



13 January 2017

## Trade Finance Loan Book & Compliance as at 31 December 2016

In accordance with the Corporate Bond Issue Information Memorandums released to the ASX on 18 May 2015, 24 March 2016 and 18 May 2016, CML Group (ASX code: CGR) wish to advise that as at 31 December 2016 it was compliant with all Financial Covenants contained within the Memorandums. The calculations are tabled below.

At the end of December 2016 CML had a trade finance loan book of over \$118.1m (November 2016: \$121.0m), of which it had supplied actual funding of \$70.3m (November 2016: \$72.9m). This represents a Loan to Value ratio of 59.5% (November 2016: 60.3%).

Please note all Financial Covenant definitions are contained in the Information Memorandum released to the ASX on 18 May 2015, 24 March 2016 and 18 May 2016.

### Determination Date Statement Summary

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1. We refer to the Conditions of the Bond. This is a Determination Date Statement as referred to in Condition 5.2(b) ("Financial Covenants"). Terms used in the Condition shall have the same meaning in this Determination Date Statement unless given a different meaning in this statement.

2. We confirm that for the period from 1 December 2016 to 31 December 2016 we are in Compliance with the requirements set out in Condition 5.2 (b)-("Financial Covenants").

3. We confirm that:

|     |                                          |               |
|-----|------------------------------------------|---------------|
| (a) | Required reserve=                        | \$21,650,335  |
| (b) | Discount=                                | \$4,158,575   |
| (c) | RR=                                      | 1.62%         |
| (d) | Credit Reserve=                          | \$14,359,541  |
| (e) | Cash=                                    | \$19,507,901  |
| (f) | Closing balance=                         | \$118,113,874 |
| (g) | Loss ratio=                              | 5.40%         |
| (h) | Aged Ratio=                              | 7.61%         |
| (i) | Aggregate o/bal of all Aged Receivables= | \$8,994,061   |
| (j) | Dilution Reserve=                        | \$3,127,219   |
| (k) | Dilution Reserve Percentage=             | 1.18%         |
| (l) | Dilution Ratio=                          | 0.87%         |
| (m) | Aggregate amount of all Dilutions=       | \$1,051,843   |
| (n) | Total amount of Aggregate Deductible=    | \$5,000       |
| (o) | Aggregate Purchase price=                | \$70,266,522  |
| (p) | Excluded Receivables Amount=             | \$7,195,249   |
| (q) | Minimum Required Cash =                  | \$8,955,379   |



Steve Shin

CML Group Limited

Company Secretary

#### **ABOUT CML GROUP**

CML provides cash flow and integrated business solutions, to help its clients focus on their core business.

CML's primary business is 'factoring' or 'receivables finance'. Through the factoring facility CML provides an advance payment of up to 80% of a client's invoice to help their business overcome the cash pressure of delivering goods or services in advance of payment from their customer (often 30 to 60 days). This is a flexible line of credit that is utilised in line with sales volume. CML will consider an additional advance to a client (above the usual 80%) on occasion, for an additional fee and when there is adequate security from the client to cover the position.