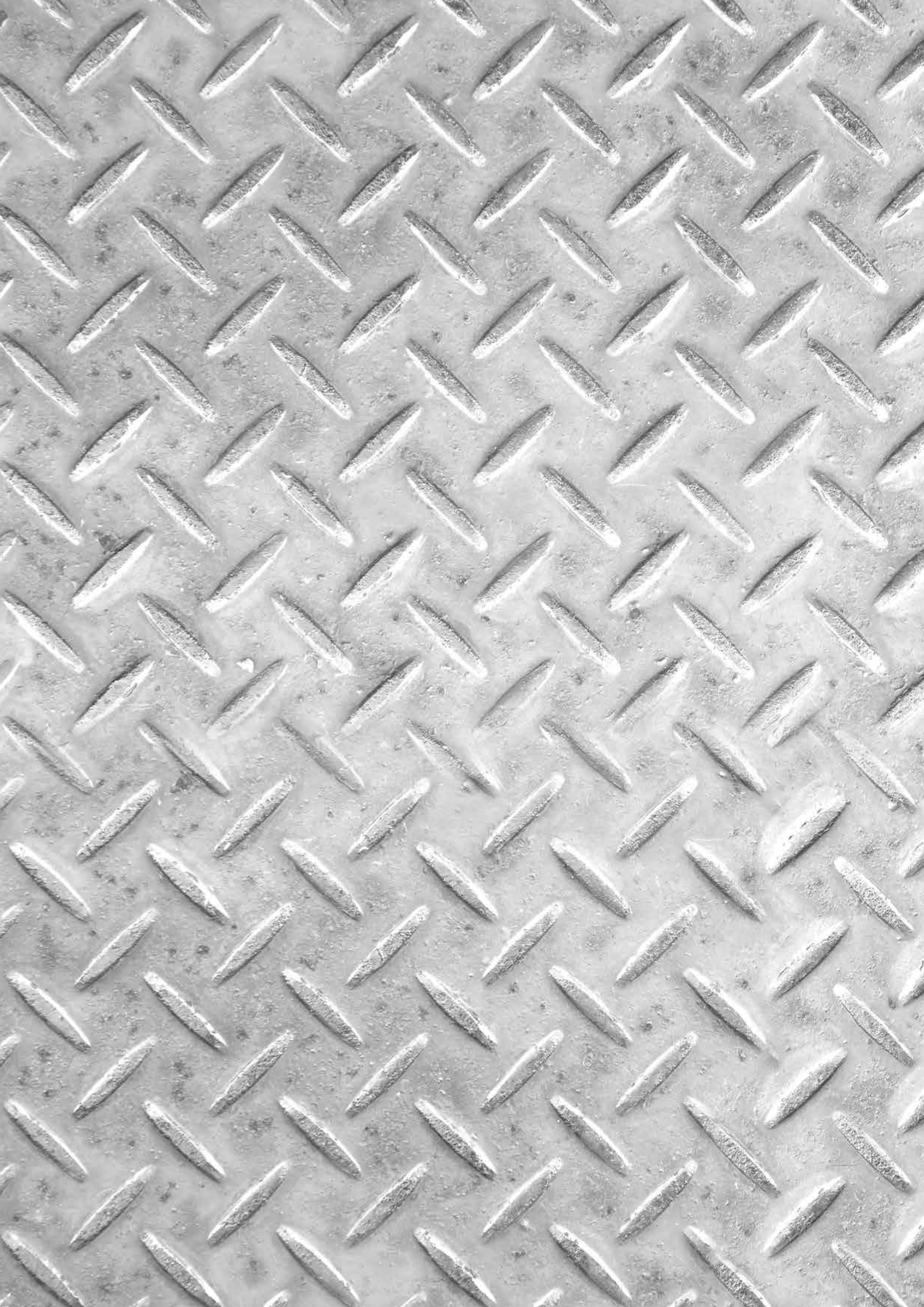
CACHE LOGISTICS TRUST

ENDURING. EVOLVING. GROWING.

SOLID FUNDAMENTALS, STEADY PERFORMANCE

ANNUAL REPORT 2016



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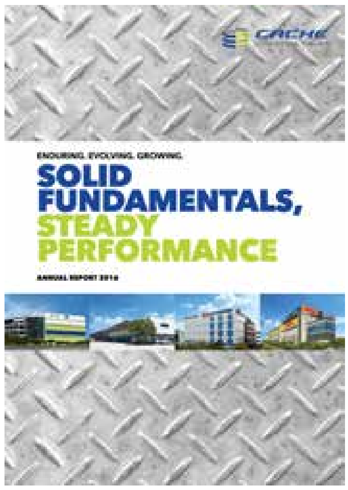
About the 2016 Annual Report

SOLID FUNDAMENTALS, STEADY PERFORMANCE

The theme for this year's annual report highlights Cache Logistics Trust's focus on real estate fundamentals in a challenging operating environment.

Emphasising the concept of strong fundamentals, the design of this annual report features elements that represent Cache's strategically located, high-quality warehouse assets. From the tactile metal sheet flooring on the cover to the various industrial surfaces used as motifs throughout the annual report, the design is characterised by materials widely used in logistics real estate. The bright colour palette that adheres to Cache's corporate colours also preserves and reinforces its brand identity.



CORPORATE PROFILE

ABOUT CACHE LOGISTICS TRUST

Cache Logistics Trust ("Cache") is a real estate investment trust ("REIT") that invests in income-producing real estate used for logistics purposes, as well as real estate-related assets in Asia Pacific.

Cache's portfolio comprises 19[1] high-quality logistics warehouse properties strategically located in established logistics clusters in Singapore, Australia and China. The portfolio has a total gross floor area of approximately 7.5 million square feet[1] and an appraised value of approximately S$1.2 billion[1] as at 31 December 2016.

Cache is focused on increasing unitholder value by pursuing accretive acquisition growth, proactive asset enhancement and strategic development opportunities. Coupled with prudent capital management and robust risk management, Cache strives to achieve sustainable growth over the long term.

Cache was listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 12 April 2010. The REIT is managed by ARA-CWT Trust Management (Cache) Limited (the "Manager"), a joint-venture REIT management company between ARA Asset Management Limited ("ARA") and CWT Limited ("CWT").

ABOUT ARA-CWT TRUST MANAGEMENT (CACHE) LIMITED

ARA-CWT Trust Management (Cache) Limited, the manager of Cache ("Manager"), is a joint-venture REIT management company between ARA and CWT.

Established in 2002, ARA is a premier integrated real estate fund manager in Asia driven by a vision to be best-in-class, offering bespoke solutions and enduring value to its investors and partners. ARA has been listed on the SGX-ST since November 2007. Over the years, ARA has built a diverse suite of real estate investment trust ('REITS') and private real estate funds that are invested in the office, retail, logistics/industrial, hospitality and residential sectors. ARA manages close to 100 properties measuring 55 million square feet in Asia Pacific, with approximately S$36 billion in assets under management as at 31 December 2016.

ARA's business is focused on the following business segments:

(a) REITs – ARA is one of the largest REIT managers in Asia ex-Japan and currently manages six REITs listed in three countries namely, Fortune REIT dual-listed in Singapore and Hong Kong, Suntec REIT and Cache Logistics Trust listed in Singapore, Hui Xian REIT and Prosperity REIT listed in Hong Kong and AmFIRST REIT listed in Malaysia. The Group also manages five privately-held REITs in South Korea;

(b) Private real estate funds – ARA manages several private funds investing in real estate in Asia; and

(c) Real estate management services – ARA provides property management services and convention & exhibition services, including managing the award-winning Suntec Singapore Convention & Exhibition Centre.

For more information, please visit www.ara-asia.com

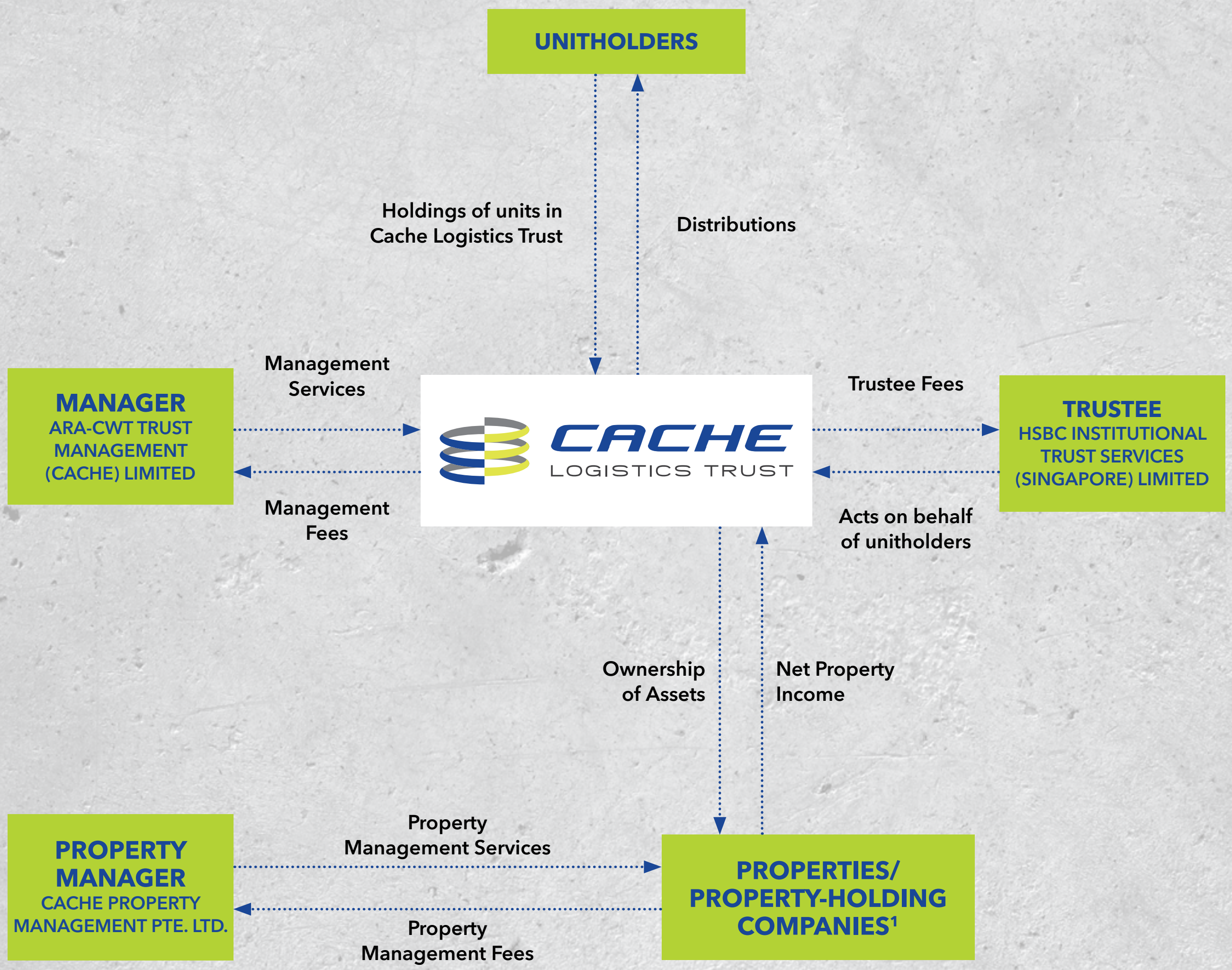
CWT is a leading provider of integrated logistics and supply chain solutions. CWT's business is about connecting world trade. CWT moves, builds and powers its customers' supply chain forward. The CWT Group combines its logistics capabilities, global network and resources to add value for its customers. In addition, it also provides commodity marketing, financial and engineering services ancillary to its core logistics business.

For more information, please visit www.cwtlimited.com

Note:

[1] Includes the proposed divestment of Cache Changi Districentre 3 as at 31 December 2016. The legal completion was attained on 23 January 2017.

TRUST STRUCTURE



Note:

[1] Cache's properties located outside of Singapore are held through wholly owned subsidiaries and sub-trusts of Cache.

VISION

Our vision is to provide our customers with high-quality logistics real estate solutions in Asia Pacific through partnership with our Sponsor, CWT Limited, a leading provider of integrated logistics solutions internationally.

MISSION

Our mission is to deliver regular and stable distributions to unitholders and achieve long-term, sustainable growth in Distribution Per Unit ("DPU") and Net Asset Value ("NAV").

We aim to continue to create and add value to all our stakeholders through building a strong portfolio and adopting the best practices in risk management, corporate governance and sustainability.

FY2016 KEY HIGHLIGHTS

Built on strong fundamentals of good corporate governance and a quality property portfolio, Cache Logistics Trust achieved stable financial performance in FY2016.

Cache's key focus in FY2016 was maintaining strong, healthy operating performance and executing its portfolio rebalancing strategy.

GROSS REVENUE	NET PROPERTY INCOME	DISTRIBUTION PER UNIT	NET ASSET VALUE PER UNIT
S$ 111.3 million	S$ 88.0 million	7.725 cents	77.9 cents

PORTFOLIO COMMITTED OCCUPANCY	WEIGHTED AVERAGE LEASE TO EXPIRY	GROSS FLOOR AREA	NUMBER OF PROPERTIES
96.4 percent	3.9 years BY NET LETTABLE AREA (NLA)	7.5 million SQUARE FEET	19

FINANCIAL YEAR 2016 IN BRIEF

JANUARY 2016

- Cache announced FY2015[1] financial results. FY2015 Income Available for Distribution was up 1.6% to S$68.0 million. DPU for the year was 8.500 cents.
- Two new Independent Non-Executive Directors and Audit Committee members, Mr Lim Kong Puay and Mr Lim Lee Meng, joined the Board of the Manager with effect from 1 January 2016.

APRIL 2016

- Cache convened its 6th Annual General Meeting on 13 April 2016 where all resolutions as set out in the Notice of AGM were duly passed.
- Cache reported 1Q FY2016[2] Income Available for Distribution of S$18.2 million. Unitholders received a DPU of 2.039 cents for the period 1 January 2016 to 31 March 2016.

JULY 2016

- Cache wins prestigious bronze award in "Best in Investor Relations (REITs & Business Trusts category)" at the Singapore Corporate Awards 2016.
- Cache reported 2Q FY2016 Income Available for Distribution of S$17.8 million. Unitholders received a DPU of 1.989 cents for the period 1 April 2016 to 30 June 2016.

OCTOBER 2016

Cache reported 3Q FY2016 Income Available for Distribution of S$16.6 million. Unitholders received a DPU of 1.847 cents for the period 1 July 2016 to 30 September 2016.

NOVEMBER 2016

Cache refinanced its existing S$97.0 million 3.5-year secured term loan and revolving credit facility into a new S$90 million 5-year unsecured term loan facility with cost savings of 0.9% per annum.

DECEMBER 2016

Cache announced the proposed divestment of Cache Changi Districentre 3 for S$25.5 million. The legal completion was attained on 23 January 2017.

JANUARY 2017

Cache announced FY2016 financial results. FY2016 Income Available for Distribution was up 2.0% to S$69.3 million. DPU for the year was 7.725 cents.

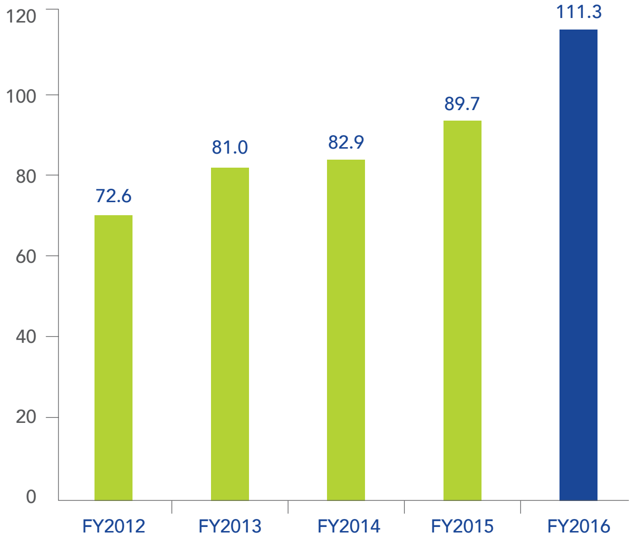
Notes:

1. FY2015 refers to financial year 2015 which is the period from 1 January 2015 to 31 December 2015.
2. FY2016 refers to financial year 2016 which is the period from 1 January 2016 to 31 December 2016.

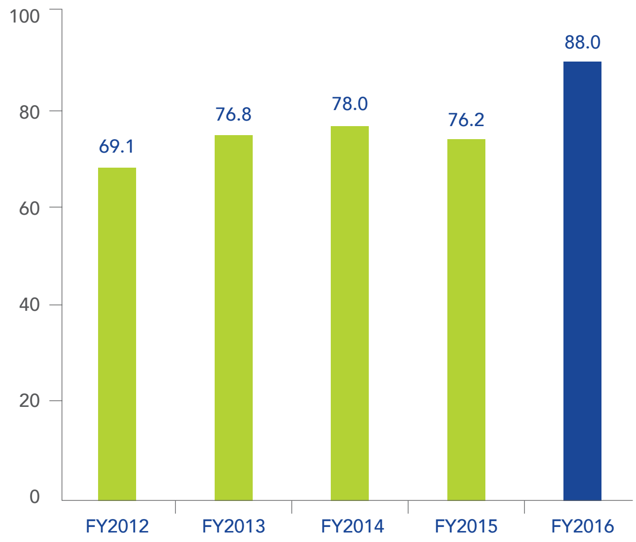
PERFORMANCE AT A GLANCE

5-YEAR PERFORMANCE AT A GLANCE

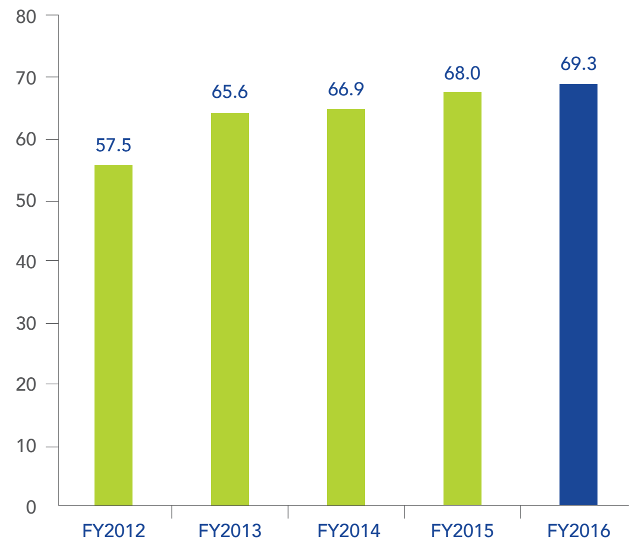
Gross Revenue
(S$ million)



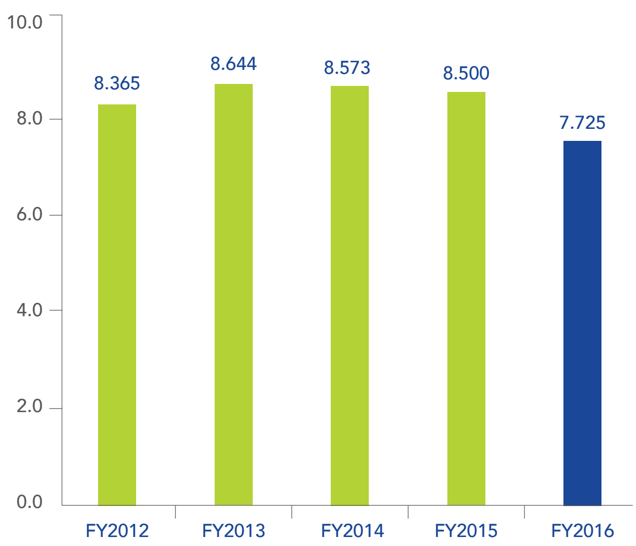
Net Property Income
(S$ million)



Income Available for Distribution
(S$ million)



DPU
(cents)



5-YEAR FINANCIAL HIGHLIGHTS

	FY2012	FY2013	FY2014	FY2015	FY2016
Income Statement & Distribution Data					
Gross Revenue (S$'000)	72,638	80,955	82,852	89,721	**111,271**
Net Property Income (S$'000)	69,144	76,813	78,000	76,156	**88,014**
Income Available for Distribution (S$'000)	57,464	65,555	66,880	67,960[1]	**69,318[1]**
Distribution Per Unit (cents)	8.365	8.644	8.573	8.500[2]	**7.725[2]**

	FY2012	FY2013	FY2014	FY2015	FY2016
Balance Sheet Data					
Total Assets (S$ million)	987.0	1,077.2	1,137.1	1,326.3	**1,258.3**
Total Liabilities (S$ million)	315.1	315.5	370.2	539.8	**557.2**
Unitholders' funds (S$ million)	671.9	761.8	766.9	786.5	**701.1**
Value of portfolio properties (S$ million) [3]	971.9	1,035.0	1,120.2	1,308.0	**1,236.2**
Net Asset Value per Unit (cents)	95.5	98.0	98.1	88.0	**77.9**

	FY2012	FY2013	FY2014	FY2015	FY2016
Key Financial Ratios					
Distribution Yield (%) [4]	6.7	7.8	7.4	9.3	**9.5**
Aggregate Leverage Ratio (%) [5]	31.7	29.1	31.2	39.8	**43.1**
Interest Coverage Ratio (times) [6]	5.8	6.3	6.8	4.8	**4.0**
All-in Financing Cost (%) [7]	3.82	3.48	3.30	3.25	**3.60**
Units in Issue (million) [8]	703.4	777.4	781.8	893.5	**900.5**
Market Capitalisation (S$ million) [9]	872.2	866.8	906.8	813.1	**729.4**

Notes:

1 Includes a partial capital distribution of S$5.08 million and S$2.40 million from the proceeds received from the divestment of 4 Penjuru Lane, Singapore ("Kim Heng Warehouse") in FY2015 and FY2016 respectively.

2 Includes a partial capital distribution of 0.614 cents and 0.268 cents from the proceeds received from the divestment of Kim Heng Warehouse in FY2015 and FY2016 respectively.

3 Based on annual independent valuations of portfolio properties. For FY2016, the value of portfolio properties is based on the independent valuations of all properties except for Cache Changi Districentre 3 (classified under "Asset held for sale") where its carrying value was S$25.3 million, net of transaction costs. The independent valuation of the property was $25.5 million as at 31 December 2016.

4 Based on the closing price of Cache Logistics Trust as at 31 December and the actual DPU of each financial year.

5 Ratio of Total Debt over Deposited Properties as defined by Appendix 6 of the Code of Collective Investment Schemes ("Property Funds Appendix").

6 Ratio of earnings before interest expense, tax, depreciation and amortisation to interest expense. Excludes non-recurring finance expenses incurred for any refinancing exercise during the financial year.

7 Inclusive of margin and amortisation of capitalised upfront fee.

8 Inclusive of units issued to the Manager as partial consideration of Manager's fees and performance fees.

9 Based on the closing price of Cache Logistics Trust as at 31 December of each financial year.

LETTER TO UNITHOLDERS

Daniel Cerf
Chief Executive Officer

Lim How Teck
Chairman

OUR FOCUSED ASSET MANAGEMENT EFFORTS COMBINED WITH THE PORTFOLIO REBALANCING STRATEGY REMAIN THE KEY FOCUS FOR CACHE.

DEAR UNITHOLDERS,

We are pleased to present the Cache Logistics Trust Annual Report 2016 for the financial year ended 31 December 2016 ("FY2016").

STABLE FINANCIAL PERFORMANCE IN A SLOW, UNCERTAIN ECONOMY

The world's economic and political environment in 2016 was characterised by uncertainty. The year commenced with global equity markets erasing trillions of dollars in value due to fears about China's slowing economy and depreciating currency. At the same time, the Bank of Japan delivered another surprise when it embraced a negative interest rate policy. The UK's vote in favour of leaving the European Union ("Brexit") in mid-2016 also shocked financial markets. This was followed in November by the unanticipated victory by Donald Trump in the US presidential election.

Taking all the uncertainty into account, the IMF anticipates global growth to slow to 3.1% in 2016 before recovering to 3.4% in 2017. The forecast reflects a more subdued outlook for advanced economies following Brexit and weaker-than-expected growth in the United States[1].

The US Federal Reserve raised interest rates by 25 basis points to a range of 0.50% and 0.75% in December 2016, the second time since it hiked rates in December 2015. A rising interest rate environment and slowing global growth, coupled with geopolitical changes, are expected to contribute to greater uncertainty this year.

According to the Ministry of Trade & Industry, Singapore's economy expanded by 2.0% in 2016. Economic growth was underpinned by improvements in the manufacturing and services sectors. The full-year Gross Domestic Product ("GDP") growth of 2.0% was similar to the 1.9% growth in 2015[2]. The Purchasing Managers' Index ("PMI") recorded its fourth month of expansion, albeit rather muted, increasing from 50.2 in November 2016 to 50.6 in December 2016.

Cache delivered stable financial performance in FY2016 against the uncertain economic backdrop. Gross Revenue rose by 24.0% and Net Property Income ("NPI") increased by 15.6% to S$111.3 million and S$88.0 million respectively. The YoY growth in Gross Revenue and NPI was attributable to the incremental revenue from the Australian portfolio acquired over the course of FY2015, and DHL Supply Chain Advanced Regional Centre which was completed in July 2015. The topline growth was offset by lower income from 51 Alps Ave, Singapore which is currently undergoing legal proceedings. FY2016 Income Available for Distribution increased by 2.0% YoY to S$69.3 million. However, FY2016 DPU fell 9.1% YoY to 7.725 cents (FY2015 DPU: 8.500 cents). Part of the DPU fall was attributable to a smaller capital distribution from the sale proceeds of 4 Penjuru Lane, Singapore ("Kim Heng Warehouse"). On a like-for-like basis excluding capital distributions, the DPU would have dropped by 5.4% YoY.

HEALTHY OPERATING PERFORMANCE

Despite a challenging operating environment, we continue to maintain a healthy operating performance. As at 31 December 2016, Cache achieved a strong portfolio committed occupancy of 96.4% which compares favourably to the average warehouse occupancy of 89.7% in Singapore according to the latest government statistics[3]. The portfolio weighted average lease to expire ("WALE") at year-end was 3.9 years, longer than that of most industrial REITs in Singapore.

In the area of capital management, in 2016, we successfully refinanced an existing S$97.0 million 3.5-year secured term loan and revolving credit facility, previously drawn for the development of the DHL Supply Chain Advanced Regional Centre, by way of a new S$90 million 5-year unsecured term loan facility. The refinancing exercise achieved cost savings of approximately 0.9% per annum and extended Cache's weighted average debt maturity to 2.8 years as at 31 December 2016. There is no Singapore-dollar borrowing due for refinancing until the second half of 2018.

As at the end of the financial period, the aggregate leverage was 43.1%. The average all-in cost of financing for the full year was 3.6%. Approximately 70% of the Singapore-dollar borrowings and 50% of the onshore Australian-dollar borrowings were hedged into fixed rates.

In respect of our foreign exchange risk management, about 95.6% of Cache's distributable income was hedged into or was derived in Singapore dollars as at end-December 2016. This represents minimal exposure to foreign currency risk.

We endeavour to adopt a prudent capital management approach and maintain our vigilance on the interest rate environment.

The appraised value of our investment properties was S$1,236.4 million as at 31 December 2016, down approximately 5.5% compared to the same period last year. This was due to pressure on the valuation of some of our Singapore properties which were negatively affected by a subdued rental market, higher vacancy allowance and higher operating costs in the multi-tenanted properties, as well as the impact from shorter leasehold land tenure. In contrast, our Australian and China portfolios saw higher appraised valuations.

Notes:

1 http://www.imf.org/external/pubs/ft/weo/2016/02

2 Ministry of Trade and Industry Singapore, MTI maintains 2017 GDP Growth Forecast at "1.0 to 3.0 per cent", 17 February 2017.

3 Jurong Town Corporation (JTC), "Quarterly Market Report – Industrial Properties, Fourth Quarter 2016".

THE LOGISTICS REAL ESTATE SOLUTIONS PROVIDER OF CHOICE

Our asset management team was busy throughout the year executing our strategy of maintaining high occupancy in the portfolio, extending the WALE and reducing future vacancy risk. We signed over 1.2 million square feet of leases and forward renewals in FY2016. As such, the lease expiry profile is well-staggered, with only 5.3% of the portfolio's leases due for renewal in FY2017. About half of all of leases are committed till 2020 and beyond[1].

Our well-located warehouses boast good specifications. Coupled with our proactive asset management approach, we achieved a high tenant/end-user retention rate of 82%. In addition, we have secured numerous international transport and logistics operators as new tenants within the portfolio. The team continues to not only focus on addressing this year's leasing exposure but also forward renewals for leases due to expire in FY2018 and beyond.

The high committed occupancy was also achieved through our investments in various asset enhancement initiatives ("AEIs") such as upgrading under-utilised ambient warehouse space by installing air-conditioning, other infrastructure as well as incorporating green building initiatives. The AEI works are real estate solutions that value-add to our tenants' operational efficiency and contribute towards longer lease commitments.

Approximately three-quarters of Cache's tenants/end-users are multi-national companies from diverse industry sectors ranging from industrial and consumer goods, food and cold storage, materials, engineering and construction, healthcare and e-commerce. The fast-growing e-commerce market in Singapore is expected to be worth US$5.4 billion (S$7.46 billion) by 2025[2]. To cite an example, robust demand from sectors such as e-commerce and biomedical clusters in turn fuelled demand and early take-up for space within Block 2 of DHL Supply Chain Advanced Regional Centre.

PORTFOLIO REBALANCING STRATEGY

Cache continued with its portfolio rebalancing strategy to prudently manage the Cache portfolio with a view of recycling capital into higher-performing assets. We successfully divested Cache Changi Districentre 3 in Singapore, with a relatively short remaining land lease of 17 years, for S$25.5 million. The sale was completed in January 2017.

In respect of our reinvestment strategy, efforts to expand Cache's presence in Australia continue. On 22 February 2017, Cache announced the proposed acquisition of its seventh warehouse in the established industrial precinct of Laverton North in Melbourne, Australia for A$22.25 million. The property is acquired with an existing tenancy where 100% of the lettable area is leased to Spotlight Pty Ltd, a leading retail chain selling fabric, craft and homeware items with some 130 outlets across Australia, New Zealand and Asia. With a WALE of 4.5 years and fixed annual escalations of 3.25%, the acquisition, when completed, will provide stable and growing income to our unitholders. The Australian industrial market continues to be attractive as the benefits of predominantly freehold land tenure and a longer WALE provide a good balance to Cache's Singapore-based portfolio based on leasehold land and a shorter WALE.

Including the latest acquisition, Cache's Australian portfolio accounts for approximately 22.3% of Cache's portfolio gross floor area and 16.2% in portfolio value. Besides the benefits of income and geographical diversification, the Australian portfolio also strengthens Cache's ability to generate stable, sustainable and predictable income streams over the long term.

51 ALPS AVE MATTER

Cache made several announcements in 2016 to keep unitholders abreast of the legal proceedings in respect of the lease at 51 Alps Ave, Singapore. In the announcement dated 26 September 2016, Cache indicated it has accepted, under protest, a holding arrangement which involves a payment of S$0.77 per square foot per month from Schenker Singapore Pte Ltd, pending the resolution of the legal proceedings. The Manager will continue to vigorously defend Cache in the interest of unitholders. We will keep the market informed by way of announcing progress as and when it is made.

Notes:

1. As at 31 December 2016, by NLA.
2. http://www.channelnewsasia.com/news/business/singapore/singapore-s-economy-grows-1-8-in-q4-2016-gdp-at-1-8/3408294.html

FOSTERING GOOD INVESTOR RELATIONS

Cache was named the Bronze winner in 'Best Investor Relations (REITS & Business Trust category)' at the Singapore Corporate Awards 2016 for its outstanding efforts in investor relations and corporate disclosure. This is a strong endorsement of the support we receive from our unitholders, analysts, the media and the investment community. Cache places strong emphasis on providing timely and accurate information to allow investors to make informed decisions. We will continue to work hard to uphold good corporate governance standards and investor relations practices.

LOOKING AHEAD

Market experts hold the view that the Singapore industrial property market will continue to face headwinds in 2017. In addition to tepid economic growth in Singapore in the near term, the warehouse sector continues to be weighed down by excess supply and global economic uncertainties, placing downward pressure on warehouse rentals and occupancy rates over the short to medium term.

According to the Reserve Bank of Australia, Australia's GDP growth forecast is within the 2.5% to 3.5% range throughout 2017 and 2018, rising to between 3.0% and 4.0% in late 2018. Growth will be underpinned by an increase in the employment statistics, a low interest environment, construction and infrastructure expenditure, as well as household consumption growth. In particular, strong levels of new infrastructure investment is expected to contribute greatly to Australia's competitiveness. Newly-completed infrastructure is expected to underpin growth in these industries and contribute towards maintaining market stability. New South Wales and Victoria will see a record A$110 billion of combined infrastructure investment over the next four years which will likely propel the industrial market forward. Market consultants also anticipate further cap rate compression due to strong capital flows and continued offshore and domestic demand for industrial assets.

Going forward, we will continue our efforts to optimise the performance and returns of our existing portfolio. Our focused asset management efforts combined with the portfolio rebalancing strategy remain the key focus for Cache. We will continue to proactively manage the portfolio with a view of maintaining healthy occupancy and improving operating performance while maintaining prudent capital management.

ACKNOWLEDGEMENTS

We would like to express our appreciation to the Board of Directors for their stewardship in guiding Cache forward. We would also like to thank Management and our staff for their dedication and relentless hard work. Finally, we would like to express our gratitude to our unitholders, tenants, end-users and business associates for their continued support.

Lim How Teck
Chairman

Daniel Cerf
Chief Executive Officer

Enduring.

STEADFAST VISION, STRATEGIC MINDSET

Guided by strong corporate values and good governance, Cache strives to achieve growth over the long term with prudent capital management.


mcphee
warehousing + distribution
CARTER

BOARD OF DIRECTORS

From left to right:
STEFANIE YUEN THIO (Independent Non-Executive Director), **LIM AH DOO** (Lead Independent Non-Executive Director and Chairman of the Audit Committee), **LIM HWEE CHIANG JOHN** (Non-Executive Director), **LIM HOW TECK** (Chairman and Non-Executive Director)

From left to right:
LIAO CHUNG LIK (Non-Executive Director), **JIMMY YIM WING KUEN** (Non-Executive Director), **LIM KONG PUAY** (Independent Non-Executive Director), **LIM LEE MENG** (Independent Non-Executive Director), **MOSES K. SONG** (Alternate Director to Lim Hwee Chiang John)

LIM HOW TECK

Chairman and Non-Executive Director

Mr Lim How Teck is the Chairman of the Manager.

He is also an Independent Non-Executive Director of ARA Asset Management Limited and Chairman of its Remuneration Committee. Mr Lim is also the Chairman of Heliconia Capital Management Pte. Ltd., Swissco Holdings Ltd and NauticAWT Limited and an Independent Non-Executive Director of Rickmers Trust Management Pte Limited (trustee-manager of Rickmers Maritime). Mr Lim is also a governor of the Foundation for Development Cooperation. He is also a Board member of Mizuho Securities (Singapore) Private Limited, Greenship Offshore Manager Private Limited, Public Utilities Board (PUB) and the Papua New Guinea Sustainable Development Program Company (PNGSDP).

Currently, Mr Lim is the Chairman of Redwood International Pte. Ltd., an investment and consultancy company. From 1979 to 2005, Mr Lim was with Neptune Orient Lines Ltd ("NOL") where he held various positions including Executive Director, Group Chief Financial Officer, Group Chief Operating Officer and Group Deputy Chief Executive Officer. He also held directorships in various subsidiaries, associated companies and investment interests of NOL. Prior to joining NOL, he was with Coopers & Lybrand, an international accounting firm and Plessey Singapore, a multinational trading and manufacturing company.

Mr Lim holds a Bachelor of Accountancy from the University of Singapore. He also completed the Corporate Financial Management Course and Advanced Management Programme at the Harvard Graduate School of Business. In addition, he is a fellow of the Chartered Institute of Management Accountants, Certified Public Accountants Australia, the Institute of Certified Public Accountants of Singapore and the Singapore Institute of Directors. Mr Lim was awarded the Public Service Star (BBM) and the Public Service Medal (PBM) by the Singapore Government in 2014 and 1999 respectively.

LIM HWEE CHIANG JOHN

Non-Executive Director

Mr Lim Hwee Chiang John is a Non-Executive Director of the Manager.

He is also the Group Chief Executive Officer and Executive Director of ARA since its establishment.

Mr Lim is a Non-Executive Director of ARA Asset Management (Fortune) Limited (manager of Fortune REIT), ARA Trust Management (Suntec) Limited (manager of Suntec REIT), ARA Asset Management (Prosperity) Limited (manager of Prosperity REIT) and Hui Xian Asset Management Limited (manager of Hui Xian REIT). Mr Lim is also the Chairman of APM Property Management Pte. Ltd., Suntec Singapore International Convention & Exhibition Sevices Pte. Ltd. and the management council of The Management Corporation Strata Title Plan No. 2197 (Suntec City). In addition, Mr Lim is an Independent Director and the Chairman of the Remuneration Committee of Singapore-listed Teckwah Industrial Corporation Limited, the Chairman of the property management committee of the Singapore Chinese Chamber of Commerce & Industry, the Managing Director of Chinese Chamber Realty Private Limited and a Director of the Financial Board of the Singapore Chinese Chamber of Commerce. He is also a member of the Consultative Committee to the Department of Real Estate, National University of Singapore.

Mr Lim has more than 30 years of experience in the real estate industry and has received many notable corporate awards. These include the PERE Global Awards 2016 Industry Figure of the Year: Asia, Ernst & Young Entrepreneur of the Year Singapore 2012, Ernst & Young Entrepreneur of the Year – Financial Services 2012 and the Outstanding CEO of the Year 2011 at the Singapore Business Awards 2012. Mr Lim, along with the Board of Directors of ARA, is also a recipient of the prestigious Best Managed Board (Gold) Award at the Singapore Corporate Awards 2012.

Mr Lim holds a Bachelor of Engineering (First Class Honours) in Mechanical Engineering, a Master of Science in Industrial Engineering, as well as a Diploma in Business Administration, each from the National University of Singapore.

LIM AH DOO

Lead Independent Non-Executive Director and Chairman of the Audit Committee

Mr Lim Ah Doo is the Lead Independent Non-Executive Director and Chairman of the Audit Committee of the Manager.

Mr Lim is also an Independent Non-Executive Director of GDS Holdings Limited and an Independent Non-Executive Director and Chairman of the Audit Committee of GP Industries Limited. He is also an Independent Non-Executive Director and Chairman of the Board, and Chairman of the Human Resources Compensation Committee and Governance and Nomination Committee of Olam International Limited. In addition, Mr Lim is an Independent Non-Executive Director and the Chairman of the Board Risk Committee of Sembcorp Marine Limited, an Independent Non-Executive Director and member of the Audit Committee of Singapore Technologies Engineering Ltd, as well as an Independent Non-Executive Director of SM Investments Corporation.

Mr Lim brings with him vast experience as a former senior banker and corporate executive. He held several key positions in Morgan Grenfell during his 18-year banking career with Morgan Grenfell (Asia) Limited from 1977 to 1995, including that of Chairman and Managing Director of Morgan Grenfell (Asia) Limited from 1993 to 1995. From 2003 to 2008, he was the President and subsequently Non-Executive Vice Chairman of RGE Pte Ltd (formerly known as RGM International Pte Ltd), a leading global resource development group.

Mr Lim was formerly an Independent Director and Executive Committee member of EDBI Pte Ltd, the investment arm of the Singapore Economic Development Board from 2006 to 2012. He was also an Independent Commissioner and Chairman of the Audit Committee of PT Indosat Tbk, a leading listed Indonesian telecommunications group, and Chairman of EDBV Pte Ltd (a subsidiary of EDBI Pte Ltd) from 2005 to 2006.

Mr Lim holds an Honours degree in Engineering from Queen Mary College, University of London, and a Master in Business Administration degree from Cranfield Institute of Technology.

STEFANIE YUEN THIO

Independent Non-Executive Director

Ms Stefanie Yuen Thio is an Independent Non-Executive Director and Member of the Audit Committee of the Manager.

She is also the Joint Managing Director of TSMP Law Corporation and is the Head of its corporate practice. She was admitted to the Singapore Bar in 1994 and her areas of expertise include mergers and acquisitions, equity capital markets, corporate transactions and regulatory advice. Her clients include logistics companies, REITs and REIT managers. She is regularly named by legal journals as a leading practitioner in her areas of specialisation. Ms Thio has also been appointed by the Monetary Authority of Singapore to the Corporate Governance Council 2017 to review the Code of Corporate Governance (CG Code).

Ms Thio graduated from the National University of Singapore with an LL.B (Hons) degree in 1993.

LIAO CHUNG LIK

Non-Executive Director

Mr Liao Chung Lik is a Non-Executive Director of the Manager. He is also a Director of CWT Limited and a number of private companies.

Mr Liao joined C&P in 1982. He is currently the Deputy Group Managing Director of the C&P Group.

Mr Liao holds a Bachelor of Business Administration degree from the National University of Singapore.

LIM LEE MENG

Independent Non-Executive Director

Mr Lim Lee Meng is an Independent Non-Executive Director and Member of the Audit Committee of the Manager.

He is currently an Executive Director of LeeMeng Capital Pte. Ltd. Mr Lim is also an Independent Director of Teckwah Industrial Corporation Ltd and Tye Soon Limited. He also serves as the Chairman of the Audit Committee of Teckwah Industrial Corporation Ltd and is a member of the Audit Committee of Tye Soon Limited.

Mr Lim is a fellow member of the Institute of Singapore Chartered Accountants, an associate member of the Institute of Chartered Secretaries and Administrators and a fellow member of the Singapore Institute of Directors. He is also the Chairman of the finance committee of Ang Mo Kio Town Council and the Chairman of the School Advisory Committee of River Valley High School. Mr Lim is also the advisor to the Department of Commerce of the Jiangsu Province, China.

Mr Lim graduated from the Nanyang University of Singapore with a Bachelor of Commerce (Accountancy) degree in May 1980. He also has a Master of Business Administration degree from the University of Hull (1992), a Diploma in Business Law from the National University of Singapore (1989) and an ICSA qualification from the Institute of Chartered Secretaries and Administrators.

LIM KONG PUAY

Independent Non-Executive Director

Mr Lim Kong Puay is an Independent Non-Executive Director and member of the Audit Committee of the Manager.

Mr Lim has also been the President and Chief Executive Officer of Tuas Power Generation Pte Ltd since 2004. Mr Lim has many years of experience in the liberalised electricity market of Singapore in the generation, trading and retailing of electricity. He has also diversified the company business to new areas in providing utilities such as steam, tank storage, industrial water and waste water treatment to industrial customers in the Tuas area and on Jurong Island.

Mr Lim graduated from the National University of Singapore with a Bachelor of Engineering in Mechanical Engineering in 1981. He is also a Fellow of the Institute of Engineers of Singapore and a Professional Engineer (Mechanical) registered with the Professional Engineers Board in Singapore.

JIMMY YIM WING KUEN
Non-Executive Director

Mr Jimmy Yim is a Non-Executive Director of the Manager. He also sits on the boards of CWT Limited, Low Keng Huat (Singapore) Ltd and Singapore Medical Group Limited.

Mr Yim is the Managing Director of the Litigation & Dispute Resolution Department of Drew & Napier LLC, a leading legal practice in Singapore established since 1889. He was admitted to the Singapore Bar in 1983 and joined Drew & Napier LLC in 1989. Mr Yim is one of the earliest batches of Senior Counsels, being appointed in January 1998. His practice covers a range of civil and commercial law, corporate law and international commercial arbitrations.

Mr Yim is a fellow of the Singapore Institute of Arbitrators, a regional arbitrator with the Singapore International Arbitration Centre and Panel Member of Mediators for the Singapore Mediation Centre and The Financial Industry Disputes Resolution Centre Ltd (FIDReC) of the Association of Banks in Singapore. He is recommended by name in various professional journals and ranking agencies in the area of dispute resolution.

Mr Yim holds the LL.B (Hons) and LL.M degrees from the National University of Singapore. He is also a Solicitor of the Supreme Court of England and Wales.

MOSES K. SONG
Alternate Director to Lim Hwee Chiang John

Mr Moses K. Song is an Alternate Director to Mr Lim Hwee Chiang John, a Non-Executive Director of the Manager.

Mr Song is the Assistant Group Chief Executive Officer of ARA, responsible for leading the Group's corporate business expansion initiatives and overseeing the Group's regional operations in Korea, Australia and new markets. He holds the concurrent appointment of Group Chief Investment Officer and heads ARA's Group Investment Office where he leads the firm's private capital fundraising efforts and new product development. Mr Song serves on the investment and executive committees of ARA Private Funds and as an executive board member of the Asian Association for Investors in Non-listed Real Estate Vehicles (ANREV).

Prior to joining ARA, Mr Song was a Principal and Chief Operating Officer at Lubert-Adler Asia Advisors Pte. Ltd., the Asia investment platform of United States-based real estate private equity firm Lubert-Adler Partners L.P., where he was responsible for North Asia investment opportunities, and with Marathon Asset Management (Singapore) Pte. Ltd. as Managing Director responsible for real estate finance and investments in Asia. He was based in Hong Kong from 2004 to 2007 with Merrill Lynch (Asia Pacific) Ltd. as a Director in the global commercial real estate group and Morgan Stanley Asia Ltd. as a Vice-President of Morgan Stanley International Real Estate Funds. Mr Song began his career as a corporate and real estate finance attorney in the United States. He moved to Asia in 2000 as a seconded attorney to Morgan Stanley International Real Estate Funds in Tokyo, Japan and was appointed general counsel of Morgan Stanley's real estate asset management platform in Korea in 2001.

Mr Song holds a Juris Doctor from the Vanderbilt University School of Law and a Bachelor of Science in Economics from Centre College. He is a member of the State Bar of Texas (inactive status).

MANAGEMENT TEAM

From left to right:
JUDY TAN, HO JIANN CHING, DANIEL CERF, ROBERT WONG, ALVIN KOH, EDNA KOH, DONOVAN NG

THE MANAGER
ARA-CWT Trust Management (Cache) Limited

DANIEL CERF
Chief Executive Officer

Mr Daniel Cerf has more than 30 years of experience in Asia. He has been involved in real estate investment, development and related management consulting services.

Before joining the Manager, Mr Cerf was Deputy Chief Executive Officer of what is presently known as Keppel REIT Management Limited, the Manager of Keppel REIT. Mr Cerf was responsible for the overall management of the REIT where total assets under management grew from S$637 million to over S$2.1 billion during his tenure. Mr Cerf joined First Pacific Land in 1989 as a Senior Development Manager responsible for the group's developments in the region and later became Director and General Manager of the Singapore and Malaysia subsidiaries. Mr Cerf, together with a group of investors, carried out a successful management buyout of First Pacific Land's businesses in Malaysia in 1993, which he continued to helm in conjunction with an asset management consultancy until 2005.

Mr Cerf is a former practising architect and holds a Bachelor of Architecture degree (Dean's List) from the University of Oklahoma, USA with emphasis on urban planning and architectural development.

HO JIANN CHING
Director, Head of Investment

Mr Ho Jiann Ching is responsible for developing and executing investment strategies for acquisitions and divestments to achieve optimum investment returns.

Mr Ho has more than 20 years of regional experience in real estate investment, development, asset management and marketing. Before joining the Manager, he was Director of Business Development at Ayala International Holdings Limited and concurrently the Head of Transaction Review for ARCH Asian Partners Fund, an Ayala-sponsored private equity real estate fund. In those roles, he was responsible for sourcing and transacting business opportunities in Singapore and Asia Pacific. Prior to that, Mr Ho led a team of investment professionals at Sembawang Properties from 1996 to 2001 where he was responsible for initiating concepts and blueprints for residential and commercial development. Mr Ho began his career in 1993 with JTC Corporation where he was involved in land allocation of strategic foreign direct investment projects and supported land-use planning of industrial land.

Mr Ho holds a Bachelor of Science (Estate Management) (Honours) degree in Estate Management from the National University of Singapore.

ROBERT WONG
Director, Finance & Operations

Mr Robert Wong heads the finance team and assists the Chief Executive Officer on all accounting, finance, taxation, treasury, capital management, investment, compliance and risk management functions for Cache.

Mr Wong has over 20 years of accounting and financial management experience, most of which has been in the real estate fund management industry. Before joining the Manager, he was Senior Vice President with CBRE Global Investors and ING Real Estate from 2007 to 2012. Prior to that, he was based in Australia and held various finance positions with Mirvac Funds Management, Colonial First State Property and Westpac Investment Property Limited.

Mr Wong holds a Bachelor of Commerce degree from Murdoch University, Australia and is a member of the Certified Practising Accountants of Australia.

MANAGEMENT TEAM

HO KIN LEONG

Director, Asset Management

Mr Ho Kin Leong is responsible for formulating and executing business plans to maximise returns from Cache's property portfolio.

Mr Ho has over 15 years of experience in real estate investment, development and asset management. Before joining the Manager, he was Senior Vice President, Asset Management with MEAG Pacific Star Asset Management where he led the formulation and implementation of strategies in asset enhancement initiatives, leasing, refinancing and divestment of the portfolio's properties. Prior to that, he was Senior Investment Manager with Keppel Land for overseas markets. Mr Ho began his career with International Enterprise Singapore in 1990 and was based in both Singapore and Japan, holding key business development positions for regional markets during his 11-year stint with the organisation.

Mr Ho obtained his Master of Business Administration from the Imperial College Business School, London under the Chevening Scholarship Programme. He also holds a Bachelor in Electronics Engineering from Tohoku University, Japan.

JUDY TAN

Assistant Director, Investor Relations

As Head of the Investor Relations department, Ms Judy Tan is responsible for maintaining timely and transparent communications with Cache's unitholders, investors, analysts and the media.

Ms Tan has over 11 years of working experience in the capital markets, including investor relations and risk management. Prior to joining the Manager, she was Assistant Vice President in the Risk Management & Regulation Group at Singapore Exchange Limited.

Ms Tan holds a Master of Finance from the University of Cambridge, UK, under the Finance Scholarship Programme administered by the Monetary Authority of Singapore. She also holds a Bachelor of Business Administration (First Class Honours) from the National University of Singapore Business School. In addition, she holds a Diploma in Compliance from the International Compliance Association and a Post-Graduate Diploma in Statistics and Datamining from Singapore Polytechnic.

DONOVAN NG

Assistant Finance Director

Mr Donovan Ng assists the Director of Finance & Operations in the areas of accounting, finance, treasury, and capital management.

Mr Ng has more than 18 years of experience in accounting and finance. Prior to joining the Manager, he was Finance Manager with ARA, Private Funds, where he handled the accounting, finance and treasury functions. Before that he was Finance Manager with Fortune Real Estate Investment Trust from 2007 to 2014, Senior Accountant with Ascendas Land (Singapore) Pte Ltd, and Lindeteves-Jacoberg Limited, which is listed in Singapore.

Mr Ng holds an ACCA (Association of Chartered Certified Accountants, UK) qualification and is also a Chartered Accountant with the Institute of Singapore Chartered Accountants.

THE MANAGER
ARA-CWT Trust Management (Cache) Limited

WANG JING
Manager, Asset Management

Ms Wang Jing is responsible for managing the overall performance of Cache's property portfolio.

Ms Wang has over 15 years of experience in real estate and urban planning. Prior to joining the Manager, she was Senior Manager, Asset Management with Mapletree Investments Pte Ltd where she managed various properties including business park, commercial and warehouse assets totaling over two million square feet. She also worked as Investment Manager, sourcing commercial/mixed-use real estate projects in China.

Ms Wang obtained her Master of Business Administration from the National University of Singapore and Master of Architecture from Katholieke Universiteit Leuven, Belgium.

BRIAN NG
Analyst

Mr Brian Ng assists in managing Cache's property portfolio and providing research and financial analysis to support portfolio performance optimisation and investment strategies.

Mr Ng has three years of experience in development, investment, asset management and marketing hospitality and boutique mixed-use developments. He was formerly an Asset Specialist at Warees Investments Pte Ltd where he formulated and executed investment strategies and development plans.

Mr Ng holds a Bachelor of Science (Real Estate) (Honours), with a Real Estate Finance Specialisation from the National University of Singapore. He has also passed the Level III examination in the Chartered Financial Analyst (CFA) Program.

ALVIN KOH
Assistant Finance Manager

Mr Alvin Koh is a member of the finance team, assisting in managing the monthly accounts and preparation of financial statements and providing support in areas of accounting, finance, treasury and capital management.

Mr Koh has more than 12 years of experience in accounting and finance. Prior to joining the Manager, he was an accountant with SB REIT Management Pte. Ltd., manager of Soilbuild Business Space Reit, and prior to that, he was Finance Assistant with CapitaLand Mall Trust Management Limited, manager of CapitaLand Mall Trust.

Mr Koh holds a Bachelor's of Banking & Finance (Honours) degree from University of London. He also holds an ACCA (Association of Chartered Certified Accounts, UK) qualification and is a Chartered Accountant with the Institute of Singapore Chartered Accountants.

EDNA KOH
Accountant

Ms Edna Koh is a member of the finance team, assisting in managing the monthly accounts, preparation of financial statements and providing support in areas of accounting, finance, treasury and capital management.

Ms Koh has eight years of work experience and holds a Bachelor of Commerce in Accounting and Finance from Murdoch University, Australia.

MANAGEMENT TEAM

From left to right:
WANG JING, DEREK LOH, HO KIN LEONG, JIMMY CHAN, BRIAN NG, DAVID WONG

THE PROPERTY MANAGER

Cache Property Management Pte. Ltd.

JIMMY CHAN

General Manager

Mr Jimmy Chan leads the Property Management team in managing Cache's property portfolio. Prior to joining the Property Manager, he was Head of Asset Management with the Manager.

Mr Chan has more than 20 years of experience in real estate, property management, redevelopment, asset management and lease negotiation both locally and internationally. He was previously Senior Manager, Asset Management/Investments at Mapletree Investments Pte Ltd, managing a S$1.7 billion industrial portfolio acquired from JTC Corporation.

Mr Chan holds a Master of Science degree in Real Estate and a Bachelor of Science (Honours) degree in Estate Management, both from the University of Reading (UK), and a Diploma in Building Management from Ngee Ann Polytechnic.

DAVID WONG

Senior Finance Manager

Mr David Wong is responsible for the accounting and finance functions pertaining to Cache's property portfolio.

Mr Wong has more than 20 years of experience in accounting, internal control, tax and finance-related work. Prior to joining the Property Manager, he was Finance Manager with Cambridge Industrial Property Management Pte. Ltd., the Property Manager for Cambridge Industrial Trust, and was previously Assistant Finance Manager with OCBC Property Services Pte Ltd.

Mr Wong graduated from Edith Cowan University (Perth, Western Australia) with a Bachelor of Business (Accounting) degree and holds a Diploma in Management Accounting & Finance from National Productivity Board.

DEREK LOH

Senior Property Manager

Mr Derek Loh has 20 years of experience in construction, property and project management. Prior to joining the Property Manager, he was the Building Manager cum Fire Safety/Green Mark Manager with Jones Lang LaSalle, responsible for property management and maintenance, including space planning, A&A works as well as tenant relationship management. He was also involved in the due diligence process for clients involved in the acquisition/divestment of properties.

Prior to that, Mr Loh was Portfolio Manager with Cofely (S.E.A) Pte Ltd (known as Cofely FMO) managing various properties of more than 2.5 million square feet and occupied by reputable organisations. Mr Loh was also a Project Manager for a S$10 million roofing project at Changi Airport Terminal 3 as well as many other HDB upgrading/repainting projects as a construction manager. He was formerly a Condominium Manager with Knight Frank Estate Management, managing prestigious residential developments.

Mr Loh holds a Bachelor of Science in Facilities Management from Heriot-Watt University (UK, Edinburg) and a Diploma in Building from Singapore Polytechnic. He is also a qualified Fire Safety Manager, a certified Green Mark Manager and a Water Efficiency Manager. Mr Loh is also trained in internal audit, bizSAFE and incident management processes.

Evolving.

EMBRACING CHANGE, STAYING ADAPTABLE

Leveraging on the combined expertise of its Sponsor CWT and ARA, Cache continues to adapt to a challenging operating environment.

PORTFOLIO OVERVIEW

As at 31 December 2016, Cache's portfolio comprised 19 logistics warehouse properties strategically located in established logistics clusters in Singapore, Australia and China which are well served by good transportation infrastructure.

Cache's portfolio serves a diverse group of multi-national and local third-party logistics providers ("3PLs"). 3PLs are firms that provide multiple logistics services for use by customers. These services include transportation, warehousing, inventory management, packaging and freight forwarding[1].

SINGAPORE

In the eastern part of Singapore, Cache's properties are located in major logistics clusters near the international airport in the Airport Logistics Park of Singapore (Alps), Changi International LogisPark (South), Changi International LogisPark (North), Loyang Industrial Estate and the new Tampines LogisPark.

The properties in the western part of Singapore are located in the Penjuru, Pandan and Gul Way. These locations enjoy close proximity to the Port Authority of Singapore Terminals, Jurong Port, Tuas checkpoints and at least half of the container yards in Singapore. These areas are considered superior to other locations in the Jurong vicinity as they allow for a faster turnaround time for logistics operators.

AUSTRALIA

The six logistics warehouses in Australia are located in well-established industrial precincts in the major trade and distribution cities of Melbourne, Sydney, Brisbane and Adelaide.

CHINA

Jinshan Chemical Warehouse is located within the Shanghai Chemical Industry Park, which is the first industrial zone specialising in the development of petrochemical and fine chemicals businesses, and one of the four industrial production bases in Shanghai.

	As at 31 December 2014[2]	As at 31 December 2015[2]	As at 31 December 2016[3]
Number of Properties	14 Properties comprising: 13 in Singapore 1 in Shanghai, China	19 Properties comprising: 12 in Singapore 6 in Australia 1 in Shanghai, China	19 Properties comprising: 12 in Singapore[3] 6 in Australia 1 in Shanghai, China
Portfolio Value	S$1,120.2 million	S$1,308.0 million	S$1,236.4 million
Gross Floor Area	6,106,509 square feet	7,508,508 square feet	7,508,508 square feet
Average Building Age	6.8 years	10.0 years	11.0 years
Number of Tenants	11	36	38
Tenant Trade Sector	100% Logistics and Warehousing	100% Logistics and Warehousing	100% Logistics and Warehousing
Portfolio Committed Occupancy	97.9%	94.9%	96.4%
Property Features	10 properties – Ramp-up 2 properties – Cargo Lift 2 properties – Single Storey	10 properties – Ramp-up 2 properties – Cargo Lift 7 properties – Single Storey	10 properties – Ramp-up 2 properties – Cargo Lift 7 properties – Single Storey

Notes:

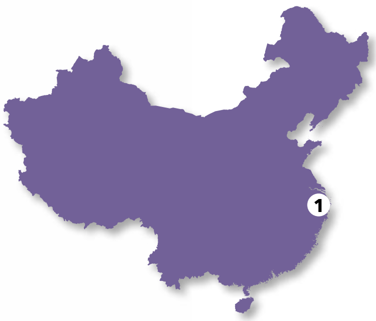
1 Definition as provided by the Council of Supply Chain Management Professionals.

2 Includes Kim Heng Warehouse which was divested in June 2015 and DHL Supply Chain Advanced Regional Centre which was under development as at 31 December 2014.

3 Includes the proposed divestment of Cache Changi Districentre 3 as at 31 December 2016. The legal completion was attained on 23 January 2017.

SINGAPORE PORTFOLIO

PANDAN / PENJURU	
1	CWT Commodity Hub
2	Cache Cold Centre
3	Pandan Logistics Hub
GUL WAY	
4	Precise Two
AIRPORT LOGISTICS PARK	
5	Schenker Megahub
6	Hi-Speed Logistics Centre
CHANGI SOUTH	
7	Cache Changi Districentre 1
8	Cache Changi Districentre 2
CHANGI NORTH	
9	Cache Changi Districentre 3
10	Pan Asia Logistics Centre
LOYANG	
11	Air Market Logistics Centre
TAMPINES LOGISPARK	
12	DHL Supply Chain Advanced Regional Centre



CHINA PORTFOLIO

SHANGHAI	
1	Jinshan Chemical Warehouse

AUSTRALIA PORTFOLIO

NEW SOUTH WALES	
1	127 Orchard Road, Chester Hill
VICTORIA	
2	16-28 Transport Drive, Somerton
SOUTH AUSTRALIA	
3	404-450 Findon Road, Kidman Park
QUEENSLAND	
4	51 Musgrave Road, Coopers Plains
5	203 Viking Drive, Wacol
6	223 Viking Drive, Wacol

ANNUAL VALUATION

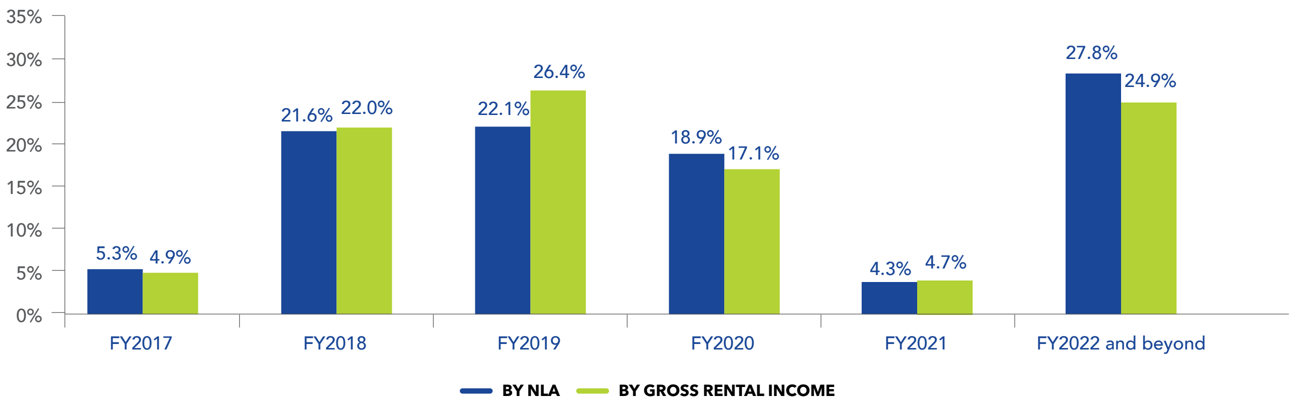
The portfolio was valued at S$1,236.4 million as at 31 December 2016, lower by S$71.6 million or 5.5% over the total value of investment properties as at 31 December 2015. The downward revaluation was mainly attributable to lower appraised values in the Singapore portfolio valued at S$1,044.0 million as at 31 December 2016 (31 December 2015: S$1,119.9 million). The lower appraised values for some of the Singapore properties were due to a combination of lower market rentals, shorter balance land tenure, higher vacancy allowance and higher operating costs associated with the converted multi-tenanted buildings.

Conversely, the Australian portfolio enjoyed a higher appraised value of A$168.6 million as at 31 December 2016, an increase of A$2.9 million or 1.8% higher compared to 31 December 2015. Jinshan Chemical Warehouse in China was valued at RMB78.5 million as at 31 December 2016, up by 1.6% compared to RMB77.3 million as at 31 December 2015.

LEASE EXPIRY PROFILE

The portfolio lease expiry profile from FY2017 to FY2022 and beyond as well as the lease expiry by property in FY2017 are presented below. Cache's quality portfolio is underpinned by a long WALE and the lease expiry profile is well staggered with no more than one-third of the portfolio due for expiry in any year. The leases due in FY2017 and FY2018 account for approximately 4.9% and 22.0% of Cache's Gross Rental Income respectively. About half of all leases by NLA are committed till FY2020 and beyond.

Portfolio Lease Expiry Profile



	FY2017	FY2018	FY2019	FY 2020	FY 2021	FY2022 and beyond	Total
Number of leases expiring	8	13	17	7	3	6	54
Total NLA of expiring leases (square feet)	352,432	1,435,791	1,468,493	1,257,392	287,474	1,843,572	6,645,154

FY2017 LEASE EXPIRY AS AT 31 DECEMBER 2016

Property	Number of leases expiring	Area of expiring leases (square feet)	Area of expiring leases as % of the property's leased area[1]	Gross Rental Income of expiring leases as % of the property's Gross Rental Income
Pandan Logistics Hub	1	72,969	27.5	29.1
Cache Changi Districentre 3	2	56,250	33.1	31.3
Cache Cold Centre	1	10,445	4.1	4.6
Hi-Speed Logistics Centre	1	63,591	22.6	21.6
Jinshan Chemical Warehouse	1	121,675	100.0	100.0
51 Musgrave Road, Coopers Plains	2	27,502	100.0	100.0
Portfolio Total	**8**	**352,432**	**5.3**	**4.9**

As at 31 December 2016, the WALE of Cache's portfolio stood at 3.9 years by NLA and 3.8 years by Gross Rental Income. The WALE of new leases, based on the date of commencement of the leases, was approximately 2.5 years, and these leases account for approximately 18.6% of the total leases by gross rental come.

	Singapore	Australia	China	Portfolio
WALE by NLA (years)	3.4	6.1	0.5	3.9
WALE by Gross Rental Income (years)	3.5	6.1	0.5	3.8

PORTFOLIO OCCUPANCY

Cache maintained a strong portfolio committed occupancy of 96.4% as at 31 December 2016, which compares favourably with the Singapore industrial warehouse average occupancy rate of approximately 89.7% in the fourth quarter of 2016[2]. With a quality warehouse portfolio and proactive lease management, Cache continues to draw robust demand for logistics space from 3PLs and other logistics operators.

	Singapore	Australia	China	Portfolio
Portfolio Committed Occupancy (%)	97.1	94.9	84.4	96.4

LEASES SECURED IN FY2016

A total of 25 leases were secured in FY2016, totalling approximately 1.2 million square feet or 16.4% of Cache's total NLA. This included approximately 521,946 square feet of forward renewals for leases due for expiry in FY2018. The tenant/end-user retention rate was 82.3%.

Notes:

1 As a percentage of the property's total leased area excluding vacancy.

2 JTC Corporation Quarterly Market Report – Industrial Properties – Fourth Quarter 2016.

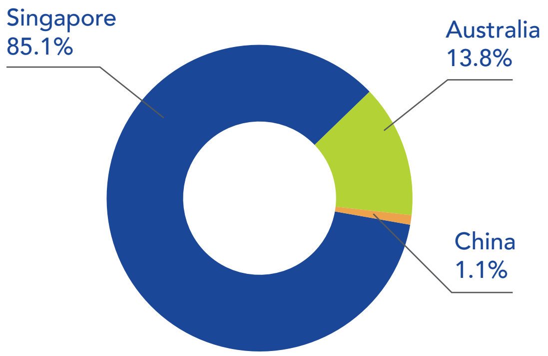
PORTFOLIO & INCOME DIVERSIFICATION

As at 31 December 2016, approximately 14.9% of FY2016 Gross Revenue was derived from Cache's properties outside of Singapore.

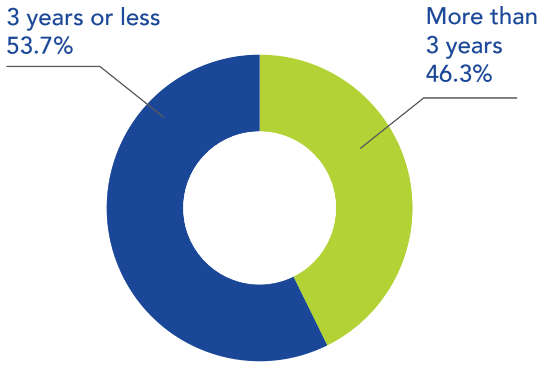
With the conversion of 40 Alps Avenue from single-tenanted (previously known as master leases) to multi-tenanted basis, over time, Cache has moved towards a more balanced lease structure mix. The current agreements for single-tenanted properties in Singapore are structured with predominantly triple-net rental and built-in rental escalation of between 1% and 2% per annum over the lease term. For the Australian portfolio, the leases for single-tenanted properties are structured with built-in annual rental escalations of between 3% and 4%, or yearly percentage change in the local Consumer Price Index.

As at 31 December 2016, multi-tenanted properties contributed 46.0% of FY2016 Gross Rental Income while single-tenanted properties contributed to the balance 54.0%.

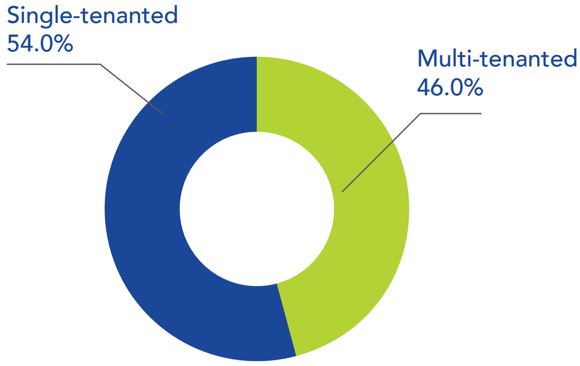
Geographical / Income Diversification (by Gross Rental Income)



Lease Terms (by Gross Rental Income)



Lease Structures (by Gross Rental Income)

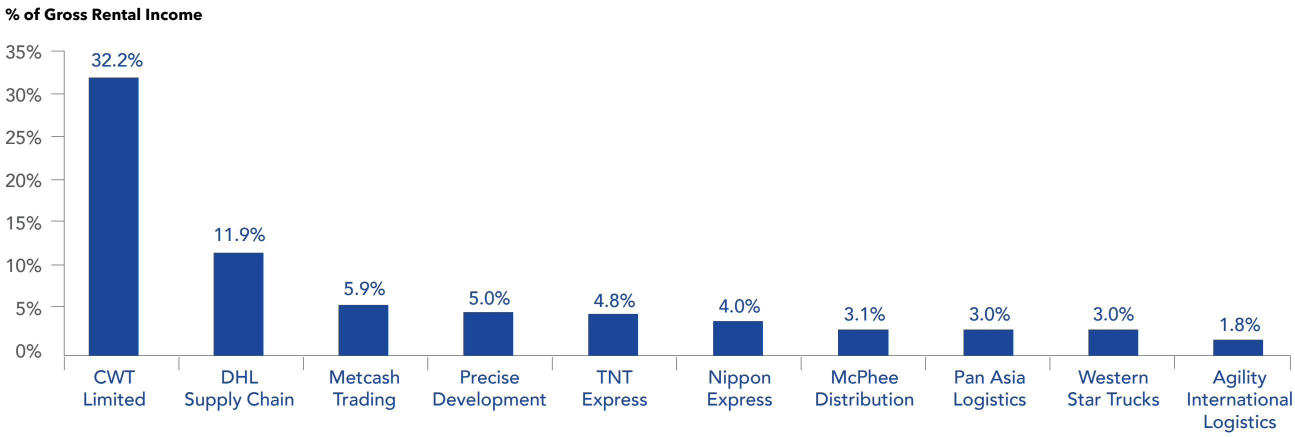


END-USER / CUSTOMER DIVERSIFICATION

Cache's diversified tenant and end-user base continues to underpin the stability of its operational performance. Cache's well-diversified portfolio comprises primarily of 10 industry/trade sectors, such as industrial and consumer goods, food and cold storage, materials, engineering and construction, healthcare, automotive, aerospace and e-Commerce. This diversification across trade sectors enables Cache to mitigate its concentration risk to any single tenant over time.

	Industry/ Trade Sectors	% of NLA	% of Gross Rental Income
1	Industrial & Consumer Goods	55.3	55.6
2	Food and Cold Storage	16.2	16.1
3	Materials, Engineering, Construction	9.4	9.0
4	Healthcare/ BioPharmaceuticals	5.4	6.2
5	Aerospace	3.5	3.0
6	Automotive	3.1	2.9
7	Information Technology	2.5	2.5
8	Chemicals	1.8	1.1
9	e-Commerce	1.0	1.1
10	Others	1.8	2.5

TOP 10 TENANTS BY GROSS RENTAL INCOME



SECURITY DEPOSITS

The rental obligations of our tenants are supported by security deposits in the form of cash or bank/corporate guarantees. As at 31 December 2016, the security deposits underpinning the rental obligations at Cache's properties averaged 7.8 months, providing a security buffer and additional confidence in our cashflow. There were no rental arrears outstanding at the end of the financial year.

LEASEHOLD/ FREEHOLD ASSETS

Freehold land (by NLA) accounted for approximately 19.9% of the portfolio, with the remaining 80.1% on leasehold tenure. The weighted average unexpired land lease tenure as at 31 December 2016 was 42.4 years[1]. Excluding freehold land, the weighted average unexpired lease term for underlying leasehold land (by NLA) was approximately 28.3 years.

Note:

[1] For the purpose of presentation, freehold properties are computed using a 99-year leasehold tenure.

GEOGRAPHIC DIVERSIFICATION

In FY2015, Cache acquired six quality, well-located logistics warehouses, leveraging on the major trade and distribution cities of Melbourne, Sydney, Brisbane and Adelaide. The Australian warehouses, which span over 1.4 million square feet, make up close to one-fifth of Cache's portfolio gross floor area as at 31 December 2016.

Australia is a target investment destination for Cache as the warehouse assets boast predominantly freehold land tenure and a longer WALE, features that provide a good balance to Cache's predominantly Singapore-based portfolio.

Merits of the Australian portfolio:

- Strategically located, high-quality assets
- Long WALE of 6.1 years (by NLA) as at 31 December 2016
- Freehold land tenure provides good balance to leasehold assets in Singapore
- Provides income diversification and growth
- Strengthens and enlarges the portfolio
- Leased to high-quality tenants such as McPhee Distribution, Linfox, Western Star Trucks and Metcash Trading with rental escalations that range between 3% and 4% per annum or the Consumer Price Index.

PORTFOLIO REBALANCING - DIVESTMENT OF CACHE CHANGI DISTRICENTRE 3

In line with the Manager's asset management strategy to streamline the portfolio and unlock value for unitholders, Cache announced the proposed divestment of Cache Changi Districentre 3 for S$25.5 million to Agility International Logistics Pte. Ltd. on 19 December 2016. The divestment of Cache Changi Districentre 3, which has a relatively short remaining land lease of 17 years, is part of Cache's portfolio rebalancing strategy to prudently manage and recycle capital into higher-performing assets. The divestment was legally completed on 23 January 2017.

LEASE IN RELATION TO 51 ALPS AVE, SINGAPORE

The Manager has kept investors informed by way of announcements in relation to the ongoing legal proceedings at 51 Alps Ave, Singapore 498783. In response to the originating summons issued by Schenker Singapore Pte Ltd on 30 May 2016, the Manager and the Trustee has and will continue to vigorously defend Cache in the interest of unitholders. In the interim, under a 'Holding Arrangement', Cache has accepted, under protest, the payment of S$0.77 per square foot per month from Schenker pending the resolution of the legal proceedings.

In addition, the Board of Directors has constituted a sub-committee, comprising Independent Directors, to deliberate and decide on all matters relating to the lease of the property.

No.	Property Name	Property Feature	Acquisition Date	Valuation (S$ million)[1]	Gross Floor Area (square feet)	2016 Gross Revenue (S$ million)	Address
SINGAPORE							
1	CWT Commodity Hub	Ramp-up	12 April 2010	328.0	2,295,927	30.6	24 Penjuru Road
2	Cache Cold Centre	Ramp-up	12 April 2010	130.0	344, 681	10.0	2 Fishery Port Road
3	Schenker Megahub	Ramp-up	12 April 2010	80.9	439,956	6.7	51 Alps Avenue
4	Hi-Speed Logistics Centre	Ramp-up	12 April 2010	71.0	308,626	5.7	40 Alps Avenue
5	Cache Changi Districentre 1	Ramp-up	12 April 2010	95.2	364,361	7.9	5 Changi South Lane
6	Cache Changi Districentre 2	Cargo lift	12 April 2010	18.1	111,359	1.9	3 Changi South Street 3
7	Cache Changi Districentre 3[2]	Ramp-up	31 March 2011	25.5	176,955	3.5	6 Changi North Way
8	Air Market Logistics Centre	Cargo lift	19 August 2011	12.0	67,564	1.0	22 Loyang Lane
9	Pan Asia Logistics Centre	Ramp-up	30 April 2012	36.3	196,990	3.0	21 Changi North Way
10	Pandan Logistics Hub	Ramp-up	3 July 2012	50.0	329,112	5.1	49 Pandan Road
11	Precise Two	Ramp-up	1 April 2013	46.7	284,384	5.2	15 Gul Way
12	DHL Supply Chain Advanced Regional Centre	Ramp-up	8 July 2015[3]	150.3	989,260	13.6	1 Greenwich Drive
	12 properties in Singapore			**S$1,044.0**	**5,909,175**	**94.7[4]**	

No.	Property Name	Property Feature	Acquisition Date	Valuation (A$ million)[1]	Gross Floor Area (square feet)	2016 Gross Revenue (S$ million)	Address
AUSTRALIA							
13	127 Orchard Road, Chester Hill, New South Wales	Single-storey	27 February 2015	40.0	278,034	3.4	127 Orchard Road, Chester Hill, New South Wales
14	16-28 Transport Drive, Somerton, Victoria	Single-storey	27 February 2015	24.0	229,047	1.9	16-28 Transport Drive, Somerton, Victoria
15	51 Musgrave Road, Coopers Plains, Queensland	Single-storey	27 February 2015	8.35	102,172	0.3	51 Musgrave Road, Coopers Plains, Queensland
16	203 Viking Drive, Wacol, Queensland	Single-storey	23 October 2015	28.0	143,839	2.4	203 Viking Drive, Wacol, Queensland
17	223 Viking Drive, Wacol, Queensland	Single-storey	4 December 2015	10.75	67,555	0.9	223 Viking Drive, Wacol, Queensland
18	404-450 Findon Road, Kidman Park, South Australia	Single-storey	18 December 2015	57.5	632,869	6.4	404-450 Findon Road Kidman Park, South Australia
	6 properties in Australia			**A$168.60 S$176.0**	**1,453,517[5]**	**15.4[5]**	

No.	Property Name	Property Feature	Acquisition Date	Valuation (RMB million)[1]	Gross Floor Area (square feet)	2016 Gross Revenue (S$ million)	Address
CHINA							
19	Jinshan Chemical Warehouse	Single-storey	15 June 2011	RMB 78.5	145,816	1.2	288 Gongchuang Road, Caojing Town, Jinshan District, Shanghai
	1 property in China			**RMB 78.5 S$16.4**	**145,816**	**1.2**	

				Valuation (S$million)[1]	Gross Floor Area (square feet)	2016 Gross Revenue (S$ million)	
	19 properties in total[6]			**S$1,236.4**	**7,508,508**	**111.3**	

Notes:

1 The carrying amounts of the investment properties as at 31 December 2016 were based on the independent valuations undertaken by CBRE Pte. Ltd., Knight Frank Pte Ltd, CBRE Limited, Valuations Services (SA) Pty Ltd, CIVAS (NSW) Pty Limited, CBRE Valuations Pty Limited and Jones Lang LaSalle Advisory Services Pty Ltd. The exchange rates used were S$1.00 = A$0.9578; S$1.00 = RMB 4.7962.

2 The divestment of Cache Changi Districentre 3 was legally completed on 23 January 2017. The carrying value as at 31 December 2016 was S$25.3 million, net of transaction costs.

3 Temporary Occupation Permit (T.O.P.) date.

4 The FY2016 gross revenue included S$0.35 million from Kim Heng Warehouse. JTC exercised its first right to purchase the property and concurrently granted a tenancy of the property to Cache, back to back with the existing Kim Heng Lease, and at the same rental terms as that of the Kim Heng Lease. This arrangement expired on 12 May 2016.

5 Numbers may not add up due to rounding.

6 Cache has a 100% interest in all its investment properties.

FINANCIAL HIGHLIGHTS

Financial Year Ended 31 December	FY2015 S$'000	FY2016 S$'000	Change %
Gross Revenue	89,721	111,271	24.0
Property Expenses	(13,565)	(23,257)	71.4
Net Property Income	**76,156**	**88,014**	**15.6**
Net Income [1]	**52,995**	**57,556**	**8.6**
Amount Available for Distribution	67,960	69,318	2.0
Distribution Per Unit (cents)	**8.500**	**7.725**	**(9.1)**
- From Operations	**7.886**	**7.457**	**(5.4)**
- From Capital	**0.614**	**0.268**	**(56.4)**

PERFORMANCE COMPARISON BETWEEN FY2015 AND FY2016

Gross revenue for the year ended 31 December 2016 was S$111.3 million, an increase of S$21.6 million or 24.0% from FY2015. The increase was mainly attributable to a full year revenue contribution from the Australian properties acquired in FY2015, and incremental rental revenue from DHL Supply Chain Advanced Regional Centre, partly offset by lower income from 51 Alps Ave in 4Q FY2016.

Property expenses for the year ended 31 December 2016 totaled S$23.3 million, an increase of S$9.7 million, or 71.4% from the same period last year. The increase was mainly due to higher expenses from land rent, property tax, property maintenance, lease commissions and other expenses.

Net Property Income increased by S$11.9 million or 15.6% to S$88.0 million and Net Income rose by S$4.6 million or 8.6% to S$57.6 million, on the back of higher revenue.

DISTRIBUTIONS

DPU (cents)			
Financial Year Ended 31 December	**FY2015**	**FY2016**	**Change %**
First Quarter (1 January – 31 March)	2.146	2.039[5]	(5.0)
Second Quarter (1 April – 30 June)	2.140[2]	1.989	(7.1)
Third Quarter (1 July – 30 September)	2.140[3]	1.847	(13.7)
Fourth Quarter (1 October – 31 December)	2.074[4]	1.850[6]	(10.8)
Full Year (1 January – 31 December)	8.500	7.725	(9.1)

Notes:

1 Excludes net change in fair value of investment properties.

2 Includes a 0.185 cents capital distribution from the sales proceeds from the disposal of Kim Heng warehouse.

3 Includes a 0.192 cents capital distribution from the sales proceeds from the disposal of Kim Heng warehouse.

4 Includes a 0.237 cents capital distribution from the sales proceeds from the disposal of Kim Heng warehouse. The fourth quarter DPU includes an Advanced Distribution of 0.9 cents per unit for the period 1 October 2015 to 12 November 2015.

5 Includes a 0.184 cents capital distribution from the sales proceeds from the disposal of Kim Heng warehouse.

6 Includes a 0.084 cents capital distribution from the sales proceeds from the disposal of Kim Heng warehouse.

Income available for distribution for the year ended 31 December 2016 increased S$1.4 million, or 2.0% from the last financial year, to S$69.3 million. The DPU fell by 9.1% YoY to 7.725 cents. The drop in DPU was mainly due to a lower capital distribution and a larger issued units base. On a like-for-like basis excluding capital distributions, the DPU would have fallen by a lower 5.4% YoY.

Cache maintained a 100% distribution payout policy for the financial year ended 31 December 2016.

BALANCE SHEET	FY2015 S$'000	FY2016 S$'000
Investment Properties	1,307,959	1,236,175[1]
Total Assets	**1,326,290**	**1,258,306**
Debt, at amortised cost	(523,448)	(538,865)
Total Liabilities	(539,780)	(557,168)
Net Assets Attributable to Unitholders	786,510	701,138
Net Asset Value ("NAV") per unit (cents)	**0.880**[2]	**0.779**[3]

TOTAL ASSETS AND NET ASSET VALUE

The total assets of Cache stood at S$1.26 billion as at 31 December 2016, S$68.0 million or 5.1% lower YoY. The decrease was primarily due to the downward revaluation in the Singapore portfolio which was valued at S$1,044 million as at 31 December 2016 (31 December 2015: S$1,119.9 million).

Net assets stood at S$701.1 million as at 31 December 2016 (31 December 2015: S$786.5 million), and the net asset value of Cache fell to S$0.779 per unit from S$0.880 per unit last year mainly due to the fair value adjustments of the investment properties.

Notes:

[1] Includes Cache Changi Districentre 3 which was classified as "Asset held for sale".

[2] Based on 893,472,054 issued units.

[3] Based on 900,450,086 issued units.

OVERVIEW

The Manager continues to maintain a prudent capital structure and sufficient financial flexibility to ensure it has access to capital resources at a competitive cost. The Manager proactively manages Cache's cash flow, debt maturity profile, liquidity needs for operational requirements and exposure to interest rate movements.

FUNDING SOURCES

Cache has access to diversified sources of funding, including the debt capital market, equity capital market and bilateral bank loan facilities for its funding needs. The Manager maintains strong, diversified banking relationships with reputable banks in the markets in which it participates. This facilitates Cache's ability to access borrowings as and when required.

In November 2015, Cache successfully raised approximately S$100 million in gross proceeds from a private placement of which approximately S$87.9 million was utilised as at 31 December 2015. In April 2016, Cache announced that the remaining proceeds of S$12.1 million were fully utilised. Approximately S$0.7 million was utilised to partially fund the remaining transaction costs associated with the acquisition of 404 - 450 Findon Road, Kidman Park, South Australia, S$8.4 million was used to partially repay debt and S$3.0 million was used for general corporate and working capital purposes. This is in accordance with the stated use and percentage allocated on the use of proceeds as previously announced on 3 November 2015.

In FY2016, Cache completed the refinancing of an existing S$97.0 million 3.5-year secured term loan and revolving credit facility, previously drawn for the development of the DHL Supply Chain Advance Regional Centre, into a new S$90 million 5-year unsecured term loan facility. The refinancing exercise achieved cost savings of approximately 0.9% p.a. and extended Cache's weighted average debt maturity to 2.8 years as at 31 December 2016. There is no Singapore-dollar borrowing due for refinancing until the second half of 2018.

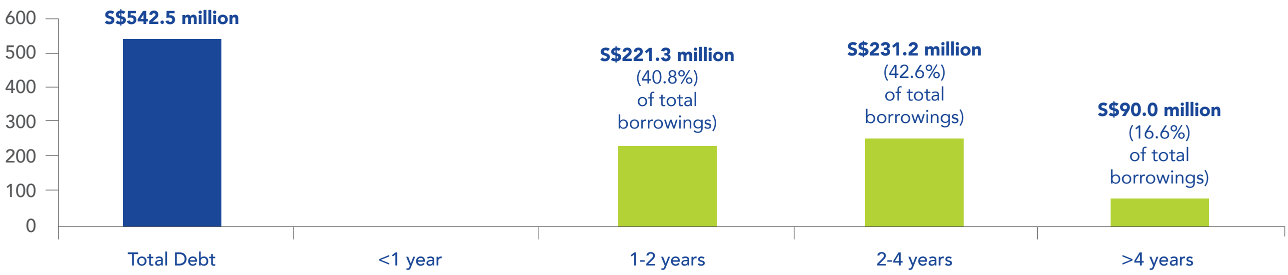
Sources of Funding	Type	Capacity (S$ million)	Amount Utilised (S$ million)	% Utilised
Revolving Credit Facility	Secured	65.0	5.0	7.7%
Bank Borrowings	Unsecured	106.7	106.7	100%
Bank Borrowings	Secured	430.8	430.8	100%

DEBT MATURITY PROFILE AS AT 31 DECEMBER 2016

Maturity Date	S$'000[1]	% of total borrowings
Due in 2018	221,323	40.8%
Due in 2019	180,592	33.3%
Due in 2020	50,638	9.3%
Due in 2021	90,000	16.6%
	542,553	**100.0%**

Note:

[1] Based on an exchange rate of S$1.00 = A$0.9578.



AGGREGATE LEVERAGE

As at 31 December 2016, the aggregate leverage ratio was 43.1% (31 December 2015: 39.8%) and the interest cover ratio was 4.0 times (31 December 2015: 4.8 times). The weighted average debt maturity was 2.8 years as at 31 December 2016 (31 December 2015: 3.1 years).

HEDGING PROFILE

Cache continues to mitigate the impact of interest rate fluctuations on the distributable income. As at 31 December 2016, approximately 63.2% of Cache's total borrowings were hedged into fixed rates. Approximately 70.3% of the Singapore-dollar borrowings and 50.0% of the onshore Australian-dollar borrowings were hedged into fixed rates. The fair value of these derivative financial instruments represents 0.28% (31 December 2015: 0.27%) of the net assets of the Group.

Cache addresses its foreign currency exposure for its assets and liabilities in other currencies by way of borrowing in the same currency to provide a natural currency hedge. As at 31 December 2016, the Australian dollar borrowings amounted to approximately 63.9% of the Australian portfolio valuation. About 95.6% of Cache's distributable income has been hedged into or was derived in Singapore dollars, representing minimal exposure to foreign currency risk.

Cache will continue to monitor the foreign exchange and interest rate markets closely for an opportune time to apply currency or interest rate hedging positions.

CORPORATE LIQUIDITY AND CAPITAL RESOURCES

Financial Year Ended 31 December	FY2015 (S$ million)	FY2016 (S$ million)
Financial Resources and Liquidity		
Total Borrowings[1]	528.4	542.5
Undrawn Revolving Credit Facility	56.0	60.0
Cash and Cash Equivalents	8.1	13.6
Total Available Undrawn RCF and Cash	64.1	73.6
Weighted Average Term of Maturity	**3.1 years**	**2.8 years**
Aggregate Leverage Ratio	**39.8%**	**43.1%**
Average All-in Cost of Financing	**3.25%**	**3.60%**
Interest Cover Ratio	**4.8 times**	**4.0 times**

Notes:

[1] Outstanding interest-bearing borrowings exclude unamortised loan transaction costs.

Effective risk management forms the foundation of Cache's business strategy. Key risks, process owners, risk factors, mitigating actions and risk indicators are continually identified, assessed and monitored by the Manager as part of Cache's enterprise-wide risk management ("ERM") framework approved by the Board.

RISK MANAGEMENT FRAMEWORK

In its ERM framework, key risks and mitigating controls are identified, reported and monitored in the Risk Profile and reviewed by the Manager and the Audit Committee on a regular basis. In addition, the Internal Auditors perform a review of the risk profile as part of the internal audit plan approved by the Audit Committee.

KEY RISKS & MITIGATING ACTIONS IN FY2016

INVESTMENT RISK: As Cache grows its portfolio via the acquisition of new properties and other forms of permitted investments, all investment opportunities are subject to a rigorous, disciplined and thorough evaluation process according to an extensive set of investment criteria including, but not limited to, alignment with Cache's investment mandate, asset quality, yield accretion, expected returns, tenant's credit standing, future growth potential and sustainability of asset performance and asset enhancement potential in relation to existing economic and financial market conditions.

OPERATIONAL RISK: Cache has established and strictly adheres to a set of Standard Operating Procedures ("SOPs") to identify, monitor and manage operational risks. The SOPs are reviewed periodically to ensure relevance and effectiveness. In addition, compliance is reinforced by staff training and regular checks by the Internal Auditor.

A Business Continuity Plan ("BCP") is in place to mitigate the business continuity risk of interruptions or catastrophic loss to its operations. In addition, Cache's properties are also properly and adequately insured in accordance with current industry practices.

HUMAN CAPITAL RISK: Human capital risk is mitigated by maintaining a robust human resource policy which includes careful screening of staff, fair and reasonable remuneration in line with industry conditions, and personal development and training opportunities to attract and retain talent.

INTEREST RATE RISK: Interest rate risk is managed on an ongoing basis with the objective of limiting Cache's exposure to adverse movements in interest rates which will affect its interest expense. For a majority portion of Cache's outstanding borrowings, the Manager adopts the policy of hedging the floating-rate loans to fixed rates through interest rate swaps.

LIQUIDITY RISK: The Manager maintains an efficient use of cash and debt facilities to ensure sufficient liquidity to finance its operations and meet its financial obligations, working capital and capital expenditure commitments. The Manager also adheres closely to the bank covenants in loan agreements and the property fund guidelines in the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore on the limits on total borrowings.

CURRENCY RISK: The Manager manages its foreign exchange risk for its assets and liabilities in other currencies by borrowing in the same currency to provide a natural hedge, taking into account cost, tax and other applicable considerations. To mitigate foreign exchange risks on overseas earnings, a portion of rental income received from overseas assets will be hedged using forward contracts and secured in Singapore Dollar terms.

CREDIT RISK: Credit risk is mitigated by conducting tenant credit assessments. For new leases, credit evaluation is performed and, on an ongoing basis, tenant credit and arrears are closely monitored by the Manager. Credit risk is further mitigated through the collection of security deposits from tenants in the form of cash or bankers' guarantee. Cash and fixed deposits are placed with regulated financial institutions.

LEASING RISK: The Manager employs a good mix of proactive leasing strategies including actively engaging tenants for forward renewals, spreading out the portfolio lease expiry profile, achieving a diversified tenant base to reduce concentration risk, and providing custom-made real estate logistics solutions to existing and prospective tenants.

COMPLIANCE RISK: Cache is subject to applicable laws and regulations of the various jurisdictions in which it operates, including the Listing Manual of the Singapore Exchange Securities Trading Limited, the Code on Collective Investment Schemes and tax rulings issued by the Inland Revenue Authority of Singapore. Any changes to these regulations may affect Cache's operations. Cache has put in place policies and procedures to facilitate compliance with the applicable laws and regulations. The Manager stays well-informed of the latest developments in the relevant laws and regulations through training and attending seminars.

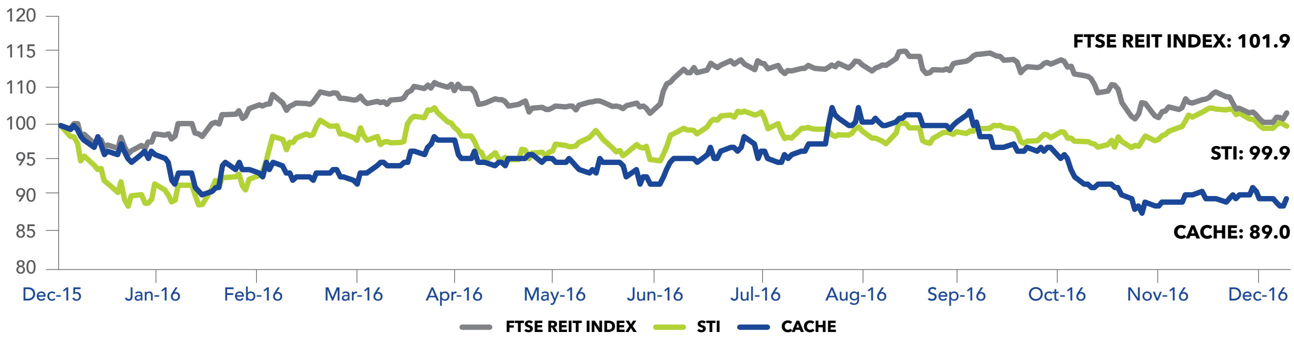
Please also refer to Principle 11 of the Corporate Governance report for more information.

UNIT PRICE PERFORMANCE IN FY2016

Cache's unit price closed at S$0.81 on 30 December 2016, a drop of 11.0% compared to the last done unit price on 31 December 2015. FY2016 was a volatile period for the global equities market due to uncertainties about global economic growth, risk of interest rate hikes, Brexit, geopolitical tensions and other economic events. At a closing price of S$0.81 and a full-year distribution of 7.725 cents, Cache offered a distribution yield of approximately 9.5%.

RELATIVE PRICE PERFORMANCE

(BASE = 100 ON 31 DECEMBER 2015)



TRADING PERFORMANCE HIGHLIGHTS

	FY2016
• Opening Price (S$)	0.910
• Closing Price (S$)	0.810
• Highest Closing Price (S$)	0.935
• Lowest Closing Price (S$)	0.790
• Average Daily Volume Traded (million units)	2.2

TOTAL RETURN

Performance of Cache Logistics Trust compared with FTSE REIT Index	1 Year		3 Years		5 Years	
	Price Change	Total Return	Price Change	Total Return	Price Change	Total Return
Cache Logistics Trust	-11.0%	-3.5%	-27.4%	-7.6%	-14.7%	25.6%
FTSE REIT Index	1.9%	8.6%	-0.6%	20.1%	23.7%	69.0%

Note:

Price change is calculated based on the closing price on the last day of the preceding reporting period compared to the closing price on the last day of the next period. Total return calculation assumes distributions paid during the period are reinvested.

Source: Bloomberg

The 6th AGM, held on 13 April 2016, was well-attended by unitholders who took the opportunity to interact with the board of directors and the Manager.

Unitholders interacting with Chairman of the Manager at the AGM

OPEN AND TRANSPARENT COMMUNICATIONS

Cache is committed to maintaining open and transparent communications with all unitholders and the investment community. It provides timely and factual disclosure on all material information concerning Cache. General information and all publications including annual reports, factsheets, media releases and investor presentations are updated regularly on Cache's website. All press releases and company announcements are made available on the SGX-ST website and Cache's website. Investors can also contact the investor relations team via a dedicated email address, and subscribe to Cache's email distribution list to receive the latest updates on Cache and/or the Manager.

ACTIVE ENGAGEMENT WITH INVESTORS

Cache is proactive in engaging stakeholders on a regular basis. It engages unitholders and the investment community via various platforms such as results briefings, conference calls, conferences, roadshows, one-to-one meetings and other industry events. Such interactions allow the investment community direct access to senior management and provide the Manager with a better understanding of the external expectations and perceptions of Cache. Property site visits are also conducted to introduce investors to Cache's portfolio.

During the year, Cache participated in various international and local institutional investor conferences. The various events include Citi 2016 ASEAN C-Suite Forum, Macquarie ASEAN Conference, Credit Suisse-SGX Real Estate Corporate Day and the Phillip-Asian Fund Space Dividend Space Conference. In addition, the Manager, alongside ARA, also participated in the Annual REITs Symposium held in June 2016 to raise public awareness about REITs and Cache.

ANNUAL GENERAL MEETING (AGM)

The AGM is an important channel for communication between the Board of Directors, the management of the Manager and unitholders of Cache. The 6th AGM, which was convened on 13 April 2016, was well-attended by over 280 unitholders and unitholder proxies. Unitholders were provided updates on the business performance, outlook and strategies of Cache, and took the opportunity to raise queries and interact directly with the Board of Directors and the Management team. The voting for all the AGM resolutions was conducted via electronic polls. All resolutions tabled at the AGM were duly passed and the results of the polls were announced on the SGX-ST website and Cache's website on the same day.

Investor relations is a team effort for the manager of Cache Logistics Trust.

CEO of the Manager, Mr Daniel Cerf at the Annual REITs Symposium

INVESTOR RELATIONS ACCOLADE

Cache was awarded the bronze award in "Best in Investor Relations" (REITs & Business Trusts) at the Singapore Corporate Awards 2016, organised by The Business Times. Cache was commended for its remarkable efforts in investor relations and corporate transparency and disclosure standards.

COVERAGE BY EQUITY RESEARCH HOUSES

During the year, HSBC Global Research initiated research coverage on Cache. There are currently 10 equity research houses (FY2015: 9) which provide equity research coverage on Cache (in alphabetical order):

1. CIMB Research
2. DBS Vickers Securities
3. HSBC Global Research
4. Macquarie Capital Securities
5. Maybank Kim Eng Research
6. OCBC Investment Research
7. Phillip Research
8. Religare Institutional Research
9. RHB Research
10. UOB Kay Hian Research

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Website : www.cache-reit.com

Unit Registrar
M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902
Tel : (65) 6227 6660
Fax : (65) 6225 1452

Along with its holding company ARA, ARA-CWT Trust Management (Cache) Limited, as the Manager of Cache, recognises the impact that the business has on the environment and the societies we operate within. Our sustainability philosophy guides how we make business decisions, execute our business plans and engage our stakeholders.

THE ENVIRONMENT

Cache recognises the impact that the business has on the environment and the importance of environmental conservation. It is our responsibility to identify and respond to related climate change risks and to enhance our properties to contribute towards addressing climate change issues.

Cache seeks to protect the environment through various initiatives, including improving energy efficiency in the buildings we manage, raising environmental awareness and committing to green causes on recycling, reduction of energy and resource consumption. This environmentally-friendly approach will not only attract better quality end-users, but also contribute towards lowering utilities costs and ultimately translating to higher returns for our stakeholders over time.

All staff are encouraged to play a part in protecting the environment through various initiatives, including raising staff environmental awareness and our commitment to green causes such as recycling. Through internal communications programmes, all staff are encouraged to reduce desk lighting, turn off lights in unoccupied rooms and conserve energy at the workplace.

In addition, Cache recognises that environmentally-friendly products can have long-term benefits to the environment. The Manager has taken steps in this regard to use wood-free eco-friendly paper for our office stationery, annual reports, circulars and other deliverables on paper that is certified by the Forest Stewardship Council. Recycling bins are also made readily available in the office to encourage staff to participate actively in recycling.

Greening of DHL Supply Chain Advanced Regional Centre

Enviromentally-friendly features of the Build-to-Suit development

- Design provides for maximum external views and sufficient daylight in the office block to reduce reliance on lighting and power consumption.
- External glazing makes use of Low-E clear glass, which minimises the amount of ultraviolet and infrared light ultimately reducing energy costs.
- Interior finishes minimise the release of Volatile Organic Compounds (VOC) in buildings.
- Solar hot water system serves hot water dispensers within the office.

Annual YMCA "Y Food of Love" programme

ARA Group Training at MegaZip Adventure Park

OUR PEOPLE AND STAFF VOLUNTEERISM

Cache believes that a successful company is defined not only by its financial performance, but also by the positive role that it can play in the community. Alongside with ARA, the Manager actively supports community events for charitable and social causes through donations and employee volunteering. In 2016, the Manager participated in various meaningful charity programmes, namely the annual SGX Bull Charge event, and the annual "Y Food of Love" programme organised by YMCA for children.

Along with ARA, the Manager strives to be an employer of choice to attract the best talent with the right skill sets. Human capital is an invaluable and integral part of our business. Our core values of *Integrity, Excellence, Respect and Teamwork* drive our human resource policies which promote fairness, equality of opportunity, continuing personal development, mutual trust and teamwork. ARA is a strong supporter of workforce diversity, with more than 1,200 staff in 18 cities across Asia Pacific, comprising committed individuals of 13 different nationalities from diverse backgrounds and age groups.

As a socially responsible company, ARA provides a sweat-free and drug-free workplace. All full-time employees are entitled to benefits in healthcare, disability insurance coverage, parental leave and gazetted retirement provision, among others. ARA constantly reviews its policies to ensure they meet regulations and the changing needs of its employees in an inclusive workplace.

Driven by a performance-based culture, a robust performance management system that aligns business priorities, performance improvement, and staff development with competitive fixed and variable pay components, ARA also has a well-structured staff classification and grading structure with clear progression path.

In the area of staff engagement, Cache, along with ARA, regularly organises a diverse selection of employee wellness programmes. These activities range from social events (Dinner and Dance, Chinese New Year cocktail events, etc.), sports and fitness programmes (health screening, yoga, running, etc.) and other enrichment activities (wine appreciation, health and cooking workshops, etc.).

Growing.

BROADENING HORIZONS, DELIVERING GROWTH

Cache continues to strengthen its portfolio through the strategic addition of quality assets that contribute to sustainable growth over time.


DHL
CACHE
LOGISTICS TRUST

LOGISTICS WAREHOUSE MARKET OVERVIEW [1]

1 ECONOMIC OVERVIEW

GDP Growth

Singapore's Gross Domestic Product ("GDP") expanded by 2.0% in 2016, similar to the 1.9% in 2015[2]. Economic growth was weighed down by trade-related and services sectors, alongside declines in Wholesale & Retail Trade and Finance & Insurance industries (Table 1).

Table 1: GDP Growth (Year-on-Year ("YOY"))

	2015		2016				
	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Overall GDP at 2010 Market Prices (YOY)	**1.3**	**1.9**	**1.9**	**1.9**	**1.2**	**2.9**	**2.0**
Manufacturing	-6.2	-0.4	-0.4	1.5	1.8	11.5	3.6
Construction	5.6	3.1	3.1	2.7	-2.2	-2.8	0.2
Services Producing Industries	2.0	1.5	1.5	1.1	0.4	1.0	1.0
Wholesale & Retail Trade	3.3	1.8	1.8	0.4	0.1	0.4	0.6
Transportation & Storage	0.2	0.1	0.1	2.9	0.7	5.4	2.3
Accommodation & Food Services	1.4	2.1	2.1	2.4	2.5	-0.2	1.7
Information & Communications	-1.7	2.9	2.9	3.5	1.3	1.4	2.3
Finance & Insurance	3.0	1.9	1.9	0.1	0.1	0.6	0.7
Business Services	2.9	0.3	0.3	-0.1	-1.8	-1.9	-0.9
Other Services Industries	-0.3	2.4	2.4	2.6	3.6	3.9	3.1

Source: Ministry of Trade and Industry (MTI), Department of Statistics Singapore (DOS)

The manufacturing sector grew by 3.6% in 2016 on the back of improvement in external demand in the electronics and biomedical manufacturing clusters. In November 2016, the industrial production index was at 108.8, higher than 100.9 recorded a year ago. However, the recovery was cluster-specific and business conditions in the manufacturing sector remained lacklustre. There was evident weakness in the transport engineering and general manufacturing clusters as their outputs continued to contract.

Notes:

1 There are no official statistics on logistics and distribution centres in Singapore. This market overview is based on private warehouse data from JTC.

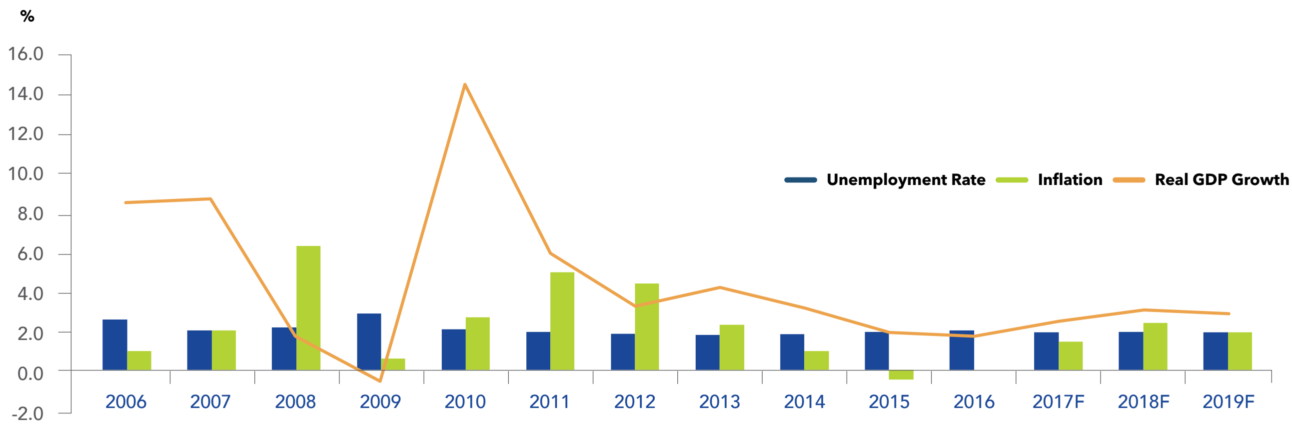
2 Ministry of Trade and Industry Singapore.

In services producing industries, the growth (1.0% in 2016) was likely underpinned by Accommodation & Food Services, Information & Communications and Other Services sectors. In 2016, the Transportation & Storage sector was supported by moderate expansion in water transport, storage and other support services segments, while the Wholesale & Retail sector is expected to continue to contract, in line with declining retail sales index.

Inflation and Employment

Amidst lower commodity prices and moderated economic growth, inflation has eased since 2011. The Monetary Authority of Singapore (MAS) expects inflation at -0.5% in 2016 and the inflation rate is projected to pick up to 0.5% - 1.5% in 2017 (Figure 1).

Figure 1: Real GDP Growth, Inflation and Unemployment Rate



Source: Oxford Economics, DOS, Edmund Tie & Company Consulting.

With business restructuring and a slowdown in the economy, the unemployment rate rose from 1.9% in 2015 to 2.1% in 2016 (Figure 1). Local employment grew, particularly in services sectors, while foreign employment decreased mainly in the construction and marine sectors. Total employment grew 0.4% in 2016, the slowest pace since 2003 due to a confluence of factors including a slowdown in local workforce growth and tightening of foreign labour.

Economic Outlook

Singapore's economy is expected to grow modestly by 1.0% to 3.0% in 2017, after an estimated 1.8% in 2016. While expansionary fiscal policies in the United States and Japan are expected to support growth in 2017, global and regional economies face some downside risks, including interest rate hikes by the United States Federal Reserve in 2017 and the increasingly inward-looking trade policies of the United States and other countries.

External demand, which Singapore's economy relies heavily on, remains subdued and is likely to continue to dampen trade-related sectors. Continued slowdown in the services producing industries could potentially offset the improvements in the manufacturing sector, hindering overall GDP growth.

Notwithstanding the challenging economic outlook, e-commerce potential in Southeast Asia remains largely untapped, compared to mature markets such as the United States and China. In addition, emerging technologies such as additive manufacturing and the growth of omni-channel retail may provide further growth opportunities for the logistics industry. For instance, logistics service providers are exploring on-demand and decentralised manufacturing, particularly 3D printing of replacement/spare parts[1]. Omni-channel retailing, which integrates both online and offline channels to provide a seamless retailing experience, is likely to increase supply chain activities such as logistics.

Note:

[1] 3D Printing and The Future of Supply Chains, A DHL perspective on the state of 3D printing and implications for logistics, November 2016.

2 MAJOR GOVERNMENT PLANS AND POLICIES

Consolidation of Housing & Development Board's ("HDB") industrial land and properties under JTC Corporation ("JTC")

In October 2016, the government announced that all industrial land and properties under HDB will be transferred to JTC in Q1 2018. Some 10,700 industrial units and 540 industrial land leases will be transferred. By housing industrial-related services in a single agency, companies will enjoy streamlined services related to industrial land and tenancy matters. The government has also assured that businesses affected by the transfer are not likely to face higher rent due to consolidation. JTC will also honour the existing lease agreements for HDB's tenants under the same terms.

Logistics Industry Transformation Map

To boost growth and create opportunities for the logistics sector, MTI launched the Logistics Industry Transformation Map in November 2016. The logistics transformation is expected to achieve a value-add of $8.3 billion[1] and create 2,000 new Professionals, Managers, Executive and Technicians jobs by 2020.

To achieve these targets, the government will strengthen the logistics industry by:

- Investing in next generation facilities with high specification units that encourage co-location of companies;
- Establishing Centres of Innovation and Centres of Excellence by working with research institutions and universities to develop capabilities in the logistics and supply chain;
- Promoting Singapore as a choice location for supply chain management activities;
- Supporting logistics companies in their market expansion efforts to secure trade flows and increase international presence; and
- Introducing Logistics Professional Conversion Programmes to help professionals from other sectors to transit smoothly into the industry.

Federated Locker System

In April 2016, the government announced the establishment of a federated locker system in residential areas and convenient locations islandwide. The large-scale deployment of federated parcel lockers will help logistics providers to reduce traffic and enhance efficiency, especially in the last mile delivery of small parcels and return deliveries. Compared to independent locker systems set up by individual logistics companies, the federated locker system optimises resource utilisation and reduces capital expenditure for logistics companies. With scheduled implementation by end-2017, it is expected to contribute to greater e-commerce activity by facilitating convenient collections.

Other initiatives to improve last mile delivery include stationing logistics operators in a well-located mall with high footfall. Consolidated logistics in a mall reduces the number of last mile deliveries and makes it convenient for customers to receive delivered goods. The government is also exploring a possible integrated goods mover system. Separately, Singapore Post (SingPost) opened its parcel locker services i.e. Rent-a-Pop to more retailers and consumers. Currently, there are about 140 POPStation lockers in Singapore.

With strong government support and gradual implementation of various initiatives, higher volumes of goods and parcel deliveries are expected. This may bolster greater demand for logistics warehouse space.

Tuas Mega Port

Singapore's port-related activities will be shifted to a new mega port at Tuas by 2027. When fully completed, the new port is expected to be able to handle 65 million standard-sized containers of cargo annually and will be the largest container terminal globally. It will enhance the attraction of Tuas as an industrial and logistics area.

Note:

[1] All currencies are in Singapore Dollar (S$), unless stated otherwise.

3 EXISTING STOCK[1]

The stock of both conventional and logistics warehouses grew by 7.2% from 8.8 million square metres in 2015 to 9.4 million square metres in 2016, reflecting an increase of 629,000 square metres[2]. This was nearly 33% higher than 2015's net supply of 472,000 square metres, and about double the 10-year annual average net supply of 310,000 square metres from 2006 to 2015.

The West region has the largest concentration of completed warehouse space, accounting for 62% (5.9 million square metres) of the islandwide stock. This is followed by the East (1.5 million square metres: 16%), Central (1.2 million square metres: 13%), North (428,000 square metres: 5%) and Northeast (389,000 square metres: 4%) regions.

Recently completed developments, including Mapletree Logistics Hub located at 5B Toh Guan Road East and SingPost Regional eCommerce Logistics Hub, were built with flexibility in mind. For example, SingPost Regional eCommerce Logistics Hub (44,000 square metres) houses a fully automated parcel sorting facility, with capacity of up to 100,000 parcels a day and serving 19 markets globally. These significant investments are votes of confidence among logistics enterprises that recognise Singapore as a key logistics hub tapping on the burgeoning e-commerce market (Table 2).

Table 2: Major Logistics and Distribution Warehouse Completions (2016) (> 30,000 square metres)

Date	Development/ Developer	Location	Description	Estimated Net Lettable Area (NLA) as of Q4 2016 (square metres)
Q4 2016	Euro-Asia Investment	20 Penjuru Lane	• 5 storey single-user ramp up warehouse with ancillary offices and a canteen	36,900 (partial completion)
Q2 2016	Poh Tiong Choon Logistics Limited	48 Pandan Road	• Logistics services include drum filling of chemical products, open and covered warehouse storage, cold room storage, inventory management, local and international freight management as well as storage and distribution of loaded containers	44,000 (partial completion)
Q2 2016	SingPost Regional eCommerce Logistics Hub	37 & 39 Greenwich Drive, Tampines Logistics Park	• SingPost's largest e-commerce logistics investment in Singapore at $182 million • Two warehousing floors and 150 simultaneous loading bays • Fully automated parcel sorting and warehousing facility	44,000
Q2 2016	Supply Chain City	8 Bulim Avenue	• A 5-storey warehouse and eight floors of offices housing YCH's headquarters, research activities and a training academy	71,000 (partial completion)
Q1 2016	Mapletree Logistics Hub - Toh Guan	5B Toh Guan Road East	• 6-storey ramp-up warehouse • high floor loading of up to 30kN/m^2 and ceiling height of up to 10m	55,000
Q1 2016	Freightlinks Districentre	146 Gul Circle	• Warehouse storage • International freight services	39,000

Source: JTC, Edmund Tie & Company Consulting

Notes:

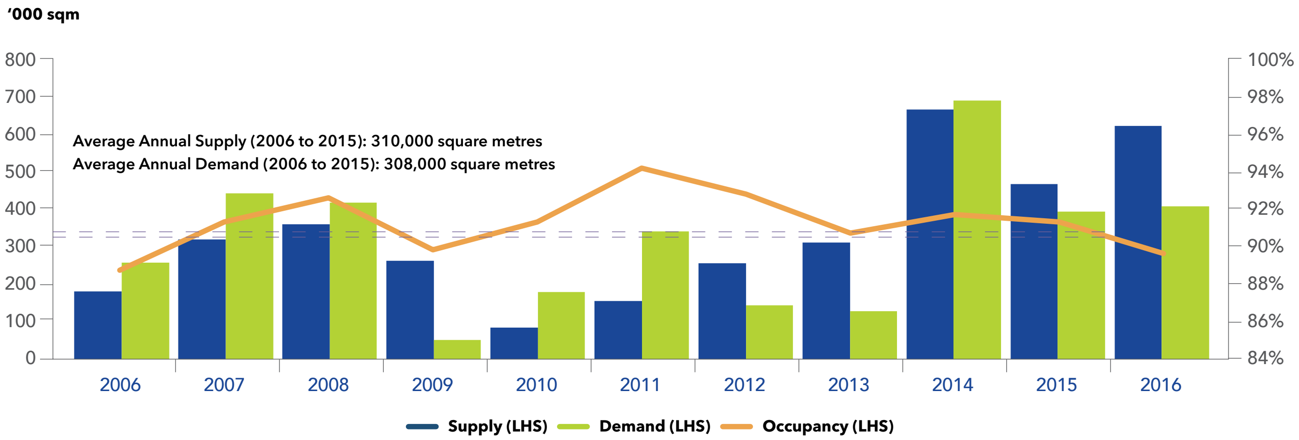
[1] All existing supply and demand figures are in terms of Net Lettable Area (NLA), unless otherwise stated.

[2] Private warehouse stock.

4 DEMAND AND OCCUPANCY

Supply of warehouse outpaced demand in 2016. Nevertheless, demand showed signs of picking up over the same period, achieving 412,000 square metres with occupancy of 89.7% in 2016 (Figure 2). Demand was slightly higher than 398,000 square metres in 2015, and significantly higher than average annual demand of 308,000 square metres between 2006 and 2015. The demand for warehouse space in 2016, particularly logistics and distribution warehouses, was underpinned by government initiatives and e-commerce activities.

Figure 2: Net Supply, Demand and Occupancy (Private Warehouse Space)



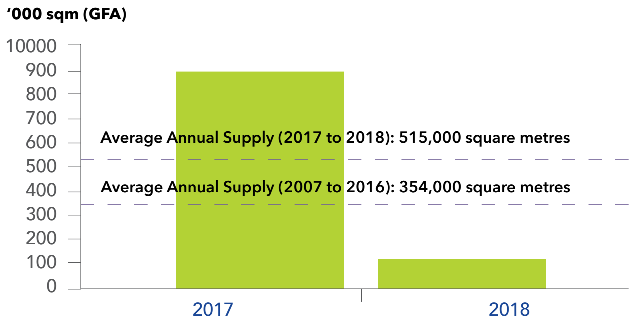
Source: JTC, Edmund Tie & Company Consulting

Despite short-term challenges in the transport and storage sector, many companies remain confident in Singapore as a leading regional logistics hub. Industrialists and logistics enterprises are attracted by the availability of mature infrastructure and improving productivity in Singapore.

Demand in 2016 came from both new businesses and expansion. Growing middle-class households in Southeast Asia are drawing e-commerce companies like Amazon and Alibaba to establish their footprint in Singapore. Demand for logistics warehouses in Singapore, especially fulfilment centres that cater for storing, packing and distribution of goods, is set to grow alongside the demand for logistics in biopharmaceutical goods and electronics.

5 POTENTIAL SUPPLY

Figure 3: Potential Supply



Source: JTC, Edmund Tie & Company Consulting

About 1.0 million square metres of Gross Floor Area ("GFA") of private warehouse space is in the pipeline in 2017 and 2018, with majority being single-user logistics and distribution warehouses (Figure 3 and Table 3). Notably, the average annual supply between 2017 and 2018 is 567,000 square metres, higher than the historical 10-year average of 310,000 square metres.

Table 3: Selected Major Logistics and Distribution Warehouses (> 30,000 square metres) in the Supply Pipeline (Q4 2016)

Estimated Year of Completion	Development/ Developer	Type	Location	Uncompleted GFA (square metres)
2017	CWT Limited	Single-user	Jalan Buroh	222,000
2017	Carros Centre	Multiple-user	Jalan Lam Huat	108,400
2017	Toll Logistics (Asia)	Single-user	Pioneer Road	101,000
2017	Mapletree Logistics Trust	Single-user	Pioneer Road	71,700
2017	Poh Tiong Choon Logistics	Single-user	Pandan Road	50,940
2017	Hankyu Hanshin Express (Singapore)	Single-user	Jalan Buroh	47,900
2017	GKE Warehousing & Logistics	Single-user	Benoi Road	39,800
2018	Ascendas REIT	Single-user	Jalan Ahmad Ibrahim/ Tuas Avenue 1	44,300

Source: JTC, Edmund Tie & Company Consulting

CWT's planned warehouse at Jalan Buroh, which measures about 222,000 square metres, will be a "hub within a hub" ecosystem that leverages on economies of scale to achieve higher operating and cost efficiencies. To move up the value chain, the warehouse developed by Hankyu Hanshin Express will have an integrated distribution centre and value-added processing areas, in addition to standard logistics warehouse features like direct vehicular access, ramp-up warehousing space and column-free layout with ancillary office. Meanwhile, domestic logistics companies like Poh Tiong Choon Logistics and GKE Warehousing & Logistics are increasing their warehousing capacity.

Through the Industrial Government Lands Sales (IGLS) programme, the government releases industrial land plots bi-annually to the meet the demand of industrialists.

With substantial supply in the pipeline, land plots on the Confirmed List in the IGLS for H1 2017 are mainly small plots (less than 1 hectare). On the other hand, the Reserve List features three larger plots (more than 1 hectare) (Table 4). Sites on the Reserve List will only be launched for sale if an interested party submits a minimum price bid that is accepted by the government.

Table 4: IGLS H1 2017

Location	Zoning[1]	Site Area (Ha)	Gross Plot Ratio	Estimated Launch Month
Confirmed List				
Plot 15, Tuas South Link 3	B2	0.50	1.4	Jan-17
Plot 3, Tampines North Drive 3	B2	0.58	2.5	Feb-17
Plot 24, Tuas South Link 3	B2	0.49	1.4	Mar-17
Plot 18, Tuas South Link 3	B2	0.43	1.4	Apr-17
Plot A, Jalan Lam Huat	B2	0.80	2.5	May-17
Plot 10, Tuas South Link 2	B2	0.47	1.4	Jun-17
Reserve List				
Tuas Bay Close	B2	2.72	1.7	Available
Woodlands Height	B1	1.61	2.5	Available
Plot 13, Tuas South Link 1	B2	2.41	2.0	Available
Plot 25, Tuas South Link 3	B2	0.47	1.4	May 2017
Plot 21, Tuas South Link 3	B2	0.79	1.4	Jun 2017

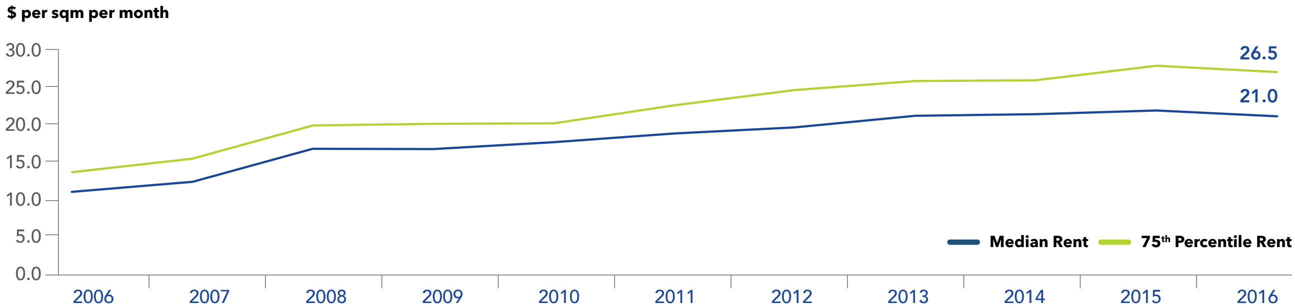
Source: JTC, Edmund Tie & Company Consulting

The six sites on the Confirmed List can potentially yield a total of 61,000 square metres of industrial space, lower than 65,540 square metres in H2 2016 IGLS. The government could have factored in the slower industrial market and scaled back its launches. This will allow the market to have more time to absorb the existing supply of industrial space in view of the subdued demand.

6 RENTS

In 2016, the supply of warehouse space exceeded demand, resulting in a lower occupancy in the overall warehouse market. Consequently, the 75th percentile rents[2], a proxy for logistics warehouse rents, declined by 2.9%, from $27.3 per square metre per month in 2015 to $26.5 per square metre per month in 2016 (Figure 4). Median rents fell more, decreasing by 3.7% from $21.8 per square metre per month in 2015 to $21.0 per square metre per month in 2016.

Figure 4: Median and 75th Percentile Rents



Source: JTC, Edmund Tie & Company Consulting

Notes:

1 Site zoned as B1 is for light and less pollutive industrial use, while sites zoned as B2 are for heavier and more pollutive use.

2 JTC's 75th percentile rents are adopted as a proxy for logistics and distribution facilities, which are better specified than conventional warehouses.

7 PRICES

There was only one major logistics warehouse transaction in 2016 (Table 5). Sharikat Logistics entered into sale and leaseback with Viva Industrial Trust for a logistics warehouse at 6 Chin Bee Avenue. The building includes integrated cold room facilities, storage, ancillary office and showrooms.

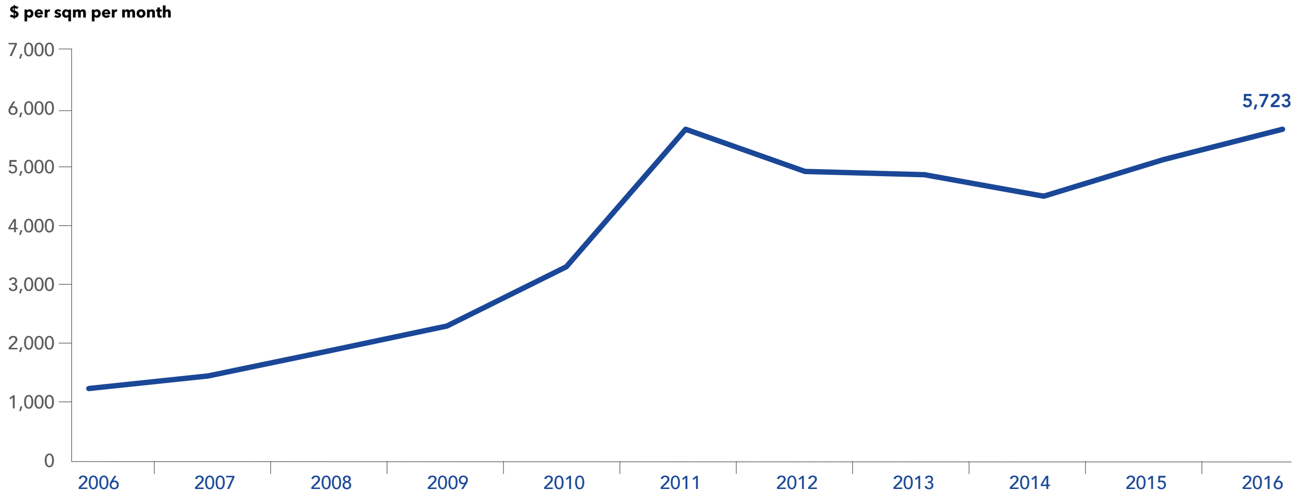
The average price for multiple-user warehouse increased by 10.0% to $5,723 per square metre in 2016 (Figure 5). However, the increase in average price was not attributed to stronger demand, as the transaction volume fell from 51 in 2015 to 30 in 2016. It was probably more reflective of long-term investors being more selective in choosing units that have leasing potential.

Table 5: Major Warehouse Investment Transaction

Date	Development/ Owner	Location	Leasehold Tenure	Buyer	GFA (square metres)	Transacted Price including JTC Upfront Land Premium ($ millions)	Unit Price ($ per square metre)
Q4 2016	6 Chin Bee Avenue	6 Chin Bee Avenue	30 year With effect from 16 October 2013	Viva Industrial Trust	30,116	93.0	3,088

Source: JTC, Edmund Tie & Company Consulting

Figure 5: Average Multiple-User Warehouse Prices (30-year and 60-year leasehold tenure)



Source: JTC, Edmund Tie & Company Consulting

8 OUTLOOK

The global economy is entering into a new phase of uncertainty and risks. With Brexit and Trump's presidency in the United States, various market experts hold the view that protectionist trade and tax policies are likely to hamper trade ties and affect open economies like Singapore.

While there were signs of improvement in selected manufacturing clusters in H2 2016, the overall manufacturing sector continues to be under pressure as cost containment remains a key concern for businesses. As warehouse supply continues to exceed demand, downward risks on rental value for logistics warehouses remain in the short term. The rental value of warehouses is likely to ease between 5% and 7%.

However, many logistics companies have developed niche capabilities to remain competitive. Commonly shipped goods such as chemicals, food and beverage and pharmaceutical products typically require specialised logistics warehousing and handling.

Notwithstanding the current economic slowdown, sound fundamentals will help to drive the warehouse sector in the mid to long term. Expanding e-commerce and growing trade links are expected to underscore the long-term healthy performance of the logistics sector. According to a joint study[1] by Google and Temasek Holdings, Singapore's e-commerce market is expected to grow more than five times from US$1.0 billion in 2015 to US$5.4 billion in 2025. In line with this expansion, e-commerce is expected to account for 6.7% of Singapore's retail trade by 2025, up from 2.1% in 2015. Rising consumerism, particularly untapped e-commerce potential in Southeast Asia, will continue to drive the demand for logistics warehouses in Singapore. Moreover, the logistic industry is undergoing transformation well-supported by government initiatives to enhance the operational environment for logistics activities. Together, these will reinforce Singapore's position as a global logistics hub.

Note:

[1] Google and Temasek Holdings, e-conomy SEA: Unlocking the $200 billion digital opportunity in Southeast Asia, May 2016.

MACRO-ECONOMIC OVERVIEW AND CURRENT TRENDS

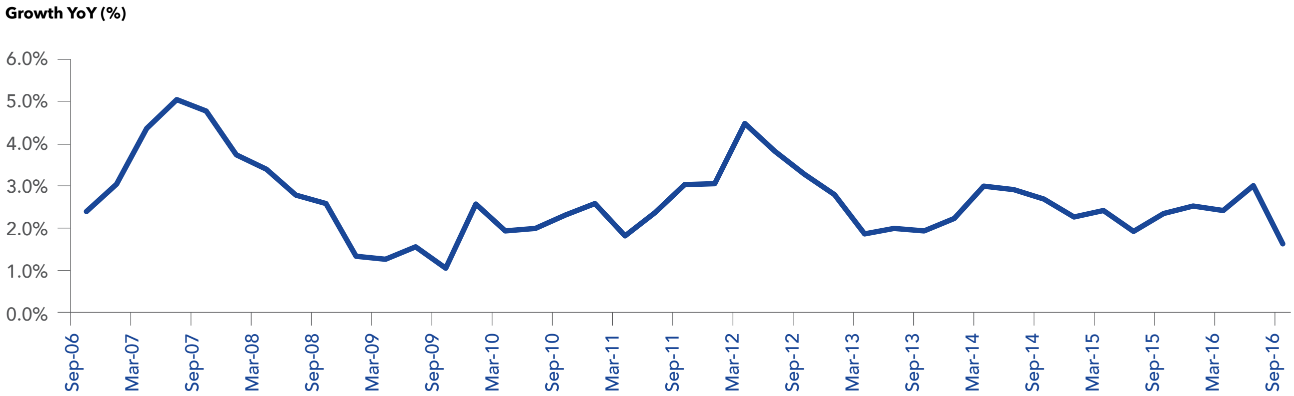
Australia has achieved an uneven economic growth path in the past decade. The nation's largest mining boom caused significant growth in the resource-abundant states, while the non-mining states experienced moderate growth. More recently, low interest rates have encouraged consumption growth and residential activity.

Australia's Gross Domestic Product ("GDP") has recently contracted, dragging down the annual growth rate to 1.76% year-on-year ("YoY") on 4Q2016, marking the softest growth since mid-2009 when Australia was emerging from the GFC. Figures were dragged lower by a contraction in capital investment by government together with new dwelling and construction, while investment in the mining sector continues to fall, making its 12th consecutive quarterly decline in terms of contribution to GDP growth. Construction activity declined across the board (building construction, heavy and civil engineering construction, together with construction services) although the Australian Bureau of Statistics ("ABS") attributed some of this weakness to poor weather conditions and high rainfall that contributed to delays in project work, while also acknowledging the impact of falling mining investment.

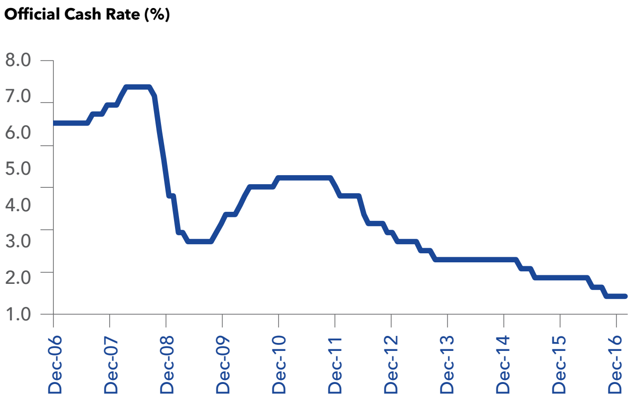
On a State level, New South Wales is the strongest performer growing +5.03% YoY, followed by Victoria (+2.49% YoY), South Australia (+1.62% YoY) and Queensland (+1.19% YoY). Western Australia has extended its annual decline to -9.55% YoY.

The 2016/17 state budget outlined the government's medium-term fiscal strategy which includes expenditure commitments to the national infrastructure plan ($50 billion), as well as new spending initiatives to public hospitals and schools over the next four years.

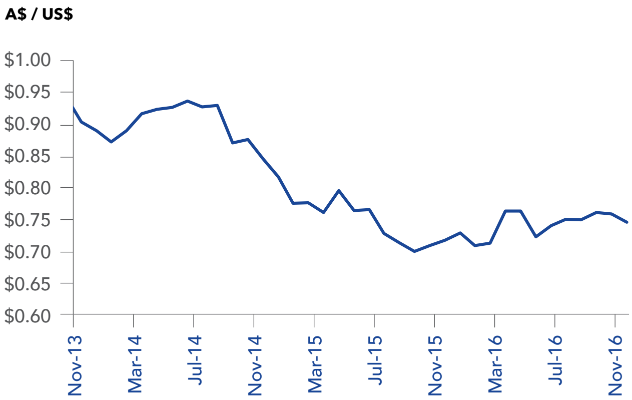
Gross Domestic Product Seasonally Adjusted (%YoY)



RBA - Official Cash Rate



A$ / US$ Exchange Rate (1A$=US$)



AUSTRALIA INDUSTRIAL MARKET PROPERTY REVIEW

MACRO-ECONOMIC OUTLOOK

According to the Reserve Bank of Australia ("RBA"), GDP growth is forecast to be within the 2.5% to 3.5% range throughout 2017 and 2018, before lifting between the 3.0% and 4.0% range in late 2018.

Growth will be underpinned by low interest rates, consumption growth, gains to employment which support household demand.

Australia's terms of trade is expected to remain above levels reached in early 2016. The outlook for commodity prices, particularly coal prices, is positive – reflective of an improved outlook for Chinese steel production and cuts to the production of bulk commodities in China.

Notwithstanding this, a recovery in the Australian economy will be exposed to an uncertain global growth environment, especially a weakening Chinese economy. Australia's exposure to China's slowing economy may dampen the strong outlook for growth and revise GDP growth forecasts to around 2.5%.

INDUSTRIAL AND LOGISTICS SECTOR PERFORMANCE

In a market fuelled by historically low interest rates, investors have looked to the Australian industrial property sector for investment opportunities.

In 2016, just over A$4.5 billion industrial sales occurred nationally with the most activity occurring in Q2 and Q3 (A$1.4 and A$1.9 billion, respectively). Although sale volumes in 2016 were below 2015 and 2014 levels, total sales in 2016 were slightly above the five-year average of A$4.3 billion.

The majority of market transactions were from domestic purchasers (approximately 60%), and the remainder from offshore investors.

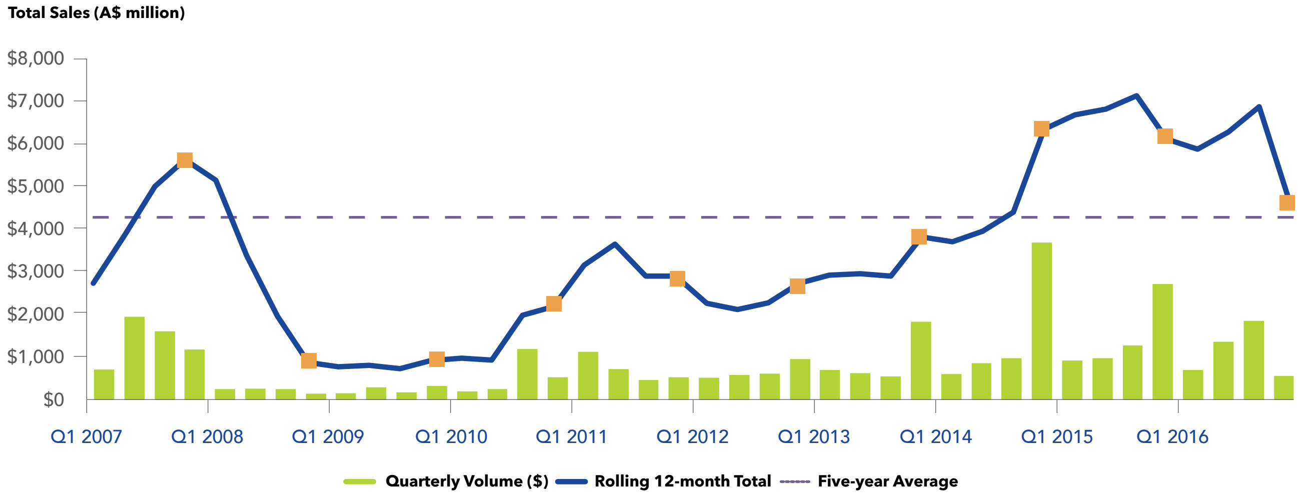
Domestically, institutions such as Blackstone, Charter Hall, and AMP are actively pursuing industrial opportunities. In June 2016, AMP acquired JP Morgan's industrial portfolio worth around A$240 million, on a portfolio weighted average yield of 6.5%.

This trend is set to continue with strong demand from offshore investors, particularly, Asian-based investors and local funds based in Australia.

National Top 10 Buyers 2016

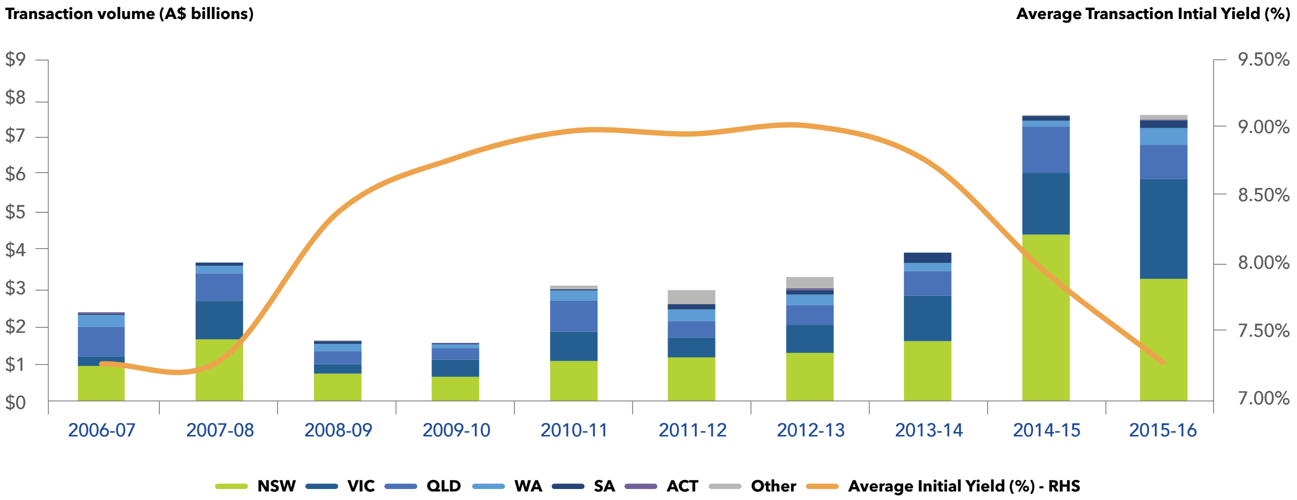
Buyer	A$ Million
Blackstone	1,273.1
Charter Hall	641.5
AMP Capital	239.9
Industria REIT	158.6
Mapletree Logistics Trust	227.2
Perth Markets	135.5
Propertylink	128.1
FG Asset Management	113
DEXUS	110.2
Hailiang International	92.5

Total National Sales 2007 to 2016 (A$ million)



To note: Total sales are based on properties greater than and equal to A$10 million.
Source: Colliers / RCA

Transaction Volumes and Average Transaction Cap Rate



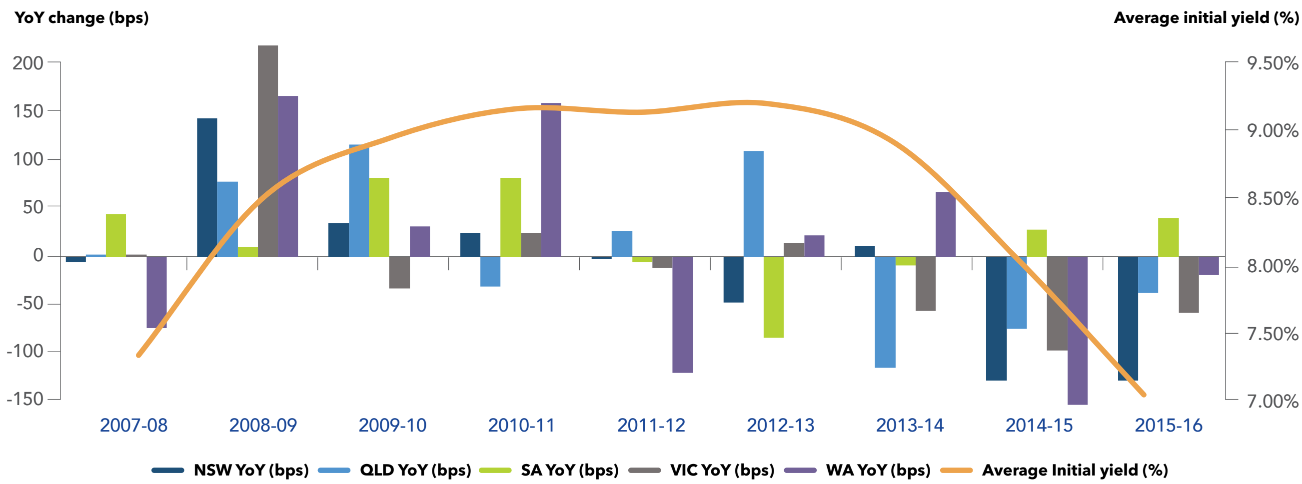
NATIONAL MARKET TREND

Prime industrial cap rates, despite compressing since 2013, remain attractive targets for investors. Industrial cap rates for Australia's east coast ranges from 6.6% to 7.3%. This cap rate spread compares favourably against shopping centres, CBD retail and CBD office.

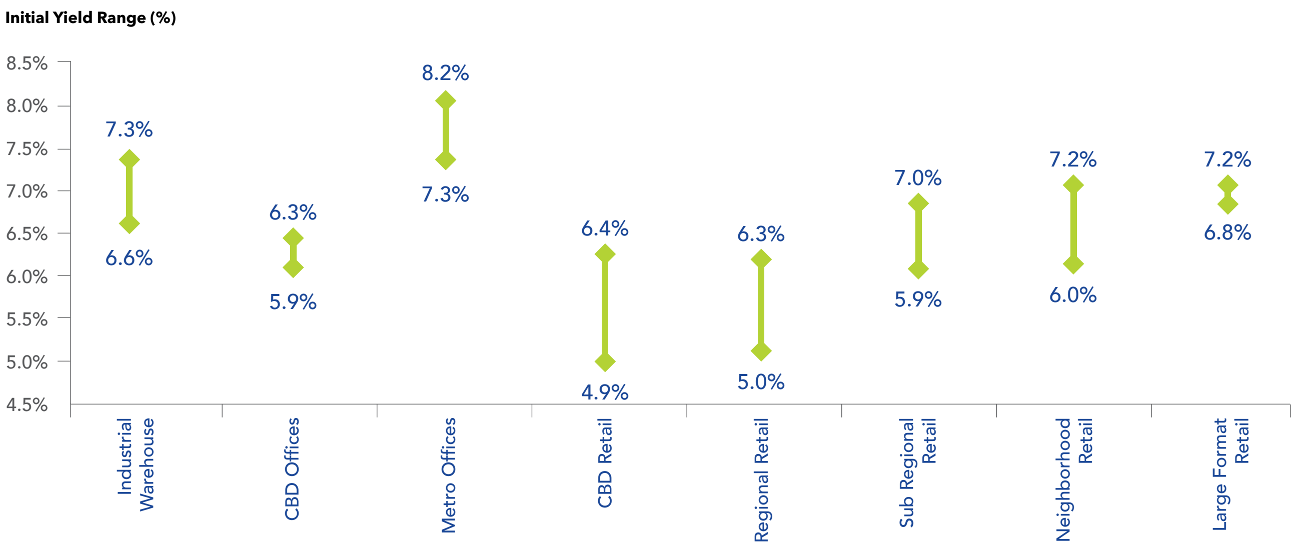
The national industrial sector also presents attractive yields relative to other key markets globally.

Further cap rate compression is anticipated as offshore and domestic interest in industrial assets, including secondary industrial assets, rises.

Average Initial Yield (transaction data)



Comparative Yields - Industrial (Australia East Coast) vs Other Asset Classes (2016)



CURRENT TRENDS IN THE LOGISTICS WAREHOUSE SECTOR

Changing occupier requirements are the main drivers behind the growing sophistication of industrial property. Warehousing has historically been one of the more passive property types. However, growth in e-commerce and the globalisation of logistics have driven innovative changes to internal fit-out requirements. This is leading to greater complexities for occupiers and developers.

While change is occurring, there is still a wide variation in how occupiers are utilising their space. For instance, e-commerce providers frequently require specialist internal design and fit-out of their warehouses. From highly automated picking systems requiring little human interaction to paper-based systems tracking stock levels, the evolution depends on the rate of change in the industry in which the occupier operates.

As institutional investors have, and are continuing to, seek to expand their ownership of industrial assets, the availability of assets (particularly high-quality assets) for sale has diminished. Limited property portfolios are expected to reach the market in 2017, raising the competitiveness for purchasing assets.

The alternate avenues to raise property ownership include:

- Land acquisition to develop own product;
- Identifying corporate companies for potential sale and leaseback programmes, and
- Takeover property funds.

Sale and leasebacks are a growing trend and are expected to continue into 2017. Recent transactions include the following:

- 588 Kessels Rd, MacGregor (QLD) in November 2016 for A$16 million. Involving Harvey Norman's purchase of Asahi bottling facility for bulk retail use in the MacGregor precinct south of Brisbane.
- 72-76 Cherry Lane, Laverton North (VIC) in February 2015 for A$29 million - Off-market sale and lease back between Toll and Stockland.
- 300 Victoria Street, Wetherill Park (NSW) in March 2015 for A$33 million – between GWA Group Limited and Charter Hall.

Over the past decade, companies such as Goodman, Dexus and Frasers have led the industrial development sector with the majority of the end product brought to market for sale shortly after. More recently, groups that are not usually associated with industrial development have purchased their own large parcels of land to create industrial sites.

KEY DEMAND DRIVERS

Strong levels of infrastructure investment injected across the Eastern Seaboard coupled with a strengthening domestic economy is propelling the industrial market forward.

New South Wales, Victoria, and Queensland will see a record A$150 billion of combined infrastructure investment over the next four years.

There has been a consistent performance trend in industrial prime assets observed across Sydney, Melbourne, and Brisbane industrial markets with major drivers of demand being the following:

- The infrastructure boom
- Precincts well serviced by connecting road transport routes
- Labour market improvements and growth in industrial sectors
- Tenant retention (with many instances of expansionary requirements)
- Low interest rate environment
- Strong GDP growth
- Retail turnover growth

The above key demand drivers have a significant impact on the value of existing assets as well as unlocking new markets. Looking forward, the demand for industrial property continues to rise as industrial assets continue to outperform alternative asset classes.

The eastern seaboard accounts for 93% of sales nationwide. The number of prime assets coming to market has slowed. A limited supply of land coupled with the rises in offshore and domestic interest in industrial assets translates to further cap rate compression across the east coast.

The record levels of transport infrastructure development will alleviate supply constraints by strengthening the connections to developable land. Appreciation in land values has already transpired in certain markets within Sydney and Melbourne, with similar trends expected in Brisbane.

SUPPLY

SYDNEY

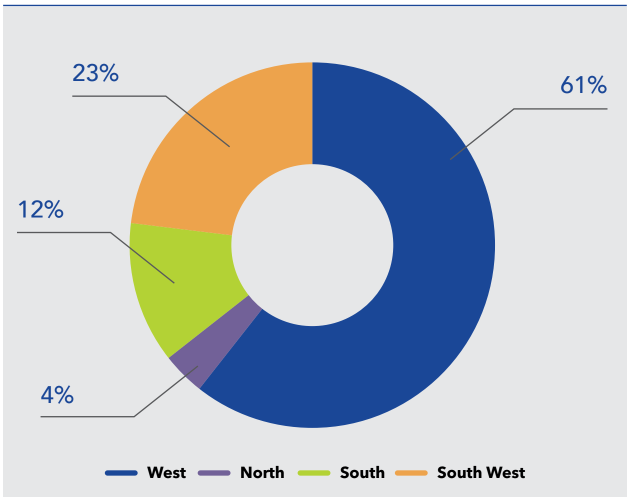
Construction activity continued to rise within Sydney's western market. Over the past 10 years activity has been mainly concentrated within Sydney's Outer West.

A total of 641,412 square metres of industrial floorspace came online in 2016, with the majority of this floorspace (440,408 square metres, around 70%) completed within the second half of 2016. Most of the supply completed in 2016 was in the West market (392,171 square metres) on the back of robust enquiries.

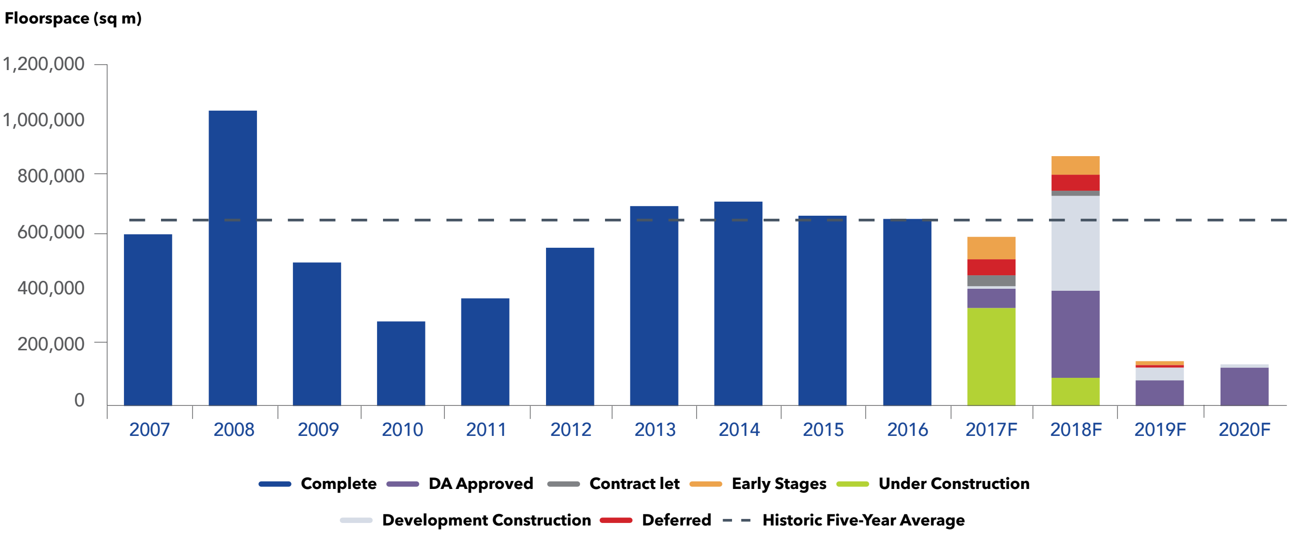
Looking ahead, the total supply pipeline expected to come on to market in 2017 is 580,475 square metres, below the five-year average of 644,850 square metres. Given the tight levels of land supply, it is anticipated that competition for new land releases and land values will rise across all Sydney industrial markets in the medium term.

The majority of supply to be completed between 2017 and 2020 is expected to continue to concentrate within the West market (61%).

Share of Supply Delivered between 2017 and 2020, by Sub-market



Sydney Industrial Supply Pipeline



MELBOURNE

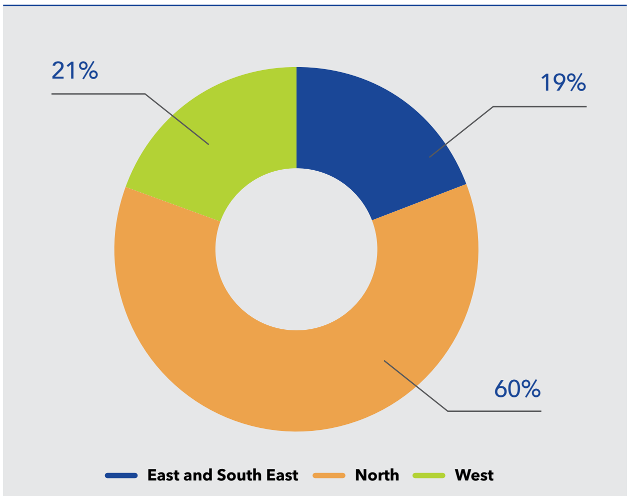
Supply continues to be driven by the e-commerce, transport, logistics and storage sectors. Supply levels have varied in recent years, however, they have been in line with the five-year average trend.

Based on current levels of enquiry, it is anticipated that tenant demand will continue to heat up, underpinned by strong economic growth, continued infrastructure investment, limited (serviced) land supply, and a supply pipeline constrained of speculative supply over the next five years. This demand is driving higher capital values and tighter yields.

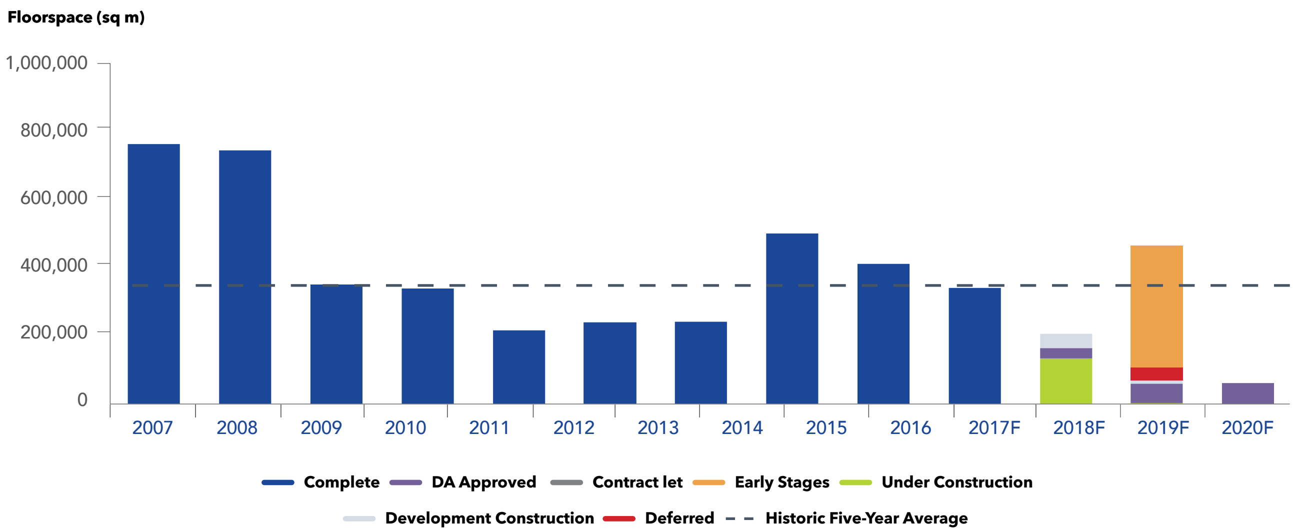
There has been a large take up of land within the city fringe area. This has been due to the redevelopment potential to commercial/residential use. As such, the demand for land largely exceeds the supply, which has led to land values soaring by over 33% in 2016.

The current development pipeline records a projected 563,500 square metres of industrial space to be delivered in 2018, the highest level of construction output since 2008. The availability of land in Melbourne's west will be a driver of this development, coupled with rising tenant demand.

Share of Supply Delivered between 2017 and 2020, by Sub-market



Melbourne Industrial Supply Pipeline

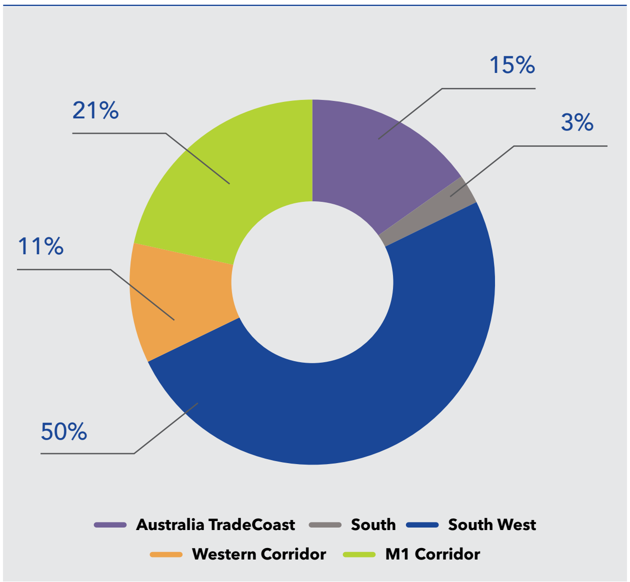


BRISBANE

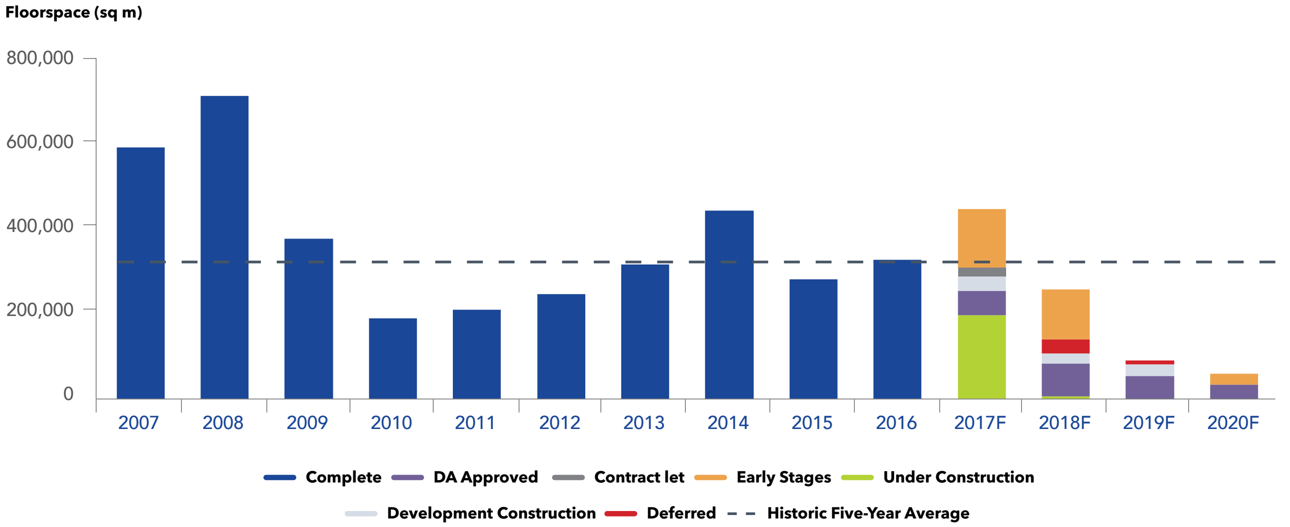
From 2011 to 2014, development activity in Brisbane increased and was largely driven by the REITs for industrial facilities with GLA greater than 5,000 square metres. These sites are located in the TradeCoast precinct as well as Richlands and Redbank in Brisbane south and west.

Supply levels in 2015 fell marginally below the historic five-year average of 304,000 square metres. Supply levels recorded in 2016 were in line with the five-year average, at 308,900 square metres, and are expected to rise in 2017 – pointing to improved confidence in the leasing market. Around 420,500 square metres of industrial space is in the supply pipeline for 2017, and 44% of this space is currently in the construction stage of development.

Share of Supply Delivered between 2017 and 2020, by Sub-market



Brisbane Industrial Supply Pipeline

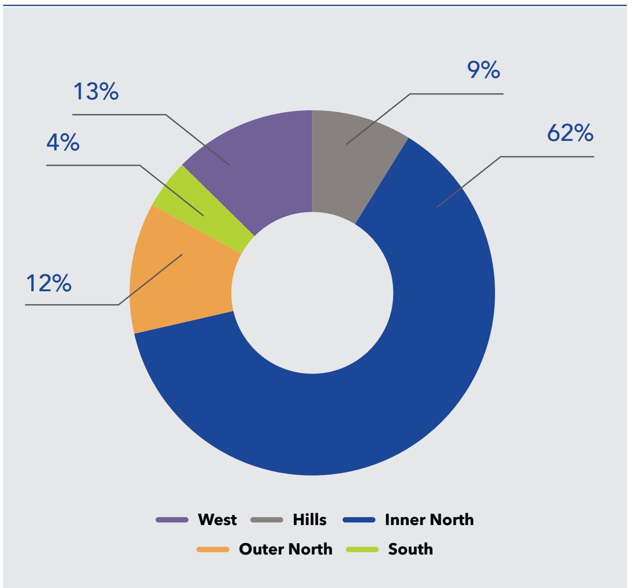


ADELAIDE

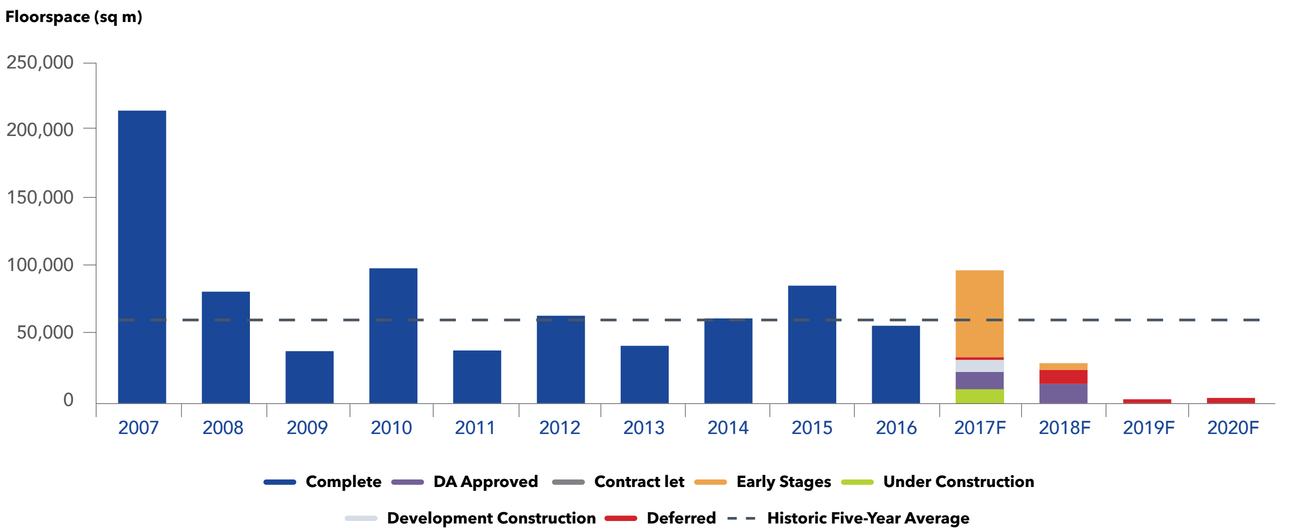
In 2015 Adelaide's construction of large-scale industrial assets was at its highest rate in five years at around 83,100 square metres. This level of construction had not been seen since 2010.

Although industrial supply levels dropped in 2016 to 54,400 square metres, at this stage projected industrial supply for 2017 is 93,800 square metres – is above the 2015 level. Around 11% of the development pipeline for 2017 is in the construction stage currently.

Share of Supply Delivered between 2017 and 2020, by Sub-market



Adelaide Industrial Supply Pipeline



RENTS, CAPITAL VALUES, YIELDS AND TRENDS

SYDNEY

Yields and Capital Values

Land values across the Sydney markets are continuing an upward trend, fueled by record investment in infrastructure and a dwindling supply of available stock. Fierce competition is set to drive capital values higher in the short to medium term. Recent sales evidence in the northern market shows that a capital value uplift of 20% to 30% can occur on the back of strong investor demand and diminishing supply levels. Prior to 2014, capital values in the north had seen little or no growth. Such robust capital growth is attracting private and institutional investment interest from offshore investors.

Against a backdrop of a diminishing availability of stock and rising land values, average yields across the Sydney markets have continued to trend downward since March 2012. Yields in the prime market have compressed sharply over 2016 due to strong investor demand.

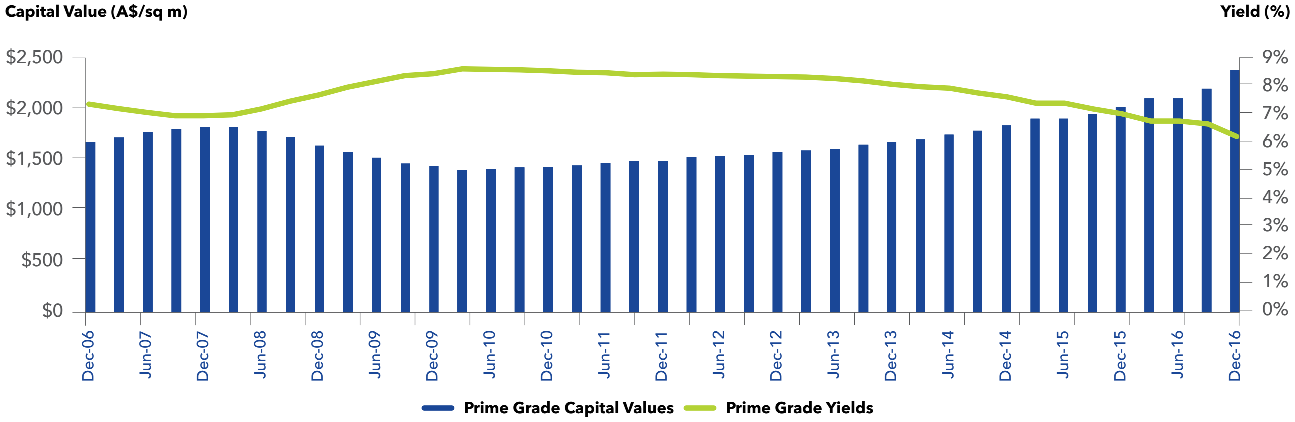
Leasing

Leasing conditions have been improving since the end of 2015, reflecting the wider performance of the market. Prime and secondary grade assets have recorded steady rental growth between September 2009 and September 2015, and have increased by 9% and 5% respectively in the year to December 2016.

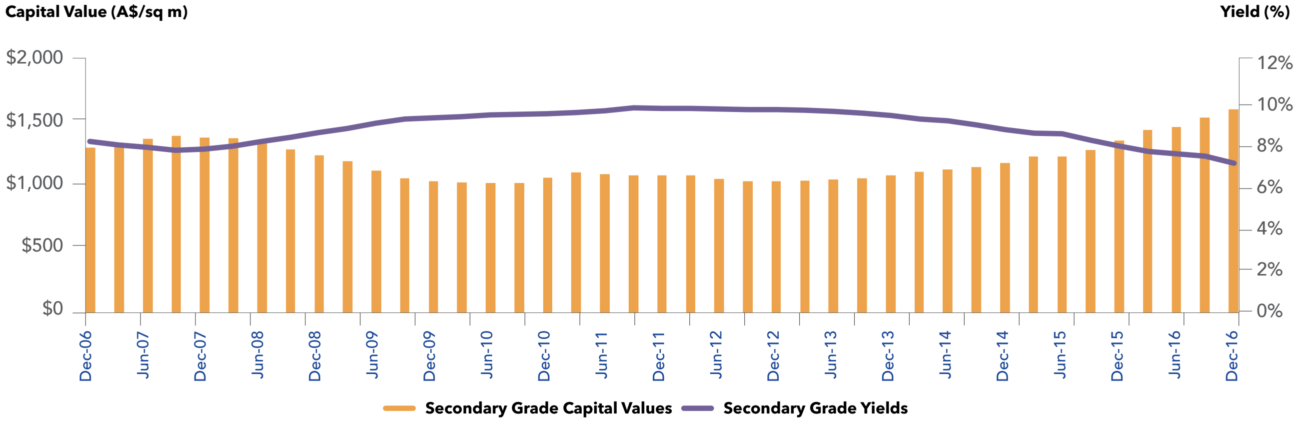
The North market has shown the greatest rental growth for prime and secondary assets up 18% for prime grade stock and 6% for secondary grade stock over 2016.

Tight vacancy levels are driving incentives lower in some of Sydney's industrial precincts, particularly the Inner West market.

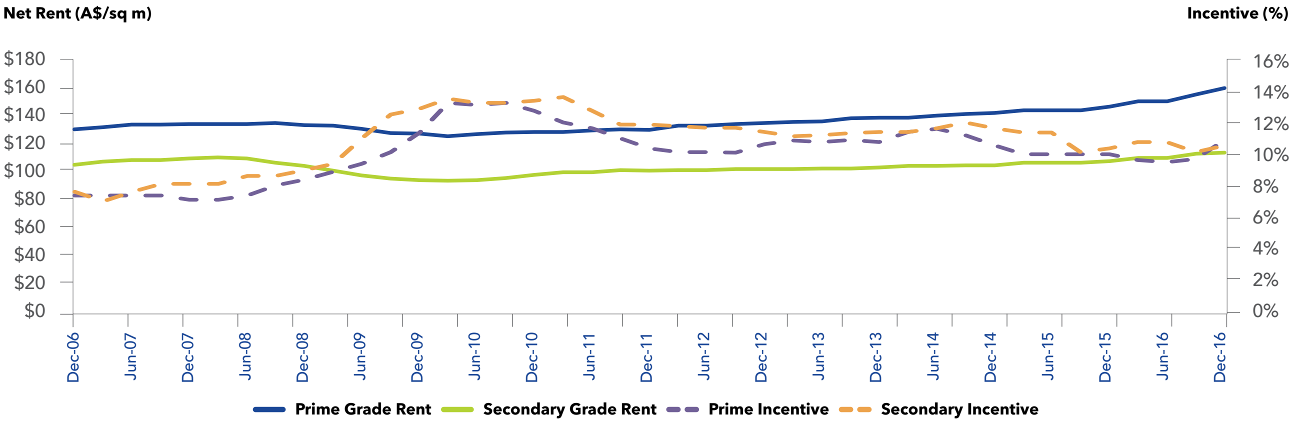
Sydney Prime Grade Yields and Capital Values



Sydney Secondary Grade Yields and Capital Values



Sydney Net Rent and Incentives



MELBOURNE

Yields and Capital Values

As Australia's largest industrial market, Victoria continues to be a strong drawcard for both local and offshore investors.

With the fastest growing population in Australia, strong economic growth, record levels of infrastructure investment and a diversified economic base, conditions are supportive for further value uplift and strong tenant demand. Consequently, capital values and rents have outperformed their long-term average growth rates, further encouraging investor interest.

Capital values for prime and secondary grade assets are recorded at A$1,514/square metres and A$931/square metres, respectively, for 2016 – above the 10-year average of A$1,277/square metres for prime stock and A$735/square metres for secondary assets.

Strengthening demand has translated to continuous yield compression – since December 2011. Prime and secondary yields recorded in December 2011 were 8.3% and 10.1%, respectively. Yields currently are 7.0% for prime and 8.1% for secondary assets – demonstrating that secondary assets experienced the greatest yield compression.

Leasing

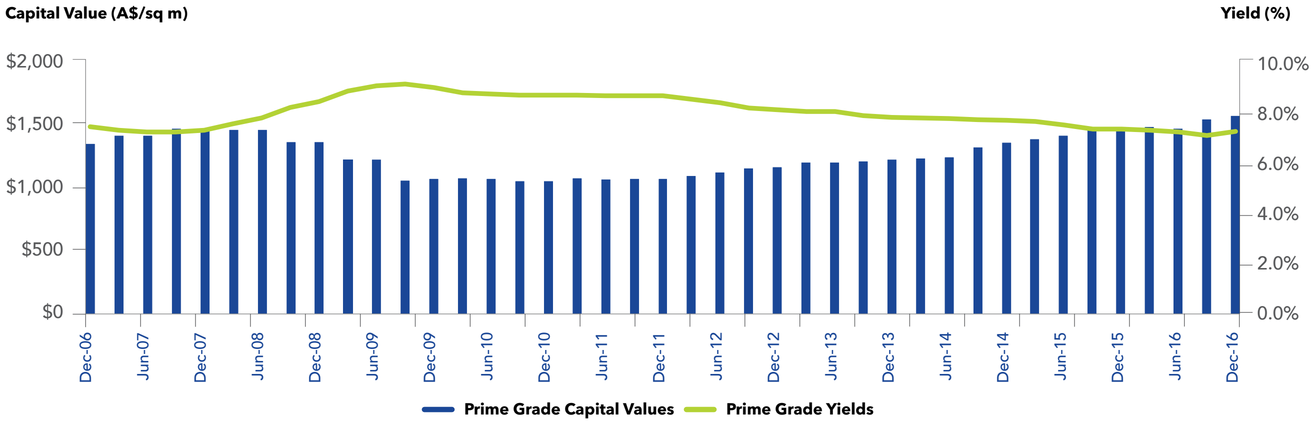
Leasing conditions in Melbourne have been relatively subdued between 2006 and 2015, with prime rents showing signs of growth limited by the availability of stock. Rental growth showed signs of strengthening at the beginning of 2016, particularly for secondary grade assets. Net face rents for Secondary assets increased by 22% in the 12 months to December 2016.

The sharp rises in effective rents reflects stronger tenant demand conditions overall, resulting in a fall in net incentives.

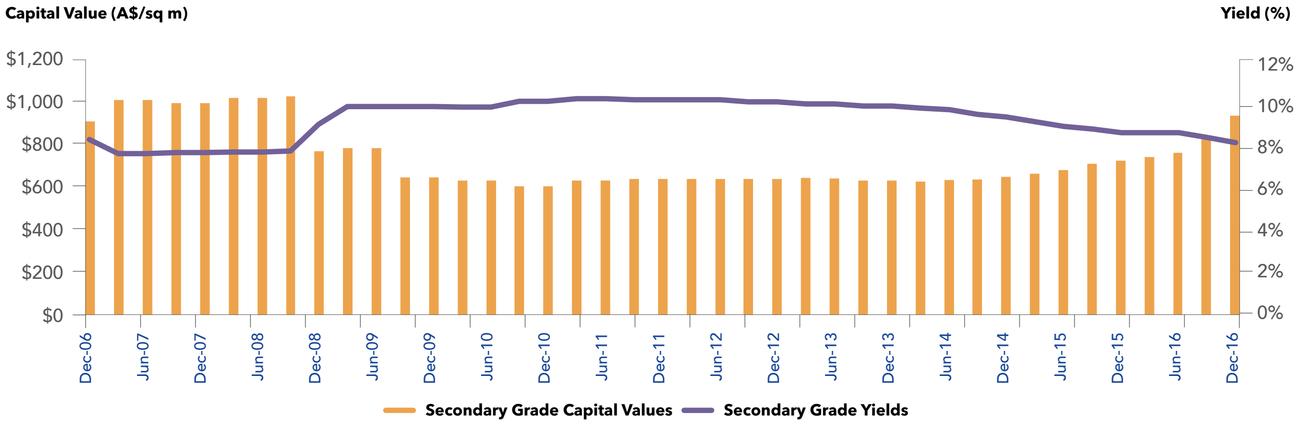
Rental rates in the North market remain relatively attractive with average net face rents for prime grade assets in 2016 averaging at A$80/square metres, while secondary grade assets leasing at an average of A$66/square metres.

There has been a notable increase in tenant enquiry from food groups, particularly within the local government area of Hume which has seen a comparatively higher number of leases within this sector than in 2015. As Australia's largest producer and exporter of food and fibre, this sector accounts for more than half of Victoria's total goods exports.

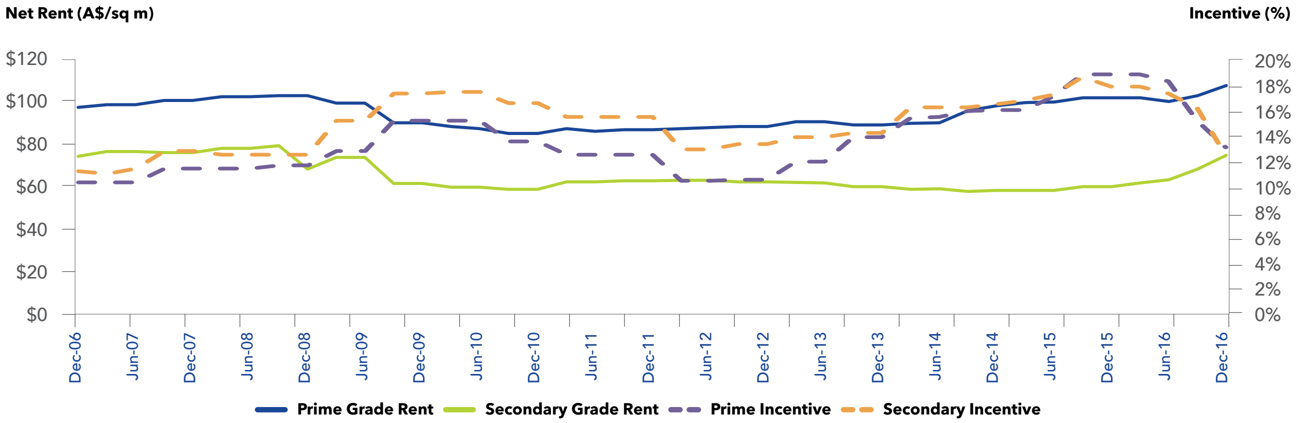
Melbourne Prime Grade Yields and Capital Values



Melbourne Secondary Grade Yields and Capital Values



Melbourne Net Rent and Incentives



BRISBANE

Yields and Capital Values

The investment market is particularly strong for 'prime' industrial assets with long-term lease expiry profiles and quality standard of improvements, resulting in tight investment yields between 6.25% and 7.10% being achieved.

Since June 2010, there has been yield compression for prime grade industrial assets, with the rate of compression increasing from June 2014. Over the historic period secondary asset yields have remained relatively stable; recently, this has changed with the spread between prime and secondary asset yield narrowing. It is expected that investors in secondary stock will attempt to take advantage of this and recycle capital into prime assets. However, as competition remains fierce for these assets, divestment decisions are being delayed as potential vendors consider their ability to recycle the realised capital in a market with limited purchasing opportunities.

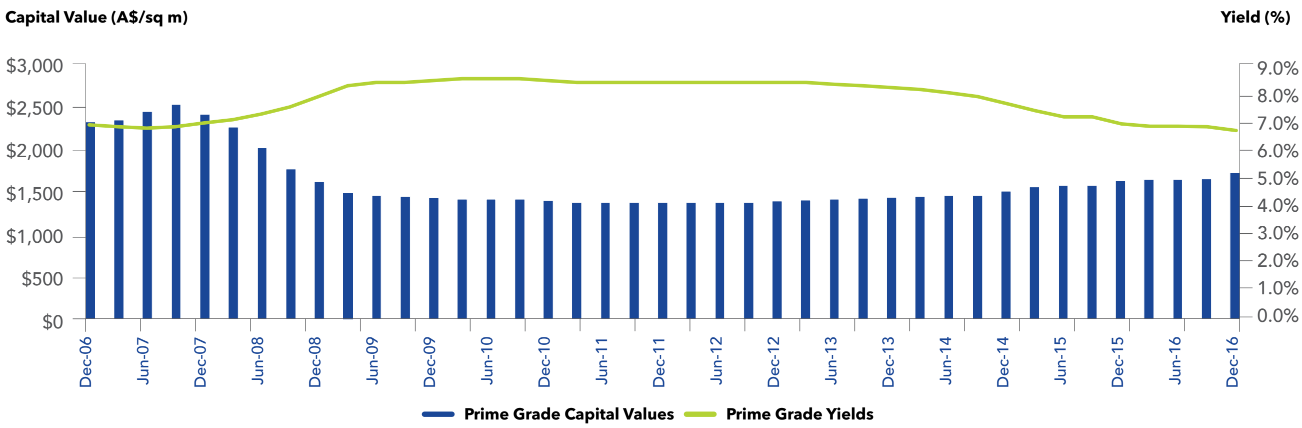
Leasing

The industrial leasing market remains subdued and is expected to remain flat into 2017 as the post mining boom recovery struggles to gain traction amongst non-mining sectors.

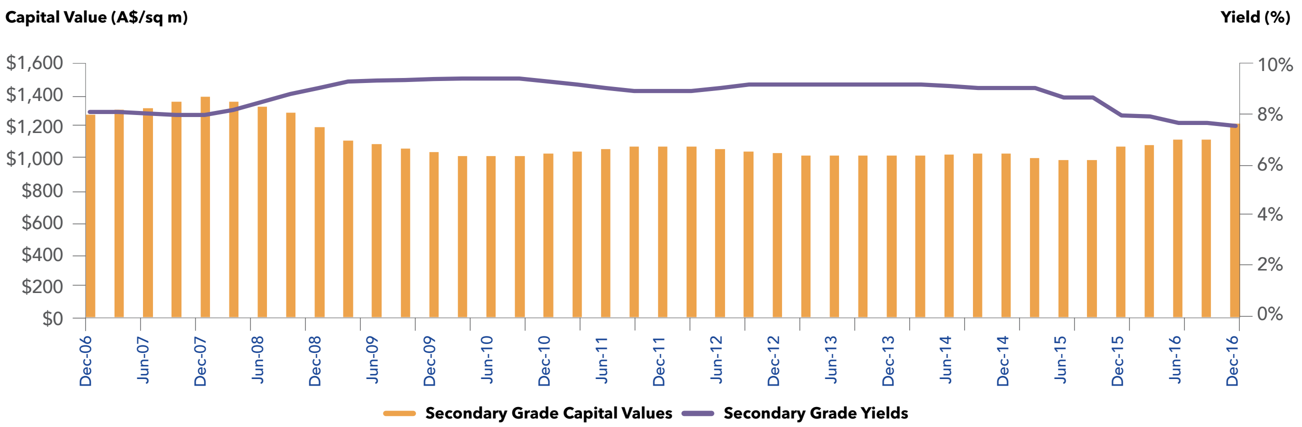
Average market rents for prime grade facilities have remained static since 2008 - averaging A$125/square metres for prime assets and A$96/square metres secondary assets - with signs of improvement in the fourth quarter of 2016.

While net face rents have remained stable for both prime and secondary assets, incentives have generally increased. This is a reflection of the currently competitive pre-commitment market.

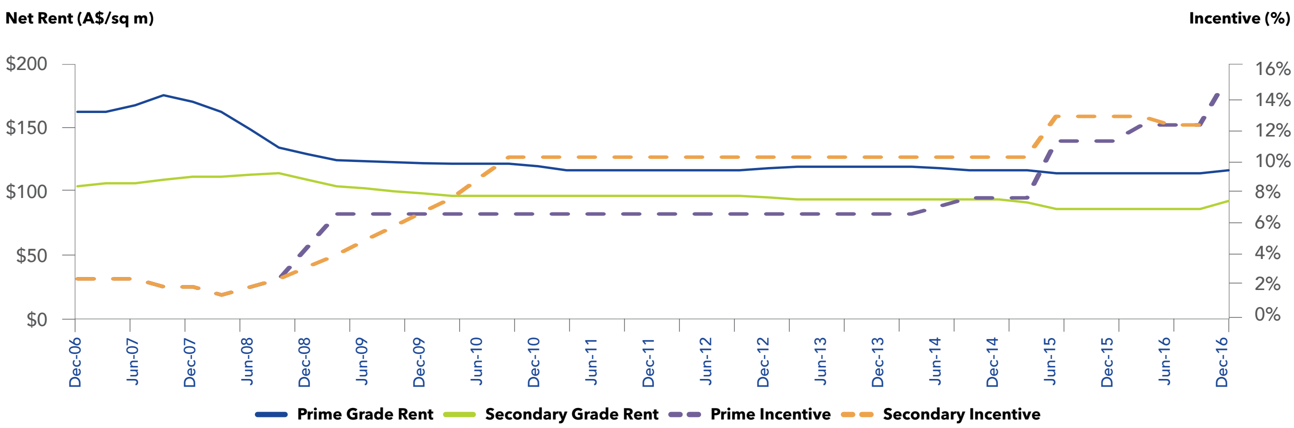
Brisbane Prime Grade Yields and Capital Values



Brisbane Secondary Grade Yields and Capital Values



Brisbane Net Rent and Incentives



ADELAIDE

Yields and Capital Values

A low interest rate environment and the opportunity to purchase a facility through a superannuation vehicle or through the business, has led to increased enquiries from both institutional and private investors. Industrial properties under A$5 million have recorded higher sale activity over 2016 – driven by owner-occupiers.

The Adelaide industrial market has substantial private ownership of industrial property and private investors and small to medium businesses account for a significant proportion of both vendors and purchasers.

During 2014, there were several significant industrial portfolios which were transacted, with some Adelaide assets included in the sale. This trend did not continue in the Adelaide market during 2015/16 with all of the sales over A$5 million consisting single asset sales.

Yields across regions have varied significantly particularly the Outer North market. The Outer North market offers prime grade buildings, although has a high exposure to the automotive industry. The risk premium on assets have been relatively high due to the risk of vacancy and the perceived difficulty in attracting tenants. As such higher yields have been recorded. Despite the fact Holden is set to close in 2017, vacancy has fallen in this precinct and therefore there is likely to be some scope for yields to begin to tighten.

Other industrial sub markets have been largely unaffected by the imminent Holden closure with vacancy remaining low and yields tightening slightly over 2016. The West and the Inner North markets have continued to perform well and still attract solid demand from both occupiers and investors.

Prime and secondary grade assets have experienced improved demand levels over 2016 for the overall Adelaide market which has led to marginal yield compressions averaging 8.14% and 9.83%, respectively.

The Adelaide industrial market continues to offer higher yields relative to most other eastern seaboard industrial markets, and therefore sale volumes are anticipated to improve.

Leasing

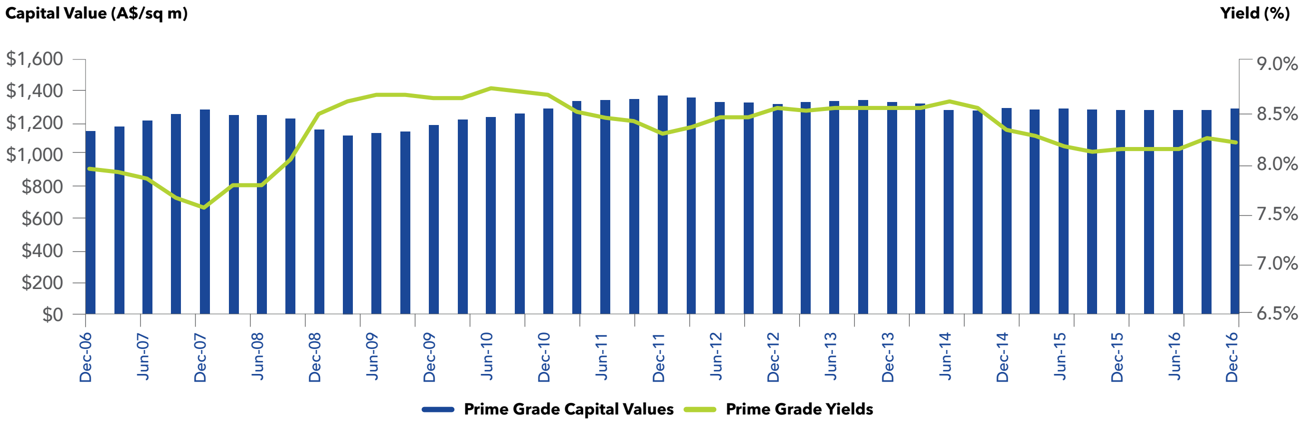
Prime and secondary grade rents have remained static since 2013/14 with incentives remaining stable, averaging 14.4% for prime grade stock and 21.0% for secondary grade stock.

The Adelaide industrial market has continued to see improvements in vacancy over 2016 with vacancy falling to 4.8% in September (down from 6.4% in September 2015). Leasing enquiry has also continued to improve with several large requirements in the market which are unlikely to be satisfied with current supply.

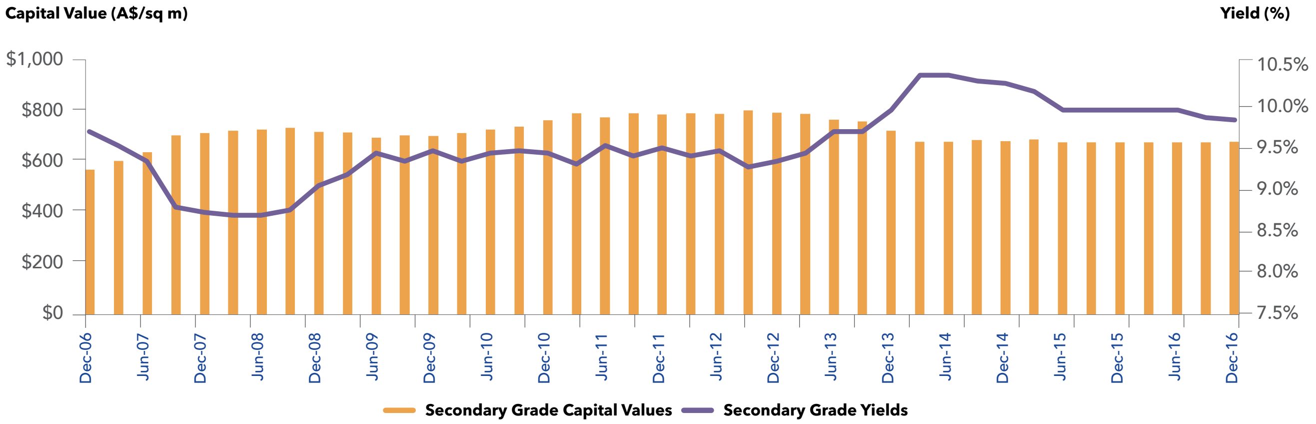
The Outer North market recorded the lowest vacancy rate, at 2.8%. The Outer North market has the highest exposure to the closure of the Holden plant, expected in late in 2017, and the high vacancy recorded in 2015 (19.9%) was a result of several suppliers vacating upon the announcement of the closure. The Outer North industrial market has recently offered competitive rents for prime grade stock and therefore is an attractive option for tenants.

Prime grade rents have stabilised over 2016 in this market, after a correction during 2014 and 2015. Incentives have also remained stable, with little change in effective rents.

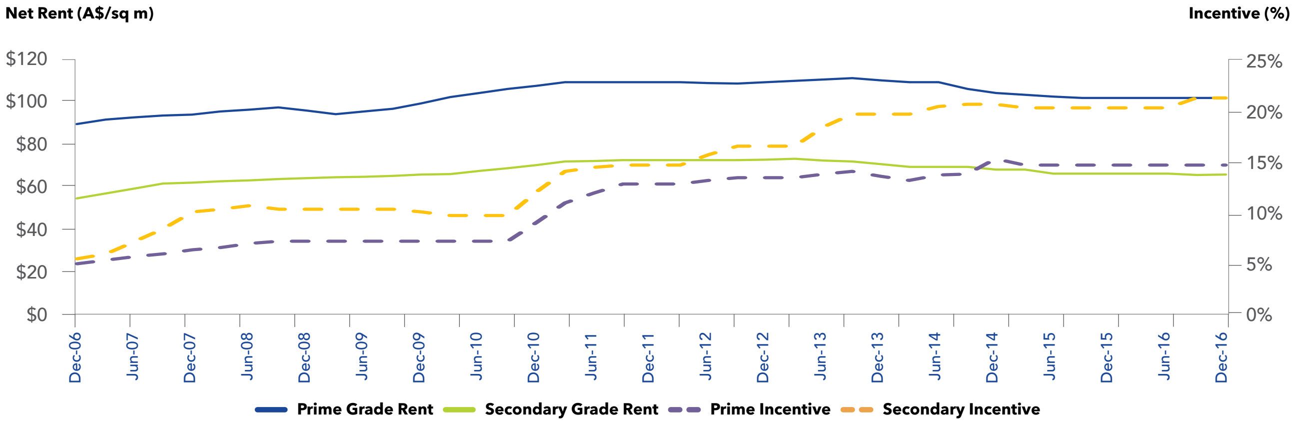
Adelaide Prime Grade Yields and Capital Values



Adelaide Secondary Grade Yields and Capital Values



Adelaide Net Rent and Incentives



OUTLOOK

SYDNEY

Rental growth is expected to continue, tracking above CPI, as stock becomes scarcer - particularly in the West, North West, North and Inner South markets.

Yields are projected to continue compression at a moderated pace as stock shortages continue. This is particular for the Inner West, North and South markets, narrowing the yield differential between prime and secondary assets.

The search for higher yields is expected to push some investors into secondary industrial assets with repositioning upside (i.e. expansion/redevelopment potential). The competition for industrial assets remains high among investors, and therefore secondary assets will be a key part of future strategies, particularly for assets with development upside and proximity to high-quality infrastructure links.

The Broader Western Sydney Employment Area (WSEA)

The completion of the Sydney motorway network, in particular the M4 / M7 interchange, combined with the availability of large low-cost parcels of land, has seen Western Sydney emerge as a dominant location for 'traditional' manufacturing, warehouse and logistics uses. Moving forward, WSEA, in particular, has competitive advantages for manufacturing operations in terms of access to workforce, available land areas and separation from sensitive land uses such as residential. It is well-placed to accommodate 'upsizers' with reasonable supply of large sites which are limited elsewhere in the Sydney region; with these groups diversifying from local manufacturing into import and distribution models requiring additional floorspace. The potential catalytic effect of the Second Sydney Airport is also likely to enhance the competitive advantage of WSEA.

The NSW Department of Planning has identified key push and pull factors that will affect the take-up and viability of land within the broader WSEA in the future: -

Push Factors:

- Ageing building stock that does not meet the needs of modern operations and is expensive to upgrade
- Ageing infrastructure that may not accommodate modern vehicles and equipment
- Encroachment of other sensitive land uses, such as residential, limiting the productivity and efficiency of operations
- Higher underlying land values and increasing traffic congestion in inner and middle ring suburbs
- Limited supply of large sites that accommodate expansion / consolidation of operations

Pull Factors:

- Availability of large sites which are in limited supply elsewhere
- Presence of existing motorway infrastructure providing access to the broader Sydney Metropolitan area
- Proposed new infrastructure, as outlined in the 'Western Sydney Infrastructure Plan'
- Separation from residential land uses reducing conflict and restrictions on operations
- Low underlying land values in the Outer West, allowing for lower rents

MELBOURNE

As there is limited new supply in the pipeline (post-2018) on the back of increasing residential conversions within the City Fringe market, it is projected that industrial assets will continue to see rental growth over the medium to long term.

Activity in the North's industrial precinct over the next few years will be driven by rising opportunities for growth, through impending infrastructure development strategies and the strength of key industries such as food and fibre, and transport and logistics.

The food and fibre industry (accounting for over half of Victoria's total goods exports) is projected to continue to strengthen on the back of growing global interest and increased strategic opportunities as one of the State Government's six priority sectors within the Future Industries Fund – therefore expected to drive the demand for industrial space and help absorb impending vacancy from automotive manufacturing facility closures.

BRISBANE

There is reasonable demand for modern, well-located and functional assets with strong lease covenants and extended WALE.

The risk levels for older secondary properties in isolated locations that face obsolescence or significant capital expenditure are reflected in their yields and continue to generate very low levels of demand.

Yields are projected to compress further for prime and secondary markets in 2017, matching compression rates of 25 and 15 basis points recorded in 2016.

The industrial leasing market remains subdued and is expected to remain flat into 2017 as the post mining boom recovery struggles to gain traction amongst non-mining sectors.

However, strong growth from the transport, construction and logistics sectors will provide supportive rental conditions in the immediate term. Mining activity linked to export volumes, which rose rapidly in 2016, will benefit precincts that are adjacent to port and throughput infrastructure assets.

ADELAIDE

The Adelaide industrial property market is in a state of transition and therefore faces challenges.

The Outer North market has undergone significant correction in rental and incentives which has impacted overall vacancy over the last two years, although there is still likely to be some further vacancy when Holden closes in late 2017, it is unlikely to be as significantly affected as first predicted.

One of the largest pre-commitments in the Adelaide Industrial market for many years was secured and is under construction in Gillman for a 20,000 square metres facility for a Multinational Corporation. The awarding of the submarines contract to DNCS in early 2016 and the building of the offshore patrol vessels in the short term has seen Adelaide become the defence hub in Australia and will support development and investment in the Adelaide industrial market, in particular in the Osbourne/ Port Adelaide area.

The total defence spend for the Federal government is over A$90 billion, with a significant amount of construction of these projects to occur in Adelaide. The defence sector will remain important for Adelaide in the near future.

CWT COMMODITY HUB

24 Penjuru Road, Singapore

Property Details	
Valuation	S$328.0 million
Valuation Date	31 December 2016
Purchase Consideration	S$323.0 million
Acquisition Date	12 April 2010
Property Type	Ramp-up logistics warehouse with ancillary office facilities
Leasehold Title Expiry	29 years from 19 August 2006
Land Area	918,407 sq ft
Gross Floor Area	2,295,927 sq ft
Net Lettable Area	2,295,927 sq ft
Maximum Plot Ratio	2.50
Current Plot Ratio	2.50
Lease Type	Single Tenant
Tenant	CWT Limited
Occupancy	100%

CWT Commodity Hub is the largest warehouse in Singapore and one of the largest in Southeast Asia. The property comprises approximately 2.3 million sf of GFA over five levels in two adjoining warehouse buildings served by a central vehicular ramp. The average floor plate of 448,000 square feet per floor. The building boasts a ceiling height of up to 10 metres, allowing users greater efficiencies in the movement of goods.

CWT Commodity Hub is located within the Penjuru/Pandan area in the Jurong Industrial Estate, a key logistics cluster with close proximity to the sea ports. It is well served by major expressways/roads such as the Ayer Rajah Expressway and West Coast Highway and is approximately 14 km from the city centre.

CACHE COLD CENTRE

2 Fishery Port Road, Singapore

Property Details	
Valuation	S$130.0 million
Valuation Date	31 December 2016
Purchase Consideration	S$122.0 million
Acquisition Date	12 April 2010
Property Type	Ramp-up logistics warehouse with ancillary office facilities
Leasehold Title Expiry	30+30 years from 20 December 2005
Land Area	254,904 sq ft
Gross Floor Area	344,681 sq ft
Net Lettable Area	290,674 sq ft
Maximum Plot Ratio	2.50
Current Plot Ratio	1.35
Lease Type	Multi-tenanted
Major Tenants	Angliss Singapore Pte Ltd NTUC Fairprice Co-operative Limited
Occupancy	87%

Formerly named "CWT Cold Hub", Cache Cold Centre is the first ramp-up cold storage warehouse and one of the largest multi-temperature controlled logistics facilities in Singapore. The property comprises a two-storey ramp-up warehouse with mezzanine ancillary offices and has 35 loading/unloading bays with dock-levellers. The use of multi-temperature controls also allows for the temperature of each warehouse unit to be set independently.

The property is located in a food zone within Jurong Industrial Estate, Fishery Port. It is also well served by major expressways/roads such as Fishery Port Road, Jalan Buroh and Jurong Port Road and is approximately 15 km from the city centre.

SCHENKER MEGAHUB[1]

51 Alps Avenue, Singapore

Property Details[1]	
Valuation	S$80.9 million
Valuation Date	31 December 2016
Purchase Consideration	S$99.0 million
Acquisition Date	12 April 2010
Property Type	Ramp-up logistics warehouse with ancillary office facilities
Leasehold Title Expiry	30+30 years from 1 June 2005
Land Area	220,145 sq ft
Gross Floor Area	439,956 sq ft
Net Lettable Area	439,956 sq ft
Maximum Plot Ratio	2.00
Current Plot Ratio	2.00
Lease Type	Not applicable
Tenant	Not applicable
Occupancy	Not applicable

Schenker Megahub is the largest freight and logistics property located at the Airport Logistics Park of Singapore ("Alps"), the free trade zone adjacent to Changi International Airport. The property comprises an eight-storey ramp-up logistics facility with four levels of warehouse and ancillary offices, and 44 loading/unloading bays with dock-levellers. Built with temperature and humidity controlled facilities, the property was purpose-built for Schenker Singapore Pte. Ltd.

It is well served by major roads such as Loyang Ave and Changi Coast Road, and is approximately 25 km from the city centre. It also enjoys close proximity to Changi North/South Industrial Estates and Changi Business Park.

HI-SPEED LOGISTICS CENTRE

40 Alps Avenue, Singapore

Property Details	
Valuation	S$71.0 million
Valuation Date	31 December 2016
Purchase Consideration	S$69.5 million
Acquisition Date	12 April 2010
Property Type	Ramp-up logistics warehouse with ancillary office facilities
Leasehold Title Expiry	30+30 years from 16 August 2005
Land Area	162,074 sq ft
Gross Floor Area	308,626 sq ft
Net Lettable Area	293,093 sq ft
Maximum plot ratio	2.00
Current plot ratio	1.90
Lease Type	Multi-tenanted
Major Tenants	Nippon Express (Singapore) Pte. Ltd Bollore Logistics Singapore Pte Ltd
Occupancy	96%

Hi-Speed Logistics Centre is a modern logistics facility comprising four levels of warehouse and ancillary office space with 20 loading/unloading bays with dock-levellers. The warehouse is vertically accessed via a combination of ramp and cargo lifts, and caters to end-users' need for heavy loading and high ceiling height.

The property attracts third-party logistics service providers and airfreight forwarders as its location within the Alps enables quick turnaround with great efficiency without leaving the free trade zone. It is also well served by major roads such as Loyang Ave and Changi Coast Road, and is approximately 25 km from the city centre.

Note:

[1] Due to the ongoing legal proceedings at 51 Alps Ave, information regarding the lease type, tenants and occupancy are not provided and indicated as "Not applicable".

CACHE CHANGI DISTRICENTRE 1

5 Changi South Lane, Singapore

Formerly named "C&P Changi Districentre", Cache Changi Districentre 1 comprises a six-storey ramp-up warehouse with ancillary office space and has 53 loading/unloading bays with dock-levellers.

Its location is ideal for international logistics specialists such as TNT Express Worldwide (S) Pte Ltd, the anchor tenant, because of its easy access to major expressways such as the Tampines Expressway, the East Coast Parkway and the Pan-Island Expressway. The property is located approximately 14 km from the city centre and enjoys close proximity to Changi Airport, Changi Business Park and Singapore Expo.

Property Details	
Valuation	S$95.2 million
Valuation Date	31 December 2016
Purchase Consideration	S$82.0 million
Acquisition Date	12 April 2010
Property Type	Ramp-up logistics warehouse with ancillary office facilities
Leasehold Title Expiry	30+30 years from 16 August 2005
Land Area	145,745 sq ft
Gross Floor Area	364,361 sq ft
Net Lettable Area	351,478 sq ft
Maximum Plot Ratio	2.50
Current Plot Ratio	2.50
Lease Type	Multi-tenanted
Major Tenants	TNT Express Worldwide (S) Pte Ltd RS Bonded Logistics (S) Pte Ltd
Occupancy	89%

DHL SUPPLY CHAIN ADVANCED REGIONAL CENTRE

1 Greenwich Drive, Singapore

DHL Supply Chain Advanced Regional Centre is a modern, state-of-the-art logistics warehouse which comprises one block of three-storey ramp-up warehouse with four-storeys of ancillary office space and another block of two-storey ramp-up warehouse with ancillary offices (Block 2). It was a Build-to-Suit (BTS) development completed in July 2015 for DHL Supply Chain Singapore Pte Ltd, which is on a 10-year lease term with options to renew until the end of the land lease tenure.

Strategically located in the north eastern region of Singapore within the recently established logistics estate of Tampines LogisPark, it is easily accessible via major expressways including the Kallang Paya Lebar Expressway and Tampines Expressway and is close to Changi Airport, Seletar Aerospace Park and Tampines/Pasir Ris Wafer Fab Park.

Property Details	
Valuation	S$150.3 million
Valuation Date	31 December 2016
Completion Date	8 July 2015
Property Type	Ramp-up logistics warehouse with ancillary office facilities
Leasehold Title Expiry	30 years from 16 June 2014
Land Area	638,424 sq ft
Gross Floor Area	989,260 sq ft
Net Lettable Area	928,108 sq ft
Maximum Plot Ratio	1.55
Current Plot Ratio	1.55
Lease Type	Multi-tenanted
Major Tenants	DHL Supply Chain Singapore Pte Ltd Jeams Transportation & Warehousing Pte. Ltd.
Occupancy	96%

CACHE CHANGI DISTRICENTRE 3[1]

6 Changi North Way, Singapore

Property Details[1]	
Valuation	S$25.5 million
Valuation Date	31 December 2016
Purchase Consideration	S$30.9 million
Acquisition Date	31 Mar 2011
Property Type	Ramp-up logistics warehouse with ancillary office facilities
Leasehold Title Expiry	30 years from 1 January 2004
Land Area	177,079 sq ft
Gross Floor Area	176,955 sq ft
Net Lettable Area	169,882 sq ft
Maximum plot ratio	1.60
Current plot ratio	1.00
Lease Type	Multi-tenanted
Major Tenants	Agility International Logistics Pte Ltd Hafary Pte Ltd
Occupancy	100%

Cache Changi Districentre 3 (formerly APC Distrihub) is a two-storey ramp-up warehouse with mezzanine ancillary office space. The building has a highly efficient layout and a wide vehicular ramp that accesses the second floor facilitating quick loading and unloading of goods. The warehouse has 16 loading/unloading bays with dock-levellers.

The property is located within the Changi International LogisPark (North), a well-established logistics cluster which is well served by major expressways/roads such as the Tampines Expressway, the East Coast Parkway and the Pan-Island Expressway, and is approximately 18 km from the city centre. It also enjoys close proximity to Changi Airport, Changi Business Park and Singapore Expo.

PAN ASIA LOGISTICS CENTRE

21 Changi North Way, Singapore

Property Details	
Valuation	S$36.3 million
Valuation Date	31 December 2016
Purchase Consideration	S$35.2 million
Acquisition Date	30 April 2012
Property Type	Ramp-up logistics warehouse with ancillary office facilities
Leasehold Title Expiry	30 years from 1 June 2010
Land Area	123,119 sq ft
Gross Floor Area	196,990 sq ft
Net Lettable Area	183,046 sq ft
Maximum plot ratio	1.60
Current plot ratio	1.60
Lease Type	Single Tenant
Tenant	Pan Asia Logistics Singapore Pte. Ltd.
Occupancy	100%

Pan Asia Logistics Centre is a four-storey ramp-up warehouse with ancillary office space. The property, completed in 2011, has 16 loading/unloading bays with dock-levellers.

Located within the Changi International LogisPark (North), the property is well served by major expressways/roads such as the Tampines Expressway, the East Coast Parkway and the Pan-Island Expressway, and is approximately 18 km from the city centre.

Pan Asia Logistics Centre is on a 10-year master lease to Pan Asia Logistics Singapore Pte. Ltd., a provider of integrated logistics and supply chain solutions across the globe.

Note:

1 The divestment of Cache Changi Districentre 3 was announced on 19 December 2016 and was pending completion as at 31 December 2016. The legal completion was announced on 23 January 2017.

WAREHOUSE PROFILES

PANDAN LOGISTICS HUB

49 Pandan Road, Singapore

Property Details	
Valuation	S$50.0 million
Valuation Date	31 December 2016
Purchase Consideration	S$66.0 million
Acquisition Date	3 July 2012
Property Type	Ramp-up logistics warehouse with ancillary office facilities
Leasehold Title Expiry	30 years from 1 October 2009
Land Area	133,680 sq ft
Gross Floor Area	329,112 sq ft
Net Lettable Area	304,439 sq ft
Maximum Plot Ratio	2.50
Current Plot Ratio	2.46
Lease Type	Multi-tenanted
Major Tenants	CWT Limited LQ Logistics Pte Ltd
Occupancy	87%

Pandan Logistics Hub is a five-storey ramp-up warehouse with ancillary office space. The property, completed in 2011, provides a floor loading capacity of up to 50kN/m^2 on the ground floor and has loading/unloading bays with a total of 25 dock-levellers.

Strategically located in the Pandan/Penjuru area within the Jurong Industrial Estate, it enjoys close proximity to the sea ports. The property is well served by major expressways/roads such as the Ayer Rajah Expressway and Pan-Island Expressway, and is approximately 12 km from the city centre.

PRECISE TWO

15 Gul Way, Singapore

Property Details	
Valuation	S$46.7 million
Valuation Date	31 December 2016
Purchase Consideration	S$55.2 million
Acquisition Date	1 April 2013
Property Type	Ramp-up logistics warehouse with ancillary office facilities
Leasehold Title Expiry	30 years from 1 October 2003
Land Area	203,272 sq ft
Gross Floor Area	284,384 sq ft
Net Lettable Area	284,384 sq ft
Maximum plot ratio	1.40
Current plot ratio	1.40
Lease Type	Single Tenant
Tenant	Precise Development Pte. Ltd.
Occupancy	100%

Precise Two is a three-storey ramp-up warehouse with ancillary office space. The property has modern and attractive technical specifications such as heavy floor loading of up to 50kN/m^2 on the ground floor and 35kN/m^2 on the second and third floors.

The property is located within the Jurong Industrial Estate and is well served by major expressways/roads such as Ayer Rajah Expressway and Pan Island Expressway, and is approximately 24 km from the city centre.

CACHE CHANGI DISTRICENTRE 2

3 Changi South Street 3, Singapore

Property Details	
Valuation	S$18.1 million
Valuation Date	31 December 2016
Purchase Consideration	S$17.7 million
Acquisition Date	12 April 2010
Property Type	Cargo-lift logistics warehouse with ancillary office facilities
Leasehold Title Expiry	30+30 years from 16 February 1996
Land Area	65,767 sq ft
Gross Floor Area	111,359 sq ft
Net Lettable Area	89,494 sq ft
Maximum Plot Ratio	2.00
Current Plot Ratio	1.69
Lease Type	Multi-tenanted
Major Tenants	International Grand Forwarding (S) Pte Ltd AGX Logistics (S) Pte Ltd
Occupancy	100%

Formerly named "C&P Changi Districentre 2", Cache Changi Districentre 2 is a cargo-lift logistics facility comprising three levels of warehouse and a four-storey ancillary office building. The warehouse has six loading/unloading bays with dock-levellers.

The property is located within Changi International LogisPark (South), one of Singapore's most established logistics clusters. It is well served by major expressways/roads such as East Coast Parkway and the Pan-Island Expressway, and is approximately 16 km from the city centre. It also enjoys close proximity to Changi Airport, Changi Business Park and Singapore Expo.

AIR MARKET LOGISTICS CENTRE

22 Loyang Lane, Singapore

Property Details	
Valuation	S$12.0 million
Valuation Date	31 December 2016
Purchase Consideration	S$13.0 million
Acquisition Date	19 August 2011
Property Type	Cargo-lift logistics warehouse with ancillary office facilities
Leasehold Title Expiry	30+16 years from 1 February 2007
Land Area	50,754 sq ft
Gross Floor Area	67,564 sq ft
Net Lettable Area	67,564 sq ft
Maximum Plot Ratio	2.50
Current Plot Ratio	1.33
Lease Type	Single Tenant
Tenant	Air Market Logistics (S) Pte. Ltd.
Occupancy	100%

Air Market Logistics Centre is a five-storey warehouse comprising warehouse space and ancillary office space, and has six loading/unloading bays with dock-levellers.

The property is strategically located in the Loyang Industrial Estate and is well served by major expressways/roads such as the Pan-Island Expressway, Tampines Expressway and the East Coast Parkway, and is approximately 20 km from the city centre.

WAREHOUSE PROFILES

127 ORCHARD ROAD, CHESTER HILL

New South Wales, Australia

The single-storey warehouse and office development is located in a well-established inner west industrial precinct approximately 20 km (radial) west of the Sydney CBD and approximately 8 km (radial) south of the Parramatta CBD. It is well connected to major motorways such as the Great Western Highway and M4 Motorway, serviced by major arterial roads such as Woodville Road and Hume Highway, and enjoys close proximity to three train stations.

The property boasts a high clearance warehouse fitted with fire safety sprinkler systems and recent improvements including full drive-through access.

Property Details	
Valuation	S$41.8 million (A$40.0 million)
Valuation Date	31 December 2016
Purchase Consideration	S$38.8 million (A$37.0 million)
Acquisition Date	27 February 2015
Property Type	Single-storey logistics warehouse distribution facility with ancillary office facilities
Leasehold Title Expiry	Freehold
Land Area	414,952 sq ft
Gross Floor Area	278,034 sq ft
Net Lettable Area	278,034 sq ft
Maximum plot ratio	-
Current plot ratio	0.67
Lease Type	Single Tenant
Tenant	McPhee Distribution Services Pty Limited
Occupancy	100%

16 - 28 TRANSPORT DRIVE, SOMERTON

Victoria, Australia

Located within an established industrial estate about 20 km (radial) north of the Melbourne CBD and approximately 10 km (radial) east of Melbourne Airport, the single-storey warehouse enjoys close proximity to the Hume Highway which provides access to the arterial road network and the CBD.

It is also well equipped with a double-storey office component, covered dock and loading facilities, hardstand and centralised tenant amenities.

Property Details	
Valuation	S$25.1 million (A$24.0 million)
Valuation Date	31 December 2016
Purchase Consideration	S$23.4 million (A$22.3 million)
Acquisition Date	27 February 2015
Property Type	Single-storey logistics warehouse with ancillary office space
Leasehold Title Expiry	Freehold
Land Area	492,776 sq ft
Gross Floor Area	229,047 sq ft
Net Lettable Area	229,047 sq ft
Maximum plot ratio	-
Current plot ratio	0.46
Lease Type	Single Tenant
Tenant	Linfox Australia Pty Limited
Occupancy	100%

51 MUSGRAVE ROAD, COOPERS PLAINS

Queensland, Australia

The single-storey warehouse is located at a well-established industrial precinct located approximately 13 km south of the Brisbane CBD. Two of the freestanding buildings have undergone recent building improvements and provide additional facilities such as gantry cranes. The property is designed with a configuration for multiple users and is suitable for transport and logistics businesses.

Property Details	
Valuation	S$8.7 million (A$ 8.35 million)
Valuation Date	31 December 2016
Purchase Consideration	S$11.2 million (A$10.7 million)
Acquisition Date	27 February 2015
Property Type	Single-storey logistics warehouse
Leasehold Title Expiry	Freehold
Land Area	171,793 sq ft
Gross Floor Area	102,172 sq ft
Net Lettable Area	102,172 sq ft
Maximum plot ratio	-
Current plot ratio	0.59
Lease Type	Multi-tenanted
Major Tenants	Stirling Holdings Pty Ltd Farragher Logistics Pty Ltd
Occupancy	27%

404 - 450 FINDON ROAD, KIDMAN PARK, ADELAIDE

South Australia, Australia

This large warehouse distribution facility is well located within 2 km of Adelaide Airport and 6 km (radial) from the Adelaide CBD. The facility offers a range of facilities comprising large scale ambient warehouse facilities, drive-through cold storage facility, hardstand, offices, a canteen, and a workshop. Vacant land within the property provides flexibility for future expansion.

Property Details	
Valuation	S$60.0 million (A$57.5 million)
Valuation Date	31 December 2016
Purchase Consideration	S$57.4 million (A$57.3 million)
Acquisition Date	18 December 2015
Property Type	Large warehouse facility with chilled, cold and ambient space and ancillary components such as offices and a canteen.
Leasehold Title Expiry	Freehold
Land Area	1,282,746 sq ft
Gross Floor Area	632,869 sq ft
Net Lettable Area	632,869 sq ft
Maximum plot ratio	-
Current plot ratio	0.49
Lease Type	Single Tenant
Tenant	Metcash Trading Limited
Occupancy	100%

203 VIKING DRIVE, WACOL
Queensland, Australia

The single-storey warehouse is well located within the established industrial suburb of Wacol, approximately 18 km (radial) south west of Brisbane CBD. Apart from easy access to Brisbane's arterial road network, it is also in close proximity to the Ipswich and Logan Motorways with public transit readily available for both train and bus services.

The warehouse provides a clearance of between 9.2 and 11.2 metres for efficient racking storage capacity.

Property Details	
Valuation	S$29.2 million (A$28.0 million)
Valuation Date	31 December 2016
Purchase Consideration	S$27.1 million (A$27.0 million)
Acquisition Date	23 October 2015
Property Type	Single-storey logistics warehouse with 2 storey office
Leasehold Title Expiry	Freehold
Land Area	241,544 sq ft
Gross Floor Area	143,839 sq ft
Net Lettable Area	143,839 sq ft
Maximum plot ratio	-
Current plot ratio	0.6
Lease Type	Single Tenant
Tenant	Western Star Trucks Australia Pty Ltd
Occupancy	100%

223 VIKING DRIVE, WACOL
Queensland, Australia

Adjacent to 203 Viking Drive, this single-storey warehouse benefits from similar proximity, transportation and network benefits of its neighbour. The facility also boasts good vehicular circulation and an upgraded hardstand area which is especially conducive for heavy vehicles.

Property Details	
Valuation	S$11.2 million (A$10.75 million)
Valuation Date	31 December 2016
Purchase Consideration	S$9.6 million (A$9.575 million)
Acquisition Date	4 December 2015
Property Type	Single-storey logistics warehouse with hardstand and two-storey office building
Leasehold Title Expiry	Freehold
Land Area	244,989 sq ft
Gross Floor Area	67,555 sq ft
Net Lettable Area	67,555 sq ft
Maximum plot ratio	-
Current plot ratio	0.28
Lease Type	Single Tenant
Tenant	Western Star Trucks Australia Pty Ltd
Occupancy	100%

JINSHAN CHEMICAL WAREHOUSE

288 Gongchuang Road, Caojing Town, Jinshan District, Shanghai, China

Property Details	
Valuation	S$16.4 million (RMB 78.5 million)
Valuation Date	31 December 2016
Purchase Consideration	S$13.9 million (RMB 71.0 million)
Acquisition Date	15 June 2011
Property Type	Chemical warehouse with ancillary office facilities
Leasehold Title Expiry	50 years from 18 September 2006
Land Area	360,664 sq ft
Gross Floor Area	145,816 sq ft
Net Lettable Area	144,129 sq ft
Maximum plot ratio	1.00
Current plot ratio	0.40
Lease Type	Multi-tenanted
Tenant	CWT Logistics (Shanghai) Co., Ltd.
Occupancy	84%

Jinshan Chemical Warehouse comprises four blocks of single-storey dangerous goods warehouses with ancillary office space.

Located in Jinshan District, Shanghai, the property is situated within the Shanghai Chemical Industry Park ("SCIP"), and is approximately 57 km south of the city centre. SCIP is the first industrial zone in Shanghai specialising in the development of petrochemical and fine chemical sectors and is also one of the largest fully-integrated petrochemical bases in Asia.

Corporate Governance

INTRODUCTION

Cache Logistics Trust ("Cache") is a Real Estate Investment Trust ("REIT") listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 12 April 2010. Cache is managed by ARA-CWT Trust Management (Cache) Limited (the "Manager"). The Manager is a 60:40 joint venture REIT management company between ARA Asset Management Limited ("ARA") and CWT Limited ("CWT")("Sponsor").

Cache was constituted by a deed of trust dated 11 February 2010 (as amended by a first supplemental deed dated 18 March 2010, a second supplemental deed dated 29 September 2014 and a first amending and restating deed dated 13 April 2016) (the "Trust Deed") entered into between the Manager, and HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Cache (the "Trustee").

The Trustee and the Manager are independent of each other. The Trustee is responsible under the Trust Deed for the safe custody of the assets of Cache on behalf of the unitholders of Cache (the "Unitholders"). The Manager's main responsibility is to manage the assets and liabilities of Cache in accordance with the Trust Deed and act honestly in the best interest of Unitholders. As required under the licensing regime for REIT managers, the Manager and its licenced representatives hold the Capital Markets Services ("CMS") Licence issued by the Monetary Authority of Singapore ("MAS") to carry out REIT management activities.

The Manager is fully committed to sound corporate governance policies and practices and adheres to high standards of conduct in line with the recommendations of the Code of Corporate Governance 2012 (the "CG Code").

The Manager believes that an effective corporate governance culture is critical to its performance and the success of Cache. In particular, the Manager has an obligation to act honestly, with due care and diligence, and in the best interest of its Unitholders.

The primary role of the Manager is to set the strategic direction on, amongst others: acquisitions, divestments, asset enhancement and capital management, and, subject to any feedback from recommendations made to the Trustee, execute the adopted strategy accordingly.

Other functions and responsibilities of the Manager include:

1. using its best endeavours to carry on and conduct its business and operations in a proper and efficient manner and to conduct all transactions with or for Cache at arm's length;
2. preparing an annual budget proposal including net income forecast, property expenditure, capital expenditure, and providing explanation for major variances to previous year's forecasts, written commentary on key issues and any relevant assumptions;
3. establishing a framework of prudent and effective controls which enables financial, operational, compliance and information technology risks to be managed;
4. ensuring compliance with the principles and guidelines of the CG Code and other applicable laws, rules and regulations including the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), the Securities and Futures (Licensing and Conduct of Business) Regulations ("SF(LCB)"), the Listing Manual of the SGX-ST (the "Listing Manual"), the Code on Collective Investment Schemes ("CIS Code"), including Appendix 6 to the CIS Code (the "Property Funds Appendix"), the Singapore Code on Takeovers and Mergers, the Trust Deed, the relevant MAS Notices and Guidelines and any tax rulings and all relevant contracts;
5. managing communications with Unitholders; and
6. oversight of the property management services provided by the property managers.

This Corporate Governance Report describes the Manager's corporate governance framework and practices. Where there are deviations from the principles and guidelines of the Code, an explanation has been provided within the Report.

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 and Management remains accountable to the Board.**

The composition of the Board of Directors of the Manager (the "Board") as at 31 December 2016 is as follows:

Mr Lim How Teck	Chairman and Non-Executive Director (Non-Independent)
Mr Lim Hwee Chiang John*	Non-Executive Director (Non-Independent)
Mr Liao Chung Lik	Non-Executive Director (Non-Independent)
Mr Jimmy Yim Wing Kuen	Non-Executive Director (Non-Independent)
Mr Lim Ah Doo	Independent Non-Executive Director and Chairman of the Audit Committee (Lead Independent Director)
Ms Stefanie Yuen Thio	Independent Non-Executive Director (Independent)
Mr Lim Lee Meng	Independent Non-Executive Director (Independent)
Mr Lim Kong Puay	Independent Non-Executive Director (Independent)

Note:
* Mr Moses K. Song is the Alternate Director to Mr Lim Hwee Chiang John.

The Board is entrusted with the responsibility for the overall management, strategic business direction, and risk management of Cache as well as the corporate governance of the Manager. The Board's role includes:

- providing entrepreneurial leadership, setting strategic objectives and ensuring that the necessary resources are in place for Cache and the Manager to meet its objectives;
- establishing a framework of prudent and effective controls to assess and manage risks;
- providing oversight and reviews of Management's performance;
- identifying the key stakeholder groups and recognising that their perceptions affect Cache's reputation;
- setting the ethical values and standards of corporate governance for the Manager and Cache, with the ultimate objective of safeguarding the interests of Unitholders and achieving sustainable growth for Cache; and
- consider sustainability issues such as environmental and social factors, as part of its strategic formulation.

Each Director is well-respected within the corporate and/or international circles and brings to the Board diversified experience, objective judgement and strategic networking relationships, which serve to further the interests of Cache.

The Board has adopted internal guidelines setting out the requisite levels of authorisation. Matters requiring Board approval include business strategy, acquisitions and disposals, approval of annual budgets, financial plans, and review of financial statements. To assist the Board in discharging its oversight functions, appropriate delegations of authority to the management of the Manager ("Management") have been effected to facilitate operational efficiency.

The Board may also delegate its authority over specific transactions or below certain limits to the relevant Board committee where appropriate.

The Audit Committee was constituted to assist the Board in the discharge of its corporate governance and risk management responsibilities and operates under clear written terms of reference defining its authority and duties which have been approved by the Board.

Newly-appointed Directors undergo a comprehensive induction programme providing them with information on Cache's business, strategic directions, governance practices, policies and their statutory duties and responsibilities as a Director. Formal training is provided for first-time Directors in areas such as accounting, legal and industry-specific knowledge where appropriate. All approved Directors are issued formal appointment letters explaining the terms of their appointment as well as their duties and obligations.

Directors continue to receive regular training, particularly on developments in laws, regulations and changes in relevant financial reporting standards. During the financial year ended 31 December 2016 ("FY2016"), Directors were briefed on the forthcoming key changes to the Companies Act and Listing Manual and the implications of such changes for Cache as well as industrial real estate market updates by professional consultants. In addition to talks conducted by professionals, the Board is also encouraged to attend relevant courses and seminars such as those conducted by the Singapore Institute of Directors. The cost of arranging and funding the training of Directors is borne by the Manager.

The Board meets regularly, at least once every quarter, to discuss and review key activities including business strategies, proposed acquisitions and divestments, the annual budget, business performance and the financial performance of Cache. The Board also reviews and approves the release of the quarterly, mid-year and full year results. The Constitution of the Manager provides for Directors to convene Board meetings by alternative means of teleconferencing or video conferencing or other similar means of communication. In line with the guidelines of the CG Code, time is set aside for discussion amongst the Board members without the presence of Management if/when required. In addition to meetings, the Board has access to Management at any time and may request further information or briefings on any aspect of Cache's operations, thereby facilitating the Board's continuous strategic oversight of Cache and the Manager.

The participation of each Director, as well as the number of Board and Audit Committee meetings held during FY2016, are disclosed below:

Meetings during FY2016	Board Meetings	Audit Committee Meetings
Mr Lim How Teck	4/4	–
Mr Lim Hwee Chiang John (Alternate – Mr Moses K. Song)	4/4	–
Mr Liao Chung Lik	3/4	–
Mr Jimmy Yim Wing Kuen	3/4	–
Mr Lim Ah Doo	4/4	4/4
Ms Stefanie Yuen Thio	3/4	3/4
Mr Lim Lee Meng	4/4	4/4
Mr Lim Kong Puay	4/4	4/4

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 composition of the Board is determined based on the following principles:

- the Chairman of the Board should be a Non-Executive Director;
- at least half of the Board should comprise Independent Non-Executive Directors; and
- the Board should comprise Directors with a broad range of commercial experience including experience in fund management, finance, law and real estate.

As at 31 December 2016, the Board comprised eight members, all of whom are Non-Executive Directors, of which four are Independent Non-Executive Directors.

The Non-Executive Directors contribute to the Board process as they bring alternative perspectives and enable the Board to make informed and balanced decisions. The Non-Executive Directors work with Management to help shape the strategic process and set direction and long-term objectives for Cache. When reviewing Management's proposals, the Non-Executive Directors exercise their objective judgement on business activities and transactions involving conflicts of interest and other complexities. The Non-Executive Directors meet without presence of Management on an as-needed basis.

The Board members bring with them core competencies and expertise and experience in various fields ranging from accounting and finance, legal to business management. Management is able to benefit from the diverse and objective perspectives of the Board members on issues brought before the Board. The Board also comprises both female and male Directors.

Collectively and individually, the Directors act in good faith and exercise due diligence and care in the course of their deliberations and, at all times, consider objectively the interests of Cache and its Unitholders.

The Board regularly reviews its size and composition to ensure an appropriate mix of skills, experience, gender and knowledge for the Group's operations. The Board views the size and current composition of the Board as appropriate and adequate, having regard to the nature and scope of the business operations and efficient decision making of Cache and the Manager. In addition, prior approval of the MAS is required for a change of any Board member or of the Chief Executive Officer ("CEO").

The independence of each Director is reviewed upon appointment and thereafter the Board reviews the independence of the Directors annually with reference to the guidelines set out in the CG Code and applicable laws and regulations. Each Independent Non-Executive Director has declared that there were no relationships or instances that would otherwise deem him/her not to be independent and none of the Independent Non-Executive Directors have served more than nine years on the Board.

None of the Independent Non-Executive Directors have any relationship with the Manager, its related corporations, its 10% shareholders[1], its officers or 10% Unitholders[2] that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement in the best interests of Cache. The Board has determined that each Independent Non-Executive Director is independent. To promote good corporate governance, the Board has appointed a Lead Independent Director since April 2013. The Lead Independent Director is available to Unitholders if the Unitholders have concerns and for which contact through the Chairman, the CEO or the Director of Finance & Operations has failed to resolve or is inappropriate. The Lead Independent Director facilitates meetings with the other Independent Directors on board matters in the absence of the other Directors, when necessary, and provides his feedback to Chairman after such meetings.

The Board considers that its present size, composition and balance between Non-Executive and Independent Directors is appropriate for the scope and nature of the operations of the Manager and Cache and allows for a balanced exchange of views, deliberations and debates among members and effective oversight of Management. All Directors exercise their judgement independently and objectively in the interests of Cache. No one individual or group dominates the Board's decisions or its process. There is a strong and independent element on the Board. Coupled with relevant industry knowledge and strategic planning experience of its members, the Board is well placed to drive Cache's deliver sustainable unitholder value over time.

Key information regarding the Directors is disclosed on pages 14 to 19 and page 99 of this Annual Report.

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 positions of Chairman and CEO are held by separate individuals to ensure an appropriate balance of power and authority, with clear divisions of responsibilities and accountability.

The Chairman and the CEO are not immediate family members.

The Chairman, who is Non-Executive, is responsible for the overall leadership and management of the Board. The Chairman sets the agenda for Board meetings, encourages constructive discussions between the Board and Management and promotes high standards of corporate governance.

The CEO has full executive responsibilities over the business direction and operations of the Manager and Cache. The CEO is an appointed CMS licensed representative who is resident in Singapore.

BOARD MEMBERSHIP

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

Board renewal is a continuous and essential process to ensure that the Board remains relevant in a changing business environment and upholding high corporate governance standards.

Cache has not established a Nominating Committee ("NC"). Taking into account the activities of Cache, the Board considers that the objectives of a NC are currently being achieved by the full Board, where half of the Board comprises Independent Non-Executive Directors. The Board currently performs the full functions of the NC which include tabling nominations, reviewing the structure, size, composition and performance of the Board, reviewing the independence of Directors and reviewing the training and professional development of its members. In respect of the search and nomination process for new Directors, the Board shortlists prospective candidates through contacts, external referrals, or engaging third-party search companies to expand its reach for the best person for the role.

In recommending the appointment of new Directors, the Board takes into consideration the current and mid-term needs and goals of Cache, the current size and composition of the Board, including the diversity of skills, experience, gender and knowledge which the new Director can provide to the Board based on key attributes such as integrity, commitment, financial literacy, competencies, reputation and state of independent

Notes:

1 "10% shareholders" refers to persons who hold 10% or more of the voting shares in the Manager.

2 "10% unitholders" refers to persons who hold 10% or more of the units in issue of Cache ("Units").

mindedness, as well as the candidate's ability to carry out his/her duties as a Director (in particular, when the Director holds multiple directorships) and to contribute to the proper guidance of the Manager in its management of Cache. All candidates are carefully evaluated by the Board to ensure that the recommendations are objective and well supported, taking into account the criteria under the Guidelines on Fit and Proper Criteria issued by the MAS for such appointments. No member of the Board will be involved in decision making relating to his own appointment, re-appointment and re-assessment of independence.

The Board has taken cognisance of the guideline in the CG Code that requires listed companies to fix the maximum number of board representations on other listed companies that their directors may hold. The Board is however of the view that the Directors are continuously being assessed as to whether they are committing adequate time and attention to the Board, attending board meetings and contributing constructively to the Manager and Cache's affairs. Therefore, the Board believes that other listed companies' board representations do not hinder the Directors from carrying out their duties. For FY2016, during the annual assessment of the Board's performance and attendance, the Board has determined that each individual Director has devoted sufficient time and attention to discharge his/her duties and responsibilities as a Director.

In view of the ongoing legal proceedings at 51 Alps Ave, Singapore, the Board has constituted a sub-committee, comprising Independent Directors, to deliberate and decide on all matters relating to the lease of the property.

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 Board performance is ultimately reflected in the long-term performance of Cache.

The review of the performance of the Board and the contribution by each member to the Board's effectiveness is carried out on an annual basis. The Manager believes that collective Board performance and that of individual Board members are reflected in their proper guidance, diligent oversight and able leadership, and the support that the Board provides to Management in steering Cache in the appropriate direction, and the long-term performance of Cache.

The Board has deliberated and is satisfied that it has achieved its performance objectives for FY2016 and that all Directors have demonstrated full commitment to their roles and contributed effectively to the discharge of their duties. The deliberation includes assessing the Directors' contributions, attendance and ability to participate effectively at meetings, provide oversight in risk management practices and ensuring accountability and upholding high standards of conduct.

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.

Prior to any Board meeting, Management provides complete, timely and adequate information on Cache's affairs and issues as required in each instance.

The annual calendar of Board activities is scheduled in advance. Board papers are generally circulated at least three days before scheduled meetings so that Directors have sufficient time to review and consider matters tabled for discussion. If a Director is unable to attend a meeting, he or she would review the papers and advise the Chairman or Board Committee Chairman of his or her views on the matters to other Directors who intend to be at the respective meeting.

The CEO regularly keeps the Board, including the Independent Non-Executive Directors, informed of key developments affecting Cache as well as material transactions so that the Board is kept fully aware of Cache's business, its business and financial environment, and the risks faced by Cache.

All Directors have separate and independent access to Management, the Company Secretaries, and the Internal and External Auditors at all times. The Directors are entitled to request from Management and be provided with such additional information as needed by them to make informed decisions. The Directors, whether as a group or individually, may also obtain independent professional advice, as and when necessary, in furtherance of their duties.

The Company Secretaries works with the chairmen of both the AC and the Board to ensure that all procedures and applicable rules and regulations are complied with, and advises on governance matters. In addition, the Company Secretaries attends all Board and AC meetings and acts as a channel of communication for information flow to and within the Board and its select Board Committees and between Management and the Directors. The Company Secretaries also assists with the professional development and training for Directors as/when required.

REMUNERATION MATTERS

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.

The Manager hires experienced and well-qualified personnel to manage the day-to-day operational matters of Cache and the Manager.

Cache has not established a Remuneration Committee ("RC"). The Manager has assessed the remuneration policies and practices of ARA and deemed such remuneration policies and practices to be appropriate for Cache. Accordingly, the Manager has adopted the remuneration policies and practices of ARA, which has an established framework for the remuneration, compensation and benefits for the Directors and key executives of the Manager.

The Manager, in adopting the remuneration policies and practices of ARA, ensures that such remuneration policy and packages:

(a) promote creation of sustainable value to align with the long term interests of the Unitholders;

(b) are designed to attract and retain talented staff for present and future growth of the Group, while taking into account the prevailing market conditions within the industry; and

(c) are commensurate with the employees' responsibilities and rewards achievement of performance targets in an equitable way.

Under the remuneration policy and practice adopted, a comprehensive and structured performance assessment is carried out annually for the executives of the Manager. At the start of the year, key performance indicators for the Manager's executives are discussed and agreed upon to ensure that such indicators are specific, measurable, result-oriented and time bound. Such key performance indicators reflect organisational goals and are linked to Cache's and the individual's performance. A mid-year review is carried out to monitor the performance and relevance of these indicators and a year-end review is carried out to measure actual performance against the key performance indicators. Based on these reviews, the variable year-end bonus for the executives is determined. Based on the performance assessment, the Manager is of the view that the CEO and key executive officers have met their performance objectives. In addition to their base salary and a variable year-end bonus, both of which are paid in cash, designated executives of the REIT Manager participate in a Performance Based Bonus Scheme (the "Scheme"). Under the Scheme, designated executives of the Manager may be entitled to a pool of incentive payments based on certain performance indicators of the Manager. The incentive payments are paid in cash and allocated amongst the designated executives based on various factors and conditions, including seniority, length of service, performance and contributions.

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.

The Manager's compensation framework comprises fixed pay and variable bonus incentives. Executive remuneration is linked to individual performance based on an annual appraisal of each individual employee of the Manager.

The remuneration of Non-Executive Directors takes into account factors such as their time spent and responsibilities, including Board Committee memberships. Non-Executive Directors are paid a basic fee and for those who perform additional services through Board Committees are paid additional fees for such services. The remuneration of the Directors for FY2016 comprised entirely of Directors' fees, which are paid in cash, details of which is set out below:

Remuneration Bands	Number of Directors
S$250,000 to S$500,000	0
Below S$250,000	8
Total	8

The Manager is cognisant of the requirement to disclose: (i) the remuneration of the CEO and each individual Director on a named basis and (ii) the remuneration of at least the top five executive officers (which shall not include the CEO and executive officers who are Directors), on a named basis, in bands of S$250,000. The Board has assessed and elected to disclose the remuneration of the Directors in bands of S$250,000 and not to disclose the remuneration of the CEO and executive officers on a named basis, whether in exact quantum or in bands of S$250,000 for the following reasons:

(i) competition for talent in the REIT management industry is very keen and the Manager has, in the interests of Unitholders, opted not to disclose the remuneration of its CEO and top five executive officers so as to minimise potential staff movement which would cause undue disruptions to the management of Cache;

(ii) the composition of the current management team has been quite stable and to ensure the continuity of business and operations of Cache, it is important that the Manager continues to retain its team of competent and committed staff;

(iii) due to the confidentiality and sensitivity of staff remuneration matters, the Manager is of the view that such disclosure could be prejudicial to the interests of Unitholders. The Manager is of the view that such non-disclosure will not be prejudicial to the interests of Unitholders as the information provided regarding the Manager's remuneration policies is sufficient to enable Unitholders to understand the link between remuneration paid to the CEO and the top 5 executive officers and their performance; and

(iv) there is no misalignment between the remuneration of the executive officers and the interests of the Unitholders given that their remuneration is not linked to the gross revenue of Cache and is paid out of the assets of the Manager and not Cache.

There is no employee of the Manager who is an immediate family member of a Director or the CEO, and whose remuneration exceeds S$50,000 during FY2016.

Remuneration Band /Name of Directors	Salary (%)	Bonus (%)	Directors' Fee [1] (%)	Others (%)	Total (%)
Lim How Teck	–	–	100	–	100
Lim Hwee Chiang John	–	–	100	–	100
Liao Chung Lik	–	–	100	–	100
Jimmy Yim Wing Kuen	–	–	100	–	100
Lim Ah Doo	–	–	100	–	100
Stefanie Yuen Thio	–	–	100	–	100
Lim Lee Meng	–	–	100	–	100
Lim Kong Puay	–	–	100	–	100
Moses K. Song (Alternate Director)	–	–	–	–	–

Note:

[1] Directors' fee structure is set out as follows (also refer to summary of Directors' appointments on page 86 of this Annual Report): Board Member – S$30,000; Audit Committee Chairman – S$40,000; Audit Committee Member - S$20,000; Chairman of the Board – S$80,000; Member of other Board sub-Committees – S$0; Alternate Director – S$0.

ACCOUNTABILITY

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

The Board, with support from Management, is responsible for providing a balanced and understandable assessment of Cache's operating and financial performance, business operations, strategy and prospects. Financial statements of Cache are prepared in accordance with the recommendations of the Statement of Recommended Accounting Practice 7 "*Reporting Framework for Unit Trusts*" issued by the Institute of Singapore Chartered Accountants.

Quarterly and annual financial statements and other material information are disseminated to Unitholders through announcements on the SGX-ST, and via Cache's corporate website. The quarterly results and annual results are published within 45 days and 60 days of the reporting period respectively. Such financial reports are reviewed and approved by the Board before dissemination.

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.

Effective risk management is a fundamental part of Cache's ongoing operations. The Manager has established a sound system of risk management and internal controls comprising procedures and processes to safeguard Cache's assets and Unitholders' interests.

Key risks, process owners, risk factors, mitigating actions and risk indicators are continually identified, assessed and monitored by Management as part of Cache's enterprise-wide risk management framework (the "ERM Framework") and documented in the Risk Profile maintained by the Manager and reviewed by the Audit Committee and the Board.

The ERM Framework sets out the governing policies and procedures which comply with recommendations of the CG Code, and ensures that the risk management and internal control systems provide reasonable assurance on safeguarding of assets, maintenance of reliable and proper accounting records, compliance with relevant legislations and against material misstatement of losses.

Management operates a Risk Management Committee ("RMC") which meets regularly to review the Risk Profile of Cache and reports to the Audit Committee on overall risk management matters quarterly. The RMC identifies the strategic, operational, financial, compliance and information technology risks faced by Cache and sets out the appropriate mitigating actions and monitoring mechanism to respond to these risks and changes in the external business environment. The Risk Profile highlights the changes in risk assessment, quantitative and qualitative factors affecting the inherent risk levels and effectiveness of mitigating controls supporting the residual risks within the risk appetite approved by the Board. The key risks highlighted in the Risk Profile includes, amongst others, strategic, leasing, asset management, financial and compliance risks. The RMC comprises the CEO (as the head of the RMC), Director of Finance & Operations and Head of ARA Group Risk and Internal Audit Division ("GRM & IA").

The CEO and his management team are primarily responsible for maintaining the internal controls and risk management systems. Risks are proactively identified and addressed. The ownership of these risks lies with the respective business and corporate executive heads with stewardship residing with the Board. The Internal Auditors also perform reviews of the Risk Profiles and related internal control systems, including financial, operational, compliance and information technology controls, as part of the internal audit plan approved by the Audit Committee.

Any material non-compliance or improvements identified for the risk management processes is reported to the Audit Committee. In addition, the External Auditors perform tests of certain controls relevant to the preparation of Cache's financial statements. The External Auditors report any significant deficiencies of such internal controls to the Audit Committee. The Audit Committee and the Board review the adequacy and effectiveness of Cache's risk management and internal control systems at least once annually.

The Audit Committee and the Board believe that the risk management measures in place to manage the risks are adequate and effective and the residual risks are acceptable.

In addition, an Internal Assessment Checklist ("1207(10) Checklist") has been used by Management as a guide to assess the adequacy of internal controls addressing financial, operational and compliance risks and to confirm whether there are any significant deficiencies. The 1207(10) Checklist covers the areas of risk management, internal audit, internal controls, information technology, fraud assessment, external audit and compliance. The completed 1207(10) Checklist is reviewed by the Audit Committee, in conjunction with the reports submitted by the Internal and External Auditors, as well as the letters of undertaking from the CEO and Director of Finance & Operations of the Manager to give assurance on the state of internal controls.

Based on the internal controls established and maintained by the Manager, the 1207(10) Checklist and the reviews performed by the Internal and External Auditors, the Board, with the concurrence of the Audit Committee, is of the opinion that taking into account the nature, scale and complexity of the Manager's operations, Cache's internal controls, and risk management systems are adequate and effective in the current business environment.

The Audit Committee has also reviewed the adequacy of the resources and qualifications of the Manager's staff performing accounting, financial reporting and compliance roles.

The Board has also received written assurances from the CEO and Director of Finance & Operations of the Manager that as at 31 December 2016:

(i) the financial records have been properly maintained and that the financial statements give a true and fair view of Cache's operations and finances; and
(ii) the risk management and systems of internal controls established and maintained by the Manager are adequate and effective in addressing the material risks faced by Cache.

AUDIT COMMITTEE

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

The Board has established an AC to assist in fulfilling its fiduciary responsibilities relating to corporate governance and interested person transactions. The core function of the AC is to oversee the integrity of all financial statements and related disclosures, and to review, monitor and report to the Board on the effectiveness of the Manager's system of internal controls, including financial, operational, compliance and information technology controls and risk management processes.

The AC is governed by written terms of reference, with explicit authority to investigate any matter within its terms of reference. It has full access to and co-operation by Management and has full discretion to invite any Director or executive officer of the Manager to attend its meetings. The AC also has full access to resources to enable it to discharge its functions fully.

For FY2016, the AC comprises four Independent Non-Executive Directors:

Name	Role
Mr Lim Ah Doo	Chairman
Ms Stefanie Yuen Thio	Member
Mr Lim Lee Meng	Member
Mr Lim Kong Puay	Member

The Board currently fulfils the requirement that the AC of a REIT Manager comprises at least three Directors and the Chairman of the AC is independent. In addition, the separation of the roles of the Chairman of the Board and the Chairman of the AC ensures greater independence of the AC in the discharge of its duties.

The AC's responsibilities include:

- reviewing the system of internal controls including financial, operational, compliance controls and risk management processes;
- reviewing the financial statements and auditors' report for recommendation to the Board for approval, including announcements of financial results;
- monitoring Management's compliance with applicable legislation such as the SFA, the Listing Manual and the Property Funds Appendix;
- reviewing with the Internal and External Auditors the audit plans, audit reports and their evaluation of the systems of internal controls;
- reviewing and monitoring procedures established to regulate Interested Person Transactions or Conflict of Interests (as defined in further sections below), including ensuring compliance with the provisions of the Listing Manual relating to transactions between Cache and an "interested person", and the provisions of the Property Funds Appendix relating to transactions between Cache and an "interested party" (both such types of transactions constituting "Interested Person Transactions"), in particular that the transactions are on normal commercial terms and not prejudicial to the interests of the Unitholders, as well as the requirement that the Property Manager is in compliance with the terms of the property management agreement;

- making recommendations to the Board on the proposals to the Unitholders on the appointment/ re-appointment of the External Auditors, their terms of engagement and their fees, as well as reviewing the adequacy of the external audits in respect of cost, scope and performance;
- reviewing the scope and results of the external audit, and the independence and objectivity of the External Auditors, taking into consideration the non-audit services provided by the External Auditors. In FY2016, the aggregate amount of the audit fees paid and payable by Cache to the External Auditors was S$466,373, of which audit and non-audit fees amounted to S$304,469 and S$161,904 respectively; and
- reviewing the adequacy and effectiveness of the internal audit function, including resources, audit plans, scope and effectiveness.

The AC members bring with them professional expertise and experience in the financial, business management and corporate legal fields. The Board is of the view that the AC Chairman and AC members are appropriately qualified, with the necessary accounting and financial management expertise and experience to discharge their responsibilities. The AC is kept abreast of changes to accounting standards and issues which have a direct impact on Cache. In FY2016, AC members were briefed on the forthcoming key changes to the Companies Act and Listing Manual and the implications for Cache.

The AC meets at least four times in a year. Any decision made by the AC is passed upon majority vote whereby each member has an equal vote. In addition, the AC meets with the Internal and External Auditors at least once a year without the presence of the Management. The Internal and External Auditors may also request a meeting of the AC if either considers it necessary. Both the Internal Auditors and External Auditors have each confirmed having full access to and received the full co-operation and support of Management during the course of the financial year.

In FY2016, the AC has:

- held four meetings;
- reviewed the internal and external audit plans including the nature and scope of work;
- met with the Internal and External Auditors without the presence of Management to discuss their findings set out in their respective reports. Both the Internal and External Auditors have confirmed that they had access to and received full cooperation and assistance from Management and no restrictions were placed on the scope of their audits;
- received and approved the financial statements, and auditors' report;
- conducted a review of all non-audit services provided by the External Auditors and satisfied itself that the nature and extent of such services will not prejudice the independence and objectivity of the External Auditors as well as cost effectiveness of the audit before confirming their re-nomination; and
- reviewed the updated quarterly Risk Profile, Interested Person Transactions and related documents.

Specifically in FY2016, the AC discussed with Management and the External Auditors on significant financial reporting matters, in particular the Key Audit Matter associated with valuation of investment properties. The valuation of investment properties, in particular that of 51 Alps Ave Singapore, has considered all the relevant facts and circumstances in arriving at the basis of valuation. The AC concurs with the conclusion of the Management and the External Auditors on the Key Audit Matter.

KPMG LLP ("KPMG") was re-appointed pursuant to the approval of the Unitholders on 13 April 2016 as External Auditors of Cache. Taking into consideration (i) the resources and experience of KPMG, (ii) the terms of engagement, (iii) the number and the experience of KPMG's supervisory and professional staff assigned to the audit of Cache, (iv) the size and complexity of Cache and its subsidiaries, (v) the fees paid to KPMG for audit and non-audit services and (vi) the independence and objectivity of KPMG, the AC is of the view that KPMG is suitable to continue with its appointment as External Auditors of Cache and, with the concurrence of the Board, recommends its re-appointment at the forthcoming Annual General Meeting. The External Auditors have also confirmed their independence. The AC will continue to review the performance, independence and the suitability of KPMG as External Auditors.

The Manager confirms, on behalf of Cache, that Cache has complied with Rule 712 and Rule 715 of the Listing Manual in relation to the External Auditors.

WHISTLE-BLOWING POLICY

Since 2010, a Whistle-Blowing Policy is in place to provide an avenue through which employees and any other persons may report or communicate in confidence to the AC possible improprieties in matters of financial reporting or other matters, so that independent investigation of such concerns can be conducted and appropriate follow-up action taken.

The AC is guided by the approved Whistle-Blowing Policy to ensure proper conduct and closure of investigations, including handling of possible improprieties, prohibition of obstructive or retaliatory actions, confidentiality, disciplinary and civil or criminal actions. All such investigations are undertaken by the Internal Auditors based on instructions from the AC.

New employees will be briefed on the Whistle-Blowing Policy during the staff orientation programmes. The Whistle-Blowing Policy and Code of Conduct, amongst other policies, are also covered as part of the staff's annual declaration of compliance.

During the year, the AC approved amendments to the Whistle-Blowing Policy which further strengthen the confidentiality and protect the identity of a complainant. Details of the Whistle-Blowing Policy and lodging procedures are available on Cache's corporate website. The website provides a feedback channel for any complainant to report possible improprieties directly to the AC, and copied to the Head of ARA GRM & IA, to facilitate an independent investigation of any matter raised and the taking of appropriate follow-up action as required.

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 Trustee appoints Ernst & Young Advisory Pte Ltd (the "Internal Auditor"), (a member firm of Ernst & Young Global Limited), an independent professional, to perform Internal Audit.

The Internal Auditor is independent of Management and reports directly to the AC on audit matters and to Management on administrative matters. The Internal Auditor's activities are guided by the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

In FY2016, the Internal Auditor conducted its audit reviews based on the internal audit plan approved by the AC and had unfettered access to all of Cache's and the Manager's documents, records and personnel. The internal audit plan adopts a risk-based approach covering all business of Cache and support functions of the Manager and Property Manager. The audit assignments cover the assessment of the design and operating effectiveness of the internal controls, as well as compliance with the stated policies and procedures.

The Internal Auditor reports its findings and recommendations to Management who would respond on the actions to be taken. At least twice yearly, the Internal Auditor submits a report on the status of the audit plan and audit findings and the actions taken by Management on such findings to the AC. The AC monitors and reviews the timely and proper implementation of any corrective or improvement measure undertaken by Management in this respect.

As part of the internal audit plan, the Internal Auditor evaluates financial, operational and compliance controls, and risk management processes. Any material non-compliance and internal control weakness are reported to the AC.

The AC is satisfied that the Internal Auditor is adequately resourced and qualified and has maintained its independence.

In addition to work performed by the Internal Auditor, Cache's External Auditors also performed tests of certain controls that are relevant to the preparation of the financial statements. The External Auditors will report any significant deficiencies of such internal controls to the AC. The AC also reviews the effectiveness of measures taken by Management in response to the issues noted by the External Auditors. The internal controls are continually being refined by Management.

UNITHOLDER RIGHTS AND RESPONSIBILITIES

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. Unitholders are able to participate effectively and vote at general meetings of Cache where relevant rules and procedures governing such meetings are clearly communicated. All Unitholders are entitled to receive the annual report at least 14 days prior to the Annual General Meeting ("AGM").

COMMUNICATION WITH UNITHOLDERS

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 strives to uphold high standards of disclosure and corporate transparency. The Manager's disclosure policy requires timely and accurate disclosure of all material information relating to Cache, on a non-selective basis, by way of public releases or announcements through SGX-ST and subsequently on its corporate website. The Manager also has a dedicated Investor Relations manager to facilitate communication between Cache, its Unitholders and the investment community. The Manager makes available all its briefing materials, financial information, annual reports and all SGX-ST announcements on its website at www.cache-reit.com. The website also includes contact details for investor enquiries and feedback.

The Manager regularly meets and communicates with Unitholders and the investment community through investment conferences, non-deal roadshows, one-on-one and group meetings. In addition, the Manager also participated in the annual REITs Symposium 2016 held in June 2016 to raise public awareness about REITs and Cache. Site visits to Cache's properties were also conducted for the investment community. The Manager also conducts post-result briefings for analysts and the media.

Cache was conferred the Bronze award in "Best Investor Relations" (REITs & Business Trusts category)" at the Singapore Corporate Awards 2016.

More details on the Manager's investor relations activities are found on pages 42 and 43 of this Annual Report.

CONDUCT OF UNITHOLDER 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.**

A copy of the annual report is sent to all Unitholders prior to the AGM. The Board supports and encourages active Unitholder participation at AGMs as the AGMs serve as a good forum for Unitholders to meet the Board and Management, and to interact with them. Board members and senior Management will be present at each Unitholders' meeting to respond to any questions or feedback from Unitholders. The External Auditors are also present to address queries raised by Unitholders.

Unitholders are allowed to vote in person or by proxy. At the meetings, each distinct issue is proposed as a separate resolution and full information is provided for each item in the agenda for the AGM in the Notice. Prior to voting at the AGM or any general meeting, the voting procedures are explained to Unitholders to facilitate the exercise of their votes.

The Manager has adopted electronic poll voting at its AGMs. This allows all Unitholders present or represented at the meeting to vote on a one vote per Unit basis. The voting results of all votes cast for, or against, for each resolution are displayed at the meeting and announced to the SGX-ST after the meeting.

ADDITIONAL INFORMATION

Dealings In Units

The Manager has adopted an internal compliance code of conduct to provide guidance to Directors and Management in respect of dealings in Units.

In general, the policy ("the ARA Dealing in Securities Policy") encourages Directors and employees of the Manager to hold Units and not to deal in such Units for short-term consideration and also prohibits them from dealing in such Units:

- during the period commencing (i) two weeks before the public announcement of Cache's quarterly results; (ii) one month before the public announcement of Cache's annual results and (where applicable) any property valuations, and ending on the date of the announcement of the relevant result or property valuations; and
- at any time whilst in possession of price-sensitive information.

In accordance with the statutory regulations, the Directors and employees of the Manager are also prohibited from communicating price-sensitive information to any person. The Directors and employees of the Manager are advised to observe the following at all times:

- to act in the best interests of Cache's Unitholders;
- to avoid, and be seen to avoid, actual or potential conflict between personal interest and duty to Unitholders; and
- comply with the prohibition on trading in Units as outlined in the Trading of Units Policy.

The Manager will also not itself deal in Units during the period commencing one month before the public announcement of Cache's annual and quarterly results and (where applicable) any property valuations, and ending on the date of announcement of such information. The Manager has complied with Rule 1207(19) of the Listing Manual.

DEALING WITH CONFLICTS OF INTEREST

The Manager has also instituted the following procedures to deal with potential conflicts of interest issues:

- the Manager will not manage any other real estate investment trust which invests in the same type of properties as Cache;

- all Management personnel will work exclusively for the Manager and will not hold other executive positions in other firms;
- all resolutions in writing of the Directors in relation to matters concerning Cache must be approved by a majority of the Directors, including at least one Independent Non-Executive Director;
- at least half of the Board comprises Independent Non-Executive Directors;
- in respect of matters in which the Sponsor and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by the Sponsor and/or its subsidiaries to the Board to represent their interests will abstain from voting. In such matters, the quorum must comprise a majority of the Independent Non-Executive Directors and must exclude nominee Directors of the Sponsor and/or its subsidiaries;
- in respect of matters in which ARA and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by ARA and/or its subsidiaries to the Board to represent their interests will abstain from voting. In such matters, the quorum must comprise a majority of the Independent Non-Executive Directors and must exclude nominee Directors of ARA and/or its subsidiaries; and
- it is also provided in the Trust Deed that 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 with an interested person of the Manager, the Manager shall be 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 has a prima facie case against the party allegedly in breach under such agreement, the Manager shall be obliged to take appropriate action in relation to such agreement. The Directors of the Manager will have a duty to ensure that the Manager so complies. Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee with an interested person of the Manager and the Trustee may take such action as it deems necessary to protect the rights of Unitholders and/or which is in the interests of Unitholders. Any decision by the Manager not to take action against an interested person of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such interested person.

The Directors of the Manager owe a fiduciary duty to Cache to act in the best interests of Cache, in relation to decisions affecting Cache when they are voting as a member of the Board. In addition, the Directors and executive officers of the Manager are expected to act with integrity at all times. The Manager has established a conflicts of interest policy for its employees and major service providers to ensure that any conflicts of interest or potential conflicts of interest are disclosed and approvals are sought where required.

INTERESTED PERSON TRANSACTIONS

The Manager has established an internal control system to ensure that all Interested Person Transactions ("IPT") will be undertaken on normal commercial terms and will not be prejudicial to the interests of Cache and its Unitholders. As a general rule, the Manager would have to demonstrate to the Audit Committee that such transactions satisfy the foregoing criteria. This may entail obtaining (where practicable) quotations from parties unrelated to the Manager, or obtaining two or more valuations from independent professional valuers (in accordance with the Property Funds Appendix).

The Manager maintains a register to record all IPT which are entered into by Cache and the basis thereof, including any quotations from unrelated parties and independent valuations on which they are entered into. The Manager incorporates into its internal audit plan a review of all IPT entered into by Cache.

The following procedures will be undertaken:

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding S$100,000 in value but below 3.0% of the value of Cache's net tangible assets will be subject to review by the AC at regular intervals;
- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of Cache's net tangible assets will be subject to the review and prior approval of the AC. Such approval shall only be given if the transactions are on normal commercial terms and not prejudicial to the interests of Cache and its Unitholders, and are consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the Manager; and
- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 5.0% of the value of Cache's net tangible assets will be reviewed and approved prior

to such transactions being entered into, on the basis described in the preceding paragraph, by the AC which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers. Furthermore, under the Listing Manual and the Property Funds Appendix, such transactions would have to be approved at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

Where matters concerning Cache relate to transactions entered into or to be entered into by the Trustee with an interested person of the Manager and its associates or Cache, the Trustee is required to consider the terms of such transactions to satisfy itself that such transactions:

- are on normal commercial terms;
- are not prejudicial to the interests of Cache and its Unitholders; and
- are in accordance with all applicable requirements of the Property Funds Appendix and/or the Listing Manual relating to the transaction in question.

The Trustee has the discretion under the Trust Deed to decide whether or not to enter into a transaction involving an interested person of the Manager or Cache. If the Trustee is to sign any contract with an interested person of the Manager or Cache, the Trustee will review the contract to ensure that it complies with the requirements relating to interested party transactions in the Property Funds Appendix (as may be amended from time to time) and the provisions of the Listing Manual relating to interested person transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to real estate investment trusts.

Cache will announce any IPT in accordance with the Listing Manual if such transaction, by itself or when aggregated with other interested person transactions entered into with the same interested person during the same financial year, is 3.0% or more of Cache's latest audited net tangible assets. The aggregate value of all IPT which are subject to Rules 905 and 906 of the Listing Manual in a particular financial year will be disclosed in Cache's annual report for that financial year.

ROLE OF THE AUDIT COMMITTEE FOR INTERESTED PERSON TRANSACTIONS

All IPT will be subject to regular periodic reviews by the AC. The Manager's internal control procedures are intended to ensure that IPT are conducted on an arm's length basis and under normal commercial terms and are not prejudicial to Cache and its Unitholders.

The AC shall review the internal audit reports at least twice a year to ascertain that the guidelines and procedures established to monitor IPT have been complied with. The Trustee will also have the right to review such audit reports to ascertain that the Property Funds Appendix has been complied with.

The AC will periodically review all IPT to ensure compliance with the Manager's internal control system, with the relevant provisions of the Listing Manual, and with the Property Funds Appendix. The review will include examining the nature of the transaction and its supporting documents or such other data deemed necessary by the AC.

If a member of the AC has an interest in a transaction, he/she is to declare the interest and abstain from participating in the review and approval process in relation to that transaction.

MATERIAL CONTRACTS

There are no material contracts entered into by Cache or any of its subsidiaries that involves the interests of the CEO, any Director, or any controlling Unitholder, except as disclosed in this Annual Report.

DATES OF INITIAL APPOINTMENT OF DIRECTORS IN ARA-CWT TRUST MANAGEMENT (CACHE) LIMITED AND DIRECTORSHIPS IN LISTED COMPANIES

Name of Director	Appointment	Date Of Initial Appointment / Last Re-Election	Directorships In Listed Companies (As At 31 December 2016)[1]
Lim How Teck	Chairman and Non-Executive Director	18 March 2010 / 22 April 2015	ARA Asset Management Limited Swissco Holdings Limited NauticAWT Limited Rickmers Trust Management Pte. Ltd. (trustee-manager of Rickmers Maritime)
Lim Hwee Chiang John	Non-Executive Director	15 October 2009 / 22 April 2015	ARA Asset Management Limited Teckwah Industrial Corporation Ltd
Liao Chung Lik	Non-Executive Director	18 March 2010 / 22 April 2016	CWT Limited
Jimmy Yim Wing Kuen	Non-Executive Director	18 March 2010 / 22 April 2016	CWT Limited Low Keng Huat (Singapore) Limited Singapore Medical Group Limited
Lim Ah Doo	Lead Independent Non-Executive Director and Chairman of the Audit Committee	18 March 2010 / 16 April 2014	GDS Holdings Limited GP Industries Limited Olam International Limited Sembcorp Marine Ltd Singapore Technologies Engineering Ltd SM Investments Corporation
Stefanie Yuen Thio	Independent Non-Executive Director	18 March 2010 / 16 April 2014	Nil
Lim Kong Puay	Independent Non-Executive Director	1 January 2016 / 22 April 2016	Nil
Lim Lee Meng	Independent Non-Executive Director	1 January 2016 / 22 April 2016	Teckwah Industrial Corporation Ltd Tye Soon Limited
Moses K. Song	Alternate Director to Lim Hwee Chiang John	18 March 2010	Nil

Note:

1 Past Directorships in listed companies held over the preceding three years:
Mr Lim How Teck – Mewah International Inc.
Mr Lim Ah Doo – Linc Energy Limited and Bracell Limited

FINANCIAL CONTENTS

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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 Cache Logistics Trust (the "Trust") in trust for the holders ("Unitholders") of units in the Trust (the "Units"). 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 ARA-CWT Trust Management (Cache) Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 11 February 2010 (as amended by a first supplemental deed dated 18 March 2010, a second supplemental deed dated 29 September 2014 and a first amending and restating deed dated 13 April 2016) (the "Trust Deed") between the Manager and the Trustee 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 107 to 163 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

Esther Fong
Senior Vice President, Trustee Services

1 March 2017

STATEMENT BY THE MANAGER

In the opinion of the directors of ARA-CWT Trust Management (Cache) Limited (the "Manager"), the accompanying financial statements set out on pages 107 to 163 comprising the Statements of Financial Position, Statements of Total Return, Distribution Statements, Statements of Movements in Unitholders' Funds and Portfolio Statements of the Group and of the Trust, Statement of Cash Flows of the Group and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position and the portfolio holdings of Cache Logistics Trust (the "Trust") and its subsidiaries (the "Group") as at 31 December 2016, the total return, distributable income, movements in Unitholders' funds of the Group and the Trust and cash flows of the Group 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 Trust will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager,
ARA-CWT Trust Management (Cache) Limited

Lim Hwee Chiang John
Director

1 March 2017

Unitholders of Cache Logistics Trust
Constituted in the Republic of Singapore pursuant to the trust deed dated 11 February 2010 (as amended by a first supplemental deed dated 18 March 2010, a second supplemental deed dated 29 September 2014 and a first amending and restating deed dated 13 April 2016).

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Cache Logistics Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position and consolidated portfolio statement of the Group and the statement of financial position and portfolio statement of the Trust as at 31 December 2016, the consolidated statement of total return, consolidated distribution statement, consolidated statement of movements in unitholders' funds and consolidated statement of cash flows of the Group and the statement of total return, distribution statement and statement of movements in unitholders' funds of 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 107 to 163.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of total return, distribution statement, portfolio statement and statement of movement in unitholders' funds of the Trust present fairly, in all material respects, the consolidated financial position and the portfolio holdings of the Group and the financial position and the portfolio holdings of the Trust as at 31 December 2016 and the consolidated total return, consolidated distributable income, consolidated movements in unitholders' funds and consolidated cash flows of the Group and the total return, distributable income and movements in unitholders' funds of the Trust for the year then 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 *Auditor's 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 (Refer to Note 4 to the financial statements)

Risk:

As at 31 December 2016, the Group has nineteen properties (collectively "investment properties"). These investment properties, including the asset held for sale, are stated at their fair values, which amounted to $1.24 billion (2015: $1.31 billion).

These investment properties are stated at their fair values based on valuations performed by independent external valuers.

The valuation of investment properties require significant judgement in the determination of valuation methodologies and in deciding on the assumptions to be used. These valuations are highly sensitive to the key assumptions made, which may be subject to estimation uncertainties, including the assumptions on rental rates for a property ("51 Alps") which is the subject of a rental renewal dispute.

How the matter was addressed in our audit:

We assessed the Group's processes for appointing of independent external valuers, the determination of their scope of work and the review and acceptance of the valuations reported by the external valuers.

We evaluated the independence, objectivity and competency of the valuers and read their terms of engagement to ascertain whether there are matters that might have affected the scope of their work and their objectivity.

We reviewed the appropriateness of the valuation methodologies adopted and the reasonableness of assumptions and estimates made. We challenged the appropriateness of these assumptions used, and also benchmarked them against other market comparables, where relevant. In respect of any assumptions falling outside the expected range, we have carried out further procedures and, where necessary, held further discussions with the valuers to understand the effects of additional factors that were taken into account in the valuations. In respect of 51 Alps, we have sought representations from management and obtained confirmation of the representations from the external lawyers engaged by the Group to defend their claims in the rental renewal dispute.

We also reviewed the adequacy of the disclosures in the financial statements concerning the inherent degree of subjectivity and key assumptions in the estimates applied in the valuations.

Our findings

The Group has a process for the appointment and identification of work scope of valuers and in reviewing, challenging and accepting the independent valuations. The valuers are members of recognised professional bodies for valuers and have considered their own independence in carrying out their work.

In determining the fair values of the Group's investment properties, the valuers have adopted the Capitalisation Approach and the Discounted Cash Flow Analysis method. The reported fair value for each investment property is derived based on the average of the two approaches. These valuation methodologies used are in line with generally accepted market practices. The key assumptions and estimates, including the risk of estimation uncertainty, are appropriately disclosed in Note 4 to the financial statements. In respect of 51 Alps, the Manager had considered all relevant facts and circumstances, including seeking legal advice, in arriving at the basis of valuation used for financial reporting. The rental renewal dispute and the related financial effects disclosed in Note 4 to the financial statements are appropriate.

Other Information

ARA-CWT Trust Management (Cache) Limited, the Manager of the Trust (the "Manager"), is responsible for the other information. The other information comprises the Corporate Profile, Trust Structure, FY2016 Key Highlights, Financial Year 2016 in Brief, Performance at a Glance, Letter to Unitholders, Board of Directors, Management Team, Operations & Financial Review, Risk Management, Unit Price Performance, Investor Relations, Corporate Social Responsibility, Singapore Industrial Property Market Review, Australia Industrial Property Market Review, Warehouse Profiles, Corporate Governance, Report of the Trustee, Statement by the Manager, Additional Information, Statistics of Unitholdings and Corporate Directory (the"Reports").

Our opinion on the financial statements does not cover the other information and we do not and will 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 management and directors 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.

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 Lee Jee Cheng Philip.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
1 March 2017

As at 31 December 2016

	Note	Group 2016 $'000	Group 2015 $'000	Trust 2016 $'000	Trust 2015 $'000
Non-current assets					
Investment properties	4	1,210,902	1,307,959	1,018,500	1,119,900
Investment property under development	5	–	–	–	–
Plant and equipment	6	3,116	3,049	2,810	2,807
Investments in subsidiaries	7	–	–	73,310	78,110
Derivative assets	12	43	1,836	43	1,836
		1,214,061	1,312,844	1,094,663	1,202,653
Current assets					
Trade and other receivables	8	5,411	4,975	43,325	43,106
Asset held for sale	4	25,273	–	25,273	–
Derivative assets	12	–	417	–	417
Cash and cash equivalents	9	13,561	8,054	10,562	5,529
		44,245	13,446	79,160	49,052
Total assets		1,258,306	1,326,290	1,173,823	1,251,705
Current liabilities					
Trade and other payables	10	13,855	14,269	11,977	12,897
Interest-bearing borrowings	11	4,628	8,305	4,628	8,305
Derivative liabilities	12	20	–	20	–
		18,503	22,574	16,625	21,202
Non-current liabilities					
Trade and other payables	10	2,102	1,627	2,102	1,627
Interest-bearing borrowings	11	534,237	515,143	453,397	435,268
Derivative liabilities	12	1,962	120	1,756	–
Deferred tax liabilities		364	316	–	–
		538,665	517,206	457,255	436,895
Total liabilities		557,168	539,780	473,880	458,097
Net assets		701,138	786,510	699,943	793,608
Represented by:					
Unitholders' funds		701,138	786,510	699,943	793,608
Units in issue ('000)	13	900,450	893,472	900,450	893,472
Net asset value per Unit ($)		0.779	0.880	0.777	0.888

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF TOTAL RETURN

	Note	Group 2016 $'000	Group 2015 $'000	Trust 2016 $'000	Trust 2015 $'000
Gross revenue	15	111,271	89,721	94,735	82,671
Property expenses	16	(23,257)	(13,565)	(21,065)	(13,124)
Net property income		88,014	76,156	73,670	69,547
Other income		–	411	–	410
Dividend income		–	–	7,303	3,351
Finance income		30	60	1,702	662
Finance expenses		(19,529)	(14,131)	(16,359)	(12,708)
Net financing costs	17	(19,499)	(14,071)	(14,657)	(12,046)
Manager's fees	18	(7,834)	(7,530)	(7,834)	(7,530)
Trustee fees		(510)	(472)	(394)	(379)
Valuation fee		(100)	(90)	(63)	(58)
Other trust expenses	19	(2,515)	(1,409)	(1,905)	(1,052)
		(10,959)	(9,501)	(10,196)	(9,019)
Net income		57,556	52,995	56,120	52,243
Net change in fair value of investment properties	4	(80,744)	(64,714)	(83,180)	(52,509)
Impairment loss on investment in subsidiaries	7	–	–	(4,800)	–
Total return for the year before tax and distribution		(23,188)	(11,719)	(31,860)	(266)
Tax expense	20	(782)	(604)	(565)	(500)
Total return for the year after tax, before distribution		(23,970)	(12,323)	(32,425)	(766)
Earnings per Unit (cents)	21				
Basic		(2.676)	(1.544)	(3.620)	(0.096)
Diluted		(2.676)	(1.544)	(3.620)	(0.096)

The accompanying notes form an integral part of these financial statements.

	Group 2016 $'000	Group 2015 $'000	Trust 2016 $'000	Trust 2015 $'000
Amount available for distribution to Unitholders at the beginning of the year	10,502	16,782	10,502	16,782
Total return after tax, before distribution	(23,970)	(12,323)	(32,425)	(766)
Non-tax deductible items (Note A below)	90,885	75,206	99,340	63,649
A portion of sales proceeds from the disposal of investment property	2,403	5,077	2,403	5,077
Income available for distribution	79,820	84,742	79,820	84,742
Distributions made during the year:				
Distribution of 2.146 cents per unit for the period 1 October 2014 to 31 December 2014	–	(16,776)	–	(16,776)
Distribution of 2.146 cents per unit for the period 1 January 2015 to 31 March 2015	–	(16,802)	–	(16,802)
Distribution of 2.140 cents per unit for the period 1 April 2015 to 30 June 2015	–	(16,781)	–	(16,781)
Distribution of 2.140 cents per unit for the period 1 July 2015 to 30 September 2015	–	(16,811)	–	(16,811)
Distribution of 0.90 cent per unit for the period 1 October 2015 to 12 November 2015	–	(7,070)	–	(7,070)
Distribution of 1.174 cents per unit for the period 13 November 2015 to 31 December 2015	(10,489)	–	(10,489)	–
Distribution of 2.039 cents per unit for the period 1 January 2016 to 31 March 2016	(18,248)	–	(18,248)	–
Distribution of 1.989 cents per unit for the period 1 April 2016 to 30 June 2016	(17,830)	–	(17,830)	–
Distribution of 1.847 cents per unit for the period 1 July 2016 to 30 September 2016	(16,582)	–	(16,582)	–
Total distributions	(63,149)	(74,240)	(63,149)	(74,240)
Amount available for distribution to Unitholders at the end of the year	16,671	10,502	16,671	10,502
Note A – Non-tax deductible items				
Distribution adjustment items:				
Commitment fee	284	197	284	197
Amortisation/write-off of transaction costs	2,040	1,227	1,919	1,151
Manager's fees paid/payable in units	5,875	5,648	5,875	5,648
Net change in fair value of investment properties	80,744	64,714	83,180	52,509
Impairment loss on investment in subsidiaries	–	–	4,800	–
Trustee fees	510	472	394	379
Depreciation	946	647	852	611
Deferred taxation	63	(106)	–	–
Unrealised foreign exchange loss/(gain)	148	(67)	97	(40)
Gain on disposal of investment property	–	(408)	–	(408)
Overseas income not distributed to the Trust	–	–	1,679	299
Other items	275	2,882	260	3,303
Net effect of non-tax deductible items	90,885	75,206	99,340	63,649
Distribution per Unit (cents) (Note 21)	7.725	8.500	7.725	8.500

The accompanying notes form an integral part of these financial statements.

	Note	Group 2016 $'000	Group 2015 $'000	Trust 2016 $'000	Trust 2015 $'000
Unitholders' fund at the beginning of the year		786,510	766,901	793,608	762,500
Total return after tax, before distribution		(23,970)	(12,323)	(32,425)	(766)
Effective portion of changes in fair value of cash flow hedge		(4,053)	1,805	(3,966)	1,923
Foreign currency translation reserve					
Translation differences from financial statements of foreign entities		(75)	176	–	–
Net (loss)/gain recognised directly in Unitholders' funds		(4,128)	1,981	(3,966)	1,923
Unitholders' transactions					
Units issued:					
- Private placement		–	100,000	–	100,000
- Manager's base fees paid in Units		3,696	3,537	3,696	3,537
- Manager's performance fees paid in Units		–	641	–	641
Units to be issued:					
- Manager's base fees payable in Units		1,189	1,254	1,189	1,254
- Manager's performance fees payable in Units		990	216	990	216
Issue expenses	22	–	(1,457)	–	(1,457)
Distribution to Unitholders		(63,149)	(74,240)	(63,149)	(74,240)
Net (decrease)/increase in net assets resulting from Unitholders' transactions		(57,274)	29,951	(57,274)	29,951
Unitholders' funds at end of the year		701,138	786,510	699,943	793,608

The accompanying notes form an integral part of these financial statements.

GROUP

Description of property	Type	Lease term for underlying land	Location	Occupancy rate as at 31 December 2016	Carrying values as at 31 December 2016	Carrying values as at 31 December 2015	% of net assets as at 31 December 2016	% of net assets as at 31 December 2015
				%	$'000	$'000	%	%
CWT Commodity Hub	Logistics	29 years wef 19 August 2006	24 Penjuru Road, Singapore	100	328,000	336,100	46.8	42.7
Cache Cold Centre	Logistics	30 years wef 20 December 2005[(1)]	2 Fishery Port Road, Singapore	87	130,000	139,600	18.5	17.7
Schenker Megahub	Logistics	30 years wef 1 June 2005[(1)]	51 Alps Avenue, Singapore	100	80,900	116,800	11.5	14.9
Hi-Speed Logistics Centre	Logistics	30 years wef 16 August 2005[(1)]	40 Alps Avenue, Singapore	96	71,000	82,000	10.1	10.4
Cache Changi Districentre 1	Logistics	30 years wef 16 August 2005[(1)]	5 Changi South Lane, Singapore	89	95,200	93,400	13.6	11.9
Cache Changi Districentre 2	Logistics	30 years wef 16 February 1996[(1)]	3 Changi South Street 3, Singapore	100	18,100	18,200	2.6	2.3
Cache Changi Districentre 3[(3)]	Logistics	30 years wef 1 January 2004	6 Changi North Way, Singapore	100	25,273	26,100	3.6	3.3
Air Market Logistics Centre	Logistics	30 years wef 1 February 2007[(2)]	22 Loyang Lane, Singapore	100	12,000	13,100	1.7	1.7
Pan Asia Logistics Centre	Logistics	30 years wef 1 June 2010	21 Changi North Way, Singapore	100	36,300	37,000	5.2	4.7
Balance carried forward					796,773	862,300	113.6	109.6

The accompanying notes form an integral part of these financial statements.

GROUP (CONT'D)

Description of property	Type	Lease term for underlying land	Location	Occupancy rate as at 31 December 2016 %	Carrying values as at 31 December 2016 $'000	Carrying values as at 31 December 2015 $'000	% of net assets as at 31 December 2016 %	% of net assets as at 31 December 2015 %
Balance brought forward					796,773	862,300	113.6	109.6
Pandan Logistics Hub	Logistics	30 years wef 1 October 2009	49 Pandan Road, Singapore	87	50,000	60,600	7.1	7.7
Precise Two	Logistics	30 years wef 1 October 2003	15 Gul Way, Singapore	100	46,700	49,800	6.7	6.3
DHL Supply Chain Advanced Regional Centre [3]	Logistics	30 years wef 16 June 2014	1 Greenwich Drive,Tampines LogisPark, Singapore	96	150,300	147,200	21.4	18.7
Jinshan Chemical Warehouse	Logistics	50 years wef 18 September 2006	288 Gongchuang Road, Shanghai, China	84	16,367	16,882	2.3	2.1
Chester Hill (NSW)	Logistics	Freehold	127, Orchard Road, Chester Hill, New South Wales, Australia	100	41,764	38,487	6.0	4.9
Somerton (VIC)	Logistics	Freehold	16 – 28 Transport Drive, Somerton, Victoria, Australia	100	25,058	25,830	3.6	3.3
Coopers Plains (QLD)	Logistics	Freehold	51 Musgrave Road, Coopers Plains, Queensland, Australia	27	8,718	9,919	1.2	1.3
Wacol (QLD)	Logistics	Freehold	203 Viking Drive, Wacol, Queensland, Australia	100	29,235	27,896	4.2	3.5
Wacol 2 (QLD)	Logistics	Freehold	223 Viking Drive, Wacol, Queensland, Australia	100	11,224	9,893	1.6	1.3
Kidman Park (SA)	Logistics	Freehold	404-450 Findon Road, Kidmark Park, South Australia, Australia	100	60,036	59,152	8.6	7.6
Investment properties and asset held for sale, at valuation					1,236,175	1,307,959	176.3	166.3
Other assets and liabilities (net)					(535,037)	(521,449)	(76.3)	(66.3)
Net assets					701,138	786,510	100.0	100.0

The accompanying notes form an integral part of these financial statements.

TRUST

Description of property	Type	Lease term for underlying land	Location	Occupancy rate as at 31 December 2016	Carrying values as at 31 December 2016	Carrying values as at 31 December 2015	% of net assets as at 31 December 2016	% of net assets as at 31 December 2015
				%	$'000	$'000	%	%
CWT Commodity Hub	Logistics	29 years wef 19 August 2006	24 Penjuru Road, Singapore	100	328,000	336,100	46.9	42.4
Cache Cold Centre	Logistics	30 years wef 20 December 2005[(1)]	2 Fishery Port Road, Singapore	87	130,000	139,600	18.6	17.6
Schenker Megahub	Logistics	30 years wef 1 June 2005[(1)]	51 Alps Avenue, Singapore	100	80,900	116,800	11.6	14.7
Hi-Speed Logistics Centre	Logistics	30 years wef 16 August 2005[(1)]	40 Alps Avenue, Singapore	96	71,000	82,000	10.0	10.3
Cache Changi Districentre 1	Logistics	30 years wef 16 August 2005[(1)]	5 Changi South Lane, Singapore	89	95,200	93,400	13.6	11.8
Cache Changi Districentre 2	Logistics	30 years wef 16 February 1996[(1)]	3 Changi South Street 3, Singapore	100	18,100	18,200	2.6	2.3
Cache Changi Districentre 3[(3)]	Logistics	30 years wef 1 January 2004	6 Changi North Way, Singapore	100	25,273	26,100	3.6	3.3
Air Market Logistics Centre	Logistics	30 years wef 1 February 2007[(2)]	22 Loyang Lane, Singapore	100	12,000	13,100	1.7	1.7
Balance carried forward					760,473	825,300	108.6	104.1

The accompanying notes form an integral part of these financial statements.

TRUST (CONT'D)

Description of property	Type	Lease term for underlying land	Location	Occupancy rate as at 31 December 2016 %	Carrying values as at 31 December 2016 $'000	Carrying values as at 31 December 2015 $'000	% of net assets as at 31 December 2016 %	% of net assets as at 31 December 2015 %
Balance brought forward					760,473	825,300	108.6	104.1
Pan Asia Logistics Centre	Logistics	30 years wef 1 June 2010	21 Changi North Way, Singapore,	100	36,300	37,000	5.2	4.7
Pandan Logistics Hub	Logistics	30 years wef 1 October 2009	49 Pandan Road, Singapore	87	50,000	60,600	7.1	7.6
Precise Two	Logistics	30 years wef 1 October 2003	15 Gul Way, Singapore	100	46,700	49,800	6.7	6.3
DHL Supply Chain Advanced Regional Centre [(3)]	Logistics	30 years wef 16 June 2014	1 Greenwich Drive, Tampines LogisPark, Singapore	96	150,300	147,200	21.5	18.5
Investment properties and asset held for sale, at valuation					1,043,773	1,119,900	149.1	141.2
Other assets and liabilities (net)					(343,830)	(326,292)	(49.1)	(41.2)
Net assets					699,943	793,608	100.0	100.0

Notes:

(1) The Trust has an option to renew the land lease for a further term of 30 years upon expiry.

(2) The Trust has an option to renew the land lease for a further term of 16 years upon expiry.

(3) The property has been reclassified as Asset held for sale as at 31 December 2016.

The accompanying notes form an integral part of these financial statements.

Note:

Investment properties mainly comprise logistics warehouse properties under master lease arrangements and multi-tenanted lease arrangements.

The carrying amounts of the investment properties as at 31 December 2016 were based on the independent valuations undertaken by CBRE Pte. Ltd., Knight Frank Pte Ltd, CBRE Limited, CIVAS (NSW) Pty Limited, Valuations Services (SA) Pty Ltd, CBRE Valuations Pty Limited and Jones Lang LaSalle Advisory Services Pty Limited (2015: DTZ Debenham Tie Leung (SEA) Pte Ltd, DTZ Debenham Tie Leung Limited, m3property Pty Limited and JLL Adelaide, South Australia) (the "Independent Valuers").

Valuations are determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers at least once a year, in accordance with the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore. The Independent Valuers have the appropriate professional qualification and recent experience in the location and category of the properties being valued. The valuations were based on capitalisation approach and discounted cash flow analysis for both years ended 31 December 2016 and 31 December 2015.

The accompanying notes form an integral part of these financial statements.

	Note	2016 $'000	2015 $'000
Cash flows from operating activities			
Total return before taxation and distribution		(23,188)	(11,719)
Adjustments for:			
Net change in fair value of investment properties		80,744	64,714
Manager's fees paid/payable in units	A	5,875	5,648
Depreciation of plant and equipment		946	648
Net financing costs		19,499	14,071
Fixed assets written off		–	25
Gain on disposal of investment properties		–	(408)
		83,876	72,979
Changes in:			
Trade and other receivables		(3,207)	(1,520)
Trade and other payables		1,531	4,225
Cash generated from operating activities		82,200	75,684
Tax paid		(904)	(576)
Net cash from operating activities		81,296	75,108
Cash flows from investing activities			
Interest received		30	60
Capital expenditure on investment properties and investment property under development		(6,034)	(88,040)
Purchase of investment properties		–	(182,538)
Purchase of plant and equipment		(1,173)	(1,879)
Proceeds from disposal of investment property		–	9,408
Net cash used in investing activities		(7,177)	(262,989)
Cash flows from financing activities			
Distributions to Unitholders		(63,149)	(74,240)
Interest paid		(17,706)	(12,101)
Issue expenses paid		–	(1,457)
Repayment of borrowings		(119,030)	–
Net proceeds from borrowings		132,000	173,132
Financing costs paid		(765)	(661)
Proceeds from issue of new units		–	100,000
Net cash (used in)/from financing activities		(68,650)	184,673
Net increase/(decrease) in cash and cash equivalents		5,469	(3,208)
Cash and cash equivalents at beginning of the year		8,054	11,275
Effect of exchange rate differences on cash and cash equivalents		38	(13)
Cash and cash equivalents at end of the year		13,561	8,054

A Significant non-cash transactions

The total Manager's fees paid/payable in Units for the year ended 31 December 2016 amounts to $5,875,000 (2015: $5,648,000). This comprises 6,978,000 (2015: 5,444,000) Units, of which 4,287,000 (2015: 3,818,000) Units were issued and another 2,691,000 (2015: 1,626,000) Units will be issued to the Manager by the Trust.

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 1 March 2017.

1 DOMICILE AND ACTIVITIES

Cache Logistics Trust (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 11 February 2010 (as amended by a first supplemental deed dated 18 March 2010, a second supplemental deed dated 29 September 2014 and a first amending and restating deed dated 13 April 2016) (the "Trust Deed") entered into between ARA-CWT Trust Management (Cache) Limited, as manager of the Trust (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited, as Trustee of the Trust (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 held by it or through its subsidiaries (collectively the "Group") 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 (the "SGX-ST") on 12 April 2010 and was included in the Central Provident Fund ("CPF") Investment Scheme on 12 April 2010.

The principal activities of the Group and the Trust are those relating to investment in income producing real estate and real estate related assets, which are used or predominantly used for logistics purposes in Asia Pacific, with the primary objective of providing Unitholders with regular and stable distributions and long-term capital growth.

The Group has entered into several service agreements in relation to the management of the Trust and its property operations. The fee structures of these services are as follows:

1.1 Property Manager's fees

The Property Manager is entitled under the property management agreements to the following management fees:

For Singapore Properties:

- a property management fee of 2.0% per annum of gross revenue of each property; and
- a lease management fee of 1.0% per annum of gross revenue of each property.

For Australian Properties:

- a property and lease management fee of 2.0% per annum of net rental income of each property.

The property management fee and the lease management fee are payable to the Property Manager in the form of cash.

1.2 Manager's fees

Pursuant to the Trust Deed, the Manager is entitled to the following manager's fees:

- a base fee of 0.5% per annum of the value of the consolidated assets; and
- a performance fee of 1.5% per annum of the net property income.

1 DOMICILE AND ACTIVITIES (CONT'D)

1.2 Manager's fees (cont'd)

The Manager may elect to receive the base fee and performance fee in cash or Units or a combination of cash and Units (as it may in its sole discretion determines). The Manager has in year ended 31 December 2016 elected to receive 75% (2015: 75%) of the manager's fees in the form of Units, and 25% (2015: 25%) in cash.

1.3 Trustee's fees

Under the Trust Deed, the Trustee's fee is presently charged at 0.03% per annum of the value of the deposited property, subject to a minimum of $15,000 per month, excluding out-of-pocket expenses and GST. The maximum fee is 0.25% per annum of the value of the deposited property.

The actual fee payable to the Trustee will be determined between the Manager and the Trustee from time to time.

The Trustee and Manager have also engaged a third party to provide wholesale trustee and custodian services for the Australian subsidiaries. Under the service agreements, the fees payable for each subsidiary ranges from A$12,500 to A$35,000 per annum.

1.4 Acquisition fees

Pursuant to the Trust Deed, the Manager is entitled to receive an acquisition fee of 1% of the acquisition price of any real estate purchased plus any other payments in addition to the acquisition price. The Manager may elect to receive the fee in cash or Units or a combination of cash and Units (as it may in its sole discretion determines). In the event that the acquisition is from an interested party, the fee shall be paid in Units. Such Units shall not be sold within one year from the date of their issuance.

1.5 Divestment fees

Pursuant to the Trust Deed, the Manager is entitled to receive a divestment fee of 0.5% of the sale price of the real estate sold or divested, plus any other payments in addition to the sale price. The Manager may elect to receive the fee in cash or Units or a combination of cash and Units (as it may in its sole discretion determines). In the event that the divestment is to an interested party, the fee shall be paid in Units. Such Units shall not be sold within one year from the date of their issuance.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for investment properties, asset held for sale, and financial derivatives which are stated at fair value, as set out in the accounting policies described below.

2 BASIS OF PREPARATION (CONT'D)

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars which is the Trust'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 the Manager 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 significant areas of estimation uncertainty that have the most significant effect on the amounts recognised in the financial statements is included in notes 4 – (Investment properties and asset held for sale) and 5 – (Investment property under development).

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.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Executive Officer of the Manager.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRS, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reported to the Audit Committee of the Manager.

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).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability are categorised in 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.

Further information about the assumptions made in measuring fair values is included in notes 4, 12 and 14.

3 SIGNIFICANT ACCOUNTING POLICIES

The Group adopted new or revised financial standards and interpretations which become effective during the year. The initial adoption of these standards and interpretations did not have a material impact on the financial statements.

The accounting policies set out below have been applied consistently by the Group to all periods presented in these financial statements and have been applied consistently by Group entities.

3.1 Basis of consolidation

(i) 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.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

(ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(iii) Subsidiaries in the separate financial statements

Investments in subsidiaries are stated in the Trust's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated 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.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in the statement of total return.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in the foreign currency translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount is transferred to the statement of total return.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Investment properties

Investment properties are properties held mainly to earn rental income and are not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are accounted for as non-current assets except if they meet the conditions to be classified as held-for-sale (see Note 3.5). These properties are initially recognised at cost, including transaction costs, and at fair value thereafter. Cost includes expenditure that is directly attributable to the acquisition of the investment property. 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 values of investment properties are 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 Property Funds Appendix of the CIS Code issued by the MAS; and

- where the Manager proposes to issue new units for subscription or to redeem existing units unless the investment properties have been valued not more than 6 months ago.

Fair value changes are recognised in the statement of total return. When an investment property is disposed of, the resulting gain or loss is recognised in the statement of total return as the difference between net disposal proceeds and the carrying amount of the property.

Subsequent expenditure relating to investment properties that have already been recognised is added to the carrying amount of the assets when it is probable that future economic benefits, in excess of originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Investment properties are not depreciated. The properties are subject to continued maintenance and are regularly revalued on the basis described above.

3.4 Investment property under development

Investment property under development is a property being constructed or developed for future use as investment property. Investment property under development is measured at fair value, determined by an independent registered valuer. The difference between the fair value and cost (including acquisition costs, development expenditure, and other directly attributable expenditure) is recognised in the statement of total return. Upon completion, the carrying amount is reclassified to investment properties.

3.5 Asset held for sale

Investment properties that are expected to be recovered primarily through divestment rather than through continuing use, are classified as held-for-sale and accounted for as current assets. These investment properties are measured at fair value and any increase or decrease on revaluation is credited or charged directly to the statement of total return as a net change in fair value of investment properties.

Upon disposal, 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Plant and equipment

(i) Measurement

All plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of plant and equipment includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(ii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. Depreciation is recognised from the date that the plant and equipment are installed and are ready for use. The estimated useful lives for the current and comparative years are as follows:

Fixtures and fittings	3 years
Plant, machinery and improvements	2 to 20 years
Office equipment	3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

(iii) Subsequent costs

The cost of replacing a component 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 component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in the Statement of Total Return as incurred.

(iv) Disposal

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the statement of total return.

3.7 Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Financial instruments (cont'd)

(i) Non-derivative financial assets (cont'd)

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the loans and receivables category.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables excluding prepayments. Cash and cash equivalents comprise cash balances and bank deposits.

(ii) Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other financial liabilities category.

Other non-derivative financial liabilities are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. These financial liabilities comprise interest-bearing borrowings, and trade and other payables.

(iii) Unitholders' funds

Unitholders' funds represent the residual interest in the Group's net assets upon termination and are classified as equity. Expenses incurred in the issuance and placement of units (if any) in the Trust are deducted directly against Unitholders' funds.

(iv) Derivative financial instruments, including hedge accounting

The Group holds derivative financial instruments to hedge its interest rate risk exposure. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Financial instruments (cont'd)

(iv) Derivative financial instruments, including hedge accounting (cont'd)

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80% - 125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported net income.

Derivatives are recognised initially at fair value; 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 accounted for as described below.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect the statement of total return, the effective portion of changes in the fair value of the derivative is recognised in the hedging reserve in Unitholders' funds. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statement of total return.

When the hedged item is a non-financial asset, the amount accumulated in the hedging reserve is retained in the Unitholders' funds and reclassified to the statement of total return in the same period or periods during which the non-financial item affects total return. In other cases, the amount accumulated in hedging reserve is reclassified to the statement of total return in the same period that the hedged item affects the total return.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in Unitholders' funds is recognised immediately in the statement of total return.

Derivatives that do not qualify for hedge accounting

Changes in the fair value of the derivative hedging instruments that do not qualify for hedge accounting are recognised immediately in the statement of total return.

3.8 Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a tenant, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a tenant will enter bankruptcy or adverse changes in the payment status of tenants.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

The Group considers evidence of impairment for receivables at specific asset level. All individually significant receivables are assessed for specific impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the statement of total return.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties and investment property under development, 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 respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

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.

3.9 Revenue

Rental income from operating leases

Rental income receivable under operating leases 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 total rental to be received. Contingent rentals 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.

Dividend income

Dividend income is recognised in the statement of total return on the date that the Trust's right to receive payment is established.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

(a) the fulfilment of the arrangement is dependent on the use of a specific asset or assets; and

(b) the arrangement contains a right to use the asset(s).

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

3.11 Expenses

(i) Property expenses

Property expenses consist of property management fee and lease management fee (using the applicable formula stipulated in note 1.1) and reimbursable expenses payable to the Property Manager and other property expenses in relation to the investment properties.

Property expenses are recognised as and when incurred and recorded on an accrual basis.

(ii) Manager's fees

Manager's fees are recognised as and when services are rendered and recorded on an accrual basis using the applicable formula stipulated in note 1.2.

(iii) Trustee's fees

Trustee's fees are recognised as and when services are rendered and recorded on an accrual basis using the applicable formula stipulated in note 1.3.

3.12 Finance income and expenses

Finance income comprises interest income. Finance income is recognised as it accrues in the statement of total return, using the effective interest method.

Finance expenses include interest expense on borrowings and derivative financial instruments and amortisation of transaction costs incurred on borrowings. All borrowing costs are recognised in the statement of total return using the effective interest method.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are 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 or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at each 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.

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. The temporary differences on initial recognition of assets or liabilities that affect neither accounting nor taxable profit are not provided for.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at 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 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 taxable 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.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they 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 ("IRAS") has issued a tax ruling on the taxation of the Trust for income earned and expenditure incurred after its listing on the SGX-ST. Subject to meeting the terms and conditions of the tax ruling issued by IRAS which includes a distribution of at least 90% of the taxable income of the Trust, the Trustee is not subject to tax on the taxable income of the Trust. Instead, the Trustee and the Manager will deduct income tax at the prevailing corporate tax rate from the distributions made to Unitholders that are made out of the taxable income of the Trust (the "tax transparency treatment"), except:

(i) where the beneficial owners are individuals (whether resident or non-resident) who receive such distribution as investment income (excluding income received through a partnership) or Qualifying Unitholders, the Trustee and the Manager will make the distributions to such Unitholders without deducting any income tax; or

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Tax (cont'd)

(ii) where the beneficial owners are foreign non-individual Unitholders, the Trustee and the Manager will deduct Singapore income tax at the reduced rate of 10% for distributions made up to 31 March 2020, unless the concession is extended.

A Qualifying Unitholder is a Unitholder who is:

- a Singapore-incorporated company which is a tax resident in Singapore;
- a body of persons, other than a company or a partnership, registered or constituted in Singapore (for example, a town council, a statutory board, a registered charity, a registered co-operative society, a registered trade union, a management corporation, a club, and a trade and industry association);
- a Singapore branch of a foreign company; or
- an international organisation that is exempt from tax.

A foreign non-individual Unitholder is one who is not a resident of Singapore for income tax purposes and:

- who does not have a permanent establishment in Singapore; or
- who carries on any operation in Singapore through a permanent establishment in Singapore where the funds used to acquire the units are not obtained from that operation in Singapore.

The above tax transparency ruling does not apply to gains from sale of real estate properties. If considered to be trading gains, tax on such gains or profits will be assessed, in accordance with section 10(1)(a) of the Income Tax Act, Chapter 134 and collected from the Trustee. Where the gains are capital gains, it will not be assessed to tax and the Trustee and the Manager may distribute the capital gains without tax being deducted at source.

3.14 Distribution policy

The Group's distribution policy is to distribute at least 90% of its distributable income. Distributions are usually made on a quarterly basis, no later than 60 days after the end of the distribution period.

3.15 Earnings per Unit

The Group presents basic and diluted earnings per Unit ("EPU") data for its Units. Basic EPU is calculated by dividing the total return attributable to Unitholders of the Trust by the weighted average numbers of Units outstanding during the year. Diluted EPU is determined by adjusting the total return attributable to Unitholders and the weighted average number of Units outstanding for the effects of all dilutive potential Units.

3.16 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 by the Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 New standards, interpretations and revised recommended accounting practice not yet adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2016 and earlier application is permitted; however, the Group has not early applied the following new or amended standards in preparing these statements.

Applicable to 2017 financial statements

Revision to RAP 7

RAP 7 was revised in June 2016 to take into account, amongst others, the changes made to FRS 32 *Financial Instruments: Presentation* and FRS 107 *Financial Instruments: Disclosures* in relation to the offsetting of financial assets and liabilities; and new standards issued after 2012 including FRS 110 *Consolidated Financial Statements,* FRS 112 *Disclosure of Interest in Other Entities* and FRS 113 *Fair Value Measurement.* RAP 7 (Revised June 2016) is applicable to unit trusts with annual periods beginning on or after 1 July 2016. Certain additional disclosures would be required by the Revised RAP 7.

Applicable to 2018 financial statements

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 *Revenue,* FRS 11 *Construction Contracts,* INT FRS 113 *Customer Loyalty Programmes,* INT FRS 115 *Agreements for the Construction of Real Estate,* INT FRS 118 *Transfers of Assets from Customers and* INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services.*

FRS 115 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. FRS 115 offers a range of transition options including full retrospective adoption where an entity can choose to apply the standard to its historical transactions and retrospectively adjust each comparative period presented in its 2018 financial statements. When applying the full retrospective method, an entity may also elect to use a series of practical expedients to ease transition.

Potential impact on the financial statements

The Group does not expect the impact on the financial statements to be significant. Certain additional disclosures would be required by FRS 115.

Transition

The Group plans to adopt the standard when it becomes effective in 2018.

Applicable to 2018 financial statements

FRS 109 *Financial Instruments*

FRS 109 *Financial Instruments* replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement.* It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 39.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 New standards, interpretations and revised recommended accounting practice not yet adopted (cont'd)

FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. Retrospective application is generally required, except for hedge accounting. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. Restatement of comparative information is not mandatory. If comparative information is not restated, the cumulative effect is recorded in opening equity as at 1 January 2018.

Potential impact on the financial statements

Overall, the Group does not expect a significant impact on its opening Unitholders' funds. The Group's initial assessment of the three elements of FRS 109 is as described below.

Classification and measurement

The Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under FRS 109.

Loans and receivables that are currently accounted for at amortised cost will continue to be accounted for using amortised cost model under FRS 109.

For derivative instruments currently held at fair value, the Group expects to measure them at fair value under FRS 109.

Impairment

The Group plans to apply the simplified approach and record lifetime expected impairment losses on all trade receivables and any contract assets arising from the application of FRS 115. On adoption of FRS 109, the Group does not expect a significant increase in the impairment loss allowance.

Hedge accounting

The Group expects that all its existing hedges that are designated in effective hedging relationships will continue to qualify for hedge accounting under FRS 109.

Transition

The Group plans to adopt the standard when it becomes effective in 2018 without restating comparative information.

Applicable to 2019 financial statements

FRS 116 *Leases*

FRS 116 *Leases* eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

FRS 116 substantially carries forward the lessor accounting requirements in FRS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor. When effective, FRS 116 replaces existing lease accounting guidance, including FRS 17, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases – Incentives,* and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

FRS 116 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted if FRS 115 is also applied.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 New standards, interpretations and revised recommended accounting practice not yet adopted (cont'd)

Potential impact on the financial statements

The Group plans to adopt the standard when it becomes effective in 2019. The Group is currently assessing the potential impact of the adoption of this new accounting standard and will perform a detailed analysis of the standard, including the transition options and practical expedients in 2017.

4 INVESTMENT PROPERTIES AND ASSET HELD FOR SALE

	Note	Group 2016 $'000	Group 2015 $'000	Trust 2016 $'000	Trust 2015 $'000
At 1 January		1,307,959	1,044,462	1,119,900	1,027,550
Acquisition of investment properties [1]		–	182,521	–	–
Reclassified from investment property under development	5	–	139,789	–	139,789
Reclassified from plant and equipment	6	147	–	147	–
Disposal of investment properties		–	(9,000)	–	(9,000)
Capital expenditure capitalised		6,034	14,546	5,890	14,070
Straight-line effective rent adjustment		1,702	–	1,016	–
Translation difference		1,077	355	–	–
		1,316,919	1,372,673	1,126,953	1,172,409
Changes in fair values during the year [2]		(80,744)	(64,714)	(83,180)	(52,509)
At 31 December		1,236,175	1,307,959	1,043,773	1,119,900
Investment properties (non-current)		1,210,902	1,307,959	1,018,500	1,119,900
Asset held for sale (current)		25,273	–	25,273	–
		1,236,175	1,307,959	1,043,773	1,119,900

Notes:

(1) Included in acquisition of investment properties as at 31 December 2015 are acquisition fees paid to the Manager of $1,744,000 in the year ended 31 December 2015.

(2) There is an ongoing legal proceedings over the rental renewal rate at 51 Alps Ave ("the Property"). The fair market valuation of the Property at $80.9 million as at 31 December 2016 assumes market rent is achieved for Schenker Singapore Pte Ltd's ("Schenker") lease renewal period of five years. C&P Land Pte Ltd ("C&P") had failed to deliver vacant possession of the Property on the expiry of the master lease agreement on 31 August 2016. The Trust, based on legal advice, intends to strongly defend itself against Schenker's claim that it is entitled to renew its lease of the Property at the rental rate pre-agreed between Schenker and C&P under the Anchor Lease Agreement. The Trust has also instituted legal proceedings against C&P and C&P Holdings Pte Ltd for damages arising from Schenker remaining on the Property.

If the Trust is bound by the Schenker's renewal rental rate of $0.77 per square foot per month under the Anchor Lease Agreement between C&P and Schenker for five years, the independent professional valuer indicated that the fair market valuation of the Property as at 31 December 2016 would have been $66.9 million.

Whilst the ultimate outcome of the matter cannot be determined with certainty, the Manager, based on consultation with lawyers, is of the view that there are strong grounds for the Trust to prevail and this is reflected in the valuation of the Property as presented in the financial statements.

4 INVESTMENT PROPERTIES AND ASSET HELD FOR SALE (CONT'D)

Asset held for sale

An investment property with a carrying value of $25,273,000 (2015: $Nil) as at 31 December 2016 has been reclassified as asset held for sale. This reclassification is required by FRS 105 *Non-Current Assets Held for Sale and Discontinued Operations* as the divestment is planned within the next 12 months from the reporting date. The divestment of the property was subsequently completed on 23 January 2017 for a gross sale consideration of $25.5 million (before transaction costs of approximately $0.2 million).

Securities

At 31 December 2016, certain investment properties have been pledged as securities for loan facilities granted by financial institutions to the Group (see note 11). The aggregate carrying amount of the securities are as follows:

	Group		Trust	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Investment properties	916,611	1,126,000	751,800	964,900

Measurement of fair value

In determining the fair value, the valuers have used valuation techniques which involve certain estimates. In relying on the valuation reports, the Manager has exercised its judgement and is satisfied that the valuation techniques and estimates are reflective of current market conditions. The valuation reports are prepared in accordance with recognised appraisal and valuation standards. The estimates underlying the valuation techniques in the next financial year may differ from current estimates, which may result in valuations that may be materially different from the valuations as at each reporting date.

The valuers have considered the capitalisation approach and discounted cash flows analysis in arriving at the open market value as at each reporting date. The capitalisation approach capitalises an income stream into a present value using single-year capitalisation rates. The income stream used is adjusted for market rentals currently being achieved for comparable investment properties and recent leasing transactions. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with a rate of return to arrive at the market value. The discounted cash flow method requires the valuers to assume a rental growth rate indicative of market and the selection of a target rate of return consistent with current market requirements.

The fair value measurement for investment properties based on the inputs to the valuation techniques used is as follows:

	Level 3 $'000
Group	
2016	
Investment properties (including asset held for sale)	1,236,175
2015	
Investment properties	1,307,959

4 INVESTMENT PROPERTIES AND ASSET HELD FOR SALE (CONT'D)

Measurement of fair value (cont'd)

The fair value measurement for investment properties based on the inputs to the valuation techniques used is as follows:

	Level 3 $'000
Trust	
2016	
Investment properties (including asset held for sale)	1,043,773
2015	
Investment properties	1,119,900

The following table shows the Group's valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Type	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Investment properties consisting of logistics warehouse properties for leasing.	**Group** • Terminal yield rates 6.50% to 9.25% (2015: 6.50% to 8.50%) • Discount rates 7.25% to 9.50% (2015: 7.50% to 11.00%) • Capitalisation rates 6.25% to 9.00% (2015: 6.25% to 8.50%) • Market rental growth rates 0.9% to 4.33% (2015: 0% to 3.25%) **Trust** • Terminal yield rates 6.50% to 6.75% (2015: 6.50% to 7.25%) • Discount rates 7.75% to 8.00% (2015: 7.50% to 8.25%) • Capitalisation rates 6.25% to 6.50% (2015: 6.25% to 7.00%) • Market rental growth rates 0.9% to 3.5% (2015: 0% to 3%)	The estimated fair values would increase/(decrease) if: • the terminal yield rates were lower/(higher); • the discount rates were lower/(higher); • the capitalisation rates were lower/(higher); or • the market rental growth rates were higher/(lower).

Significant unobservable inputs correspond to:

- Terminal yield rates derived from specialised publications from the related markets and comparable transactions.
- Discount rates, based on the risk-free rate for 10-year bonds issued by the government in the relevant market, adjusted for a risk premium to reflect the increased risk of investing in investment properties.
- Capitalisation rates derived from an analysis of yields reflected in sales of comparable property types.

5 INVESTMENT PROPERTY UNDER DEVELOPMENT

	Group and Trust	
	2016 $'000	2015 $'000
At 1 January	–	75,700
Construction cost and capital expenditure capitalised during the year [1]	–	64,089
Reclassified to investment property [2]	–	(139,789)
At 31 December	–	–

Notes:

[1] Includes borrowing costs capitalised in 2015 of $1,040,000.

[2] The property was reclassified to investment property when the Temporary Occupation Permit was obtained in July 2015.

Measurement of fair value

Investment property under development is valued by estimating the fair value of the completed investment property (see note 4) and then deducting from that amount the estimated costs to complete the construction.

6 PLANT AND EQUIPMENT

	Fixtures and fittings $'000	Plant, machinery and improvements $'000	Office equipment $'000	Total $'000
Group				
Cost				
At 1 January 2015	2	2,205	19	2,226
Additions	2	1,869	8	1,879
Disposals	–	(37)	–	(37)
Translation difference	–	3	–	3
At 31 December 2015	4	4,040	27	4,071
Additions	9	1,158	6	1,173
Reclassified to investment properties	–	(318)	–	(318)
Translation difference	–	(13)	–	(13)
At 31 December 2016	13	4,867	33	4,913
Accumulated depreciation				
At 1 January 2015	1	373	12	386
Disposals	–	(12)	–	(12)
Depreciation	1	642	5	648
At 31 December 2015	2	1,003	17	1,022
Depreciation	1	939	6	946
Reclassified to investment properties	–	(171)	–	(171)
At 31 December 2016	3	1,771	23	1,797
Carrying amounts				
At 1 January 2015	1	1,832	7	1,840
At 31 December 2015	2	3,037	10	3,049
At 31 December 2016	10	3,096	10	3,116

6 PLANT AND EQUIPMENT (CONT'D)

	Fixtures and fittings $'000	Plant, machinery and improvements $'000	Office equipment $'000	Total $'000
Trust				
Cost				
At 1 January 2015	–	2,068	17	2,085
Additions	2	1,704	8	1,714
Disposals	–	(38)	–	(38)
At 31 December 2015	2	3,734	25	3,761
Additions	9	987	6	1,002
Reclassified to investment properties	–	(318)	–	(318)
At 31 December 2016	11	4,403	31	4,445
Accumulated depreciation				
At 1 January 2015	–	343	13	356
Depreciation	–	606	4	610
Disposals	–	(12)	–	(12)
At 31 December 2015	–	937	17	954
Depreciation	1	845	6	852
Reclassified to investment properties	–	(171)	–	(171)
At 31 December 2016	1	1,611	23	1,635
Carrying amounts				
At 1 January 2015	–	1,725	4	1,729
At 31 December 2015	2	2,797	8	2,807
At 31 December 2016	10	2,792	8	2,810

7 INVESTMENTS IN SUBSIDIARIES

	Trust 2016 $'000	Trust 2015 $'000
Equity investments, at cost	74,062	74,062
Advances to a subsidiary	4,048	4,048
	78,110	78,110
Less: Accumulated impairment losses	(4,800)	–
	73,310	78,110

An investment in a subsidiary is considered impaired when its carrying amount exceeds its recoverable amount estimated based on the fair value of the underlying assets held by the subsidary. During the year ended 31 December 2016, an impairment loss of $4,800,000 (2015: $Nil) was recognised due to a decline in the fair value of the underlying investment properties held by the subsidiaries of The Trust Company (Australia) Limited ATF Cache Logistics Trust Australia.

Advances to a subsidiary are unsecured, interest-free and stated at cost less accumulated impairment losses. The advances form part of the Trust's net investment in subsidiaries as settlement of these amounts are neither planned nor likely to occur in the foreseeable future.

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Ownership interest 31 December 2016 %	Ownership interest 31 December 2015 %
Details of the subsidiaries directly held by the Trust are set out below:			
Cache-MTN Pte Ltd (1)^	Singapore	100	100
Cache (Australia) Pte Ltd (1)^	Singapore	100	100
Cache Singapore One Pte Ltd (1)^	Singapore	100	100
The Trust Company (Australia) Limited ATF Cache Logistics Trust Australia (2)^	Australia	100	100
Details of subsidiaries held by The Trust Company (Australia) Limited ATF Cache Logistics Trust Australia are set out below:			
The Trust Company Limited ATF Chester Hill (NSW) Trust (3)^	Australia	100	100
The Trust Company Limited ATF Somerton (VIC) Trust (3)^	Australia	100	100
The Trust Company Limited ATF Coopers Plains (QLD) Trust (3)^	Australia	100	100
The Trust Company Limited ATF Wacol (QLD) Trust (3)^	Australia	100	100
The Trust Company Limited ATF Wacol 2 (QLD) Trust (3)^	Australia	100	100
The Trust Company Limited ATF Kidman Park (SA) Trust (3)^	Australia	100	100

7 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiaries	Country of incorporation	Ownership interest 31 December 2016 %	31 December 2015 %
Details of subsidiaries held by the Cache Singapore One Pte Ltd are set out below:			
CWT Cayman (Jinshan) Limited [(2)^]	The Cayman Islands	100	100
CWT Jinshan (Hong Kong) Limited [(3)^]	Hong Kong	100	100
CWT Warehousing Transportation (Shanghai) Development Co., Ltd. [(4)^]	China	100	100
Details of subsidiaries held by the Cache (Australia) Pte Ltd are set out below:			
Tanglewood Success Limited [(2)^]	British Virgin Islands	100	100
Cache Polar (Hong Kong) Limited [(3)^]	Hong Kong	–	100

Notes:

(1) Audited by KPMG LLP, Singapore

(2) Not required to be audited by the laws of the country of incorporation

(3) Audited by other member firms of KPMG International

(4) Audited by BDO China Shu Lun Pan Certified Public Accountants LLP

^ For this purpose, a subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits. Under this definition, each subsidiary is not significant to the Group.

8 TRADE AND OTHER RECEIVABLES

	Group 2016 $'000	Group 2015 $'000	Trust 2016 $'000	Trust 2015 $'000
Trade receivables	1,474	428	1,189	428
Other receivables	621	645	400	600
Deposits	348	612	348	612
Amounts due from subsidiaries (non-trade)	–	–	38,776	38,765
	2,443	1,685	40,713	40,405
Prepayments	2,968	3,290	2,612	2,701
	5,411	4,975	43,325	43,106

Included in amounts due from subsidiaries are loans to a subsidiary of $26,625,000 (2015: $26,347,000) which are unsecured, interest-bearing at 6.5% (2015: 6.5%) per annum and repayable on demand. The remaining amounts are unsecured, interest-free and repayable on demand. There is no allowance for doubtful debts arising from the outstanding amounts due from subsidiaries.

9 CASH AND CASH EQUIVALENTS

	Group		Trust	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Cash at bank	13,561	8,054	10,562	5,529

The bank accounts in relation to the charged properties are assigned as security for credit facilities granted to the Group and the Trust (see note 11). As at 31 December 2016, the amounts standing in these accounts amounted to $5,576,000 (2015: $2,547,000) and $5,165,000 (2015: $1,800,000) for the Group and the Trust respectively.

10 TRADE AND OTHER PAYABLES

	Group		Trust	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Current				
Trade payables	1,889	3,674	1,681	3,418
Other payables	845	1,061	583	777
Security deposits	290	176	290	176
Income received in advance	474	–	339	–
Accrued operating expenses	7,929	6,930	6,656	6,098
Accrued construction costs	2,428	2,428	2,428	2,428
	13,855	14,269	11,977	12,897
Non-current				
Security deposits	2,102	1,627	2,102	1,627
	15,957	15,896	14,079	14,524

The exposure of the Group and the Trust to liquidity risk related to trade and other payables is disclosed in note 14.

11 INTEREST-BEARING BORROWINGS

	Group		Trust	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Secured borrowings	435,848	511,878	354,617	431,495
Less: Unamortised transaction costs	(2,903)	(4,916)	(2,512)	(4,408)
	432,945	506,962	352,105	427,087
Unsecured borrowings	106,706	16,531	106,706	16,531
Less: Unamortised transaction costs	(786)	(45)	(786)	(45)
	105,920	16,486	105,920	16,486
Maturity of borrowings				
Within 1 year	4,628	8,305	4,628	8,305
After 1 year but within 5 years	534,237	515,143	453,397	435,268
	538,865	523,448	458,025	443,573

11 INTEREST-BEARING BORROWINGS (CONT'D)

Terms and debt repayment schedule

The terms and conditions of outstanding loans and borrowings are as follows:

	Currency	Nominal interest rate	Year of maturity	Face value $'000	Carrying amount $'000
Group					
2016					
Revolving credit facility (1)	SGD	SOR* + Margin	2018	5,000	4,628
Term loan facility (1)	SGD	SOR* + Margin	2018	185,000	183,940
Term loan facility (3)	AUD	BBSY# + Margin	2018	14,617	14,600
Term loan facility (4)	AUD	BBSY# + Margin	2018	16,706	16,676
Term loan facility (1)	SGD	SOR* + Margin	2019	150,000	148,937
Term loan facility (2)	AUD	BBSY# + Margin	2019	30,592	30,501
Term loan facility (2)	AUD	BBSY# + Margin	2020	36,544	36,365
Term loan facility (2)	AUD	BBSY# + Margin	2020	14,095	13,974
Term loan facility (4)	SGD	SOR* + Margin	2021	90,000	89,244
				542,554	538,865
2015					
Term loan facility (1)	SGD	SOR* + Margin	2017	73,030	72,425
Revolving credit facility (1)	SGD	SOR* + Margin	2018	9,000	8,305
Term loan facility (1)	SGD	SOR* + Margin	2018	185,000	183,362
Term loan facility (3)	AUD	BBSY# + Margin	2018	14,465	14,432
Term loan facility (4)	AUD	BBSY# + Margin	2018	16,531	16,486
Term loan facility (1)	SGD	SOR* + Margin	2019	150,000	148,563
Term loan facility (2)	AUD	BBSY# + Margin	2019	36,162	35,926
Term loan facility (2)	AUD	BBSY# + Margin	2019	30,273	30,153
Term loan facility (2)	AUD	BBSY# + Margin	2020	13,948	13,796
				528,409	523,448
Trust					
2016					
Revolving credit facility (1)	SGD	SOR* + Margin	2018	5,000	4,628
Term loan facility (1)	SGD	SOR* + Margin	2018	185,000	183,940
Term loan facility (3)	AUD	BBSY# + Margin	2018	14,617	14,600
Term loan facility (4)	AUD	BBSY# + Margin	2018	16,706	16,676
Term loan facility (1)	SGD	SOR* + Margin	2019	150,000	148,937
Term loan facility (4)	SGD	SOR* + Margin	2021	90,000	89,244
				461,323	458,025
2015					
Term loan facility (1)	SGD	SOR* + Margin	2017	73,030	72,425
Revolving credit facility (1)	SGD	SOR* + Margin	2018	9,000	8,305
Term loan facility (1)	SGD	SOR* + Margin	2018	185,000	183,362
Term loan facility (3)	AUD	BBSY# + Margin	2018	14,465	14,432
Term loan facility (4)	AUD	BBSY# + Margin	2018	16,531	16,486
Term loan facility (1)	SGD	SOR* + Margin	2019	150,000	148,563
				448,026	443,573

* Swap Offer Rate

\# Bank Bill Swap Rate

11 INTEREST-BEARING BORROWINGS (CONT'D)

The following are the expected contractual undiscounted cash inflows/(outflows) of financial liabilities and derivative financial instruments, including estimated interest payments and excluding the impact of netting agreements, and trade and other payables:

	Carrying amount $'000	Contractual cash flows $'000	← Cash flows → Within 1 year $'000	Within 2 to 5 years $'000
Group				
2016				
Non-derivative financial liabilities				
Revolving credit facility ^	4,628	(5,219)	(120)	(5,099)
Floating rate term loans ^	534,237	(592,430)	(19,001)	(573,429)
Trade and other payables ^^	15,483	(15,483)	(13,381)	(2,102)
	554,348	(613,132)	(32,502)	(580,630)
Derivative financial instruments				
Interest rate swaps used for hedging	(1,919)			
- Inflow ^	–	7,515	3,182	4,333
- Outflow	–	(11,977)	(5,442)	(6,535)
	(1,919)	(4,462)	(2,260)	(2,202)
Forward foreign exchange contracts	(20)			
- Inflow	–	827	827	–
- Outflow	–	(847)	(847)	–
	(20)	(20)	(20)	–

11 INTEREST-BEARING BORROWINGS (CONT'D)

	Carrying amount $'000	Contractual cash flows $'000	Cash flows: Within 1 year $'000	Cash flows: Within 2 to 5 years $'000
Group				
2015				
Non-derivative financial liabilities				
Revolving credit facility ^	8,305	(9,789)	(281)	(9,508)
Floating rate term loans ^	515,143	(598,010)	(23,366)	(574,644)
Trade and other payables	15,896	(15,896)	(14,269)	(1,627)
	539,344	(623,695)	(37,916)	(585,779)
Derivative financial instruments				
Interest rate swaps used for hedging	2,133			
- Inflow ^	–	18,244	5,575	12,669
- Outflow	–	(17,382)	(5,471)	(11,911)
	2,133	862	104	758
Trust				
2016				
Non-derivative financial liabilities				
Revolving credit facility ^	4,628	(5,219)	(120)	(5,099)
Floating rate term loans ^	453,397	(488,742)	(12,177)	(474,565)
Trade and other payables ^^	13,740	(13,740)	(11,638)	(2,102)
	471,765	(507,701)	(23,935)	(481,766)
Derivative financial instruments				
Interest rate swaps used for hedging	(1,713)			
- Inflow ^	–	5,999	2,715	3,284
- Outflow	–	(9,834)	(4,751)	(5,083)
	(1,713)	(3,835)	(2,036)	(1,799)
Forward foreign exchange contracts	(20)			
- Inflow	–	827	827	–
- Outflow	–	(847)	(847)	–
	(20)	(20)	(20)	–
2015				
Non-derivative financial liabilities				
Revolving credit facility ^	8,305	(9,790)	(282)	(9,508)
Floating rate term loans ^	435,268	(482,352)	(14,896)	(467,456)
Trade and other payables	14,524	(14,524)	(12,897)	(1,627)
	458,096	(506,666)	(28,075)	(478,591)

11 INTEREST-BEARING BORROWINGS (CONT'D)

	Carrying amount $'000	Contractual cash flows $'000	Cash flows: Within 1 year $'000	Cash flows: Within 2 to 5 years $'000
Trust				
2015				
Derivative financial instruments				
Interest rate swaps used for hedging	2,253			
- Inflow ^	–	15,923	4,982	10,941
- Outflow	–	(14,617)	(4,780)	(9,837)
	2,253	1,306	202	1,104

Notes:

^ For the purpose of the contractual cash flows calculation, SOR of 1.012% (2015: SOR of 1.701%) and BBSY of 1.770% (2015: 2.330%) were used.

^^ Excludes income received in advance

The maturity analysis shows the contractual undiscounted cash flows of the Group and the Trust's financial liabilities on the basis of their earliest possible contractual maturity. The cash inflows/(outflows) disclosed for derivative financial instruments relate to those instruments held for risk management purposes and which are usually not closed out prior to contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement. Net-settled derivative financial assets are included in the maturity analysis as they are held to hedge the cash flow variability of the Group's floating rate loans.

The exposure of the Group and the Trust to liquidity and interest rate risks that relates to interest-bearing borrowings is disclosed in note 14.

Notes:

(1) Secured term loan facilities and revolving credit facilities

The facilities are secured by:

- A first mortgage on 6 (2015: 7) properties located in Singapore;
- A debenture creating fixed and floating charges over all assets in relation to the 6 (2015: 7) properties;
- An assignment of all leases, sale agreements, banker's guarantees and bank accounts in relation to the 6 (2015: 7) properties;
- An assignment of all insurance policies in relation to the 6 (2015: 7) properties; and
- An assignment of the Trust's rights in the corporate guarantees given in respect of certain properties.

11 INTEREST-BEARING BORROWINGS (CONT'D)

Notes:

(2) Secured term loan facilities

The facilities are secured by way of a legal mortgage and charges over 5 (2015: 5) Australian properties.

(3) Secured term loan facilities.

The facility is secured by way of a second ranking legal mortgage over 3 (2015: 3) Australian properties.

(4) Unsecured term loan facilities.

Measurement of fair value

The carrying amounts of interest-bearing borrowings which are all re-priced within 3 months from the reporting date approximate their corresponding fair values.

12 DERIVATIVE ASSETS/(LIABILITIES)

	Group		Trust	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Non-current asset				
Interest rate swaps	43	1,836	43	1,836
Current asset				
Interest rate swaps	–	417	–	417
Current liability				
Forward foreign exchange contracts	(20)	–	(20)	–
Non-current liability				
Interest rate swaps	(1,962)	(120)	(1,756)	–
Total derivative assets/(liabilities)	(1,939)	2,133	(1,733)	2,253

The Group uses interest rate swaps to manage its exposure to interest rate movements on its floating rate interest-bearing term loans by swapping the interest expense on a proportion of the term loans from floating rates to fixed rates.

As at the reporting date, the Group hedged its exposure to changes in interest rates on its variable rate borrowings by entering into interest rate swaps with the following notional contract amounts and maturity dates:

(i) $131,250,000 maturing in 2018;
(ii) $26,875,000 maturing in 2018;
(iii) $26,875,000 maturing in 2018;
(iv) $47,850,000 maturing in 2018;
(v) $29,550,000 maturing in 2019;
(vi) $40,000,000 maturing in 2019;
(vii) A$14,650,000 maturing in 2019;
(viii) A$17,500,000 maturing in 2020; and
(ix) A$6,750,000 maturing in 2020.

12 DERIVATIVE ASSETS/(LIABILITIES) (CONT'D)

The Group has designated the interest rate swaps as hedging instruments under the cash flow hedge model. Where the interest rate swap is an effective hedge in a cash flow hedge relationship, the change in fair value of the interest rate swap relating to the effective portion is recorded in Unitholders' funds. The ineffective portion of the fair value changes is taken to the statement of total return. During the year, the designated interest rate swaps were effective as cash flow hedges and the fair value change thereof has been recognised in Unitholders' funds. The fair value of these derivative financial instruments represents 0.28% (2015: 0.27%) of the net assets of the Group.

Offsetting financial assets and financial liabilities

The Group's derivative transactions are entered into under International Swaps and Derivatives Association Master Agreements ("ISDA Master Agreements") with various bank counterparties. The derivative financial instruments presented above 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 Agreements. 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.

As at 31 December 2016 and 31 December 2015, the Group's derivative financial assets and liabilities do not have any balances that are eligible for offsetting under the enforceable master netting arrangement.

Measurement of fair value

The fair value of financial derivatives is based on broker quotes at the reporting date. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each derivative instrument and using market interest rates for similar instruments at the measurement date.

	Level 2 $'000
Group	
2016	
Interest rate swaps used for hedging	(1,919)
Forward foreign exchange contracts	(20)
	(1,939)
2015	
Interest rate swaps used for hedging	2,133
Trust	
2016	
Interest rate swaps used for hedging	(1,713)
Forward foreign exchange contracts	(20)
	(1,733)
2015	
Interest rate swaps used for hedging	2,253

13 UNITS IN ISSUE

	Group and Trust	
	2016 '000	**2015 '000**
Units in issue:		
At the beginning of the year	893,472	781,758
Units issued:		
- Issue of new units (private placement)	–	106,270
- Manager's fees paid in Units	4,287	3,818
Units to be issued:		
- Manager's fees payable in Units	2,691	1,626
Total issued and to be issued Units at the end of the year	900,450	893,472

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 and available for purposes of such distribution 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; and
- 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 the lesser) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed.

The Unitholders cannot give any directions to the Manager or the Trustee (whether at a meeting of Unitholders or otherwise) if it would require the Trustee or the Manager to do or omit doing anything which may result in:

- the Trust ceasing to comply with the Listing Manual issued by the SGX-ST or the Property Funds Appendix; or
- the exercise of any discretion expressly conferred on the Trustee or the Manager by the Trust Deed or the determination of any matter for which the agreement of either or both the Trustee and the Manager is required under the Trust Deed.

A Unitholder's liability is limited to the amount paid or payable for any Units. The provisions of the Trust Deed provide that no Unitholders will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Group exceed its assets.

14 FINANCIAL INSTRUMENTS

Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Trust's management of capital. Further quantitative disclosures are included throughout these financial statements.

Financial risk management objectives and policies

Exposure to credit, interest rate and liquidity risks arise in the normal course of the Group's business. The Group has written policies and guidance which set out its overall business strategies and its general risk management philosophy.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer 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 tenants and monitors their balances on an ongoing basis. Credit evaluations are performed by the Property Manager before lease agreements are entered into with tenants. The Group establishes an allowance for impairment, based on specific loss component that relates to individually significant exposures, that represents its estimate of incurred losses in respect of trade and other receivables.

The tenants have provided security deposits amounting to 3-12 months rental in the form of bankers' guarantee or cash. The maximum exposure to credit risk is represented by the carrying value of each financial asset, including derivative financial instruments, on the statement of financial position.

Cash and fixed deposits are placed with financial institutions which are regulated. Transactions involving derivative financial instruments are allowed only with counterparties that are credit worthy.

Exposure to credit risk

The carrying amount of the following assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Group		Trust	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Trade and other receivables	5,411	4,975	43,325	43,106
Derivative assets	43	2,253	43	2,253
Cash and cash equivalents	13,561	8,054	10,562	5,529
	19,015	15,282	53,930	50,888

14 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk

The Manager monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. In addition, the Manager monitors and observes the Code of Collective Investment Schemes issued by the MAS concerning limits on total borrowings.

The Group has committed and undrawn facilities comprising $60,000,000 (2015: $56,000,000) from secured revolving credit facilities with a panel of banks. In addition, the Group has a $500 million MTN Programme established by Cache-MTN Pte Ltd, a wholly-owned subsidiary of the Trust.

The Group has secured bank loans which contain debt covenants. Any breach of covenants may require the Group to repay the loans earlier than indicated in note 11. As at 31 December 2016, there were no breaches of covenants.

Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Group's total return 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, utilising interest rate and currency hedging strategies where appropriate.

Currency risk

At the reporting date, the Group's and Trust's exposure to currency risk was as follows:

	2016		2015	
	RMB $'000	AUD $'000	RMB $'000	AUD $'000
Group				
Investment properties	16,367	176,035	16,882	171,177
Cash and cash equivalents	1,166	3,495	1,134	2,592
Trade and other receivables	1	860	69	565
Interest-bearing borrowings	–	(112,116)	–	(110,793)
Trade and other payables	(85)	(1,904)	(155)	(1,338)
Derivative liabilities	–	(207)	–	(120)
Net statement of financial position exposure	17,449	66,163	17,930	62,083
Trust				
Cash and cash equivalents	–	1,756	–	1,284
Amounts due from subsidiaries	–	26,625	–	26,347
Interest-bearing borrowings	–	(31,276)	–	(30,918)
Other payables	–	(147)	–	(160)
Net statement of financial position exposure	–	(3,042)	–	(3,447)

A 10% strengthening of the Singapore Dollar against the following currencies would increase/(decrease) Unitholders funds and total return (before any tax effect) by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group and Trust considered to be reasonably possible at the end of the reporting period. The analysis assumes all other variables, in particular interest rates, remain constant.

14 FINANCIAL INSTRUMENTS (CONT'D)

Currency risk (cont'd)

	Statement of total return		Unitholders' funds	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Group				
RMB	–	–	1,745	1,793
AUD	(304)	(344)	6,920	6,553
Trust				
RMB	–	–	–	–
AUD	(304)	(344)	–	–

A 10 % weakening of the SGD against the above currencies would have had an equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to interest-bearing borrowings. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates. The Group has entered into interest rate swaps to achieve an appropriate mix of fixed and floating exposures in respect of its interest-bearing borrowings (see note 12).

Profile

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	Group Carrying amount		Trust Carrying amount	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Variable rate instruments				
Financial assets	13,561	8,054	10,562	5,529
Financial liabilities*	(199,539)	(200,954)	(158,923)	(145,626)
	(185,978)	(192,900)	(148,361)	(140,097)

Note:

* net of effect of interest rate swaps

Cash flow sensitivity analysis for variable rate instruments

A change of 25 (2015: 25) basis points ("bp") in interest rate at the reporting date would increase/(decrease) total return and Unitholders' fund by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

14 FINANCIAL INSTRUMENTS (CONT'D)

Cash flow sensitivity analysis for variable rate instruments (cont'd)

	Total return		Unitholders' fund	
	25 bp increase $'000	25 bp decrease $'000	25 bp increase $'000	25 bp decrease $'000
Group				
2016				
Financial assets	34	(34)	–	–
Financial liabilities	(499)	499	209	(215)
Cash flow sensitivity (net)	(429)	429	209	(215)
2015				
Financial assets	20	(20)	–	–
Financial liabilities	(502)	502	184	(226)
Cash flow sensitivity (net)	(482)	482	184	(226)
Trust				
2016				
Financial assets	26	(26)	–	–
Financial liabilities	(397)	397	188	(188)
Cash flow sensitivity (net)	(371)	371	188	(188)
2015				
Financial assets	14	(14)	–	–
Financial liabilities	(364)	364	186	(199)
Cash flow sensitivity (net)	(350)	350	186	(199)

Hedging

Interest rate swaps, which are denominated in Singapore dollars and Australian dollars, have been entered into to achieve an appropriate mix of fixed and floating rate exposures within the Group's policy. As at 31 December 2016, the Group had interest rate swaps with an aggregated notional contract amount of $343,015,490 (2015: $327,500,000) (see note 12).

14 FINANCIAL INSTRUMENTS (CONT'D)

Capital management

The primary objective of the Group's capital management is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise Unitholder's value. In order to maintain or achieve an optimal capital structure, the Group will endeavour to employ an appropriate mix of debt and equity in financing acquisitions and assets enhancements, and utilise interest rate and currency hedging strategies where appropriate. The Manager reviews this policy on a continuous basis.

The Property Funds Appendix of the CIS Code stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 45.0% (2015: 45.0%) of the fund's deposited property.

At 31 December 2016, the Group's Aggregate Leverage ratio was 43.1% (2015: 39.8%). The Group and Trust are in compliance with the Aggregate Leverage limit of 45.0% (2015: 45.0%) during the year.

With effect from 1 January 2016, the Aggregate Leverage of a property fund should not exceed 45% of the fund's Deposited Property without requirement of credit rating and the option for a property fund to leverage up to 60% by obtaining a credit rating was removed.

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are set out below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amounts					Fair value			
	Fair value – hedging instruments $'000	Designated at fair value $'000	Loans and receivables $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group									
2016									
Financial assets measured at fair value									
Derivative assets	43	–	–	–	43	–	43	–	43
Financial assets not measured at fair value									
Trade and other receivables ^	–	–	2,443	–	2,443				
Cash and cash equivalents	–	–	13,561	–	13,561				
		–	16,004		16,004				

Note:

^ Excludes prepayments

14 FINANCIAL INSTRUMENTS (CONT'D)

	Carrying amounts					Fair value			
	Fair value – hedging instruments $'000	Designated at fair value $'000	Loans and receivables $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group									
2016									
Financial liabilities measured at fair value									
Derivative liabilities	1,962	20	–	–	1,982	–	1,982	–	1,982
Financial liabilities not measured at fair value									
Trade and other payables (non-current)	–	–	–	2,102	2,102	–	–	1,929	1,929
Trade and other payables (current) ^^	–	–	–	13,381	13,381				
Interest-bearing borrowings	–	–	–	538,865	538,865				
	–	–	–	554,348	554,348				

	Fair value – hedging instruments $'000	Designated at fair value $'000	Loans and receivables $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group									
2015									
Financial assets measured at fair value									
Derivative assets	2,253	–	–	–	2,253	–	2,253	–	2,253
Financial assets not measured at fair value									
Trade and other receivables ^	–	–	1,685	–	1,685				
Cash and cash equivalents	–	–	8,054	–	8,054				
	–	–	9,739	–	9,739				

Notes:

^ Excludes prepayments

^^ Excludes income received in advance

14 FINANCIAL INSTRUMENTS (CONT'D)

	Carrying amounts					Fair value			
	Fair value – hedging instruments $'000	Designated at fair value $'000	Loans and receivables $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group									
2015									
Financial liabilities measured at fair value									
Derivative liabilities	120	–	–	–	120	–	120	–	120
Financial liabilities not measured at fair value									
Trade and other payables (non-current)	–	–	–	1,627	1,627	–	–	1,506	1,506
Trade and other payables (current)	–	–	–	14,269	14,269				
Interest-bearing borrowings	–	–	–	523,448	523,448				
	–	–	–	539,344	539,344				

14 FINANCIAL INSTRUMENTS (CONT'D)

	Carrying amounts					Fair value			
	Fair value – hedging instruments $'000	Designated at fair value $'000	Loans and receivables $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Trust									
2016									
Financial assets measured at fair value									
Derivative assets	43	–	–	–	43	–	43	–	43
Financial assets not measured at fair value									
Trade and other receivables ^	–	–	40,713	–	40,713				
Cash and cash equivalents	–	–	10,562	–	10,562				
	–	–	51,275	–	51,275				
Financial liabilities measured at fair value									
Derivative liabilities	1,756	20	–	–	1,776	–	1,776	–	1,776
Financial liabilities not measured at fair value									
Trade and other payables (non-current)	–	–	–	2,102	2,102	–	–	1,929	1,929
Trade and other payables (current)^^	–	–	–	11,638	11,638				
Interest-bearing borrowings	–	–	–	458,025	458,025				
	–	–	–	471,765	471,765				

Notes:

^ Excludes prepayments

^^ Excludes income received in advance

14 FINANCIAL INSTRUMENTS (CONT'D)

	Carrying amounts					Fair value			
	Fair value – hedging instruments $'000	Designated at fair value $'000	Loans and receivables $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Trust									
2015									
Financial assets measured at fair value									
Derivative assets	2,253	–	–	–	2,253	–	2,253	–	2,253
Financial assets not measured at fair value									
Trade and other receivables ^	–	–	40,405	–	40,405				
Cash and cash equivalents	–	–	5,529	–	5,529				
	–	–	45,934	–	45,934				
Financial liabilities not measured at fair value									
Trade and other payables (non-current)	–	–	1,627	–	1,627	–	–	1,506	1,506
Trade and other payables (current)	–	–	12,897	–	12,897				
Interest-bearing borrowings	–	–	443,573	–	443,573				
	–	–	458,097	–	458,097				

Note:

^ Excludes prepayment

14 FINANCIAL INSTRUMENTS (CONT'D)

Financial instruments not measured at fair value

The following table shows the valuation technique and the significant unobservable inputs used in the determination of fair value of the Level 3 financial instruments not measured at fair value:

Financial instrument	Valuation technique	Significant unobservable inputs
Other financial liabilities*	Discounted cash flows**	Not applicable

Notes:

* Other financial liabilities include trade and other payables and exclude interest-bearing borrowings.

** It is assumed that inputs considered as observable used in the valuation technique are significant to the fair value measurement.

Financial instruments for which fair value is equal to the carrying amount

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

15 GROSS REVENUE

	Group		Trust	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Gross revenue	111,271	89,721	94,735	82,671

Gross revenue includes net rental income (after rent rebates and provisions for rent free period), service charge, license fees and other reimbursables for multi-tenanted properties.

The Manager and the Trustee have agreed to a holding agreement in relation to 51 Alps Ave pending the resolution of the Court proceedings commenced by Schenker. The holding arrangement involves Schenker paying the Trust $0.77 per square foot a month (i.e. rental rate pre-agreed between C&P and Schenker under their Anchor Lease Agreement). The Trust has received such amount under protest from 1 September 2016.

16 PROPERTY EXPENSES

	Group		Trust	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Property management fees (including reimbursables)	4,241	3,514	4,166	3,479
Other fees paid/payable to the property manager	1,134	721	1,128	721
Depreciation of plant and equipment	946	647	852	611
Utilities	3,571	2,702	3,407	2,644
Property tax	4,821	1,806	4,821	1,806
Land rent	5,195	2,163	3,834	2,012
Others	3,349	2,012	2,857	1,851
	23,257	13,565	21,065	13,124

17 NET FINANCING COSTS

	Group 2016 $'000	Group 2015 $'000	Trust 2016 $'000	Trust 2015 $'000
Interest income:				
- bank deposits	30	60	18	40
- intercompany loan	–	–	1,684	622
Finance income	30	60	1,702	662
Interest expense:				
- bank loans	(15,016)	(12,691)	(12,105)	(11,377)
- interest rate swaps	(2,148)	(637)	(2,017)	(593)
Commitment fee	(284)	(197)	(284)	(197)
Amortisation/write-off of transaction costs	(2,040)	(1,634)	(1,919)	(1,576)
Others	(41)	(12)	(34)	(5)
Less:				
Borrowings costs capitalised in investment property under development	–	1,040	–	1,040
Finance expenses	(19,529)	(14,131)	(16,359)	(12,708)
Net financing costs	(19,499)	(14,071)	(14,657)	(12,046)

18 MANAGER'S FEES

	Group and Trust 2016 $'000	Group and Trust 2015 $'000
Manager's base fee	6,514	6,388
Manager's performance fee	1,320	1,142
	7,834	7,530

Included in Manager's fees of the Group and the Trust are Manager's fees paid/payable in Units for the year ended 31 December 2016 amounting to $5,875,000 (2015: $5,648,000). This comprises 6,978,000 (2015: 5,444,000) Units, of which 4,287,000 (2015: 3,818,000) Units were issued and another 2,691,000 (2015: 1,626,000) Units will be issued to the Manager by the Trust.

19 OTHER TRUST EXPENSES

Included in other trust expenses are:

	Group		Trust	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Audit fees paid to				
- auditors of the Trust	216	196	216	196
- other auditors	89	60	-	-
Non-audit fees paid to auditors				
- auditors of the Trust	67	50	67	43
- other auditors	95	83	-	15
Net foreign exchange loss/(gain)	73	(65)	21	(23)
Valuation fees	100	90	63	58

20 TAX EXPENSE

	Group		Trust	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Current taxation				
Current year	145	147	–	–
Withholding tax	574	563	565	500
	719	710	565	500
Deferred taxation				
Origination of temporary differences – investment property	63	(106)	–	–
Tax expense	782	604	565	500

Reconciliation of effective tax rate

	Group		Trust	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Total return before tax and distribution	(23,188)	(11,719)	(31,860)	(266)
Tax calculated using Singapore tax rate of 17% (2015: 17%)	(3,942)	(1,992)	(5,416)	(45)
Effect of tax rates in foreign jurisdictions	44	46	–	–
Non-tax deductible items	13,769	12,259	16,604	10,940
Non-taxable income	(3)	(53)	(1,528)	(676)
Tax transparency	(9,660)	(10,219)	(9,660)	(10,219)
Withholding tax	574	563	565	500
	782	604	565	500

21 EARNINGS AND DISTRIBUTION PER UNIT

(a) Basic earnings per Unit

Basic earnings per Unit is based on:

	Group		Trust	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Total return after tax, before distribution	(23,970)	(12,323)	(32,425)	(766)

	Group and Trust	
	2016 Number of Units '000	2015 Number of Units '000
Issued Units at beginning of year	893,472	781,758
Effect of creation of new Units:		
- issue of new Units (private placement)	–	14,266
- issued as payment of Manager's fees	2,196	1,867
- to be issued as payment of Manager's fees payable in Units	7	5
Weighted average number of issued and issuable Units at end of year	895,675	797,896

(b) Diluted earnings per Unit

Diluted earnings per Unit is the same as the basic earnings per Unit as there were no dilutive instruments in issue during the year.

(c) Distribution per Unit

The distribution per Unit relates to the distributions in respect of the relevant financial year. The distribution during the last quarter of the financial year will be paid subsequent to the reporting date.

22 ISSUE EXPENSES

Issue expenses comprise professional, advisory and underwriting fees and other costs related to issuance of Units.

23 OPERATING SEGMENTS

Management considers the business from a geographic segment perspective. Geographically, management manages and monitors the business by 3 countries: Singapore, Australia and China. All geographical locations are in the business of investing in logistics warehouse properties, which is the only business segment of the Group.

Management assesses the performance of the geographic segments based on a measure of Net Property Income ("NPI"). Interest income and finance expenses are not allocated to the segments as certain treasury activities are centrally managed by the Group.

The segment information provided to the Management for the reportable segments are as follows:

	2016			
	Singapore $'000	Australia $'000	China $'000	Total $'000
Gross revenue	94,735	15,376	1,160	111,271
Property expenses	(21,065)	(2,031)	(161)	(23,257)
Net property income	73,670	13,345	999	88,014
Net change in fair value of investment properties	(83,180)	2,186	250	(80,744)
Unallocated amounts:				
- Interest income				30
- Borrowing costs				(19,529)
- Unallocated costs *				(10,959)
Total return for the year before tax				(23,188)
Tax expense	(565)	–	(217)	(782)
Total return for the year after tax				(23,970)
Assets and liabilities				
Segment assets				
- Investment properties (including asset held for sale)	1,043,773	176,035	16,367	1,236,175
- Others	16,208	2,617	1,166	19,991
	1,059,981	178,652	17,533	1,256,166
Unallocated assets **				2,140
Consolidated total assets				1,258,306
Segment liabilities	442,555	82,803	449	525,807
Unallocated liabilities ***				13,973
Consolidated total liabilities				557,168

Notes:

* Unallocated costs include Manager's fees, Trustee fees and other trust expenses.

** Unallocated assets include cash and cash equivalents, and other receivables.

*** Unallocated liabilities include borrowings of A$16 million and A$14 million (Note 11)

23 OPERATING SEGMENTS (CONT'D)

	2015			
	Singapore $'000	**Australia $'000**	**China $'000**	**Total $'000**
Gross revenue	82,671	5,874	1,176	89,721
Property expenses	(13,124)	(325)	(116)	(13,565)
Net property income	69,547	5,549	1,060	76,156
Net change in fair value of investment properties	(52,509)	(11,779)	(426)	(64,714)
Unallocated amounts:				
- Interest and other income				471
- Borrowing costs				(14,131)
- Unallocated costs *				(9,501)
Total return for the year before tax				(11,719)
Tax expense	(500)	-	(104)	(604)
Total return for the year after tax				(12,323)
Assets and liabilities				
Segment assets				
- Investment properties	1,119,900	171,177	16,882	1,307,959
- Others	13,646	1,873	1,202	16,721
	1,133,546	173,050	18,084	1,324,680
Unallocated assets **				1,610
Consolidated total assets				1,326,290
Segment liabilities	427,101	81,172	471	508,744
Unallocated liabilities ***				31,036
Consolidated total liabilities				539,780

Notes:

* Unallocated costs include Manager's fees, Trustee fees and other trust expenses.

** Unallocated assets include cash and cash equivalents, and other receivables.

*** Unallocated liabilities include borrowings of A$16 million and A$14 million (Note 11)

24 COMMITMENTS

	Group and Trust 2016 $'000	Group and Trust 2015 $'000
(a) Capital commitments:		
Capital expenditure contracted but not provided for	58	17

(b) The Group leases out its investment properties. Investment properties are held for use by tenants under operating leases. Generally, the leases contain an initial non-cancellable period of between 3 to 10 years and subsequent renewals are negotiated with the lessee to reflect market rentals. None of the leases contain contingent rental arrangements. Non-cancellable operating lease rentals receivable are as follows:

	Group		Trust	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Within 1 year	94,355	99,156	81,030	85,214
After 1 year but within 5 years *	188,091	220,838	142,660	170,258
After 5 years *	98,928	125,906	68,137	86,408
	381,374	445,900	291,827	341,880

Note:

* Excludes prevailing market rate adjustment

(c) The Trust is required to pay JTC Corporation annual land rent in respect of certain properties and the underlying land leases range from 29 to 30 years. The annual land rent payable is based on the market land rent in the relevant year of the lease term. However, the lease agreements limit any increase in the annual land rent from year to year to 5.5% of the annual land rent for the immediate preceding year. The land rent paid/payable to JTC Corporation amounted to $8,023,000 (2015: $8,298,000) in relation to 10 (2015:11) properties for the year ended 31 December 2016 (including amounts that have been directly recharged to tenants).

25 SIGNIFICANT RELATED PARTY TRANSACTIONS

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 party or exercise significant influence over the party in mainly financial and operating decisions, or vice-versa., or where the Group and the party are subject to common significant influence. Related parties may be individuals or other entities.

In the normal course of operations of the Group, Manager's fees and Trustee's fees were paid or are payable to the Manager and Trustee respectively.

25 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

During the financial year, other than the transactions disclosed elsewhere in the financial statements, there were the following significant related party transactions:

	Group		Trust	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Property manager's fees and reimbursables paid/payable to the property manager	(4,241)	(3,514)	(4,166)	(3,497)
Other fees paid/payable to property manager [1]	(1,134)	(721)	(1,128)	(721)
Rental income received/receivable from a sponsor and its related corporations	44,581	56,415	43,422	55,240
Acquisition/divestment fees paid/payable to the Manager	(128)	(1,744)	(128)	(1,744)

Note:

(1) Marketing commissions and fees for property tax savings.

26 FINANCIAL RATIOS

	Group	
	2016 %	2015 %
Expenses to weighted average net assets [1]		
- including performance component of the Manager's fees	1.4	1.2
- excluding performance component of Manager's fees	1.3	1.1
Portfolio turnover rate [2]	–	1.2

Notes:

(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, interest expenses and income tax expense.

(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 daily average net asset value.

27 SUBSEQUENT EVENT

On 23 January 2017, the Manager declared a distribution of 1.850 cents per Unit in respect of the period from 1 October 2016 to 31 December 2016 to be paid on 27 February 2017.

On 23 January 2017, the divestment transaction of Cache Changi Districentre 3 was completed for a gross sale consideration of $25.5 million.

On 22 February 2017, the Group announced the proposed acquisition of a distribution warehouse in Australia for an estimated total cost of A$24.0 million (approximately $26.1 million).

INTERESTED PERSON (AS DEFINED IN THE LISTING MANUAL OF THE SGX-ST) AND INTERESTED PARTY (AS DEFINED IN THE PROPERTY FUNDS APPENDIX) TRANSACTIONS (COLLECTIVELY "RELATED PARTY TRANSACTIONS")

The Related Party Transactions during the financial period and which fall within the Listing Manual of the SGX-ST and the Property Funds Appendix are:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to rule 920 (excluding transactions less than $100,000)
ARA-CWT Trust Management (Cache) Limited		
- Manager's fees [(1)]	7,834	-
C & P Holdings Pte Ltd and its associates		
- Rental income	44,581	-
- Property manager's fees and reimbursables	4,241	-
- Other fees paid/payable to property manager [(2)]	1,134	-
HSBC Institutional Trust Services (Singapore) Limited		
- Trustee's fees	510	-

Notes:

(1) The Manager has opted to receive 75% of the Manager's fees in Units for the year ended 31 December 2016. Crystallisation of the Performance Fee, which may be payable in the form of Units or in the form of cash out of the Deposited Property, is made no more frequent than once every Financial Year.

(2) Marketing commissions and service fees for property tax savings.

FEES PAYABLE TO THE MANAGER

The Manager is committed to delivering value to the stakeholders of Cache Logistics Trust, in addition to its key responsibilities in managing and maintaining the long term interests of all Unitholders.

The Manager is entitled to the following fees for the management of Cache Logistics Trust, which cover an extensive scope of functions including but not limited to asset management (including asset enhancements), financing, investment management, marketing and investor relations:

(1) a Base Fee of 0.5% per annum of the value of the properties of Cache Logistics Trust (as defined under Clause 15.1.1 of the Trust Deed). Pursuant to Clause 15.1.4 of the Trust Deed, the Base Fee is paid monthly or quarterly, in arrears, in the form of cash and/or Units, as the Manager may elect. The Base Fee which is based on a fixed percentage of the value of assets of the Trust, commensurates with the complexity and efforts required of the Manager in managing the Trust; and

(2) a performance fee equal to 1.5% per annum of the Net Property Income of Cache Logistics Trust or any special purpose vehicles for each financial year (as defined under Clause 15.1.2 in the Trust Deed). The performance fee is paid in the form of cash and/or Units, as the Manager may elect. The performance fee methodology is reflective of the alignment of interests between the Manager and the Unitholders in incentivising the Manager to drive higher income yields for Cache Logistics Trust. The Manager is incentivised to review the growth potential of the assets in the portfolio, and improve the long-term performance of such assets on a sustainable basis (as opposed to taking excessive short-term risks) through proactive management including undertaking effective leasing strategies and asset enhancement/repositioning initiatives and achieving cost efficiencies.

In accordance with the Code on Collective Investment Schemes dated 1 January 2016 ("CIS Code"), crystallisation of the Performance Fee should be no more frequent than once a year. Therefore, with effect from FY2016, the Performance Fee payable in the form of Units and/or cash will be paid on an annual basis in arrears, subsequent to the end of the applicable financial year.

In addition, the Manager is entitled to an acquisition fee[1] which is paid in the form of cash or Units as the Manager may elect after the completion of an acquisition. The Manager is also entitled to a divestment fee[1] which is paid in cash after the completion of a divestment. Details of the fee structure of the acquisition fee and divestment fee are set out in Note 1 to the Financial Statements herein (and Clauses 15.2.1(i) and (ii) of the Trust Deed). The acquisition fee and divestment fee payable to the Manager are to recognise the Manager's efforts in actively seeking potential opportunities to acquire new properties and/or in unlocking the underlying value of existing properties within its asset portfolio through divestments to optimise returns to the Unitholders. The Manager provides these services over and above the provision of ongoing management services with an aim to generate long term benefits for the Unitholders.

Note:

(1) In the case of an interested party transaction, the fee is paid in the form of Units at the prevailing market price and such Units should not be sold within one year from their date of issuance as stipulated in the CIS Code.

PERCENTAGE OF TOTAL OPERATING EXPENSES TO NET ASSETS

	S$'000
Total operating expenses including all fees, charges and reimbursables paid to the Manager and interested parties	34,143
Net Assets	701,138
Percentage of total operating expenses to Net Assets	4.9%

The total operating expenses incurred by Cache amounted to S$34.1 million which was equivalent to 4.9% of Cache's net assets as at 31 December 2016.

SUBSCRIPTION OF UNITS IN CACHE

As at 31 December 2016, an aggregate of 900,450,086 Units were in issue and to be issued. On 24 January 2017, Cache issued 2,690,768 Units to the Manager in satisfaction of its asset management fees for the period from 1 October 2016 to 31 December 2016.

NON DEAL ROAD SHOW

There was no non-deal roadshow expense incurred during the year ended 31 December 2016 (2015: $5,000).

STATISTICS OF UNITHOLDINGS

ISSUED AND FULLY PAID UP UNITS

As at 1 March 2017

Dates	Events	No of units	Price [1]	Amount (S$)
25 April 2016	Asset Management Fees	1,471,090	0.8411	1,237,334
21 July 2016	Asset Management Fees	1,472,775	0.8392	1,235,953
24 October 2016	Asset Management Fees	1,343,399	0.9107	1,223,434
24 January 2017	Asset Management Fees	2,690,768	0.8100	2,179,522

Note:

(1) Based on the volume weighted average traded price for a unit for all trades done on the SGX-ST in the ordinary course of trading on the SGX-ST for the last 10 business days of the relevant period in which the base fee accrues and in the case of the performance fee, the last 10 business days of relevant financial year.

There were 900,450,086 Units (Voting Rights: One Vote per Unit) outstanding as at 1 March 2017.

There is only one class of Units.

The market capitalisation was S$738.4 million based on a closing unit price of S$0.82 on 1 March 2017.

RANGE OF UNITHOLDINGS

As at 1 March 2017

Size of Unitholdings	No. of Unitholders	% of Unitholders	No. of Units	% of Units
1 – 99	11	0.10	138	0.00
100 – 1,000	892	8.07	854,779	0.09
1,001 – 10,000	5,504	49.78	34,356,861	3.82
10,001 – 1,000,000	4,611	41.70	259,773,971	28.85
1,000,001 and above	39	0.35	605,464,337	67.24
Total	**11,057**	**100.00**	**900,450,086**	**100.00**

20 LARGEST UNITHOLDERS

As at 1 March 2017

No.	Name of Unitholder	No. of Units	% of Units
1	DBS NOMINEES PTE LTD	157,091,308	17.45
2	CITIBANK NOMINEES SINGAPORE PTE LTD	102,056,295	11.33
3	HSBC (SINGAPORE) NOMINEES PTE LTD	64,160,090	7.13
4	RAFFLES NOMINEES (PTE) LTD	55,787,981	6.20
5	UNITED OVERSEAS BANK NOMINEES PTE LTD	43,360,198	4.82
6	CWT LIMITED	37,000,000	4.11
7	DBSN SERVICES PTE LTD	21,977,786	2.44
8	NTUC FAIRPRICE CO-OPERATIVE LTD	20,400,000	2.27
9	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	9,929,600	1.10
10	KGI SECURITIES (SINGAPORE) PTE LTD	8,635,200	0.96
11	MAYBANK KIM ENG SECURITIES PTE LTD	6,772,373	0.75
12	DB NOMINEES (SINGAPORE) PTE LTD	6,608,464	0.73
13	UOB KAY HIAN PTE LTD	5,927,600	0.66
14	CIMB SECURITIES (SINGAPORE) PTE LTD	5,590,020	0.62
15	OCBC SECURITIES PRIVATE LTD	5,340,000	0.59
16	OCBC NOMINEES SINGAPORE PTE LTD	5,289,900	0.59
17	BNP PARIBAS SECURITIES SERVICES	4,457,900	0.49
18	PHILLIP SECURITIES PTE LTD	4,352,189	0.48
19	KO WOON HONG	4,285,100	0.48
20	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	4,001,900	0.44
	TOTAL	**573,023,904**	**63.64**

FREE FLOAT

Under Rule 723 of the Listing Manual of the SGX-ST, a listed issuer must ensure that at least 10.0% of its listed securities is at all times held by the public. Based on the information available to the Manager as at 1 March 2017, approximately 92.5% of the Units in Cache are held in public hands.

SUBSTANTIAL UNITHOLDERS

As at 1 March 2017

There are no Substantial Unitholders in Cache Logistics Trust.

UNITHOLDINGS OF THE DIRECTORS OF THE MANAGER

As at 21 January 2017

Directors	No. of Units	
	Direct	Deemed
Lim Hwee Chiang John	1,000,000	1,000,000 (1)
Lim How Teck	800,000 (2)	–
Liao Chung Lik	1,085,600	–
Jimmy Yim Wing Kuen	200,000	–
Stefanie Yuen Thio	50,000	–
Lim Ah Doo	–	–
Lim Kong Puay	–	–
Lim Lee Meng	–	–
Moses K. Song (Alternate Director to Lim Hwee Chiang John)	–	–

Notes:

(1) 1,000,000 Cache Units are held by Citibank Nominees Singapore Pte. Ltd. (as nominee for JL Philanthropy Ltd). Mr Lim is the settlor of JL Charitable Settlement which is the beneficiary of JL Philanthropy Ltd.

(2) Subsequent to 21 January 2017, Mr Lim How Teck has acquired an additional 182,700 Units on 26 January 2017 and another 217,300 units on 27 January 2017 to own a total of 800,000 Units.

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of the unitholders of Cache Logistics Trust ("**Cache**") will be held at Level 3, Meeting Room Nicoll 1, Suntec Singapore International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Wednesday, 19 April 2017, 3.00 p.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Report of HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Cache (the "**Trustee**"), the Statement by ARA-CWT Trust Management (Cache) Limited, as manager of Cache (the "**Manager**") and the Audited Financial Statements of Cache for the financial year ended 31 December 2016 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-appoint KPMG LLP as the Auditors of Cache and to hold office until the conclusion of the next AGM of Cache and to authorise the Manager to fix their remuneration. **(Resolution 2)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any modifications, the following resolution as an Ordinary Resolution:

3. **GENERAL MANDATE FOR THE ISSUE OF NEW UNITS AND/OR CONVERTIBLE SECURITIES**

That authority be and is hereby given to the Manager to:

(a) (i) issue new units in Cache ("**Units**") whether by way of rights, bonus or otherwise; and/or

(i) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may, in its absolute discretion deem fit; and

(b) issue Units in pursuance of any Instrument made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

provided that:

(A) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent (50%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (B) below) at the time of the passing of this Resolution, of which the aggregate number of Units to be issued other than on a pro rata basis to Unitholders shall not exceed twenty per cent (20%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (B) below);

(B) subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (A) above, the total number of issued Units (excluding treasury Units, if any) shall be based on the total number of issued Units (excluding treasury Units, if any) as at the time this Resolution is passed, after adjusting for:

(i) any new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of Units;

(C) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed constituting Cache dated 11 February 2010 (as amended) (the "**Trust Deed**") for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

(D) unless revoked or varied by Unitholders in a general meeting, the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of Cache or (ii) the date by which the next AGM of Cache is required by applicable law and/or regulations to be held, whichever is earlier;

(E) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Manager may issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and

(F) the Manager, any director of the Manager ("**Director**") and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee may consider expedient or necessary or in the interest of Cache to give effect to the authority conferred by this Resolution.

(See Explanatory Note(i)) **(Resolution 3)**

AS OTHER BUSINESS

4. To transact such other business as may be transacted at an AGM.

By Order of the Board of ARA-CWT Trust Management (Cache) Limited
(Company registration no. 200919331H)
(as manager of Cache Logistics Trust)

Sharon Yeoh
Chiang Wai Ming
Company Secretaries

Singapore
30 March 2017

Notes –

1. A Unitholder who is not a relevant intermediary is entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder.

2. If the appointer is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its authorised officer or attorney.

3. The instrument appointing a proxy must be lodged at the Unit Registrar's office at M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902 not less than forty-eight (48) hours before the time appointed for AGM.

4. A Unitholder who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than one proxy to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed.

   "**relevant intermediary**" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds Units in that capacity; or

   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

5. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at forty-eight (48) hours before the time appointed for AGM in order for the Depositor to be entitled to attend and vote at the AGM.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting ("AGM") and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing and administration by the Manager and the Trustee (or their agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee (or their agents) in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

Explanatory Note:

(i) The Ordinary Resolution 3 above, if passed, will empower the Manager from the date of this AGM until the (i) date of the next AGM of Cache or (ii) the date by which the next AGM of Cache is required by applicable law and/or regulations to be held, whichever is earlier, to issue Units and to make or grant instruments (such as securities, warrants or debentures) convertible into Units and issue Units pursuant to such instruments, up to a number not exceeding fifty per cent (50%) of the total number of issued Units (excluding treasury Units, if any), of which twenty per cent (20%) may be issued other than on a pro rata basis to Unitholders.

For determining the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the issued Units at the time the Ordinary Resolution 3 above is passed, after adjusting for new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Units.

Fund raising by issuance of new Units may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual of the SGX-ST and the Trust Deed or any applicable laws and regulations in such instances, the Manager will then obtain the approval of Unitholders accordingly.

CACHE LOGISTICS TRUST

(Constituted in the Republic of Singapore
pursuant to a trust deed dated 11 February 2010 (as amended))

IMPORTANT
1. A relevant intermediary may appoint more than one proxy to attend the Annual General Meeting and vote (please see Note 4 for the definition of "**relevant intermediary**").
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.

Personal Data Privacy

3. By submitting an instrument appointing a proxy(ies) and/or representative(s), the unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 30 March 2017.

PROXY FORM
ANNUAL GENERAL MEETING

(Please see notes overleaf before completing this Form)

*I/We, ____________________ (Name)

of ____________________ (Address)

being a unitholder/unitholders of Cache Logistics Trust ("**Cache**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Unitholdings	
		No. of Units	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Unitholdings	
		No. of Units	%
Address			

or failing *him/her, the Chairman of the Meeting as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf at the Annual General Meeting (the "**Meeting**") of Cache to be held at Level 3, Meeting Room Nicoll 1, Suntec Singapore International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Wednesday, 19 April 2017, 3.00 p.m. and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her discretion.

No.	Ordinary Resolutions	No. of Votes For**	No. of Votes Against**
	ORDINARY BUSINESS		
1	Adoption of the Report of the Trustee, the Statement by the Manager, the Audited Financial Statements of Cache for the financial year ended 31 December 2016 and the Auditors' Report thereon		
2	Re-appointment of KPMG LLP as Auditors and authorisation of the Manager to fix the Auditors' remuneration		
	SPECIAL BUSINESS		
3	To authorise the Manager to issue Units and to make or grant convertible instruments		

* Delete where inapplicable
** If you wish to exercise all your votes "For" or "Against", please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this __________ day of ____________________ 2017

Total number of Units held

____
Signature of Unitholder(s)/Common Seal of Corporate Unitholder

FOLD THIS FLAP FOR SEALING

Affix Stamp Here Please

M & C SERVICES PRIVATE LIMITED
112 Robinson Road #05-01
Singapore 068902

FOLD HERE

FOLD HERE

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

NOTES TO PROXY FORM

1. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against his name in the Depository Register maintained by the Central Depository (Pte) Limited ("**CDP**"), he should insert that number of Units. If the Unitholder has Units registered in his name in the Register of Unitholders of Cache, he should insert that number of Units. If the Unitholder has Units entered against his name in the said Depository Register and registered in his name in the Register of Unitholders, he should insert the aggregate number of Units. If no number is inserted, this proxy form will be deemed to relate to all the Units held by the Unitholder.

2. A unitholder of Cache ("**Unitholder**") entitled to attend and vote at the Annual General Meeting ("**AGM**") who is not a relevant intermediary is entitled to appoint one or two proxies to attend and vote in his/her stead.

3. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy. A proxy need not be a Unitholder.

4. A Unitholder who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than one proxy to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed.

   "**relevant intermediary**" means:

   (a) a banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds Units in that capacity; or

   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

5. Completion and return of this instrument appointing a proxy shall not preclude a Unitholder from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a Unitholder attends the AGM in person, and in such event, the Manager reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the AGM.

6. The instrument appointing a proxy or proxies (the "**Proxy Form**") must be deposited at the Unit Registrar's office at M & C Services Private Limited, 112 Robinson Road #05-01 Singapore 068902 not less than 48 hours before the time set for AGM.

7. The Proxy Form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the Manager) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

8. A corporation which is a Unitholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

9. The Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his name in the Depository Register as at 48 hours before the time appointed for holding the AGM, as certified by CDP to the Manager.

10. All Unitholders will be bound by the outcome of the AGM regardless of whether they have attended or voted at the AGM.

MANAGER

ARA-CWT Trust Management (Cache) Limited
6 Temasek Boulevard #16-02
Suntec Tower Four
Singapore 038986

Tel : (65) 6835 9232
Fax : (65) 6835 9672

Email : cache-enquiry@ara.com.hk
Website : www.cache-reit.com

DIRECTORS

Lim How Teck
Chairman and Non-Executive Director

Lim Hwee Chiang John
Non-Executive Director

Liao Chung Lik
Non-Executive Director

Jimmy Yim Wing Kuen
Non-Executive Director

Lim Ah Doo
Lead Independent Non-Executive Director

Stefanie Yuen Thio
Independent Non-Executive Director

Lim Kong Puay
Independent Non-Executive Director

Lim Lee Meng
Independent Non-Executive Director

Moses K. Song
Alternate Director to Mr Lim Hwee Chiang John

AUDIT COMMITTEE

Lim Ah Doo
Chairman

Stefanie Yuen Thio
Member

Lim Kong Puay
Member

Lim Lee Meng
Member

PROPERTY MANAGER

Cache Property Management Pte. Ltd.

Registered Address
6 Temasek Boulevard #16-02
Suntec Tower Four
Singapore 038986

Mailing Address
38 Tanjong Penjuru
CWT Logistics Hub 1
Singapore 609309

Tel : (65) 6513 3160
Fax : (65) 6587 4552

TRUSTEE

HSBC Institutional Trust Services (Singapore) Limited

Registered Address
21 Collyer Quay #13-02
HSBC Building
Singapore 049320

Mailing Address
21 Collyer Quay #03-01
HSBC Building
Singapore 049320

Fax : (65) 6534 5526

COMPANY SECRETARIES OF THE MANAGER

Sharon Yeoh
Chiang Wai Ming

TMF Singapore H Pte. Ltd.
38 Beach Road
South Beach Tower #29-11
Singapore 189767

Tel : (65) 6808 1600
Fax : (65) 6808 1616

LEGAL ADVISER

Allen & Gledhill LLP
One Marina Boulevard #28-00
Singapore 018989

Tel : (65) 6890 7188
Fax : (65) 6327 3800

AUDITOR

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Tel : (65) 6213 3388
Fax : (65) 6225 0984

Partner-in-charge : Lee Jee Cheng Philip
(Appointed with effect from financial year ended 31 December 2015)

UNIT REGISTRAR

M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902

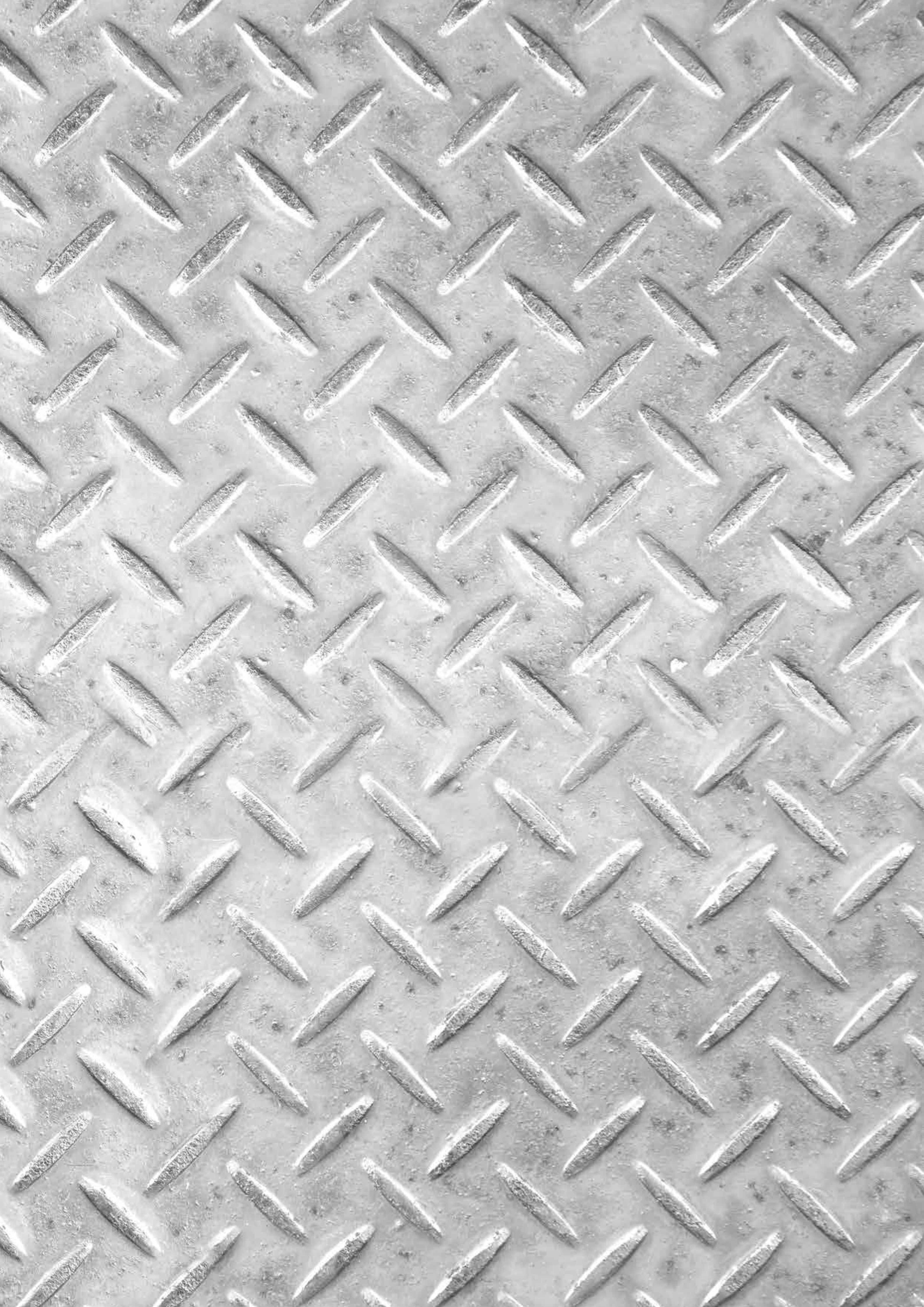
Tel : (65) 6227 6660
Fax : (65) 6225 1452

STOCK EXCHANGE QUOTATION

SGX Stock Code : K2LU
Bloomberg Code : CACHE SP
Reuters Code : CALT.SI

WEBSITES

www.cache-reit.com
www.ara-asia.com
www.cwtlimited.com



CACHE
LOGISTICS TRUST

ARA CWT

MANAGED BY
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