsibilities as the Manager include:

(a) using our best endeavours to conduct CMT's business in a proper and efficient manner;
(b) preparing annual business plans for review by the directors of the Manager (Directors), including forecasts on revenue, net income and capital expenditure, explanations on major variances to previous years' financial results, written commentaries on key issues and underlying assumptions on rental rates, operating expenses and any other relevant assumptions;
(c) ensuring compliance with relevant laws and regulations, including the Listing Manual of Singapore Exchange Securities Trading Limited (SGX-ST) (Listing Manual), the Code on Collective Investment Schemes (CIS Code) issued by the Monetary Authority of Singapore (MAS) (including Appendix 6 of CIS Code (Property Funds Appendix)), the Securities and Futures Act (Chapter 289 of Singapore) (SFA), written directions, notices, codes and other guidelines that MAS may issue from time to time, the tax rulings issued by the Inland Revenue Authority of Singapore on the taxation of CMT and Unitholders and the Alternative Investment Fund Managers Directive (AIFMD);
(d) attending to all regular communications with Unitholders; and
(e) supervising CapitaLand Retail Management Pte Ltd (Property Manager), the property manager which performs the day-to-day property management functions (including leasing, marketing, promotion, operations coordination and other property management activities) for CMT's malls; with regard to Raffles City Singapore (RCS), which is held by CMT and CapitaLand Commercial Trust (CCT) in the proportions of 40.00% and 60.00% respectively, the Property Manager holds 40.00% interest in CapitaLand (RCS) Property Management Pte. Ltd. which provides property management services to RCS with CapitaLand Commercial Management Pte. Ltd., the property manager of the properties owned by CCT, holding the other 60.00%. As a result of its interest in CapitaLand (RCS) Property Management Pte. Ltd., the Property Manager is able to play a key role in directing the property management function for RCS.

The Manager also considers sustainability issues (including environmental and social factors) as part of its responsibilities. CMT's environmental sustainability and community outreach programmes are set out on pages 61 to 85 of this Annual Report.

CMT, 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 trust deed constituting CMT dated 29 October 2001 (as amended, varied or supplemented 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 and held in accordance with the provisions of the Trust Deed.

The Manager is a wholly owned subsidiary of CapitaLand Limited (CL) which holds a significant unitholding interest in CMT. CL is a long-term real estate developer and investor, with a vested interest in the long-term performance of CMT. CL's significant unitholding in CMT demonstrates its commitment to CMT and as a result, CL's interest is aligned with that of other Unitholders. The Manager's association with CL provides the following benefits, among other things, to CMT:

CORPORATE GOVERNANCE

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

OUR CORPORATE GOVERNANCE 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. The policies and practices it has developed to meet the specific business needs of CMT provide a firm foundation for a trusted and respected business enterprise. The Manager remains focused on complying with the substance and spirit of the principles of the Code of Corporate Governance 2012 (Code) while achieving operational excellence and delivering CMT's long-term strategic objectives. The Board of Directors (Board) is responsible for the Manager's corporate governance standards and policies, underscoring their importance to the Manager.

The Manager has received accolades from the investment community for excellence in corporate governance. More details can be found in the Investor & Media Relations section on pages 56 to 57 of this Annual Report.

This corporate governance report (Report) sets out the corporate governance practices for financial year (FY) 2018 with reference to the principles of the Code. For FY 2018, save as stated in this Report, CMT has complied in all material aspects with the principles, guidelines and recommendations in the Code. Where there are deviations from any of the guidelines of the Code, an explanation has been provided within this Report. This Report also sets out additional policies and practices adopted by the Manager which are not provided in the Code.

(A) BOARD MATTERS

The Board's Conduct of Affairs
Principle 1:

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The Manager is led by the Board, with non-executive independent directors (IDs) constituting more than half of the Board.

Board's Duties and Responsibilities

The Board oversees the strategic direction, performance and affairs of the Manager, in furtherance of the Manager's primary responsibility to manage the assets and liabilities of CMT for the benefit of Unitholders. The Board provides leadership to the Chief Executive Officer (CEO) and the management team (Management). The CEO, assisted by Management, is responsible for the execution of the strategy for CMT and the day-to-day operations of CMT'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 Manual, the Property Funds Appendix, as well as any other applicable guidelines prescribed by the SGX-ST, MAS or other relevant authorities, and applicable laws. It also sets the disclosure and transparency standards for CMT and ensures that obligations to Unitholders and other stakeholders are understood and met.

The Board has reserved authority to approve certain matters and these include:

(a) material acquisitions, investments and divestments;
(b) issue of new units in CMT (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.

Board Committees

The Board has established various Board Committees to assist it in the discharge of its functions. These Board Committees are the Audit Committee (AC), the Corporate Disclosure Committee (CDC), the Executive Committee (EC) and the Investment Committee (IC). Each of these Board Committees operates under the authority delegated from the Board, with the Board retaining overall oversight and has its own terms of reference. The composition of the various Board Committees is set out on page 51 of this Annual Report.

The Board may form other Board Committees from time to time. The composition of the Board Committees is also reviewed as and when there are changes to Board membership. The composition of the Board Committees is such that there is appropriate diversity of skills and experience. It fosters active participation and contributions from Board members and there is an equitable distribution of responsibilities among Board members.

Delegation of Authority

The Board has adopted a set of internal controls which establishes approval limits for capital expenditure, investments, divestments, bank borrowings and issuance of debt instruments. Apart from matters that specifically require the Board's approval, the Board delegates authority for transactions below those limits to Board Committees and Management.

Meetings of Board and Board Committees

The Board meets at least once every quarter, and as required by business imperatives. Board and Board Committee meetings are scheduled prior to the start of each financial year. The Constitution of the Manager also permits the Directors to participate via audio or video conference. The Board and Board Committees may also make decisions by way of resolutions in writing. In each meeting where matters requiring the Board's approval are to be considered, all members of the Board participate in the discussions and deliberations; and resolutions in writing are circulated to all Directors for their consideration and approval.

In line with the Manager's ongoing commitment to limit paper waste and reduce its carbon footprint, the Manager does not provide printed copies of Board papers. Instead, Directors are provided with tablet devices to enable them to access and read Board and Board Committee papers prior to and during meetings. This initiative also enhances information security as the papers are downloaded to the tablet devices through an encrypted channel. Directors are also able to sign Board papers through the tablet devices.

At Board and Board Committee meetings, non-executive Directors review the performance of the business, the progress made by Management in achieving agreed goals and objectives and monitor the reporting of such performance. During the Board meeting to discuss strategies, non-executive Directors constructively challenge and help develop proposals on strategy. Directors attend and actively participate in Board and Board Committee meetings.

The Manager adopts and practises the principle of collective decisions. This ensures that no individual influences or dominates the decision making process.

A total of five Board meetings were held in FY 2018. A record of the Directors' attendance at Board and Board Committees meetings in FY 2018 is set out on page 51 of this Annual Report. The CEO who is also a Director attends all Board and Board Committee meetings. Other senior executives attend Board and Board Committee meetings as required to brief the Board on specific business matters.

Directors' Development

In view of the increasingly demanding, complex and multi-dimensional role of a director, the Board recognises the importance of continual training and development for its Directors so as to equip them to discharge the responsibilities of their office as Directors to the best of their abilities. 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 their responsibilities. The Manager also maintains a training record to track the Directors' attendance at training and professional development courses. The costs of training are borne by the Manager. Upon appointment, each Director is provided with a formal letter of appointment and a copy of the Director's Manual (which includes information on a broad range of matters relating to the role and responsibilities of a director). All Directors, upon appointment, undergo an induction programme which focuses on orientating the Director to

CORPORATE GOVERNANCE

CMT's business, operations, strategies, organisation structure, responsibilities of key management personnel, and financial and governance practices. Directors who have no prior experience as a director of an issuer listed on the SGX-ST will be provided with training on the roles and responsibilities of a director of a listed issuer in accordance with the listing rules of the SGX-ST.

Following their appointment, Directors are provided with opportunities for continuing education in areas such as director's duties and responsibilities, changes to regulations and accounting standards, and industry-related matters, so as to be updated on matters that affect or may enhance their performance as Directors or Board Committee members. Directors may also propose training and development in relevant areas of interest to the Board. Directors also receive on-the-job training through being engaged in actual Board work. In FY 2018, the training and professional development programmes for Directors included forums and dialogues with experts and senior business leaders on issues facing boards and board practices. They also received on a regular basis reading materials on topical matters or subjects and regulatory updates and implications.

Board Composition and Guidance
Principle 2:

There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board reviews from time to time the size and composition of the Board, with a view to ensuring that the size of the Board is appropriate in facilitating effective decision making and that the Board has a strong independent element and diversity of thought and background in its composition. The review takes into account the scope and nature of the operations of CMT Group.

The Board has a strong independent element: it presently comprises nine Directors, five of whom (including the Chairman) are IDs. The recommendation in the Code for a lead independent director is therefore not applicable. Non-executive Directors also make up a majority of the Board. Profiles of the Directors are provided on pages 20 to 25 of this Annual Report.

The Board assesses the independence of each Director in accordance with the guidance in the Code, the Securities and Futures (Licensing and Conduct of Business) Regulations (SFR) and the Listing Manual.

An ID is one who is independent in conduct, character and judgement and:

(a) has no relationship with the Manager, its related corporations and its shareholders who hold 10% or more of the voting shares of the Manager, or Unitholders who hold 10% or more of the Units in issue, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement, in the best interests of Unitholders;
(b) is independent from the management of the Manager and CMT, from any business relationship with the Manager and CMT, and from every substantial shareholder of the Manager and every substantial unitholder of CMT;
(c) is not a substantial shareholder of the Manager or a substantial unitholder of CMT;
(d) has not served on the Board for a continuous period of nine years or longer; and
(e) is not employed by the Manager or CMT or their related corporations in the current or any of the past three financial years and does not have an immediate family member who is employed or has been employed by the Manager or CMT or their related corporations for the past three financial years and whose remuneration is determined by the Board.

The Board has established a process for assessing the independence of its Directors. As part of the process:

(a) each relevant non-executive Director 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; such information is then reviewed by the Board; and

(b) the Board also reflects on the respective Directors' conduct and contributions at Board and Board Committee meetings, specifically, if they have exercised independent judgement in discharging their responsibilities.

The Board has carried out the assessment of each of its Directors for FY 2018 and the paragraphs below set out the outcome of the assessment.

Mr Lee Khai Fatt, Kyle serves as a non-executive director of The Great Eastern Life Assurance Company Limited (Great Eastern), which had purchased CapitaVouchers from the CL group during the course of the year. Mr Lee's role in Great Eastern is non-executive in nature and he is not involved in the process or negotiations of the sale of CapitaVouchers by the CL group to Great Eastern.

Mr Gay Chee Cheong serves as a non-executive director of some related corporations of Temasek Holdings (Private) Limited (Temasek). Temasek is deemed to be a substantial unitholder through its direct and indirect interest in CL, which is a substantial unitholder of CMT. Mr Gay's role in these corporations is non-executive in nature and he is not involved in the day-to-day conduct of the business of these corporations.

The Board also considered the conduct of Mr Lee and Mr Gay in the discharge of their responsibilities as directors, and is of the view that the relationships set out above did not impair their ability to act with independent judgement in the discharge of their responsibilities as directors and that as at the last day of FY 2018, Mr Lee and Mr Gay were able to act in the best interests of all Unitholders in respect of FY 2018. Save for the relationships stated above, Mr Lee and Mr Gay do not have any other relationships and are not faced with any of the circumstances identified in the Code, SFR and Listing Manual, or any other relationships which may affect their independent judgement. Mr Lee and Mr Gay will recuse themselves from participating in any Board deliberation on any transactions that could potentially give rise to a conflict of interest.

Adj Prof Richard R. Magnus, Mr Ng Chee Khern and Mr Fong Kwok Jen do not have any relationships and are not faced with any of the circumstances identified in the Code, SFR and Listing Manual, or any other relationships which may affect their independent judgement. The Board considered whether each of them had demonstrated independence in character and judgement in the discharge of his responsibilities as a director and concluded that each of them had acted with independent judgement.

It is noted that all of the Directors have served on the Board for fewer than nine years.

On the bases of the declarations of independence provided by the relevant non-executive Directors and the guidance in the Code, the SFR and Listing Manual, the Board arrived at the determination that each of Adj Prof Richard R. Magnus, Mr Ng Chee Khern, Mr Lee Khai Fatt, Kyle, Mr Fong Kwok Jen and Mr Gay Chee Cheong is an independent director.

Each of the above Directors had recused himself from the Board's deliberations on his independence.

At all times, the Directors as fiduciaries are collectively and individually obliged to act honestly and with diligence, and in the best interests of CMT. The Manager has established a policy that its Directors disclose their interests in transactions and recuse themselves from the deliberations on any matter in which they may have a conflict of interest. Every Director has complied with this policy. Compliance by the relevant Director is duly minuted in the proceedings of the relevant meeting.

Chairman and Chief Executive Officer
Principle 3:

There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

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 of decision making.

The non-executive independent Chairman is Adj Prof Richard R. Magnus, whereas the CEO is Mr Tony Tan Tee Hieong. 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 setting the agenda of the Board in

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consultation with the CEO and ensuring that there is sufficient information and time to address all agenda items, and promoting open and constructive engagement among the Directors as well as between the Board and the CEO on strategic issues. The Chairman plays a significant leadership role by providing clear oversight, direction, advice and guidance to the CEO and Management on strategies. He also maintains open lines of communication, engages with other members of Management regularly and acts as a sounding board on strategic and operational matters.

Mr Tony Tan Tee Hieong has full executive responsibilities to manage CMT's business and to develop and implement Board approved policies. The separation of the roles of the Chairman and the CEO and the resulting clarity of roles provide a healthy professional relationship between the Board and Management, facilitate robust deliberations on the business activities of CMT and the exchange of ideas and views to help shape CMT's strategic process and ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. As the roles of the Chairman and CEO are held by separate individuals who are not related to each other and the Chairman is an ID, no Lead ID is required to be appointed.

Board Membership
Principle 4:
There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The Board undertakes the functions of a nominating committee and therefore, the Manager does not have a nominating committee. The Board performs the functions that such a committee would otherwise perform, namely, it administers nominations to the Board, reviews the structure, size and composition of the Board and reviews the performance and independence of Board members. The Board seeks to ensure that the Board is comprised of talented and dedicated directors with a diverse mix of expertise, experience, perspectives, skills and backgrounds. Due consideration is also given to other diversity factors including but not limited to tenure, age and gender.

The current Board comprises individuals who are business leaders and professionals with financial, banking, funds management, real estate, legal, investment and accounting backgrounds. The Board believes in diversity and values the benefits diversity can bring to the Board. Diversity enhances decision making capability and ensures that the Manager has the opportunity to benefit from all available talent and perspectives. The Board is committed to diversity and will continue to consider the differences in skillsets and educational, business and professional backgrounds in determining the optimal composition of the Board in its Board renewal process.

In the year under review, no alternate directors were appointed. In keeping with the principle that a Director must be able to commit time to the affairs of the Manager, the Board has adopted the principle that it will generally not approve the appointment of alternate directors.

The Board is able to undertake the functions of a nominating committee because:

(a) the Manager does not manage any other REITs and in general, REITs (including CMT) have a more focused scope and scale of business compared to those of listed companies. For this reason, the Board's capacity would not be unduly stretched if the responsibilities of a nominating committee were also undertaken by the Board as the Board would be able to give adequate attention to such issues;

(b) the focused scope of the business of CMT also means a manageable competency requirement for the Board such that the Board is able to manage the duties of a nominating committee; and

(c) IDs form at least half of the Board and the Chairman is an ID, which demonstrate that the IDs play a substantive role, and assure the objectivity and independence of the decision making process concerning nomination. This also mitigates any concerns of conflict which can be managed by having the conflicted Directors abstain from the decision making process. Further, conflict situations are less likely to arise in matters of nomination.

The SGX-ST has also issued a Practice Note which provides that the requirement for the establishment of nominating and remuneration committee under the Listing Manual does not apply to REITs if the REIT complies with regulations made under the SFA relating to board composition of a REIT manager. As the Manager complies with Regulation 13D of the SFR relating to the composition of the Board of the Manager, the Manager is of the opinion that the corporate governance requirements relating to the nominating and remuneration committee have been substantively addressed.

The Board has adopted the following criteria and process for selecting, appointing and reappointing Directors and for reviewing the performance of Directors:

(a) The Board carries out a proactive review of the Board composition on an annual basis as well as on each occasion that an existing ID gives notice of his intention to retire or resign. The review includes assessing the collective skills, knowledge and experience of Directors represented on the Board to determine whether the Board, as a whole, has the skills, knowledge and experience required to achieve the Manager's objectives for CMT. In carrying out this review, the Board considers the need for the Board composition to reflect balance in matters such as skills representation, tenure, experience, age spread and diversity (including gender diversity).
(b) The Board reviews the suitability of any candidates put forward by any director for appointment, having regard to the skills required and the skills represented on the Board and whether a candidate's skills, knowledge and experience will complement the existing Board and whether he has sufficient time available to commit to his responsibilities as a director, and whether he is a fit and proper person for the office in accordance with the Guidelines on Fit and Proper Criteria issued by MAS (which require the candidate to be, among other things, competent, honest, to have integrity and be financially sound).
(c) External consultants may be engaged from time to time to access a wide base of potential directors.
(d) No member of the Board is involved in any decision of the Board relating to his own appointment, re-appointment or assessment of independence.
(e) A newly appointed Director receives a formal appointment letter and a copy of the Director's Manual (which includes information on a broad range of matters relating to the role and responsibilities of a director).
(f) All Directors undergo an induction programme on appointment to help familiarise them with matters relating to CMT's business and the Manager's strategy for CMT.
(g) The performance of the Board, Board Committees and directors is reviewed annually.
(h) The Board proactively addresses any issues identified in the board performance evaluation.

The adopted process takes into account the requirements in the Code that the composition of the Board, including the selection of candidates for new appointments to the Board as part of the Board's renewal process, be determined using the following principles:

(a) the Board should comprise Directors with a broad range of commercial experience, including expertise in funds management, the property industry, banking, finance and legal fields; and
(b) at least one-third of the Board should comprise IDs. Where, among other things, the Chairman of the Board is not an ID, at least half of the Board should comprise IDs.

As more than half of the Board comprises IDs, the Manager will not be voluntarily subjecting any appointment or re-appointment of directors to voting by Unitholders. The Chairman of the Board is presently also an ID.

The Board seeks to refresh its membership progressively and in an orderly manner. In this regard, Board succession planning is carried out through the annual review of Board composition as well as when a Director gives notice of his intention to retire or resign. On the issue of Board renewal, the Manager supports the principle 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 CMT's business.

The Board also conducts a review of the commitments of each Director on an annual basis and as and when there is a change of circumstances involving a Director. Guideline 4.4 of the Code recommends that the Board determines the maximum number of listed company board appointments which any director may hold and discloses this in the annual report. In view of the responsibilities of a director, the Board is cognisant of the need for Directors to be able to devote sufficient time and attention to adequately perform their roles and diligently discharge their duties. However, the Board has not imposed any limit as it has taken the view that the limit on the number of listed company directorships that an individual may hold should be considered on a case-by-case basis, as a person's available time and attention may be affected by many different factors, such as whether he is in full-time employment and the nature of his other responsibilities. A director with multiple directorships is expected to ensure that he can devote sufficient time and attention to the affairs of the Manager in managing the assets and liabilities of CMT for the benefit of Unitholders.

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All Directors are required to confirm on an annual basis, and for FY 2018, had confirmed that they were able to devote sufficient time and attention to the affairs of the Manager in managing the assets and liabilities of CMT. The Board assessed each Director's ability to commit time to the affairs of CMT, taking into consideration their confirmation, their commitments, their attendance record at meetings of the Board and Board Committees, as well as their conduct and contributions (including preparedness, participation and candour) at Board and Board Committee meetings. The Directors' listed company directorships and principal commitments are disclosed on pages 21 to 25 of this Annual Report and their attendance record for FY 2018 is set out on page 51 of this Annual Report. For FY 2018, the Directors achieved high attendance record and they have contributed positively to Board discussions at Board and Board Committee meetings, based on which the Board has determined that each Director has been adequately carrying out his duties as a director of the Manager.

Board Performance
Principle 5:

There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

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

The Board strives to ensure that there is an optimal blend in the Board of backgrounds, experience and knowledge in business and general management, expertise relevant to CMT's business and track record, and that 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 CMT.

Whilst board performance is ultimately reflected in the long-term performance of CMT, the Board believes that engaging in a regular process of self-assessment and evaluation of board performance in order to identify key strengths and areas for improvement is essential to effective stewardship and to attaining success for CMT.

As part of the Manager's commitment towards improving corporate governance, the Board has approved and implemented a process to evaluate the effectiveness of the Board as a whole and the Board Committees annually. As part of the process, questionnaires were sent to the Directors, and the results were aggregated and reported to the Chairman of the Board. The evaluation categories covered in the questionnaire include Board composition, Board processes, strategy, performance and governance, access to information and Board Committee effectiveness. As part of the questionnaire, the Board also considers whether the creation of value for Unitholders has been taken into account in the decision making process. The results of the survey were considered by the Board and follow up action is taken where necessary with a view to enhancing the effectiveness of the Board in the discharge of its duties and responsibilities. The outcome of the evaluation was satisfactory with positive ratings received for all the attributes in the evaluation categories.

The Board was also able to assess the Board Committees through their regular reports to the Board on their activities. In respect of individual Directors, their contributions 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 Board Committee meetings.

The Manager further believes that the collective Board performance and the contributions of individual Board members are also reflected in, and evidenced by, the synergistic performance of the Board in discharging its responsibilities as a whole by providing proper guidance, diligent oversight and able leadership, and lending support to Management in steering CMT in the appropriate direction, as well as the long-term performance of CMT whether under favourable or challenging market conditions.

Access to Information
Principle 6:

In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

The Manager recognises the importance of providing the Board with relevant information on a timely basis prior to Board and Board Committee meetings and on an ongoing basis, to enable the Directors to make informed decisions to discharge their duties and responsibilities. Reports on CMT's performance are also provided to the Board on a regular basis.

The Board meets regularly and Board meetings, in general, last up to half a day. At each Board meeting, the CEO provides updates on CMT's business and operations, as well as financial performance. Presentations in relation to specific business areas are also made by key executives, external consultants or experts. This allows the Board to develop a good understanding of the progress of CMT's business as well as the issues and challenges facing CMT, and promotes active engagement with the key executives of the Manager.

As a general rule, Board papers are sent to Board members at least five working days prior to each meeting, to allow the Board members to prepare for the meetings and to enable discussions to focus on any questions that they may have.

In addition to providing complete, adequate and timely information to the Board on Board affairs and issues requiring the Board's decision, Management also provides ongoing reports relating to the operational and financial performance of CMT, such as monthly management reports.

Where appropriate, informal meetings are also held for Management to brief Directors on prospective transactions and potential developments in the early stages before formal Board approval is sought.

The Board has unfettered access to any Management staff for any information that it may require at all times. It also has separate and independent access to the company secretary of the Manager (Company Secretary) at all times. The Company Secretary attends to corporate secretarial administration matters and is the corporate governance advisor on corporate matters to the Board and Management. The Company Secretary attends all Board meetings and assists the Chairman in ensuring that Board procedures are followed. The appointment and the removal of the Company Secretary is subject to the Board's approval. The Board, whether as individual Directors or as a group, is also entitled to have access to independent professional advice where required, with expenses borne by the Manager.

There were no separate meetings of the IDs without the presence of other Directors in FY 2018 because no Lead ID is required to be appointed.

The AC meets the internal and external auditors separately at least once a year, without the presence of the CEO and Management.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies
Principle 7:

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Level and Mix of Remuneration
Principle 8:

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Disclosure on Remuneration
Principle 9:

Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

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The Board is able to undertake the functions of a remuneration committee because:

(a) the Manager does not manage any other REITs and in general, REITs (including CMT) have a more focused scope and scale of business compared to those of listed companies. For this reason, the Board's capacity would not be unduly stretched by reason of it undertaking the responsibilities of a remuneration committee and the Board would be able to give adequate attention to such issues relating to remuneration matters; and

(b) the IDs form at least half of the Board and the Chairman is an ID, which demonstrate that the IDs play a substantive role and assure the objectivity and independence of the decision making process concerning remuneration. This also mitigates any concerns of conflict which can be managed by having the conflicted Directors abstain from the decision making process. Further, conflict situations are less likely to arise in matters of remuneration.

In undertaking this function, the Board oversees the design and implementation of the remuneration policy and the specific remuneration packages for each Director and senior executives including the CEO. No member of the Board, however, will be involved in any decision of the Board relating to his own remuneration.

The Board sets the remuneration policies in line with CMT Group's business strategy and approves the executive compensation framework based on the key principle of linking pay to performance. The Board has access to independent remuneration consultants for advice if 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 executive officers, 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 executive officers are in line with the objectives of the remuneration policies. It also considers the compensation framework of CL as a point of reference. The Manager is a subsidiary of CL which also holds a significant stake in CMT. The association with the CL group puts the Manager in a better position to attract and retain better qualified management talent; 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 2018, an independent remuneration consultant, Willis Towers Watson, was appointed to provide professional advice on Board and executive remuneration. Willis Towers Watson is a leading global advisory, broking and solutions company with over 40,000 employees serving more than 140 countries. The consultant is not related to the Manager, its controlling shareholder, its related corporations or any of its Directors.

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 distributions and total returns to Unitholders
- Provide sound and structured funding to ensure affordability and cost-effectiveness in line with performance goals
- Enhance retention of key talents 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 linking rewards and performance

Fair & Appropriate
- Ensure competitive remuneration relative to the appropriate external talent markets
- Manage internal equity such that remuneration systems are viewed as fair across CMT Group
- Significant and appropriate portion of pay-at-risk, taking into account risk policies of CMT 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 fixed components, variable cash components, unit-based components and employee benefits:

A. Fixed Components

The fixed components comprise the base salary, fixed allowances and compulsory employer contribution to an employee's Central Provident Fund.

B. Variable Cash Components

The variable cash components comprise the Balanced Scorecard Bonus Plan that 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, CMT Group's strategy and goals are translated to performance outcomes comprising both quantitative and qualitative targets in the dimensions of:

- Financial: This includes targets relating to profitability, distributions, capital structure and cost management;
- Execution: This includes targets relating to asset management, operational efficiency, sustainability and stakeholder engagement;
- Future Growth: This includes targets relating to portfolio management and retail network enhancement; and
- People: This includes targets relating to talent management and competency development.

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

After the close of each year, the Board reviews CMT 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 of the Manager.

C. Unit-based Components

Unit awards were granted in FY 2018 pursuant to the CapitaLand Mall Trust Management Limited Performance Unit Plan (PUP) and CapitaLand Mall Trust Management Limited Restricted Unit Plan (RUP) (together, the Unit Plans), approved by the Board. The Manager believes that the Unit-based component of the remuneration for key management personnel serves to align the interests of such key management personnel with that of Unitholders and CMT's long-term growth and value.

The obligation to deliver the Units is expected to be satisfied out of the Units held by the Manager.

CapitaLand Mall Trust Management Limited Performance Unit Plan

In FY 2018, the Board granted awards which are conditional on targets set for a three-year performance period. A specified number of Units will only be released to the recipient at the end of the qualifying performance period, provided that minimally the threshold target is achieved. An initial number of Units (baseline award) is contingently allocated conditional on the achievement of a pre-determined target in respect of the Relative Total Unitholder Return (TUR) of CMT Group measured by the percentile ranking of CMT Group's TUR against the REITs in the FTSE ST REIT Index.

The above performance measure has been selected as a key measure of wealth creation for Unitholders. The final number of Units to be released will depend on CMT's performance against the pre-determined target which is measured over the three-year qualifying performance period. This serves to align Management's interests with that of Unitholders in the longer term and to deter short-term risk taking. No Units will be released if the threshold target is not met at the end of the qualifying performance period. On the other hand, if the superior target is met, more Units than the baseline award can be delivered up to a maximum of 200% of the baseline award. Recipients will receive fully paid Units at no cost.

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For the year under review, the relevant award for assessment of the performance achieved by CMT is the award granted in FY 2016 where the qualifying performance period was FY 2016 to FY 2018. Based on the Board's assessment that the performance achieved by CMT Group has partially met the pre-determined performance target for such performance period, the resulting number of Units released has been adjusted accordingly to reflect the performance level.

In respect of the Unit awards granted under the PUP in FY 2017 and FY 2018, the respective qualifying performance periods have not ended as at the date of this Report.

CapitaLand Mall Trust Management Limited Restricted Unit Plan
In FY 2018, the Board granted awards which are conditional on targets set for a one-year performance period. A specified number of Units will only be released to recipients at the end of the qualifying performance period, provided that minimally the threshold targets are achieved. Under the RUP, an initial number of Units (baseline award) is contingently allocated conditional on the achievement of pre-determined targets in respect of the following performance conditions:

› Net property income of CMT Group
› Distribution per Unit of CMT Group

The above performance measures have been selected as they are the key drivers of business performance and are aligned to unitholder value. The final number of Units to be released will depend on CMT's performance against the pre-determined targets at the end of the one-year qualifying performance period. The Units will be released progressively over a vesting period of three years, which serves to align Management's interests with that of Unitholders in the longer term, deter short-term risk taking, as well as to facilitate talent retention. No Units will be released if the threshold targets are not met at the end of the qualifying performance period. On the other hand, if superior targets are met, more Units than the baseline award can be delivered up to a maximum of 150% of the baseline award. Recipients will receive fully paid Units at no cost. This ensures alignment between remuneration and sustaining business performance in the longer term.

In respect of the Unit awards granted under the RUP in FY 2018, based on the Board's assessment that the performance achieved by the CMT Group has met the pre-determined performance targets for the qualifying performance period of FY 2018, the resulting number of Units released has been adjusted accordingly to reflect the performance level.

To further promote alignment of Management's interests with that of Unitholders in the longer term, the Board has approved unit ownership guidelines for senior management to instill stronger identification by senior executives with the longer term performance and growth of CMT Group. Under these guidelines, senior management participants are required to retain a prescribed proportion of CMT's Units received under the Unit Plans.

D. Employee Benefits
The benefits provided are comparable with local market practices.

The remuneration for the CEO in bands of S$250,000 and a breakdown of the remuneration of the CEO and other key management personnel of the Manager in percentage terms are provided in the Key Management Personnel's Remuneration Table on page 51 of this Annual Report.

At present, there are four key management personnel of the Manager (including the CEO). The Manager outsources various other services to a wholly owned subsidiary of CL (CL Subsidiary). The CL Subsidiary provides the services through its employees (Outsourced Personnel). This arrangement is put in place so as to provide flexibility and maximise efficiency in resource management to match the needs of CMT from time to time, as well as to leverage on economies of scale and tap on the management talent of an established corporate group which can offer enhanced depth and breadth of experience. However, notwithstanding the outsourcing arrangement, the responsibility for due diligence, oversight and accountability continues to reside with the Board and Management. In this regard, the remuneration of such Outsourced Personnel, being employees of the CL Subsidiary, is not included as part of the disclosure of remuneration of key management personnel of the Manager in this Report.

The Manager has decided (a) to disclose the CEO's remuneration in bands of S$250,000 (instead of on a quantum basis), and (b) not to disclose the remuneration of the other key management personnel of the Manager (whether in bands of S$250,000 or otherwise). In arriving at its decision, it took into account the commercial sensitivity and confidential nature of remuneration matters. The Manager is of the view that disclosure in such manner is not prejudicial to the interests of Unitholders as the indicative range for the CEO's remuneration, as well as the total remuneration for the CEO and other key management personnel of the Manager, is made known to Unitholders, and sufficient information is provided on the Manager's remuneration framework to enable Unitholders to understand the link between CMT's performance and the remuneration of the CEO and other key management personnel. 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), rather than borne by CMT.

The Board seeks to ensure that the remuneration paid to the CEO and other key management personnel of the Manager are strongly linked to the achievement of business and individual performance targets. The performance targets approved by the Board are set at realistic yet stretched levels each year to motivate a high level of business performance with emphasis on both short and long term quantifiable objectives.

In FY 2018, there were no termination, retirement or post-employment benefits granted to Directors, the CEO and other key management personnel of the Manager. There was also no special retirement plan, 'golden parachute' or special severance package for any of the key management personnel of the Manager.

There were no employees of the Manager who were substantial shareholders of the Manager, substantial unitholders of CMT or immediate family members of a Director, the CEO or a shareholder of the Manager or substantial unitholder of CMT in FY 2018. "Immediate family member" refers to the spouse, child, adopted child, step-child, sibling or parent of the individual.

Quantitative Remuneration Disclosure under AIFMD

The Manager is also required under the AIFMD to make quantitative disclosures of remuneration. Disclosures are provided in relation to (a) the staff of the Manager; (b) staff who are senior management; and (c) staff who have the ability to materially affect the risk profile of CMT.

All individuals included in the aggregated figures disclosed are rewarded in line with the Manager's remuneration policies described in this Report.

The aggregate amount of remuneration awarded by the Manager to its staff (including CEO and non-executive Directors) in respect of FY 2018 was approximately S$3.17 million. This figure comprised of fixed pay of S$1.66 million, variable pay of S$1.33 million (including Units issued under the Unit Plans, where applicable) and allowances and benefits-in-kind of S$0.19 million. There was a total of 13 beneficiaries of the remuneration described above. In respect of FY 2018, the aggregate amount of remuneration awarded by the Manager to its senior management (which are also members of staff whose actions have a material impact on the risk profile of CMT) was approximately S$2.56 million, comprising five individuals identified having considered, among others, their roles and decision making powers.

Non-executive Director Remuneration

The Directors' fees for FY 2018 are shown on page 40 of this Annual Report. The CEO who is also a Director is remunerated as part of the key management personnel of the Manager and therefore does not receive any Director's 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 and serving on Board Committees. The framework for the Directors' fees remains unchanged from that for the previous financial year.

The compensation package is market benchmarked, taking into account the demanding responsibilities on the part of the Directors in light of the scope and nature of CMT Group's business.

Directors' fees of non-executive Directors (including the Chairman) will be paid in cash (about 80.0%) and in the form of Units (about 20.0%), save for fees to be paid to (i) a non-executive director (not being an employee of CL) who steps down from the Board, which are paid entirely in cash; and (ii) a Director whose Director's fees are paid entirely in cash to a government agency, The Directorship & Consultancy Appointments Council. The Manager believes that the payment of a portion of the Directors' fees in Units will serve to align the interests

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of such Directors with that of Unitholders and CMT's long-term growth and value. In order to encourage the alignment of the interests of the non-executive Directors with the interests of Unitholders, a non-executive Director is required to hold Units worth at least one year of his basic retainer fee or the total number of Units awarded under the above policy, whichever is lower, at all times during his Board tenure.

Directors' Fees[1]

Board members	FY 2018	FY 2017
Adj Prof Richard R. Magnus	S$141,000[2]	S$139,000[2]
Lim Ming Yan	N.A.[3,4]	N.A.[4]
Tony Tan Tee Hieong	N.A.[3]	N.A.[5]
Tan Kian Chew	S$55,000[2]	S$53,000[2]
Ng Chee Khern	S$53,000[6]	S$53,000[6]
Lee Khai Fatt, Kyle	S$105,000[2]	S$101,000[2]
Fong Kwok Jen	S$80,000[2]	S$76,000[2]
Gay Chee Cheong	S$80,000[2]	S$72,000[2]
Jason Leow Juan Thong	N.A.[3,4]	N.A.[4]
Lim Cho Pin Andrew Geoffrey	N.A.[4]	N.A.[4,7]

N.A.: Not Applicable.

1 Inclusive of attendance fees of (a) S$2,000 (local meeting) and S$5,000 (overseas meeting) per meeting attendance in person (b) S$1,700 per meeting attendance via audio or video conference (c) S$1,000 per meeting attendance in person at project and verification meetings and (d) S$500 per meeting attendance via audio or video conference at project and verification meetings. Attendance fees at project and verification meetings are subject to a maximum of S$10,000 per Director per annum.
2 Each non-executive Director shall receive up to 20.0% of his Director's fees in the form of Units (subject to truncation adjustments). The remainder of the Director's fees shall be paid in cash. No new Units will be issued for this purpose as these Units will be paid by the Manager from the Units it holds.
3 Mr Lim Ming Yan retired as Non-Executive Non-Independent Director and Deputy Chairman with effect from 1 July 2018. On the same day, Mr Jason Leow Juan Thong was appointed as Chairman of the EC and IC, respectively, and Mr Tony Tan Tee Hieong was appointed as a member of the CDC, in place of Mr Lim.
4 Non-executive Directors who are employees of CL do not receive Directors' fees.
5 Mr Tony Tan Tee Hieong was appointed as the Chief Executive Officer, an Executive Non-Independent Director and a member of the Executive Committee with effect from 1 May 2017.
6 All Director's fees payable to Mr Ng Chee Khern, a public officer, will be paid in cash to a government agency, The Directorship & Consultancy Appointments Council.
7 Mr Lim Cho Pin Andrew Geoffrey was appointed as Non-Executive Non-Independent Director and a member of the Audit Committee and the Executive Committee, respectively, with effect from 1 May 2017.

(C) ACCOUNTABILITY AND AUDIT

Accountability
Principle 10:
The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Manager provides Unitholders with quarterly and annual financial statements within the relevant periods prescribed by the Listing Manual. These quarterly and annual financial statements are reviewed and approved by the Board prior to release to Unitholders by announcement on the SGXNet. These releases of quarterly and annual financial statements are accompanied by news releases issued to the media and which are also posted on the SGXNet. In presenting the quarterly and annual financial statements to Unitholders, the Board aims to provide Unitholders with a balanced, clear and understandable assessment of CMT's performance, position and prospects. In order to achieve this, Management provides the Board with management accounts on a monthly basis and such explanation and information as any Director may require, to enable the Directors to keep abreast, and make a balanced and informed assessment, of CMT's financial performance, position and prospects.

In addition to quarterly and annual financial statements, the Manager also keeps Unitholders, stakeholders and analysts informed of the performance and changes in CMT or its business which would likely materially affect the price or value of the Units on a timely and consistent basis, so as to assist Unitholders and investors in their investment decisions.

The Manager believes in conducting itself in ways that seek to deliver maximum sustainable value to Unitholders. Best practices are promoted as a means to build an excellent business for Unitholders and the Manager is accountable to Unitholders for CMT's performance. Prompt fulfilment of statutory reporting requirements is but one way to maintain Unitholders' confidence and trust in the capability and integrity of the Manager.

Risk Management and Internal Controls
Principle 11:

The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

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 CMT'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 controls systems. The AC assists the Board in carrying out the Board's responsibility of overseeing the risk management framework and policies for CMT Group.

Under its terms of reference, the AC's scope of duties and responsibilities is as follows:

(a) makes recommendations to the Board on the Risk Appetite Statement (RAS) for CMT Group;
(b) assesses the adequacy and effectiveness of the risk management and internal controls systems established by the Manager to manage risks;
(c) oversees the formulation, updating and maintenance of an adequate and effective risk management framework, policies and strategies for managing risks that are consistent with CMT Group's risk appetite and reports to the Board on its decisions on any material matters concerning the aforementioned;
(d) makes the necessary recommendations to the Board such that an opinion regarding the adequacy and effectiveness of the risk management and internal controls systems can be made by the Board in the annual report of CMT in accordance with the Listing Manual and the Code; and
(e) considers and advises on risk matters referred to it by Management or the Board including reviewing and reporting to the Board on any material breaches of the RAS, any material non-compliance with the approved framework and policies and the adequacy of any proposed action.

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

As part of the ERM Framework, the Manager, among other things, undertakes and performs a Risk and Control Self-Assessment (RCSA) annually in respect of CMT Group to identify material risks along with their mitigating measures. The systems of risk management and internal controls are reviewed regularly by the Manager, the AC and the Board, taking into account best practices and guidance in the Risk Governance Guidance for Listed Boards issued by the Corporate Governance Council and the Listing Manual.

CMT Group's RAS, incorporating the risk limits, addresses the management of material risks faced by CMT Group. Alignment of CMT Group's risk profile to the RAS is achieved through various communication and monitoring mechanisms put in place across the various functions within the Manager.

More information on the Manager's ERM Framework can be found in the Enterprise Risk Management section on pages 52 to 55 of this Annual Report.

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. 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.

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The Board has received assurance from the CEO and the Head, Finance of the Manager that:

(a) the financial records of CMT Group have been properly maintained and the financial statements for FY 2018 give a true and fair view of CMT Group's operations and finances; and
(b) the systems of risk management and internal controls in place for CMT Group are adequate and effective to address the risks (including financial, operational, compliance and IT risks) which the Manager considers relevant and material to the current business environment.

The CEO and the Head, Finance of the Manager have obtained similar assurances from the respective risk and control owners.

In addition, in FY 2018, the Board has received quarterly certification by Management on the integrity of financial reporting and the Board has provided a negative assurance confirmation to Unitholders as required by the Listing Manual.

Based on the ERM Framework established and the reviews conducted by Management and both the internal and external auditors, as well as the assurance from the CEO and the Head, Finance of the Manager, the Board is of the opinion that the systems of risk management and internal controls are adequate and effective to address the risks (including financial, operational, compliance and IT risks) which the Manager considers relevant and material to the current business environment as at 31 December 2018. The AC concurs with the Board in its opinion. No material weaknesses in the systems of risk management and internal controls were identified by the Board or the AC in the review for FY 2018.

The Board notes that the systems of risk management and internal controls established by the Manager provide reasonable assurance that CMT 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 systems 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.

Audit Committee
Principle 12:
The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

At present, the AC comprises four non-executive Directors, the majority of whom (including the Chairman of the AC) are IDs. The members bring with them invaluable recent and relevant managerial and professional expertise in accounting and related financial management domains; in particular the Chairman of the AC is a Fellow of the Institute of Singapore Chartered Accountants, among other professional affiliations. The AC does not comprise members who were previously partners of the incumbent external auditors, KPMG LLP (KPMG), within the period of two years commencing on the date of their ceasing to be a partner of KPMG. The AC also does not comprise any member 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 executive officer to attend its meetings. Similarly, both the internal and external auditors have unrestricted access to the AC.

Under its terms of reference, the AC's scope of duties and responsibilities is as follows:

(a) reviews the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of CMT Group, and any announcements relating to CMT Group's financial performance;
(b) reviews and reports to the Board at least annually the adequacy and effectiveness of the Manager's internal controls, including financial, operational, compliance and IT controls, and risk management systems;
(c) reviews the adequacy and effectiveness of the Manager's internal audit and compliance functions;
(d) reviews the scope and results of the external audit and independence and objectivity of the external auditors;
(e) makes recommendations to the Board on the proposals to Unitholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration of the external auditors;

(f) reviews and approves processes to regulate transactions involving an Interested Person (as defined in Chapter 9 of the Listing Manual) and/or Interested Party (as defined in the Property Funds Appendix) (each, an Interested Person) and CMT and/or its subsidiaries (Interested Person Transactions), to ensure compliance with the applicable regulations. The regulations include the requirement that Interested Person Transactions are on normal commercial terms and are not prejudicial to the interests of CMT and its minority Unitholders. In respect of any property management agreement which is an Interested Person Transaction, the AC also carries out reviews at appropriate intervals to satisfy itself that the Manager has reviewed the Property Manager's compliance with the terms of the property management agreement and has taken remedial actions where necessary; and
(g) reviews the whistle-blowing policy and arrangements by which employees of the Manager and any other persons may, in confidence, report suspected fraud or irregularity or suspected infringement of any laws or regulations or rules, or raise concerns about possible improprieties in matters of financial reporting or other matters with a view to ensuring that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken.

The AC has reviewed the nature and extent of non-audit services provided by the external auditors in FY 2018 and the fees paid for such services. The AC also undertook a review of the independence of the external auditors, taking into consideration, among others, CMT's relationships with the external auditors in FY 2018, as well as the processes and safeguards adopted by the Manager and KPMG relating to audit independence. In particular, KPMG has confirmed that the teams which provided the audit services to CMT Group are separate from the teams which provided the non-audit services to CMT Group. Based on the review, the AC is satisfied that the independence of the external auditors has not been impaired by the provision of those services. The external auditors have also provided confirmation of their independence to the AC. The aggregate amount of fees paid and payable to the external auditors for FY 2018 was S$580,900, of which audit (and audit-related fees) amounted to approximately S$413,400 and non-audit fees amounted to approximately S$167,500.

In FY 2018, 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. Where relevant, the AC makes reference to best practices and guidance for Audit Committees in Singapore including practice directions issued from time to time in relation to the Financial Reporting Surveillance Programme administered by the Accounting and Corporate Regulatory Authority of Singapore.

In the review of the financial statements of CMT Group for FY 2018, 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 investment properties and investment properties under development, being the key audit matter as reported by the external auditors for FY 2018.

The AC considered the valuation methodologies and key assumptions applied by the valuers for investment properties and investment properties under development in arriving at the valuations and also evaluated the valuers' objectivity and competency.

In order to provide fresh perspectives to the valuation process, the valuers do not value the same property for more than two consecutive years. This practice has been consistently adhered to over time.

The AC reviewed the outputs from the valuation process of the investment properties and investment properties under development and held discussions with Management and the external auditors to review the valuation methodologies, focusing on significant changes in fair value measurement and key drivers of the changes including assessing the reasonableness of the capitalisation rates, discount rates, terminal yield rates and estimated development costs adopted by the valuers.

The valuation of investment properties and investment properties under development was also an area of focus for the external auditors. The AC considered the findings of the external auditors, including their assessment of the appropriateness of valuation methodologies and the key assumptions applied in the valuation of investment properties and investment properties under development.

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

CORPORATE GOVERNANCE

Changes to the accounting standards and accounting issues which have a direct impact on the financial statements were reported to and discussed with the AC in its meetings.

The Manager confirms, on behalf of CMT, that CMT complies with Rule 712 and Rule 715 of the Listing Manual.

Internal Audit
Principle 13:
The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Manager has in place an internal audit function supported by CL's Internal Audit Department (CL IA). The primary reporting line of CL IA is to the AC. The AC has carried out a review and is of the view that the internal audit function performed by CL IA is adequate, effective and independent. CL 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 year. The AC also meets with CL IA at least once a year without the presence of Management. CL IA has unfettered access to the Manager's documents, records, properties and employees, including access to the AC, and has appropriate standing within CMT Group.

CL IA is adquately resourced and staffed with persons with the relevant qualifications and experience. CL IA is a corporate member of the Singapore branch of the Institute of Internal Auditors Inc. (IIA), which has its headquarters in the United States of America (USA). CL 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. With respect to FY 2018, the AC has reviewed and is satisfied as to the adequacy and effectiveness of the IA function.

To ensure that internal audits are performed by competent professionals, CL IA recruits and employs suitably qualified professional staff with the requisite skill sets and experience. For instance, CL IA staff who are involved in IT audits are Certified Information System Auditors and members of the Information System Audit and Control Association (ISACA) in the USA. The ISACA Information System Auditing Standards provide guidance on the standards and procedures to be applied in IT audits.

CL IA identifies and provides training and development opportunities for its staff to ensure that their technical knowledge and skill sets remain current and relevant.

(D) SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights
Principle 14:
Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

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 the appointment of up to two proxies, if they are unable to attend in person or in the case of a corporate unitholder, through its appointed representative). Unitholders such as nominee companies which provide custodial services for securities are not constrained by the two proxy limitation, and are able to appoint more than two proxies to attend, speak and vote at general meetings of CMT.

More information on unitholder participation in general meetings can be found in the section on Principle 16: Conduct of Shareholder Meetings of this Report.

Communication with Shareholders
Principle 15:
Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

The Manager is committed to keeping all Unitholders, other stakeholders, analysts and the media informed of the performance and changes in CMT 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 team and a Group Communications team, both of which facilitate effective communication with Unitholders, analysts, fund managers and the media.

The Manager actively engages with Unitholders and has put in place an Investor Relations Policy (Policy) to promote regular, effective and fair communications with Unitholders. The Policy is available on CMT's website at www.cmt.com.sg, and contains the mechanism through which Unitholders may contact CMT with questions and through which CMT may respond.

The Board has established the CDC which assists the Board in the discharge of its function to meet the obligations arising under the laws and regulations of Singapore relating to and to conform to best practices in the corporate disclosure and compliance process. The views and approval of the CDC were sought throughout the year through emails on various announcements and news releases.

More information on the Manager's investor and media relations efforts can be found in the Investor & Media Relations section on pages 56 to 57 of this Annual Report and the Policy which is available on CMT's website.

CMT is included in the Straits Times Index (STI), the primary Singapore equity market barometer. It is also included in other key indices which are widely tracked and referred to by international fund managers as performance benchmarks in the selection and monitoring of investments.

CMT's distribution policy is to distribute at least 90.0% of its taxable income (other than gains from the sale of real estate properties by CMT which are determined to be trading gains), with the actual level of distribution to be determined at the Manager's discretion. Distributions are generally paid within 35 market days after the relevant books closure date.

Conduct of Shareholder Meetings
Principle 16:
Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Manager supports the principle of encouraging Unitholders' participation and voting at general meetings. Unitholders will receive a copy of the notice of the general meeting and may download the Annual Report (printed copies of the Annual Report are available upon request) from CMT's website at www.cmt.com.sg. Notices of the general meetings are also advertised in the press and issued on SGXNet. More than the requisite notice period for general meetings is generally provided. All Unitholders are given the opportunity to participate effectively in and vote at general meetings.

At general meetings, Management makes a presentation to Unitholders to update them on CMT's performance, position and prospects. The presentation materials are made available to Unitholders on CMT's website and SGXNet. Unitholders are given the opportunity to communicate their views and discuss with the Board and Management matters affecting CMT. Unitholders are informed of the rules governing general meetings. Representatives of the Trustee, Directors (including the chairpersons of the respective Board Committees), the Manager's senior management and the external auditors of CMT, are present for the entire duration of general meetings to address any queries that Unitholders may have. Directors and Management also interact with Unitholders after the general meetings. All the Directors attended the general meetings held during their tenure in FY 2018. A record of the Directors' attendance at the general meetings can be found in the records of their attendance of meetings set out at page 51 of this Annual Report.

CORPORATE GOVERNANCE

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' interests, the Manager conducts electronic poll voting for all the resolutions proposed at the general meetings. One unit is entitled to one vote. Voting procedures are explained and vote tabulations 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 tallied and displayed 'live' on-screen to Unitholders immediately at the general meetings. The total number of votes cast for or against the resolutions and the respective percentages are also announced on SGXNet after the general meetings. Voting in absentia and by email, which are currently not permitted, 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, and legislative changes are effected to recognise remote voting.

Minutes of the general meetings, recording the substantial and relevant comments made and questions raised, are prepared and are available to Unitholders for their inspection upon request. Minutes of the annual general meetings are also uploaded to CMT's website at www.cmt.com.sg.

(E) ADDITIONAL INFORMATION

Additional Committees

In addition to the AC and CDC, the Board has also established the EC and IC.

The EC oversees the day-to-day activities of the Manager and that of CMT, on behalf of the Board. The EC is guided by its terms of reference, in particular, the EC:

(a) approves specific budgets for capital expenditure on development projects, acquisitions and enhancements/upgrading of properties within its approved financial limits;
(b) reviews management reports and operating budgets; and
(c) awards contracts for development projects.

The members of the EC also meet informally during the course of the year.

The IC is guided by its terms of reference, in particular, the IC reviews proposals on and, where it considers appropriate, approve proposals on investments and divestments of CMT within the authority or limits approved from time to time by the Board.

Dealings with Interested Persons

Review Procedures for Interested Person Transactions

The Manager has established internal control procedures to ensure that all Interested Person Transactions are undertaken on an arm's length basis and on normal commercial terms, which are generally no more favourable than those extended to unrelated third parties, and are not prejudicial to the interests of CMT and Unitholders. In respect of such transactions, the Manager would have to demonstrate to the AC that such transactions are undertaken on normal commercial terms and are not prejudicial to the interests of CMT and Unitholders which may include obtaining (where practicable) third party quotations or obtaining valuations from independent valuers (in accordance with applicable provisions of the Listing Manual and the Property Funds Appendix). The internal control procedures also ensure compliance with Chapter 9 of the Listing Manual and the Property Funds Appendix.

In particular, the procedures in place include the following:

Interested Person Transactions[1]	Approving Authority, Procedures and Disclosure
Below S$100,000 per transaction	› Trustee
S$100,000 and above per transaction (which singly, or when aggregated with other transactions[2] with the same Interested Person in the same financial year is less than 3.0% of CMT's latest audited net tangible assets/net asset value)	› Trustee › Audit Committee
Transaction[2] which: (a) is equal to or exceeds 3.0% of CMT's latest audited net tangible assets/net asset value; or (b) when aggregated with other transactions[2] with the same Interested Person in the same financial year is equal to or exceeds 3.0% of CMT's latest audited net tangible assets/net asset value	› Trustee › Audit Committee › Immediate announcement
Transaction[2] which: (a) is equal to or exceeds 5.0% of CMT's latest audited net tangible assets/net asset value; or (b) when aggregated with other transactions[2,3] with the same Interested Person in the same financial year is equal to or exceeds 5.0% of CMT's latest audited net tangible assets/net asset value	› Trustee › Audit Committee › Immediate announcement › Unitholders[3]

1 This table does not include the procedures applicable to Interested Person Transactions falling under the exceptions set out in Rule 915 and Rule 916 of the Listing Manual.
2 Any transaction of less than S$100,000 in value is disregarded.
3 In relation to approval by Unitholders for transactions that are equal to or exceed 5.0% of CMT's latest audited net tangible assets/net asset value (whether singly or aggregated), any transaction which has been approved by Unitholders, or is the subject of aggregation with another transaction that has been approved by Unitholders, need not be included in any subsequent aggregation.

Role of the Audit Committee for Interested Person Transactions

The Manager's internal control procedures are intended to ensure that Interested Person Transactions are conducted at arm's length, on normal commercial terms and are not prejudicial to CMT and Unitholders' interests.

The Manager maintains a register to record all Interested Person Transactions which are entered into by CMT (and the basis on which they are entered into, including the quotations obtained to support such basis). All Interested Person Transactions are subject to regular periodic reviews by the AC, which in turn obtains advice from CL IA, to ascertain that the guidelines and procedures established to monitor Interested Person Transactions, including the relevant provisions of the Listing Manual and the Property Funds Appendix, as well as any other guidelines which may from time to time be prescribed by the SGX-ST, MAS or other relevant authorities, 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. In addition, the Trustee also reviews such audit reports to ascertain that the Listing Manual and the Property Funds Appendix have been complied with.

Details of all Interested Person Transactions (equal to or exceeding S$100,000 each in value) entered into by CMT in FY 2018 are disclosed on pages 227 to 228 of this Annual Report.

CORPORATE GOVERNANCE

Dealing with Conflicts of Interest

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

(a) the Manager will not manage any other REIT or be involved in any other real property business;
(b) all resolutions at meetings of the Board in relation to matters concerning CMT must be decided by a majority vote of the Directors, including at least one ID;
(c) in respect of matters in which CL and/or its subsidiaries have an interest, whether direct or indirect, any nominees appointed by CL and/or its subsidiaries to the Board will abstain from voting. In such matters, the quorum must comprise a majority of IDs and shall exclude such nominee Directors of CL and/or its subsidiaries;
(d) 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. In such matters, the quorum must comprise a majority of the Directors and shall exclude such interested Director(s);
(e) 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 CMT 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 CMT, has a *prima facie* case against the party allegedly in breach under such agreement, the Manager is obliged to pursue the appropriate remedies under such agreement; and
(f) at least one-third of the Board shall comprise IDs.

In respect of voting rights where the Manager would face a conflict between its own interests and that of Unitholders, the Manager shall cause such voting rights to be exercised according to the discretion of the Trustee.

Dealings 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 Manual. To this end, the Manager has issued guidelines to its Directors and employees as well as certain relevant executives of the CL group, which set out prohibitions against dealings in CMT Group's securities (i) while in possession of material unpublished price-sensitive information, (ii) during the two weeks immediately preceding, and up to the time of the announcement of, CMT's financial statements for each of the first three quarters of CMT's financial year, and (iii) during the one month immediately preceding, and up to the time of the announcement of, CMT's financial statements for the full financial year. Prior to the commencement of each relevant period, an email would be sent out to all Directors and employees of the Manager as well as certain relevant executives of the CL group to inform them of the duration of the period. The Manager will also not deal in CMT Group's securities during the same period. In addition, employees and Capital Markets Services Licence Appointed Representatives of the Manager are required to give pre-trading notification to the CEO and the Compliance department before any dealing in CMT Group's securities.

Directors and employees of the Manager as well as certain relevant executives of the CL group are also prohibited from dealing in securities of CMT Group if they are in possession of unpublished price-sensitive information of CMT Group. As and when appropriate, they would be issued an advisory to refrain from dealing in CMT Group's securities.

Under the policy, Directors and employees of the Manager as well as certain relevant executives of the CL group are also discouraged from trading on short-term or speculative considerations. They are also prohibited from using any information with respect to other companies or entities obtained in the course of their employment in connection with securities transactions of such companies or entities.

Dealings by the Directors are disclosed in accordance with the requirements in the SFA and the Listing Manual.

(F) CODE OF BUSINESS CONDUCT

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 workplace harassment and grievances are also in place.

The policies and guidelines are published on CL'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 in mainly 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.

Second, 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.

Bribery and Corruption Prevention Policy

The Manager adopts a strong stance against bribery and corruption. 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.

The Manager's zero tolerance policy on bribery and corruption extends to its business dealings with third parties. Pursuant to this policy, the Manager requires that certain agreements incorporate anti-bribery and anti-corruption provisions.

Whistle-Blowing Policy

A whistle-blowing policy and other procedures are put in place to provide employees of the Manager 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 the whistle-blowing 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 fullest extent possible, be protected from reprisal. The policy is published on CL's intranet, which is accessible by all employees of the Manager.

CORPORATE GOVERNANCE

Anti-Money Laundering and Countering the Financing of Terrorism Measures

As a holder of a Capital Markets Services Licence issued by MAS, the Manager abides by the MAS' guidelines on the prevention of money laundering and countering the financing of terrorism. Under these guidelines, the main obligations of the Manager are:

(a) evaluation of risk;
(b) customer due diligence;
(c) suspicious transaction reporting;
(d) record keeping;
(e) employee screening and representative screening; and
(f) training.

The Manager has developed and implemented a policy on the prevention of money laundering and terrorist financing and is alert at all times to suspicious transactions. Where there is a suspicion of money laundering or terrorist financing, the Manager performs due diligence checks on its counterparties in order to ensure that it does not enter into business transactions with terrorist suspects or other high risk persons or entities. Suspicious transactions are also reported to the Suspicious Transaction Reporting Office of the Commercial Affairs Department.

Under this policy, the Manager must retain all relevant records or documents relating to business relations with its customers or transactions entered into for a period of at least five years following the termination of such business relations or the completion of such transactions.

All prospective employees, officers and representatives of the Manager are also screened against various lists of terrorist suspects issued by MAS. Periodic training is provided by the Manager to its Directors, employees and representatives to ensure that they are updated and aware of applicable anti-money laundering and terrorist financing regulations, the prevailing techniques and trends in money laundering and terrorist financing and the measures adopted by the Manager to combat money laundering and terrorist financing.

Composition and Attendance Record of Meetings

	Composition				Attendance Record of Meetings in FY 2018		
					Board	Audit Committee	General Meetings
	Audit Committee	Corporate Disclosure Committee#	Executive Committee#	Investment Committee#	Number of Meetings Held: 5	Number of Meetings Held: 5	Number of Meetings Held: 2
Adj Prof Richard R. Magnus, Chairman	-	Chairman	-	Member	5 out of 5	N.A.	2 out of 2
Lim Ming Yan, Deputy Chairman[1]	-	Member	Chairman	Chairman	2 out of 2	N.A.	1 out of 1
Tony Tan Tee Hieong, CEO	-	Member[2]	Member	-	5 out of 5	N.A.	2 out of 2
Tan Kian Chew	-	-	-	-	5 out of 5	N.A.	2 out of 2
Ng Chee Khern	-	-	-	-	4 out of 5	N.A.	2 out of 2
Lee Khai Fatt, Kyle	Chairman	-	-	Member	5 out of 5	5 out of 5	2 out of 2
Fong Kwok Jen	Member	-	-	-	5 out of 5	5 out of 5	2 out of 2
Gay Chee Cheong	Member	-	-	-	5 out of 5	5 out of 5	2 out of 2
Jason Leow Juan Thong	-	Member	Chairman[3]	Chairman[3]	3 out of 5	N.A.	2 out of 2
Lim Cho Pin Andrew Geoffrey	Member	-	Member	-	4 out of 5	4 out of 5	2 out of 2

N.A.: Not Applicable.

\# Given the nature and scope of the work of CDC and EC, their business was discussed/transacted primarily through conference call, correspondence and informal meetings. No IC meeting was convened in FY 2018 as all proposals on investments and divestments for CMT during the course of the year were reviewed and approved by the Board.

1 Mr Lim Ming Yan retired as Non-Executive Non-Independent Director and Deputy Chairman with effect from 1 July 2018. He relinquished his role as Chairman of the EC and IC, respectively, and member of the CDC on the same day.

2 Mr Tony Tan Tee Hieong was appointed as a member of the CDC with effect from 1 July 2018.

3 Mr Jason Leow Juan Thong was appointed as Chairman of the EC and IC, respectively, with effect from 1 July 2018.

Key Management Personnel's Remuneration Table for the Financial Year Ended 31 December 2018

Total Remuneration Bands	Salary inclusive of AWS and employer's CPF	Bonus and Other Benefits inclusive of employer's CPF[1]	Award of Units[2]	Total
Above S$750,000 to S$1,000,000 Tony Tan Tee Hieong	39%	43%	18%	100%
Key Officers[3]				
Tan Lei Keng Audrey Tan Loo Ming *(for the period from 1 January 2018 to 31 July 2018)* Lo Mun Wah *(for the period from 1 August 2018 to 31 December 2018)* Looi Keng	49%	36%	15%	100%
Total for CEO and Key Officers		**S$2,563,267**		

1 The amounts disclosed include bonuses earned and the other incentive plans which have been accrued for in FY 2018.

2 The proportion of value of the Unit awards are based on the fair value of the Units comprised in the contingent awards under the CapitaLand Mall Trust Management Limited Restricted Unit Plan (RUP) and the CapitaLand Mall Trust Management Limited Performance Unit Plan (PUP) at the time of grant in FY 2018. The final number of Units released under the contingent awards of Units for the RUP and PUP will depend on the achievement of pre-determined targets and subject to the respective vesting period under the RUP and PUP.

3 The remuneration of Ms Jacqueline Lee, the Head of Investment and Asset Management, was borne by CL and/or its subsidiaries (other than the Manager), to which the Manager outsources the Investment and Asset Management functions, among others.

ENTERPRISE RISK MANAGEMENT

CapitaLand Mall Trust and its subsidiaries (CMT Group) take a proactive approach to risk management, making it an integral part of our business both strategically and operationally. Our objective is not risk minimisation, but rather the optimisation of opportunities within the known and agreed risk appetite levels set by our Board of Directors. In short, we take measured risks in a prudent manner for justifiable business reasons.

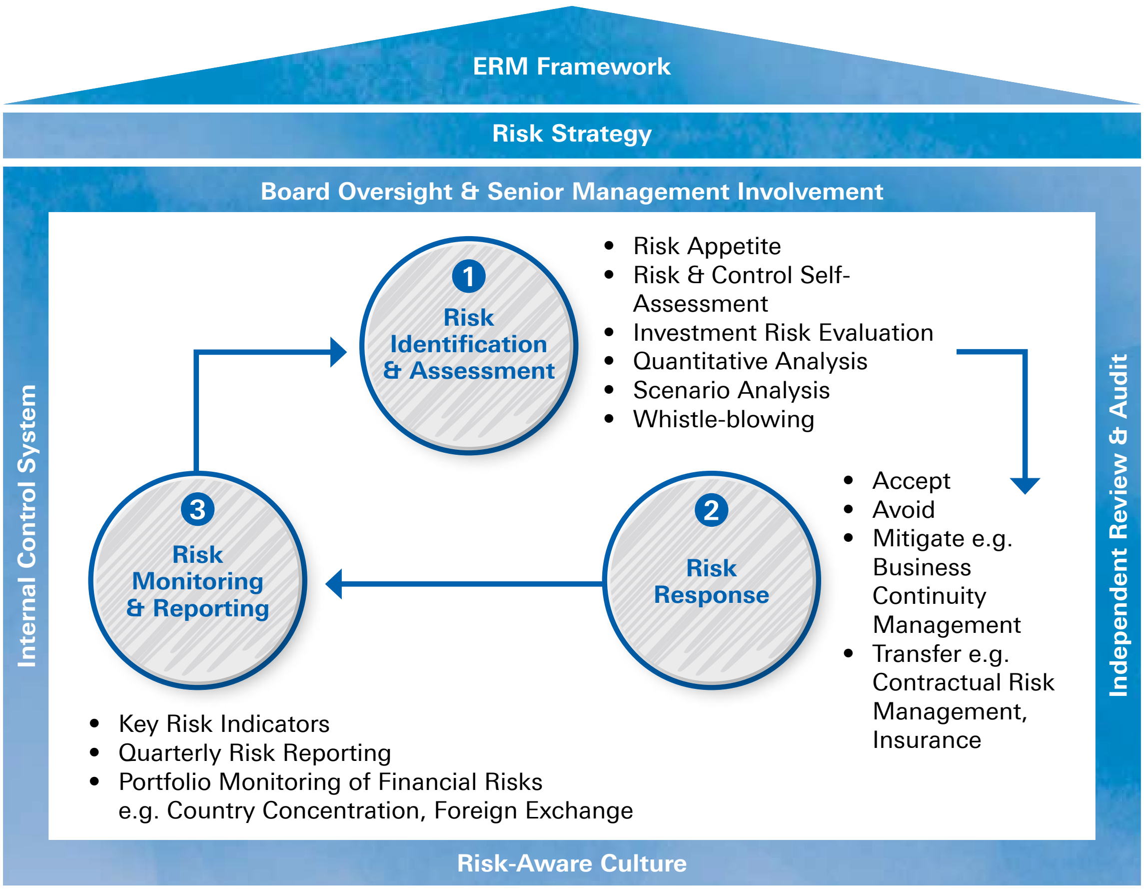
GOVERNANCE

The Board of Directors of the Manager (Board) is responsible for the governance of risk across the CMT Group. It falls upon them to determine the CMT Group's risk appetite; oversee the Manager's Enterprise Risk Management (ERM) Framework; regularly review the CMT Group's risk profile, material risks and mitigation strategies; and to ensure the adequacy and effectiveness of risk management framework and policies. For these purposes, the Board is assisted by the Audit Committee (AC) which provides oversight of risk management at the Board level.

The AC, currently made up of three independent and one non-independent Board members, meets quarterly. The meetings are attended by the Chief Executive Officer as well as other key management staff of the Manager.

The Board approves CMT Group's risk appetite, which determines the nature and extent of material risks that the Manager is willing to take to achieve CMT Group's business objectives and corporate strategy. CMT Group's Risk Appetite Statement (RAS) is expressed via formal, high-level and overarching statements and accompanying risk limits which determine specific risk boundaries established at an operational level. Taking the interests of key stakeholders into consideration, the RAS sets out explicit and forward-looking views of CMT Group's desired risk profile and ensures it is aligned with CMT Group's strategy and business plans.

ENTERPRISE RISK MANAGEMENT FRAMEWORK



The ERM Framework is adapted from the International Organization for Standardisation (ISO) 31000 International Risk Management Standards. It is also guided by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework and other relevant best practices and guidelines. It specifies the required environmental and organisational components needed to manage risks in an integrated, systematic and consistent manner. The ERM Framework and related risk management policies are reviewed annually.

A robust internal control system and an effective, independent review and audit process underpin the Manager's ERM Framework. While the line management is responsible for the design and implementation of effective internal controls using a risk-based approach, the outsourced Internal Audit function from CapitaLand reviews such internal controls to provide reasonable assurance to the AC on the adequacy and effectiveness of the risk management and internal control systems.

CMT Group's successful ERM program is based on fostering the right risk culture. The Manager works closely with CapitaLand's Risk Assessment Group to conduct regular workshops to enhance risk management knowledge and promote a culture of risk awareness. Risk management principles are embedded in all our decision-making and business processes.

Once a year, the Manager coordinates a CMT Group Risk and Control Self-Assessment (RCSA) exercise. This requires respective risk and control owners to identify, assess and document material risks along with their key controls and mitigating measures. Material risks and their associated controls are consolidated and reviewed by the Manager before they are presented to the AC and the Board.

MANAGING MATERIAL RISKS

The Manager takes a comprehensive, iterative approach to identifying, managing, monitoring and reporting material risks across CMT Group. These material risks include:

Business Interruption Risk

CMT Group is exposed to business interruption risk arising from sudden and major disaster events such as fire, prolonged power outages or other major infrastructure or equipment failures which may significantly disrupt operations at our malls or data centres. Such risks are managed through proactive facilities management (for example, routine inspection and scheduled maintenance) and having crisis management procedures for each property. In addition, the outsourced Information Technology (IT) team from CapitaLand has a defined disaster recovery plan which is reviewed and tested annually.

Climate Change Risk

Managing risk associated with climate change is critical to our development projects and operations. Included are physical risks such as rising sea levels, flash floods, fresh water depletion, violent storms, long intense heat waves, as well as changes in government regulations and other climate related developments. The recent 5th Intergovernmental Panel on Climate Change (IPCC) report highlighted climate change impacts which could be avoided by limiting global warming to 1.5°C. Coupled with the Paris Climate Change Agreement, more stringent global regulations are expected. CMT Group is positioned to face such challenges. It is regularly reviewing its mitigation and adaption efforts which include a target to achieve green certification of its existing properties by FY 2020. CapitaLand is also ISO 14001 certified and its environmental management system in 15 countries sets energy, water and carbon emission intensity targets for operational properties.

Competition Risk

Facing keen industry competition from established players, online businesses and new market entrants, the CMT Group strengthens its competitive position by differentiating ourselves in the marketplace through ongoing brand building. A constant stream of customer-centric initiatives and shopper loyalty programme also helps set us apart. Our in-house team of analysts keeps us on top of market trends and regular scheduled innovation workshops help us brainstorm ideas to ensure we stay ahead of our competitors.

Credit Risk

Credit risk is the potential volatility in earnings caused by tenants' failure to fulfil their contractual lease payment obligations, as and when these are due. The Manager has in place a stringent collection policy to ensure that credit risk is minimised. In addition to the requirement for upfront payment of security deposit of an amount typically equivalent to three months' rent, the Manager also establishes vigilant debt monitoring and collection procedures.

ENTERPRISE RISK MANAGEMENT

Economic Risk

CMT Group is exposed to event risks in major economies, as well as in key financial and property markets. These event risks may reduce revenue, increase costs and result in downward revaluation of our assets. Market illiquidity during a financial crisis makes asset investment and divestment challenging and can affect CMT Group's investment and strategic objectives. The Manager manages these economic risks through a disciplined approach to financial management and a well-balanced portfolio across Singapore with majority of its malls being focused on necessity shopping.

Information Technology Risk

With increased reliance on IT as business enabler, the outsourced IT team from CapitaLand has put in place Group-wide policies and procedures which set out governance and controls of IT risks, including cyber risks. Appropriate measures are in place to ensure the confidentiality, integrity and availability of CMT Group's information assets. These include implementing access controls, enhancing data security and raising employees' IT security awareness through phishing campaigns and other activities. In addition, we conduct an IT disaster recovery exercise annually to ensure business recovery objectives are met.

Interest Rate and Foreign Currency Risks

Some of the CMT Group's existing debts carry floating interest rates, and consequently, the interest cost for such loans will be subject to fluctuations in interest rates. Interest rate risk is managed on an ongoing basis through regular reviews of the optimal mix of fixed and floating rate borrowings. The Manager proactively seeks to minimise the level of interest rate risk by locking in most of the borrowings at fixed interest rate. CMT Group's foreign exchange exposures primarily arise from the issuance of bonds in foreign currencies. The Manager seeks to minimise foreign currency risks by entering into cross currency swaps to hedge the foreign currency denominated bonds into SGD for both the principal amount and the periodic interest payments. The primary objective is to minimise the impact on net interest expenses that is caused by adverse movements in interest rates and in foreign exchange rates.

Investment and Divestment Risk

The main sources of growth for CMT Group are asset enhancement initiatives (AEI), property redevelopment, acquisition of properties, and investment in greenfield developments. The risks involved in such investment activities are managed through a rigorous set of investment criteria which includes potential for growth in yield, rental sustainability and potential for value creation. All major investment and divestment decisions are reviewed and approved by the Board. The Manager conducts due diligence reviews in relation to any investment or divestment proposal. Key financial assumptions are reviewed, and sensitivity analysis are performed on key variables. Potential risks associated with proposed projects and issues that may prevent smooth implementation or attainment of projected outcomes are identified at the evaluation stage. This is to enable the Manager to devise action plans to mitigate such risks as early as possible.

Leasing Risk

Strong competition, poor economic and market conditions are some key factors that could result in key tenants not renewing their leases, adversely affecting the leasing performance of CMT Group's properties. The Manager establishes a diversified tenant base, sustainable trade mix, and has in place proactive tenant management strategies which are in line with the malls' positioning. It is also the Manager's priority to closely monitor tenants' sales performance and maintain positive relationships and rapport with retailers to build loyalty with CMT Group's malls.

Liquidity Risk

The Manager actively monitors the cash flow position of CMT Group to ensure that there are sufficient liquid reserves, in the form of cash and banking facilities, to finance CMT Group's operations and AEI. Given CMT Group's reliance on external sources of funding, the health of the capital markets directly affects CMT Group. Other than the Multicurrency Medium Term Note Programme and Euro-Medium Term Note Programme, CMT is also one of the first real estate investment trusts to set up a retail bond programme and has tapped into the convertible bonds and commercial mortgage backed securities markets for funds. In addition, CMT Group has banking facilities as a source of back-up. CMT Group's ability to raise funds from both banks and capital markets has enabled it to minimise over-reliance on a single source of funds for any funding or refinancing requirements. The Manager will continue to proactively manage the capital structure of CMT Group by ensuring its debt maturity profile is spread out without major concentration of debts maturing in a single year and maintaining an optimal aggregate leverage. The Manager also monitors covenants closely to ensure compliance.

Physical Security Risk

To manage physical security risk of CMT Group's properties, the Manager ensures that there are standard operating procedures in place at each of our malls. In the event of terrorist attacks and sabotages, our Property Managers are prepared to manage the situations together with the police and civil defence force. Yearly evacuation drills are conducted in the malls to familiarise the tenants and staff with the emergency response plan. Our malls are equipped with automated external defibrillators (AED) and our Property Managers undergo accredited training in AED, cardiopulmonary resuscitation and first aid every two years. In addition, our Emergency Response Teams undergo certified refresher trainings annually to prepare themselves adequately in times of emergency.

Project Management Risk

CMT Group adopts a rigorous project management process to ensure that project cost, quality and time objectives are met. There are stringent pre-qualification procedures to appoint well-qualified vendors. Key criteria such as vendors' track record and financial performance are assessed. Regular site visits are conducted to closely monitor the progress of projects and manage potential risks of delays, poor workmanship and cost overruns. In-house teams of experienced technical staff provide guidance and independent audit checks on safety, quality of architectural design, and mechanical and electrical engineering detailing.

Regulatory and Compliance Risk

CMT Group's operations are subject to applicable laws and regulations in the market we operate, such as the SGX-ST Listing Rules, the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore, the Alternative Investment Fund Managers Directive (AIFMD), the Securities and Futures Act, the Code of Corporate Governance and the tax rulings issued by the Inland Revenue Authority of Singapore. The Manager has in place a framework that proactively identifies applicable laws and regulatory obligations and embeds compliance into the day-to-day operations.

Safety, Health and Well-being Risks

Managing and mitigating risks to safety, health and well-being in our development projects and operations is a key priority at CMT Group. CMT Group believes safe buildings and healthy workplace can have a positive impact on tenants, shoppers, internal staff and public at large. CMT Group has adopted CapitaLand's Environmental, Health and Safety Management System (EHSMS) which has achieved the Occupational Health and Safety Assessment Series (OHSAS) 18001 certification.

Risk management supports the achievement of CMT Group's business objectives and corporate strategy, hence creating and preserving value.

INVESTOR & MEDIA RELATIONS

CapitaLand Mall Trust (CMT) is committed to delivering timely, objective and transparent information to our stakeholders comprising Unitholders, potential institutional and retail investors, analysts and the media. As part of our proactive corporate governance efforts and in line with the Monetary Authority of Singapore's Code of Corporate Governance 2012, we have in place a Unitholders' communication and investor relations policy to promote regular, effective and fair communication with Unitholders.

As at 31 December 2018, there were approximately 18,100 registered CMT unitholders (Unitholders). The senior management and investor relations team proactively engage and meet both existing and potential investors including sell-side analysts.

In 2018, the management and the investor relations team engaged with over 300 institutional investors locally and globally through participation in one-on-one meetings, post-results investor briefings, conference calls, property visits as well as investor conferences and roadshows in Singapore, Hong Kong, Japan, Thailand, South Korea, Europe and the United Kingdom. The senior management and the investor relations team also made conscious efforts to engage retail investors through large group seminar and event. CMT is a member of the Investor Relations Professionals Association Singapore (IRPAS) and the REIT Association of Singapore (REITAS). During the year, CMT's investor relations team participated in the REITs Symposium 2018 and interacted with retail investors at the event to share insights on its retail business and prospects.

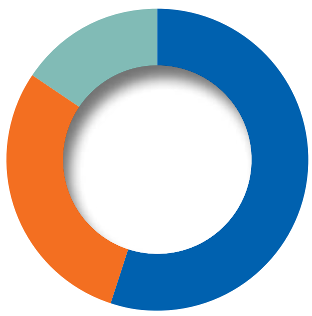
Every six months, joint analyst and media results briefings are held to update on CMT's half-year and full-year financial and operational performance. The briefings are streamed 'live' via webcast and viewers can send in questions online to be addressed by the management.

In addition, the annual general meeting (AGM) provides an important channel for communication between the management and Unitholders. CMT convened its AGM in April 2018 with Unitholders approving all resolutions tabled at the event. The Manager adopted the use of electronic voting by poll for the resolutions put forth and this has resulted in greater efficiency in the polling process. Minutes of the AGM are also made available on CMT's website for greater transparency.

General information on CMT including annual reports, property portfolio details and investor presentations is updated regularly on the corporate website (www.cmt.com.sg) for investors and the general public. All news releases and announcements are also made available on the Singapore Exchange Securities Trading Limited's (SGX-ST) and CMT's websites. Investors may also sign up for email alerts to receive the latest updates on CMT. Tours of our properties are conducted for analysts, investors and journalists to stay connected with the developments at the malls. As at 31 December 2018, 23 local and foreign brokerage firms have research coverage on CMT.

UNITHOLDINGS BY INVESTOR TYPE

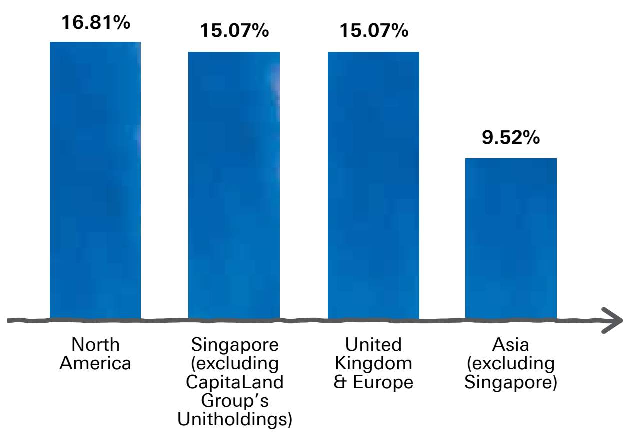
As at 31 December 2018



	%
Institutional Investors	57.13%
CapitaLand	28.48%
Retail Investors	14.40%

UNITHOLDINGS BY GEOGRAPHY

As at 31 December 2018



UNITHOLDERS' ENQUIRIES

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

Ms Lo Mun Wah
Vice President, Investor Relations
Direct: +65 6713 3667

Ms Chia Pei Siang
Assistant Vice President
Group Communications
Direct: +65 6713 1379

Email: ask-us@cmt.com.sg
Website: www.cmt.com.sg

In recognition of our good practices, CMT won the following awards in 2018:

- **Institutional Investors**
  Developed Markets – Small and Mid Cap (Singapore)

  Most Honoured Companies – ranked 2nd
  Corporate Governance – ranked 2nd
  Best IR Companies – ranked 2nd

- **Singapore Corporate Awards**
  REITs and Business Trusts category

  Best Annual Report – Silver
  Best Investor Relations – Silver

- **Alpha Southeast Asia Corporate Institutional Investor Award 8th Annual Poll (Singapore)**

  Best Senior Management IR Support – ranked 1st
  Most Organised Investor Relations – ranked 3rd
  Strongest Adherence to Corporate Governance – ranked 3rd

- **Securities Investors Association (Singapore) 18th Investors' Choice Awards**
  REITs & Business Trusts category

  Singapore Corporate Governance Award – Winner
  Shareholder Communications Excellence Award – Winner

- **Singapore Governance and Transparency Index 2018**
  REIT & Business Trust category

  Ranked 1st

FINANCIAL CALENDAR 2018 / 2019

	2018	2019 (tentative)
First Quarter Results announcement	20 Apr 2018	Apr 2019
First Quarter Distribution to Unitholders	30 May 2018	May 2019
Half Year Results announcement	20 Jul 2018	Jul 2019
Second Quarter Distribution to Unitholders	29 Aug 2018	Aug 2019
Third Quarter Results announcement	25 Oct 2018	Oct 2019
Third Quarter Distribution to Unitholders	30 Nov 2018	Nov 2019
Full Year Results announcement	23 Jan 2019	Jan 2020
Final Distribution to Unitholders	28 Feb 2019	Feb 2020

INVESTOR & MEDIA RELATIONS CALENDAR 2018

		Venue
1st Quarter	FY 2017 post-results investor meetings	Singapore
	Nomura Global Real Estate Forum	Japan
	FY 2017 post-results investor meetings	Japan
2nd Quarter	Pre-Annual General Meeting unitholders engagement session	Singapore
	CMT Annual General Meeting	Singapore
	First Quarter 2018 post-results investor meetings	Singapore
	Lion-Phillip S-REIT ETF Seminar	Singapore
	First Quarter 2018 post-results investor meetings	Hong Kong
	dbAccess Asia Conference	Singapore
	REITs Symposium 2018	Singapore
	Nomura Investment Forum Asia	Singapore
	SIAS - Get Savvy with Investing for Youths	Singapore
	Citi ASEAN C-Suite Investor Conference 2018	Singapore
3rd Quarter	Half Year 2018 post-results investor meetings	Singapore
	CapitaLand & REITs Corporate Day	Thailand
	Macquarie ASEAN Conference 2018	Singapore
	Half Year 2018 post-results investor meetings	South Korea
	Analyst and media briefing for the announcement of the acquisition of the balance 70.00% stake in Westgate	Singapore
	Investor meetings for the acquisition of the balance 70.00% stake in Westgate	Singapore, Hong Kong, Europe and United Kingdom
4th Quarter	CMT Extraordinary General Meeting	Singapore
	Third Quarter 2018 post-results investor meetings	Singapore
	Bank of America Merill Lynch Chairman / Board Day	Singapore
	Morgan Stanley 17th Annual Asia Pacific Summit	Singapore

UNIT PRICE & YIELD PERFORMANCE

Singapore economy performed broadly in line with expectations in 2018 where growth was primarily supported by manufacturing, information and communications, finance and insurance, accommodation and food services, and business services sectors. Gross Domestic Product (GDP) growth in the second half of 2018 moderated from that in the first half due to the slowdown in Singapore's key final demand markets such as the US and China.

A confluence of macroeconomic developments, including rising interest rates and trade tensions between Singapore's key markets, raised uncertainty in the stock market. As a result, the Straits Times Index, FTSE ST Real Estate (RE) Index and FTSE ST Real Estate Investment Trusts (REIT) Index underperformed in the year with a decrease of 9.8%, 12.5% and 9.2% respectively as at 31 December 2018.

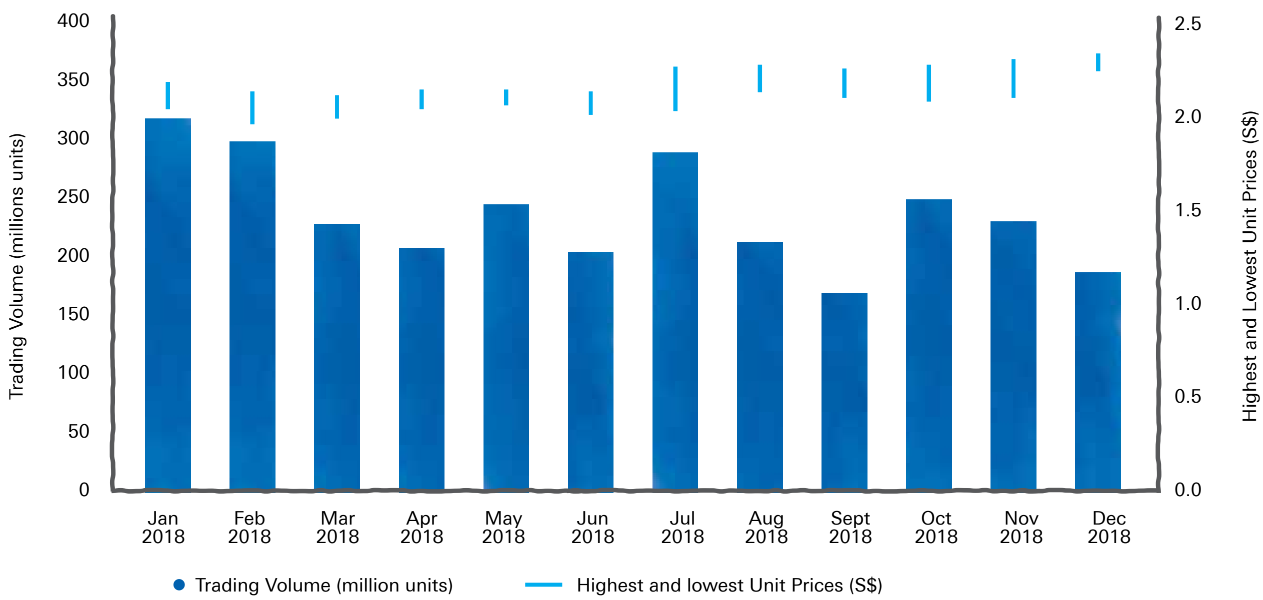
Notwithstanding the above, CMT's unit price outperformed the market. As at 31 December 2018, CMT's unit price was S$2.260, an increase of 6.1% from S$2.130 as at 29 December 2017, the last trading day of the year. CMT's market capitalisation was approximately S$8.3 billion as at 31 December 2018. The trading volume in 2018 reached approximately 2.8 billion units, translating to an average daily trading volume of approximately 11.2 million units.

CMT'S 10-YEAR TRADING PERFORMANCE

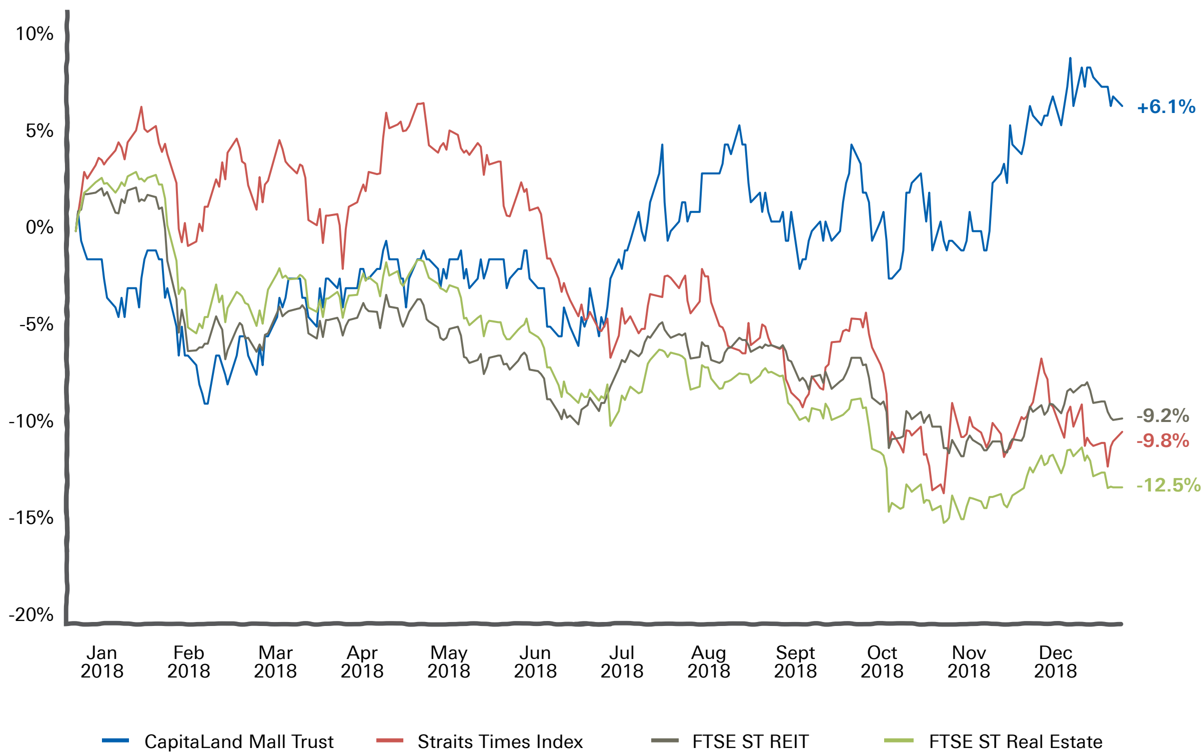
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Highest	1.87	2.15	2.00	2.20	2.38	2.09	2.28	2.25	2.17	2.31
Lowest	0.98	1.67	1.64	1.71	1.82	1.80	1.85	1.87	1.885	1.95
Opening	1.30	1.80	1.96	1.72	2.15	1.91	2.04	1.94	1.90	2.15
Average Closing	1.50	1.91	1.85	1.91	2.05	1.95	2.06	2.07	2.01	2.12
Last Done at Year-end	1.80	1.95	1.70	2.13	1.905	2.04	1.93	1.885	2.13	2.26
Trading Volume (million units)	2,554.8	1,435.3	1,672.9	1,877.2	2,137.5	1,994.9	2,256.0	2,427.4	2,563.3	2,821.3
Average Daily Trading Volume (million units)	10.2	5.7	6.7	7.5	8.5	7.9	9.1	9.6	10.3	11.2
Net Asset Value Per Unit[1] (S$)	1.54	1.53	1.56	1.64	1.71	1.79	1.86	1.86	1.92	2.02

1 Excluding the distribution to be paid for the last quarter of the respective financial year.

CMT'S MONTHLY TRADING PERFORMANCE FOR 2018



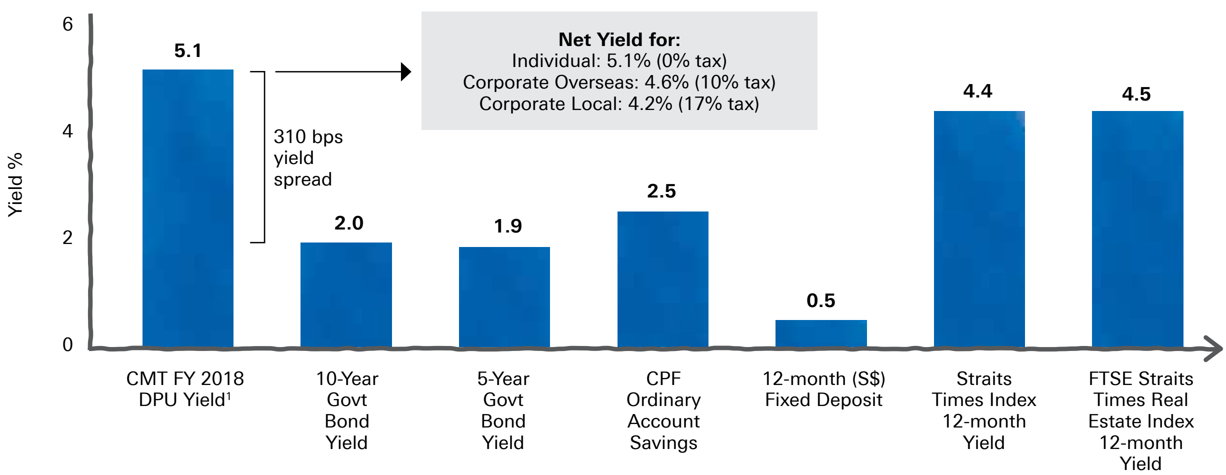
COMPARATIVE PRICE TRENDS FOR 2018



ATTRACTIVE YIELD VERSUS OTHER INVESTMENTS

(%)

As at 31 December 2018

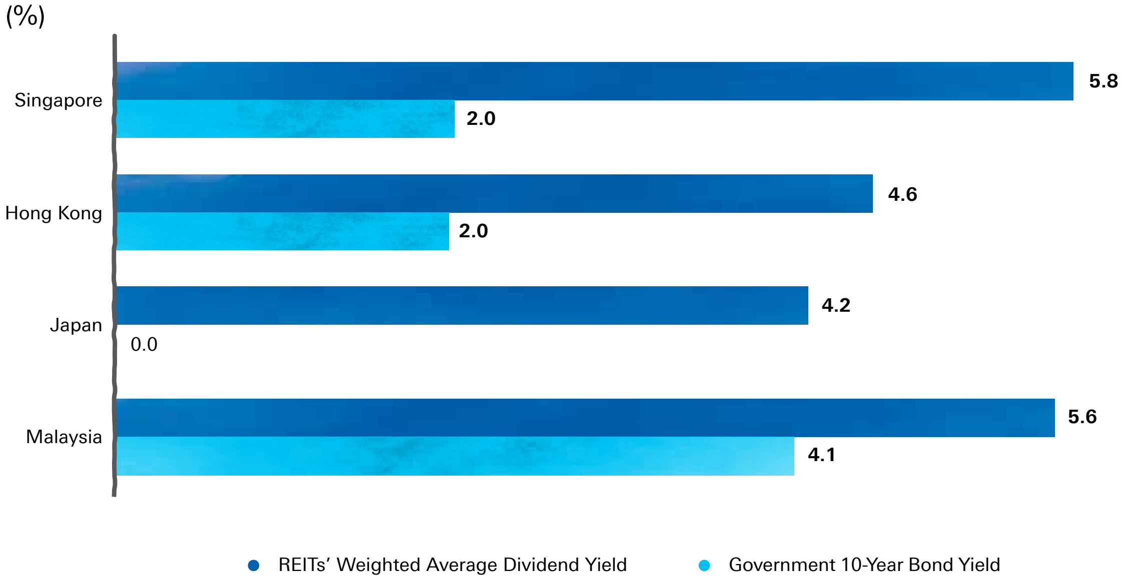


Sources: Bloomberg, Central Provident Fund Board (CPF), Monetary Authority of Singapore.

1 Based on the distribution per Unit (DPU) of 11.50 cents for the period 1 January 2018 to 31 December 2018 and the closing unit price of S$2.260 on 31 December 2018.

UNIT PRICE & YIELD PERFORMANCE

SINGAPORE REITS OFFER ATTRACTIVE YIELD SPREADS VERSUS ASIAN REITS



Source: Bloomberg

CONSTITUENT OF KEY INDICES

FTSE4Good Developed Index
FTSE4Good ASEAN 5 Index
FTSE Global Equity Index
FTSE EPRA[1]/NAREIT[2] Global Real Estate Index
FTSE RAFI All World 3000 Index
FTSE ASEAN Index
FTSE Straits Times (ST) Index
FTSE All-World Index
FTSE ST All Share Index
FTSE ST Financials Index
FTSE ST Real Estate Index
FTSE ST Real Estate Investment Trusts Index

GPR[3] General (World) Index
GPR[3] General ex-US Index
GPR[3] General Far East Index
GPR[3] General Far East ex-Japan Index
GPR[3] General Singapore Index
GPR[3] General Quoted (World) Index
GPR[3] General Quoted ex-US Index
GPR[3] General Quoted Far East Index
GPR[3] General Quoted Far East ex-Japan Index
GPR[3] General Quoted Singapore Index
GPR[3] 250 Index
GPR[3] 250 ex-US Index
GPR[3] 250 Asia Index
GPR[3] 250 Asia ex-Japan Index
GPR[3] 250 Asia Pacific Index
GPR[3] 250 Asia Pacific ex-Japan Index
GPR[3] 250 South-Eastern Asia Index
GPR[3] 250 Singapore Index
GPR[3] 250 REIT Index
GPR[3] 250 REIT ex-US Index
GPR[3] 250 REIT Asia Index
GPR[3] 250 REIT Asia ex-Japan Index
GPR[3] 250 REIT Asia Pacific Index
GPR[3] 250 REIT Asia Pacific ex-Japan Index
GPR[3] 250 REIT South-Eastern Asia Index
GPR[3] 250 REIT Singapore Index
GPR[3] IPCM LFFS Sustainable GRES Index

MSCI[4] Singapore Index
MSCI[4] World Index

iEdge[5] ESG Leaders Index
iEdge[5] ESG Transparency Index
iEdge[5] S-REIT Index
iEdge[5] S-REIT 20 Index
iEdge[5] Real Estate Index
iEdge[5] Real Estate 20 Index
iEdge[5] APAC ex Japan Dividend Leaders REIT Index

STOXX® Global ESG Leaders
STOXX® Global ESG Governance Leaders

The list of key indices above is not exhaustive.

1 European Public Real Estate Association.
2 National Association of Real Estate Investment Trusts.
3 Global Property Research.
4 Morgan Stanley Capital International.
5 Singapore Exchange Index Edge.

SUSTAINABILITY MANAGEMENT

CEO'S MESSAGE

Dear Stakeholders,

CapitaLand Mall Trust's sustainability journey started with humble corporate social responsibility programmes. Over the years, they have expanded to become part of our business strategy. We continually strengthen our sustainability focus and outreach to balance our long-term growth with good governance, responsible business policies and practices as well as environmental respect. That is why we have prepared this report in accordance to the Global Reporting Initiative (GRI) Standards: Core option and in compliance with SGX requirements.

As wholly owned subsidiaries of CapitaLand, the Manager and Property Managers of CapitaLand Mall Trust (CMT) firmly uphold CapitaLand's core values and sustainability commitment. Having to manage the largest shopping mall footprint in Singapore, we are cognisant of the impact that our properties have on the community we operate in.

We conscientiously monitor building efficiency to lower carbon emission intensity, enhance workplace health and safety, and deepen stakeholder engagement. We leverage technology to elevate operational and environmental efficiency across our properties, achieving intensity reductions of 24.7% for energy, 43.6% for carbon emission and 18.8% for water, compared to base year 2008.

Community engagement was heightened during the year with a broader selection of themes and mall events. These ranged from art exhibitions and school competitions, to programmes and roadshows on climate change. Together with CapitaLand Hope Foundation (CHF), we raised more than S$66,500 for young beneficiaries from various special schools. We also share CapitaLand's vision to nurture future generations and contribute actively towards causes supported by CHF including My Schoolbag, a programme for underprivileged schoolchildren.

We aspire to deliver long-term value to our stakeholders. In addition to the many accolades affirming our corporate achievements, CMT is also included in several established sustainability indices. We remain firmly committed to the long-term success of our sustainability efforts to improve the economic, environmental and social wellbeing of future generations.

We will continue to further our environmental, social and governance agenda by incorporating innovative measures, strengthening work processes and upholding high standards of accountability and transparency. Building lasting partnerships with our stakeholders will provide the impetus for greater success.

I take this opportunity to thank all our stakeholders who have joined us on this meaningful journey.

Tony Tan Tee Hieong
Chief Executive Officer

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY COMMITMENT

As a CapitaLand-sponsored REIT, CMT is managed by wholly owned subsidiaries of CapitaLand, which include the Manager as well as Property Managers who oversee daily property operations. The teams behind the Manager and Property Managers are responsible for property and portfolio operations in CMT. The Manager and the Property Managers abide by CapitaLand's sustainability framework, policies and guidelines, as well as ethics and code of business conduct.

CMT's sustainability objectives and strategies are aligned with CapitaLand's credo, 'Building People, Building Communities.'. CMT upholds this approach and implements it across human capital strategies, asset and portfolio strategies, operations management, stakeholders' engagements and community development. CMT maintains high standards of corporate governance and transparency to safeguard Unitholders' interests.

As a testament of its relentless efforts to strengthen environmental, social and governance (ESG) standards, CMT is listed in the FTSE4Good Developed Index, FTSE4Good ASEAN 5 Index, iEdge ESG Leaders Index, iEdge ESG Transparency Index, STOXX® Global ESG Leaders and Global ESG Governance Leaders. CMT retained its 5 Star rating in the 2018 Global Real Estate Sustainability Benchmark (GRESB) Real Estate Assessment.

CAPITALAND'S CORE VALUES

RESPECT

We believe in mutual trust and respect at all levels. This is fundamental to a high-performance culture that embraces diversity and teamwork as One CapitaLand.

INTEGRITY

We embrace the highest standards of integrity. We have the courage to do what is right, and earn the trust of all our stakeholders.

CREATIVITY

We constantly innovate to enhance value and stay ahead.

EXCELLENCE

We pursue excellence and persevere in everything we do.

BOARD STATEMENT

CMT is committed to sustainability and incorporates the key principles of environment, social and governance in setting out its business strategies and operations.

The Board sets CMT Group's risk appetite, which determines the nature and extent of material risks that CMT is willing to take to achieve its strategic and business objectives. The risk appetite incorporates ESG factors such as fraud, corruption and bribery, environment, health and safety.

The Board also approves the executive compensation framework based on the principle of linking pay to performance. CMT's business plans are translated to both quantitative and qualitative performance targets, including sustainable corporate practices, and are cascaded throughout the organisation.

OUR REPORT

About this Report

CMT reinforces its commitment to sustainability and this report has been prepared in accordance with the GRI Standards: Core option. CMT supports the United Nations (UN) Global Compact which CapitaLand is a signatory to the Global Compact Network Singapore. CMT also references the United Nations (UN) Sustainable Development Goals and have supported towards these goals through various initiatives and programmes. The GRI Content Index and the 10 UN Global compact principles can be found on pages 82 to 85.

Reporting Scope and Period

This report covers CMT's portfolio of 15 quality properties (including one development project), located strategically in the suburban areas and downtown core of Singapore from 1 January to 31 December 2018, unless otherwise indicated. The report forms part of CMT's Annual Report 2018, a copy of which can be downloaded from www.cmt.com.sg.

Feedback

CMT welcomes feedback from stakeholders which is essential for continual improvement in our sustainability journey. Please send your comments and suggestions to ask-us@cmt.com.sg.

MANAGING SUSTAINABILITY

Management Structure

The management is responsible for the Environmental, Health and Safety (EHS) performance. The management is supported by the heads of various relevant departments of the Manager and Property Managers, within the Group. The Manager and Property Managers identify and review material issues which could have significant impact to CMT's business and operations, as well as other issues derived through regular stakeholder engagements. This team regularly meets to develop, set and review the management approach to sustainability.

The management joins the representatives from CapitaLand's business units (BUs) who form the Sustainability Steering Committee (SSC) which oversees the Environment Sustainability and Social Sustainability work teams to ensure the continued progress and improvement in the areas of ESG. The SSC supports members of CapitaLand's top management who constitute a Sustainability Council which oversees sustainability management.

Financial Performance

CMT delivered a set of creditable results for financial year 2018 despite challenges in the retail industry. The resilient performance is a testament to the quality of CMT's portfolio, which is underpinned by its attractive locations and diverse tenant mix. For detailed financial results and performance, please refer to the following sections of this Annual Report - Financial Highlights (pages 2 to 3), 2018 Highlights (page 4), Financial Review (pages 98 to 101) and Financial Statements (pages 142 to 226).

Enterprise Risk Management (ERM)

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

The Board of Directors of the Manager (Board) is responsible for the governance of risks across CMT and its subsidiaries (CMT Group). It is assisted by the Audit Committee which provides oversight of risk management at the Board level. The Board approves CMT Group's risk appetite which determines the nature and extent of material risks that the Manager is willing to take to achieve the group's business objectives and corporate strategy.

Details on ERM can be found on pages 52 to 55 of this Annual Report.

Stakeholder Engagement

The Manager and Property Managers engage stakeholders regularly to identify and review material issues which could have significant impact to CMT's business and operations.

Stakeholders include those who are most directly affected by, or most directly affect our operations. Our stakeholders comprise shoppers, tenants, investors, employees, suppliers and communities.

We engage the various stakeholders on a regular basis and these interactions facilitate continuous improvements in all areas of our operations. They are key to CMT's long-term success. We seek to address their concerns through multiple engagement channels outlined in the table on pages 64 and 65.

SUSTAINABILITY MANAGEMENT

Stakeholder Engagement

SHOPPERS

Description
To understand our shoppers' needs and improve the appeal of our malls

Engagement methods
- Marketing and promotional events
- Loyalty programmes
- Online and mobile platforms
- Social media
- Shopper survey
- Focus group study

Key topics
- Omni-channel shopping
- Experiential shopping
- New retail concepts
- Family-friendly facilities
- Easy access to public transport

TENANTS

Description
To understand our tenants' needs and concerns as well as help drive shopper traffic to our malls

Engagement methods
- Informal tenant gatherings
- Tenant shop openings
- Biz+ Series events
- Joint promotions and strategic partnerships
- Green leases
- Value added initiatives by centralisation and leveraging technology
- Tenant satisfaction survey

Key topics
- Open new shops or malls
- Learn from successful companies
- Share knowledge and keep abreast of market trends
- Enhance operational efficiency

INVESTORS

Description
To create an informed perception of CMT, manage investors' expectations and promote a positive investment environment

Engagement methods
- Annual general meetings
- SGXNet announcements
- Annual reports, webcasts, results briefings to analysts and media
- Website updates
- Roadshows, conferences and meetings
- Tours of CMT's properties

Key topics
- Business performance
- Business expectations and strategies
- Economic, social and environmental concerns

EMPLOYEES

Description
To develop a high performance work culture that embraces diversity and teamwork

Engagement methods
- Informal and formal staff communications
- Recreational and team building activities
- Employment engagement surveys
- Performance appraisals
- Training courses

Key topics
- Communicate business strategies and developments
- Reward and recognition
- Training and development
- Employee wellness

SUPPLIERS

Description
To be a fair and reasonable buyer of goods and services and share industry best practices

Engagement methods
- Term contractor / vendor evaluation system
- Standard operating procedures, guidelines and house rules for compliance
- Share CapitaLand's EHS policy with suppliers
- Share CapitaLand Supply Chain Code of Conduct with suppliers
- Collaborate with suppliers to handle EHS challenges

Key topics
- Fair and reasonable treatment
- Ensure alignment with EHS objectives

COMMUNITIES

Description
To contribute to the communities in which we operate

Engagement methods
- Employee volunteerism
- Collaboration with CapitaLand Hope (CHF) Foundation to donate to non-profit organisations
- Management of ESG issues
- Corporate social responsibility programmes

Key topics
- Philanthropy
- Environment

SUSTAINABILITY MANAGEMENT

MATERIALITY

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. Engagement channels include member representations in government agencies, participation at conferences, responding to sustainability surveys and benchmarks as well as CMT's support of the Corporate Governance Conference by Securities Investors Association (Singapore) (SIAS).

CMT has developed a list of critical and emerging ESG issues based on the likelihood and potential impact on our business and society. Priority is given to the critical issues while the emerging ones are actively monitored for future focus.

ENVIRONMENT

Critical

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

Emerging

- Building materials
- Construction and operational waste
- Biodiversity

SOCIAL / LABOUR PRACTICES

Critical

- Occupational health and safety
- Employment
- Stakeholder engagement
- Supply chain management

Emerging

Diversity

Human rights

GOVERNANCE

Critical

- Compliance
- Business ethics
- Product and services

UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)

The UN SDGs call on companies everywhere to advance sustainable development through the investments they make, the solutions they develop, and the business practices they adopt. In doing so, the goals encourage companies to reduce their negative impacts while enhancing their positive contribution to the sustainable development agenda. Some of CMT's key efforts and programmes in relation to the key SDGs are highlighted below.

1 NO POVERTY; 2 ZERO HUNGER; 4 QUALITY EDUCATION	CMT supports CHF, CapitaLand's philanthropic arm, and believes in investing in the fundamental needs of education, healthcare and shelter of underprivileged children to relieve them of hardship and help them to eventually break the poverty cycle[1].
3 GOOD HEALTH AND WELL-BEING	Occupational health and safety is of utmost importance to CMT, including all its employees, tenants, contractors, suppliers and the communities who use its properties. CMT aims to provide a work environment that is safe and contributes to the general well-being of its employees.
6 CLEAN WATER AND SANITATION; 7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES; 13 CLIMATE ACTION	CMT is committed to: › Reduce water consumption. › Reduce energy consumption through energy efficiency and encourage renewable energy sources. › Green its operational portfolio by 2020. › Actively embrace innovation to ensure commercial viability without compromising the environment for future generations. › Future-proof its properties by addressing the risks of climate change right from design stage.
8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES	CMT believes that regardless of ethnicity, age or gender, employees can make a significant contribution based on their talent, expertise and experience. We adopt consistent, equitable, and fair labour policies and practices in rewarding and developing employees. Our sponsor, CapitaLand, is a signatory to UN Global Compact.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	CMT adopts a strong stance against bribery and corruption. All employees are required to make an annual declaration to uphold the core values and not to engage in any corrupt or unethical practices. Requires certain of its agreements with third-party service providers and vendors to incorporate anti-bribery and anti-corruption provisions. Requires main contractor to ensure no child labour and forced labour at the CapitaLand project sites. Our sponsor, CapitaLand is a signatory to the UN Global Compact.

1 SDG1 No Poverty includes targets such as ensuring equal rights to economic resources. SDG2 Zero Hunger includes targets such as ending all forms of malnutrition. Both targets are in line with CHF's work to provide education, healthcare and shelter for underprivileged children.

SUSTAINABILITY MANAGEMENT

KEY PERFORMANCE INDICATORS

To measure its performance, CMT has incorporated the following key performance indicators and 2019 targets.

		Performance	2019 Targets
Environment	Energy efficiency	More than 90.0% of our operating properties achieved at least a Green Mark Gold certification Achieved 24.7% energy intensity reduction for our operating properties (compared to 2008)	Maintain or reduce energy intensity compared to 2018 intensity
	Climate change and emissions reduction	Achieved 43.6% carbon emissions intensity reduction for our operating properties (compared to 2008)	Maintain or reduce carbon emissions intensity compared to 2018 intensity
	Water management	Achieved 18.8% water intensity reduction for our operating properties (compared to 2008)	Maintain or reduce water intensity compared to 2018 intensity
Social / labour practices	Occupational health and safety	Zero work-related injury resulting in staff permanent disability or fatality	Zero work-related injury resulting in staff permanent disability or fatality
	Stakeholder engagement	More than 915 hours spent on volunteering	Maintain or increase the number of hours spent on volunteering compared to 2018
	Supply chain management	100% of main contractors appointed for projects[1] were ISO 14001 and OHSAS 18001 certified Majority of our contractors and service providers are minimum bizSAFE Level 3 certified	Continue to appoint main contractors who are ISO 14001 and OHSAS 18001 certified for projects[1]
Governance	Compliance	Zero incident on material non-compliance with laws and regulations	Zero incident on material non-compliance with laws and regulations
	Business ethics	Zero incident of confirmed cases of corruption	Zero incident of confirmed cases of corruption
	Products and services	Several initiatives were implemented that enhanced the awareness of customer health and safety in our properties	New initiatives to enhance the awareness of customer health and safety in our properties

1 Projects with gross floor area (GFA) of more than 2,000 square metres.

GOVERNANCE

We are committed to the highest level of corporate governance and transparency in our policies and processes. We see governance as essential in delivering sustainable value and success in our business and to ensuring that the interests of Unitholders are safeguarded.

CMT has been a signatory to the Statement of Support Towards Excellence in Corporate Governance initiated by SIAS. In addition to being a member of SIAS, CMT is a member of the Financial Industry Disputes Resolution Centre Ltd (FIDReC), Investor Relations Professionals Association (Singapore) (IRPAS) and REIT Association of Singapore (REITAS).

CMT has received recognition in corporate governance emerging as the winner in the Singapore Corporate Governance Award, REITs & Business Trusts category at the SIAS 18th Investors' Choice Awards. CMT was ranked first for the REIT and Business Trust category in the Singapore Governance and Transparency Index conducted by the NUS Business School's Centre for Governance, Institutions and Organisations.

For details on CMT's Corporate Governance, please refer to pages 27 to 51 of this Annual Report.

Compliance

The Manager is committed to ongoing improvement in corporate governance. It has developed and, on an ongoing basis, maintains sound and transparent policies and practices to meet the specific business needs of CMT and to provide a firm foundation for a trusted and respected business enterprise. The Manager remains focused on complying with the substance and spirit of the principles of the Code of Corporate Governance 2012 (Code) while achieving operational excellence and delivering CMT's long-term strategic objectives. The Board of Directors is responsible for the Manager's corporate governance standards and policies, underscoring their importance to the Manager.

CMT adheres to the policies, guidelines and practices relating to Dealing with Interested Persons, Dealings in Securities, Code of Business Conduct, Communicating with Shareholders amongst others. For details on CMT's policies, guidelines and practices, please refer to pages 27 to 51 of this Annual Report.

No 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. We target zero incident of material non-compliance with laws and regulations in the upcoming year.

Business Ethics

For details on CMT's Business Ethics, please refer to pages 48 to 49 of this Annual Report.

There was zero incident with regards to corruption. We target zero incident of confirmed cases of corruption in the forthcoming year.

Products and Services - Customer Health and Safety

CMT values customer health and safety and endeavours to ensure that security at the properties is our priority. During the year, there were several initiatives implemented at our properties to enhance the health and safety of our customers.

We constantly innovate and improve our operations and shopping experience by leveraging technology and collaborating with strategic partners. In 2018, three of the properties embarked on a smarter generation pest control approach through the deployment of rodent sensors at strategic locations to monitor and narrow down the source of any rodent activity quickly. This has minimised the reliance on manpower on site to carry out periodic checks and ad-hoc flushing.

Our continuing partnerships with various government agencies such as Singapore Police Force, Singapore Civil Defence Force and Ministry of Manpower are essential in promoting a safe and secure workplace. In 2018, we supported an initiative funded by Infocomm Media Development Authority and Vi Dimensions. This is an automatic surveillance monitoring project that uses artificial intelligence to identify abnormalities by analysing security information.

SUSTAINABILITY MANAGEMENT

ENVIRONMENT

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

To align the understanding of our commitments in our everyday business, we continually keep abreast of developments in our industry and engage our stakeholders.

We cultivate our stakeholder relationships through regular and systematically planned forms of dialogue such as conferences, workshops, roadshows and surveys.

Managing Our Environmental Footprint

CapitaLand's Environmental Management System (EMS) is a key tool in managing CMT'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 and OHSAS 18001 are internationally recognised standards for the environmental management and occupational health and safety management of businesses respectively.

Environmental, Health and Safety Policy

CMT is committed to protecting the environment and upholding the occupational health and safety (OHS) of everyone in the workplace, and will:

- 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 Sustainable Building Guidelines (SBG) and OHS programmes

This policy is readily available to all employees, tenants, suppliers and service providers. Since 2012, all business functions such as property management and property development for CMT'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.

CMT 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 staff. New staff are introduced to the EHSMS and EHS policies as well as briefed on their roles.

Internal and External Audits

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

Sustainable Developments and Assets

Building and Construction Authority (BCA) Green Mark certifications help assure and demonstrate the quality of CMT's properties. These ratings serve as an external validation that key environmental aspects have been considered in CMT's project design, development and operations.

Green Building Rating

Green building rating targets are set from the early stage of design and development. Green buildings have a lower lifecycle carbon footprint through the adoption of sustainable design and materials and are more resource efficient.

The minimum target certification for our new development is Green Mark Gold^{PLUS}. In support of the Singapore Government's Green Building Master Plan, CMT is committed to achieving Green Mark certification for all properties by 2020. As at 31 December 2018, 13 of our operating properties have achieved at least a Green Mark Gold certification.

Property	Award Category	Year Of Award
Westgate	Platinum	2018
Bedok Mall	Platinum	2017
Bugis Junction	Platinum	2017
Bugis+	Platinum	2017
Junction 8	Platinum	2017
JCube	Platinum	2016
Bukit Panjang Plaza	Gold^{PLUS}	2017
Raffles City Singapore	Gold^{PLUS}	2017
IMM Building	Gold^{PLUS}	2016
Lot One Shoppers' Mall	Gold	2016
Plaza Singapura	Gold	2016
The Atrium@Orchard	Gold	2015
Tampines Mall	Gold	2013

Environmental Impact Assessment

A key component of the SBG is the mandatory Environmental Impact Assessment (EIA). An EIA is carried out during the feasibility stage of any development project. The significant findings of the EIA and their cost implications, if any, are incorporated in the investment paper submitted to the Board of Directors for approval.

The EIA focuses on identifying any environmental threats or opportunities related to the project site and its surroundings, covering areas such as floods, biodiversity, air quality, noise, connectivity, heritage and resources.

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 for our operating properties.

The management team of each property submits monthly data and uploads supporting documentation into ETS. The data is analysed to facilitate a better understanding of consumption patterns and identify areas for eco-efficiency improvements.

In line with CapitaLand's long-term targets for the reduction of energy and water intensities, our long-term targets for our operating properties (using 2008 as base year) are as follows:

- Reduce energy intensity by 20.0% by 2020
  Reduce energy intensity by 25.0% by 2030

- Reduce water intensity by 20.0% by 2020
  Reduce water intensity by 30.0% by 2030

Energy Efficiency

CMT reduced its energy intensity measured in kilowatts-hour per square metre (kWh/m²) by 24.7% from base year 2008. In 2018, energy usage for operating properties was approximately 28,349 MWh compared to 137,058 MWh in 2017. CMT is on track to achieving its 2030 energy intensity reduction target and the aim for 2019 is to maintain or reduce energy intensity compared to 2018.

In support of the annual Earth Hour campaign on 24 March 2018, all non-essential lights were turned off at CMT's properties.

CMT continues to implement various energy conservation measures which focuses on innovation to reduce energy consumption. The measures are listed in the table on page 72.

SUSTAINABILITY MANAGEMENT

Focus	Initiatives and Measures
Central Air Conditioning System	Installed with Measurement & Verification (M&V) System to monitor system performance daily Perform preventive and periodic servicing and maintenance Auto tube-cleaning system Conduct energy audit periodically
Lighting	Replacing existing non-LED type with LED type Lighting power budget of not more than 22 Watts per m^2 for tenanted areas
Control, Metering and Monitoring	Building Management System Sub-metering
Renewable Energy	Photovoltaic (PV) system
Equipment	Replace equipment with higher efficiencies

Climate Change and Emissions Reduction

CMT 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.

CMT's carbon emissions in 2018 was approximately 50,508 tonnes. Emission intensity declined to 6.09 $kgCO_2e/m^2$ from 7.01 $kgCO_2e/m^2$ a year ago. The improvement represented a 43.6% reduction in carbon emission intensity compared to 2008. In 2019, CMT aims to maintain or reduce carbon emissions intensity compared to 2018 intensity.

Most of CMT's properties are located close to or integrated with mass rapid transit (MRT) stations and bus interchanges. This allows easy access to the surrounding communities and facilities via walkways which are mostly covered/sheltered. In addition, to reduce carbon emissions, CMT's properties are provided with bicycle lots to encourage shoppers and tenants to use greener modes of transport. There are about 350 bicycle lots across the CMT's properties.

CMT has more than 1,400 square metres of solar panels at Bugis Junction, JCube and Bedok Mall. These solar panels have helped our malls to tap 76,318 kWh of renewable energy source.

Life Cycle Management

CapitaLand's SBG is an in-house guide developed to ensure environmental considerations are factored in at all stages of a project from feasibility study, design, procurement, construction to operations.

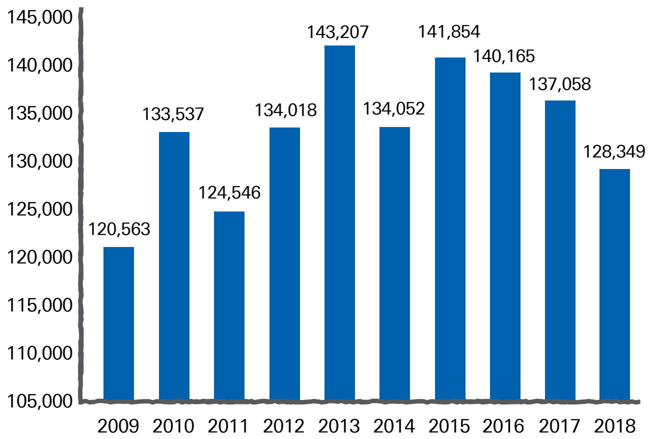
Mitigating Climate Change Challenges and Identifying Opportunities through Design

As countries rally for action to mitigate climate change, more stringent regulations may be expected and companies will face increased expectations from stakeholders. By adopting the SBG, CMT aims to future-proof its developments by addressing the risks of climate change right from the design stage.

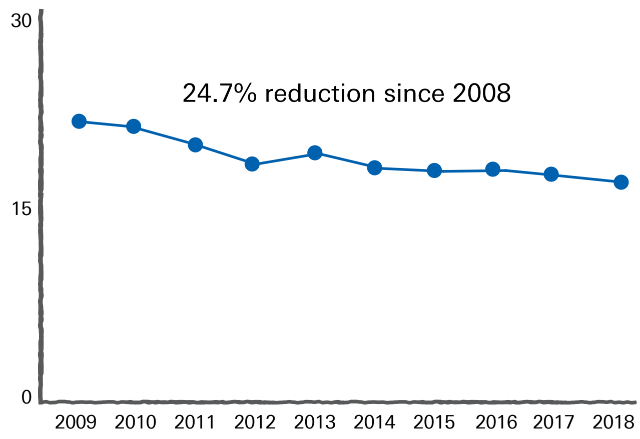
Every project is studied in detail, and appropriate measures are adopted in consideration of climate change. The SBG also sets guidelines for buildings to be less energy reliant, for example, setting green building certification targets above statutory requirements, as well as encouraging the use of renewable energy, whenever possible.

The SBG is regularly reviewed to ensure continuous improvement, with a focus on four key objectives of minimising carbon footprint and energy consumption, water management, waste management and promoting biodiversity in the life cycle of its developments. Enhancements since inception include higher green building certification requirements, use of certified wood and design for accessibility.

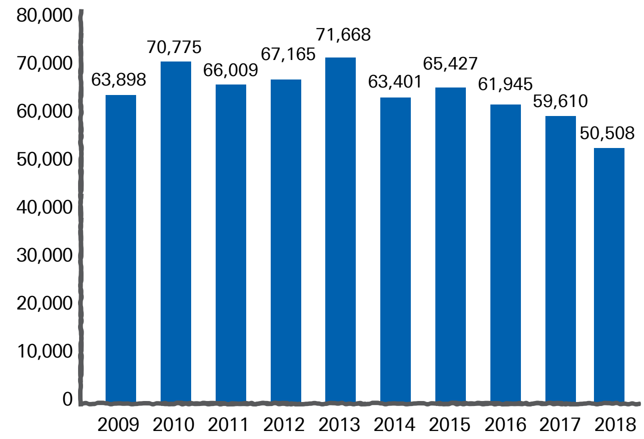
Energy Usage
(MWh)



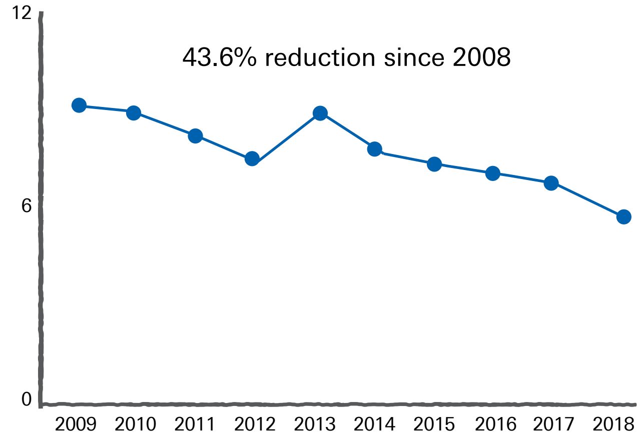
Energy Intensity
(kWh/m²)



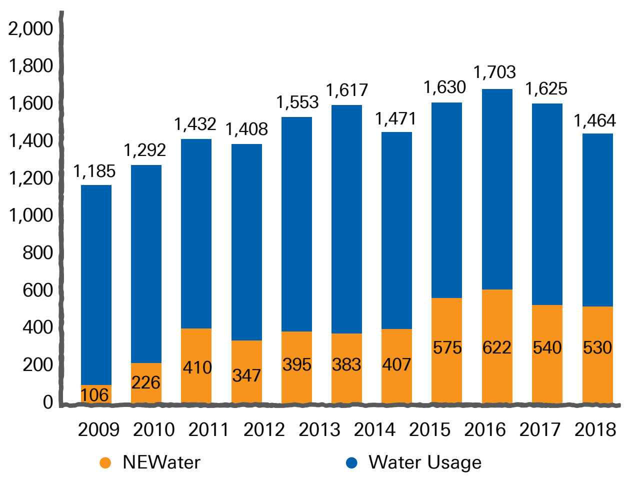
Total Carbon Emissions
(tonnes CO_2e)



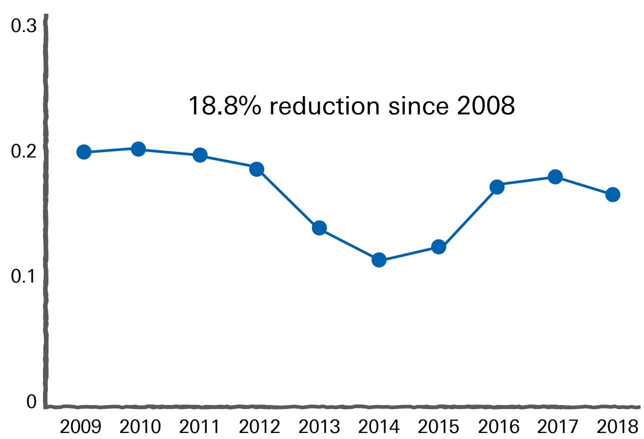
Carbon Intensity
($kgCO_2e/m^2$)



Water Usage
(thousand m³)



Water Intensity
(m³/m²)



SUSTAINABILITY MANAGEMENT

Water Management

CMT is committed to reducing water usage and preventing water pollution. Water usage and discharge for each property are monitored and checked regularly.

In 2018, CMT's water usage was approximately 1.5 million m^3. This included approximately 0.5 million m^3 of NEWater. Water intensity was reduced by 18.8% compared to 2008. The decline was attributed to the remote monitoring of water usage across all properties. This allows us to identify and respond promptly to exceptions such as leakages and ad hoc operations in an effective manner.

CMT's water efficiency target for 2019 is to maintain or reduce water intensity compared to 2018 intensity.

Waste Management

The collection and disposal of waste at all CMT's properties are carried out by National Environment Agency licensed contractors. In 2018, we collected 24,530 tonnes of waste, a reduction of 3.7% compared to a year ago.

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

CapitaLand partnered with StarHub to roll out e-waste recycling bins at CMT's properties to encourage shoppers and tenants to adopt e-waste recycling and address the increasing environmental and health concerns posed by improper handling of e-waste. The malls involved in this initiative are Bugis+, Bedok Mall, IMM Building (IMM), JCube, Junction 8, Lot One Shoppers' Mall (Lot One), Plaza Singapura, Raffles City Singapore and Tampines Mall. It is also a natural progression of our waste recycling journey which started in 2008 with recycling bins for paper, metal and plastic provided in our malls. In 2018, the total e-waste collected was 18.5 tonnes.

As an ongoing sustainability effort, CMT has partnered tenants in six of its malls to collect coffee waste for each building's landscape vendor to recycle as a plant fertiliser. A separate bin is provided specially for the collection of coffee waste. Depending on the volume, the landscape vendor collects the coffee waste from the recycling bin either weekly or bi-weekly.

CMT requires its main contractors to implement proper waste management procedures on site to minimise, manage and dispose construction waste efficiently.

CMT continues to leverage Building Information Modelling (BIM) technology to improve the design and construction process through more integrated project coordination. BIM performs clash detection before construction commences. It identifies situations where mechanical and electrical services clash with structural members. An early detection saves time and cost of remedial work and minimises material wastage.

Supply Chain Management

We work closely with our contractors and suppliers who are committed to high quality, environmental, health and safety standards. Contractors are only appointed upon meeting the group's stringent selection criteria, including environment, health and safety.

All main contractors appointed in 2018, for projects with gross floor area of more than 2,000 square metres, were ISO 14001 and OHSAS 18001 certified.

We ensure our suppliers or service providers are in compliance with local regulations. We share CapitaLand's EHS requirements and Supply Chain Code of Conduct with our suppliers or service providers when working in our properties. A majority of our contractors and service providers are minimum bizSAFE Level 3 certified.

SOCIAL

Our People

As an externally managed REIT, CMT has no employee and is managed by the Manager and Property Managers, which are wholly owned subsidiaries of CapitaLand.

The teams behind the Manager and Property Managers, of more than 450 employees, are responsible for CMT's property and portfolio operations in Singapore, and we recognise that people are our greatest asset contributing to the success of the business. Our workforce comprises mainly full-time and permanent staff who are based in Singapore.

Employment

Fairness and Diversity

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

CMT 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

We have a vibrant and competent team of employees in our workforce. New hires represented 11.0% of the total headcount in 2018. 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 2018, close to 65.0% of the employees who are managers and above were female. Approximately 67.0% 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

We support international human rights conventions, such as the Universal Declaration of Human Rights and the International Labour Organisation (ILO) Conventions, against coerced labour and discrimination in any form. Singapore has ratified 27 ILO Conventions covering four key areas of employment standards: child labour, forced labour, collective bargaining and equal remuneration. We have no acts of discrimination or human rights violation reported in 2018.

Positive Work Environment

We are committed to providing a positive and vibrant workplace that promotes personal development, good health and wellbeing, as well as a fulfilling career. In 2018, 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 pro-rated 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 Unitholder value. We also adopt CapitaLand's robust performance management system to ensure that all employees receive regular performance and career development reviews.

Talent Management

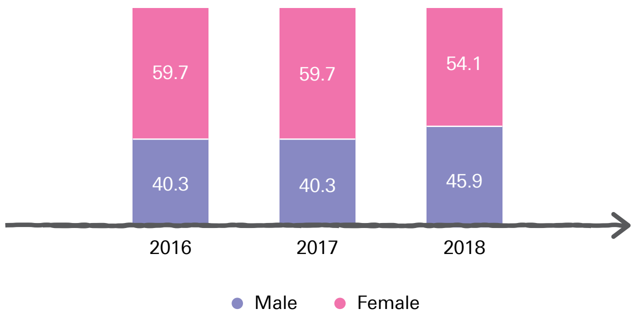
We actively seek innovative, dynamic and talented individuals, both internally and externally, with the right experience level to support our growth. This is managed through the recruitment of talent across different career stages, from entry-level graduates to mid-career professionals and industry veterans. 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.

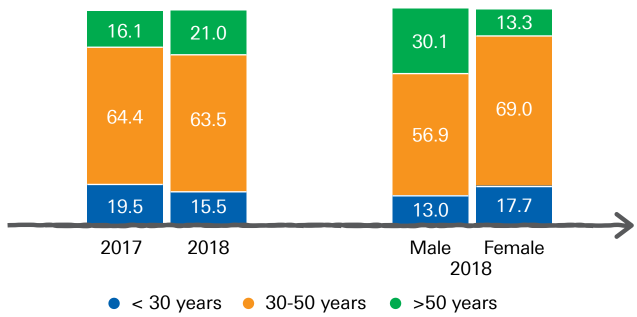
SUSTAINABILITY MANAGEMENT

Human Capital - Staff Profile

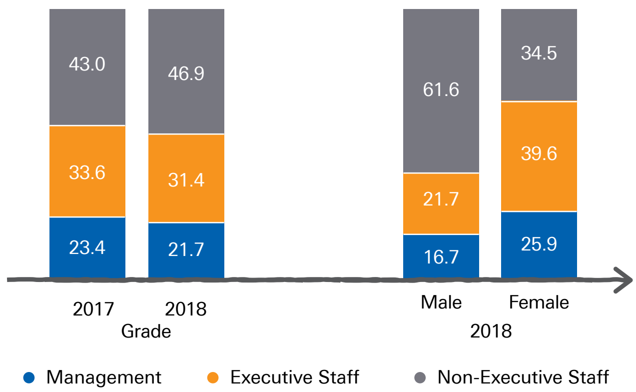
Staff Diversity by Gender (%)



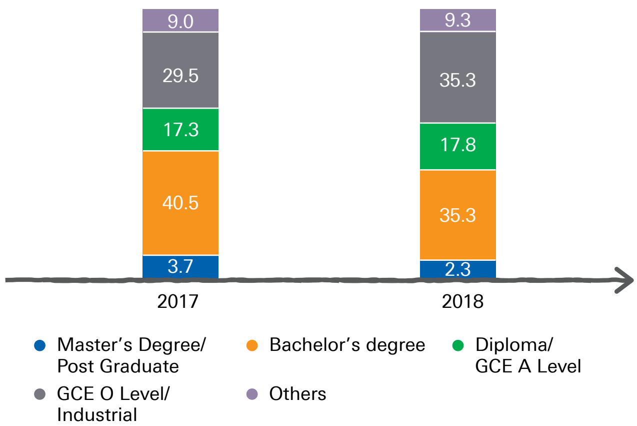
Staff Profile by Age and Gender (%)



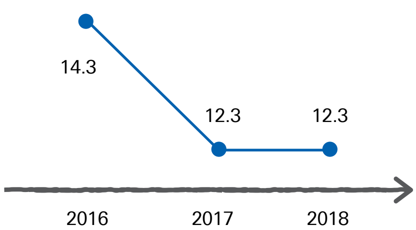
Staff Profile by Seniority and Gender (%)



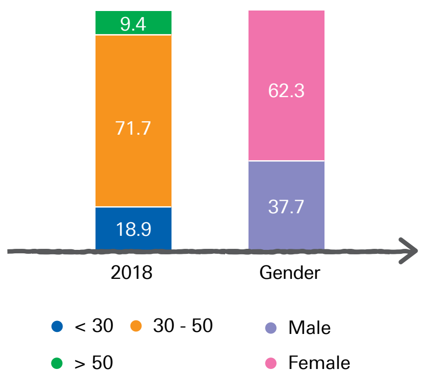
Staff Profile by Educational Qualifications (%)



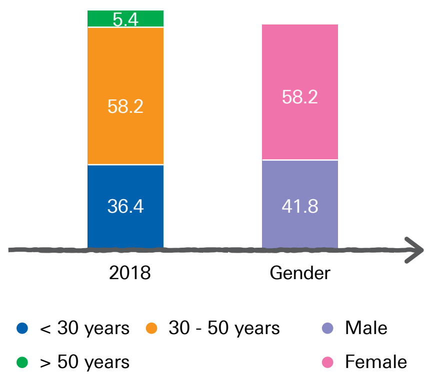
Staff Turnover Rate (%)



Voluntary Turnover by Gender and Age (%)



New Hires by Gender / Age (%)



Fair Remuneration

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

All CapitaLand 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 staff compensation strategies to ensure that they commensurate with market practice.

More than 60.0% of our employees has 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. 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 3.0% 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 2018, approximately 97.2% of employees attended at least one training event, and the average number of training hours completed by each employee exceeded 30 hours. Employees pursuing relevant courses are eligible for paid examination leave of up to 10 days per calendar year.

Job Security

CapitaLand is committed to providing meaningful jobs for its employees. The efforts and initiatives are in line with the Tripartite Guidelines on Managing Excess Manpower, which covers the retraining and redeployment of workers, the implementation of flexible work arrangements and a flexible wage system to manage wage costs. The guideline was jointly established by the Singapore Ministry of Manpower together with its tripartite partners, Singapore National Employers Federation and the National Trades Union Congress.

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.

Freedom of Association

CapitaLand maintains a harmonious relationship with the Singapore Industrial & Services Employees' Union. CapitaLand abides by the Industrial Relations Act that allows representation of staff by trade unions for collective bargaining, thus providing them with an avenue to seek redress for any industrial disputes. CapitaLand works closely with the trade unions to create a conducive and productive work environment for the mutual benefit of employees and the company. Currently, more than 40.0% of our workforce are union members.

Re-employment Opportunities

CapitaLand has a re-employment policy in place for employees who have reached the current statutory retirement age of 62, to enable them to continue to work up to 65 years in the first instance and subsequently, up to 67 years old if they are still able and willing to continue contributing to CMT. In 2018, five employees were above the age of 62.

SUSTAINABILITY MANAGEMENT

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

CapitaLand'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.

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.

CapitaLand 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.

CapitaLand's 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.

Second, 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, all new hires are required 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)
CMT strives to achieve zero work-related injuries through the adoption of OHS practices.

All employees are expected to take ownership of OHS issues, as well as proactively report all OHS-related incidents alongside non-compliance and non-conformities.

	2016	2017	2018
Number of work-related injuries	1	2	3
Work-related fatalities / permanent disabilities	0	0	0
Absentee rate (Days per employee per year)	7.0	6.8	7.5
Severity rate	3.0	5.0	56.3
Lost Day rate	3	10	169

CMT maintains occupational health and safety by regularly monitoring our operations to ensure that all workplace safety risks are properly controlled. Our OHS policies and practices are in compliance with prevailing OHS laws and regulations in Singapore.

In 2018, we reported a staff absentee rate of 7.5 days and achieved zero work-related fatality or permanent disability. However, three work-related injuries were recorded during the year. The injured employees have since returned to work and we have tightened our safety measures and standard operating procedures to prevent similar incidents in future. The steep increases in severity and lost-day rates were attributed mainly to one of the employees who was granted extended medical and hospitalisation leave.

Staff Well-Being

CapitaLand aims to provide a safe work environment that contributes to the general well-being of its employees.

In Singapore, this is carried out through a Total Well-Being Programme to promote health and well-being of all staff. CMT supports the programme by engaging its workforce through regular health and recreational activities, team-building events and 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 2018, activities such as complimentary health screenings, free flu vaccinations and health-related activities were organised to encourage a well-balanced and healthy lifestyle among employees. Recreational activities included the CapitaLand Family Day, a movie day, a durian feast, an annual team-building event and an annual dinner party. Yoga and Zumba classes were also organised to promote an active lifestyle. Tips on healthy living and effective exercise were published through CapitaLand's intranet. In May, CMT supported the annual national campaign, 'Eat with Your Family Day', by encouraging employees to leave their offices earlier to dine with their families.

Stakeholder Engagement

Social Integration

As satellite hubs, CMT's properties are strategic channels for community engagement. We are committed to building safe, accessible, vibrant and quality developments to enhance the lives of communities around our operations.

Our social integration criteria, which factor universal design considerations include:

- Ensuring accessibility in the built environment to people of different age groups and varying mobility
- Enhancing connectivity to public transport, roads, amenities and between buildings
- Providing community spaces as public gathering points

These design considerations are integrated into the CapitaLand's SBG to ensure that they are considered from the start of the project development process. Universal design considerations ensure that public spaces in our properties are accessible to users of different age groups and varying abilities. These include:

- Seamless connectivity to the external surroundings, such as bus-stops, adjacent buildings, streets and sidewalks
- Barrier-free access from accessible (handicapped) and family parking lots to lift lobbies
- Sheltered and barrier-free drop-off areas
- Accessible (handicapped) and family lots
- Designated pedestrian lanes in car parks
- Amenities such as accessible toilets, lifts and nursing rooms
- Atrium spaces, libraries and play areas for children

All our properties have at least one facility for disability access. These include accessible alighting and boarding bays, lifts, parking lots and public toilets. Our properties are also guide-dog friendly.

Our Community

During the year, we collaborated with non-profit and government organisations to promote healthy living, environmental sustainability and community causes through activities at our malls.

CapitaLand is a strong advocate of volunteerism and was one of the first companies to formalise three days of Volunteer Service Leave (VSL) for its employees. In recognition of our employee's social contribution, CHF donates S$500 to an approved Institution of a Public Character in Singapore or international non-profit organisation when the three days of VSL are utilised within the year.

SUSTAINABILITY MANAGEMENT

Community causes

Adopt a Plant

A Christmas charity event at Bedok Mall where shoppers donated $10 for a mini plant festive gift raised S$21,085 for the Movement for the Intellectually Disabled of Singapore (MINDS) and Very Special Arts Singapore, with CHF matching all donations dollar-for-dollar.

Share the Blessings

A charity road show at Lot One organised in collaboration with CHF, MediaCorp and SG Cares. The event raised over S$45,400 for needy families under the care of Fei Yue Family Service Centre (Choa Chu Kang), with CHF matching all donations dollar-for-dollar. The event was held in support of the national movement of SG Cares to build a more caring and inclusive home for the underprivileged Singaporeans.

Yellow Ribbon Community Art Exhibition

A visual showcase of the talent and creativity of inmates organised by the Yellow Ribbon Project and Singapore Art Museum at Raffles City Singapore. A total of 78 artworks by inmates from the Visual Arts Hub and Institution A4 were exhibited at this event. Through the artworks created by the inmates, visitors could empathise with their past struggles and mistakes, connect with their desire for acceptance and reintegration, and support their hopes for the future.

CapitaLand Giving Marketplace

An initiative at Raffles City Singapore whereby charities and social enterprises were offered retail spaces to promote merchandise and public volunteer opportunities. For every transaction at this marketplace, CHF donated S$6 to the participating charities.

Christmas Wrapping Service

An initiative whereby shoppers at Plaza Singapura could donate any amount to get their purchases gift-wrapped by volunteers from Blossom World Society.

Todo Todo Skills Marketplace @ South West

A career fair at Westgate aimed at helping youths to find fulfilling careers. The event was organised by People's Association, National Trades Union Congress and South West Community Development Council.

My Schoolbag

CapitaLand's corporate social responsibility programme reached out to 183 underprivileged beneficiaries from MINDS and the Association for Persons with Special Needs through carnival games and other activities held at Junction 8. This is the second year that My Schoolbag catered to the underprivileged special needs children, to reinforce the message that the mall is a place that is inclusive and welcomes people of diverse backgrounds and needs.

Health and Well-being

Fitness Sessions

Weekday fitness sessions were regularly organised at Bukit Panjang Plaza, IMM, JCube, Junction 8, Lot One and Tampines Mall to reach out to local communities. The events were co-organised with the Health Promotion Board and fitness centres.

Eco & Farmer's Market

An event organised by Bukit Panjang Plaza to promote sustainable agriculture, urban farming and eco-friendly practices. Sales proceeds of vegetables grown in community gardens by the residents were donated to the National Kidney Foundation Dialysis Centre in Bukit Panjang.

Environment

Fashion Upcycling Workshop

An event held at IMM, Plaza Singapura and Westgate to promote sustainable fashion. Workshop participants were taught how to transform pre-loved apparel into trendy statement pieces.

G!Innovation Challenge 2018

A competition for schools in the northeast district that saw students pitching innovative solutions to environmental issues caused by climate change. The event was organised by the National Environment Agency and North East Community Development Council and held at Tampines Mall. Fringe activities and a roadshow were also organised to encourage shoppers to sign the Climate Action Pledge.

Heritage

In Sight: A Monumental 3D Journey

An exhibition at Westgate organised in conjunction with Singapore Heritage Festival. Shoppers were treated to a 3D experience as they learned about the communities and pioneers behind selected Singapore's landmarks.

Tenant Engagement Programme

Biz+ Series tenant engagement programme comprising seminars, workshops and networking sessions focused on the theme of new retail in 2018. Industry experts were invited to share with the tenants on topics that ranged from mobile payment solutions and its influence on shopping behaviours, to budget allocation for digital media planning, and tips on tracking the ROI of marketing efforts.

MATERIAL TOPICS AND BOUNDARIES

Material topics(GRI 102-47)	Topics Boundary Internal and External	Management Approach References(GRI 103)
Economic Performance		
Economic Performance	CMT	Financial Performance, page 63
Indirect Economic Impacts	CMT, Communities	Social Integration, page 79 Our Community, page 79 - 80
Anti-corruption	CMT, Investors, Tenants, Shoppers, Communities	Governance, page 69 Ethics and Integrity, page 78
Environmental		
Energy	CMT, Suppliers	Environment, page 70 - 74
Water	CMT, Suppliers	
Emissions	CMT, Suppliers	
Biodiversity	CMT, Suppliers	
Emisisons	CMT, Suppliers	
Effluents and Waste	CMT, Suppliers	
Environmental Compliance	CMT, Investors	
Supplier Environmental Assessment	CMT, Suppliers	
Social		
Employment	CMT	Employment, page 74 - 78
Labour/Management Relations	CMT	Employment, page 75
Occupational/Health and Safety	CMT	Employment, page 78 - 79
Training and Education	CMT	Employment, page 77
Diversity and Equal Opportunity	CMT	Employment, page 75
Non- discrimination	CMT	Employment, page 75
Child Labour	CMT	Employment, page 75
Forced or Compulsory Labour	CMT	Employment, page 75
Human Rights Assessment	CMT, Suppliers	Environment, page 70 Supply Chain Management, page 74 OHS, page 78 - 79
Local Communities	CMT, Communities	Environment, page 70 OHS, page 78 - 79 Stakeholder Engagement, page 79 - 80
Supplier Social Assessment	CMT, Suppliers	Supply Chain Management, page 74 OHS, page 78 - 79
Customer Health and Safety	CMT, Tenants, Suppliers and Communities	Products and Services, page 69 OHS, page 78 - 79 Social Integration, page 79
Socioeconomic Compliance	CMT, Investors	Governance, page 69 Environment, page 70 OHS, page 78 - 79 Ethics and Integrity, page 78

SUSTAINABILITY MANAGEMENT

GRI CONTENT INDEX

GRI Standards Content Index for 'In accordance' - Core

GRI Standards General Disclosures Organisational Profile		Notes/Page number(s)
102-1	Name of the organisation	CapitaLand Mall Trust
102-2	Activities, brands, products, and services	Corporate Profile, page 1
102-3	Location of headquarters	Corporate Information, Inside Back Cover
102-4	Location of operations	Corporate Profile, page 1 Property Portfolio, page 19
102-5	Ownership and legal form	Trust Structure, page 5 Organisation Struction, page 5
102-6	Markets served	Corporate Profile, page 1 Property Portfolio, page 19
102-7	Scale of the organisation	Corporate Profile, page 1 Property Portfolio, page 19
102-8	Information on employees and other workers	Our People, page 74 Data collected to be accurate as at 31 December 2018
102-9	Supply chain	Stakeholder Engagement, page 65 Key Performance Indicators, page 68 Supply Chain Management, page 74
102-10	Significant changes to organisation and its supply chain	No significant changes
102-11	Precautionary principle or approach	CMT does not specifically address the principles of the Precautionary approach
102-12	External initiatives	About this Report, page 63 UN SDGs, page 67 Employment, page 75 United Nations Global Compact, page 85
102-13	Membership of associations	Investor and Media Relations, page 56 Sustainability Commitment, page 62 Governance, page 69
Strategy		
102-14	Statement from senior decision-maker	CEO's Message, page 61 Board Statement, page 62
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behaviour	Corporate Governance, page 27 - 51 Enterprise Risk Management, page 52 - 53 CEO's Message, page 61 Board Statement, page 62
Governance		
102-18	Governance structure	Management Structure, page 63
Stakeholder Engagement		
102-40	List of stakeholder groups	Stakeholder Engagement, page 64 - 65
102-41	Collective bargaining agreements	Freedom of Association, page 77
102-42	Identifying and selecting stakeholders	Stakeholder Engagement, page 64 - 65
102-43	Approach to stakeholder engagement	Stakeholder Engagement, page 64 - 65
102-44	Key topics and concerns raised	Stakeholder Engagement, page 64 - 65

GRI Standards General Disclosures Organisational Profile		Notes/Page number(s)
Reporting Practice		
102-45	Entities included in the consolidated financial statements	About this Report, page 63
102-46	Defining report content and topic Boundaries	About this report, page 63 Materiality, page 66 Within the organisation: • Energy Efficiency • Climate Change and Emissions Reduction • Water Management • Occupational Health and Safety • Employment • Compliance • Business Ethics • Product and Services Within and outside of the organisation: • Stakeholder Engagement • Supply Chain Management
102-47	List of material topics	Materiality, page 66
102-48	Restatements of information	No restatement in 2018
102-49	Changes in reporting	No significant changes in reporting
102-50	Reporting period	1 January 2018 - 31 December 2018
102-51	Date of most recent report	CMT Annual Report 2017
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	ask-us@cmt.com.sg
102-54	Claims of reporting in accordance with GRI Standards	In accordance with Core
102-55	GRI content index	GRI Content Index, page 82 - 84
102-56	External assurance	We have not sought external assurance on this report specifically, however, our Sponsor does seek assurance and data is shared between the two entities
Management Approach		
103-1 103-2 103-3	Explanation of the material topic and its boundary The management approach and its components Evaluation of the management approach	Materiality, page 66 Management Structure, page 63 See ESG material issues idenitfied under the respective Environment, Social and Governance sections, pages 64 - 65, 69 - 72 , 74 - 75, 77 - 79
Material Topics Economic Performance		
201-1	Direct economic value generated and distributed	Message to Unitholders, page 8 - 11 Financial Review, page 98 - 101 Financial Statements, page 147 - 226
Anti-corruption		
205-3	Confirmed incidents of corruption and actions taken	Corporate Governance, page 48 - 49 Business Ethics, page 69

SUSTAINABILITY MANAGEMENT

GRI Standards General Disclosures Organisational Profile		Notes/Page number(s)
Energy		
302-1	Energy consumption within the organization	Energy Efficiency, page 71, 73 Climate Change and Emissions Reduction, page 72 Energy consumed is purchased electricity or energy generated from our PV system. Data is collected from utility bills.
302-4	Reduction of energy consumption	Energy Efficiency, page 71, 73
Water		
303-1	Water withdrawal by source	Water Management, page 73 - 74 Main water source, including NEWater, is purchased from PUB. Data is collected from utility bills.
Emissions		
305-2	Energy indirect (Scope 2) GHG emissions	Climate Change and Emissions Reduction, page 72 - 73
305-4	GHG emissions intensity	Climate Change and Emissions Reduction, page 72 - 73
305-5	Reduction of GHG emissions	Climate Change and Emissions Reduction, page 72 - 73
Occupational Health and Safety		
403-1	Staff represented in OHS committee	Occupational Health and Safety, page 78 - 79
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Occupational Health and Safety, page 78 - 79 Occupational diseases not included due to confidentiality constraints
Training and Education		
404-1	Average hours of training per year per employee	Learning and Development, page 77
404-3	Percentage of employees receiving regular performance and career development reviews	Positive Work Environment, page 75
Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	Stakeholder engagement, page 79 - 80
Supplier Social Assessment		
414-1	New suppliers screened using social criteria	Stakeholder Engagement, page 65 Key Performance Indicators, page 68 Supply Chain Management, page 74
Customer health and safety		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Products and Services - Customer Health and Safety, page, 69
Socioeconomic compliance		
419-1	Non-compliance with laws and regulations in the social and economic area	Corporate Governance, page 27 - 51 Governance, page 69

UNITED NATIONS GLOBAL COMPACT

UNGC Principle	How we align	More details
Human Rights Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights Principle 2: make sure that they are not complicit in human rights abuses	As part of CapitaLand, one of the common goals is to uphold the spirit of international human rights conventions, such as the Universal Declaration of Human Rights and the International Labour Organisation (ILO) Conventions, against coerced labour and discrimination in any form. Singapore has to date ratified 27 ILO Conventions covering four key areas of employment standards: child labour, forced labour, collective bargaining and equal remuneration.	Refer to page 75
Labour Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: the elimination of all forms of forced and compulsory labour; Principle 5: the effective abolition of child labour; and Principle 6: the elimination of discrimination in respect of employment and occupation.	We are committed to be a workplace of choice for employees. CapitaLand has in place an integrated human capital strategy designed to recruit, develop and motivate employees. It adopts stringent principles of fair employment and equal remuneration. CapitaLand has signed the Employersâ Pledge for Fair Employment Practices with The Tripartite Alliance for Fair and Progressive Employment Practices.	Refer to page 75
Environment Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies.	We are committed to environmental sustainability and the enhancement of value as a real estate owner. By leveraging technologies and analytics in optimising the usage of energy, water as well as waste management across our properties, we believe that we can manage our business better and create long-term value for all stakeholders.	Refer to page 70 - 74
Anti-Corruption Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	We adopt a strong stance against bribery and corruption.	Refer to page 49, 66, 69, 78

THINKING FOR **THE LONG TERM.**

Like a child full of excitement, CMT looks forward to tomorrow and primes up for new growth opportunities. Through disciplined asset management, astute portfolio reconstitution, proactive capital management and operational excellence, we are poised to drive sustainable growth and create long-term value.

99.2%

Occupancy Rate

S$11,099.8 million

Portfolio Valuation

OPERATIONS REVIEW

UNLOCK VALUE

Divestment of Sembawang Shopping Centre

Net lettable area: **143,631 sq ft**

Price: **S$248.0 million**
(above valuation of S$126.0 million as at 31 December 2017)

Completion: **18 June 2018**

CREATE VALUE

Acquisition of balance 70.00% of the units in Infinity Mall Trust (IMT) which holds Westgate

Net lettable area: **410,753 sq ft**

Agreed value: **S$1,128.0 million**

Partially funded through a private placement which was 2.7 times covered

Completion: **1 November 2018**

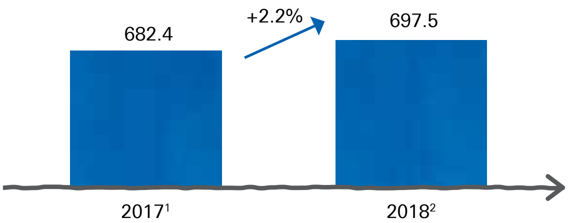
Redevelopment of Funan

Gross floor area: **~766,000 sq ft**
(excluding serviced residence)

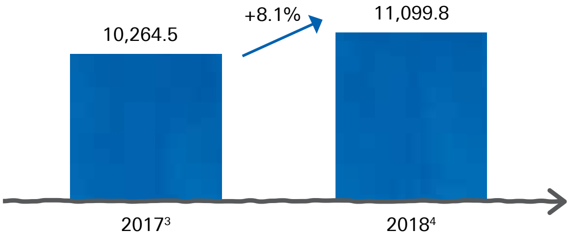
Lease commitment: More than **80.0%**
(including leases under active negotiations)

Target opening (retail): **Mid-2019**

Gross Revenue for the Year
(S$ million)



Portfolio Valuation as at 31 December
(S$ million)



1 Includes gross revenue of Sembawang Shopping Centre (SSC).
2 The divestment of SSC was completed on 18 June 2018. With effect from 1 November 2018, IMT became a wholly owned subsidiary of CMT and its financials were consolidated at CMT Group.
3 Includes SSC, CMT's 40.00% interest in Raffles City Singapore and 30.00% interest in Westgate.
4 Includes CMT's 40.00% interest in Raffles City Singapore and 100% interest in Westgate.

Value creation

CMT is committed to delivering long-term sustainable returns to our Unitholders in line with our growth strategies to unlock and create value from our properties.

2018 was a significant year where we unlocked value with the divestment of SSC and redeployed the proceeds into Westgate, a high quality asset with better fundamentals.

The divestment of SSC to Lian Beng – Apricot (Sembawang) Pte. Ltd., a joint venture between Lian Beng Group Ltd and Apricot Capital Pte. Ltd. at S$248.0 million was above the valuation of S$126.0 million as at 31 December 2017. CMT was able to redeploy the capital into acquiring the balance 70.00% units of IMT, which holds Westgate, from CMA Singapore Investments (4) Pte. Ltd. and CL JM Pte. Ltd. (Acquisition).

The Acquisition was based on an agreed value of S$1,128.0 million (70.00% of which was S$789.6 million). The Manager and Trustee have commissioned independent property valuers, Colliers International Consultancy & Valuation (Singapore) Pte Ltd (Colliers) and Jones Lang LaSalle Property Consultants Pte Ltd (JLL) respectively, to value the property. The valuation of Westgate as at 21 August 2018 was S$1,130.0 million and S$1,125.0 million as stated by Colliers and JLL in their respective valuation reports. The approaches adopted by the valuers were the Capitalisation Method, Discounted Cash Flow Method, and Comparison Method.

Westgate is the high quality retail component of the integrated mixed-use development strategically located in Jurong Lake District. With the Acquisition, CMT was able to optimise and enhance its portfolio resilience and diversification. The Acquisition also increased CMT's exposure to the long-term growth potential of the Jurong Lake District, slated to be Singapore's Western Business District.

To partially finance the Acquisition, CMT raised S$277.6 million through a private placement with the issuance of 134,089,000 new units in CMT at an issue price of S$2.07 per new Unit on 25 October 2018.

Validating the Acquisition, CMT's gross revenue for the financial year 2018 rose 2.2% year-on-year to S$697.5 million while net property income grew 3.2% year-on-year to S$493.5 million. As at 31 December 2018, portfolio valuation increased to S$11,099.8 million from S$10,264.5 million as at 31 December 2017.

Excitement awaits at Funan

Witnessing the revitalisation of Singapore's Civic District sparked the redevelopment of Funan in 2016. The reimagined Funan will reopen its doors as CMT's first innovation-focused integrated development comprising a six-storey retail mall, two office towers and one block of serviced residence.

The gross floor area will be expanded from 482,097 sq ft to 887,000 sq ft encompassing office, serviced residence and experiential retail concepts with the integration of online, offline, data and logistics offerings. Excluding the serviced residence component which was divested on 31 October 2017, gross floor area for the retail and office components totalled approximately 766,000 sq ft. The total land value of the office and retail components as at 31 December 2018 was S$360.0 million.

Enhanced shopper experience at Tampines Mall and Westgate

In 2018, CMT embarked on several asset enhancement initiatives aimed at rejuvenating the malls and enhancing shopper experience.

Tampines Mall

At Tampines Mall, we rebuilt an existing space into a new state-of-the-art duplex where Starbucks relaunched with a fresh boutique concept. In addition, the facade of the building was enhanced while the external walkway was upgraded with new flooring. The rejuvenation works amounted to S$8.2 million and was completed in the fourth quarter of 2018.

Westgate

At Westgate, we enclosed selected alfresco food and beverage outlets with air-conditioning to increase the comfort of diners. To improve shopper accessibility, we created a new entrance point from the existing taxi stand and installed a pair of escalators connecting Level 1 and 2. A glass vestibule was built on Level 1 to improve the visibility of retail shops in Basement 1.

OPERATIONS REVIEW

LEASE RENEWALS AND NEW LEASES

The retention rate of our tenants in 2018 was 82.3%, reflecting our strong relationship with our tenants and our proactive lease management to constantly refresh the tenant mix in each property to remain relevant and attractive to our shoppers.

On a portfolio basis, rental rates for lease renewals and new leases in 2018 saw an average increase of 0.7% against preceding rental rates at the end of typical three-year leases.

Summary of Renewals / New Leases
(excluding newly created and reconfigured units)

From 1 January to 31 December 2018

Property	Number of Renewals / New Leases	Retention Rate %	Net Lettable Area (NLA) Area sq ft	Net Lettable Area (NLA) Percentage of Property %	Increase / (Decrease) in Current Rental Rates vs Preceding Rental Rates (Typically committed three years ago) %
Tampines Mall	69	89.9	87,573	24.6	1.7
Junction 8	52	76.9	41,654	16.4	1.9
IMM Building[1]	93	91.4	112,300	26.5	1.5
Plaza Singapura	73	82.2	109,657	22.7	2.7
Bugis Junction	53	75.5	40,776	10.3	0.9
Raffles City Singapore[1]	67	77.6	76,412	17.9	(2.1)
Lot One Shoppers' Mall	51	80.4	138,186	62.9	(0.9)
The Atrium@Orchard[1]	25	92.0	33,251	24.8	3.2
Clarke Quay	17	82.4	25,629	8.7	3.1
Bugis+	48	89.6	94,034	43.8	1.2
Bedok Mall	47	80.9	39,263	17.6	(1.2)
Westgate	56	69.6	74,477	18.1	0.6
Other assets[2]	82	80.5	97,559	26.3	(2.0)
CMT Portfolio[3]	**733**	**82.3**	**970,771**	**23.1**	**0.7**

1 Based on retail leases only.
2 Includes JCube and Bukit Panjang Plaza.
3 Excludes Funan which was closed on 1 July 2016 for redevelopment and SSC which was divested on 18 June 2018.

PORTFOLIO LEASE EXPIRY PROFILE

Our tenants typically have three-year lease terms. The portfolio lease expiry profile remained evenly spread out as at 31 December 2018, with 28.4% and 27.3% of the leases by gross rental income due for renewal in 2019 and 2020 respectively. The portfolio weighted average lease expiry by gross rental income was 1.9 years. For new leases in 2018, the weighted average lease expiry based on the date of commencement of the leases was 2.4 years and accounted for 33.4% of the leases by gross rental income.

Portfolio Lease Expiry Profile[1]
As at 31 December 2018

	Number of Leases	% of Gross Rental Income[2]
2019	899[3]	28.4
2020	844	27.3
2021	831	29.5
2022	179	11.5
2023	23	1.7
2024 and beyond	16	1.6
Total	**2,792**	**100.0**

1 Based on committed leases. Includes CMT's 40.00% interest in Raffles City Singapore (excluding hotel lease) and excludes Funan which was closed on 1 July 2016 for redevelopment and SSC which was divested on 18 June 2018.
2 Based on the month in which the lease expires and excludes gross turnover rent.
3 Of which 761 leases are retail leases.

Portfolio Lease Expiry Profile for 2019[1]
As at 31 December 2018

Property	Number of Leases	% of Property NLA[2]	% of Property Gross Rental Income[3]
Tampines Mall	38	22.3	23.4
Junction 8	60	34.8	37.7
IMM Building[4]	188	36.4	35.4
Plaza Singapura	74	27.6	26.9
Bugis Junction	96	53.1	43.9
Raffles City Singapore[4]	119	32.9	34.6
Lot One Shoppers' Mall	41	13.4	19.9
The Atrium@Orchard[4]	27	9.3	14.7
Clarke Quay	23	27.7	25.5
Bugis+	17	12.2	16.1
Bedok Mall	37	15.1	15.8
Westgate	51	32.9	24.4
Other assets[5]	128	31.6	36.4
CMT Portfolio	**899[6]**	**29.4**	**28.4**

1 Based on committed leases. Includes CMT's 40.00% interest in Raffles City Singapore (excluding hotel lease) and excludes Funan which was closed on 1 July 2016 for redevelopment and SSC which was divested on 18 June 2018.
2 As a percentage of NLA for each respective property as at 31 December 2018.
3 As a percentage of gross rental income for each respective property and excludes gross turnover rent.
4 Includes non-retail leases for IMM Building, Raffles City Singapore and The Atrium@Orchard.
5 Includes JCube and Bukit Panjang Plaza.
6 Of which 761 leases are retail leases.

OPERATIONS REVIEW

TOP 10 TENANTS

CMT's gross rental income is well distributed within its portfolio of close to 2,800 leases. As at 31 December 2018, no single tenant contributed more than 3.5% of the total gross rental income. Collectively, the 10 largest tenants accounted for about 19.8% of the total gross rental income.

10 Largest Tenants of CMT[1]
As at 31 December 2018

Tenant	Trade Sector	% of Gross Rental Income[2]
RC Hotels (Pte.) Ltd.	Hotel	3.3
Temasek Holdings (Private) Limited	Office	2.9
Cold Storage Singapore (1983) Pte Ltd	Supermarket / Beauty & Health / Services / Warehouse	2.4
NTUC Enterprise	Supermarket / Beauty & Health / Services / Food & Beverage	2.2
Robinson & Company (Singapore) Private Limited	Department Store / Beauty & Health	2.0
BHG (Singapore) Pte. Ltd.	Department Store	1.7
Wing Tai Retail Management Pte. Ltd.	Fashion / Sporting Goods / Shoes & Bags	1.5
Auric Pacific Group Limited	Food & Beverage	1.3
BreadTalk Group Limited	Food & Beverage	1.3
Isetan (Singapore) Limited	Department Store	1.2
Total		**19.8**

1 Includes CMT's 40.00% interest in Raffles City Singapore and excludes Funan which was closed on 1 July 2016 for redevelopment and SSC which was divested on 18 June 2018.
2 Based on gross rental income for the month of December 2018 and excludes gross turnover rent.

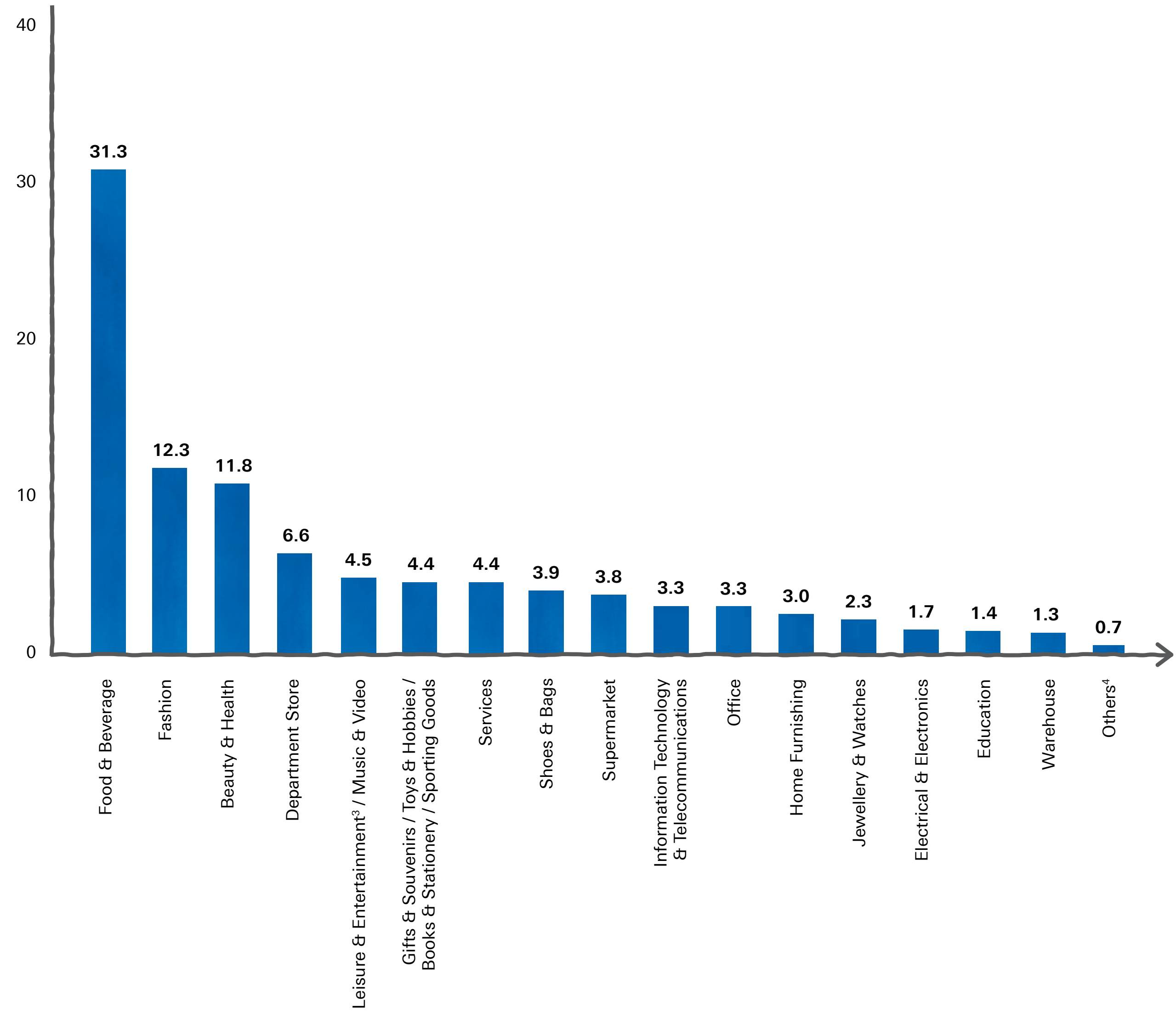
TRADE SECTOR ANALYSIS

CMT's portfolio is well diversified and leverages on many different trade sectors for rental income. As at 31 December 2018, Food & Beverage (F&B) remained the largest contributor to gross rental income at 31.3% of the total portfolio. Fashion remained the second largest contributor to gross rental income at 12.3%.

Downtown and suburban malls contribute almost equally to CMT's gross revenue and asset valuation. Our portfolio has approximately 80% exposure to the necessity shopping segment which has shown resilience over the years.

Breakdown of CMT Portfolio[1] by Trade Sector
(% of Gross Rental Income[2])

For the month of December 2018

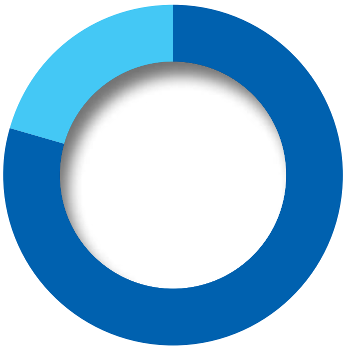


1 Includes CMT's 40.00% interest in Raffles City Singapore (excluding hotel lease) and excludes Funan which was closed on 1 July 2016 for redevelopment and SSC which was divested on 18 June 2018.
2 Excludes gross turnover rent.
3 Includes tenants approved as thematic dining, entertainment and a performance centre in Bugis+.
4 Others include Art Gallery and Luxury.

OPERATIONS REVIEW

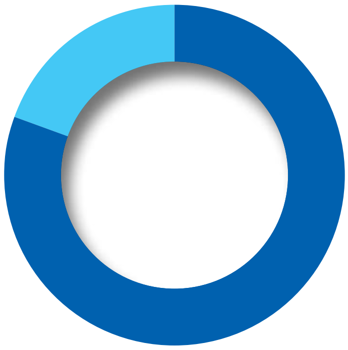
CMT PORTFOLIO[1] (NECESSITY SHOPPING VS DISCRETIONARY SHOPPING)

By Gross Revenue
For full year 2018



	%
Necessity Shopping[2]	79.5
Discretionary Shopping[3]	20.5

By Asset Valuation
As at 31 December 2018

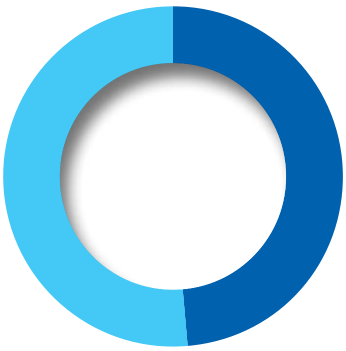


	%
Necessity Shopping[2]	80.6
Discretionary Shopping[3]	19.4

1 Excludes Funan which was closed on 1 July 2016 for redevelopment and SSC which was divested on 18 June 2018. Gross revenue includes CMT's 30.00% and 100% interest in Westgate for period 1 January 2018 to 31 October 2018 and 1 November 2018 to 31 December 2018 respectively.
2 Includes Tampines Mall, Junction 8, IMM Building, Plaza Singapura, Bugis Junction, JCube, Lot One Shoppers' Mall, Bukit Panjang Plaza, The Atrium@Orchard, Bedok Mall and Westgate.
3 Includes Clarke Quay, Bugis+ and CMT's 40.00% interest in Raffles City Singapore.

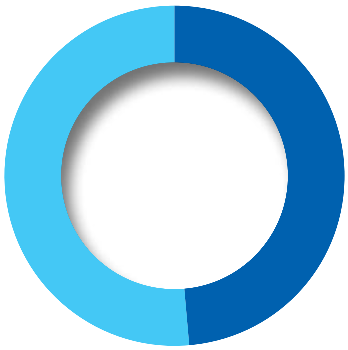
CMT PORTFOLIO[1] (DOWNTOWN MALLS VS SUBURBAN MALLS)

By Gross Revenue
For full year 2018



	%
Downtown Malls[2]	48.8
Suburban Malls[3]	51.2

By Asset Valuation
As at 31 December 2018



	%
Downtown Malls[2]	48.7
Suburban Malls[3]	51.3

1 Excludes Funan which was closed on 1 July 2016 for redevelopment and SSC which was divested on 18 June 2018. Gross revenue includes CMT's 30.00% and 100% interest in Westgate for period 1 January 2018 to 31 October 2018 and 1 November 2018 to 31 December 2018 respectively.
2 Includes Plaza Singapura, Bugis Junction, CMT's 40.00% interest in Raffles City Singapore, The Atrium@Orchard, Clarke Quay and Bugis+.
3 Includes Tampines Mall, Junction 8, IMM Building, JCube, Lot One Shoppers' Mall, Bukit Panjang Plaza, Bedok Mall and Westgate.

OCCUPANCY RATE

Combined with our extensive network of international and local retailers, our active asset management and proactive leasing strategy have helped us to maintain high occupancy rates over past years. The portfolio occupancy rate was 99.2% as at 31 December 2018.

Occupancy Rate
(%)

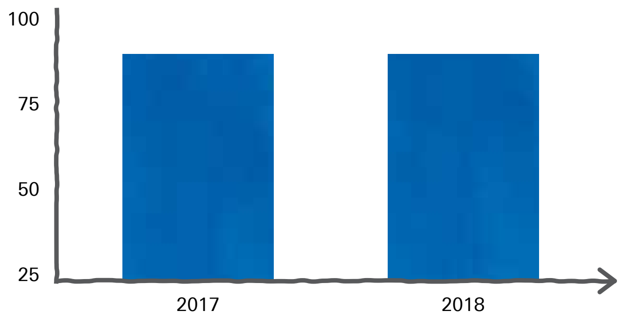
As at 31 December	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Tampines Mall	100.0	100.0	100.0	100.0	100.0	99.5	100.0	99.2	100.0	100.0
Junction 8	100.0	100.0	100.0	99.6	99.4	100.0	100.0	99.9	100.0	100.0
Funan	99.3	100.0	100.0	100.0	98.2	97.9	95.3	N.A.[1]	N.A.[1]	N.A.[1]
IMM Building[2]	99.7	100.0	100.0	98.1	99.0	96.0[3]	96.0	97.9	99.5	99.7
Plaza Singapura	100.0	100.0	100.0	91.3	100.0	100.0	99.7	100.0	100.0	99.9
Bugis Junction	100.0	100.0	100.0	100.0	100.0	100.0	99.7	99.9	99.3	99.8
Other assets[4]	99.8	99.8	80.9[3]	99.8	100.0	98.1	92.6	95.3	96.4	94.8
Raffles City Singapore[2]	100.0	99.6	100.0	100.0	100.0	100.0	99.6	99.7	99.9	99.4
Lot One Shoppers' Mall	99.9	99.6	99.7	99.8	100.0	100.0	99.8	99.9	100.0	99.8
The Atrium@ Orchard[5]	99.1	93.5	65.5[3]	95.3	99.5	99.9	98.2	97.6	98.6	99.1
Clarke Quay		100.0	100.0	97.9	100.0	95.9	88.2	90.7	98.8	98.3
Bugis+				99.5	100.0	100.0	99.2	100.0	100.0	100.0
Westgate					85.8	97.7	97.6	99.6	98.0	99.4
Bedok Mall							99.9	100.0	99.2	100.0
CMT Portfolio	**99.8**	**99.3**	**94.8**	**98.2**	**98.5**	**98.8**	**97.6**	**98.5**	**99.2**	**99.2**

N.A.: Not Applicable.
1 Funan was closed on 1 July 2016 for redevelopment.
2 Based on retail leases only.
3 Lower occupancy rates were due to asset enhancement initiatives (AEI).
4 Other assets include:
   a) SSC, until it was divested in 2018;
   b) Rivervale Mall, until it was divested in 2015;
   c) Hougang Plaza, until it was divested in 2012;
   d) JCube, except from 2008 to 2011 when it underwent an AEI and from 2012 to 2015 when it was classified separately;
   e) Bugis+, which was acquired in 2011 and subsequently underwent an AEI from November 2011 to July 2012. The asset was classified separately from 2012 onwards; and
   f) Bukit Panjang Plaza, from 2018 onwards.
5 Includes retail and office leases.

TENANTS' SALES

CMT's tenants' sales on a S$ per square foot (psf) per month basis, increased by 0.5% in 2018 compared to the preceding year. Although part of CMT's rental structure comprises gross turnover rent which is pegged to tenants' sales, gross turnover rent made up only a small percentage of CMT's gross revenue. It is typically about 5.0%, thus ensuring the stability of CMT's gross revenue.

Tenants' Sales of CMT Portfolio[1]
(S$ psf per month)



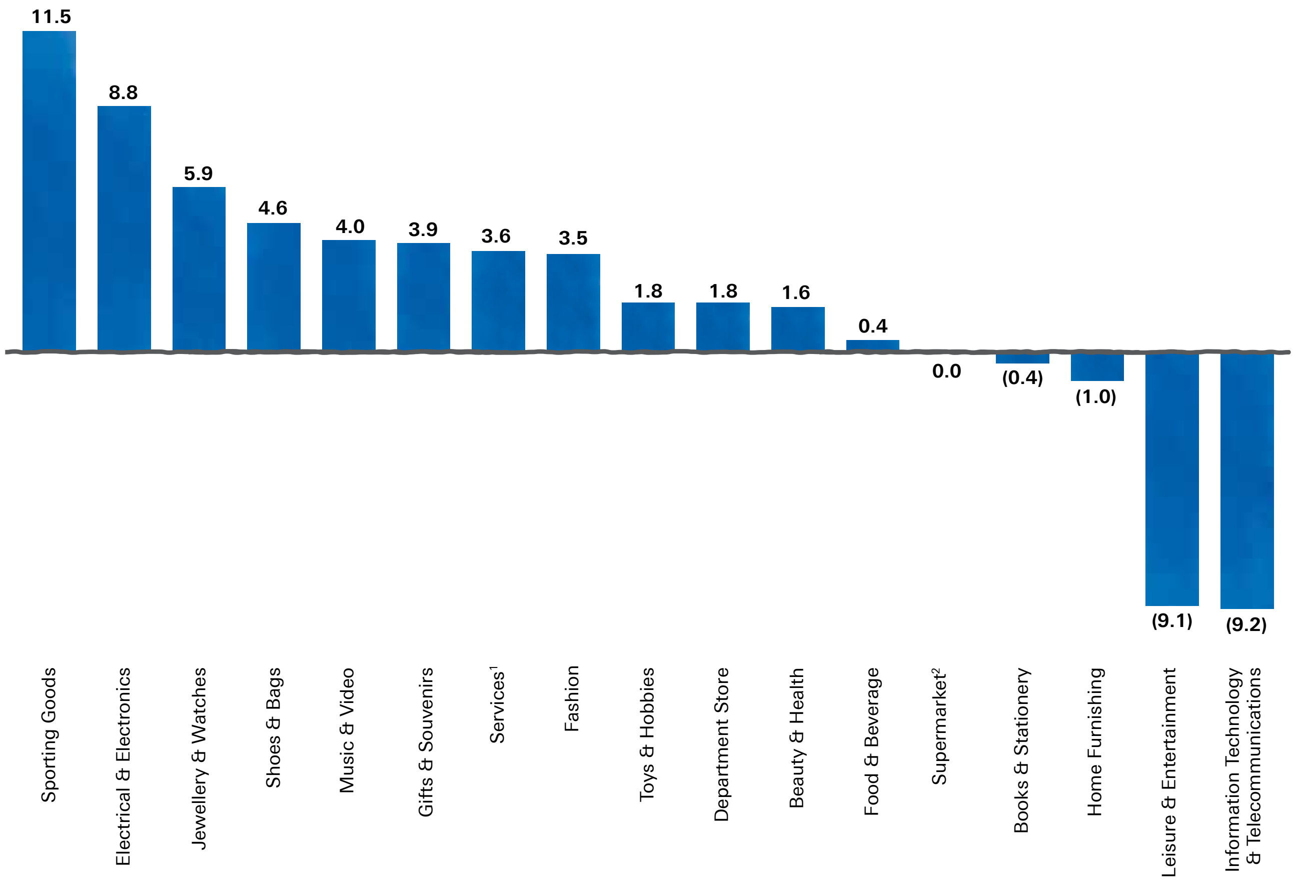
1 For comparable basis, CMT portfolio excludes Funan which was closed on 1 July 2016 for redevelopment and SSC which was divested on 18 June 2018.

OPERATIONS REVIEW

PERFORMANCE OF TENANTS' SALES BY TRADE CATEGORIES

The major trade categories achieved positive growth in 2018. The two largest contributors to CMT's gross rental income - F&B and Fashion - registered positive growth of 0.4% and 3.5% respectively in 2018 as compared to 2017.

Year-on-Year Variance of Tenants' Sales S$ psf per month
(%)

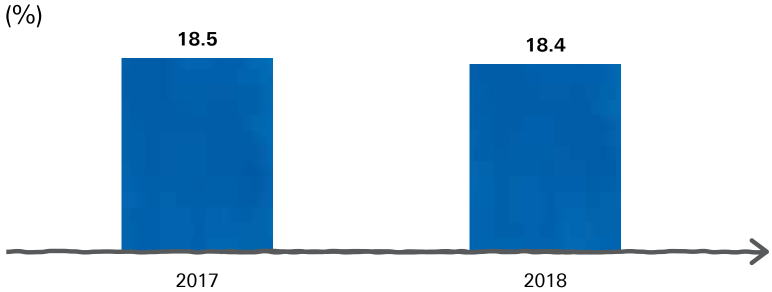


1 Includes convenience stores, bridal shops, optical shops, film processing shops, florists, magazine stores, pet shops, travel agencies, cobblers/locksmiths, laundromats and clinics.
2 Includes Hypermarket sales from January 2018. For comparable basis, sales in 2017 were rebased accordingly.

OCCUPANCY COST

CMT's portfolio occupancy cost remained healthy at 18.4% in 2018. Occupancy cost is dependent on various factors including trade mix and type of tenants in the portfolio.

Occupancy Cost[1] of CMT Portfolio[2]
(%)

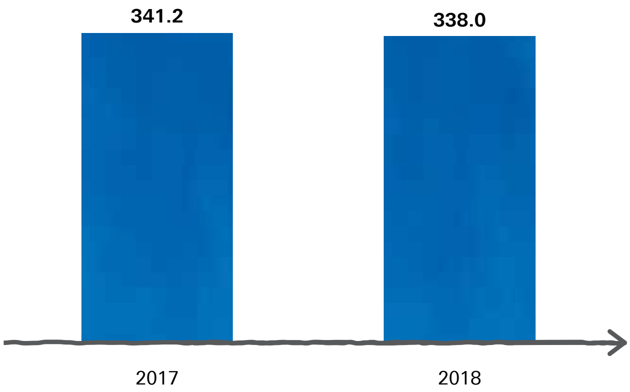


1 Occupancy cost is defined as a ratio of gross rental (inclusive of service charge, advertising & promotional charge and gross turnover rent) to tenants' sales.
2 CMT portfolio excludes Funan which was closed on 1 July 2016 for redevelopment and SSC which was divested on 18 June 2018. Includes Hypermarket sales from January 2018. For comparable basis, sales in 2017 were rebased accordingly.

SHOPPER TRAFFIC

Shopper traffic decreased by 0.9% year-on-year in 2018. We continually refresh and enhance the retail offerings of our malls and shopping experiences of our shoppers through AEI, active management of the tenant mix in each property and marketing efforts.

Shopper Traffic of CMT Portfolio[1]
(million)



1 For comparable basis, CMT portfolio excludes Funan which was closed on 1 July 2016 for redevelopment and SSC which was divested on 18 June 2018.

CAPITALAND RETAIL CHINA TRUST

CMT holds 122.7 million units in CapitaLand Retail China Trust (CRCT), which translates to an approximate 12.51% stake as at 31 December 2018. The fair value of CMT's investment in CRCT represents 1.6% of CMT and its subsidiaries' (CMT Group) total asset size as at 31 December 2018. Through its investment in CRCT, CMT's Unitholders are provided with an opportunity to enjoy the upside from China's growth potential without CMT's risk profile being significantly altered.

CRCT (stock code: AU8U) is the first China shopping mall real estate investment trust (REIT) in Singapore, with a portfolio of 11 income-producing shopping malls. Listed on the Singapore Exchange Securities Trading Limited (SGX-ST) on 8 December 2006, it is established with the objective of investing on a long-term basis in a diversified portfolio of income-producing real estate used primarily for retail purposes and located primarily in China, Hong Kong and Macau.

CRCT properties are strategically located in densely populated areas with good connectivity to public transport. The malls are positioned as one-stop family-oriented destinations housing a wide range of lifestyle offerings that cater to varied consumer preferences in shopping, dining and entertainment. As at 31 December 2018, CRCT's portfolio comprised a diverse mix of approximately 1,600 leases, which include leading brands UNIQLO, Xiaomi, ZARA, Nanjing Impressions, Nike, Sephora, Starbucks and Sisyphe. Working closely with these tenants, CRCT malls offer engaging retail experiences that attract more than 114 million shoppers every year.

CRCT's geographically diversified portfolio of quality shopping malls, with a total gross rentable area of approximately 700,000 sq m, is located in eight Chinese cities. The malls are CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Grand Canyon and CapitaMall Shuangjing in Beijing; Rock Square (51% interest) in Guangzhou; CapitaMall Xinnan in Chengdu; CapitaMall Qibao in Shanghai; CapitaMall Minzhongleyuan in Wuhan; CapitaMall Erqi in Zhengzhou; CapitaMall Saihan in Hohhot and CapitaMall Wuhu (51% interest) in Wuhu. As at 31 December 2018, CRCT's total assets were S$3.0 billion, a fourfold increase from CRCT's listing.

CRCT has long-term growth potential through its right of first refusal arrangements to acquire assets held by CapitaLand Mall China Income Fund I, CapitaLand Mall China Income Fund II, CapitaLand Mall China Income Fund III, CapitaLand Mall Development Fund III.

CRCT delivered a healthy set of results for the financial year (FY) 2018. Gross revenue and net property income were RMB1,092.3 million (S$222.7 million) and RMB722.9 million (S$147.4 million), down 2.7% and 1.0% year-on-year respectively. Income available for distribution was S$99.7 million. Distribution per unit in FY 2018 was 10.22 Singapore cents. Across the portfolio, CRCT achieved healthy rental reversion of 10.9% and portfolio occupancy was 97.5% as at 31 December 2018.

FINANCIAL REVIEW

GROSS REVENUE

Gross revenue for Financial Year (FY) 2018 was S$697.5 million, an increase of S$15.1 million or 2.2% from FY 2017. The increase was mainly due to the completion of the acquisition of the balance 70.00% of the units in Infinity Mall Trust (IMT) which holds Westgate (Acquisition) on 1 November 2018 as well as higher other income. The increase was also due to higher gross rental income from Plaza Singapura, IMM Building, Tampines Mall, Junction 8 and Bedok Mall. The increase was partially offset by lower gross revenue from Sembawang Shopping Centre which was divested on 18 June 2018 and lower occupancy for JCube and Bukit Panjang Plaza.

Gross Revenue by Property	FY 2018	FY 2017
(S$ million)		
Tampines Mall	81.4	79.3
Junction 8	60.8	58.8
IMM Building	85.8	82.9
Plaza Singapura	91.5	89.7
Bugis Junction	84.9	84.8
Bukit Panjang Plaza, JCube and Sembawang Shopping Centre[1]	58.5	67.5
Lot One Shoppers' Mall	44.1	44.2
The Atrium@Orchard	50.1	49.5
Clarke Quay	38.6	38.4
Bugis+	33.6	32.9
CMT Trust	**629.3**	**628.0**
Bedok Mall	57.0	54.4
Westgate[2]	11.2	-
CMT Group	**697.5**	**682.4**

1 The divestment of Sembawang Shopping Centre was completed on 18 June 2018.

2 The Acquisition was completed on 1 November 2018 and IMT became a wholly owned subsidiary of CMT. FY 2018 relates to the gross revenue from IMT on 100% basis from 1 November 2018 to 31 December 2018.

CMT's interest in joint ventures' gross revenue are shown below for information:

Gross Revenue by Property	FY 2018	FY 2017
(S$ million)		
Raffles City Singapore (40.00% interest)	92.2	92.0
Westgate (30.00% interest)[1]	17.9	21.0
Total	**110.1**	**113.0**

1 For the period from 1 January 2018 to 31 October 2018, CMT owned 30.00% of the units in IMT and this relates to 30.00% of the gross revenue in IMT.

NET PROPERTY INCOME

Net property income (NPI) of S$493.5 million was S$15.3 million or 3.2% higher than FY 2017. With the completion of the Acquisition on 1 November 2018, Westgate contributed S$7.5 million to the increase in NPI. Higher gross rental income from Plaza Singapura, IMM Building, Tampines Mall, Junction 8 and Bedok Mall as well as lower property operating expenses mainly due to utilities expense also contributed to the increase in NPI.

Net Property Income by Property	FY 2018	FY 2017
(S$ million)		
Tampines Mall	60.4	58.3
Junction 8	44.1	42.1
Funan[1]	(1.3)	(3.4)
IMM Building	60.3	57.2
Plaza Singapura	68.3	66.7
Bugis Junction	61.4	61.1
Bukit Panjang Plaza, JCube and Sembawang Shopping Centre[2]	34.9	41.0
Lot One Shoppers' Mall	30.7	30.9
The Atrium@Orchard	38.4	37.9
Clarke Quay	23.6	23.5
Bugis+	23.9	23.6
CMT Trust	**444.7**	**438.9**
Bedok Mall	41.3	39.3
Westgate[3]	7.5	–
CMT Group	**493.5**	**478.2**

1 Funan was closed for redevelopment from 1 July 2016. On 1 November 2016, CMT, together with Victory Office 1 Trust, Victory Office 2 Trust and Victory SR Trust (VSRT), jointly own and undertake to redevelop Funan which comprises a retail component (held through CMT), two office towers and serviced residences. On 31 October 2017, CMT divested all of the units held in VSRT, which holds the serviced residence component of Funan, to Victory SR Pte. Ltd., a wholly owned subsidiary of Ascott Serviced Residence (Global) Fund Pte. Ltd..

2 The divestment of Sembawang Shopping Centre was completed on 18 June 2018.

3 The Acquisition was completed on 1 November 2018 and IMT became a wholly owned subsidiary of CMT. FY 2018 relates to the net property income from IMT on 100% basis from 1 November 2018 to 31 December 2018.

CMT's interest in joint ventures' NPI are shown below for information:

Net Property Income by Property	FY 2018	FY 2017
(S$ million)		
Raffles City Singapore (40.00% interest)	69.9	70.1
Westgate (30.00% interest)[1]	13.9	14.7
Total	**83.8**	**84.8**

1 For the period from 1 January 2018 to 31 October 2018, CMT owned 30.00% of the units in IMT and this relates to 30.00% of the net property income in IMT.

FINANCIAL REVIEW

DISTRIBUTIONS

Distribution for FY 2018 was S$410.7 million, an increase of S$14.9 million or 3.8% compared to FY 2017.

The increase was mainly attributable to higher NPI due to higher revenue and lower property operating expenses as well as lower finance costs.

CMT had retained capital distribution and tax-exempt income of S$7.6 million received from CapitaLand Retail China Trust and capital distribution of S$11.1 million received from IMT for general corporate and working capital purposes. The capital distribution from IMT was received prior to the completion of its acquisition.

On 8 November 2018, 134,089,000 new units in CMT were issued via a private placement exercise to partially repay the unsecured bank loans that were drawn down for the completion of the Acquisition as well as for transaction related expenses. In order to ensure fairness to Unitholders prior to the issuance of the private placement of new units, CMT declared a cumulative distribution of 4.35 cents comprising (i) distribution of 2.92 cents for the period from 1 July 2018 to 30 September 2018, and (ii) an advanced distribution of 1.43 cents for the period from 1 October 2018 to 7 November 2018, the day immediately prior to the date on which the private placement new units were issued. The cumulative distribution was paid on 30 November 2018.

Breakdown of the Unitholders' distribution per Unit in cents for FY 2018 as compared to FY 2017 are as follows:

<table>
<tr><th>Year</th><th>1 January to 31 March</th><th>1 April to 30 June</th><th>1 July to 30 September</th><th>1 October to 7 November</th><th>8 November to 31 December[1]</th><th>1 January to 31 December</th></tr>
<tr><td>2018</td><td>2.78</td><td>2.81</td><td>2.92</td><td>1.43</td><td>1.56</td><td>11.50</td></tr>
<tr><td></td><td></td><td></td><td colspan="2">← 4.35 →</td><td></td><td></td></tr>
<tr><td></td><td></td><td></td><td></td><td colspan="2">← 2.99 →</td><td></td></tr>
<tr><td>2017</td><td>2.73</td><td>2.75</td><td>2.78</td><td colspan="2">← 2.90 →</td><td>11.16</td></tr>
</table>

1 Distribution per Unit for 8 November 2018 to 31 December 2018 was based on the enlarged number of 3,686,902,315 Units as at 31 December 2018 after the issuance of 134,089,000 Units via the private placement exercise on 8 November 2018.

ASSETS

As at 31 December 2018, the total assets for CMT and its subsidiaries (CMT Group) were S$11.5 billion compared with S$10.5 billion as at 31 December 2017. As a result of the completion of the Acquisition, IMT was consolidated at CMT Group level.

This accounted for the increase in investment properties of S$1.1 billion which was partially offset by a decrease in investment in joint ventures of S$123.5 million.

	Valuation as at 31 Dec 18 S$ million	Valuation as at 31 Dec 17 S$ million	Variance S$ million	Valuation as at 31 Dec 18 S$ / sq ft	Valuation Cap Rate as at 31 Dec 18 %	Valuation Cap Rate as at 31 Dec 17 %
Tampines Mall	1,059.0	1,045.0	14.0	2,973	4.70	4.85
Junction 8	743.0	735.0	8.0	2,930	4.70	4.85
IMM Building	649.0	641.0	8.0	674[1]	Retail: 6.15 Warehouse: 7.00	Retail: 6.25 Warehouse: 7.25
Plaza Singapura	1,296.0	1,283.0	13.0	2,687	4.40	4.50
Bugis Junction	1,089.0	1,068.0	21.0	2,746	4.70	4.85
JCube	288.0	288.0	–	1,392	4.85	5.00
Lot One Shoppers' Mall	536.0	532.0	4.0	2,438	4.70	4.85
Bukit Panjang Plaza	327.0	324.0	3.0	1,999	4.80	4.95
The Atrium@Orchard	757.0	750.0	7.0	1,960[1]	Retail: 4.65 Office: 3.75	Retail: 4.75 Office: 3.75
Clarke Quay	401.0	393.0	8.0	1,367	4.85	5.00
Bugis+	354.0	345.0	9.0	1,649	5.20	5.30
Bedok Mall	784.0	781.0	3.0	3,524	4.60	4.75
Westgate[2]	1,128.0	N.A.[3]	N.M.[4]	2,747	4.50	N.A.[3]
Total CMT Portfolio excluding Investment Properties Under Development and Joint Venture	**9,411.0**	**8,185.0[5]**	**98.0**		–	–
Funan[6]	360.0	360.0	–	N.M.	Retail: 4.85 Office: 4.00	Retail: 4.85 Office: 4.10
Total CMT Portfolio including Investment Properties Under Development and excluding Joint Venture	**9,771.0**	**8,545.0**	**98.0**			
Less additions / adjustments[7] during the year			(18.9)			
Net increase in valuation			**79.1**			
Share of Joint Venture's investment property						
Raffles City Singapore (40.00% interest)	1,328.8	1,304.0	24.8	N.M.[8]	Retail: 4.70 Office: 4.00 Hotel: 4.75	Retail: 4.85 Office: 4.10 Hotel: 4.75
Less additions during the year			(11.3)			
Net increase in valuation			**13.5**			

N.A. Not applicable
N.M. Not meaningful

1 Reflects valuation of the property in its entirety
2 Refers to Westgate, held through IMT which is wholly owned by CMT with effect from 1 November 2018 upon completion of the Acquisition.
3 In 2017, CMT owned 30.00% interest in IMT which holds Westgate and the valuation was S$289.5 million for 30.00% stake as at 31 December 2017. Capitalisation rate for Westgate was 4.75% as at 31 December 2017.
4 Not meaningful because of the difference in ownership between 2018 and 2017.
5 On 18 June 2018, CMT completed the divestment of Sembawang Shopping Centre and hence the valuation of Sembawang Shopping Centre has been excluded as at 31 December 2017 accordingly.
6 As at 31 December 2018, Funan was held through CMT, Victory Office 1 Trust and Victory Office 2 Trust (each of Victory Office 1 Trust and Victory Office 2 Trust are wholly owned by CMT). As the property is undergoing redevelopment into an integrated development, the value reflected in this table is the total land value of the retail and office components of the integrated development.
7 Adjustments due to carrying value of Westgate as at 31 December 2018.
8 Not meaningful because Raffles City Singapore comprises retail units, office units, hotels and convention centre.

CAPITAL MANAGEMENT

KEY FINANCIAL INDICATORS

Key Financial Indicators	As at 31 December 2018	As at 31 December 2017
Unencumbered Assets as % of Total Assets (%)[1]	89.8	100.0
Aggregate Leverage (%)[2]	34.2	34.2
Net Debt / EBITDA (times)[3]	6.8	6.3
Interest Coverage (times)[4]	5.2	4.9
Average Term to Maturity (years)	4.4	4.9
Average Cost of Debt (%)[5]	3.1	3.2
CMT's Issuer Rating[6]	'A2'	'A2'

1 Decrease to 89.8% as at 31 December 2018 as Infinity Mall Trust (IMT) is a wholly owned subsidiary of CapitaLand Mall Trust (CMT) following the acquisition of the balance 70.00% of the units in IMT. The secured bank loans owed by IMT to certain financial institutions are secured by a mortgage on Westgate.
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 55.2%.
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, interest, tax, depreciation and amortisation.
4 Ratio of net income of CMT Group before fair value changes, non-operational gain and/or loss, interest and tax over interest expense.
5 Ratio of interest expense over weighted average borrowings.
6 Moody's Investors Service has affirmed an 'A2' issuer rating of CMT on 28 August 2018.

CAPITAL MANAGEMENT

In 2018, CMT MTN Pte. Ltd. (CMT MTN) issued two series of Singapore dollar denominated and one foreign currency denominated notes under the unsecured S$3.5 billion Multicurrency Medium Term Note Programme (MTN Programme) as follows:

1. S$130.0 million 5.5-year fixed rate notes at 3.2115% per annum on 9 May 2018;

2. S$150.0 million 7-year fixed rate notes at 3.20% per annum on 21 August 2018; and

3. HK$555.0 million 7-year fixed rate notes at 3.836% per annum on 20 November 2018, which was swapped into S$98.79 million at 3.248% per annum (HK$ MTN).

On 21 March 2018, US$400.0 million fixed rate notes (swapped to S$505.2 million) under the unsecured US$3.0 billion Euro-Medium Term Note Programme was repaid with proceeds from the divestment of Sembawang Shopping Centre (SSC) which was completed on 18 June 2018, the two Singapore dollar denominated fixed rate notes totalling S$280.0 million issued during the year and working capital.

Proceeds from the divestment of SSC have also been used to partially repay the bank loans drawn for the redevelopment of Funan.

On 27 August 2018, the Manager announced that the Trustee has entered into a conditional unit purchase agreement with CMA Singapore Investments (4) Pte. Ltd. and CL JM Pte. Ltd. to acquire the balance 70.00% of the units in IMT which holds Westgate. The acquisition was approved by Unitholders at an extraordinary general meeting on 25 October 2018 and was completed on 1 November 2018. To finance the acquisition, CMT has drawn down bank loans of S$398.2 million which was partially repaid with net proceeds of S$273.1 million[1] from the 134,089,000 Units issued under a private placement on 8 November 2018. As at 8 November 2018, the entire net proceeds of S$273.1 million has been fully disbursed. This is in accordance with the stated use and allocation of the proceeds from the private placement.

For the secured bank loans of S$560.0 million owed by IMT to certain financial institutions which remain in IMT after the acquisition, S$155.0 million have been repaid with unsecured bank loans of S$56.21 million and HK$ MTN of S$98.79 million. The balance outstanding secured bank loans as at 31 December 2018 is S$405.0 million.

1 The net proceeds of S$273.1 million was derived from gross proceeds of S$277.6 million after deducting finalised transaction costs of S$4.5 million.

CMT and its subsidiaries (CMT Group) hold derivative financial instruments to hedge its currency and interest rate risk exposures. The fair value derivatives for Financial Year (FY) 2018, which were included in the financial statement as financial derivatives assets and financial derivatives liabilities were S$26.6 million and S$62.4 million respectively. This net financial derivatives liabilities of S$35.8 million represented 0.5% of the net assets of CMT Group as at 31 December 2018.

The total borrowings of CMT Group as at 31 December 2018 were as follows:-

TOTAL BORROWINGS OF CMT GROUP

	S$ million	%
Bank loans	328.4	9.0
Retail bonds	350.0	9.6
Unsecured Medium term notes and Euro-Medium term notes issued by CMT MTN[1]	2,554.6	70.3
Total unsecured borrowings at CMT Group	**3,233.0**	**88.9**
Secured bank loan at IMT	405.0	11.1
Total borrowings at CMT Group	**3,638.0**	**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	460.0	100.0
	460.0	**100.0**

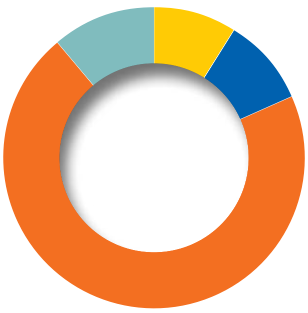
CMT GROUP – DEBT MATURITY PROFILE[1]

	S$ million	%
Within a year	562.6	15.5
After 1 year but within 5 years	1,606.5	44.2
After 5 years	1,468.9	40.3
	3,638.0	**100.0**

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

CMT GROUP - DEBT MIX BY TYPE (%)

As at 31 December 2018



	%
Bank loans	9.0
Retail bonds	9.6
Medium term notes and Euro-Medium term notes issued by CMT MTN	70.3
Secured bank loan at IMT	11.1

CMT GROUP - DEBT MATURITY PROFILE

As at 31 December 2018

	%
Within a year	15.5
After 1 year but within 5 years	44.2
After 5 years	40.3

In summary, the total borrowings of CMT Group as at 31 December 2018 were S$3,638.0 million, of which 88.9% were unsecured borrowings. The aggregate leverage was 34.2%. Average cost of debt was 3.1% as at 31 December 2018 compared to 3.2% as at 31 December 2017.

As at 31 December 2018, 15.5% or S$562.6 million of CMT Group's borrowings will mature in 2019. CMT has sufficient internal resources and bank facilities to cover the repayments due in 2019. 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. In 2018, RCS Trust issued two series of Singapore denominated notes amounting to S$425.0 million under the unsecured US$2.0 billion Euro-Medium Term Note Programme as follows:

1. S$275.0 million 7-year fixed rate notes at an interest rate of 3.20% per annum on 14 March 2018; and

2. S$150.0 million 6-year fixed rate notes at an interest rate of 3.05% per annum on 4 September 2018.

RCS Trust has used the funds raised from these two unsecured notes to partially repay various unsecured bank loans.

As at 31 December 2018, borrowings at RCS Trust amounted to S$1,150.0 million comprising unsecured bank loans and unsecured notes of S$425.0 million and S$725.0 million respectively. CMT's 40.00% share thereof was S$460.0 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

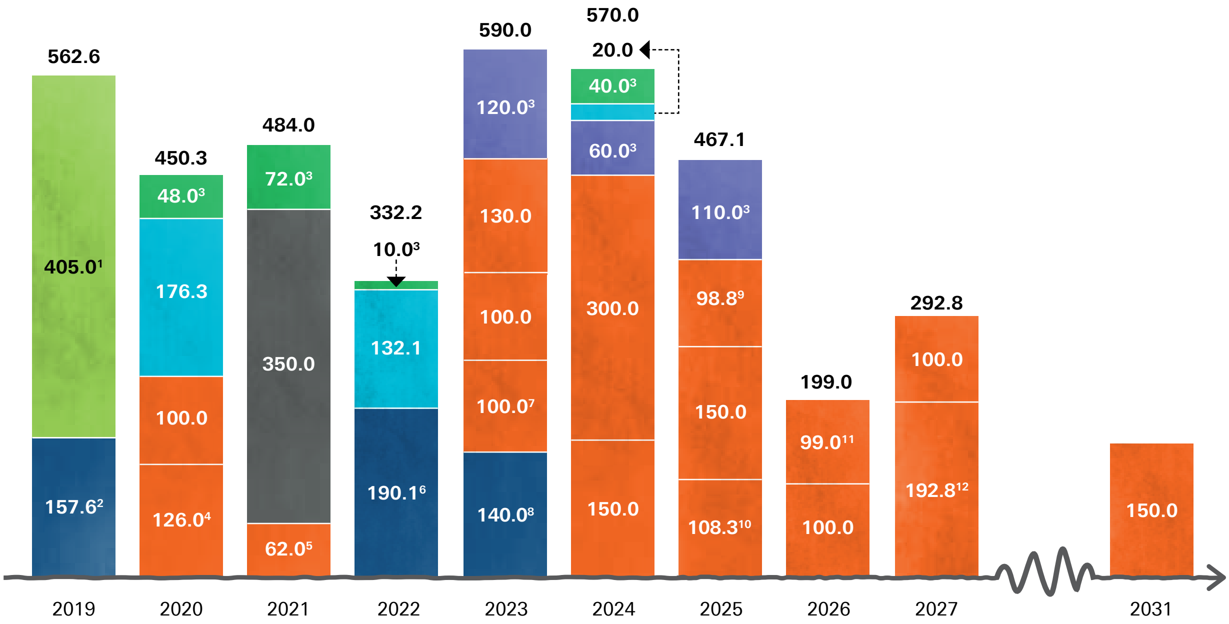
As at 31 December 2018, the value of cash and cash equivalents of CMT Group stood at S$348.5 million, a decrease of S$174.2 million compared with S$522.7 million as at 31 December 2017 mainly due to utilisation of internal sources of funds to repay bank loans.

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 2018

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



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

1 S$405.0 million secured bank loans by IMT due in October 2019.
2 ¥10.0 billion 1.309% fixed rate notes were swapped to approximately S$157.6 million at a fixed rate of 2.79% p.a. in October 2012.
3 S$1.15 billion unsecured bank loans and notes by RCS Trust. CMT's 40.0% share thereof is S$460.0 million.
4 ¥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.
5 ¥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.
6 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.
7 ¥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.
8 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.
9 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.
10 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.
11 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.
12 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.

INDEPENDENT RETAIL MARKET OVERVIEW

ECONOMIC GROWTH

Global macroeconomic indicators generally paint a positive picture of economic growth in 2018. This is mainly driven by the United States of America (USA), which exhibited its strongest economic growth in recent years. Real GDP year-on-year growth hit 3% towards the third quarter of 2018, and unemployment fell below 4% by mid-2018. In response, the Federal Reserve continued to raise interest rates four times throughout the year, raising the Fed funds rate to 2.5%.

Other major economies have also held up well. The European Union has maintained a real GDP growth rate of around 2%. China's economic growth, while slowing slightly, remains high compared to many other large nations at around 6%.

However, uncertainty is growing over how sustainable this encouraging economic performance will be. The USA's strong economic performance was at least partly fuelled by the Trump administration's one-off fiscal stimulus package, the effects of which will wane over time.

Furthermore, a resurgence in protectionist rhetoric between global economic powerhouses is dampening business and consumer confidence. The USA and China have been locked in a trade war since January 2018, each side implementing tit-for-tat tariffs on an expanding list of goods worth hundreds of billions of dollars. At the G20 Summit in December 2018, both countries agreed to temporarily halt further tariff increases for 90 days. Both countries have been in talks to resolve their trade tensions since then. Nonetheless, markets remain nervous about how fruitful these discussions will be. Given that the USA and China are two of the world's largest consumer economies, and producers in both countries are highly intertwined in global supply chains, reduced export production and associated incomes in both countries could negatively impact many other countries.

Fortunately, Singapore has still shown good economic performance so far with real GDP growth for 2018 measuring 3.2%. With growth in the manufacturing sector easing, the economy will gradually turn to the services sector for growth, particularly industries like information & communications, education and healthcare. Improved economic activity has in turn boosted wages, enabling median gross incomes of full-time employed residents to rise by around 4% year-on-year.

We expect Singapore to sustain economic growth going forward, albeit at a slower pace given the global risks discussed earlier. Reduced global trade and investment due to an escalated trade war pose risks to Singapore's growth prospects given the city-state's dependence on external trade. Domestically, Singapore must manage the impact of industrial transformation to maintain a competitive and productive economy. The rising long-term unemployment rate for Professionals, Managers, Executives & Technicians, particularly among those aged 50 and above, suggests that some workers may still need assistance reskilling to meet changing job requirements. All in all, cautious and moderate optimism describes the economic outlook for Singapore in 2019.

INFLATION

Year-on-year inflation in 2018 remained in positive territory at around 0.4%, little changed from 2017. The oil price recovery would have bolstered price growth across various product categories, notably utilities as electricity tariffs were increased in 2018. Higher prices for water and services like education and healthcare also contributed to overall inflation. Amongst key retail categories, apparel price growth further strengthened, with year-on-year inflation increasing from 0.6% in 2017 to 1.4% in 2018. Food retail and food catering price growth remained stable at around 1.0%.

Headline inflation is projected to further rise beyond 1.0% in 2019, supported by continued growth in demand and oil prices. We note that an additional one-off boost to inflation could come through the Goods and Services Tax hike planned between 2021 and 2025.

POPULATION

Singapore's total population in 2018 stood at around 5.6 million, and the residency composition has barely changed from last year. Close to 4.0 million are citizens and permanent residents and around 1.6 million are non-permanent residents, most of whom are high-skilled expatriates and semi-skilled workers on employment visas.

Total population grew by 0.5% year-on-year, slightly faster than the 0.1% growth rate registered in 2017. This is mainly due to a slower decline in foreign construction worker employment. However, the number of Employment Pass holders (i.e. white-collar foreign workers) has continued to fall, which could suggest that firms are still restructuring and becoming leaner in the face of economic uncertainty, industrial transformation and Government policy. Going forward, the total population is projected to grow to over 5.9 million by 2023, which translates into an average annual growth rate of around 1.2% per annum.

Resident population growth will remain subdued due to low fertility rates and an ageing population.

The total fertility rate among resident females has remained under 1.2, well below the replacement rate of 2.1 needed to maintain population stability without immigration. One main contributing factor is falling fertility among resident females aged 25-29, which could reflect the younger generation's shifting priorities regarding family formation and childbearing.

The Government has actively taken steps to boost resident fertility rates by enhancing family-friendly policies such as increasing the number of childcare places available. To some extent, the Government also relies on new citizen and permanent resident conversions and the repatriation of Singaporeans living abroad to sustain the resident population.

At the same time, Singapore's life expectancy has increased from 66 in 1970 to 83 by 2016, making it one of the highest globally.

Singapore will likely still rely on a steady but moderated inflow of high-skilled foreign expatriates to keep population growth rates stable and prop up economic competitiveness. The Government will have to continue treading a fine balance between permitting immigration and ensuring the smooth integration of foreigners into Singapore's social fabric. Blue-collar foreign workers in manufacturing and construction may see more limited population growth going forward as the Government continues to encourage productivity improvements and automation in these sectors. However, any impact this trend has on the retail market will be minimal given the limited contribution these workers make towards the overall market.

TOURISM

In terms of visitation, Singapore's tourism sector continued performing strongly through 2018. Full year international visitor arrivals hit a new record high of 18.5 million, up 6.2% year-on-year. The year has seen several high-profile events that have raised Singapore's profile among potential international visitors, including the North Korea-USA summit meeting between President Donald Trump and Supreme Leader Kim Jong-Un in June, and the premiere of the movie "Crazy Rich Asians".

China and Indonesia have remained as the top sources of international visitor arrivals. The number of tourists from China rose by 5.8% year-on-year to 3.4 million, while the number of visitors from Indonesia grew by 2.3% to 3.0 million for the same period.

According to the Singapore Tourism Board's survey, total tourist expenditure for the first three quarters of 2018 reached around SGD 20.4 billion, 3.8% higher than the same period in 2017. The slower growth in tourist spending, when compared to arrivals, suggests that the average tourist is spending less in Singapore due to a shift towards a more middle-income tourist demographic. This is largely driven by the growing number of middle-income travellers from China and India – a trend that is not unique to Singapore. Such tourists tend to prefer more budget-friendly travel options like packaged tours, which in turn has implications for their length of stay and spending patterns. For the first three quarters of the year, the share of tourists' total spending on retail items (i.e. shopping and F&B) has declined from around 34% in 2017 to around 29% in 2018. Growth in tourist spending has instead been bolstered by non-retail items such as entertainment, transport and medical services.

The outlook for global travel remains positive, with the International Air Transport Association forecasting global tourism to grow at 3.7% until 2035. The continued growth of the Chinese middle class and income growth in ASEAN and South Asian countries will fuel regional and global tourism growth. All the while, airlines continue to offer more affordable direct flights to ever more destinations and social media propels a fear of missing out among millennials, encouraging them to travel more.

Singapore is well-placed to take advantage of this growth, with international tourist arrivals forecast to grow by around 3% on average in the next five years. The Singapore Tourism Board is trying to enhance Singapore's brand as a tourist destination through its "Passion Made Possible" campaign, which aims to win mindshare with travellers seeking experiences with a human touch. Continued progress on Changi Airport Terminal 5 will also ensure that Singapore has sufficient passenger handling capacity to support future tourism growth. Key risks to Singapore's tourism sector, however, include weaker global business sentiment, which could discourage corporate travel, the risk of currency appreciation, and any slowdown in travel demand from major visitor source markets, particularly China.

RETAIL SALES

In 2018, nominal retail sales (excluding motor vehicles and petrol but including F&B) were estimated to have increased by around 0.8% year-on-year. The fastest-growing categories included a mix of discretionary items and necessities, from apparel to food retail and medical and hygiene goods.

On the other hand, with a reported global slowdown in consumer electronics sales, sales of computer and telecommunications equipment saw persistent year-on-year declines throughout 2018.

INDEPENDENT RETAIL MARKET OVERVIEW

International retail brands remain keen on the Singapore market as reflected by new store openings during the year. Fast fashion brand Uniqlo further expanded its Singapore presence by opening two more stores in Downtown East and Great World City, bringing its total number of stores in Singapore to 28. A new entrant to the Singapore market is sportswear retailer JD.com, which opened two outlets in one year, including its ION Orchard flagship store. In the luxury segment, Gucci reopened its revamped 10,000 sq ft flagship store in Paragon on Orchard Road. More foreign brands will debut in Singapore in future, particularly as Jewel Changi Airport, a joint venture between Changi Airport Group and CapitaLand, opens with brands like Shake Shack and The Pokemon Centre's only permanent store outside Japan. However, the tepid growth in Singapore's retail sector also means that not all brands have room to flourish in the market. For instance, 2018 has seen international fashion brands like Gap, Banana Republic and American Eagle Outfitters exit the market.

To remain relevant amidst an evolving retail landscape, malls are introducing interactive, omni-channel experiences to attract and engage shoppers. For instance, Plaza Singapura launched multi-label concept store NomadX, which features physical shops of e-commerce sites like Taobao and Style Theory. The store endeavours to blend the physical and digital shopping experience more seamlessly, whilst helping retailers harness customer data to better understand shoppers' preferences. Another example is KINEX (formerly OneKM Mall) with its upcoming indoor retail theme park. The space will comprise different experiential zones and host events and workshops alongside retail and F&B outlets.

Retail sales can be volatile and are highly sensitive to shifts in the macroeconomic environment. In view of a more uncertain economic outlook in the near term, we have moderated our retail sales growth estimate to around 2.6% per annum over the next five years.

RETAIL SUPPLY

Our retail floor space projections include announced retail projects, allowances for future projects not announced, as well as allowances for obsolescence. Supply forecasts for announced projects are based on the Urban Redevelopment Authority's (URA) commercial projects pipeline and developers' intentions.

We estimate total retail floor space supply for Singapore at end-2018 to be around 65.5 million sq ft. Major completions in 2018 are situated outside the Central Area, including the reopening of Century Square and the new opening of Wisteria Mall in Yishun. This year also saw VivoCity launching a new 30,000 sq ft extension, cementing its position as Singapore's largest mall. Most of these developments are in line with the decentralisation of retail and residential development across Singapore – a trend that is expected to continue.

Total retail floor space in Singapore is projected to increase to around 69.0 million sq ft over the next five years. This translates into an average growth rate of around 700,000 sq ft or 1.1% per annum. We note a trend of some developers being less focused on retail as they have been in the past. Additionally, updates on future developments that emerged through the year suggest that some new projects will be smaller than initially expected. For instance, the Tekka Place mixed-use development, which will replace The Verge mall, will have less than half of the retail leasable area that The Verge did. Park Mall, which was shut in 2016, is being replaced by an office development.

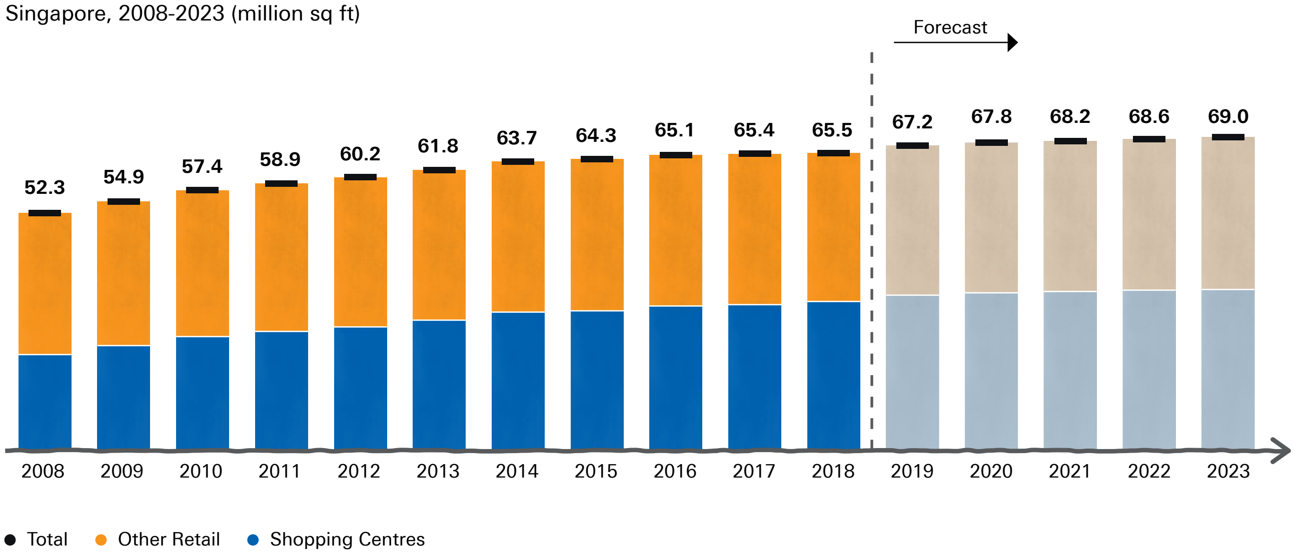
The proportion of retail floor space in a shopping centre format is expected to increase marginally from around 50% to 51% over the forecast period. No new large-scale mall projects have been announced, leaving just three proposed shopping centres whose leasable areas exceed 100,000 sq ft each. Two of these – Jewel Changi Airport (576,000 sq ft) and the Funan redevelopment (325,000 sq ft) – are associated with the CapitaLand group of companies, while the third – Paya Lebar Quarter (341,000 sq ft) is developed by Lendlease. These three centres combined will inject an additional 1.2 million sq ft of retail floor space come 2019, increasing total retail floor space by 2.5% year-on-year. However, floor space growth thereafter is projected to slow to around 0.6% per annum until 2023.

We believe this slowdown in supply will be good for the market. In recent years, supply growth has outpaced sales growth, putting added pressure on retailers in a period when they are already strained. A few years of slower growth should help the market stabilise.

In the longer term, there is room for further retail supply growth in areas like the Holland Village extension, Punggol Digital District, new townships like Tengah and Bidadari, and the Greater Southern Waterfront.

RETAIL FLOOR SPACE SUPPLY

Singapore, 2008-2023 (million sq ft)



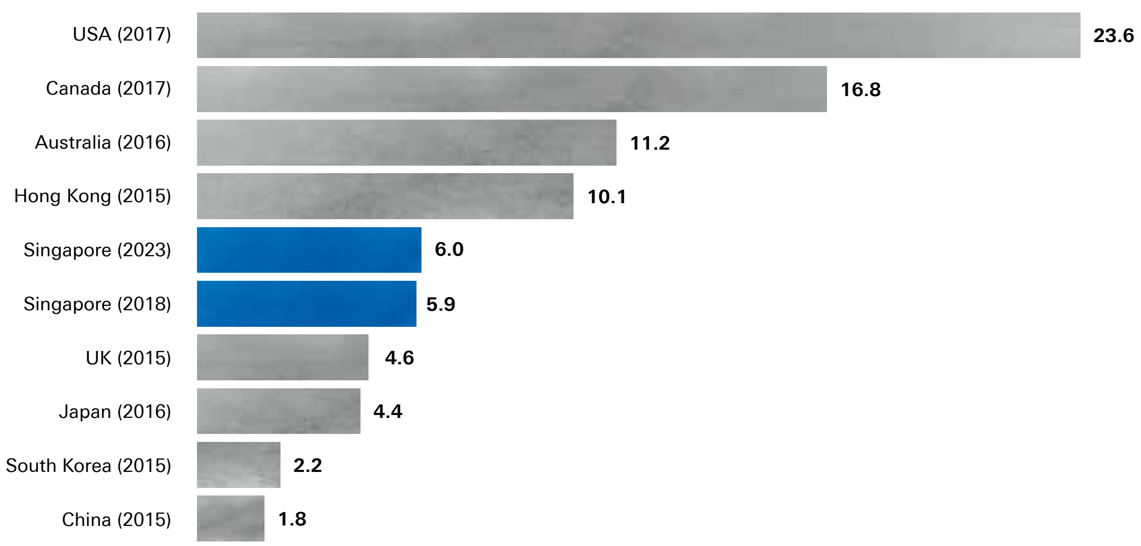
Source: URA, Developers' Announcements, Cistri

SHOPPING CENTRE FLOOR SPACE PER CAPITA

Cistri estimates the provision of shopping centre floor space per capita in Singapore by end-2018 to be approximately 5.9 sq ft net lettable area (NLA). Taking into account known new shopping centre openings and re-openings, this figure is expected to increase slightly to around 6.0 sq ft NLA per capita by 2023. With several new malls likely to open at smaller sizes than initially anticipated, the projected increase in per capita provision is very marginal. The per capita provision of shopping centre floor space in Singapore remains much lower than that in several developed markets like the USA, Canada and Australia, where malls tend to be larger.

Shopping Centre Floor Space Per Capita

Singapore vs. Various Countries, Based on Latest Available Data from ICSC (sq ft NLA)



Source: International Council of Shopping Centres, Cistri

INDEPENDENT RETAIL MARKET OVERVIEW

One interesting feature of the Singapore market is the lack of large-scale malls. The table below compares the number of malls above 500,000 sq ft and 1 million sq ft NLA in Singapore to a number of other cities. While Singapore's relatively small population is part of the difference, Singapore's retail stock is still, on average, much smaller than most other global cities. This presents its own challenges and opportunities.

Number of Large Malls

Singapore vs. Various Cities

City	Population	Number of Malls Above 500,000 sq ft (NLA)	Number of Malls Above 1 Million sq ft (NLA)
Singapore	5.6 million	12	1
Kuala Lumpur	7.2 million	37	8
Sydney	5.0 million	22	3
Dubai	2.1 million	14	8
Beijing	21.5 million	44	10

MALL OWNERSHIP

CapitaLand Mall Trust (CMT) continues to be the largest owner of shopping centre floor space, owning 14.6% of floor space in shopping malls with at least 100,000 sq ft NLA. Notwithstanding CMT's sale of Sembawang Shopping Centre, CMT's market share has been boosted by its purchase of the balance 70.00% stake in Westgate from sponsor CapitaLand.

PGIM Real Estate has also replaced Lendlease in third place with the reopening of Century Square, bringing its floor space share up to 5.8% from 5.0% last year.

Based on known forthcoming developments, we expect CMT's floor space share to increase to 15.1% by 2023, boosted by the reopening of Funan.

Share of Major Shopping Mall Floor Space by Owner[1,2]

Singapore, 2018

Developer	Share
CapitaLand Mall Trust	14.6%
NTUC	6.1%
PGIM Real Estate	5.8%
Lendlease	5.3%
Frasers Centrepoint Trust	4.3%
Far East Organisation	3.9%
Mapletree Commercial Trust	3.8%
United Industrial Corporation Limited	3.4%
Singapore Press Holdings	3.2%
Changi Airport Group	2.4%
Others	47.1%

1 Malls with NLA of 100,000 sq ft and above as at end 2018. Share of floor space takes into account ownership stakes.
2 Fund manager treated as single owner.

Source: Cistri

RETAIL RENTS & OCCUPANCY OUTLOOK

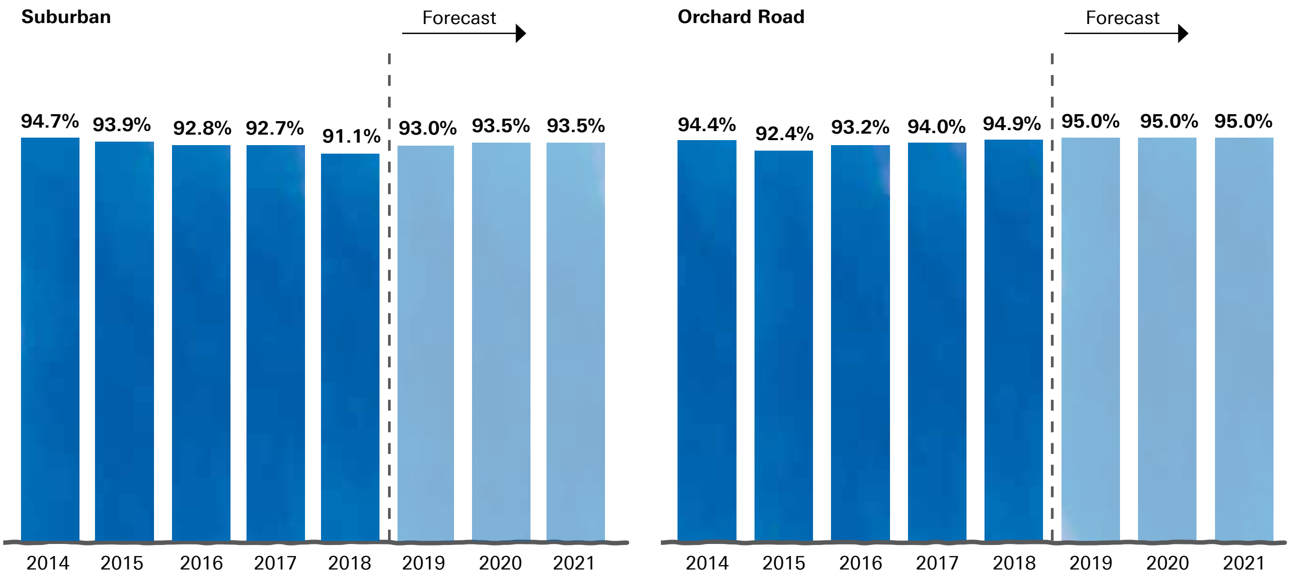
Several factors impacted rent and occupancy in the past few years, but the main driver has been the fact that retail floorspace kept increasing while retail sales fell. This resulted in a period when sales productivity (SGD per sq ft) was falling while rents were still rising, particularly between 2012 and 2014. The last few years have seen this trend unwind – rents have had to fall to reflect a lower sales productivity.

Thanks to a return to growth in retail sales, retail rent indicators appear to have stabilised. Rents and occupancy on Orchard Road have increased year-on-year. In the suburban areas, rental decline has slowed. While it appears that suburban occupancy has continued falling, this is because URA's vacancy measure includes retail stock that has completed construction but is not yet in operation. Notably, Jewel Changi Airport and Paya Lebar Quarter – two new malls scheduled to open in 2019 outside the Central Area – completed building works in end-2018. They have thus been counted as vacant stock for 2018, raising URA's vacancy measure for suburban areas in 2018.

With retail sales still growing slowly, we project a slight uptick in rents over the next year. We believe that landlords on Orchard Road will struggle to increase rents rapidly since retailers are already having difficulty generating sufficient sales to cover high rents there. In suburban locations, the influx of new supply come 2019 will continue to suppress rents before they can recover. Additionally, rental growth across all locations will likely be capped by malls' growing dependence on experiential non-retail and entertainment anchors to generate footfall. Such tenants tend to pay lower-than-market rents and could thus drag down overall rents that landlords can earn.

RETAIL OCCUPANCY RATE

Singapore, 2014-2021

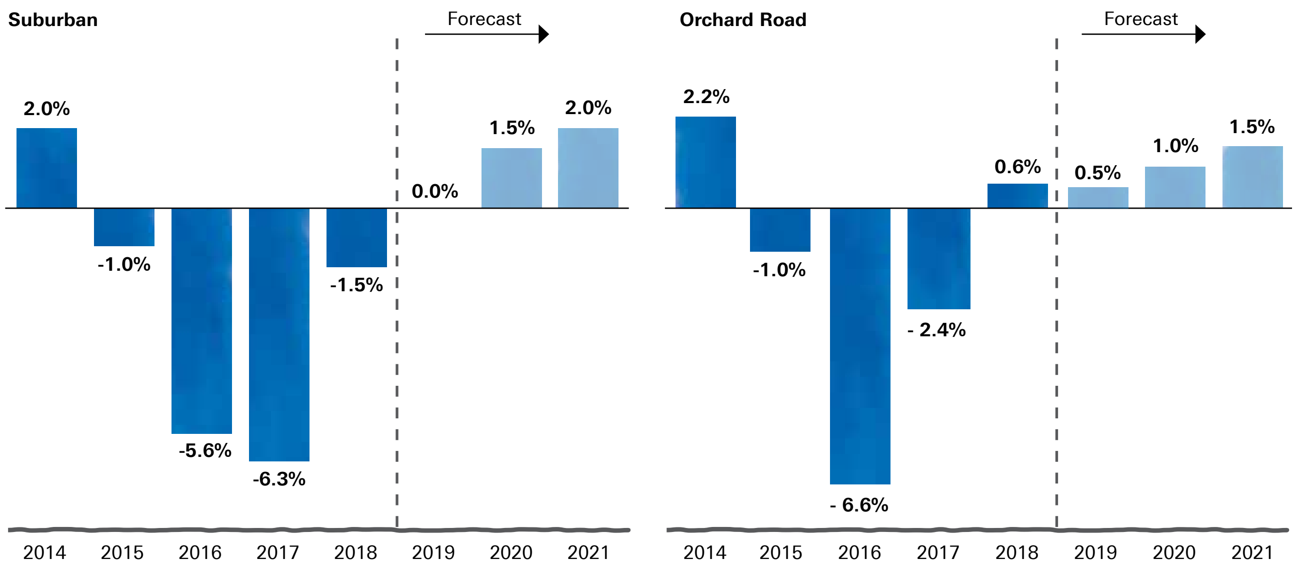


Source: Urban Redevelopment Authority, Cistri

INDEPENDENT RETAIL MARKET OVERVIEW

MEDIAN RETAIL RENTAL YEAR-ON-YEAR GROWTH

Singapore, 2014-2021



Source: Urban Redevelopment Authority, Cistri

CONCLUSION

As Singapore's economic situation continued improving through 2018, the retail market appears to have begun a slow recovery. Being a leading modern economy in Asia, Singapore remains an attractive market for retailers to establish a foothold in the region. It is encouraging to see retailers and mall owners making an effort to innovate and introduce experiential elements to draw shoppers into physical stores. As with all markets, there will be winners and losers. Malls that can demonstrate a clear and compelling value proposition for customers, be it in terms of convenience or unique experiences, are in good stead to succeed even in a soft market.

Certainly, 2019 is not without its downside risks. For one, there will be a substantial influx in new floor space supply that could mute the recovery in retail occupancy. Second, the broader economic climate of uncertainty could dampen consumer sentiment and spending both amongst local and tourist shoppers. But in the longer term, Singapore remains well-poised to enjoy income and retail spending growth founded on its diversified economy, educated workforce, quality infrastructure and sound governance.

SINGAPORE REIT SECTOR

S-REITs Performance

As at 31 December 2018, the FTSE ST Real Estate Index, FTSE ST Real Estate Investment Trusts (REIT) Index and the Straits Times Index had fallen by around 12.5%, 9.2% and 9.8% year-on-year respectively. The average distribution yield of Singapore real estate investment trusts (S-REITs) stood at around 6.8%, approximately 460 basis points higher than the Singapore Government 10-year bond yield of around 2.2%. 2018 saw one REIT initial public offering on the Singapore Exchange by Sasseur REIT, which comprises a portfolio of outlet malls in China.

Code of Corporate Governance

In August 2018, the Monetary Authority of Singapore (MAS) revised the Code of Corporate Governance (Code) following recommendations made by the Corporate Governance Council (Council). The Council's recommendations covered:

1. Enhancing board quality and diversity.
2. Encouraging inclusive stakeholder engagement beyond shareholders.
3. Reinforcing transparency in remuneration of key company personnel.

In terms of disclosure requirements, the revised Code introduces enhanced provisions for:

- Disclosing the remuneration of employees who are substantial shareholders of the company, on top of the CEO or directors, and immediate family members thereof.
- Disclosing the relationship between remuneration and value creation, in addition to performance. To do this, companies are encouraged to define and disclose what value creation means for their stakeholders (including shareholders and other material stakeholders), and how this value is measured.

The objective of the revisions to the guidelines is to strengthen investor confidence in S-REITs, which would improve their market value. The 2018 Code applies to Annual Reports covering financial years commencing from 1 January 2019.

Outlook for S-REITs

Continued monetary tightening led by the USA could present a risk to the valuation of S-REITs going forward. The Singapore Interbank Offered Rate has begun to climb in tandem with the rising Fed funds rate, raising borrowing costs for S-REITs. Any drastic increases in the interest rate could hinder S-REITs' ability to maintain or increase distributions to shareholders. Fortunately, S-REITs' exposure to interest rate risk is limited by MAS' regulatory requirement to limit REITs' leverage to 45%, and most S-REITs are estimated to have leverage ratios below 40%. Furthermore, Singapore's growth outlook – even if softer in the immediate future – should be moderately supportive of the underlying performance of assets based in Singapore, to the benefit of S-REITs holding Singapore-based properties.

Disclaimer

This report is dated 15 February 2019 and incorporates information and events up to that date only and excludes any information arising, or event occurring, after that date which may affect the validity of Cistri Pte. Ltd.'s opinion in this report. Cistri Pte. Ltd. prepared this report on the instructions, and for the benefit only, of CapitaLand Mall Trust Management Limited (**Instructing Party**) for the purpose of Independent Retail Market Overview (**Purpose**) and not for any other purpose or use. To the extent permitted by applicable law, Cistri Pte. Ltd. expressly disclaims all liability, whether direct or indirect, to the Instructing Party which relies or purports to rely on this report for any purpose other than the Purpose, and to any other person which relies or purports to rely on this report for any purpose whatsoever (including the Purpose).

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This report has been prepared with due care and diligence by Cistri Pte. Ltd. and the statements and opinions given by Cistri in this report are given in good faith and in the reasonable belief that they are correct and not misleading, subject to the limitations above.

MARKETING & PROMOTIONS

CMT is committed to build and retain shopper loyalty through enriching experiences and enticing rewards. We introduced various strategic group-level marketing initiatives in the year to engage our shoppers, leveraging technologies that promised to enhance the convenience, delight and value of shopping experiences.

CAPITALISING CUSTOMER LOYALTY

Our comprehensive suite of loyalty programmes, comprising CapitaStar, CapitaVoucher and CapitaCard, is Singapore's largest multi-store, multi-mall integrated rewards platform. In 2018, the bar was further raised when we introduced new functionalities in the CapitaStar app to deliver enhanced mobile convenience to our shoppers.

CapitaStar

Membership exceeded 940,000 as at 31 December 2018. StarPay, a new feature in the CapitaStar app that offered all-in-one ePayment service, was launched in Raffles City Singapore. CapitaStar members using StarPay can instantly earn STAR$® at the point of purchase without having to scan the receipts. Payment is made through American Express or NETSPay. American Express® Card members can save their card-on-file in the CapitaStar app without having to carry the physical card when shopping at our malls. CapitaStar also extended its rewards earning touch points to strengthen its market positioning as a lifestyle loyalty app. CapitaStar members can now earn STAR$® when they opt for eStatement with Singapore Power or book their travels with Agoda and easybook.com.

CapitaVoucher

Sales of CapitaVoucher grew by 14.2% year-on-year to reach a record of close to S$90.0 million. CapitaVoucher is accepted at more than 2,000 retail outlets in CapitaLand malls. eCapitaVoucher, the digital version of CapitaVoucher, was launched in November 2018 to provide consumers with greater convenience of purchasing and gifting shopping vouchers. CapitaStar members can also use the CapitaStar app to redeem eCapitaVoucher using STAR$® and offset their purchases with the eCapitaVoucher at the point of sales of participating retail outlets.

CapitaCard

The American Express® CapitaCard, CapitaLand's co-brand credit card with American Express saw a healthy growth in membership. CapitaCard members enjoy the highest earn rate of up to 13 times STAR$® at selected stores, which is equivalent to a 6.5% rebate in CapitaVoucher, as well as benefits such as members-only promotions and events, exclusive gift redemptions and complimentary parking with minimum spend. Promotions, where cardmembers received additional S$10 CapitaVoucher with every purchase of S$100 worth of CapitaVoucher, drove shopper traffic to the malls and bolstered in-store spending.

PORTFOLIO-WIDE INITIATIVES

ENGAGING SHOPPERS ACROSS CMT MALLS

In addition to the loyalty programmes, there were several key portfolio-wide and mall-centric experiential and promotional campaigns organised in 2018 to engage our shoppers and reinforce our mall brands.

Art-Zoo Inflatable Park Preview Tour

February

Six larger-than-life characters from Art-Zoo Inflatable Park made a preview tour at Bedok Mall, Bugis+, JCube, Plaza Singapura, Raffles City Singapore and Westgate to celebrate the Lunar New Year. Lucky shoppers won free tickets to the main event at the Marina Bay Floating Platform in the instant lucky dip at the malls.

A giant pink flamingo and ladybugs charmed both young and seasoned shoppers at the Art-Zoo Inflatable Park Preview Tour at Bugis+.

The record-setting Shrek tea mosaic at Raffles City Singapore during the launch of the Savour Koulicious Delights event.

Savour Koulicious Delights

March

The malls welcomed the world's first DreamWorks KouKou Festival. Six DreamWorks mascots—Shrek, Alex, Po, Mei Mei, Skipper and Puss in Boots—graced the launch event. Shrek and Puss in Boots also celebrated the completion of a Shrek mosaic at Raffles City Singapore, which set a new record for the largest tea mosaic in Singapore with 3,640 cups of matcha. Skipper boarded an open-top bus with excited fans to unveil the one metre tall DreamWorks KouKou inflatables at Plaza Singapura. During the month-long celebration, shoppers were transported to a world of larger-than-life foodscapes where they interacted with the DreamWorks KouKou characters in a series of adventures. The adventures included an inflatable food-themed obstacle course at Junction 8 and Bukit Panjang Plaza, a mini golf course at Tampines Mall and IMM Building, and a mini-archery game at Bedok Mall and Westgate. Fans of DreamWorks characters eagerly collected limited edition Dreamworks KouKou plush cushions, and shoppers had a chance to fly drones with DreamWorks characters on them at the drone challenge in Plaza Singapura, JCube and Lot One Shoppers' Mall. The fastest drone commanders each won a DJI Mavic Air Fly More Combo.

50% Fashion Cashback

October

Members of CapitaStar and American Express™ CapitaCard were treated to a five-day fashion shopping spree in October 2018. For a minimum spend of S$80, they were rewarded with 50% cashback in the form of 40,000 STAR$®. The campaign saw an increase in the volume of transactions and average spend at the fashion stores across CMT malls.

NomadX Launch

November

Singapore's first *phygital* (portmanteau of physical and digital) multi-label concept store opened at Plaza Singapura in November 2018. Operated by CapitaLand, NomadX is a fresh experiential shopping concept centred around niche brands that cover fashion, beauty, consumer electronics, gadgets and F&B. Several new-to-market brands such as Style Theory, an online apparel rental retailer; JBL, an audio products specialist; and Bizen Okayama Wagyu Steakhouse by Aston Soon debuted in the store. NomadX's fluid layout and data analytics enablement provide an ideal testbed for retailers to trial new concepts and products where they can swiftly adjust their strategies according to consumer reception and feedback. Shopper journey at NomadX begins with the CapitaStar onboarding gamification process using facial recognition technology. Touchscreen televisions and QR codes allow shoppers to interact with product walls to find out more about the stores and products. The *phygital* experience is completed at the point-of-sales with cashless payment using gateways like StarPay.

Getting *phygital* at NomadX at Plaza Singapura.

MARKETING & PROMOTIONS

MALL-CENTRIC ACTIVITIES

BEDOK MALL AND TAMPINES MALL

Samsung S9 | S9+ Launch
March

Tampines Mall was selected for the exclusive launch of Samsung Galaxy S9 | S9+ with attractive gifts for purchase and handset trade-in. Activities included a virtual snowy mountain experience with Samsung Gear VR, free AR emoji printouts, and prizes for completing three Samsung Experience zones.

Happy Rainbow
June

Bedok Mall and Tampines Mall hosted Happy Rainbow, an immersive art installation by Los Angeles-based art collective, FriendsWithYou. The rainbow-themed playground featured an interactive bounce house and oversized plush sculptures.

Market on Wheels Streets Edition
October

Bedok Mall came alive with container pop-up stalls featuring hipster food, street graffiti containers and live entertainment. During the launch, there was a live broadcast by MediaCorp 98.7 FM DJs Sonia Chew and Joakim Gomez. Shoppers also enjoyed extended shopping hours with three-hour flash deals between 8pm and 11pm.

Market on Wheels Streets Edition with container pop-up street food stalls at Bedok Mall.

BUGIS JUNCTION AND BUGIS+

Project M Model Search 2018
April

Bugis Junction and Bugis+ collaborated with Her World, Female and Nuyou to host the inaugural Project M Model Search. The contestants showcased fashion brands from the mall in two uniquely choreographed shows. Two winners were awarded a one-year modelling contract each, among other attractive prizes.

Project M Model Search model wannabes promenading at the Bugis Junction catwalk.

Market on Wheels Container Market
June

The fountain plaza at Bugis Junction was transformed into a hipster container F&B market, complete with weekend retail events, live World Cup screenings, live band performances and an unparalleled alfresco ambience.

H:CONNECT Meet and Greet with Yoona
July

Exclusive fan-meet at Bugis Junction with Yoona of Girls' Generation, spokesperson of H:CONNECT. Fans participated in H:Connect's in-store redemption to interact with Yoona on stage and get her autograph during the Meet-and-Greet session at Bugis Square.

Shadowverse World Circuit 2018
August

Shadowverse, Japan's leading e-sports title, organised its World Circuit 2018 Singapore Tournament and Roadshow at Bugis+. The week-long event included a two-day tournament competed by 200 international players and various fringe events.

BUKIT PANJANG PLAZA AND LOT ONE SHOPPERS' MALL

#ILoveYouMumChallenge
May

Bukit Panjang Plaza and Lot One Shoppers' Mall collaborated with MediaCorp to organize a Mother's Day event. Shoppers were invited to participate in MediaCorp's #ILOVEYOUMUMCHALLENGE by telling their mothers "I Love You". Participants went through a series of challenges to crown their mothers as super mums and to win prizes. There were guest appearances by radio DJs from Capital 95.8 FM, Love 97.2 FM and YES 93.3 FM, stage games, free treats, craft workshops and activities to personalise gifts for mothers at the event.

Pets Adoption Drive
May

Bukit Panjang Plaza held a Pets Adoption Drive where pets were put up for adoption by Bark a Tree Pte. Ltd.. Shoppers enjoyed special promotions and activities, such as dog training demonstration, rabbit grooming workshop and free snacks by Valu$. Part of the proceeds from the event was donated to animal shelters.

Eco & Farmer's Market
June

Bukit Panjang Plaza organised the Eco & Farmer's Market for the local farming community to promote sustainable agriculture, urban farming and eco-friendly practices. Sale proceeds of vegetables grown in community gardens by the residents were donated to the National Kidney Foundation Dialysis Centre in Bukit Panjang.

Malay dance performance by students at the Singapore Youth Festival Dance Extravaganza at Bukit Panjang Plaza.

Singapore Youth Festival 2018 Dance Extravaganza
June and July

Bukit Panjang Plaza celebrated the Singapore Youth Festival 2018 with Dance Extravaganza, an event organised together with the Ministry of Education to showcase multi-genre dance performances by students from primary to tertiary levels. Interesting activities included designing mini 3D sculptures and using remote control cars to paint on a large canvas.

Digital Football Fiesta
June

The World Cup fever gripped shoppers in Lot One Shoppers' Mall's football e-sports tournament. Eight shoppers won more than S$6,000 worth of prizes including STAR$®, Courts gift cards, Samsung monitors and a Secretlab TITAN Tempo gaming chair.

CLARKE QUAY

Singapore Festival of Fun
March

The Singapore Festival of Fun returned to fill the March school holidays with loads of joy from the Magners International Comedy Festival, Nickelodeon Fiesta and StreetFest. The event featured top billing comedy acts such as Doug Stanhope and Yuriko Kotani, food-themed game booths and heritage trail with a Nickelodeon twist, and the best street performers from London's Covent Garden, including escape artist Rob Roy Collins, strong lady Betty Bawn and contortionist Bendy Em.

Halloween 2018 - Tales of the River
October

Clarke Quay's signature Halloween extravaganza kicked off this year with music by Sweatshop Jam, stage games, face-painting, monster mask-making, a Best-Dressed Contest and a virtual reality Zombie Mania Shoot-Out Challenge with S$3,000 worth of prizes for the top players.

The Great Clarke Quay FEASTival
December

The inaugural pop-up outdoor dining concept was organised to showcase the stunning variety of cuisines available at Clarke Quay. Visitors sampled delicious signature dishes, cocktails, wine and craft beers at special tasting prices from 16 Clarke Quay restaurants at the pop-up stalls on Read Bridge overlooking the Singapore River.

Clarke Quay patrons in their best Halloween costumes at the signature Halloween extravaganza, Tales of the River.

MARKETING & PROMOTIONS

IMM BUILDING

Soccer Carnival & Foosball Challenge

June

The Soccer Carnival was held in conjunction with the 2018 FIFA World Cup event. Shoppers with minimum spend were invited to pit their soccer skills at seven game booths to win prizes. A Foosball Challenge was also organised where 64 teams with two players each compete for the top prize of S$1,000 worth of CapitaVouchers.

IMM Greater Outlet Sale

July

The Greater Outlet Sale was held for the second year running to reinforce the mall's positioning as Singapore's largest outlet mall. On top of regular discounts of up to 70%, shoppers enjoyed further savings of up to 30% from more than 60 participating outlets. During the promotion, the first 200 shoppers per day who met the minimum spend of S$250 at participating outlets were each rewarded with S$50 worth of CapitaVouchers.

Flutter of Wonder

December

Shoppers were treated to a guided tour of a specially curated butterfly aviary at the Garden Plaza as part of the mall's Christmas event. The event also featured a parrot show, intriguing scorpions, edible gardens and nature craftwork.

Children immersed in nature's paradise in a specially curated butterfly aviary at IMM Building.

JCUBE

#PlayatJCube Movie x Nom Nom Night

April & May

#PlayatJCube Movie x Nom Nom Night was a night dedicated to JCube shoppers. Activities included free movie screenings, exciting carnival games and interesting workshops on making wire name, dreamcatchers and other knick-knacks.

JCube Bingo 2018

June

JCube's iconic event was back by popular demand. More than S$33,000 worth of prizes, including air tickets to Korea, sports bikes and Samsung S9 smartphones, were given out during the three bingo sessions, which shoppers participated by redeeming bingo stamps with minimum spend.

#PlayatJCube Soccer x Supper Night

July

JCube partnered Mediacorp to host a public screening of the 2018 FIFA World Cup Third-Place and Final matches at JStage. Shoppers participated in the FIFA 18 Tournament to win prizes worth more than S$1,000 as well as stage games to win PlayStation 4. Two lucky shoppers who predicted the winning teams won themselves an iPhone X each.

JUNCTION 8

Playmania 2.0

June

Playmania returned to Junction 8 this year with a new Night Kart Racing where the top racer won S$10,000 worth of prizes sponsored by OSIM. A special 'Tunnel of Lights' track allowed parents to join the fun by remotely maneuvering the karts with their little ones in them.

Pompompurin's Summer Camp

August & September

Shoppers indulged themselves in instagrammable moments with giant Pompompurin figurines and at the meet-and-greet with the adorable Pompompurin. At the open plaza, shoppers played games, sampled camping food at the Pompompurin campfire party and participated in the mall's first dog adoption drive.

Gateway to Space

November & December

An out-of-this-world experience awaited shoppers at Junction 8 this Christmas with a fully-immersive virtual reality ride that took them on spectacular journeys through the cosmos. Shoppers also experienced spacewalk in a four-metre-high dark room decked in lights and mirrors and took part in a lucky draw using a rocket claw machine to grab up to S$20,000 worth of prizes.

PLAZA SINGAPURA

#StyleFeed Fashion Party

April

Plaza Singapura's first underground fashion event featured the latest collections from several renowned online-to-offline retailers, including Runway Bandits, Shop Sassy Dream and Ninth Collective. Shoppers toured the online labels' physical stores and attended masterclasses on creating instagrammable looks with the fashion labels.

Jurassic World: Fallen Kingdom Adventure

June

Dinosaurs returned to Plaza Singapura to the delight of shoppers. Plaza Singapura in partnership with United International Pictures, created a multi-sensory event to support the new release of Jurassic World: Fallen Kingdom. Shoppers got up close with the life-size sculpture of the star velociraptor Blue, experienced the thrills of walking on Isla Nublar through Blue's eyes in a specially created virtual reality show, and enjoyed a sneak preview of the new dinosaur-themed event 'Jurassic World: Explore & Roar' at the Universal Studios Singapore.

All cameras on Blue at the Jurassic World: Fallen Kingdom Adventure event at Plaza Singapura.

PS Invaders: Christmas Drones Take Over

November & December

Plaza Singapura ushered in Christmas with PS Invaders, Singapore's largest indoor drone festival. Shoppers tried their hands flying drones from simple drone piloting courses to a triathlon with drones capable of moving through air, land and water. Christmas drones also flew around the mall to deliver small gifts to delighted shoppers.

RAFFLES CITY SINGAPORE

Mickey Go Local

August

The festivities for Mickey Mouse's 90th birthday in Singapore kicked off with 'Mickey Go Local' at Raffles City Singapore. It was a celebration of all things Mickey Mouse with a Singaporean twist. The event showcased 90 Mickey Mouse figurines painted by Singaporeans from all walks of life, including one by President Halimah Yacob. Shoppers bought exclusive Mickey Mouse collectibles at pop-up stores and took memorable pictures at the Mickey Mouse Corner where a heritage shophouse was given a striking Mickey-and-Minnie-makeover.

Mickey Mouse among the contributors of 90 Mickey Go Local figurines at Raffles City Singapore.

ArtToys Invasion

September

As part of the mall's Arts in the City initiative, the mall collaborated with Action City to organise ArtToys Invasion, Singapore's first public art toy exhibition. Shoppers had a rare opportunity to immerse in an eclectic collection of art toys created by independent artists and designers.

WESTGATE

Her World Beauty Award Showcase

April

Westgate collaborated with Her World to organise a travel-themed event with miniature installations comprising Her World Beauty Awards winning products. Shoppers received expert styling tips and makeovers.

Summer Camp: The Magnificent West

June

The Magnificent West was the theme for this year's Summer Camp. Young shoppers donned cowboy hats while taking on the Sheriff's challenges such as shooting at tin cans, lassoing horses, sliding mugs, hooping cacti and mining for gold. Those who completed all five stations received a personalised certificate and an exclusive gift.

Christmas in High Spirits

November & December

The mall was transformed into a fun-filled carnival with hot air balloons, carousels, stilt walkers and jugglers for Christmas. Shoppers enjoyed live band performances and the festive Christmas markets.

OUR TENANTS

SPOTLIGHT PTE. LTD.

Mr Zac Fried, Deputy Chairman

"We have had an amazing long-standing partnership with CapitaLand. We opened our first international Spotlight store at Orchard Point in 1995 before relocating to Plaza Singapura in 2003. When we were looking for a second site, we knew exactly which mall owner to approach. We liked what we found at Westgate and did not need to think twice about setting up our second store in Singapore here.

As the number one DIY and craft shopping destination, the Spotlight range spans party, kitchen, lounge and bedroom, craft, sew, hobby and art – providing consumers with a unique shopping experience. CapitaLand's cooperative approach to the partnership has meant that we are able to tailor a unique retail experience for the Singapore consumer. We know that we can trust their team; from centre managers to support staff, CapitaLand is always providing the highest quality of service. We look forward to continuing the relationship and opening more centres in the years ahead."

UA SPORTS (S.E.A.) PTE. LTD.

Mr Michael Binger, Chief Executive Officer

"As a relatively new market entrant in Singapore's sporting goods retail scene, Under Armour counts on quality retail locations to enhance brand visibility and drive store traffic. CapitaLand has been a key business partner since our foray into Singapore, supporting our expansion plans with their expertise in mall management and tenant mix. Both Under Armour and CapitaLand share the same vision in providing unique retail experiences and CapitaLand has been an excellent partner in activating consumer engagement events in their malls that go beyond conventional store marketing activities."

PSGOURMET PTE. LTD.

Mr Peter Teo, Founder Director
Mr Phillip Chin, Founder Director

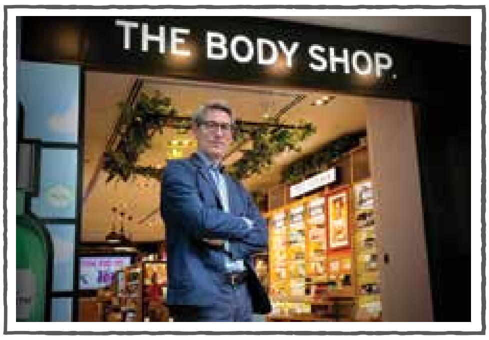
"As traditional retail comes under pressure, the key to long-term success seems to lie in the ability to 'anticipate and evolve'. Taking PS.Café as an example, we started as a clothing store but sensing the winds of change, started our evolution to a food and beverage business about a decade ago. Today, we have 10 F&B outlets across Singapore. It is our strong conviction that the future growth of PS.Café is about being able to continue to create unique experiences that are fresh whilst remaining familiar. This is important not only in winning a new generation of guests but also keeping our loyal customers engaged. We are glad to have found a like-minded partner in CapitaLand who understand this shared vision.

The launch of PS.Café at the atrium space of Raffles City Singapore was a testament to our successful collaboration in reimagining retail space. The mall's prime location and excellent connectivity have further helped to extend our customer reach. We look forward to building a long-term partnership with CapitaLand to enhance the dining experience in Singapore and beyond."

THE BODY SHOP (SINGAPORE) PTE LTD

Mr Jean-Marc Cazenave, General Manager (Singapore)

"At The Body Shop, we have always done things differently, broken the mould, been bold, been brave. Our story started with Anita Roddick's belief in something revolutionary; that business could be a force for good and in 1976, The Body Shop was born. This ethos is still the brand's driving force. We seek to make a positive difference in the world by offering high-quality, naturally-inspired skincare, hair care and make-up produced ethically and sustainably. Thus, by supporting the brand, you are not just treating yourself to the best, but you are also doing a part in helping our community trade partners improve their lives. We appreciate our partnership with CapitaLand as their vibrant malls are in key locations but also because their credo 'Building People. Building Communities.' means that both our teams share the same values for long term relations."



MR D.I.Y. TRADING (SINGAPORE) PTE. LTD.

Mr Andy Chin, Head of Marketing

"We have a strong and sustainable partnership with CapitaLand, which began in 2015 when we launched our first store in Gurney Plaza, Penang, Malaysia. Our mission is to ensure that MR.D.I.Y. consistently provides an enjoyable experience for customers. As such, we choose to work only with landlords who are reliable, professional and capable. When we decided to expand to Singapore in 2018, we again looked for CapitaLand. We pride ourselves as a strong key tenant in the malls where we have a presence, offering a wide range of products under one roof. MR.D.I.Y. brings additional value through strong offline and online marketing initiatives, along with regular events and collaborations. We will continue to develop our strengths together with CapitaLand as we keep abreast of market trends."

JUMBO GROUP LIMITED

Mr Ang Kiam Meng, Group CEO

"When Jumbo decided to bring Tsui Wah café to Singapore in 2018, we were looking for a suitable location befitting this famous culinary brand that is synonymous with Hong Kong's unique cha chaan teng culture. Clarke Quay fits the bill perfectly as it attracts a daily crowd of tourists and Singaporeans, enjoys good connectivity to public transport and has beautiful views of the iconic Singapore River. With a strategic location like Clarke Quay to mark Tsui Wah's first foray into Southeast Asia, we are confident that this well-loved Hong Kong culinary brand will be accessible to food lovers in Singapore and the region. We thank CapitaLand for the successful launch of Tsui Wah in Singapore and look forward to a continued fruitful partnership."

ABC COOKING STUDIO SINGAPORE PTE. LTD.

Ms Amanda Chong, General Manager

"At ABC Cooking Studio, Japan's number one cooking and baking studio, we wish to spread the joy derived from food – from preparation to consumption. Unlike traditional cooking classes, ABC Cooking Studio hopes to go beyond imparting knowledge to igniting our members' passion to cook, make their own extraordinary dishes and enjoy every moment of it. Expanding to the western part of Singapore was our priority in 2018 as we have a sizeable number of members living in that area. The CapitaLand team has been most helpful in providing us with resources and ideas when we decided to open our new outlet at Westgate. It is rare to find a mall owner and manager who is so proactive in providing support to their tenants."

OUR SHOPPERS

BUKIT PANJANG PLAZA

Wilson Teo and Yap Kwee Lin

"We live around the area and frequent the mall at least a couple of times per week as it is conveniently located. We come here mainly for necessity shopping and to satisfy our dining needs. We like the comfortable shopping experience this mall provides and it is also less crowded than downtown malls."

WESTGATE

KH Leong and Bridget Yong

"We visit the mall to shop and dine at least once a week as it is conveniently located and near our home. We like that the mall is less crowded than downtown malls but also has a diverse range of offerings. In particular, we like Miam Miam and Isetan."

IMM BUILDING

Riduwan Osman and family

"We come all the way from Woodlands as IMM Building has everything under one roof at affordable prices. We like that the mall is spacious and we can do our shopping together as a family."

TAMPINES MALL

Tomoteru Woo and family

"Although we live in Punggol, we come to Tampines Mall quite often mainly for dining. We like the mall for its diverse range of offerings. We just went to Crystal Jade for lunch and we are going to Toys"R"Us next."

BEDOK MALL

Evelyn Ng

"Bedok Mall has served my family well. I reside in the area and visit the mall at least once a week for dining and shopping. I come here on my own as well as with my family as it has everything for everyone. I can do my grocery shopping and go to Popular bookstore with my boys."

CLARKE QUAY

Estee Lau and friend

"I am here for a celebration. Typically, I come here at least once a month for both dinner and drinks. Clarke Quay is the perfect place to dine and relax with a few drinks. I like that it is completely sheltered as it makes the mall accessible even during rainy weather."

PLAZA SINGAPURA

Edwin Tay and Miow Seng

"We come to Plaza Singapura quite often to shop and dine. Located directly above the Dhoby Gaut MRT station which is an interchange for the North East Line, the mall is convenient and accessible. Plaza Singapura offers everything under one roof. We like Stereo - The Headphone Concept Store on Level 4 and KOI Thé."

BUGIS JUNCTION

Yvonne Tan

"We live in the east but visit Bugis Junction as it is well-connected and provides comprehensive offerings for all age groups. For shopping, we like L'zzie, Yankee Candle and Muji amongst other clothing stores. We also like the varied food options especially the new food and beverage outlets."

PORTFOLIO SUMMARY

	Tampines Mall	Junction 8[1]	Funan[2]	IMM Building	Plaza Singapura	Bugis Junction	JCube
Gross Floor Area (sq ft)	507,324	376,042	766,000[4]	1,426,504	757,203	577,025	316,741
Net Lettable Area (sq ft)	356,233	253,625	N.A.	Retail: 424,179 Warehouse: 538,038 Total: 962,217	482,548	396,613	206,936
Number of Leases	172	180	N.A.	545	245	238	142
Number of Tenants	151	121	N.A.	411	226	210	129
Car Park Lots	637	305	N.A.	1,324	695	648	341
Land Tenure	Leasehold tenure of 99 years with effect from 1 September 1992	Leasehold tenure of 99 years with effect from 1 September 1991	Leasehold tenure of 99 years with effect from 12 December 1979	Leasehold tenure of 30 + 30 years with effect from 23 January 1989	Freehold	Leasehold tenure of 99 years with effect from 10 September 1990	Leasehold tenure of 99 years with effect from 1 March 1991
Acquisition Year	2002	2002	2002	2003	2004	2005	2005
Purchase Price (S$ million)	409.0	295.0	191.0	247.4	710.0	605.8	68.0
Market Valuation (S$ million)	1,059.0	743.0	360.0[7]	649.0	1,296.0	1,089.0	288.0
As % of Portfolio Valuation	9.5%	6.7%	3.2%	5.9%	11.7%	9.8%	2.6%
Gross Revenue (S$ million)	81.4	60.8	N.A. [8]	85.8	91.5	84.9	N.A.[8]
Net Property Income (S$ million)	60.4	44.1	N.A. [8]	60.3	68.3	61.4	N.A.[8]
Committed Occupancy	100.0%	100.0%	N.A.	Retail: 99.7% Warehouse: 85.5% Total: 91.8%	99.9%	99.8%	90.9%
Annual Shopper Traffic (million)	24.0	32.8	N.A.	16.1	26.3	39.6	13.1
Key Tenants (by gross rental income)	NTUC Enterprise, Isetan, H&M, Golden Village, Kopitiam	BHG, NTUC Enterprise, Auric Pacific, Best Denki, Golden Village	N.A.	Cold Storage, Best Denki, Kopitiam, Extra Space Jurong, Katrina Holdings	Golden Village, Cold Storage, Kopitiam, Spotlight, Yamaha	BHG, Auric Pacific, Cold Storage, Japan Foods Holding, Challenger	Shaw Theatres, Kopitiam, NTUC Enterprise, Singapore Sports Council, Aston Food & Beverage Specialities

N.A.: Not Applicable.
Data as at 31 December 2018 unless otherwise stated.
Gross revenue, net property income and annual shopper traffic were for the financial year ended 31 December 2018.

Raffles City Singapore	Lot One Shoppers' Mall	Bukit Panjang Plaza	The Atrium@ Orchard	Clarke Quay	Bugis+	Bedok Mall	Westgate[3]
3,449,727	326,152	247,545	576,755	366,575	319,652	335,877	593,906
Retail: 427,485 Office: 381,285 Total: 808,770	219,842	163,559	Retail: 133,832 Office: 252,308 Total: 386,140	293,305	214,720	222,469	410,753
292	153	119	89	75	90	201	252
254	141	110	71	61	82	179	228
1,051	321	326	127	424	325	265	610
Leasehold tenure of 99 years with effect from 16 July 1979	Leasehold tenure of 99 years with effect from 1 December 1993	Leasehold tenure of 99 years with effect from 1 December 1994	Leasehold tenure of 99 years with effect from 15 August 2008	Leasehold tenure of 99 years with effect from 13 January 1990	Leasehold tenure of 60 years with effect from 30 September 2005	Leasehold tenure of 99 years with effect from 21 November 2011	Leasehold tenure of 99 years with effect from 29 August 2011
2006	2007	2007	2008	2010	2011	2015	2011[5] 2018[6]
2,166.0 *(100%)* 866.4 *(40.00% interest)*	243.8	161.3	839.8	268.0	295.0	780.0	2011: 227.5[5] 2018: 789.6[6]
3,322.0 *(100%)* 1,328.8 *(40.00% interest)*	536.0	327.0	757.0	401.0	354.0	784.0	1,128.0
12.0%	4.8%	2.9%	6.8%	3.6%	3.2%	7.1%	10.2%
92.2 *(40.00% interest)*	44.1	N.A.[8]	50.1	38.6	33.6	57.0	17.9[9] *(30.00% interest)* 11.2[10] *(100%)*
69.9 *(40.00% interest)*	30.7	N.A.[8]	38.4	23.6	23.9	41.3	13.9[9] *(30.00% interest)* 7.5[10] *(100%)*
Retail: 99.4% Office: 99.7% Total: 99.6%	99.8%	99.7%	Retail: 97.4% Office: 100.0% Total: 99.1%	98.3%	100.0%	100.0%	99.4%
30.1	16.8	11.7	25.1	12.2	21.3	20.3	48.6
Robinson & Co., Minor Food Group, Auric Pacific, Cold Storage, Cortina Watch Pte Ltd	NTUC Enterprise, Auric Pacific, Courts, BHG, Shaw Theatres	NTUC Enterprise, Kopitiam, KFC/Pizza Hut, Hanbaobao, National Library Board	Temasek Holdings, Wing Tai Retail Management, Creative Eateries, Standard Chartered Bank, Euro Group	Zouk, The Quayside Group, Katrina Holdings, F Club, Huone	Wing Tai Retail Management, Hansfort Investment, RSH Singapore, Fast Future Brands Singapore, Diamond Dining Singapore	NTUC Enterprise, Wing Tai Retail Management, BreadTalk, Hanbaobao, Cotton On Singapore	Isetan, BreadTalk, Fitness First, Spotlight, Samsung

1 Excludes Community and Sports Facilities Scheme (CSFS) space for gross floor area, net lettable area and committed occupancy.
2 Funan was closed on 1 July 2016 for redevelopment.
3 All information reflects only the retail component of the integrated development.
4 The gross floor area is an approximate figure which includes CSFS space and excludes the serviced residence component after the completion of the divestment of all the units of Victory SR Trust on 31 October 2017.
5 The integrated development site (land) was acquired in 2011 at S$969.0 million, of which S$758.3 million pertained to the retail component (CMT's 30.00% interest at S$227.5 million).
6 The acquisition of the balance 70.00% of the units in Infinity Mall Trust which holds Westgate was completed on 1 November 2018, at an agreed property value of S$1,128.0 million, on a completed basis (70.00% interest at S$789.6 million).
7 As the property is undergoing redevelopment into an integrated development, the value reflected is the total residual land value of the retail and office components of the integrated development.
8 The gross revenue and net property income for the financial year ended 31 December 2018 were S$58.5 million and S$33.6 million respectively.
9 Consists of CMT's 30.00% interest from 1 January 2018 to 31 October 2018.
10 Consists of CMT's 100% interest from 1 November 2018 to 31 December 2018.

PORTFOLIO DETAILS

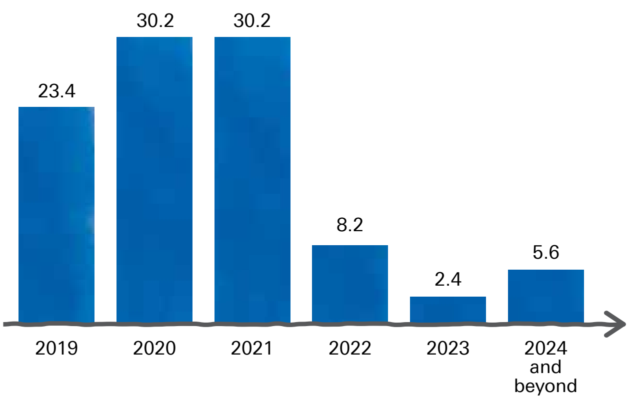
TAMPINES MALL

Tampines Mall is one of Singapore's leading suburban malls, located in the densely populated residential area of Tampines. It is conveniently situated within the Tampines Regional Centre, the first and most developed regional centre in Singapore, and accessible via Tampines Mass Rapid Transit (MRT) station and bus interchange. To meet the needs of consumers living and working around the bustling Tampines Regional Centre, Tampines Mall provides a wide variety of shopping, dining and entertainment options for families, professionals and young adults.

Lease Expiry Profile[1]

(% of Gross Rental Income[2])

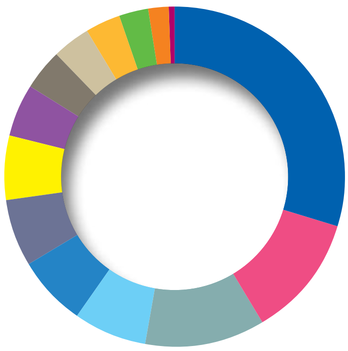
As at 31 December 2018



Trade Sector Analysis

(% of Gross Rental Income[2])

For the month of December 2018



	%
Food & Beverage	29.8
Beauty & Health	11.8
Fashion	11.4
Jewellery & Watches	6.9
Gifts & Souvenirs / Toys & Hobbies / Books & Stationery / Sporting Goods	6.7
Information Technology & Telecommunications	6.3
Supermarket	6.0
Department Store	5.1
Leisure & Entertainment / Music & Video	3.8
Shoes & Bags	3.7
Education	3.4
Electrical & Electronics	2.6
Services	2.1
Home Furnishing	0.4

1 Based on committed gross rental income for the expiry month of the lease.
2 Excludes gross turnover rent.

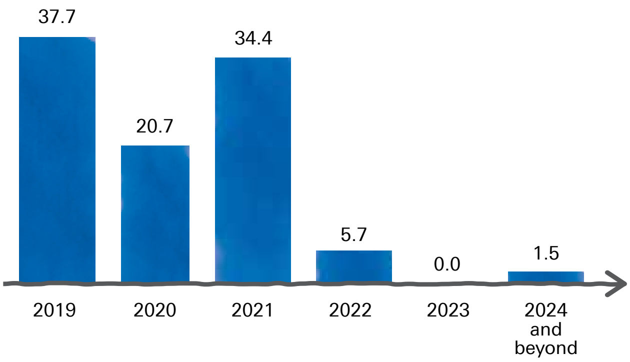
JUNCTION 8

Junction 8 is located in the densely populated residential area of Bishan and is connected to Bishan MRT station which serves the North South Line and Circle Line, and bus interchange. It extends its reach well beyond its immediate vicinity. As the only shopping mall in Bishan, Junction 8 is positioned as a one-stop shopping, dining and entertainment destination catering to the needs of residents from the surrounding estates, office crowd in the area and students from nearby schools.

Lease Expiry Profile[1]

(% of Gross Rental Income[2])

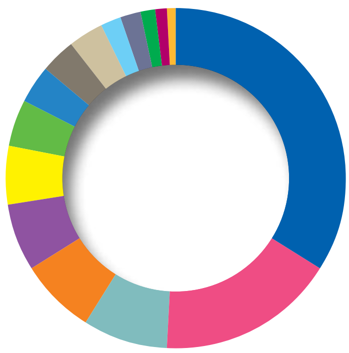
As at 31 December 2018



Trade Sector Analysis

(% of Gross Rental Income[2])

For the month of December 2018



	%
Food & Beverage	34.2
Beauty & Health	16.7
Fashion	8.3
Services	7.0
Department Store	6.5
Supermarket	5.5
Electrical & Electronics	4.5
Gifts & Souvenirs / Toys & Hobbies / Books & Stationery / Sporting Goods	3.6

	%
Leisure & Entertainment / Music & Video	3.4
Shoes & Bags	3.3
Jewellery & Watches	1.9
Information Technology & Telecommunications	1.8
Office	1.5
Home Furnishing	1.2
Education	0.6

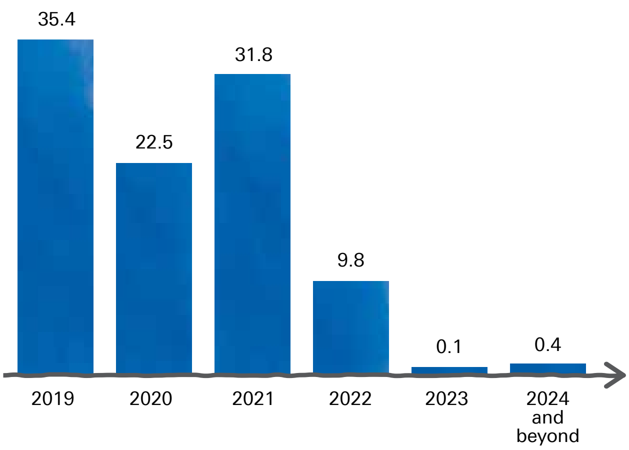
1 Based on committed gross rental income for the expiry month of the lease.
2 Excludes gross turnover rent.

PORTFOLIO DETAILS

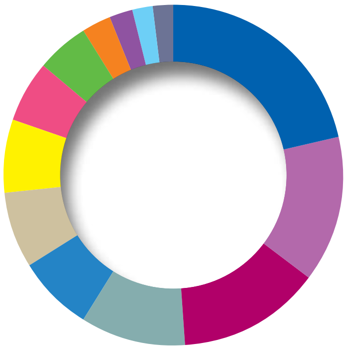
IMM BUILDING

IMM Building (IMM) is Singapore's largest outlet mall that provides a wide variety of value shopping and dining options for families, professionals and young adults. Strategically located in Jurong Gateway, IMM is seamlessly connected via an elevated covered walkway to Jurong East MRT station, an interchange for the East West Line and North South Line, bus interchange and major developments such as Westgate and Ng Teng Fong General Hospital. Besides its proximity to the surrounding residential estates, IMM is close to several office and industrial developments.

Lease Expiry Profile[1]
(% of Gross Rental Income[2])
As at 31 December 2018



Trade Sector Analysis
(% of Gross Rental Income[2])
For the month of December 2018



	%
Food & Beverage	21.5
Warehouse	13.8
Home Furnishing	13.7
Fashion	9.9
Gifts & Souvenirs / Toys & Hobbies / Books & Stationery / Sporting Goods	7.3
Shoes & Bags	7.2

	%
Supermarket	6.9
Beauty & Health	5.9
Electrical & Electronics	5.0
Services	2.9
Department Store	2.1
Jewellery & Watches	2.0
Information Technology & Telecommunications	1.8

1 Based on committed gross rental income for the expiry month of the lease.
2 Excludes gross turnover rent.

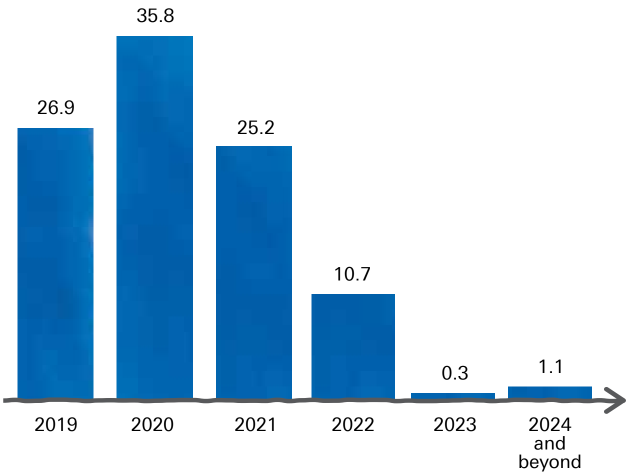
PLAZA SINGAPURA

Plaza Singapura is located along Orchard Road and within the Civic and Cultural District. The mall enjoys a direct link to Dhoby Ghaut MRT station, an interchange which connects to three MRT lines – the North South Line, North East Line and Circle Line. The mall's broad-based positioning, coupled with its wide variety of retail offerings, appeal to a wide profile of shoppers from all over Singapore. Plaza Singapura enjoys seamless connectivity to the retail podium of The Atrium@Orchard via internal walkways on Level 1, 3 and 4.

Lease Expiry Profile[1]

(% of Gross Rental Income[2])

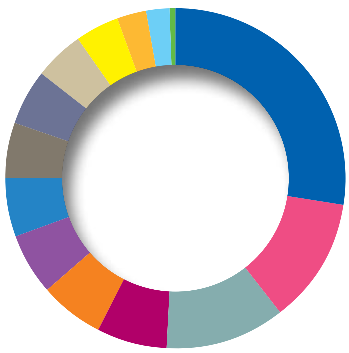
As at 31 December 2018



Trade Sector Analysis

(% of Gross Rental Income[2])

For the month of December 2018



	%
Food & Beverage	27.5
Beauty & Health	12.1
Fashion	11.4
Home Furnishing	6.7
Services	6.0
Department Store	5.8
Gifts & Souvenirs / Toys & Hobbies / Books & Stationery / Sporting Goods	5.5

	%
Leisure & Entertainment / Music & Video	5.5
Information Technology & Telecommunications	5.3
Shoes & Bags	4.7
Supermarket	4.2
Education	2.6
Jewellery & Watches	2.4
Electrical & Electronics	0.3

1 Based on committed gross rental income for the expiry month of the lease.
2 Excludes gross turnover rent.

PORTFOLIO DETAILS

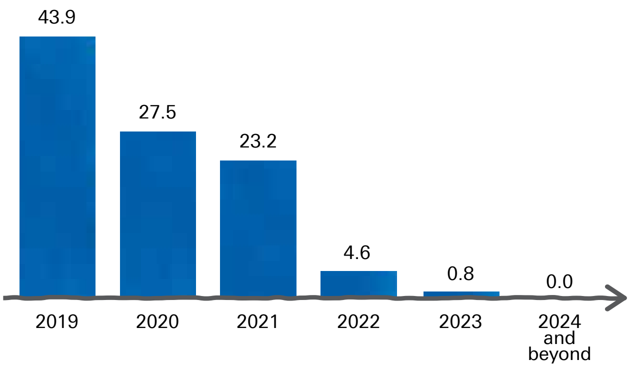
BUGIS JUNCTION

Bugis Junction is highly accessible with direct connectivity to Bugis MRT station, an interchange for the East West Line and Downtown Line. Located within Singapore's Civic and Cultural District, the property is positioned as a modern fashion destination mall with exciting dining choices for young adults and professionals. Bugis Junction features Singapore's first and only air-conditioned sky-lit shopping streets flanked by rows of historic shophouses, integrating new- and old-world charm. Directly connected to a five-star hotel and an office tower, the mall is a popular shopping destination. With an overhead link bridge to Bugis+, shoppers can enjoy a wider range of retail, food & beverage and entertainment offerings.

Lease Expiry Profile[1]

(% of Gross Rental Income[2])

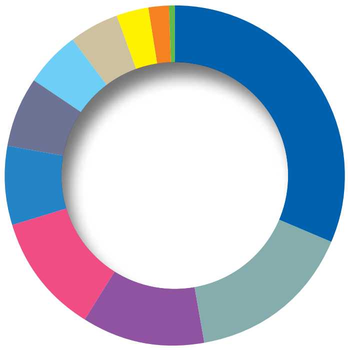
As at 31 December 2018



Trade Sector Analysis

(% of Gross Rental Income[2])

For the month of December 2018



	%
Food & Beverage	31.4
Fashion	15.9
Department Store	11.8
Beauty & Health	11.4
Gifts & Souvenirs / Toys & Hobbies / Books & Stationery / Sporting Goods	7.4
Information Technology & Telecommunications	6.7
Jewellery & Watches	5.3
Shoes & Bags	4.8
Supermarket	3.0
Services	1.9
Electrical & Electronics	0.4

1 Based on committed gross rental income for the expiry month of the lease.
2 Excludes gross turnover rent.

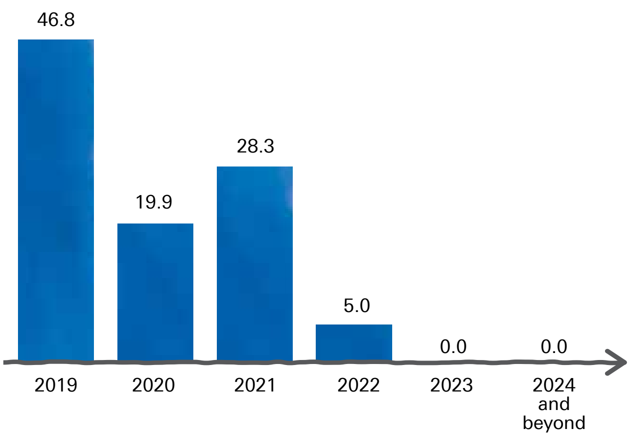
JCUBE

JCube is a sports, leisure and entertainment mall with Singapore's only Olympic-size ice rink and the first IMAX theatre in the suburbs. The mall is located across the road from Jurong East MRT station and bus interchange, offering a good variety of food & beverage options for its shoppers. Within the mall, a retail zone - J.Avenue offers chic and affordable merchandise and features a street shopping ambience. The retail concepts at J.Avenue will be refreshed throughout the year to provide shoppers with the opportunites to discover something new every season.

Lease Expiry Profile[1]

(% of Gross Rental Income[2])

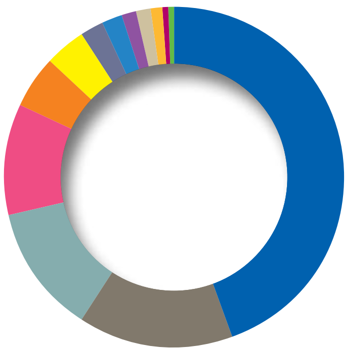
As at 31 December 2018



Trade Sector Analysis

(% of Gross Rental Income[2])

For the month of December 2018



	%
Food & Beverage	44.5
Leisure & Entertainment / Music & Video	14.7
Fashion	12.3
Beauty & Health	10.5
Services	5.2
Supermarket	3.8
Information Technology & Telecommunications	2.1

	%
Gifts & Souvenirs / Toys & Hobbies / Books & Stationery / Sporting Goods	1.9
Department Store	1.5
Shoes & Bags	1.5
Education	0.9
Home Furnishing	0.8
Electrical & Electronics	0.3

1 Based on committed gross rental income for the expiry month of the lease.
2 Excludes gross turnover rent.

PORTFOLIO DETAILS

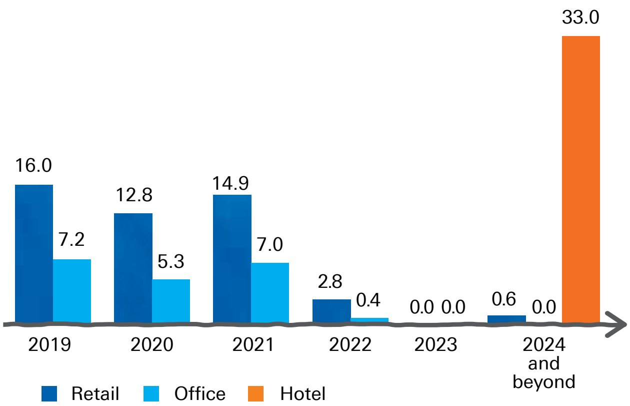
RAFFLES CITY SINGAPORE

Raffles City Singapore (RCS) is an integrated development located in the downtown core, at the fringe of Singapore's Central Business District, and within the Civic and Cultural District. The prime landmark is served by three MRT lines, directly connected to City Hall MRT and Esplanade MRT stations. RCS comprises Raffles City Shopping Centre, Raffles City Tower, Raffles City Convention Centre, Swissôtel The Stamford and Fairmont Singapore. CapitaLand Commercial Trust (CCT) and CMT jointly own the integrated development through RCS Trust, the special purpose trust that holds RCS. RCS Trust is 60.00% owned by CCT and 40.00% owned by CMT.

Lease Expiry Profile[1]

(% of Gross Rental Income[2])

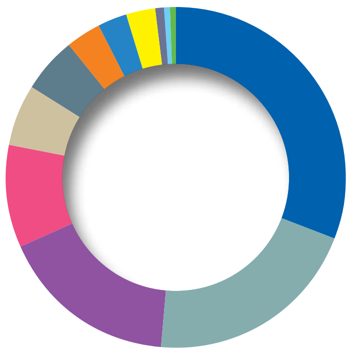
As at 31 December 2018



Trade Sector Analysis - Retail Only

(% of Gross Rental Income[2])

For the month of December 2018



	%
Food & Beverage	31.1
Fashion	20.4
Department Store	17.0
Beauty & Health	9.6
Shoes & Bags	6.0
Others[3]	5.3
Services	3.2
Gifts & Souvenirs / Toys & Hobbies / Books & Stationery / Sporting Goods	2.9
Supermarket	2.6
Information Technology & Telecommunications	1.0
Jewellery & Watches	0.6
Electrical & Electronics	0.3

1 Based on committed gross rental income.
2 Excludes gross turnover rent.
3 Others include Art Gallery and Luxury.

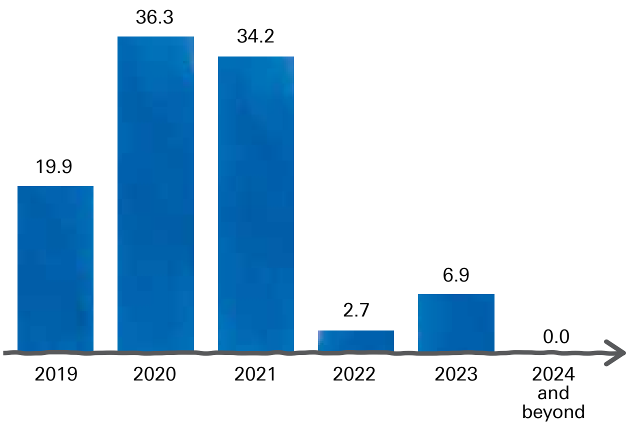
LOT ONE SHOPPERS' MALL

Lot One Shoppers' Mall is situated in the heart of the Choa Chu Kang housing estate, in the north-western region of Singapore. The mall is well connected by major arterial roads and is located next to Choa Chu Kang MRT station and bus interchange, and Bukit Panjang Light Rail Transit (LRT). The mall enjoys a large catchment, comprising residents from the Choa Chu Kang, Bukit Panjang, Bukit Batok and Upper Bukit Timah precincts, uniformed personnel from military camps in the vicinity, as well as students from nearby schools.

Lease Expiry Profile[1]

(% of Gross Rental Income[2])

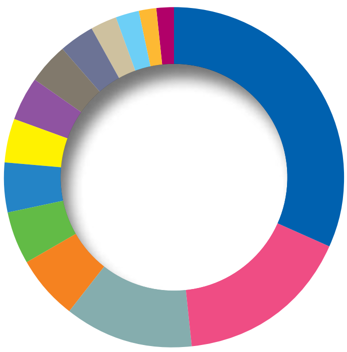
As at 31 December 2018



Trade Sector Analysis

(% of Gross Rental Income[2])

For the month of December 2018



	%		%
Food & Beverage	31.7	Department Store	4.1
Beauty & Health	16.7	Leisure & Entertainment / Music & Video	4.0
Fashion	12.3	Information Technology & Telecommunications	3.2
Services	6.1	Shoes & Bags	2.6
Electrical & Electronics	5.0	Jewellery & Watches	2.1
Gifts & Souvenirs / Toys & Hobbies / Books & Stationery / Sporting Goods	4.7	Education	1.8
Supermarket	4.2	Home Furnishing	1.5

1 Based on committed gross rental income for the expiry month of the lease.
2 Excludes gross turnover rent.

PORTFOLIO DETAILS

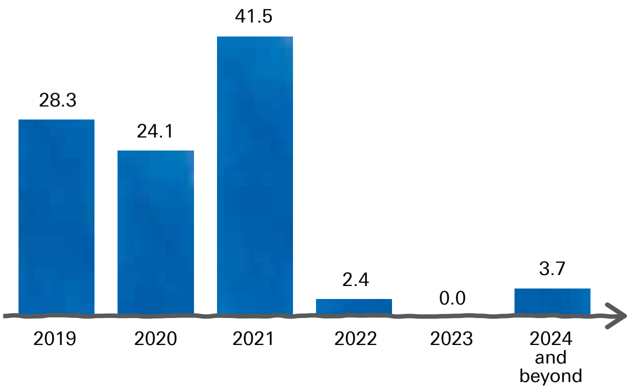
BUKIT PANJANG PLAZA

Bukit Panjang Plaza is located in the residential area of Bukit Panjang in the north-western region of Singapore. Besides the surrounding estates of Bukit Panjang, Cashew Park, Chestnut Drive and Hillview, the mall also caters to residents from the Teck Whye, Choa Chu Kang and Upper Bukit Timah precincts. The mall is conveniently located next to Bukit Panjang Integrated Transport Hub, which incorporates an air-conditioned bus interchange with Bukit Panjang MRT and LRT stations.

Lease Expiry Profile[1]

(% of Gross Rental Income[2])

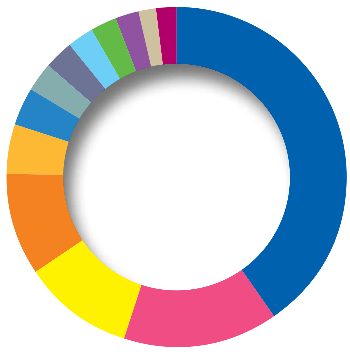
As at 31 December 2018



Trade Sector Analysis

(% of Gross Rental Income[2])

For the month of December 2018



	%
Food & Beverage	40.4
Beauty & Health	14.6
Supermarket	10.8
Services	9.6
Education	4.7
Gifts & Souvenirs / Toys & Hobbies / Books & Stationery / Sporting Goods	3.7

	%
Fashion	2.8
Information Technology & Telecommunications	2.7
Jewellery & Watches	2.5
Electrical & Electronics	2.5
Department Store	2.1
Shoes & Bags	1.9
Home Furnishing	1.7

1 Based on committed gross rental income for the expiry month of the lease.
2 Excludes gross turnover rent.

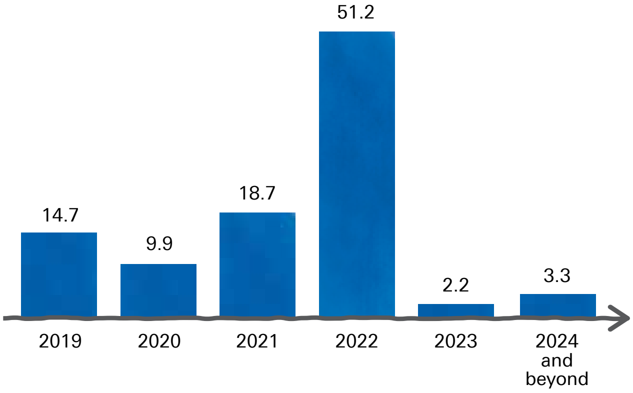
THE ATRIUM@ORCHARD

The Atrium@Orchard accommodates a retail component and two office towers. The retail podium is seamlessly connected with Plaza Singapura by internal walkways on Level 1, 3 and 4. The integration of the two malls increases its attractiveness to shoppers with a combined retail space of more than 600,000 sq ft. The development also enjoys direct connectivity to Dhoby Ghaut MRT station, which serves three MRT lines – the North South Line, North East Line and Circle Line.

Lease Expiry Profile[1]

(% of Gross Rental Income[2])

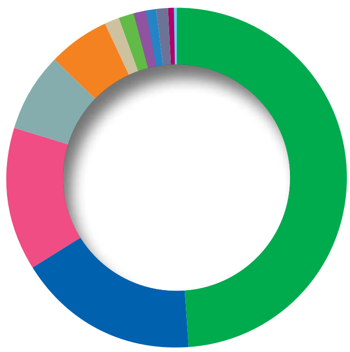
As at 31 December 2018



Trade Sector Analysis

(% of Gross Rental Income[2])

For the month of December 2018



	%
Office	48.7
Food & Beverage	17.3
Beauty & Health	13.6
Fashion	7.5
Services	5.8
Shoes & Bags	1.6
Electrical & Electronics	1.3
Department Store	1.2
Gifts & Souvenirs / Toys & Hobbies / Books & Stationery / Sporting Goods	1.1
Information Technology & Telecommunications	1.1
Home Furnishing	0.5
Jewellery & Watches	0.3

1 Based on committed gross rental income for the expiry month of the lease.
2 Excludes gross turnover rent.

PORTFOLIO DETAILS

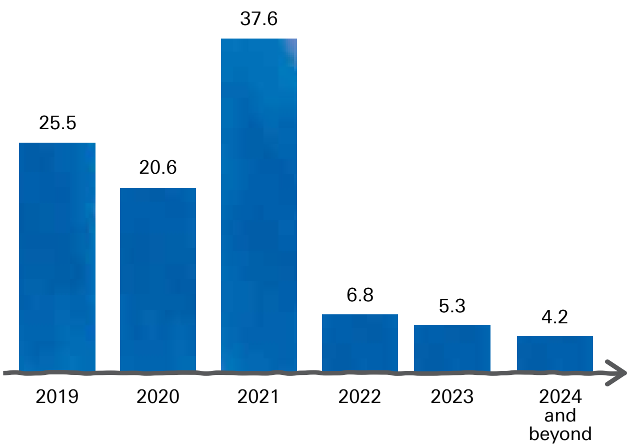
CLARKE QUAY

Clarke Quay is a unique conserved historical landmark located along the Singapore River and at the fringe of Singapore's Central Business District. It is within walking distance of Clarke Quay MRT station and Fort Canning MRT station, making it easily accessible by public transportation. Comprising five blocks of restored shophouses and warehouses infused with funky art-deco structures, Clarke Quay plays host to a wide range of dining and entertainment options, and has become an attraction for both locals and tourists over the years.

Lease Expiry Profile[1]

(% of Gross Rental Income[2])

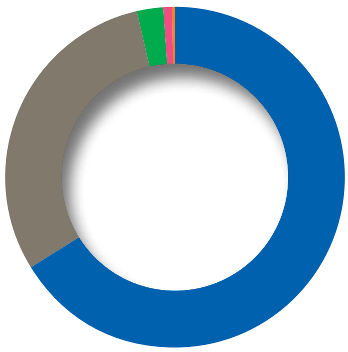
As at 31 December 2018



Trade Sector Analysis

(% of Gross Rental Income[2])

For the month of December 2018



	%
Food & Beverage	66.3
Leisure & Entertainment / Music & Video	30.3
Office	2.3
Beauty & Health	0.9
Services	0.2

1 Based on committed gross rental income for the expiry month of the lease.
2 Excludes gross turnover rent.

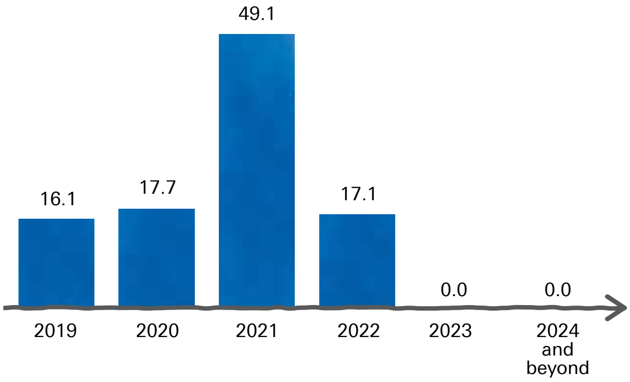
BUGIS+

Bugis+ is strategically located within Singapore's Civic and Cultural District and directly opposite Bugis Junction. It is connected by an overhead link bridge to the second storey of Bugis Junction which allows easy access to Bugis MRT station, serving the East West Line and Downtown Line. The integration of the two malls further strengthens its overall appeal to shoppers with a combined retail space of more than 600,000 sq ft. Bugis+ exudes vibrancy with endless entertainment, exciting food & beverage and stylish fashion offerings, creating a dynamic magnet for fun-seeking trendy youths in the heart of Bugis.

Lease Expiry Profile[1]

(% of Gross Rental Income[2])

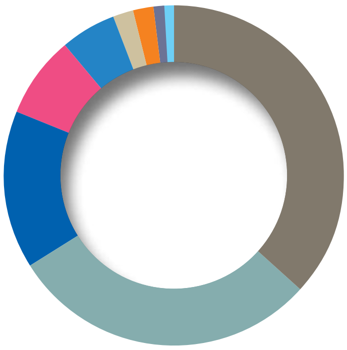
As at 31 December 2018



Trade Sector Analysis

(% of Gross Rental Income[2])

For the month of December 2018



	%
Leisure & Entertainment[3] / Music & Video	36.9
Fashion	29.3
Food & Beverage	15.0
Beauty & Health	7.7
Gifts & Souvenirs / Toys & Hobbies / Books & Stationery / Sporting Goods	5.4
Shoes & Bags	1.9
Services	1.9
Information Technology & Telecommunications	1.0
Jewellery & Watches	0.9

1 Based on committed gross rental income for the expiry month of the lease.
2 Excludes gross turnover rent.
3 Includes tenants approved as thematic dining, entertainment and a performance centre.

PORTFOLIO DETAILS

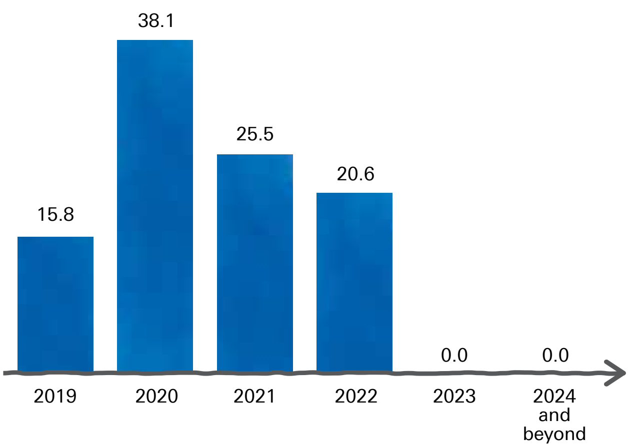
BEDOK MALL

Bedok Mall is the first major mall in Bedok, Singapore's most populous housing estate. It is located in the heart of the Bedok Town Centre and is home to over 200 shops across four floors, offering everyday essentials, food & beverage options, lifestyle and fashion. As part of a retail-residential-transport hub development, Bedok Mall enjoys excellent connectivity with direct connection to Bedok MRT station and bus interchange.

Lease Expiry Profile[1]

(% of Gross Rental Income[2])

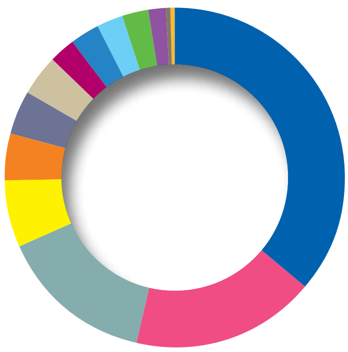
As at 31 December 2018



Trade Sector Analysis

(% of Gross Rental Income[2])

For the month of December 2018



	%		%
Food & Beverage	36.3	Gifts & Souvenirs / Toys & Hobbies / Books & Stationery / Sporting Goods	2.7
Beauty & Health	17.4	Jewellery & Watches	2.5
Fashion	14.7	Electrical & Electronics	2.4
Supermarket	6.4	Department Store	1.6
Services	4.5	Leisure & Entertainment / Music & Video	0.4
Information Technology & Telecommunications	4.3	Education	0.4
Shoes & Bags	3.7		
Home Furnishing	2.7		

1 Based on committed gross rental income for the expiry month of the lease.
2 Excludes gross turnover rent.

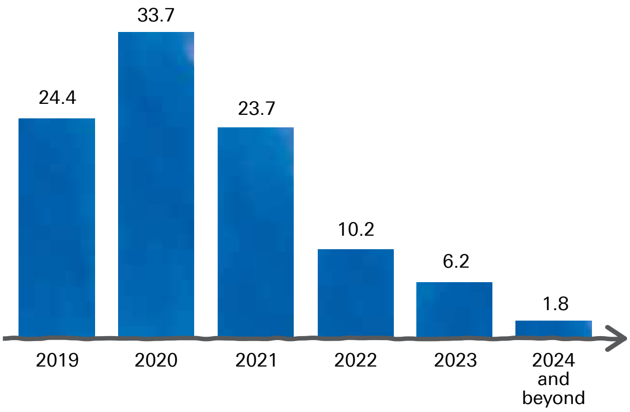
WESTGATE

Strategically located in Jurong Gateway, Singapore's upcoming Western Business District, Westgate is a premier family and lifestyle mall in the west of Singapore. The mall enjoys direct connectivity to both Jurong East MRT station and bus interchange, and to amenities such as the Ng Teng Fong General Hospital. It offers a city lifestyle shopping experience with many popular brands. In addition, the mall offers a holistic shopping experience with unique features such as The Courtyard, which is naturally ventilated and offers alfresco dining options as well as a thematic children's playground.

Lease Expiry Profile[1]

(% of Gross Rental Income[2])

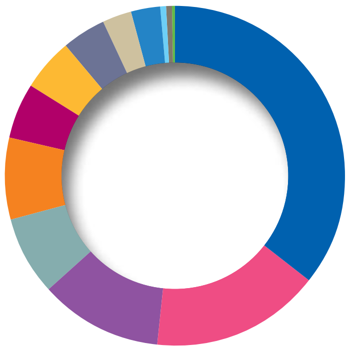
As at 31 December 2018



Trade Sector Analysis

(% of Gross Rental Income[2])

For the month of December 2018



	%		%
Food & Beverage	35.7	Shoes & Bags	2.9
Beauty & Health	16.1	Gifts & Souvenirs / Toys & Hobbies / Books & Stationery / Sporting Goods	2.8
Department Store	11.5	Jewellery & Watches	0.5
Fashion	7.7	Leisure & Entertainment / Music & Video	0.5
Services	7.6	Electrical & Electronics	0.3
Home Furnishing	5.4		
Education	4.9		
Information Technology & Telecommunications	4.1		

1 Based on committed gross rental income for the expiry month of the lease.
2 Excludes gross turnover rent.

PORTFOLIO DETAILS

FUNAN

Artist's impression

With a total gross floor area of approximately 887,000 sq ft, Funan comprises a retail component, two office blocks and lyf Funan Singapore – the Singapore flagship of The Ascott Limited's lyf coliving serviced residence that is designed by millennials for millennials. Excluding the serviced residence component which was divested on 31 October 2017, gross floor area for the retail and office components totalled approximately 766,000 sq ft. It is located

Artist's impression

Artist's impression

right in the heart of the Civic and Cultural District with excellent connectivity, including an underpass linking to City Hall MRT station. As a new paradigm for live, work and play in Singapore's city centre, Funan offers a synergistic combination of retail, office and serviced residence component that is designed to appeal to savvy consumers pursuing quality of life in a socially-conscious and creative environment. The shopping mall is slated to open in mid-2019.

FINANCIAL STATEMENTS

REPORT OF THE TRUSTEE

HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of CapitaLand Mall Trust (the "Trust") and its subsidiaries (the "Group") in trust for the Unitholders. In accordance with the Securities and Futures Act, Chapter 289 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of CapitaLand Mall Trust Management Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the deed of trust dated 29 October 2001 constituting the Trust (as amended)[1] between the Manager and the Trustee (the "Trust Deed") in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust during the period covered by these financial statements, set out on pages 147 to 226 in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
HSBC Institutional Trust Services (Singapore) Limited

Tan Ling Cher
Senior Manager

Singapore
14 February 2019

1 As amended by the First Supplemental Deed dated 26 December 2001, the Second Supplemental Deed dated 28 June 2002, the Amending and Restating Deed dated 29 April 2003, the Fourth Supplemental Deed dated 18 August 2003, the Second Amending and Restating Deed dated 9 July 2004, the Sixth Supplemental Deed dated 18 March 2005, the Seventh Supplemental Deed dated 21 July 2005, the Eighth Supplemental Deed dated 13 October 2005, the Ninth Supplemental Deed dated 20 April 2006, the Third Amending and Restating Deed dated 25 August 2006, the Eleventh Supplemental Deed dated 15 February 2007, the Twelfth Supplemental Deed dated 31 July 2007, the Thirteenth Supplemental Deed dated 20 May 2008, the Fourteenth Supplemental Deed dated 13 April 2010, the Fifteenth Supplemental Deed dated 25 March 2013, the Sixteenth Supplemental Deed dated 3 February 2014, the Seventeenth Supplemental Deed dated 6 May 2015, the Eighteenth Supplemental Deed dated 12 April 2016 and the Fourth Amending and Restating Deed dated 27 July 2018.

STATEMENT BY THE MANAGER

In the opinion of the directors of CapitaLand Mall Trust Management Limited, the accompanying financial statements set out on pages 147 to 226 comprising the Statements of Financial Position and Portfolio Statements of the Group and the Trust as at 31 December 2018, and the Statements of Total Return, Distribution Statements, Statements of Movements in Unitholders' Funds and Statements of Cash Flows of the Group and of the Trust for the year then ended, and a summary of significant accounting policies and other explanatory information of the Group and of the Trust, are drawn up so as to present fairly, in all material respects, the financial position of the Group and of the Trust as at 31 December 2018, and the total return, distributable income, movements in Unitholders' funds and cash flows of the Group and of the Trust for the year then ended in accordance with the recommendations of *Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts"* issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager,
CapitaLand Mall Trust Management Limited

Tan Tee Hieong
Director

Singapore
14 February 2019

INDEPENDENT AUDITORS' REPORT

Unitholders of CapitaLand Mall Trust
(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 29 October 2001 (as amended))

Report on the audit of the financial statements

Opinion

We have audited the financial statements of CapitaLand Mall Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the Statements of Financial Position and Portfolio Statements of the Group and the Trust as at 31 December 2018, and the Statements of Total Return, Distribution Statements, Statements of Movements in Unitholders' Funds and Statements of Cash Flows of the Group and the Trust for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 147 to 226.

In our opinion, the accompanying consolidated financial statements of the Group and the financial statements of the Trust present fairly, in all material respects, the financial position and portfolio holdings of the Group and of the Trust as at 31 December 2018 and the total return, distributable income, movements in Unitholders' funds and cash flows of the Group and of the Trust for the year ended on that date in accordance with the recommendations of *Statement of Recommended Accounting Practice 7 Reporting Framework for Unit Trusts ("RAP 7")* issued by the Institute of Singapore Chartered Accountants.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *'Auditors' responsibilities for the audit of the financial statements'* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties and investment properties under development
(Refer to Notes 5 and 6 to the financial statements)

Risk:

The Group's and Trust's investment portfolios comprise a number of investment properties in Singapore. Investment properties represent the largest asset on the Statement of Financial Position.

In accordance with the accounting policy adopted by the Group, investment properties, which include investment properties under development, are stated at fair values based on independent external valuations.

The valuation of investment properties involves significant judgement and estimation uncertainty. Judgement is required in determining the valuation methodologies applicable as well as in estimating the appropriate assumptions to be applied.

The valuation methodologies applied are the capitalisation method, discounted cashflow method, comparison method and residual land value method.

The valuations are sensitive to key assumptions on capitalisation rates, discount rates and terminal yield rates and any changes in the key assumptions could have a significant impact on the valuations.

Our response:

We evaluated the valuers' objectivity and competency. We also discussed with the valuers their scope of work and basis of valuation to understand if any matters may have impacted their objectivity.

We independently considered the valuation methodologies applied by the valuers, comparing these methodologies to those applied by other valuers for similar properties. We compared the net income applied by the valuer to historical levels of net income. We also compared the capitalisation rates, discount rates and terminal yield rates, against those applied by other valuers for similar properties, and analysed trends of these key inputs.

For investment properties under development, we evaluated the estimated development costs against proposed cost plans supported by the quantity surveyor and other supporting evidence.

Where the amounts and rates were beyond the expected range, we performed procedures to understand the reasons and drivers.

Our findings:

The Group has adopted a structured process in selecting valuers and in considering and challenging the valuations derived. The valuers belong to generally-recognised professional bodies for valuers.

The valuation methodologies applied were consistent with generally accepted market practices and those used in prior years.

The key inputs and assumptions were comparable to those used by other valuers of similar investment properties. In respect of investment properties under development, the estimated development costs was found to be supported.

Other information

The Manager is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 this other information, 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 and fair presentation of these financial statements in accordance with the recommendations of RAP 7 issued by the Institute of Singapore Chartered Accountants, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability 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 intends to terminate the Group or to cease operations of the Group, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 SSAs 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.

INDEPENDENT AUDITORS' REPORT

Unitholders of CapitaLand Mall Trust
(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 29 October 2001 (as amended))

As part of an audit in accordance with SSAs, 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, 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 controls.

- Obtain an understanding of internal controls 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 Group's internal controls.

- 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 Group's ability 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 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 to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. 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 controls 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Koh Wei Peng.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
14 February 2019

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2018

	Note	Group 2018 $'000	Group 2017 $'000	Trust 2018 $'000	Trust 2017 $'000
Non-current assets					
Plant and equipment	4	2,813	2,120	1,414	1,676
Investment properties	5	9,411,000	8,311,000	7,499,000	7,530,000
Investment properties under development	6	664,576	459,386	433,165	308,808
Subsidiaries	7	–	–	1,709,581	935,958
Associate and joint ventures	8	1,020,504	1,132,284	719,405	839,030
Financial derivatives	9	26,619	14,953	–	–
Other non-current asset		137	137	137	137
		11,125,649	9,919,880	10,362,702	9,615,609
Current assets					
Trade and other receivables	10	27,518	32,399	30,235	32,738
Cash and cash equivalents	11	348,503	522,745	286,117	491,871
Financial derivatives	9	–	29,418	–	–
		376,021	584,562	316,352	524,609
Total assets		**11,501,670**	**10,504,442**	**10,679,054**	**10,140,218**
Current liabilities					
Financial derivatives	9	34,670	–	–	–
Trade and other payables	12	199,271	155,588	159,034	139,717
Current portion of security deposits		63,408	57,619	55,021	54,317
Interest-bearing borrowings	13	528,557	534,692	157,506	505,132
Provision for taxation		1,794	302	–	159
		827,700	748,201	371,561	699,325
Non-current liabilities					
Financial derivatives	9	27,733	77,013	–	–
Interest-bearing borrowings	13	3,099,260	2,648,409	3,070,129	2,681,705
Non-current portion of security deposits		117,677	98,113	89,247	87,509
Other payables		–	4,661	–	3,992
		3,244,670	2,828,196	3,159,376	2,773,206
Total liabilities		**4,072,370**	**3,576,397**	**3,530,937**	**3,472,531**
Net assets		**7,429,300**	**6,928,045**	**7,148,117**	**6,667,687**
Represented by:					
Unitholders' funds		**7,429,300**	**6,928,045**	**7,148,117**	**6,667,687**
Units in issue ('000)	14	**3,686,902**	**3,546,423**	**3,686,902**	**3,546,423**
		$	**$**	**$**	**$**
Net asset value per unit		**2.02**	**1.95**	**1.94**	**1.88**

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF TOTAL RETURN

Year ended 31 December 2018

	Note	Group 2018 $'000	Group 2017 $'000	Trust 2018 $'000	Trust 2017 $'000
Gross revenue	15	697,521	682,469	629,323	628,064
Property operating expenses	16	(203,973)	(204,235)	(183,746)	(186,920)
Net property income		**493,548**	**478,234**	**445,577**	**441,144**
Interest and other income	17	10,681	10,078	31,915	29,073
Investment income	18	–	–	98,757	97,829
Management fees	19	(44,579)	(45,051)	(39,524)	(40,788)
Professional fees		(267)	(333)	(224)	(281)
Valuation fees		(792)	(786)	(643)	(731)
Trustee's fees		(1,339)	(1,326)	(1,279)	(1,255)
Audit fees		(364)	(376)	(323)	(328)
Costs associated with acquisition of subsidiary		(8,981)	–	(8,981)	–
Finance costs	20	(98,170)	(104,099)	(96,719)	(104,300)
Other expenses		(1,297)	(1,050)	(1,306)	(1,017)
Net income before share of results of associate and joint ventures		**348,440**	**335,291**	**427,250**	**419,346**
Share of results (net of tax) of:					
– Associate		13,593	18,832	–	–
– Joint ventures		115,359	51,541	–	–
Net income		**477,392**	**405,664**	**427,250**	**419,346**
Net change in fair value of investment properties		79,226	233,012	72,763	232,167
Net change in fair value of investment properties under development		(138)	19,681	(11,138)	(281)
Gain from change in ownership interest in a joint venture		–	–	6,067	–
Gain on disposal of investment property	21	119,734	–	119,734	–
Gain on divestment of subsidiary		–	–	–	19,678
Impairment loss written back/(recognised) on investments in subsidiary and joint venture		–	–	33,819	(26,328)
Dilution gain/(loss) of interest in associate		144	(550)	–	–
Total return for the year before tax		**676,358**	**657,807**	**648,495**	**644,582**
Income tax refund/(expense)	23	387	(159)	78	(159)
Total return for the year		**676,745**	**657,648**	**648,573**	**644,423**
Earnings per unit (cents)					
Basic and diluted	24	18.96	18.55	18.17	18.18

The accompanying notes form an integral part of these financial statements.

DISTRIBUTION STATEMENTS

Year ended 31 December 2018

	Group		Trust	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Amount available for distribution to Unitholders at beginning of year	109,337	108,402	109,337	108,402
Net income before share of results of associate and joint ventures	348,440	335,291	427,250	419,346
Net tax adjustments (Note A)	(213)	(6,421)	2,109	(6,472)
Distribution income from:				
– Associate	7,632	17,179	–	–
– Joint ventures	71,775	63,891	–	–
Rollover adjustment	274	129	–	129
Net loss from subsidiaries	1,451	2,934	–	–
	429,359	413,003	429,359	413,003
Amount available for distribution to Unitholders	538,696	521,405	538,696	521,405
Distributions to Unitholders during the year:				
Distribution of 2.88 cents per unit for period from 01/10/2016 to 31/12/2016	–	(102,040)	–	(102,040)
Distribution of 2.73 cents per unit for period from 01/01/2017 to 31/03/2017	–	(96,778)	–	(96,778)
Distribution of 2.75 cents per unit for period from 01/04/2017 to 30/06/2017	–	(97,498)	–	(97,498)
Distribution of 2.78 cents per unit for period from 01/07/2017 to 30/09/2017	–	(98,573)	–	(98,573)
Distribution of 2.90 cents per unit for period from 01/10/2017 to 31/12/2017	(102,846)	–	(102,846)	–
Distribution of 2.78 cents per unit for period from 01/01/2018 to 31/03/2018	(98,638)	–	(98,638)	–
Distribution of 2.81 cents per unit for period from 01/04/2018 to 30/06/2018	(99,714)	–	(99,714)	–
Distribution of 2.92 cents per unit for period from 01/07/2018 to 30/09/2018	(103,629)	–	(103,629)	–
Distribution of 1.43 cents per unit for period from 01/10/2018 to 07/11/2018	(50,749)	–	(50,749)	–
	(455,576)	(394,889)	(455,576)	(394,889)
Amount retained for general corporate and working capital purposes (Note B)	(18,684)	(17,179)	(18,684)	(17,179)
Amount available for distribution to Unitholders at end of the year	**64,436**	**109,337**	**64,436**	**109,337**
Distribution per unit (cents)[1]	**11.50**	**11.16**	**11.50**	**11.16**

[1] The Distribution per unit relates to the distributions in respect of the relevant financial year. The distribution relating to 8 November 2018 to 31 December 2018 will be paid after 31 December 2018.

The accompanying notes form an integral part of these financial statements.

DISTRIBUTION STATEMENTS

Year ended 31 December 2018

Note A – Net tax adjustments comprise:

	Group		Trust	
	2018	**2017**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**
Non-tax deductible items:				
– trustee's fees	1,282	1,257	1,279	1,255
– non-deductible interest expenses	2,208	1,762	2,313	1,747
– other items	11,355	2,382	13,135	2,341
Tax deductible items:				
– capital allowances/balancing allowances	(15,058)	(11,822)	(14,618)	(11,815)
Net tax adjustments	(213)	(6,421)	2,109	(6,472)

Note B

Amount retained for general corporate and working capital in financial year 2018 relates to the capital distribution and tax-exempt income received from CapitaLand Retail China Trust ("CRCT") of $7.6 million and capital distribution received from Infinity Mall Trust ("IMT") prior to the completion of its acquisition of $11.1 million respectively.

Amount retained for general corporate and working capital in financial year 2017 relates to the capital distribution and tax-exempt income received from CRCT of $17.2 million.

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

Year ended 31 December 2018

	Group		Trust	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Net assets at beginning of the year	**6,928,045**	**6,692,222**	**6,667,687**	**6,411,655**
Operations				
Total return for the year	676,745	657,648	648,573	644,423
Hedging reserves				
Effective portion of changes in fair value of cash flow hedges	(10,769)	(169,869)	–	–
Net change in fair value of cash flow hedges reclassified to Statement of Total Return	10,403	134,413	–	–
Share of movements in hedging reserves of associate and joint ventures	2,291	196	–	–
Movement in foreign currency translation reserves	(10,055)	987	–	–
Movement in general reserves	783	839	–	–
Unitholders' transactions				
Creation of units				
– Units issued in respect of RCS Trust's management fees	5,686	6,046	5,686	6,046
– Units issued in respect of placement of 134,089,000 units ("Placement")	277,564	–	277,564	–
– Units issued for payment of acquisition fees in respect of the acquisition of the balance 70.0% units in Infinity Mall Trust	7,896	–	7,896	–
– Units issued for payment of divestment fees in respect of the divestment of Victory SR Trust	–	452	–	452
– Issue expense	(3,713)	–	(3,713)	–
Distributions to Unitholders	(455,576)	(394,889)	(455,576)	(394,889)
Net decrease in net assets resulting from Unitholders' transactions	(168,143)	(388,391)	(168,143)	(388,391)
Net assets at end of the year	**7,429,300**	**6,928,045**	**7,148,117**	**6,667,687**

The accompanying notes form an integral part of these financial statements.

PORTFOLIO STATEMENTS

Year ended 31 December 2018

Group

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location
Investment properties and investment properties under development in Singapore				
Tampines Mall	Leasehold	99 years	73 years	4 Tampines Central 5, Singapore
Junction 8	Leasehold	99 years	72 years	9 Bishan Place, Singapore
Funan[1]	Leasehold	99 years	60 years	109 North Bridge Road, Singapore
IMM Building	Leasehold	60 years	30 years	2 Jurong East Street 21, Singapore
Plaza Singapura	Freehold	–	–	68 Orchard Road, Singapore
Bugis Junction	Leasehold	99 years	71 years	200 Victoria Street, Singapore
Sembawang Shopping Centre[2]	Leasehold	999 years	865 years	604 Sembawang Road, Singapore
JCube	Leasehold	99 years	71 years	2 Jurong East Central 1, Singapore
Lot One Shoppers' Mall	Leasehold	99 years	74 years	21 Choa Chu Kang Avenue 4, Singapore
Bukit Panjang Plaza	Leasehold	99 years	75 years	1 Jelebu Road, Singapore
The Atrium@Orchard	Leasehold	99 years	89 years	60A & 60B Orchard Road, Singapore
Clarke Quay	Leasehold	99 years	70 years	3A/B/C/D/E River Valley Road, Singapore
Bugis+	Leasehold	60 years	47 years	201 Victoria Street, Singapore
Bedok Mall	Leasehold	99 years	92 years	311 New Upper Changi Road, Singapore
Westgate[3]	Leasehold	99 years	92 years	3 Gateway Drive, Singapore
Investment properties and investment properties under development, at valuation				
Investments in associate and joint ventures (Note 8)				
Other assets and liabilities (net)				
Net assets				

Existing Use	Occupancy Rates as at 31 December		Carrying Value		Percentage of Total Net Assets	
	2018	2017	2018	2017	2018	2017
	%	%	$'000	$'000	%	%
Commercial	100.0	100.0	1,059,000	1,045,000	14.3	15.1
Commercial	100.0	100.0	743,000	735,000	10.0	10.6
Commercial	NA	NA	664,576	459,386	8.9	6.6
Commercial	99.7	99.5	649,000	641,000	8.7	9.3
Warehouse	85.5	88.6				
Commercial	99.9	100.0	1,296,000	1,283,000	17.4	18.5
Commercial	99.8	99.3	1,089,000	1,068,000	14.7	15.4
Commercial	–	99.4	–	126,000	–	1.8
Commercial	90.9	94.3	288,000	288,000	3.9	4.2
Commercial	99.8	100.0	536,000	532,000	7.2	7.7
Commercial	99.7	98.7	327,000	324,000	4.4	4.7
Commercial	99.1	98.6	757,000	750,000	10.2	10.7
Commercial	98.3	98.8	401,000	393,000	5.4	5.7
Commercial	100.0	100.0	354,000	345,000	4.8	5.0
Commercial	100.0	99.2	784,000	781,000	10.6	11.3
Commercial	99.4	–	1,128,000	–	15.2	–
			10,075,576	8,770,386	135.7	126.6
			1,020,504	1,132,284	13.7	16.3
			11,096,080	9,902,670	149.4	142.9
			(3,666,780)	(2,974,625)	(49.4)	(42.9)
			7,429,300	6,928,045	100.0	100.0

The accompanying notes form an integral part of these financial statements.

PORTFOLIO STATEMENTS

Year ended 31 December 2018

Trust

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location
Investment properties and investment properties under development in Singapore				
Tampines Mall	Leasehold	99 years	73 years	4 Tampines Central 5, Singapore
Junction 8	Leasehold	99 years	72 years	9 Bishan Place, Singapore
Funan[1]	Leasehold	99 years	60 years	109 North Bridge Road, Singapore
IMM Building	Leasehold	60 years	30 years	2 Jurong East Street 21, Singapore
Plaza Singapura	Freehold	–	–	68 Orchard Road, Singapore
Bugis Junction	Leasehold	99 years	71 years	200 Victoria Street, Singapore
Sembawang Shopping Centre[2]	Leasehold	999 years	865 years	604 Sembawang Road, Singapore
JCube	Leasehold	99 years	71 years	2 Jurong East Central 1, Singapore
Lot One Shoppers' Mall	Leasehold	99 years	74 years	21 Choa Chu Kang Avenue 4, Singapore
Bukit Panjang Plaza	Leasehold	99 years	75 years	1 Jelebu Road, Singapore
The Atrium@Orchard	Leasehold	99 years	89 years	60A & 60B Orchard Road, Singapore
Clarke Quay	Leasehold	99 years	70 years	3A/B/C/D/E River Valley Road, Singapore
Bugis+	Leasehold	60 years	47 years	201 Victoria Street, Singapore

Investment properties and investment properties under development, at valuation
Investments in subsidiaries, associate and joint ventures (Notes 7 and 8)

Other assets and liabilities (net)
Net assets

NA Not Applicable

1 On 30 August 2016, three private trusts namely Victory Office 1 Trust, Victory Office 2 Trust and Victory SR Trust were constituted in relation to the redevelopment of Funan (formerly known as Funan DigitaLife Mall). The Trust, together with Victory Office 1 Trust, Victory Office 2 Trust and Victory SR Trust jointly own and undertake to redevelop Funan which comprises a retail component (held through the Trust), two office towers and serviced residences. Funan is classified under investment properties under development.

On 31 October 2017, the sale of all the units in Victory SR Trust to Victory SR Pte. Ltd., a wholly owned subsidiary of Ascott Serviced Residence (Global) Fund Pte. Ltd. was completed.

2 The sale of Sembawang Shopping Centre was completed on 18 June 2018.

3 On 1 November 2018, the acquisition of the balance 70% of the units in Infinity Mall Trust ("IMT") which holds Westgate was completed. Upon acquisition, IMT became a wholly owned subsidiary. For information, occupancy rate of Westgate as at 31 December 2017 was 98.0%.

Existing Use	Occupancy Rates as at 31 December		Carrying Value		Percentage of Total Net Assets	
	2018	2017	2018	2017	2018	2017
	%	%	$'000	$'000	%	%
Commercial	100.0	100.0	1,059,000	1,045,000	14.8	15.7
Commercial	100.0	100.0	743,000	735,000	10.4	11.0
Commercial	NA	NA	433,165	308,808	6.1	4.6
Commercial Warehouse	99.7 85.5	99.5 88.6	649,000	641,000	9.1	9.6
Commercial	99.9	100.0	1,296,000	1,283,000	18.1	19.2
Commercial	99.8	99.3	1,089,000	1,068,000	15.2	16.0
Commercial	–	99.4	–	126,000	–	1.9
Commercial	90.9	94.3	288,000	288,000	4.0	4.3
Commercial	99.8	100.0	536,000	532,000	7.5	8.0
Commercial	99.7	98.7	327,000	324,000	4.6	4.9
Commercial	99.1	98.6	757,000	750,000	10.6	11.3
Commercial	98.3	98.8	401,000	393,000	5.6	5.9
Commercial	100.0	100.0	354,000	345,000	4.9	5.2
			7,932,165	7,838,808	110.9	117.6
			2,428,986	1,774,988	34.0	26.6
			10,361,151	9,613,796	144.9	144.2
			(3,213,034)	(2,946,109)	(44.9)	(44.2)
			7,148,117	6,667,687	100.0	100.0

The accompanying notes form an integral part of these financial statements.

PORTFOLIO STATEMENTS

Year ended 31 December 2018

On 31 December 2018, independent valuations of Funan, Lot One Shoppers' Mall, Bukit Panjang Plaza and Clarke Quay were undertaken by CBRE Pte. Ltd. ("CBRE"), independent valuations of Junction 8, Tampines Mall, IMM Building, Bugis Junction, JCube, Bugis+ and Bedok Mall were undertaken by Knight Frank Pte Ltd ("Knight Frank"), while the independent valuations of Plaza Singapura, The Atrium@Orchard and Westgate were undertaken by Colliers International Consultancy & Valuation (Singapore) Pte Ltd ("Colliers").

On 31 December 2017, independent valuations of Tampines Mall, Bukit Panjang Plaza, Lot One Shoppers' Mall and IMM Building were undertaken by CBRE, independent valuations of Junction 8, Funan, Plaza Singapura, Sembawang Shopping Centre, The Atrium@Orchard, Bugis Junction and Bugis+ were undertaken by Knight Frank, while the independent valuations of JCube, Clarke Quay and Bedok Mall were undertaken by Savills Valuation & Professional Services (S) Pte Ltd.

The valuations were based on capitalisation, discounted cash flow, comparison and residual land value approaches. The Manager believes that the independent valuers have appropriate professional qualifications and experience in the location and category of the properties being valued. The net change in fair value of the properties has been recognised in the Statement of Total Return.

Investment properties comprise commercial properties that are leased to external customers. Generally, the leases contain an initial non-cancellable period of three years. Subsequent renewals are negotiated with the lessees. Contingent rents recognised in the Statement of Total Return of the Group and the Trust is $31,647,000 (2017: $30,535,000) and $29,709,000 (2017: $28,817,000) respectively.

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

Year ended 31 December 2018

	Group 2018 $'000	Group 2017 $'000	Trust 2018 $'000	Trust 2017 $'000
Cash flows from operating activities				
Net income	477,392	405,664	427,250	419,346
Adjustments for:				
Interest and other income	(10,681)	(10,078)	(31,915)	(29,073)
Investment income	–	–	(98,757)	(97,829)
Finance costs	98,170	104,099	96,719	104,300
Assets written off	28	2	28	2
Gain on disposal of plant and equipment	(1)	(2)	(1)	(2)
Depreciation and amortisation	519	704	493	685
Receivables written off	29	24	27	24
Share of results of:				
– Associate	(13,593)	(18,832)	–	–
– Joint ventures	(115,359)	(51,541)	–	–
Operating income before working capital changes	436,504	430,040	393,844	397,453
Changes in working capital:				
Trade and other receivables	5,305	(1,936)	1,888	2,529
Trade and other payables	5,580	(1,333)	5,556	(1,841)
Security deposits	8,296	1,985	5,395	1,982
Cash generated from operations	455,685	428,756	406,683	400,123
Income tax refunded/(paid)	227	(1,026)	(81)	(1,026)
Net cash generated from operating activities	455,912	427,730	406,602	399,097
Cash flows from investing activities				
Interest received	5,131	4,732	4,986	4,512
Interest received from subsidiaries	–	–	22,282	19,000
Interest received from a joint venture[1]	3,861	4,406	3,861	4,406
Distributions received from :				
– Subsidiary	–	–	18,088	17,759
– Associate	7,632	17,179	7,632	17,179
– Joint ventures	73,375	63,699	73,375	63,699
Net cash outflow on acquisition of subsidiary (including acquisition charges)	(357,663)	–	(399,183)	–
Capital expenditure on investment properties	(28,454)	(29,072)	(24,871)	(27,514)
Capital expenditure on investment properties under development	(172,792)	(69,889)	(113,276)	(49,545)
Purchase of plant and equipment	(259)	(371)	(248)	(371)
Proceeds from disposal of plant and equipment	14	3	14	2
Proceeds from divestment of investment property	242,909	–	242,909	–
Proceeds from disposal of subsidiary, net of cash disposed (Note 22)	–	98,487	–	98,800
Loan to a joint venture	(8,732)	–	(8,732)	–
Loans to subsidiaries	–	–	(213,578)	(27,546)
Repayment of loans received from subsidiaries	–	–	14,080	–
Net cash (used in)/generated from investing activities	(234,978)	89,174	(372,661)	120,381

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

Year ended 31 December 2018

	Group		Trust	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Cash flows from financing activities				
Payment of issue and financing expenses	(5,938)	(1,541)	(5,938)	(1,541)
Proceeds from interest-bearing borrowings	1,486,591	471,366	1,486,591	471,366
Repayment of interest-bearing borrowings	(1,600,688)	(448,235)	(1,445,688)	(448,235)
Proceeds from issue of new Units	277,564	–	277,564	–
Distributions to Unitholders	(455,576)	(394,889)	(455,576)	(394,889)
Interest paid	(97,129)	(104,322)	(96,648)	(104,322)
Cash flows used in financing activities	(395,176)	(477,621)	(239,695)	(477,621)
Net (decrease)/increase in cash and cash equivalents	(174,242)	39,283	(205,754)	41,857
Cash and cash equivalents at beginning of the year	522,745	483,462	491,871	450,014
Cash and cash equivalents at end of the year (Note 11)	**348,503**	**522,745**	**286,117**	**491,871**

[1] These relate to IMT when it was classified as a joint venture of the Group.

Note:

(A) Significant Non-Cash Transactions

During the financial year ended 31 December 2018:

- 2,696,929 (2017: 3,130,822) units were issued to the Manager as payment for the management fees payable in units, amounting to a value of $5,686,000 (2017: $6,046,000).
- 3,693,343 units (2017: nil) were issued as payment for the acquisition fees of $7,896,000 (2017: nil) in relation to the acquisition of IMT. Under the Property Funds Appendix, the acquisition fees paid in respect of transactions with interested parties will have to be in the form of units which shall not be sold within one year from the date of issuance of such units.

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 14 February 2019.

1. GENERAL

CapitaLand Mall Trust (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 29 October 2001 (as amended) (the "Trust Deed") between CapitaLand Mall Trust Management Limited (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust in trust for the holders ("Unitholders") of units in the Trust (the "Units").

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 17 July 2002 ("Listing Date") and was included under the Central Provident Fund ("CPF") Investment Scheme on 13 September 2002.

The principal activity of the Trust is to invest in income producing real estate, which is used or substantially used for retail purposes with the primary objective of achieving an attractive level of return from rental income and for long-term capital growth. The principal activities of the subsidiaries, associate and joint ventures are set out in Notes 7 and 8.

The consolidated financial statements relate to the Trust and its subsidiaries (the "Group") and the Group's interest in its associate and joint ventures.

For financial reporting purposes, the ultimate holding company of the Group is CapitaLand Limited, a company incorporated in the Republic of Singapore.

The Trust has entered into several service agreements in relation to management of the Trust and its property operations. The fee structures of these services are as follows:

1.1 Property management fees

Under the property management agreement with CapitaLand Retail Management Pte Ltd (the "Property Manager"), property management fees are charged as follows:

(a) 2.00% per annum of the gross revenue of the properties;

(b) 2.00% per annum of the net property income of the properties; and

(c) 0.50% per annum of the net property income of the properties, in lieu of leasing commissions.

The property management fees are payable monthly in arrears.

1.2 Management fees

Pursuant to the Trust Deed, the management fees shall not exceed 0.70% per annum of the Deposited Property or such higher percentage as may be fixed by an Extraordinary Resolution at a meeting of Unitholders. Deposited Property refers to all the assets of the Trust, including all its Authorised Investments (as defined in the Trust Deed) for the time being held or deemed to be held upon the trusts of the Trust Deed.

The management fees comprise:

(a) in respect of Authorised Investments which are in the form of real estate, a base component of 0.25% per annum of Deposited Property and a performance component of 4.25% per annum of net property income of the Trust for each financial year; and

1. GENERAL (continued)

1.2 Management fees (continued)

(b) in respect of all other Authorised Investments which are not in the form of real estate, 0.5% per annum of the investment value of the Authorised Investment, unless such Authorised Investment is an interest in a property fund (either a real estate investment trust or private property fund) wholly managed by a wholly-owned subsidiary of CapitaLand Limited, in which case no management fee shall be payable in relation to such Authorised Investment.

In respect of all Authorised Investments which are in the form of real estate acquired by the Trust:

(a) the base component shall be paid to the Manager in the form of cash and/or Units (as the Manager may elect); and

(b) the performance component shall be paid to the Manager in the form of cash, in the form of Units or a combination of both (as the Manager may elect).

When paid in the form of Units, the Manager shall be entitled to receive such number of Units as may be purchased for the relevant amount of the management fee at the market price (as defined in the Trust Deed). The base and performance components of the management fees are payable quarterly and yearly in arrears respectively.

For all acquisitions or disposals of properties or investments, the Manager is entitled to receive acquisition fee of 1.0% of the purchase price and a divestment fee of 0.5% of the sale price.

1.3 Trustee's fees

Pursuant to the Trust Deed, the Trustee's fees shall not exceed 0.10% per annum of the Deposited Property (subject to a minimum sum of $15,000 per month) payable out of the Deposited Property of the Trust. The Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the Trust Deed.

The Trustee's fees are payable quarterly in arrears.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the *Statement of Recommended Accounting Practice* 7 "*Reporting Framework for Unit Trusts*" *("RAP 7")* issued by the Institute of Singapore Chartered Accountants ("ISCA"), the applicable requirements of the Code on Collective Investment Schemes ("CIS Code") issued by the Monetary Authority of Singapore ("MAS") 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 ("FRS").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except for investment properties, derivative financial instruments and certain financial assets and financial liabilities which are measured at fair value.

2. BASIS OF PREPARATION (continued)

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars, which is the Group's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with RAP 7 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and 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.

Information about critical judgement in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is described in the following note:

- Note 8 – Classification of associate and joint ventures
- Note 22 – Acquisition of subsidiary

Information about assumptions and estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 5 & 6 – Valuation of investment properties and investment properties under development
- Note 27 – Valuation of financial instruments

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable data).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

2. BASIS OF PREPARATION (continued)

2.4 Use of estimates and judgements (continued)

Measurement of fair values *(continued)*

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 5 & 6 – Valuation of investment properties and investment properties under development
- Note 22 – Acquisition of subsidiary
- Note 27 – Valuation of financial instruments

2.5 Changes in accounting policies

Revised standards

The Group has applied the principles relating to the recognition and measurement of the following FRSs for the first time for the annual period beginning on 1 January 2018:

- FRS 115 *Revenue from Contracts with Customers*
- FRS 109 *Financial Instruments*

The adoption of these principles did not have a material effect on the Group's and the Trust's financial statements.

FRS 109 *Financial Instruments*

Classification and measurement of financial assets and financial liabilities

For an explanation of how the Group classifies and measure financial assets and related gains and losses under the principles of FRS 109, see note 3.5.

The adoption of these principles did not have a material effect on the Group's accounting policies for financial liabilities.

2. BASIS OF PREPARATION (continued)

2.5 Changes in accounting policies (continued)

FRS 109 *Financial Instruments* *(continued)*

The following table and the accompanying notes below explain the original measurement categories under the principles of FRS 39 and the new measurement categories under the principles of FRS 109 for each class of the Group's and the Trust's financial assets and financial liabilities as at 1 January 2018.

Group	Original classification under FRS 39	New classification under FRS 109	Original carrying amount under FRS 39 $'000	New carrying amount under FRS 109 $'000
Financial assets				
Financial derivatives				
- Cross currency swaps used for hedging	Fair value – hedging instruments	Fair value – hedging instruments	44,371	44,371
Loan to joint venture	Loans and receivables	Amortised cost	153,976	153,976
Trade and other receivables[1]	Loans and receivables	Amortised cost	31,621	31,621
Cash and cash equivalents	Loans and receivables	Amortised cost	522,745	522,745
Total financial assets			752,713	752,713
Financial liabilities				
Financial derivatives				
- Cross currency swaps used for hedging	Fair value – hedging instruments	Fair value – hedging instruments	(77,013)	(77,013)
Trade and other payables	Other financial liabilities	Other financial liabilities	(160,249)	(160,249)
Security deposits	Other financial Liabilities	Other financial Liabilities	(155,732)	(155,732)
Interest-bearing borrowings	Other financial Liabilities	Other financial Liabilities	(3,183,101)	(3,183,101)
Total financial liabilities			(3,576,095)	(3,576,095)

1 Excluding prepayments

2. BASIS OF PREPARATION (continued)

2.5 Changes in accounting policies (continued)

Trust	Original classification under FRS 39	New classification under FRS 109	Original carrying amount under FRS 39 $'000	New carrying amount under FRS 109 $'000
Financial assets				
Loans to subsidiaries	Loans and receivables	Amortised cost	618,170	618,170
Loan to joint venture	Loans and receivables	Amortised cost	153,976	153,976
Trade and other receivables[1]	Loans and receivables	Amortised cost	31,993	31,993
Cash and cash equivalents	Loans and receivables	Amortised cost	491,871	491,871
Total financial assets			1,296,010	1,296,010
Financial liabilities				
Trade and other payables	Other financial liabilities	Other financial liabilities	(143,709)	(143,709)
Security deposits	Other financial liabilities	Other financial liabilities	(141,826)	(141,826)
Interest-bearing borrowings	Other financial liabilities	Other financial liabilities	(3,186,837)	(3,186,837)
Total financial liabilities			(3,472,372)	(3,472,372)

1 Excluding prepayments

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Group, except as explained in note 2.5, which addresses changes in accounting policies.

3.1 Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group.

The Group measures goodwill at the date of acquisition as:
- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the Statement of Total Return.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

Business combinations and property acquisitions

Where a property is acquired, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business.

The Group accounts for an acquisition as business combination where an integrated set of activities is acquired in addition to the property. More specifically, consideration is made of the extent to which significant processes are acquired (e.g. maintenance and retail operations, etc.).

When acquisition of an asset or a group of assets does not constitute a business combination, it is treated as property acquisition. In such cases, the individual identifiable assets acquired and liabilities assumed are recognised. The acquisition cost shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of acquisition. Such a transaction does not give rise to goodwill.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in the Statement of Total Return. Any interest retained in the former subsidiary is measured at fair value when control is lost.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

Associate and joint ventures

Associate is an entity in which the Group has a significant influence, but not control or joint control, over the financial and operating policies of the entity. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in an associate and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payment on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Accounting for subsidiaries, associate and joint ventures by the Trust

Investments in subsidiaries, associate and joint ventures are stated in the Trust's statement of financial position at cost less accumulated impairment losses.

3.2 Plant and equipment

Plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When 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 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 and its cost can be measured reliably. The costs of the day-to-day servicing of plant and equipment are recognised in the Statement of Total Return as incurred.

Depreciation is provided on a straight-line basis so as to write off items of plant and equipment, and major components that are accounted for separately, over their estimated useful lives as follows:

Furniture, fittings and equipment	-	2 to 5 years

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Plant and equipment (continued)

Gain or loss arising from the retirement or disposal of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and is recognised in the Statement of Total Return.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

3.3 Investment properties and investment properties under development

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production, supply of goods, services or for administrative purposes. Investment properties under development are properties being constructed or developed for future use as investment properties. Investment properties and investment properties under development are accounted for as non-current assets and are stated at initial cost on acquisition and at fair value thereafter. The cost of a purchased property comprises its purchase price and any directly attributable expenditure including capitalised borrowing costs. Directly attributable transaction costs are included in the initial measurement. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. Fair value is determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers in the following events:

- in such manner and frequency required under the CIS Code issued by MAS; and
- at least once in each period of 12 months following the acquisition of each parcel of real estate property.

Any increase or decrease on revaluation is credited or charged to the Statement of Total Return as a net change in fair value of the investment properties and investment properties under development.

When an investment property or investment property under development is disposed of, the resulting gain or loss recognised in the Statement of Total Return is the difference between net disposal proceeds and the carrying amount of the property.

Investment properties are not depreciated. The properties are subject to continued maintenance and regularly revalued on the basis set out above. For income tax purposes, the Group and the Trust may claim capital allowances on assets that qualify as plant and machinery under the Income Tax Act.

3.4 Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Foreign currency transactions (continued)

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on translation are recognised in Statement of Total Return, except for the following differences which are recognised in Statement of Movements in Unitholders' funds, arising on the translation of:

- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- qualifying cash flow hedges to the extent the hedge is effective.

3.5 Financial instruments

Initial recognition

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

Classification and measurement

Non-derivative financial assets – Policy applicable from 1 January 2018

The Group classifies its non-derivative financial assets into the following measurement categories: Amortised costs.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

Financial assets at amortised cost

Initial measurement

A financial asset at amortised cost is initially measured at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

Financial assets at amortised costs are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are subsequently measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method.

Non-derivative financial assets – Policy applicable before 1 January 2018

The Group classified non-derivative financial assets into the following categories: loans and receivables.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Financial instruments (continued)

Non-derivative financial assets – Policy applicable before 1 January 2018 (continued)

Loans and receivables

Loans and receivables were financial assets with fixed or determinable payments that were not quoted in an active market. Such assets were initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables were measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprised trade and other receivables, amounts due from subsidiaries, amounts due from joint ventures and cash and cash equivalents.

Non-derivative financial liabilities

The Group classifies non-derivative financial liabilities under the other financial liabilities category. Such financial liabilities are initially measured at fair value less directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Other financial liabilities comprise interest-bearing borrowings, trade and other payables and security deposits.

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability 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 the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the Statement of Total Return.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

Derivative financial instruments and hedge accounting

Derivative financial instruments and hedge accounting – Policy applicable from 1 January 2018

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are recognised initially at fair value and any directly attributable transaction costs are recognised in the Statement of Total Return as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the Statement of Total Return, unless it is designated in a hedge relationship that qualifies for hedge accounting.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Hedging relationships designated using the principles of FRS 39 that were existing as at 31 December 2017 are treated as continuing hedges and hedge documentations were aligned accordingly to the requirements under the principles of FRS 109.

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in Statement of Movements in Unitholders' Funds and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in Statement of Movements in Unitholders' Funds is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Statement of Total Return.

For all hedged transactions, the amount accumulated in the hedging reserve is reclassified to the Statement of Total Return in the same period or periods during which the hedged expected future cash flows affect the Statement of Total Return.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in unitholders' funds until it is reclassified to the Statement of Total Return in the same period or periods as the hedged expected future cash flows affect the Statement of Total Return.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve are immediately reclassified to the Statement of Total Return.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Financial instruments (continued)

Derivative financial instruments and hedge accounting – Policy applicable before 1 January 2018

The policy applied in the comparative information presented for 2017 is similar to that applied for 2018. However, embedded derivatives are not separate from host contracts that are financial assets in the scope of FRS 109. Instead, the hybrid financial instrument is assessed as a whole for classification of financial assets under the principles of FRS 109. Furthermore, for all cash flow hedges, the amounts accumulated in the cash flow hedge reserve were reclassified to the Statement of Total Return in the same period or periods during which the hedged expected future cash flows affected the Statement of Total Return.

3.6 Impairment

Non-derivative financial assets

Policy applicable from 1 January 2018

The Group recognises loss allowances for expected credit loss ("ECLs") on financial assets measured at amortised costs.

Loss allowances of the Group are measured on either of the following bases:
- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECL.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers 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 includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improve such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Impairment (continued)

Non-derivative financial assets *(continued)*

The Group considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates or credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses 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.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower;
- breach of contract such as a default or being more than 90 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group 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 procedures for recovery of amounts due.

Policy applicable before 1 January 2018

A financial asset not carried at fair value through profit or loss, including an interest in an associate and joint venture, was assessed at the end of each reporting period to determine whether there was objective evidence that it was impaired. A financial asset was impaired if objective evidence indicated that a loss event(s) had occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that could be estimated reliably.

Objective evidence that financial assets were impaired included default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Impairment (continued)

***Non-derivative financial assets** (continued)*

Policy applicable before 1 January 2018 (continued)

Loans and receivables

The Group considered evidence of impairment for loans and receivables at both an individual asset and collective level. All significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that has been incurred but not yet identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group used historical information on the timing of recoveries and the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss was calculated as the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses were recognised in the Statement of Total Return and reflected in an allowance account. When the Group considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss was reversed through the Statement of Total Return.

Subsidiaries, associate and joint ventures

An impairment loss in respect of a subsidiary, associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in the Statement of Total Return. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at 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. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually 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 or CGU.

Impairment losses are recognised in the Statement of Total Return. Impairment losses recognised in prior periods are assessed at each reporting date 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. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Statement of Total Return over the period of the borrowings on an effective interest basis.

3.8 Unitholders' funds

Unitholders' funds represent the Unitholders' residual interest in the Group's net assets upon termination and is classified as equity.

Incremental costs directly attributable to the issue of units are recognised as a deduction from Unitholders' funds.

3.9 Revenue recognition

Rental income

Rental income from investment properties is recognised in the Statement of Total Return on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period on a receipt basis. No contingent rentals are recognised if there are uncertainties due to the possible return of amounts received.

Car park income

Car park income is recognised as it accrues on a time apportioned basis.

3.10 Expenses

Property operating expenses

Property operating expenses consist of property taxes, utilities, property management fees, property management reimbursements, marketing, maintenance and other property outgoings in relation to investment properties where such expenses are the responsibility of the Group.

Property management fees are recognised on an accrual basis based on the applicable formula, stipulated in Note 1.1.

Management fees

Management fees are recognised on an accrual basis using the applicable formula, stipulated in Note 1.2.

Trustee's fees

The Trustee's fees are recognised on an accrual basis using the applicable formula, stipulated in Note 1.3.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Interest income, investment income and finance costs

Interest income is recognised as it accrues, using the effective interest method.

Investment income is recognised in the Statement of Total Return when the Group's right to receive distribution income is established.

Finance costs comprise interest expense on borrowings and amortisation of borrowings related transaction costs, and are recognised in the Statement of Total Return using the effective interest method over the period of borrowings.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset, or the amortised cost of the financial liability.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the Statement of Total Return using the effective interest method.

3.12 Income tax

Income tax expense comprises current and deferred tax. Current and deferred tax is recognised in the Statement of Total Return except to the extent that it relates to items directly related to Unitholders' funds, in which case it is recognised in Unitholders' funds.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on 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; and

- temporary differences related to investments in subsidiaries, associate and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. 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 reporting date.

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, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Income tax (continued)

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

The Inland Revenue Authority of Singapore (the "IRAS") has issued a tax ruling on the tax treatment of the Trust. Subject to meeting the terms and conditions of the tax ruling which includes a distribution of at least 90.0% of the taxable income of the Trust, the Trustee is not subject to tax on the taxable income of the Trust to the extent of the amount distributed. Instead, the distributions made by the Trust out of such taxable income are subject to tax in the hands of Unitholders, unless they are exempt from tax on the Trust's distributions. This treatment is known as the tax transparency treatment.

Individuals and qualifying Unitholders, i.e. companies incorporated and tax resident in Singapore, Singapore branches of companies incorporated outside Singapore and bodies of persons registered or constituted in Singapore, are entitled to gross distributions from the Trust. For distributions made to foreign non-individual Unitholders, the Trustee is required to withhold tax at the reduced rate of 10.0%. For other types of Unitholders, the Trustee is required to withhold tax at the prevailing corporate tax rate on the distributions made by the Trust. Such other types of Unitholders are subject to tax on the regrossed amounts of the distributions received but may claim a credit for the tax deducted at source at the prevailing corporate tax rate by the Trustee.

The Trust has a distribution policy to distribute at least 90.0% of its taxable income, other than gains from the sale of real estate properties that are determined by the IRAS to be trading gains. For the taxable income that is not distributed, referred to as retained taxable income, tax will be assessed on the Trustee. Where such retained taxable income is subsequently distributed, the Trustee need not deduct tax at source.

3.13 Earnings per unit

The Group and Trust present basic and diluted earnings per unit data for its units. Basic earnings per unit is calculated by dividing the total return by the weighted-average number of units outstanding during the year. Diluted earnings per unit is determined by adjusting the total return and the weighted-average number of ordinary units outstanding, for the effects of all dilutive potential units.

3.14 Segment reporting

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' operating results are reviewed regularly and used by the management for strategic decision making and resources allocation.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 New standards and interpretations not yet adopted

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning after 1 January 2018 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

Applicable to 2019 financial statements

FRS 116 *Leases*

FRS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (ROU) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemption for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. FRS 116 replaces existing lease accounting guidance, including FRS 17 *Leases*, INT-FRS 104 *Determining whether an Arrangement contains a Lease*, INT-FRS 115 *Operating Leases – Incentives* and INT-FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

The Group and the Trust plans to apply the principles of FRS 116 initially on 1 January 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting the principles of FRS 116 will be recognised as an adjustment to the opening balance of Unitholders' Funds at 1 January 2019, with no restatement of comparative information. The Group and the Trust plan to apply the practical expedient to grandfather the definition of a lease on transition. This means that they will apply the principles of FRS 116 to all contracts entered into before 1 January 2019 and identified as leases in accordance with the principles of FRS 17 and INT-FRS 104.

The Group and the Trust as lessee

The Group and the Trust expect to measure lease liabilities by applying a single discount rate to their portfolio of property leases. Furthermore, the Group and the Trust are likely to apply the practical expedient to recognise amounts of ROU assets equal to their lease liabilities at 1 January 2019. For lease contracts that contain the option to renew, the Group and the Trust are expected to use hindsight in determining the lease term.

The Group and the Trust expect their existing operating lease arrangements to be recognised as ROU assets with corresponding lease liabilities under the principles of FRS 116. Lease payments that are increased every five years to reflect market rentals, and those that are based on changes in local price index, are included in the measurement of lease liabilities as at date of initial application.

As at 1 January 2019, the Group and the Trust expects an increase in ROU assets and lease liabilities of $9.6 million.

The nature of expenses related to those leases will change as the principles of FRS 116 replaces the straight-line operating lease expense with depreciation charge for ROU assets and interest expense on lease liabilities.

The Group and the Trust do not expect the adoption of the principles of FRS 116 to impact their ability to comply with the Aggregate Leverage limit described in note 26.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 New standards and interpretations not yet adopted (continued)

The Group and the Trust as lessor

The principles of FRS 116 substantially carries forward the current existing lessor accounting requirements. Accordingly, the Group and the Trust continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the existing operating lease and finance lease accounting models respectively.

The Group and the Trust will reassess the classification of sub-leases in which the Group and the Trust is a lessor. Based on the information currently available, no significant impact is expected for leases in which the Group and the Trust is a lessor.

4. PLANT AND EQUIPMENT

	Group		Trust	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Furniture, fittings and equipment				
Cost				
At 1 January	8,420	8,461	7,550	7,582
Acquisition of subsidiary	972	–	–	–
Additions	259	371	248	371
Disposals	(71)	(287)	(71)	(278)
Assets written off	(421)	(125)	(420)	(125)
At 31 December	9,159	8,420	7,307	7,550
Accumulated depreciation				
At 1 January	6,300	6,052	5,874	5,636
Charge for the year	497	657	469	639
Disposals	(58)	(286)	(58)	(278)
Assets written off	(393)	(123)	(392)	(123)
At 31 December	6,346	6,300	5,893	5,874
Carrying amounts				
At 1 January	2,120	2,409	1,676	1,946
At 31 December	2,813	2,120	1,414	1,676

5. INVESTMENT PROPERTIES

	Group		Trust	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
At 1 January	8,311,000	8,064,000	7,530,000	7,284,000
Acquisition of subsidiary[1]	1,124,179	–	–	–
Divestment of investment property	(126,127)	–	(126,127)	–
Capital expenditure	22,722	13,988	22,364	13,833
Net change in fair value of investment properties	79,226	233,012	72,763	232,167
At 31 December	9,411,000	8,311,000	7,499,000	7,530,000

1 This relates to the acquisition of the balance 70% of the units in Infinity Mall Trust which holds Westgate. See Note 7.

As at 31 December 2018, other than Westgate that was held by Infinity Mall Trust ("IMT"), all investment properties under the Group are unencumbered. As at 31 December 2018 and 31 December 2017, all investment properties under the Trust are unencumbered.

Fair value hierarchy

The fair value of investment properties is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for investment properties of $9,411,000,000 (2017: $8,311,000,000) and $7,499,000,000 (2017: $7,530,000,000) for the Group and Trust respectively have been categorised as level 3 fair values based on inputs to the valuation techniques used.

Level 3 fair values

Reconciliations from the beginning balances to the ending balances for fair value measurements of level 3 investment properties are set out in the table above.

Valuation technique

Investment properties are stated at fair value based on valuation performed by independent professional valuers. In determining the fair value, the methodology adopted by the valuers includes capitalisation method, discounted cash flow method and comparison method.

The capitalisation approach is an investment approach whereby the estimated gross passing income (on both a passing and market rent basis) is adjusted to reflect anticipated operating costs and a natural vacancy to produce the net income on a fully leased basis. The adopted fully leased net income is capitalised over the remaining term of the lease from the valuation date at an appropriate investment yield. The discounted cash flow method involves the estimation and projection of a net income stream over a period and discounting the net income stream with an internal rate of return to arrive at the market value. The discounted cash flow method requires the valuer to assume a rental growth rate indicative of market and the selection of a target internal rate of return consistent with current market requirements. Where applicable, the comparison method provides an indication of value by comparing the investment property with identical or similar properties where reliable sales evidence of assets of similar nature is available.

The above valuation methods involve certain estimates. The Manager reviews the key valuation parameters and underlying data including market-corroborated capitalisation rates, discount rates and terminal yield rates adopted by the valuers and is of view that they are reflective of the market conditions as at the reporting dates.

5. INVESTMENT PROPERTIES (continued)

Significant unobservable inputs

The following table shows the significant unobservable inputs used in the valuation models:

Group and Trust

Type	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Investment properties		
Commercial properties for leasing	• Capitalisation rates from 3.75% to 7.00% (2017: from 3.75% to 7.25% • Discount rates from 6.92% to 7.32% (2017: from 6.98% to 7.75%) • Terminal yield rates from 4.31% to 6.50% (2017: from 4.47% to 7.14%)	The estimated fair value would increase/(decrease) if the capitalisation rates, discount rates or terminal yield rates, were lower/(higher).

6. INVESTMENT PROPERTIES UNDER DEVELOPMENT

	Group		Trust	
	2018	**2017**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**
At 1 January	459,386	444,997	308,808	243,688
Capital expenditure	205,328	90,558	135,495	65,401
Disposal of interest	–	(95,850)[1]	–	–
Net change in fair value of investment properties under development	(138)	19,681	(11,138)	(281)
At 31 December	664,576	459,386	433,165	308,808

1 This relates to the sale of all the units in Victory SR Trust to Victory SR Pte. Ltd., a wholly owned subsidiary of Ascott Serviced Residence (Global) Fund Pte. Ltd. See Note 7.

Fair value hierarchy

The fair value of investment properties under development is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

The fair value measurement for the investment properties under development of $664,576,000 (2017: $459,386,000) and $433,165,000 (2017: $308,808,000) for the Group and Trust respectively have been categorised as level 3 fair values based on inputs to the valuation techniques used.

Level 3 fair values

Reconciliations from the beginning balances to the ending balances for fair value measurements of level 3 are set out in the table above.

6. INVESTMENT PROPERTIES UNDER DEVELOPMENT (continued)

Valuation technique

Investment properties are stated at fair value based on valuation performed by independent professional valuers. In determining the fair value, the valuers have adopted the residual land value method.

Under the residual land value method of valuation, the total gross development costs and developer's profit are deducted from the gross development value to arrive at the residual value of land. The gross development value is the estimated value of the property assuming satisfactory completion of the development as at the date of valuation. The Manager is of the view that the valuation method and estimates are reflective of the market condition at the reporting date.

Significant unobservable inputs

The following table shows the significant unobservable inputs used in the valuation models:

Group and Trust

Type	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Investment properties under development		
Commercial properties for leasing	• Capitalisation rates from 4.00% to 4.85% (2017: 4.10% to 4.85%)	The estimated fair value would increase/(decrease) if the capitalisation rates were lower/(higher).
	• Gross development costs	The estimated fair value would increase/(decrease) if the gross development costs decrease/(increase).

7. SUBSIDIARIES

	Trust 2018 $'000	Trust 2017 $'000
Equity investments at cost	285,763	257,824
Less: allowance for impairment losses	(2,574)	(5,384)
	283,189	252,440
Loans to subsidiaries	1,426,392	683,518
	1,709,581	935,958

Impairment loss and subsequent reversal were recognised in relation to the investment in Brilliance Mall Trust ("BMT"). As at 31 December 2018, the Manager has assessed the recoverable amount of the Trust's interest in BMT for impairment. A reversal of impairment loss amounting to $2,810,000 (2017: $838,000) was recognised in respect of the Trust's investment in BMT taking into consideration the fair value of the underlying property held by BMT and the liabilities to be settled. The recoverable amount was assessed based on fair value less costs to sell estimated using the revalued net assets of BMT as at 31 December 2018 and categorised as level 3 on the fair value hierarchy.

7. SUBSIDIARIES (continued)

The key assumptions used in the estimation of the recoverable amount are set out below.

Investment property	Trust 2018 %	Trust 2017 %
Capitalisation rate	4.60	4.75
Discount rate	7.00	7.25
Terminal yield rate	4.85	5.00

The movement in the allowance for impairment loss in respect of the year was as follows:

	Trust 2018 $'000	Trust 2017 $'000
At the beginning of the year	5,384	6,222
Reversal of impairment loss	(2,810)	(838)
At the end of the year	2,574	5,384

Details of the subsidiaries are as follows:

Name of subsidiaries	Place of incorporation/ business	Effective equity interest held by the Trust 2018 %	Effective equity interest held by the Trust 2017 %
CMT MTN Pte. Ltd.[1]	Singapore	100.0	100.0
Brilliance Mall Trust[1]	Singapore	100.0	100.0
Victory Office 1 Trust[1]	Singapore	100.0	100.0
Victory Office 2 Trust[1]	Singapore	100.0	100.0
Infinity Mall Trust[1]	Singapore	100.0[2]	30.0

1 Audited by KPMG LLP Singapore
2 On 27 August 2018, the Trustee entered into a conditional unit purchase agreement with CMA Singapore Investments (4) Pte. Ltd. and CL JM Pte. Ltd. to acquire the balance 70.0% of the units in Infinity Mall Trust ("Acquisition"). The Acquisition was completed on 1 November 2018.

CMT MTN Pte. Ltd.

CMT MTN Pte. Ltd. ("CMT MTN") was incorporated on 23 January 2007. The principal activity of this subsidiary is to issue notes under unsecured multi-currency medium term note programmes. The proceeds from such issuances are used by CMT MTN and the Group to refinance the existing borrowings of the Group, to finance the investments comprised in the Trust, to on-lend to any trust, fund or entity in which the Trust has an interest, to finance any asset enhancement works initiated in respect of the Trust or such trust, fund or entity, and to finance the general corporate and working capital purposes in respect of the Group.

On 10 April 2018, the $80,000 loan to CMT MTN which is non-trade in nature, unsecured and interest-free was repaid.

7. **SUBSIDIARIES** (continued)

Brilliance Mall Trust

BMT is an unlisted special purpose trust established under a trust deed ("BMT Trust Deed") dated 1 September 2010. The principal activity of BMT is to invest in income producing real estate, which is used or substantially used for retail purposes with the primary objective of achieving an attractive level of return from rental income and for long-term capital growth.

BMT has entered into several service agreements in relation to the management of BMT and its property operations. The fee structures of these services are as follows:

(a) Property management fees

Under the property management agreement, property management fees are charged as follows:

(i) 2.00% per annum of the gross revenue of the property;

(ii) 2.00% per annum of the net property income of the property; and

(iii) 0.50% per annum of the net property income of the property, in lieu of leasing commissions.

The property management fees are payable monthly in arrears.

(b) Management fees

Pursuant to the BMT Trust Deed, the management fees (including the base and performance fee), acquisition fee and divestment fee payable to the Manager pursuant to the Trust's Trust Deed are as stipulated in Note 1.2.

(c) Trustee fees

Pursuant to the BMT Trust Deed, Brilliance Trustee Pte. Ltd. ("BMT Trustee") is entitled to receive trustee's fees of a sum as may be agreed between parties for the provision of trustee services, until the earlier of the removal or resignation of the BMT Trustee, and the termination of BMT, in each case, in accordance with the BMT Trust Deed. BMT Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the BMT Trust Deed.

BMT Trustee's fees are payable annually in arrears.

The Trust has provided unsecured loans to BMT amounting to $589,057,000 (2017: $603,057,000) which are not expected to be repaid in the next twelve months from the reporting date. The loan bears interest rate of 3.24% to 3.26% (2017: 3.14% to 3.17%) per annum. Interest rates are determined by the Trust from time to time.

Victory Office 1 Trust and Victory Office 2 Trust

On 30 August 2016, three private trusts namely Victory Office 1 Trust, Victory Office 2 Trust and Victory SR Trust (collectively, the "Victory Trusts") were constituted in relation to the redevelopment of Funan. The Trustee has entered into a conditional sale and purchase agreement with the trustees of the Victory Trusts to sell certain undivided shares in Funan to the respective Victory Trusts. The sale and purchase agreement was completed on 1 November 2016.

On 31 October 2017, the sale of all the units in Victory SR Trust to Victory SR Pte. Ltd., a wholly owned subsidiary of Ascott Serviced Residence (Global) Fund Pte. Ltd. was completed (see note 22).

7. SUBSIDIARIES (continued)

Victory Office 1 Trust and Victory Office 2 Trust (continued)

The Trust, together with the Victory Trusts jointly own and undertake to redevelop Funan which comprises a retail component (held through the Trust), two office towers and serviced residences.

The Trust has provided loans to the Victory Office 1 Trust and Victory Office 2 Trust amounting to $66,946,000 (2017: $65,268,000) which are not expected to be repaid in the next twelve months from the reporting date. The loans are unsecured and interest-free.

The Trust has also provided loans to the Victory Office 1 Trust and Victory Office 2 Trust amounting to $71,875,000 (2017: $14,975,000) which are not expected to be repaid in the next twelve months from the reporting date. The loans bear interest rates of 1.87% to 2.88% (2017: 1.52% to 2.88%) per annum. Interest rates are determined by the Trust from time to time.

Infinity Mall Trust

Infinity Mall Trust ("IMT") is an unlisted special purpose trust established under a trust deed ("IMT Trust Deed") dated 25 May 2011 entered into between the Trustee, CMA Singapore Investments (4) Pte. Ltd., CL JM Pte. Ltd. and JG Trustee Pte. Ltd. (as trustee of Infinity Mall Trust). IMT is 30.0% owned by the Trust, 50.0% by CMA Singapore Investments (4) Pte. Ltd. and 20.0% by CL JM Pte. Ltd.

On 27 August 2018, the Trustee, entered into a conditional unit purchase agreement with CMA Singapore Investments (4) Pte. Ltd. and CL JM Pte. Ltd. to acquire the balance 70.0% of the units in IMT ("Acquisition"). The Acquisition was completed on 1 November 2018 and as a result of the Acquisition, the Group's investment in IMT was reclassified from "Joint ventures" to "Subsidiaries".

The principal activity of IMT is to invest in income producing real estate, which is used or substantially used for retail purposes with the primary objective of achieving an attractive level of return from rental income and for long-term capital growth.

Infinity Mall Trust owns Westgate which commenced operations on 2 December 2013. Infinity Mall Trust has entered into a property management agreement in relation to the management of Infinity Mall Trust and its property operations.

The fee structure of these services is as follows:

(a) Property management fees

Under the property management agreement, property management fees are charged as follows:

(i) 2.00% per annum of the gross revenue of the property;

(ii) 2.00% per annum of the net property income of the property; and

(iii) 0.50% per annum of the net property income of the property, in lieu of leasing commissions.

The property management fees are payable monthly in arrears.

(b) Management fees

Pursuant to the IMT Trust Deed, the management fees (including the base and performance fee), acquisition fee and divestment fee payable to the Manager pursuant to the Trust's Trust Deed are as stipulated in Note 1.2.

7. SUBSIDIARIES (continued)

Infinity Mall Trust (continued)

(c) Trustee fees

Pursuant to the IMT Trust Deed, JG Trustee Pte. Ltd. ("IMT Trustee") is entitled to receive trustee's fees of a sum as may be agreed between parties for the provision of trustee services, until the earlier of the removal or resignation of the IMT Trustee, and the termination of IMT, in each case, in accordance with the IMT Trust Deed. IMT Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the IMT Trust Deed.

IMT Trustee's fees are payable annually in arrears.

The Trust has provided unsecured loans to IMT amounting to $697,362,000 (2017[1]: $153,976,000) which are not expected to be repaid in the next twelve months from the reporting date. The loan bears interest rate of 2.56% to 3.26% (2017: 2.78% to 3.01%) per annum. Interest rates are determined by the Trust from time to time.

1 2017 relates to the loan to IMT when it was classified as a joint venture of the Group. The amount was reclassified from loan to joint venture to loan to subsidiary on 1 November 2018.

8. ASSOCIATE AND JOINT VENTURES

	Group		Trust	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Investment in associate	191,959	194,389	130,836	130,836
Investment in joint ventures	828,545	783,919	588,569	585,227
Less: allowance for impairment loss	–	–	–	(31,009)
	1,020,504	978,308	719,405	685,054
Loan to joint venture	–	153,976	–	153,976
	1,020,504	1,132,284	719,405	839,030

On 27 August 2018, the Trustee, entered into a conditional unit purchase agreement with CMA Singapore Investments (4) Pte. Ltd. and CL JM Pte. Ltd. to acquire the balance 70.0% of the units in IMT ("Acquisition"). The Acquisition was completed on 1 November 2018 and as a result of the Acquisition, the Group's investment in IMT and loan to IMT was reclassified from "Joint ventures" to "Subsidiaries" (see Note 7).

In addition, as a result of the reclassification from "Joint ventures" to "Subsidiaries", the allowance for impairment loss of $31,009,000 as at 31 December 2017 was reversed.

The movement in the allowance for impairment loss on the investment in IMT in respect of the year was as follows:

	Trust	
	2018 $'000	2017 $'000
At the beginning of the year	31,009	3,843
Impairment loss recognised	–	27,166
Reversal of impairment loss	(31,009)	–
At the end of the year	–	31,009

8. ASSOCIATE AND JOINT VENTURES (continued)

Details of the associate and joint ventures are as follows:

Name of associate and joint ventures	Place of constitution incorporation/ business	Effective equity interest held by the Trust 2018 %	2017 %
Associate[1]			
CapitaLand Retail China Trust	Singapore	12.5	12.7
Joint ventures[1]			
RCS Trust	Singapore	40.0	40.0
Infinity Mall Trust	Singapore	100.0[2]	30.0
Infinity Office Trust	Singapore	30.0	30.0

1 Audited by KPMG LLP Singapore
2 On 1 November 2018, the Group's equity interest in Infinity Mall Trust increased from 30% to 100% and Infinity Mall Trust became a subsidiary from that date (see notes 7 and 22).

Associate

CapitaLand Retail China Trust

CapitaLand Retail China Trust ("CRCT") is a real estate investment trust constituted in Singapore by a trust deed dated 23 October 2006 (as amended). CRCT was formally admitted to SGX-ST on 8 December 2006. CRCT is established with the objective of investing on a long term basis in a diversified portfolio of income producing real estate and primarily for retail purposes and located primarily in the People's Republic of China ("China").

On a recurring basis, as the results of CRCT are not expected to be announced in sufficient time to be included in the Group's results for the same calendar quarter, the Group will equity account the results of CRCT based on a 3-month lag time.

At the reporting date, the fair value of both the Group's and the Trust's investment in CRCT is $166,879,000 (2017: $198,782,000) and categorised as level 1 on the fair value hierarchy.

The following summarises the financial information of the associate based on its consolidated financial statements prepared in accordance with RAP 7.

8. ASSOCIATE AND JOINT VENTURES (continued)

Associate (continued)

CapitaLand Retail China Trust (continued)

	CRCT 2018 $'000	CRCT 2017 $'000
Revenue	226,926	233,573
Net Income	113,506	114,676
Total return after tax for the year	114,164	87,628
Attributable to non-controlling interests	(1,650)	(2,687)
Attributable to investee's unitholders	115,814	90,315
Net return after transfer to general reserve	109,615	84,249
Total assets	2,941,803	2,801,060
Total liabilities	(1,384,327)	(1,311,441)
Net assets	1,557,476	1,489,619
Attributable to non-controlling interests	18,474	20,031
Attributable to investee's unitholders	1,539,002	1,469,588
Group's interest in net assets of CRCT at 1 January	194,389	191,313
Group's share of total return for the year	13,593	18,832
Distributions received during the year	(7,632)	(17,179)
Dilution gain/(loss) of interest in CRCT	144	(550)
Group's share of movement in Unitholders' funds	(8,535)	1,973
Carrying amount of interest in CRCT at 31 December	191,959	194,389

The Trust has accounted for CRCT as an associate. The Managers of both the Trust and CRCT, CapitaLand Mall Trust Management Limited ("CMTML") and CapitaLand Retail China Trust Management Limited respectively, are wholly owned by CapitaLand Limited which has an interest in the Trust.

As the results of CRCT for the fourth quarter ended 31 December 2018 are not announced in sufficient time to be included in the Group's results for the same calendar quarter, the assets and liabilities recorded were based on CRCT's unaudited financial statements and distribution announcement for the third quarter ended 30 September 2018 dated 30 October 2018. The financial results recorded were based on CRCT's unaudited financial statements and distribution announcements for the period from 1 October 2017 to 30 September 2018. The Group also accounted for any significant transactions or events that occurred from 1 October 2018 to 31 December 2018.

Similarly, corresponding comparatives for previous financial year were based on CRCT's unaudited financial statements and distribution announcement for the third quarter ended 30 September 2017 dated 23 October 2017 and on CRCT's unaudited financial statements and distribution announcements for the period from 1 October 2016 to 30 September 2017. The Group also accounted for any significant transactions or events that occurred from 1 October 2017 to 31 December 2017.

8. ASSOCIATE AND JOINT VENTURES (continued)

Joint Ventures

RCS Trust

RCS Trust is an unlisted special purpose trust established under a trust deed ("RCS Trust Trust Deed") dated 18 July 2006 entered into between HSBC Institutional Trust Services (Singapore) Limited as trustee-manager of RCS Trust ("RCS Trust Trustee-Manager"), HSBC Institutional Trust Services (Singapore) Limited as trustee of CapitaLand Commercial Trust ("CCT Trustee"), the Trustee, CapitaLand Commercial Trust Management Limited (CCTML as manager of CCT) and the Manager. RCS Trust is 40.0% owned by the Trust and 60.0% owned by CCT. RCS Trust is structured as a separate vehicle and the Group has a residual interest in its net assets. The Group has classified its interest in RCS Trust as a joint venture which is equity accounted.

RCS Trust has entered into several service agreements in relation to the management of RCS Trust and its property operations. The fee structures of these services are as follows:

(a) Property management fees

Under the property management agreement, property management fees are charged as follows:

(i) 2.00% per annum of the property income of the property; and

(ii) 2.50% per annum of the net property income of the property.

The property management fees are payable monthly in arrears.

(b) Management fees

Pursuant to the RCS Trust Trust Deed, the management fees comprise a base component of 0.25% per annum of the value of deposited property of RCS Trust and a performance component of 4.00% per annum of the net property income of RCS Trust, including all its authorised investments for the time being held or deemed to be held upon the trusts of the RCS Trust Trust Deed.

The management fees shall be paid entirely in the form of units or, with the unanimous approval of the Manager and CCTML, either partly in units and partly in cash or wholly in cash.

The base and performance components of the management fees are payable quarterly and yearly in arrears respectively.

(c) RCS Trust Trustee-Manager's fees

Pursuant to the RCS Trust Trust Deed, the RCS Trust Trustee-Manager's fees shall not exceed 0.10% per annum of the value of Deposited Property of RCS Trust, as defined in the RCS Trust Trust Deed (subject to a minimum sum of $15,000 per month), payable out of the Deposited Property of RCS Trust. The RCS Trust Trustee-Manager is also entitled to reimbursement of expenses incurred in the performance of its duties under the RCS Trust Trust Deed.

The base and performance components of RCS Trust Trustee-Manager's fees are payable quarterly and yearly in arrears respectively.

As at 31 December 2018, RCS Trust has an aggregate of $700.0 million (2017: $1,100.0 million) unsecured loan facilities, comprising a combination of $400.0 million (2017: $800.0 million) term loans and $300.0 million (2017: $300.0 million) revolving credit facilities with various maturities from various banks. RCS Trust has drawn down $425.0 million (2017: $831.0 million) of the unsecured loan facilities.

8. ASSOCIATE AND JOINT VENTURES (continued)

Joint Ventures (continued)

RCS Trust (continued)

On 22 March 2017, RCS Trust has established a USD2.0 billion Euro-Medium Term Note Programme ("RCS Trust EMTN Programme").

Under the RCS Trust EMTN Programme, the Issuer may from time to time issue notes in series or tranches in Euro, United States dollars, Singapore dollars and any other currency ("RCS EMTN Notes").

The proceeds from the issue of the RCS EMTN Notes will be used to refinance the existing borrowings of RCS Trust and its subsidiaries (if any), to finance or refinance any asset enhancement works or capital expenditure of RCS Trust and its subsidiaries, to finance the general corporate and working capital purposes in respect of RCS Trust and its subsidiaries or for the purposes as specified in the relevant pricing supplement.

At 31 December 2018, the RCS EMTN Notes issued are as follows:

(i) $300.0 million (2017: $300.0 million) of fixed rate notes at an interest rate of 2.60% per annum maturing in 2023;

(ii) $275.0 million (2017: nil) of fixed rate notes at an interest rate of 3.20% per annum maturing in 2025; and

(iii) $150.0 million (2017: nil) of fixed rate notes at an interest rate of 3.05% per annum maturing in 2024.

As at 31 December 2018, the total loans drawn down and RCS EMTN Notes issued by RCS Trust are $425.0 million (2017: $831.0 million) and $725.0 million (2017: $300.0 million) respectively. CMT's 40.0% share in the total loans drawn down and RCS EMTN Notes is $460.0 million (2017: $452.4 million).

Infinity Mall Trust

Infinity Mall Trust ("IMT") is an unlisted special purpose trust established under a trust deed ("Infinity Mall Trust Trust Deed") dated 25 May 2011 entered into between the Trustee, CMA Singapore Investments (4) Pte. Ltd., CL JM Pte. Ltd. and JG Trustee Pte. Ltd. (as trustee of Infinity Mall Trust). As at 31 December 2017, IMT is 30.0% owned by the Trust, 50.0% by CMA Singapore Investments (4) Pte. Ltd. and 20.0% by CL JM Pte. Ltd.

On 27 August 2018, the Trustee, entered into a conditional unit purchase agreement with CMA Singapore Investments (4) Pte. Ltd. and CL JM Pte. Ltd. to acquire the balance 70.0% of the units in IMT ("Acquisition"). The Acquisition was completed on 1 November 2018 and as a result of the Acquisition, the Group's investment in IMT was reclassified from "Joint ventures" to "Subsidiaries". Please refer to Note 7.

Infinity Office Trust

Infinity Office Trust is an unlisted special purpose trust established under a trust deed ("Infinity Office Trust Trust Deed") dated 25 May 2011 entered into between the Trustee, CMA Singapore Investments (5) Pte. Ltd., CL JO Pte. Ltd. and JG2 Trustee Pte. Ltd. (as trustee of Infinity Office Trust). Infinity Office Trust is 30.0% owned by the Trust, 50.0% by CMA Singapore Investments (5) Pte. Ltd. and 20.0% by CL JO Pte. Ltd. Infinity Office Trust is structured as a separate vehicle and the Group has a residual interest in its net assets. Accordingly the Group has classified its interest in Infinity Office Trust as a joint venture which is equity accounted.

8. ASSOCIATE AND JOINT VENTURES (continued)

Joint Ventures (continued)

Infinity Office Trust (continued)

On 23 January 2014, JG2 Trustee Pte. Ltd., in its capacity as trustee of Infinity Office Trust and JG Trustee Pte. Ltd., in its capacity as trustee of Infinity Mall Trust entered into a sale and purchase agreement to sell all the office strata units in Westgate Tower to Westgate Commercial Pte. Ltd. and Westgate Tower Pte. Ltd. for an aggregate consideration of $579.4 million. On 20 October 2016, the strata titles of the office strata units were issued and the sale of all the office strata units in Westgate Tower was completed.

The following summarises the financial information of the Group's material joint venture based on its financial statements prepared in accordance with RAP 7. The table also includes summarised financial information for the Group's interest in immaterial joint ventures, based on amounts reported in the Group's consolidated financial statements.

	RCS Trust $'000	Immaterial joint ventures[1] $'000	Total $'000
2018			
Revenue	230,547		
Net income	127,888		
Total return for the year[(a)]	161,639		
[(a)] Includes:			
- depreciation and amortisation	(1,456)		
- interest income	28		
- interest expense	(29,657)		
- income tax expense	–		
Non-current assets	3,322,747		
Current assets[(b)]	16,356		
Non-current liabilities[(c)]	(1,160,319)		
Current liabilities[(d)]	(102,212)		
Net assets	2,076,572		
[(b)] Includes cash and cash equivalents	14,331		
[(c)] Includes non-current financial liabilities (excluding trade and other payables and provisions)	(1,160,319)		
[(d)] Includes current financial liabilities (excluding trade and other payables and provisions)	(18,405)		
Group's interest in net assets of joint ventures at beginning of the year	813,343	124,552	937,895
Group's share of total return for the year	64,656	50,703	115,359
Distributions received and receivable during the year	(56,560)	(15,215)	(71,775)
Group's share of movement in Unitholders' funds	5,971	9,998	15,969
Group's share of total return and movement in Unitholders' funds	14,067	45,486	59,553
Carrying amount of interest in joint venture acquired as subsidiary	–	(168,903)	(168,903)
Carrying amount of interest in joint ventures at end of the year	827,410	1,135	828,545

1 On 1 November 2018, the Group's equity interest in IMT increased from 30% to 100% and IMT became a subsidiary from that date (see notes 7 and 22). Accordingly, the information presented in the above table includes the results of IMT only for the period from 1 January 2018 to 31 October 2018.

8. ASSOCIATE AND JOINT VENTURES (continued)

Joint Ventures (continued)

	RCS Trust $'000	Immaterial joint ventures $'000	Total $'000
2017			
Revenue	229,939		
Net income	134,749		
Total return for the year [a]	186,638		
[a] Includes:			
- depreciation and amortisation	(1,374)		
- interest income	82		
- interest expense	(23,554)		
- income tax expense	–		
Non-current assets	3,260,818		
Current assets [b]	20,177		
Non-current liabilities [c]	(897,761)		
Current liabilities [d]	(340,800)		
Net assets	2,042,434		
[b] Includes cash and cash equivalents	18,935		
[c] Includes non-current financial liabilities (excluding trade and other payables and provisions)	(897,761)		
[d] Includes current financial liabilities (excluding trade and other payables and provisions)	(261,851)		
Group's interest in net assets of joint ventures at beginning of the year	793,197	150,952	944,149
Group's share of total return for the year	74,655	(23,114)	51,541
Distributions received and receivable during the year	(60,670)	(3,221)	(63,891)
Group's share of movement in Unitholders' funds	6,161	(65)	6,096
Group's share of total return and movement in Unitholders' funds	20,146	(26,400)	(6,254)
Carrying amount of interest in joint ventures at end of the year	813,343	124,552	937,895

As at 31 December 2018, the Group's share of its joint venture capital commitments amounted to $14,404,000[2] (2017: $23,031,000). The commitments have not been recognised in the Group's consolidated financial statements.

2 Pertains to RCS Trust only for 2018.

9. FINANCIAL DERIVATIVES

	Group	
	2018 $'000	2017 $'000
Non-current assets		
Cross currency swaps	26,619	14,953
Current asset		
Cross currency swaps	–	29,418
Current liabilities		
Cross currency swaps	33,616	–
Interest rate swaps	1,054	–
	34,670	–
Non-current liabilities		
Cross currency swaps	27,733	77,013
Total financial derivative assets	26,619	44,371
Total financial derivative liabilities	62,403	77,013

Cross currency swaps

The Group enters into cross currency swaps ("CCS") for its foreign currency borrowings. The Group has designated the cross currency swaps as hedging instruments in cash flow hedges.

As at 31 December 2018, the Group held CCS with a total notional amount of $1,274,552,800 (2017: $1,680,962,800) to provide Singapore dollar fixed rate funding for terms of 7 to 12 years (2017: 6 to 12 years).

Interest rate swaps

At 31 December 2018, the Group has interest rate swaps ("IRS") classified as cash flow hedges with a total notional contractual amount of $405,000,000 (2017: $nil) and are due for settlement within 1 year (2017: nil) from the reporting date.

Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the Statement of Financial Position.

The Group entered into International Swaps and Derivatives Association ("ISDA") Master Agreements with various bank counterparties ("ISDA Master Agreement"). In certain circumstances following the occurrence of a termination event as set out in an ISDA Master Agreement, all outstanding transactions under such ISDA Master Agreement may be terminated and the early termination amount payable to one party under such agreements may be offset against amounts payable to the other party such that only a single net amount is due or payable in settlement of all transactions.

In accordance with accounting standards, the swaps presented below are not offset in the Statement of Financial Position as the right of set-off of recognised amounts is enforceable only following the occurrence of a termination event as set out in such ISDA Master Agreement. In addition the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

9. FINANCIAL DERIVATIVES (continued)

Financial instruments that are subject to an enforceable master netting arrangements

	Gross amounts of recognised financial instruments $'000	Gross amounts of recognised financial instruments offset in the Statement of Financial Position $'000	Net amounts of financial instruments presented in the Statement of Financial Position $'000	Related amounts not offset in the Statement of Financial Position - Financial instruments $'000	Net amount $'000
Group					
31 December 2018					
Financial assets					
Cross currency swaps used for hedging (Non-current)	26,619	–	26,619	(26,619)	–
Financial liabilities					
Cross currency swaps used for hedging (Non-current)	27,733	–	27,733	(26,619)	1,114
Cross currency swaps used for hedging (Current)	33,616	–	33,616	–	33,616
Interest rate swaps used for hedging (Current)	1,054	–	1,054	–	1,054
Group					
31 December 2017					
Financial assets					
Cross currency swaps used for hedging (Non-current)	14,953	–	14,953	(14,953)	–
Cross currency swaps used for hedging (Current)	29,418	–	29,418	(29,418)	–
Financial liabilities					
Cross currency swaps used for hedging (Non-current)	77,013	–	77,013	(44,371)	32,642

9. FINANCIAL DERIVATIVES (continued)

Hedge accounting

Cash flow hedges

At 31 December 2018, the Group held the following instruments to hedge exposures to changes in foreign currency and interest rates.

	Maturity Within 1 year	Maturity More than 1 year
Foreign currency risk		
Cross currency swaps		
Net exposure ($'000)	157,555	1,116,998
Average SGD:HKD forward contract rate	–	0.1690
Average SGD:JPY forward contract rate	0.0157	0.0122

	Maturity Within 1 year	Maturity More than 1 year
Interest rate risk		
Interest rate swaps		
Net exposure ($'000)	405,000	–
Average fixed interest rate %	2.33	–

The following table provides a reconciliation by risk category of components of Unitholders' Funds resulting from cash flow hedge accounting.

	2018 Hedging reserve $'000
Cash flow hedges	
Balance as at 1 January 2018	(31,302)
Changes in fair value:	
Foreign currency risk	(10,970)
Interest rate risk	201
Amounts reclassified to Statement of Total Return:	
Foreign currency risk	9,963
Interest rate risk	440
Share of movements in hedging reserves of associate and joint venture	2,291
Balance at 31 December 2018	(29,377)

9. FINANCIAL DERIVATIVES (continued)

The amounts relating to items designated as hedged items and hedging instruments (excluding share of hedging reserves of associate and joint venture) were as follows:

	Nominal amount $'000	Carrying amount – assets $'000	Carrying amount – liabilities $'000	Line item in the Statement of Financial Position where the hedging instrument is included	Line item in the Statement of Financial Position where the hedged item is included	Cash flow hedge reserve $'000	Changes in the fair value of the hedging instrument recognised in Unitholders Funds $'000	Amounts reclassified from Hedging Reserve to Statement of Total Return $'000	Line item in Statement of Total Return affected by the reclassification
Foreign currency risk									
Cross currency swaps	1,274,553	26,619	(61,349)	Financial derivatives	Interest-bearing borrowings	(29,913)	(10,970)	9,963	Finance costs
Interest rate risk									
Interest rate swaps	405,000	–	(1,054)	Financial derivatives	Interest-bearing borrowings	641	201	440	Finance costs

The following table indicates the periods in which the cash flows associated with derivatives that are cash flow hedges are expected to occur and the fair value of the related hedging instruments.

	Carrying amount $'000	Contractual cash flows $'000	Cash flows Within 1 year $'000	Cash flows Within 2 to 5 years $'000	Cash flows More than 5 years $'000
Group					
2018					
Derivative financial assets					
Cross currency swaps (gross-settled)	26,619				
- Inflow		645,012	16,482	514,073	114,457
- Outflow		(616,139)	(17,626)	(484,948)	(113,565)
	26,619	28,873	(1,144)	29,125	892
Derivative financial liabilities					
Cross currency swaps (gross-settled)	(61,349)				
- Inflow		787,024	141,342	242,969	402,713
- Outflow		(850,221)	(180,198)	(243,917)	(426,106)
	(61,349)	(63,197)	(38,856)	(948)	(23,393)
Interest rate swaps (net-settled)	(1,054)	(1,048)	(1,048)	–	–
	(1,054)	(1,048)	(1,048)	–	–

9. FINANCIAL DERIVATIVES (continued)

	Carrying amount $'000	Contractual cash flows $'000	Cash flows Within 1 year $'000	Within 2 to 5 years $'000	More than 5 years $'000
2017					
Derivative financial assets					
Cross currency swaps (gross-settled)	44,371				
- Inflow		1,073,800	558,301	251,098	264,401
- Outflow		(1,032,181)	(528,168)	(245,779)	(258,234)
	44,371	41,619	30,133	5,319	6,167
Derivative financial liabilities					
Cross currency swaps (gross-settled)	(77,013)				
- Inflow		780,777	11,171	349,183	420,423
- Outflow		(863,353)	(22,274)	(410,323)	(430,756)
	(77,013)	(82,576)	(11,103)	(61,140)	(10,333)

10. TRADE AND OTHER RECEIVABLES

	Group 2018 $'000	Group 2017 $'000	Trust 2018 $'000	Trust 2017 $'000
Trade receivables	7,939	9,193	6,497	7,809
Deposits	787	2,632	727	690
Interest receivables	757	893	647	873
Amounts due from related parties (non-trade)	15,093	17,569	15,081	17,569
Amount due from subsidiaries (non-trade)	–	–	5,794	4,185
Other receivables	2,220	1,334	818	867
	26,796	31,621	29,564	31,993
Prepayments	722	778	671	745
	27,518	32,399	30,235	32,738

11. CASH AND CASH EQUIVALENTS

	Group		Trust	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Cash at bank and in hand	10,798	8,358	9,642	7,502
Fixed deposits with financial institutions	337,705	514,387	276,475	484,369
Cash and cash equivalents in the statements of cash flows	348,503	522,745	286,117	491,871

At Group level, as security for the purpose of the Infinity Mall Trust's secured bank loans (see note 13), a fixed charge is created over the Infinity Mall Trust's cash at bank and fixed deposits of $44.0 million (2017: nil).

The weighted average effective interest rate relating to cash and cash equivalents at the reporting date for the Group and Trust are 1.89% (2017: 1.22%) and 1.98% (2017: 1.17%) per annum respectively.

12. TRADE AND OTHER PAYABLES

	Group		Trust	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Trade payables and accrued operating expenses	126,142	87,112	97,951	74,672
Amounts due to related parties (trade)	34,449	29,892	27,757	27,418
Deposits and advances	10,793	12,536	8,500	11,579
Interest payable	27,887	26,048	24,826	26,048
	199,271	155,588	159,034	139,717

Included in the amounts due to related parties (trade) of the Group are mainly amounts due to the Manager of $29,577,000 (2017: $27,108,000) and the Property Manager of $3,253,000 (2017: $2,307,000). Included in the amounts due to related parties (trade) of the Trust are mainly amounts due to the Manager of $24,143,000 (2017: $24,841,000) and the Property Manager of $2,183,000 (2017: $2,120,000).

Included in the trade payables and accrued operating expenses of the Group and the Trust is an amount due to the Trustee of $343,000 (2017: $320,000).

13. INTEREST-BEARING BORROWINGS

	Group 2018 $'000	Group 2017 $'000	Trust 2018 $'000	Trust 2017 $'000
Current liabilities				
Euro-Medium term notes ("EMTN notes")	123,606	534,760	–	–
Bank loans	405,000	–	–	–
Term loans	–	–	157,555	505,200
Unamortised transaction costs	(49)	(68)	(49)	(68)
	528,557	534,692	157,506	505,132
Non-current liabilities				
Medium term notes ("MTN notes")	2,071,776	1,675,763	–	–
EMTN notes	354,353	466,704	–	–
Retail bonds	350,000	350,000	350,000	350,000
Bank loans	328,434	161,121	328,434	161,121
Term loans	–	–	2,396,998	2,175,763
Unamortised transaction costs	(5,303)	(5,179)	(5,303)	(5,179)
	3,099,260	2,648,409	3,070,129	2,681,705
Total interest-bearing borrowings	3,627,817	3,183,101	3,227,635	3,186,837

Terms and debt repayment schedule

Terms and conditions of outstanding interest-bearing borrowings are as follows:

	Weighted average interest rate %	Year of maturity	2018 Face value $'000	2018 Carrying amount $'000	2017 Face value $'000	2017 Carrying amount $'000
Group						
Secured						
SGD bank loans	SOR + Margin	2019	405,000	405,000	–	–
Unsecured						
Retail bonds	3.08	2021	350,000	349,365	350,000	349,082
USD fixed rate EMTN notes	3.73	2018	–	–	534,760	534,692
JPY fixed rate MTN and EMTN notes	1.04 – 1.31	2019 to 2020	247,211	247,091	237,218	237,000
JPY floating rate MTN notes	3 months JPY LIBOR + Margin	2021 to 2023	168,104	167,929	161,309	161,085
HKD fixed rate MTN and EMTN notes	2.71 – 3.84	2022 to 2027	854,420	852,982	743,940	742,533
SGD fixed rate MTN notes	2.80 – 3.75	2020 to 2031	1,280,000	1,277,560	1,000,000	997,805
SGD bank loans	SOR + Margin	2020 to 2024	328,434	327,890	161,121	160,904
			3,228,169	3,222,817	3,188,348	3,183,101
			3,633,169	3,627,817	3,188,348	3,183,101

13. INTEREST-BEARING BORROWINGS (continued)

Terms and debt repayment schedule (continued)

	Weighted average interest rate %	Year of maturity	2018 Face value $'000	2018 Carrying amount $'000	2017 Face value $'000	2017 Carrying amount $'000
Trust						
Unsecured						
Retail bonds	3.08	2021	350,000	349,365	350,000	349,082
SGD fixed rate term loans from CMT MTN	2.79 – 3.75	2019 to 2031	2,554,553	2,550,380	2,680,963	2,676,851
SGD bank loans	SOR + Margin	2020 to 2024	328,434	327,890	161,121	160,904
			3,232,987	3,227,635	3,192,084	3,186,837

JPY LIBOR – Japanese Yen London Interbank Offered Rate

SOR – Swap Offer Rate

The following are the expected contractual undiscounted cash outflows of non-derivative financial liabilities including interest payments and excluding the impact of netting agreements:

	Carrying amount $'000	Contractual cash flows $'000	Cash flows Within 1 year $'000	Cash flows Within 2 to 5 years $'000	Cash flows More than 5 years $'000
Group					
2018					
Non-derivative financial liabilities					
Secured					
SGD bank loans	405,000	413,215	413,215	–	–
Unsecured					
Retail bonds	349,365	377,024	10,780	366,244	–
JPY fixed rate MTN and EMTN notes	247,091	251,401	126,508	124,893	–
JPY floating rate MTN notes	167,929	169,631	464	169,167	–
HKD fixed rate MTN and EMTN notes	852,982	920,653	27,976	451,130	441,547
SGD fixed rate MTN notes	1,277,560	1,567,481	42,395	488,834	1,036,252
SGD bank loans	327,890	351,281	9,287	321,481	20,513
Trade and other payables	199,271	199,271	199,271	–	–
Security deposits	181,085	181,085	63,408	115,869	1,808
	3,603,173	4,017,827	480,089	2,037,618	1,500,120
	4,008,173	4,431,042	893,304	2,037,618	1,500,120

13. INTEREST-BEARING BORROWINGS (continued)

Terms and debt repayment schedule (continued)

	Carrying amount $'000	Contractual cash flows $'000	Cash flows: Within 1 year $'000	Cash flows: Within 2 to 5 years $'000	Cash flows: More than 5 years $'000
Group					
2017					
Non-derivative financial liabilities					
Unsecured					
Retail bonds	349,082	387,804	10,780	377,024	–
USD fixed rate EMTN notes	534,692	544,654	544,654	–	–
JPY fixed rate MTN and EMTN notes	237,000	244,019	2,781	241,238	–
JPY floating rate MTN notes	161,085	163,973	522	61,339	102,112
HKD fixed rate MTN and EMTN notes	742,533	902,218	23,803	288,318	590,097
SGD fixed rate MTN notes	997,805	1,266,389	33,420	227,472	1,005,497
SGD bank loans	160,904	170,018	4,226	165,792	–
Trade and other payables	160,249	160,249	155,588	4,661	–
Security deposits	155,732	155,732	57,619	96,310	1,803
	3,499,082	3,995,056	833,393	1,462,154	1,699,509
Trust					
2018					
Non-derivative financial liabilities					
Unsecured					
Retail bonds	349,365	377,024	10,780	366,244	–
SGD fixed rate term loans	2,550,380	3,033,842	240,219	1,217,700	1,575,923
SGD bank loans	327,890	351,281	9,287	321,481	20,513
Trade and other payables	159,034	159,034	159,034	–	–
Security deposits	144,268	144,268	55,021	87,732	1,515
	3,530,937	4,065,449	474,341	1,993,157	1,597,951
2017					
Non-derivative financial liabilities					
Unsecured					
Retail bonds	349,082	387,804	10,780	377,024	–
SGD fixed rate term loans	2,676,851	3,161,922	583,862	883,573	1,694,487
SGD bank loans	160,904	170,018	4,226	165,792	–
Trade and other payables	143,709	143,709	139,717	3,992	–
Security deposits	141,826	141,826	54,317	85,706	1,803
	3,472,372	4,005,279	792,902	1,516,087	1,696,290

13. INTEREST-BEARING BORROWINGS (continued)

The interest-bearing borrowings comprise the following:

(1) Secured bank loans of Infinity Mall Trust

On 27 August 2018, the Manager announced that the Trustee has entered into a conditional unit purchase agreement with CMA Singapore Investments (4) Pte. Ltd. and CL JM Pte. Ltd. to acquire the balance 70.0% of the units in Infinity Mall Trust ("IMT") which holds Westgate. The acquisition was approved by Unitholders at an extraordinary general meeting on 25 October 2018 and was completed on 1 November 2018. With the completion, IMT becomes a wholly-owned subsidiary of CMT.

As at 31 December 2018, IMT has secured bank loan of $405.0m which is secured by a mortgage on Westgate of $1,128.0 million and cash balances of $44.0 million (see Note 11).

In addition, the trustee of IMT has granted in favour of the lenders the following:

(i) an assignment and charge of the rental proceeds, tenancy agreements and sale agreements relating to Westgate;

(ii) an assignment of the insurance policies relating to Westgate; and

(iii) a fixed and floating charge over certain assets of IMT relating to Westgate.

(2) Unsecured retail bonds of the Trust

On 20 February 2014, the Trustee issued $350.0 million in principal amount of bonds under the $2.5 billion Retail Bond Programme which carry an interest of 3.08% per annum, fully repayable on 20 February 2021.

(3) Unsecured bank loans of the Trust

As at 31 December 2018, the Trust has drawn on $328.4 million (2017: $161.1 million) of unsecured bank loans with maturities between 2 to 6 years (2017: 4 to 5 years) from various banks.

(4) Unsecured MTN notes and EMTN notes of CMT MTN

On 20 March 2017, the Group has increased the programme limit of the $2.5 billion Multicurrency Medium Term Note Programme ("MTN Programme") to $3.5 billion. The Group also has a USD3.0 billion Euro-Medium Term Note Programme ("EMTN Programme").

Under the MTN Programme, CMT MTN may, subject to compliance with all relevant laws, regulations and directives, from time to time issue notes in series or tranches in Singapore dollars, United States dollars or any other currency ("MTN Notes").

Under the EMTN Programme, CMT MTN may, subject to compliance with all relevant laws, regulations and directives, from time to time issue notes in series or tranches in Euro, Sterling, United States dollars, Singapore dollars and any other currency ("EMTN Notes").

Each series or tranche of notes under the MTN Programme and EMTN Programme may be issued in various amounts and tenors, and may bear fixed, floating or variable rates of interest.

The MTN Notes and EMTN Notes shall constitute direct, unconditional, unsecured and unsubordinated obligations of CMT MTN ranking pari passu, without any preference or priority among themselves and pari passu with all other present and future unsecured obligations at CMT MTN. All sums payable in respect of the notes will be unconditionally and irrevocably guaranteed by the Trustee.

13. INTEREST-BEARING BORROWINGS (continued)

At 31 December 2018, notes issued by CMT MTN were as follows:

- under the MTN Programme:

(i) $1,280.0 million (2017: $1,000.0 million) of fixed rate notes maturing from 2020 to 2031;

(ii) JPY10.0 billion (2017: JPY10.0 billion) of fixed rate notes maturing in 2020;

(iii) JPY13.6 billion (2017: JPY13.6 billion) of floating rate notes maturing from 2021 to 2023; and

(iv) HKD2.869 billion (2017: HKD2.314 billion) of fixed rate notes maturing from 2025 to 2027.

- under the EMTN Programme:

(i) JPY10.0 billion (2017: JPY10.0 billion) of fixed rate notes maturing in 2019; and

(ii) HKD2.035 billion (2017: HKD2.035 billion) of fixed rate notes maturing from 2022 to 2023.

CMT MTN has entered into cross currency swaps to swap the abovementioned foreign currency notes into Singapore dollars proceeds.

The proceeds from the issuance of the MTN Notes and EMTN Notes were used by CMT MTN and the Group to refinance the existing borrowings of the Group, to finance the investments comprised in the Trust, to on-lend to any trust, fund or entity in which the Trust has an interest, to finance any asset enhancement works initiated in respect of the Trust or such trust, fund or entity, and to finance the general corporate and working capital purposes in respect of the Group.

Reconciliation of movements of liabilities to cash flows arising from financing activities:-

			Non cash changes					
	1 January 2018 $'000	Financing cashflows[1] $'000	Interest expense/ capitalised $'000	Foreign exchange movement $'000	Change in fair value $'000	Acquisition of subsidiary $'000	Other changes $'000	31 December 2018 $'000
Group								
Retail bonds[2]	353,040	(10,780)	10,780	–	–	–	283	353,323
MTN and EMTN notes[2]	2,694,931	(196,643)	67,111	(1,081)	–	–	659	2,564,977
Bank loans[2]	161,178	(419)	13,829	–	–	561,088	1,728	737,404
Financial derivatives	32,642	(9,322)	–	–	10,769	1,695	–	35,784
	3,241,791	(217,164)	91,720	(1,081)	10,769	562,783	2,670	3,691,488

			Non cash changes				
	1 January 2017 $'000	Financing cashflows[1] $'000	Interest expense/ capitalised $'000	Foreign exchange movement $'000	Change in fair value $'000	Other changes $'000	31 December 2017 $'000
Group							
Retail bonds[2]	352,766	(10,780)	10,780	–	–	274	353,040
MTN and EMTN notes[2]	2,875,014	(134,920)	84,895	(128,925)	–	(1,133)	2,694,931
Bank loans[2]	88,204	68,455	3,609	–	–	910	161,178
Financial derivatives	(131,740)	(5,487)	–	–	169,869	–	32,642
	3,184,244	(82,732)	99,284	(128,925)	169,869	51	3,241,791

1 Net of proceeds from interest-bearing borrowings, repayment of interest-bearing borrowings, settlement of financial derivatives, interest paid and payment of transactions costs related to interest-bearing borrowings.

2 Includes interest payable.

14. UNITS IN ISSUE

	Group and Trust 2018 $'000	2017 $'000
Units in issue:		
At 1 January	3,546,423	3,543,070
Units created:		
- payment of management fees in relation to the Trust's 40.0% interest in RCS Trust	2,697	3,131
- payment of divestment fees in relation to the divestment of Victory SR Trust	–	222
- in connection with Placement	134,089	–
- payment of acquisition fees in relation to the acquisition of the balance 70% of the units in Infinity Mall Trust	3,693	–
Total issued units at 31 December	3,686,902	3,546,423

Each unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- Receive income and other distributions attributable to the units held;
- Participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer to it of any assets (or part thereof) or of any estate or interest in any asset (or part thereof) of the Trust;
- Attend all Unitholders meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or one-tenth in number of the Unitholders, whichever is lesser) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed; and
- One vote per unit.

The restrictions of a Unitholder include the following:

- A Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- A Unitholder has no right to request the Manager to redeem his units while the units are listed on SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any units in the Trust. The provisions of the Trust Deed provide that no Unitholders will be personally liable for indemnifying the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

15. GROSS REVENUE

	Group		Trust	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Gross rental income	639,167	629,366	575,938	577,953
Car park income	20,181	19,954	18,359	19,018
Others	38,173	33,149	35,026	31,093
	697,521	682,469	629,323	628,064

16. PROPERTY OPERATING EXPENSES

	Group		Trust	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Property tax	56,479	56,928	50,493	51,851
Utilities	15,687	18,080	15,090	17,645
Property management fees	26,655	26,002	24,039	23,923
Property management reimbursements	38,528	36,623	35,019	34,070
Marketing	18,291	19,945	15,860	16,817
Maintenance	39,886	39,188	36,128	35,923
Land rental	3,325	2,856	2,456	2,462
Others	5,122	4,613	4,661	4,229
	203,973	204,235	183,746	186,920

17. INTEREST AND OTHER INCOME

	Group		Trust	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Interest income:				
- financial institutions	4,995	4,965	4,746	4,759
- subsidiaries	–	–	23,308	19,201
- joint ventures	3,861	4,406	3,861	4,406
Other income	1,825	707	–	707
	10,681	10,078	31,915	29,073

18. INVESTMENT INCOME

	Trust	
	2018 $'000	2017 $'000
Distribution income from:		
- subsidiaries	19,350	16,759
- associate	7,632	17,179
- joint ventures	71,775	63,891
	98,757	97,829

19. MANAGEMENT FEES

	Group 2018 $'000	Group 2017 $'000	Trust 2018 $'000	Trust 2017 $'000
Base fees	23,571	24,020	20,587	21,415
Performance fees	21,008	21,031	18,937	19,373
	44,579	45,051	39,524	40,788

20. FINANCE COSTS

	Group 2018 $'000	Group 2017 $'000	Trust 2018 $'000	Trust 2017 $'000
Interest expense	94,568	102,026	93,568	102,227
Transaction costs	3,162	2,073	3,151	2,073
Net foreign exchange gain	(9,963)	(134,413)	–	–
Cash flow hedges, reclassified from hedging reserve				
- Foreign currency risk	9,963	134,413	–	–
- Interest rate risk	440	–	–	–
	98,170	104,099	96,719	104,300

21. GAIN ON DISPOSAL OF INVESTMENT PROPERTY

Gain on disposal of investment property relates to the sale of Sembawang Shopping Centre with legal completion on 18 June 2018.

22. ACQUISITION/DISPOSAL OF SUBSIDIARY, NET OF CASH ACQUIRED/DISPOSED

The Group acquires subsidiaries that own real estate. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. Typically, the Group assesses the acquisition as a purchase of business when the strategic management function and the associated processes were purchased along with the underlying property.

In 2018, the Group had the following significant business combination:

Acquisition of subsidiary

On 1 November 2018, the Group acquired 70% of the shares and voting interests in Infinity Mall Trust ("IMT") from related parties, CMA Singapore Investments (4) Pte. Ltd. and CL JM Pte. Ltd. As a result, the Group's equity interest in IMT increased from 30% to 100%, obtaining control of IMT.

The acquisition is part of the Group's ongoing business development and is in line with the Group's strategy to invest in income producing real estate which are used or substantially used for commercial purposes to achieve an attractive level of return from rental income and for long-term capital growth.

22. ACQUISITION/DISPOSAL OF SUBSIDIARY, NET OF CASH ACQUIRED/DISPOSED (continued)

Acquisition of subsidiary (continued)

For the two months ended 31 December 2018, IMT contributed revenue of $11.2 million and total return of $5.1 million to the Group's results. If the acquisition had occurred on 1 January 2018, management estimates that consolidated revenue would have been $757.2 million and consolidated total return for the year would have been $797.6 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2018.

Effects of acquisition

The cash flows and net assets of subsidiary acquired are provided below:

	2018	
	Group $'000	Trust $'000
Investment property	1,124,179	
Plant and equipment	972	
Cash and cash equivalents	41,520	
Other assets	3,117	
Interest-bearing borrowings	(560,000)	
Trade and other payables	(16,172)	
Amounts due to unitholders	(542,362)	
Financial derivatives	(1,695)	
Provision for taxation	(1,651)	
Security deposits	(20,008)	
Total identifiable net assets	27,900	
Less: Amount previously accounted for as a joint venture, at fair value	(8,370)	
Net assets acquired	19,530	
Loans to IMT for repayment of amounts due to previous unitholders	379,653	
Total consideration	399,183	399,183
Less: Cash of subsidiary acquired	(41,520)	-
Net cash outflow on acquisition of subsidiary	357,663	399,183

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation Technique
Investment property	The fair value is determined by the average of the valuations by 2 independent valuers, Colliers International Consultancy & Valuation (Singapore) Pte Ltd and Jones Lang LaSalle Property Consultants Pte Ltd. The methods used by the independent valuers were the discounted cash flow method, capitalisation method and the comparison method.

Acquisition related costs

The Group incurred acquisition-related costs of $9.0 million, which mainly relates to the acquisition fees paid to the manager, legal fees and professional fees. These costs have been recognised in 'costs associated with acquisition of subsidiary'.

22. ACQUISITION/DISPOSAL OF SUBSIDIARY, NET OF CASH ACQUIRED/DISPOSED (continued)

Disposal of subsidiary

Name of subsidiary	Date disposed	Effective interest disposed
Victory SR Trust	31 October 2017	100%

The disposed subsidiary previously contributed net loss of $392,000 from 1 January 2017 to the date of disposal.

Effects of disposal

Net cashflow on the disposal (including divestment charges) is set out below:–

	2017	
	Group $'000	Trust $'000
Investment property under development	101,284	
Cash and cash equivalents	313	
Trade and other payables	(2,128)	
Amount due to Unitholder	(41,585)	
Net assets disposed	57,884	
Sales consideration	99,469	99,469
Divestment costs	(669)	(669)
Cash of subsidiary disposed	(313)	–
Net cash inflow from disposal of subsidiary	98,487	98,800

23. INCOME TAX (REFUND)/EXPENSE

	Group		Trust	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Current tax (refund)/expense				
Current year	–	–	–	–
(Over)/Under provision in prior years[1]	(387)	159	(78)	159
	(387)	159	(78)	159

1 In FY 2018, this relates to tax refunded to the Trust for Year of Assessment ("YA") 2009 and BMT for YA 2015 as well as tax assessed on BMT for YA 2016, by the Inland Revenue Authority of Singapore ("IRAS"). In FY 2017, this relates to tax assessed on the Trust by IRAS for YA 2013. The IRAS disallowed certain expenses incurred in the years ended 31 December 2012 and did not allow such adjustments to be included under the rollover income adjustment.

23. INCOME TAX (REFUND)/EXPENSE (continued)

	Group		Trust	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Reconciliation of effective tax rate				
Net income	477,392	405,664	427,250	419,346
Tax calculated using Singapore tax rate of 17%	81,157	68,963	72,633	71,289
Effects of results of equity-accounted investees presented net of tax	(9,720)	(1,102)	–	–
Tax deductible items	213	(590)	359	(1,100)
Income not subject to tax	(1,881)	(2)	(3,176)	(2,920)
Tax transparency	(69,769)	(67,269)	(69,816)	(67,269)
(Over)/Under provision in prior years	(387)	159	(78)	159
	(387)	159	(78)	159

24. EARNINGS PER UNIT

Basic and diluted earnings per unit

The calculation of basic and diluted earnings per unit is based on the weighted average number of units during the year and total return for the year.

	Group		Trust	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Total return for the year	676,745	657,648	648,573	644,423

	Group and Trust Number of Units	
	2018	2017
	'000	'000
Issued units at beginning of the year	3,546,423	3,543,070
Creation of new units during the year:		
- management fees in relation to the Trust's 40.0% interest in RCS Trust	1,890	2,100
- in relation to Placement	19,838	–
- in relation to the acquisition fees in respect of the acquisition of the balance 70.0% units in IMT	536	–
- in relation to the divestment fees for Victory SR Trust	–	32
Weighted average number of units at the end of the year	3,568,687	3,545,202

25. RELATED PARTIES

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the parties or exercise significant influence over the parties in making financial and operating decisions, or vice versa, or where the Group and the parties are subject to common significant influence. Related parties may be individuals or other entities. The Manager, Property Manager and Project Manager (CapitaLand Project Management Pte Ltd) are subsidiaries of a substantial Unitholder of the Trust. In the normal course of the operations of the Trust, management fees and trustee's fees have been paid or are payable to the Manager and Trustee respectively. The property management fees and property management reimbursements are payable to the Property Manager.

During the financial year, other than those disclosed elsewhere in the financial statements, the following were significant related party transactions carried out in the normal course of business:

	Group		Trust	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Asset enhancement works and consultancy fees paid/payable to related companies of the Manager	1,516	1,993	1,057	1,464
Rental and other income received/receivable from related companies of the Manager	1,812	1,214	1,652	1,201
Interest paid/payable to subsidiary	–	–	78,865	88,360
Divestment fees paid to the Manager	1,240	–	1,240	–
Other expenses paid/payable to related companies of the Manager	7,330	5,583	6,155	5,161

26. FINANCIAL RISK MANAGEMENT

Capital management

The Board of the Manager proactively reviews the Group's and the Trust's capital and debt management and financing policy regularly so as to optimise the Group's and the Trust's funding structure. Capital consists of Unitholders' funds of the Group. The Board also monitors the Group's and the Trust's exposure to various risk elements and externally imposed requirements by closely adhering to clearly established management policies and procedures.

The Trust is subject to the aggregate leverage limit as defined in the Property Funds Appendix of the CIS code. The CIS code stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 45.0% of the fund's deposited property. Moody's Investors Service has affirmed an 'A2' issuer rating in August 2018. The Trust has complied with the Aggregate Leverage limit of 45.0% during the financial year. There were no changes in the Group's and the Trust's approach to capital management during the financial year.

Overview of risk management

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Manager continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

26. FINANCIAL RISK MANAGEMENT (continued)

***Overview of risk management** (continued)*

The Audit Committee oversees how the Manager monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a tenant or a counterparty to settle its financial and contractual obligations to the Group, as and when they fall due.

The Manager has established credit limits for customers and monitors their balances on an ongoing basis. Credit evaluations are performed by the Manager before lease agreements are entered into with tenants.

At 31 December 2018 and 31 December 2017, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset on the Statement of Financial Position.

Concentration of credit risk relating to trade receivables is limited due to the Group's many varied tenants. These tenants comprise retailers engaged in a wide variety of consumer trades. The Group's historical experience in the collection of accounts receivable falls within the recorded allowances. Due to these factors, the Manager believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

The maximum exposure to credit risk for trade receivables at the reporting date (by type of consumers) is:

	Group		Trust	
	2018	**2017**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**
Retail	7,850	9,122	6,408	7,738
Warehouse	89	71	89	71
	7,939	9,193	6,497	7,809

Impairment

Expected credit loss assessment for individual tenants as at 1 January and 31 December 2018

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual tenants, which comprise a very large number of tenants.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off based on actual credit loss experience over the last three years.

26. FINANCIAL RISK MANAGEMENT (continued)

***Impairment** (continued)*

The ageing of trade receivables at the reporting date was:

	Group		Trust	
	Gross $'000	Impairment loss $'000	Gross $'000	Impairment loss $'000
2018				
Not past due	6,167	8	5,147	8
Past due 31 – 60 days	1,293	–	994	–
Past due 61 – 90 days	44	–	26	–
Over 90 days	443	–	338	–
	7,947	8	6,505	8
2017				
Not past due	6,865	–	5,545	–
Past due 31 – 60 days	1,403	–	1,343	–
Past due 61 – 90 days	369	–	367	–
Over 90 days	578	22	576	22
	9,215	22	7,831	22

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	Group and Trust	
	2018 $'000	2017 $'000
At 1 January	22	–
Impairment loss recognised	8	22
Reversal of impairment loss	(22)	–
At 31 December	8	22

26. FINANCIAL RISK MANAGEMENT (continued)

***Impairment** (continued)*

The Manager believes that, apart from the above, no impairment allowance is necessary in respect of the remaining trade receivables as these receivables arose mainly from tenants that have a good record with the Group and have sufficient security deposits as collateral.

Amounts due from subsidiary and related parties (trade)

Outstanding trade balances with subsidiary and related parties are unsecured. There is no allowance for doubtful debts arising from these outstanding balances as the ECL is not significant.

Loans to subsidiaries

The Trust held loans to its subsidiaries of $1,426,392,000 (2017: $683,518,000) which are amounts lent to subsidiaries to satisfy long term funding requirements. Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to audited financial statements, management accounts and cash flow projections, and applying experienced credit judgement), these exposures are considered to have low credit risk. Therefore impairment on these balances has been measured on the 12 month expected credit loss basis; and the amount of the allowance is not significant.

Financial derivatives

The financial derivatives are entered into with bank and financial institution counterparties, which are regulated.

Cash and cash equivalents

Cash and fixed deposits are placed with financial institutions which are regulated. The Group limits its credit risk exposure in respect of investments by only investing in liquid securities and only with counterparties that have sound credit ratings, thus management does not expect any counterparty to fail to meet its obligations.

The Group and the Trust held cash and cash equivalents of $348,503,000 and $286,117,000 respectively at 31 December 2018 (2017: $522,745,000 and $491,871,000 respectively). The cash and cash equivalents are held with banks and financial institution counterparties which are rated A to AA-, based on Standard & Poor's ratings.

Liquidity risk

The Manager monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

26. FINANCIAL RISK MANAGEMENT (continued)

Foreign currency risk

The Group is exposed to foreign currency risk on interest-bearing borrowings that were denominated in a currency other than the respective functional currencies of the Group entities. The functional currencies of the Group entities are denominated in Singapore Dollars ("SGD"). The currencies giving rise to this risk are Hong Kong Dollars ("HKD") and Japanese Yen ("JPY"). The Group hedges this risk by entering into cross currency swaps with notional contracts amounting to HKD4.9 billion and JPY33.6 billion. All sums payable in respect of the cross currency swaps are guaranteed by the Trustee.

Foreign exchange risks related to the interest-bearing borrowings of the Group's HKD and JPY notes, issued by SGD functional currency Group entities, have been fully hedged using cross currency swaps that mature on the same dates that the loans are due for repayment. These cross currency swaps are designated as cash flow hedges.

The Group applies a hedge ratio of 1:1 to its cross currency swaps to hedge its currency risk. The Group's policy is for the critical terms of the cross currency swaps to align with the hedged item.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group assess whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main potential sources of ineffectiveness are:

- the effect of the counterparty and the Group's own credit risk on the fair value of the cross currency swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates; and

- changes in timing of the hedged transactions.

Sensitivity analysis

A 10.0% weakening of the Singapore dollar, as indicated below, against the following foreign currencies at the reporting date would increase the Statement of Total Return and Unitholders' Funds as at 31 December 2018 by the amounts shown below. This analysis assumes that all other variables, in particular, interest rates, remain constant.

	Statement of Total Return $'000	Unitholders' Funds $'000
Group		
2018		
HKD	–	5,034
JPY	–	939
	–	5,973
2017		
USD	–	793
HKD	–	5,501
JPY	–	1,552
	–	7,846

A 10.0% strengthening of the Singapore dollar against the above currencies would have had an opposite effect of similar quantum on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

26. FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk

The Group adopts a policy of ensuring that at least 80.0% of its interest rate risk exposure is at a fixed-rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a float rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk. The Group applies a hedge ratio of 1:1.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts.

The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main potential sources of ineffectiveness are:

- the effect of the counterparty and the Group's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and

- differences in repricing dates between the swaps and the borrowings.

Exposure to interest rate risk

The Group's exposure to changes in interest rates relates primarily to interest-bearing financial liabilities. Interest rate risk is managed on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates. The Group manages its interest rate exposure through the use of interest rate swaps and fixed rate borrowings.

At 31 December 2018, the Group has interest rate swaps classified as cash flow hedges with notional contractual amount of $405,000,000 (2017: nil) which pay fixed interest rates averaging 2.33% (2017: nil) per annum and receive variable rates equal to the Swap Offer Rate on the notional amount. The fair value of these interest rate swaps as at 31 December 2018 is a liability of $1,054,000 (2017: nil).

At the reporting date, the interest rate profile of the interest-bearing financial instruments, as reported to the management, was as follows:

	Group		Trust	
	2018	**2017**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**
Fixed rate instruments				
Interest-bearing borrowings	(2,731,631)	(2,865,918)	(2,904,553)	(3,030,963)
Effect of interest rate swaps and cross currency swaps	(573,104)	(161,309)	–	–
	(3,304,735)	(3,027,227)	(2,904,553)	(3,030,963)
Variable rate instruments				
Interest-bearing borrowings	(901,538)	(322,430)	(328,434)	(161,121)
Effect of interest rate swaps and cross currency swaps	573,104	161,309	–	–
	(328,434)	(161,121)	(328,434)	(161,121)

26. FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk (continued)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate instruments at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, in respect of the fixed rate instruments, a change in interest rates at the reporting date would not affect the Statement of Total Return.

Fair value sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rate at the reporting date would have increased/(decreased) the Statement of Total Return and Unitholders' Funds by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Statement of Total Return		**Unitholders' Funds**	
	100 bp increase $'000	**100 bp decrease $'000**	**100 bp increase $'000**	**100 bp decrease $'000**
Group				
31 December 2018				
Variable rate instruments	(9,015)	9,015	–	–
Interest rate swaps and cross currency swaps	5,731	(5,731)	(5,536)	5,536
Cash flow sensitivity (net)	(3,284)	3,284	(5,536)	5,536
31 December 2017				
Variable rate instruments	(3,224)	3,224	–	–
Cross currency swaps	1,613	(1,613)	(5,168)	5,168
Cash flow sensitivity (net)	(1,611)	1,611	(5,168)	5,168
Trust				
31 December 2018				
Variable rate instruments	(3,284)	3,284	–	–
Cross currency swaps	–	–	–	–
Cash flow sensitivity (net)	(3,284)	3,284	–	–
31 December 2017				
Variable rate instruments	(1,611)	1,611	–	–
Cross currency swaps	–	–	–	–
Cash flow sensitivity (net)	(1,611)	1,611	–	–

27. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount	
Group	**Note**	**Fair value – hedging instruments $'000**	**Amortised cost $'000**
2018			
Financial assets not measured at fair value			
Trade and other receivables[1]	10	–	26,796
Cash and cash equivalents	11	–	348,503
		–	375,299
Financial assets measured at fair value			
Financial derivatives	9	26,619	–
Financial liabilities not measured at fair value			
Trade and other payables	12	–	–
Security deposits		–	–
Interest-bearing borrowings	13	–	–
		–	–
Financial liabilities measured at fair value			
Financial derivatives	9	(62,403)	–

		Carrying amount	
Group	**Note**	**Fair value – hedging instruments $'000**	**Loans and receivables $'000**
2017			
Financial assets not measured at fair value			
Loan to joint venture	8	–	153,976
Trade and other receivables[1]	10	–	31,621
Cash and cash equivalents	11	–	522,745
		–	708,342
Financial assets measured at fair value			
Financial derivatives	9	44,371	–
Financial liabilities not measured at fair value			
Trade and other payables		–	–
Security deposits		–	–
Interest-bearing borrowings	13	–	–
		–	–
Financial liabilities measured at fair value			
Financial derivatives	9	(77,013)	–

1 Excluding prepayments

Other financial liabilities $'000	Total $'000	Fair value Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
–	26,796				
–	348,503				
–	375,299				
–	26,619	–	26,619	–	26,619
(199,271)	(199,271)				
(181,085)	(181,085)				
(3,627,817)	(3,627,817)	(358,750)	(3,298,096)	–	(3,656,846)
(4,008,173)	(4,008,173)				
–	(62,403)	–	(62,403)	–	(62,403)

Other financial liabilities $'000	Total $'000	Fair value Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
–	153,976				
–	31,621				
–	522,745				
–	708,342				
–	44,371	–	44,371	–	44,371
(160,249)	(160,249)				
(155,732)	(155,732)				
(3,183,101)	(3,183,101)	(364,000)	(2,883,322)	–	(3,247,322)
(3,499,082)	(3,499,082)				
–	(77,013)	–	(77,013)	–	(77,013)

27. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Trust	Note	Carrying amount Fair value – hedging instruments $'000	Amortised cost $'000
2018			
Financial assets not measured at fair value			
Loans to subsidiaries[1]	7	–	1,426,392
Trade and other receivables[2]	10	–	29,564
Cash and cash equivalents	11	–	286,117
		–	1,742,073
Financial liabilities not measured at fair value			
Trade and other payables	12	–	–
Security deposits		–	–
Interest-bearing borrowings	13	–	–
		–	–

Trust	Note	Carrying amount Fair value – hedging instruments $'000	Loans and receivables $'000
2017			
Financial assets not measured at fair value			
Loans to subsidiaries[1]	7	–	618,170
Loan to joint venture	8	–	153,976
Trade and other receivables[2]	10	–	31,993
Cash and cash equivalents	11	–	491,871
		–	1,296,010
Financial liabilities not measured at fair value			
Trade and other payables	12	–	–
Security deposits		–	–
Interest-bearing borrowings	13	–	–
		–	–

1 2018 relates to loans to Brilliance Mall Trust ("BMT"), Infinity Mall Trust ("IMT"), Victory Office 1 Trust and Victory Office 2 Trust. 2017 relates to loans to BMT, Victory Office 1 Trust and Victory Office 2 Trust.

2 Excluding prepayments

Other financial liabilities $'000	Total $'000	Fair value Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
–	1,426,392				
–	29,564				
–	286,117				
–	1,742,073				
(159,034)	(159,034)				
(144,268)	(144,268)				
(3,227,635)	(3,227,635)	(358,750)	(2,905,833)	–	(3,264,583)
(3,530,937)	(3,530,937)				

Other financial liabilities $'000	Total $'000	Fair value Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
–	618,170				
–	153,976				
–	31,993				
–	491,871				
–	1,296,010				
(143,709)	(143,709)				
(141,826)	(141,826)				
(3,186,837)	(3,186,837)	(364,000)	(2,893,569)	–	(3,257,569)
(3,472,372)	(3,472,372)				

27. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Measurement of fair values

Financial instruments that are measured at fair value

Financial derivatives

The fair values of cross currency swaps and interest rate swaps (Level 2 fair values) are based on banks' quotes. These quotes are assessed for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market rates for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take into account the credit risk of the Group and counterparties when appropriate.

Financial instruments that are not measured at fair value

Other non-derivative financial liabilities are measured at fair value at initial recognition and for disclosure purposes, at each annual reporting date. The fair value of quoted interest-bearing borrowings is their quoted ask price at the reporting date. Fair value for unquoted interest-bearing borrowings is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date. Other non-derivative financial liabilities include interest-bearing borrowings.

Interest rates used in determining fair values

The interest rates used to discount estimated cash flows, where applicable, are based on forward rates as at 31 December plus a credit spread, and are as follows:

	2018	2017
	%	%
Interest-bearing borrowings	2.38 – 3.70	1.69 – 3.75

Financial instruments for which fair value is equal to the carrying value

These financial instruments include loans to subsidiaries and joint venture, trade and other receivables, cash and cash equivalents, trade and other payables and security deposits. The carrying amounts of these financial instruments are an approximation of their fair values because they are either short term in nature, effect of discounting is immaterial or reprice frequently.

28. OPERATING SEGMENTS

For the purpose of making resource allocation decisions and the assessment of segment performance, the Group's Chief Operating Decision Makers ("CODMs") reviews internal/management reports of its investment properties. This forms the basis of identifying the operating segments of the Group consistent with the principles of FRS 108 *Operating Segments.*

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. This is the measure reported to the CODMs for the purpose of assessment of segment performance. In addition, the CODMs monitor the non-financial assets as well as financial assets attributable to each segment when assessing segment performance.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue, interest-bearing borrowings and expenses, related assets and expenses. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

Geographical segments

Segment information in respect of the Group's geographical segments is not presented, as the Group's activities for the year ended 31 December 2018 and 31 December 2017 related to properties located in Singapore.

28. OPERATING SEGMENTS (continued)

	Tampines Mall $'000	Junction 8 $'000	Funan[1] $'000	IMM Building $'000	Plaza Singapura $'000
2018					
Gross revenue	81,383	60,838	–	85,763	91,502
Segment net property income	60,373	44,057	(1,295)	60,349	68,331
Interest and other income					
Finance costs					
Unallocated expenses					
Share of results (net of tax) of:					
- Associate					
- Joint ventures					
Net income					
Net change in fair value of investment properties	7,104	6,864	–	5,697	10,871
Net change in fair value of investment properties under development	–	–	(138)	–	–
Gain on disposal of investment property					
Dilution gain on interest in associate					
Total return for the year before tax					
Income tax refund					
Total return for the year					
Assets and liabilities					
Segment assets	1,060,115	743,361	666,740	650,861	1,297,065
Investment in associate and joint ventures					
Unallocated assets:					
- financial derivatives					
- others					
Total assets					
Segment liabilities	23,266	18,411	62,006	27,779	29,017
Unallocated liabilities:					
- interest-bearing borrowings					
- financial derivatives					
- others					
Total liabilities					
Other segmental information					
Depreciation and amortisation	29	37	–	122	34
Plant and equipment:					
- capital expenditure	7	10	–	91	13
Investment properties and investment properties under development:					
- capital expenditure	6,896	1,136	205,328	2,303	2,129
Receivables written off	17	–	–	1	3

Bugis Junction $'000	Lot One Shoppers' Mall $'000	The Atrium@ Orchard $'000	Clarke Quay $'000	Bugis+ $'000	Other Investment Properties[2] $'000	Bedok Mall $'000	Westgate $'000	Group $'000
84,856	44,134	50,141	38,640	33,552	58,514	57,015	11,183	697,521
61,403	30,691	38,388	23,635	23,870	34,952	41,305	7,489	493,548
								10,681
								(98,170)
								(57,619)
								13,593
								115,359
								477,392
18,620	3,154	4,955	6,685	8,391	422	2,763	3,700	79,226
–	–	–	–	–	–	–	–	(138)
								119,734
								144
								676,358
								387
								676,745
1,089,754	536,324	758,279	401,846	354,604	616,211	796,827	1,174,306	10,146,293
								1,020,504
								26,619
								308,254
								334,873
								11,501,670
24,917	14,048	13,111	19,608	10,165	20,923	21,918	37,294	322,463
								3,627,817
								62,403
								59,687
								3,749,907
								4,072,370
17	40	33	51	27	103	18	8	519
10	15	15	31	32	25	9	1	259
2,380	846	2,045	1,315	609	2,706	237	120	228,050
–	–	–	–	1	5	2	–	29

28. OPERATING SEGMENTS (continued)

	Tampines Mall $'000	Junction 8 $'000	Funan[1] $'000	IMM Building $'000	Plaza Singapura $'000
2017					
Gross revenue	79,291	58,759	–	82,930	89,673
Segment net property income	58,250	42,072	(3,447)	57,225	66,691
Interest and other income					
Finance costs					
Unallocated expenses					
Share of results (net of tax) of:					
- Associate					
- Joint ventures					
Net income					
Net change in fair value of investment properties	49,800	30,673	–	16,224	20,961
Net change in fair value of investment properties under development	–	–	19,681	–	–
Dilution loss on interest in associate					
Total return for the year before tax					
Income tax expense					
Total return for the year					
Assets and liabilities					
Segment assets	1,046,433	735,409	461,459	642,690	1,284,038
Investment in associate and joint ventures					
Unallocated assets:					
- financial derivatives					
- others					
Total assets					
Segment liabilities	23,563	18,036	27,679	28,189	29,914
Unallocated liabilities:					
- interest-bearing borrowings					
- financial derivatives					
- others					
Total liabilities					
Other segmental information					
Depreciation and amortisation	56	46	2	138	67
Plant and equipment:					
- capital expenditure	2	20	–	164	18
Investment properties and investment properties under development:					
- capital expenditure	1,200	1,327	90,558	776	5,039
Receivables written off	–	–	–	–	–

1 From 1 November 2016, Funan is held through the Trust, Victory Office 1 Trust, Victory Office 2 Trust and Victory SR Trust. The sale of all the units in Victory SR Trust to Victory SR Pte. Ltd., a wholly owned subsidiary of Ascott Serviced Residence (Global) Fund Pte. Ltd. was completed on 31 October 2017.

2 Other investment properties comprise JCube, Sembawang Shopping Centre (until its divestment on 18 June 2018) and Bukit Panjang Plaza in respect of 2018 and Sembawang Shopping Centre and JCube in respect of 2017.

Bugis Junction $'000	Lot One Shoppers' Mall $'000	Bukit Panjang Plaza $'000	The Atrium@ Orchard $'000	Clarke Quay $'000	Bugis+ $'000	Other Investment Properties[2] $'000	Bedok Mall $'000	Group $'000
84,764	44,221	28,651	49,520	38,462	32,884	38,909	54,405	682,469
61,093	30,928	18,363	37,885	23,519	23,562	22,738	39,355	478,234
								10,078
								(104,099)
								(48,922)
								18,832
								51,541
								405,664
53,152	19,746	14,130	14,447	2,536	3,821	6,677	845	233,012
–	–	–	–	–	–	–	–	19,681
								(550)
								657,807
								(159)
								657,648
1,068,855	532,433	325,093	751,608	394,547	345,685	414,971	810,634	8,813,855
								1,132,284
								44,371
								513,932
								558,303
								10,504,442
25,365	13,338	11,786	12,369	19,269	9,652	16,836	23,316	259,312
								3,183,101
								77,013
								56,971
								3,317,085
								3,576,397
19	41	72	68	67	37	72	19	704
11	58	–	15	10	3	70	–	371
848	254	(130)	553	1,464	1,179	1,323	155	104,546
–	–	–	–	2	–	22	–	24

29. COMMITMENTS

	Group		Trust	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Capital commitments:				
- contracted but not provided for	81,192	270,892	64,415	189,583

Operating lease rental receivable

The Group leases out its investment properties. Non-cancellable operating lease rentals are receivable as follows:

	Group		Trust	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Within 1 year	607,498	523,147	492,097	477,393
After 1 year but within 5 years	746,150	636,024	578,659	560,861
More than 5 years	21,977	28,768	15,534	23,768
	1,375,625	1,187,939	1,086,290	1,062,022

Operating lease expense payable

Non-cancellable operating lease rentals are payable as follows:

	Group		Trust	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Within 1 year	2,045	3,103	2,045	2,699
After 1 year but within 5 years	4,698	5,179	4,698	5,179
More than 5 years	4,056	5,273	4,056	5,273
	10,799	13,555	10,799	13,151

30. FINANCIAL RATIOS

	Group	
	2018 %	2017 %
Expenses to weighted average net assets[1]		
- including performance component of Manager's management fees	0.68	0.71
- excluding performance component of Manager's management fees	0.38	0.41
Portfolio turnover rate[2]	0.41	–

1 The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group, excluding property expenses and finance costs.

2 The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of average net asset value.

31. SUBSEQUENT EVENT

On 11 February 2019, CMT MTN issued fixed rate notes of SGD100.0 million due 2026 through its MTN programme, bearing interest at a rate of 3.15% per annum.

The proceeds from the issuance of the MTN Notes will be used by CMT MTN and the Group to refinance the existing borrowings of the Group, to finance the investments comprised in the Trust, to on-lend to any trust, fund or entity in which the Trust has an interest, to finance any asset enhancement works initiated in respect of the Trust or such trust, fund or entity, and for the general corporate and working capital purposes in respect of the Group.

ADDITIONAL INFORMATION

INTERESTED PERSON TRANSACTIONS

The transactions entered into with interested persons during the financial year, which fall under the Listing Manual of the Singapore Exchange Securities Trading Limited (SGX-ST) and the Property Funds Appendix of the Code on Collective Investment Schemes (excluding transactions less than S$100,000 each), are as follows:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S$'000	Aggregate value of all interested person transactions during the financial year under review conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) S$'000
CapitaLand Limited and its subsidiaries or associates		
- Management fees[1]	51,957	–
- Property management fees & reimbursables[1]	73,739	–
- Divestment fee related to divestment of Sembawang Shopping Centre	1,240	–
- Acquisition of the balance 70.00% of the units in Infinity Mall Trust which holds Westgate	789,600	–
- Acqusition fees in related to acquisition of the balance 70.00% of the units in Infinity Mall Trust which holds Westgate	7,896	–
- Rental and service income[1]	2,713	–
- General services[1]	8,036	–
Temasek Holdings (Private) Limited and its associates		
- Rental and service income[1]	10,690	–
- General services	1,578	–
HSBC Institutional Trust Services (Singapore) Limited		
- Rental and service income[1]	2,831	–
- Trustee fees[1]	1,445	–

1 This includes CMT's interest in joint ventures.

ADDITIONAL INFORMATION

Saved as disclosed above, there were no additional interested person transactions (excluding transactions less than S$100,000 each) entered into during the financial year under review.

On 10 February 2004, the SGX-ST has granted a waiver to CMT from Rules 905 and 906 of the Listing Manual of the SGX-ST in relation to, inter alia, payments for management fees, payments for acquisition and divestment fees, as well as payments of trustee's fees. Such payments are not to be included in the aggregated value of total interested person transactions as governed by Rules 905 and 906 of the Listing Manual of the SGX-ST as long as there are no changes to the terms, rates and/or bases for such fees and expenses.

In addition, the entry into the Master Property Management Agreement 2011 dated 1 December 2011 was approved by the Unitholders at an extraordinary general meeting held on 13 April 2011 and the total property management fees and reimbursements to the property manager in respect of payroll and related expenses payable thereunder were aggregated for the purpose of Rule 905 in financial year 2011. Accordingly, such fees and expenses will not be subject to aggregation or further Unitholders' approval requirements under Rules 905 and 906 of the Listing Manual of the SGX-ST, to the extent that there is no subsequent change to the rates and/or bases for such fees and expenses.

Please also see Note 25 on Related Parties in the financial statements.

Subscription of CMT Units
For the financial year ended 31 December 2018, an aggregate of 140,479,272 CMT units were issued and subscribed for. As at 31 December 2018, 3,686,902,315 CMT units were in issue and outstanding.

Additional Disclosure for Operating Expenses
The total operating expenses incurred by CMT Group and CMT's proportionate share of operating expenses incurred by its joint ventures amounted to $285.2 million in 2018, which was equivalent to 3.8% of CMT Group's net asset value as at 31 December 2018. The amount included all fees and charges paid to the Manager and interested parties.

STATISTICS OF UNITHOLDINGS

As at 14 February 2019

ISSUED AND FULLY PAID UNITS

3,686,902,315 units (voting rights: 1 vote per unit)
Market Capitalisation S$8,774,827,510 (based on closing unit price of S$2.380 on 14 February 2019)

DISTRIBUTION OF UNITHOLDINGS

SIZE OF UNITHOLDINGS	NO. OF UNITHOLDERS	%	NO. OF UNITS	%
1 – 99	157	0.87	1,906	0.00
100 – 1,000	2,684	14.92	2,178,952	0.06
1,001 – 10,000	11,033	61.32	54,237,862	1.47
10,001 – 1,000,000	4,089	22.72	175,512,413	4.76
1,000,001 AND ABOVE	31	0.17	3,454,971,182	93.71
TOTAL	**17,994**	**100.00**	**3,686,902,315**	**100.00**

COUNTRY	NO. OF UNITHOLDERS	%	NO. OF UNITS	%
SINGAPORE	14,102	78.37	1,375,599,777	37.31
MALAYSIA	384	2.13	4,526,362	0.12
OTHERS	3,508	19.50	2,306,776,176	62.57
TOTAL	**17,994**	**100.00**	**3,686,902,315**	**100.00**

TWENTY LARGEST UNITHOLDERS

NO.	NAME	NO. OF UNITS	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	763,819,553	20.72
2	DBS NOMINEES (PRIVATE) LIMITED	591,513,050	16.04
3	PYRAMEX INVESTMENTS PTE LTD	571,784,814	15.51
4	DBSN SERVICES PTE. LTD.	370,470,972	10.05
5	HSBC (SINGAPORE) NOMINEES PTE LTD	281,722,542	7.64
6	ALBERT COMPLEX PTE LTD	279,300,000	7.58
7	PREMIER HEALTHCARE SERVICES INTERNATIONAL PTE LTD	149,052,875	4.04
8	RAFFLES NOMINEES (PTE.) LIMITED	132,628,943	3.60
9	NTUC FAIRPRICE CO-OPERATIVE LTD	92,419,300	2.51
10	CAPITALAND MALL TRUST MANAGEMENT LIMITED	48,683,656	1.32
11	ALPHAPLUS INVESTMENTS PTE LTD	48,127,000	1.31
12	BPSS NOMINEES SINGAPORE (PTE.) LTD.	31,629,617	0.86
13	MERRILL LYNCH (SINGAPORE) PTE. LTD.	20,472,396	0.56
14	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	14,851,047	0.40
15	DB NOMINEES (SINGAPORE) PTE LTD	13,417,954	0.36
16	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	6,515,265	0.18
17	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	4,864,471	0.13
18	OCBC SECURITIES PRIVATE LIMITED	4,389,250	0.12
19	SOCIETE GENERALE SPORE BRANCH	4,151,400	0.11
20	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	3,896,215	0.11
TOTAL		**3,433,710,320**	**93.15**

STATISTICS OF UNITHOLDINGS

As at 14 February 2019

DIRECTORS' INTERESTS IN UNITS AND CONVERTIBLE SECURITIES AS AT 21 JANUARY 2019

Based on the Register of Directors' Unitholdings, the interests of the Directors in Units and convertible securities issued by CMT are as follows:

	No. of Units		Contingent Awards of Units[1] under the Manager's	
Name of Director	**Direct Interest**	**Deemed Interest**	**Performance Unit Plan**	**Restricted Unit Plan**
Adj Prof Richard R. Magnus	100,364	–	–	–
Tony Tan Tee Hieong	18,159	–	0 to 180,916[2]	36,318[3,4] 0 to 86,097[2,4]
Tan Kian Chew	81,617	64,000	–	–
Ng Chee Khern	–	–	–	–
Lee Khai Fatt, Kyle	51,316	–	–	–
Fong Kwok Jen	38,432	–	–	–
Gay Chee Cheong	38,103	–	–	–
Jason Leow Juan Thong	20,000	–	–	–
Lim Cho Pin Andrew Geoffrey	12,000	–	–	–

1 This refers to the number of Units which are the subject of contingent awards granted but not released under the Manager's Performance Unit Plan (PUP) and Restricted Unit Plan (RUP). The final number of Units that will be released could range from 0% to a maximum of 200% of the baseline award under the PUP and from 0% to a maximum of 150% of the baseline award under the RUP.

2 The final number of Units to be released will depend on the achievement of pre-determined targets at the end of the respective performance periods for the PUP and RUP.

3 Being the unvested two-thirds of the RUP 2017 Award.

4 On the final vesting, an additional number of Units of a total value equal to the value of the accumulated distributions which are declared during each of the vesting periods and deemed foregone due to the vesting mechanism of the RUP, will also be released.

STATISTICS OF UNITHOLDINGS

As at 14 February 2019

SUBSTANTIAL UNITHOLDERS' UNITHOLDINGS AS AT 14 FEBRUARY 2019

Based on the information available to the Manager, as at 14 February 2019, the unitholdings of Substantial Unitholders of CMT are as follows:

Name of Substantial Unitholder	Direct Interest No. of Units	Direct Interest %	Deemed Interest No. of Units	Deemed Interest %
Temasek Holdings (Private) Limited (THPL)	–	–	1,067,273,791[1]	28.95
CapitaLand Limited (CL)	–	–	1,048,821,345[2]	28.45
CapitaLand Singapore Limited (CLS)	–	–	1,000,137,689[3]	27.13
CL Retail Singapore Pte. Ltd. (CLRS)	–	–	1,000,137,689[4]	27.13
Pyramex Investments Pte Ltd (PIPL)	571,784,814	15.51	–	–
BlackRock, Inc.	–	–	294,964,643[5]	8.00
The PNC Financial Services Group, Inc.	–	–	294,964,643[6]	8.00
Albert Complex Pte Ltd (ACPL)	279,300,000	7.58	–	–

1 THPL is deemed to have an interest in the unitholdings in which its subsidiaries and associated companies have or are deemed to have an interest pursuant to Section 4 of the Securities and Futures Act, Chapter 289 of Singapore. THPL is wholly owned by the Minister for Finance.
2 CL is deemed to have an interest in the unitholdings of its indirect wholly owned subsidiaries namely PIPL, ACPL, Premier Healthcare Services International Pte Ltd (PHSIPL) and CapitaLand Mall Trust Management Limited (CMTML). PHSIPL holds 149,052,875 Units and CMTML holds 48,683,656 Units.
3 CLS is deemed to have an interest in the unitholdings of its indirect wholly owned subsidiaries, namely PIPL, ACPL and PHSIPL.
4 CLRS is deemed to have an interest in the unitholdings of its direct wholly owned subsidiaries, namely PIPL, ACPL and PHSIPL.
5 BlackRock, Inc. is deemed to have an interest in the unitholdings of its subsidiaries of which it has indirect control.
6 The PNC Financial Services Group, Inc. is deemed to have an interest in the unitholdings through its over 20% shareholding in BlackRock, Inc..

PUBLIC FLOAT

Based on the information made available to the Manager, approximately 63.00% of the Units in CMT were held in the hands of the public as at 14 February 2019. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

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Adj Prof Richard R. Magnus
Chairman & Non-Executive Independent Director

Tony Tan Tee Hieong
Chief Executive Officer & Executive Non-Independent Director

Tan Kian Chew
Non-Executive Non-Independent Director

Ng Chee Khern
Non-Executive Independent Director

Lee Khai Fatt, Kyle
Non-Executive Independent Director

Fong Kwok Jen
Non-Executive Independent Director

Gay Chee Cheong
Non-Executive Independent Director

Jason Leow Juan Thong
Non-Executive Non-Independent Director

Lim Cho Pin Andrew Geoffrey
Non-Executive Non-Independent Director

AUDIT COMMITTEE
Lee Khai Fatt, Kyle
(Chairman)

Fong Kwok Jen
Gay Chee Cheong
Lim Cho Pin Andrew Geoffrey

CORPORATE DISCLOSURE COMMITTEE
Adj Prof Richard R. Magnus
(Chairman)

Tony Tan Tee Hieong
Jason Leow Juan Thong

EXECUTIVE COMMITTEE
Jason Leow Juan Thong
(Chairman)

Tony Tan Tee Hieong
Lim Cho Pin Andrew Geoffrey

INVESTMENT COMMITTEE
Jason Leow Juan Thong
(Chairman)

Adj Prof Richard R. Magnus
Lee Khai Fatt, Kyle

COMPANY SECRETARIES
Lee Ju Lin, Audrey
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This Annual Report to Unitholders may contain forward-looking statements. Forward-looking statement is subject to inherent uncertainties and is based on numerous assumptions. Actual performance, outcomes and results may differ materially from those expressed in forward-looking statements. Representative examples of factors which may cause the actual performance, outcomes and results to differ materially from those in the forward-looking statements include (without limitation) changes in general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate investment opportunities, competition from other companies, shifts in customers' demands, changes in operating conditions, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current views of management on future events.

CapitaLand Mall Trust Management Limited
As Manager of CapitaLand Mall Trust
Company Registration No. 200106159R

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