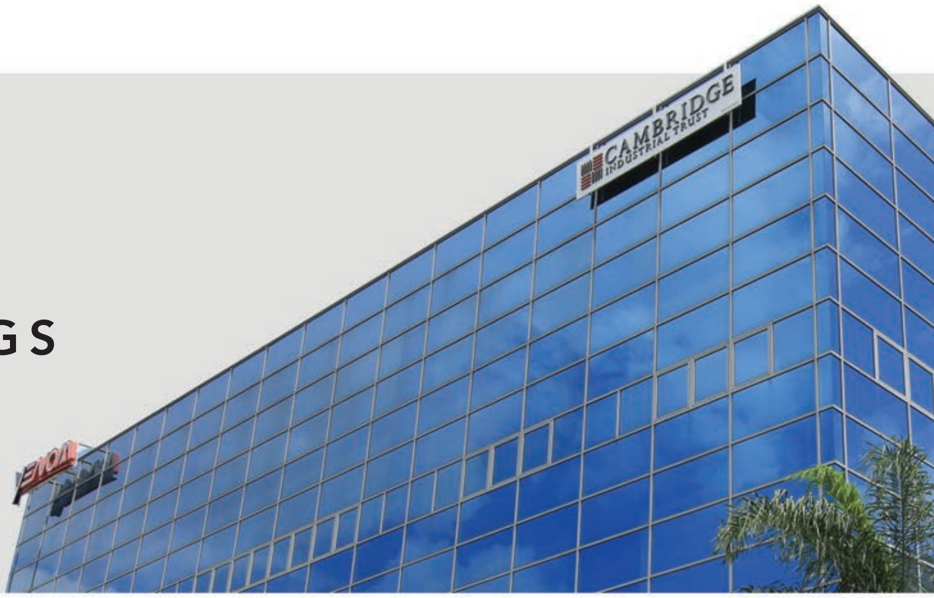
CAMBRIDGE
INDUSTRIAL TRUST

ANNUAL REPORT **2016**

TRANSITION



NEW BEGINNINGS

28 Senoko Drive

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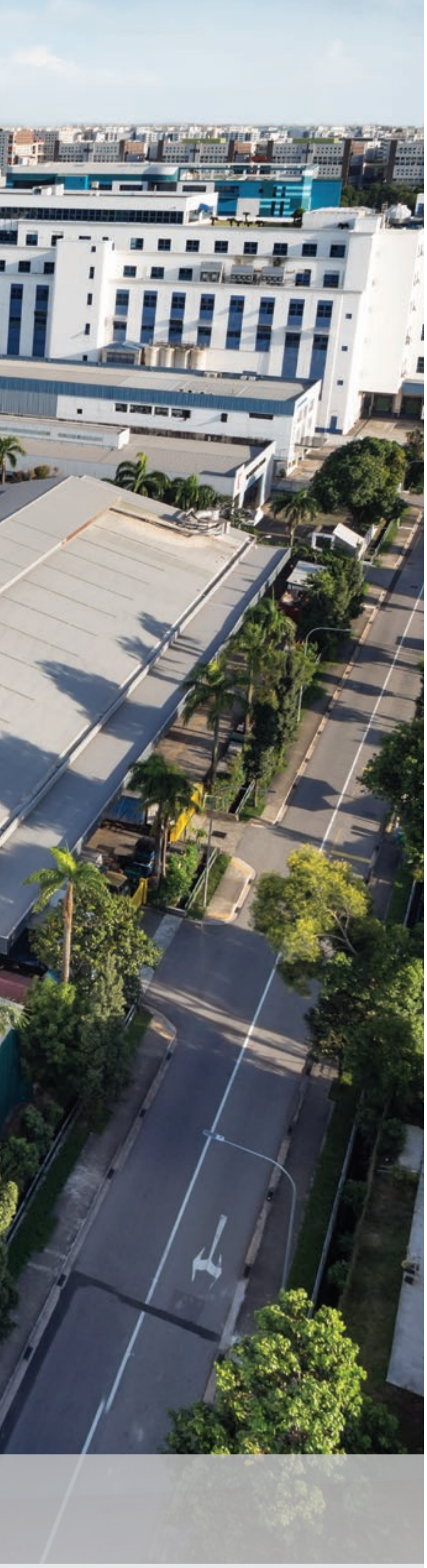


MISSION AND VISION

Cambridge Industrial Trust ("CIT" or "the Trust") is committed to providing its unitholders ("Unitholders") a stable and secure income stream, through the proactive management of its property portfolio and with the intention to deliver long-term capital growth.

CORPORATE INFORMATION

CIT is a Singapore-based industrial real estate investment trust ("REIT") that invests directly or indirectly in income-producing real estate and real estate related assets, used primarily for industrial, warehousing and logistics purposes.

CIT was constituted on 31 March 2006 under a trust deed (as amended), entered into between Cambridge Industrial Trust Management Limited ("CITM" or "the Manager") and RBC Investor Services Trust Singapore Limited ("the Trustee"). CIT was officially listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 25 July 2006 (the "Listing Date") and had a market capitalisation of $704.4* million as at 31 December 2016.

Since the Listing Date, CIT has grown its initial portfolio of 27 properties to a portfolio comprising 49 properties ("the Properties") with a total gross floor area ("GFA") of 8.4 million square feet ("sq ft") and a property value of $1.35 billion as at 31 December 2016.

The Properties range from logistics, warehousing, light industrial, general industrial to car showroom and workshop and business park, and are located close to major transportation hubs and key industrial zones across Singapore.

The Manager's objective is to provide Unitholders with a secure and stable distribution and achieve long-term growth in net asset value ("NAV") per unit through the successful implementation of the following strategies:

- Acquisition of value-enhancing properties;
- Proactive asset management;
- Divestment of non-core properties; and
- Prudent capital and risk management

Moody's Investors Service has assigned Baa3 issuer rating to CIT with a stable outlook and a Baa3 rating to the senior unsecured notes component of CIT's Medium Term Note ("MTN") Programme.

* Unless otherwise stated, $ denominates Singapore Dollars

LETTER TO UNITHOLDERS

A YEAR OF **TRANSITION** AND **NEW BEGINNINGS**

Dear Unitholders,

On behalf of the Board of Directors of CITM, I am pleased to present CIT's Annual Report for the year ended 31 December 2016 ("FY2016").

In FY2016, the Manager retained a disciplined approach, focusing on enhancing asset quality, retaining key tenants, active leasing of vacancies, divestment of non-core properties and prudent capital and risk management. This continued focus on improving the performance of the underlying portfolio has enabled CIT to maintain a good occupancy rate as compared to the previous year, despite a challenging market in Singapore with oversupply and falling net rents. In FY2016, close to 1.7 million sq ft of CIT's space was renewed, a big increase as compared to the year before. In addition, a tenant retention rate of 88.0% was achieved in FY2016. CIT's portfolio occupancy of 94.7% at the end of FY2016 was improved as compared to the year before and remained well above JTC's industry average. On capital recycling the team completed the divestment of two non-core properties at a premium to valuation and purchase price. No suitable yield accretive acquisition was achieved in FY2016 given the competitive market in Singapore.

In FY2016, there were some changes to CITM's Board of Directors as part of ongoing succession planning. Former Chairman Dr Chua Yong Hai and Non-Executive Independent Director Mr Tan Guong Ching both retired after serving with dedication for almost nine years. I am humbled and honoured to be appointed as the new Chairman of the Board. I am very pleased to welcome both Mr Bruce Berry and Mr Erle Spratt as Non-Executive Independent Directors of CITM. Mr Philip Levinson, former Chief Executive Officer ("CEO") and Executive Director of CITM, resigned in November 2016. Mr Shane Hagan, Chief Operating Officer and Chief Financial Officer ("COO and CFO") stepped up as Acting CEO while the Board searched for a new CEO. Recently, Mr Adrian Chui was appointed as the new CEO and Executive Director of CITM. Mr Shane Hagan, who expertly steered the company through this transition period, has now resumed his original role as COO and CFO.

Just prior to the announcement of our FY2016 results in January 2017, the Manager announced a change to its majority shareholders. e-Shang Redwood Limited ("ESR"), through a wholly-owned subsidiary acquired 80% indirect interest in CITM and 100% indirect interest in Cambridge Industrial Property Management Pte. Ltd., ("the Property Manager" or "CIPM") from wholly-owned subsidiaries of National Australia Bank Group ("NAB") and Oxley Global Limited. Subsequently, Mr David MacGregor, a Director nominated by NAB, stepped down as a Non-Executive Director of CITM. Two new Non-Executive Directors, Mr Jeffrey Perlman and Mr Jeffrey Shen were appointed to the Board to represent ESR.

ESR is a leading pan-Asia real estate developer, owner and operator, focussing on developing modern, institutional quality logistics and industrial warehouses in Asia. It is the second largest developer in North Asia with more than US$5 billion of assets under management across China, Korea and Japan.

With ESR as the new majority shareholder of CITM, we believe that they will be able to assist CIT to grow into a top-tier Singapore-based regionally diversified industrial REIT. We will continue to remain focused on our mission of providing CIT Unitholders with a stable and secure income stream, through prudent capital and risk management and proactive asset management and with the intention of delivering long-term capital growth.

FINANCIAL PERFORMANCE

Gross total revenue for the year was $112.1 million and net property income ("NPI") was $82.3 million, down year-on-year ("y-o-y") 0.1% and 4.5% respectively. The decrease in NPI was due to a combination of factors such as loss of revenue and increase of operating expenses during the transition phase of properties converting from single-tenanted buildings ("STBs") to multi-tenanted buildings ("MTBs"), as well as divestment of non-core properties. Distribution per Unit ("DPU") for FY2016 stood at 4.173 cents. Although DPU was down y-o-y, it reflected a better quality of earnings, because in FY2016 the Manager did not top up distributions from capital sources and management fees were paid in cash as opposed to a combination of cash and units in the previous year.

CIT's balance sheet remains strong. Our gearing is within the target range of 30% to 40% and this provides some debt headroom to support potential acquisitions and asset enhancement initiatives ("AEIs") in FY2017.

As at 31 December 2016, CIT's portfolio comprised 49 investment properties, valued at $1.35 billion, compared to 51 investment properties valued at $1.42 billion the year before. Investment property valuations were impacted negatively with the portfolio value falling by 3.2%. About 60% of this write-down was attributed to three properties in the portfolio that had lease expiries or converted from master lease to multi-tenanted. CIT's top ten tenants accounted for 33.7% of the rental income, down from 35.1% a year ago which provides better tenant diversification. The weighted average lease expiry ("WALE") remains healthy at 3.7 years.

LETTER TO UNITHOLDERS

Steadfast focus on maintaining a robust capital management strategy was one of the highlights in FY2016. All of CIT's properties are now unencumbered which puts us in a very strong position from a capital management standpoint. CIT has no major refinancing requirements until the second half of FY2018 ("2H2018"), which provides greater operational and financial flexibility, as well as greater stability in an uncertain interest rate environment.

OPERATIONS

After a few challenging years, CIT is now at the tail end of an extended cycle that saw the bulk of conversions from STBs to MTBs. In FY2016 alone, the asset management team actively managed the conversion of three properties from STBs (including master-leased properties) to MTBs, bringing our number of tenants to 215. With single tenants accounting for only 6.0% of our lease expiries by income in FY2017, our asset management team is now placing greater focus on maximising the lease potential of the MTBs.

During the year the asset management team continued to see through the strategy of active capital recycling, divesting two non-core properties, for a total consideration of $27.0 million at a 5% to 6% premium.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

The Manager recognises that the business and operations of CIT have a long-term impact on the environment and the community. We also believe that focusing on sustainability is not only the right thing to do but it will also benefit our business in the longer term. One ongoing sustainability initiative that we have focused on is installing solar panels at our properties. To date we have eight properties with solar installations that produced a total of 2,145 MWh of power in FY2016.

CIT is a proud early adopter of progressive practices and FY2016 marked the first year in which we released a sustainability report. We are very pleased to be recognised for our efforts through the inclusion in SGX-ST's flagship Sustainability Index, one of only 24 listed companies to be included.

OUTLOOK FOR FY2017

Official figures released by the Ministry of Trade and Industry ("MTI") in February 2017 illustrated that Singapore's economy expanded by 2% in FY2016 and is expected to grow between 1 to 3 % in 2017. While the manufacturing sector has stabilised, outlook remains challenging as pressures from the economic restructuring, changes of government policies and continued global uncertainty continue to weigh on sentiment.

NOTES OF APPRECIATION

On behalf of the Board, I would like to thank all our stakeholders, our Trustee, our auditors and our bankers for their continued support. Special appreciation goes to our customers – our tenants. Without them the ongoing stability and growth of CIT would not have been possible.

My gratitude goes to our former Chairman Dr Chua Yong Hai and Mr Tan Guong Ching (our former Non Executive Independent Director) for their excellent service and mentorship. They served with great commitment and dedication for close to nine years.

I would like to thank former Non-Executive Directors Mr Ian Smith and Mr David McGregor for their service and support over the years.

My appreciation also goes to the previous CEO and Executive Director Mr Philip Levinson, who strengthened the management team and helped position CITM well for its next stage of development.

I would also like to personally thank the senior management and the entire team, for their continued unwavering dedication, enthusiasm and perseverance during this transition period.

Last but not least, the confidence and support shown by you, the Unitholders for the Board and the Manager are sincerely appreciated. On behalf of the Board, we again look forward to your attendance and active participation at CIT's upcoming Annual General Meeting ("AGM") which will be held on 25 April 2017.

MR OOI ENG PENG
Independent Chairman

28 Woodlands Loop

FINANCIAL HIGHLIGHTS

	2016	2015	2014	2013
BALANCE SHEET				
Total assets ($ million)	**1,367.0**	1,430.9	1,380.5	1,260.9
Total net borrowings ($ million)	**509.6**	525.3	475.4	354.9
Unitholders' funds ($ million)	**827.0**	872.9	866.3	861.5
KEY FINANCIAL RATIOS				
NAV per Unit (cents)	**63.4**	67.3	68.1	69.5
Gearing ratios (%)[1]	**37.5**	36.9	34.8	28.7
Weighted average effective interest rate (pa) (%)	**3.7**	3.7	3.7	3.9
Interest cover (times)[2]	**3.6**	4.0	5.2	5.6
CAPITAL MANAGEMENT				
Total loan facilities ($ million)	**615.0**	565.0	570.0	440.0
Gross borrowings ($ million)	**512.5**	528.5	480.0	362.2
Units in issue (million)	**1,304.4**	1,297.8	1,271.5	1,239.3
Market capitalisation ($ million)[3]	**704.4**	733.2	864.6	855.1
TRADING STATISTICS FOR FINANCIAL YEAR				
Opening price	**$0.565**	$0.680	$0.695	$0.675
Highest price	**$0.580**	$0.725	$0.785	$0.860
Lowest price	**$0.485**	$0.530	$0.665	$0.640
Closing price	**$0.540**	$0.565	$0.680	$0.690
Volume weighted average price	**$0.54**	$0.66	$0.72	$0.73
Total volume traded (million units)	**414.96**	333.91	558.66	694.86
Average volume per day (million units)	**1.65**	1.35	2.22	2.77
Unit Price Performance[4]	**3.2%**	-10.5%	8.1%	9.5%

1 Computed based on total debt over gross assets

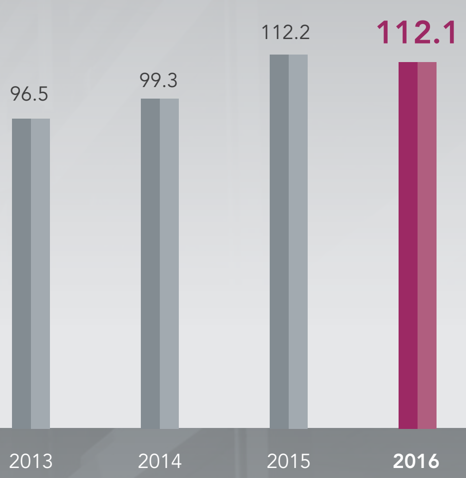
2 Computed based on EBITDA excluding gain on disposal of investment properties, changes in fair value of investment properties and financial derivatives, divided by interest expenses

3 Computed based on closing price and units in issue at the end of financial year

4 Performance is calculated on the change in unit price over the year, based on the closing price of the last day of the preceding year and the closing price of the current year, including the assumption that distribution paid were reinvested at the closing price on the ex-distribution dates

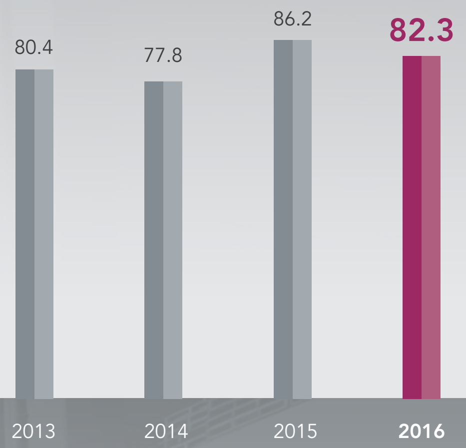
GROSS REVENUE
($ Million)

⌄ 0.1%



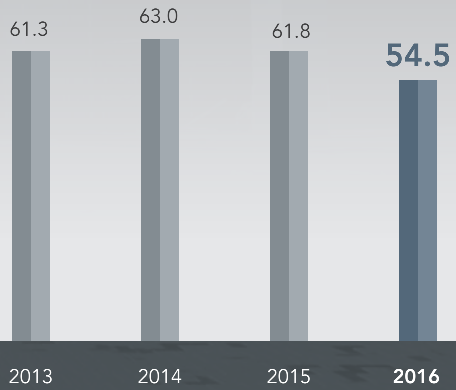
NPI
($ Million)

⌄ 4.5%



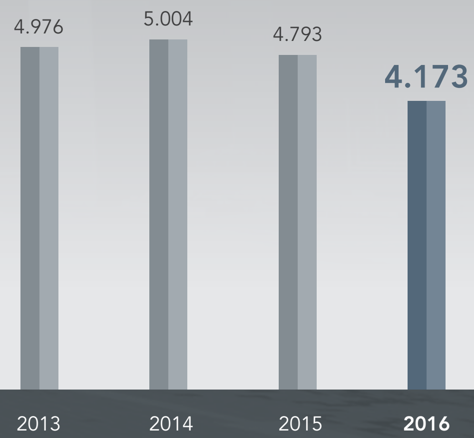
TOTAL DISTRIBUTABLE INCOME
($ Million)

⌄ 11.9%



DPU
(cents)

⌄ 12.9%



YEAR IN BRIEF

2016

JAN

14 JANUARY 2016
Announcement of FY2015 DPU of 4.793 cents

28 JANUARY 2016
Appointment of Mr Shane Hagan as COO and CFO of CITM

FEB

29 FEBRUARY 2016
New units issued and listed at an issue price of $0.4937 per unit under the DRP in relation to the 4Q2015 distribution. The take-up rate was around 23%

MAR

30 MARCH 2016
Update of $500 million multicurrency MTN programme to $750 million multicurrency MTN debt issuance programme

APR

28 APRIL 2016
Announcement of 1Q2016 DPU of 1.112 cents

CIT priced $50 million seven year MTN at 3.95%

7th Annual General Meeting ("AGM")

MAY

4 MAY 2016
Moody's assigned Baa3 rating to the senior unsecured notes component of the $750 million multicurrency MTN debt issuance program

30 MAY 2016
CIT was included in the innagural SGX-ST Sustainability Leaders Index

JUL

1 JULY 2016
Resignation of Mr Ian Andrew Smith as a Non-Executive Director of CITM

22 JULY 2016
Completion of the divestment of 23 Tuas Avenue 10 for $16.5 million

Announcement of 2Q2016 DPU of 1.078 cents

SEP

16 SEPTEMBER 2016
Appointment of Mr Bruce Kendle Berry as an Independent Non-Executive Director of CITM

19 SEPTEMBER 2016
Completion of refinancing of the NAB Loan Facility, fully unencumbering CIT's portfolio of properties

2017

OCT

26 OCTOBER 2016
Announcement of 3Q2016 DPU of 0.987 cents

28 OCTOBER 2016
Filing and Notification with the Financial Services Agency of Japan

31 OCTOBER 2016
Completion of the divestment of 2 Ubi View for $10.5 million

NOV

9 NOVEMBER 2016
Resignation of Mr Philip Levinson as Chief Executive Officer and Executive Director of CITM

23 NOVEMBER 2016
Appointment of Mr Shane Hagan as Acting CEO of CITM

DEC

30 DECEMBER 2016
Retirement of Dr Chua Yong Hai as Chairman of CITM with effect from 1 January 2017

Appointment of Mr Ooi Eng Peng as Chairman of the Board of CITM with effect from 1 January 2017

Appointment of Mr Bruce Kendle Berry as Chairman of Audit, Risk Management and Compliance Committee ("ARCC") with effect from 1 January 2017

JAN

13 JANUARY 2017
Appointment of Mr Erle William Spratt as an Independent Non-Executive Director of CITM

15 JANUARY 2017
Retirement of Mr Tan Guong Ching as an Independent Non-Executive Director of CITM

18 JANUARY 2017
Completion of acquisition by ESR subsidiary of 80% indirect interest in the Manager

Resignation of Mr David Ian MacGregor as a Non-Executive Director of CITM

Appointment of Mr Jeffrey David Perlman as a Non-Executive Director of CITM

Appointment of Mr Jeffrey Shen Jinchu as a Non-Executive Director of CITM

25 JANUARY 2017
Announcement of 4Q2016 DPU of 0.996 cents and yearly valuation of real estate assets.

FEB

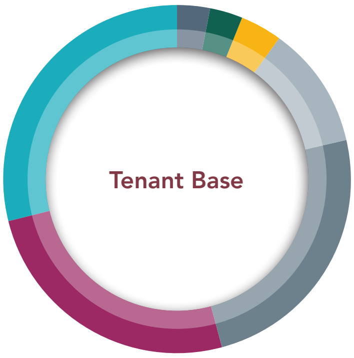
7 FEBRUARY 2017
ESR acquired approximately 10.65% of CIT's units, effectively becoming its second largest shareholder

MANAGER'S REPORT

In FY2016, CIT achieved gross revenue of $112.1 million, a marginal decrease of 0.1% as compared to FY2015. NPI decreased 4.5% to $82.3 million, mainly due to (i) loss of revenue during the transition phase of properties converting from STBs to MTBs, (ii) increase in property operating expenses as a result of the ongoing conversion of assets and (iii) lower income due to properties divested. Total distributable income for FY2016 was $54.5 million, translating to a DPU of 4.173 cents for FY2016, a 12.9% decrease as compared to the year before. However, after adjusting FY2015 DPU to exclude one-off capital distributions and management fees paid in units, FY2016 DPU would have been 5.7% lower than the year before.

Growing the business in an increasingly competitive industrial property landscape became challenging, as finding accretive acquisitions in Singapore became more difficult. CIT is a long-term investor in industrial properties. The Manager actively reviews CIT's portfolio on a regular basis and under this review certain properties may be considered for divestment to improve overall portfolio quality and returns. The Manager's efforts in active capital recycling resulted in the divestment of two non-core assets in FY2016 for a total consideration of $27.0 million – 23 Tuas Avenue 3 was sold at 5% above book value and 2 Ubi View was sold at 6% above book value. The sale proceeds were used to repay existing loans, which in turn helped to reduce aggregate leverage for greater debt capacity, to facilitate potential acquisitions and to enhance the performance of CIT's portfolio. The strategy of capital recycling and divestment of non-core properties in FY2016 enabled the Trust to remain nimble in a challenging environment and it will continue in FY2017.

Diversified Tenant Base and Trade Sectors
As at 31 December 2016

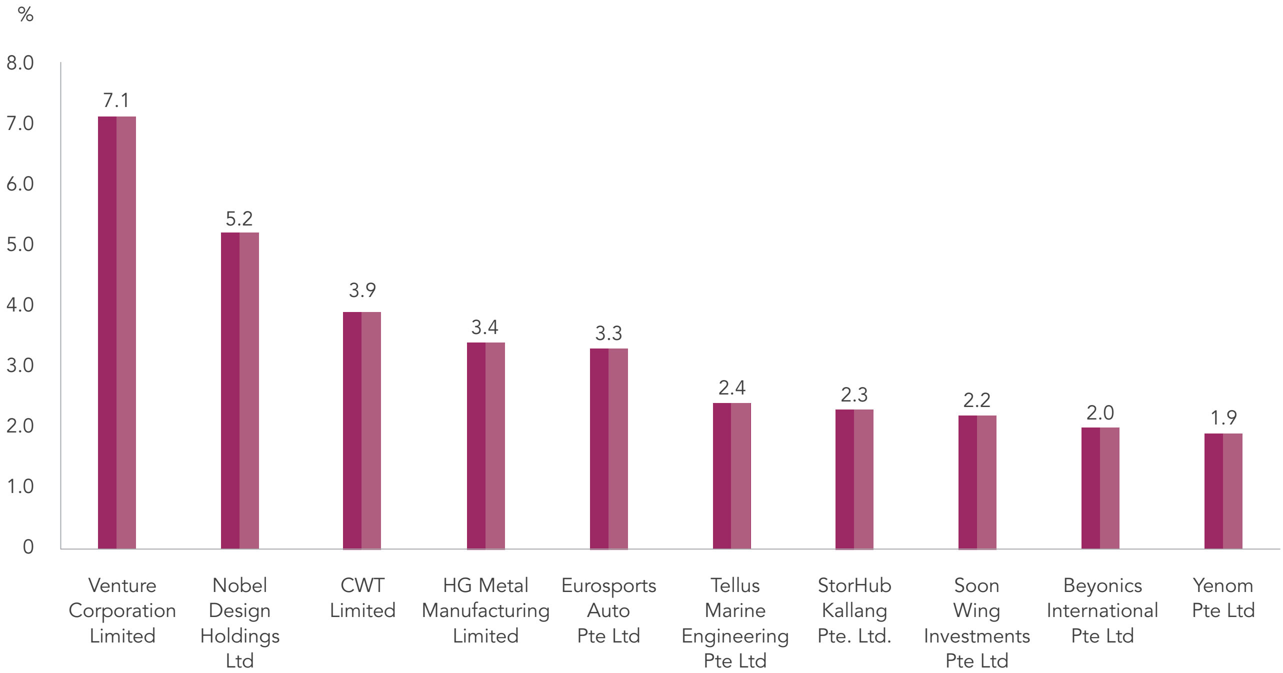


Transportation and Storage	28.8%
Manufacturing	25.1%
Wholesale, Retail Trade Services and Others	24.7%
Professional, Scientific and Techinical Activities	11.3%
Other Services	3.8%
Precision Engineering	3.2%
Construction	3.1%

Wholesale of Household Goods, Textiles, Furniture & Furnishing and Others;	13.3%
General storage	12.9%
Logistics	11.3%
Fabricated Metal Products	10.0%
Professional Computer, Electronic and Optical Products	6.0%
Computer, Electronic and Optical Products (Manufacturing)	4.8%
Specialised storage	4.6%
Wholesale of Industrial, Construction and IT Related Machinery and Equipment	4.4%
Architectural and Engineering Activities and Related Technical Consultancy	3.9%
Other Services	3.8%
Car Distribution	3.7%
Paper and Paper Products	3.6%
Machinery and Equipment	3.6%
Precision Engineering	3.2%
Civil & Engineering Services	3.1%
Others	1.7%
Pharmaceutical	1.7%
Education	1.5%
Rubber and Plastic Products	1.5%
M&E Services and Gas Supply	1.4%

Top 10 Tenants Account for 33.7% of Rental Income

As at 31 December 2016



Independent valuations of CIT properties were carried out in December 2016. In line with the broad market, overall portfolio valuation was 3.2% lower as compared to the year before and CIT's portfolio value now stands at $1.35 billion. About 60% of the write-down was attributed to three properties facing property specific issues such as conversion from STBs to MTBs.

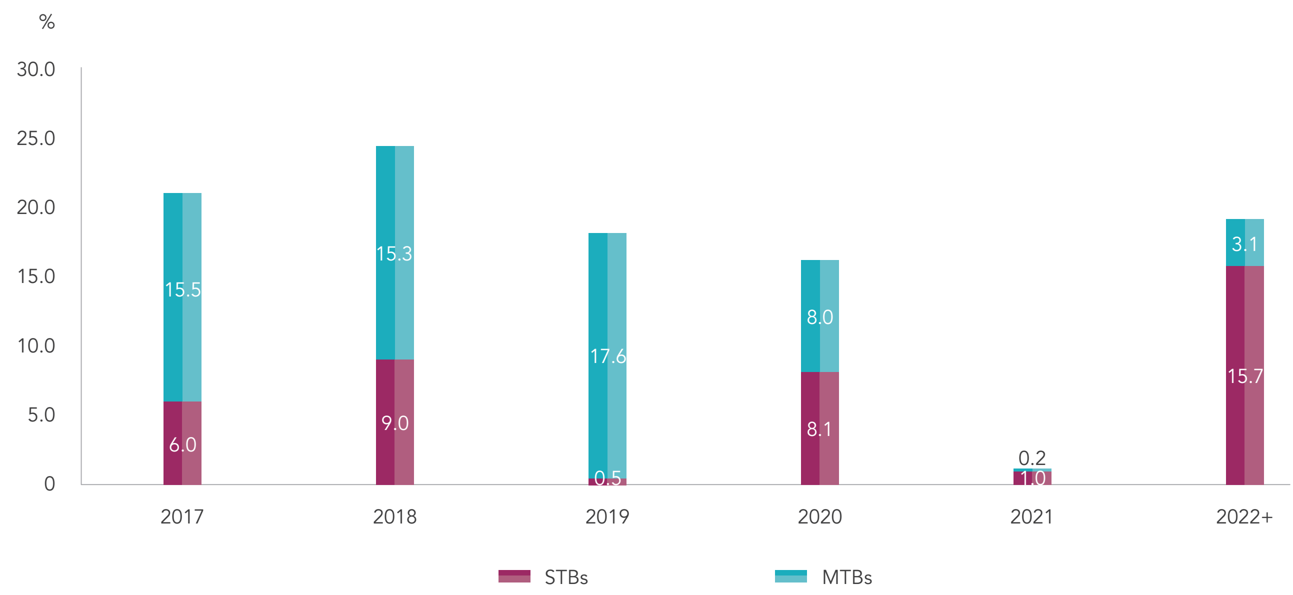
In FY2016, the number of MTBs in CIT's portfolio increased to 23, up from 20 in FY2015. Despite keen market competition, the leasing team successfully leased 1.67 million sq ft of space during the year with proactive occupancy management, a considerable increase as compared to the 1.02 million sq ft leased in FY2015. Portfolio occupancy remained high at 94.7%, with a healthy 88% retention rate achieved for our MTBs. With a diversified tenant base of 215 tenants, the top 10 tenants accounted for 33.7% of rental income in FY2016.

As at 31 December 2016, 59.7% of rental income came from MTBs, while 40.3% was attributed to STBs. Weighted average portfolio land lease balance was 34 years while WALE stood at 3.7years. The weighted average lease term of new leases signed in FY2016 was 2.9 years, accounting for 26.1% of total rental income. As at 31 December 2016, the average portfolio rent was $1.29 psf per month.

Measured by total rental revenue, approximately 21.5% of CIT's leases are due for renewal in FY2017, of which 6.0% (five properties) are for STBs and 15.5% are for MTBs. As CIT's portfolio now approaches the tail-end of the current cycle of STB lease expiries, the asset management team can place greater focus on maximising the lease potential of MTBs, proactively managing the expiries to ensure that the portfolio remains well-leased.

Proactive Lease Management
As at 31 December 2016

Expiring Leases as % of Rental Income



Asset Class (By Rental Income)
As at 31 December 2016

Logistics	16.8%
Warehousing	18.3%
Light Industrial	29.2%
General Industrial	30.7%
Car Showroom and Workshop	3.3%
Business Park	1.7%

STBs vs. MTBs (By Rental Income)
As at 31 December 2016

Multi-Tenanted Properties	59.7%
Single-Tenanted Properties	40.3%

Key Statistics As at 31 December 2016	**2016**	**2015**
No. of Properties	49	51
Property Value ($ billion)	1.35	1.42
Total Portfolio GFA (million sq ft)	8.4	8.5
Total Net Lettable Area (million sq ft)	7.7	8.0
Portfolio Occupancy (%)	94.7%*	94.3
Total no. of Tenants	**215**	**187**

* Excludes 120 Pioneer Road that is undergoing AEI

PROACTIVE ASSET MANAGEMENT

The AEI to improve the overall building infrastructure at 86 International Road that began in FY2015, was completed in the first quarter of 2016. The head tenant, Gliderol Doors Pte Ltd, extended its existing lease expiring in 2018 for further 10 years. As part of CIT sustainability programme, the building attained Green Mark Certification on 29 December 2016.

In October 2016, AEI works commenced for the property at 120 Pioneer Road. Upon completion, the building will feature amongst other enhancements, the first Green Wall façade at a building in CIT's portfolio. The façade has the ability to reduce heat load to the building. The building's layout will be reconfigured to improve overall efficiency and the infrastructure will be enhanced with new passenger and cargo lifts. The AEI works are targeted to complete in 3Q2017, which will coincide with the opening of a new MRT line (Tuas West Road Station) diagonally across the property, which will potentially enhance the value of the building further.

A summary of the FY2016 AEIs can be found in the table below:

AEI	Description of works	Project cost ($ million)	Timeline for Completion
120 Pioneer Rd	Façade upgrading, installation of passenger/ cargo lifts, toilet refurbishment, fire safety code compliance	5.0	3Q2017
86 International Road	Façade upgrading, widening of driveway and relocation of sprinkler pump room	2.0	Completed in 2016

86 International Road

PRUDENT CAPITAL AND RISK MANAGEMENT

Continuing the momentum built up over the previous years, in FY2016 CIT refinanced its last remaining secured loan facility with a new unsecured loan facility. Effectively, CIT's debt became fully unencumbered, which was a significant achievement, given that CIT was an independent REIT until very recently, prior to ESR's acquisition of a majority stake in the Manager and subsequently becoming CIT's second largest unitholder.

The enhanced capital management indicators for CIT are shown in the table below:

Key Capital Management Indicators
As at 31 December 2016

- 90.7% of interest rates fixed for the next 3.0 years
- 100% investment properties unencumbered valued at $1.35 billion

Total Debt ($ million)	512.5
Gearing Ratio (%)	37.5
All-in Cost (%) p.a.	3.71
Weighted Average Debt Expiry (years)	3.1
Interest Coverage Ratio	3.6
Interest Rate Exposure Fixed (%)	90.7
Proportion of Unencumbered Investment Properties (%)	100
Available Committed Facilities ($ million)	102.5

KEY CAPITAL MANAGEMENT ACTIVITIES

In FY2016, CIT enhanced its multicurrency MTN debt issuance programme, aimed at providing flexibility to either issue multicurrency MTNs or perpetual securities, and at the same time increasing the programme limit from $500m to $750m.

In May 2016 CIT launched and successfully closed $50 million of seven-year Series 005 notes at an attractive coupon of 3.95%. Moody's Investors Services issued a "Baa3" issuer rating with a stable outlook on CIT and a rating of "Baa3" on the Series 005 notes – testament to the Manager's consistent efforts in maintaining a strong credit position. Proceeds of the Series 005 notes were used to repay existing revolving credit loans and secured bank loans.

In September 2016, CIT entered into a $100 million unsecured loan facility agreement with HSBC Bank. Proceeds of the loan were utilised to fully refinance the maturing NAB loan facility, effectively unencumbering all assets, enhancing its capital structure and operational flexibility and reducing overall interest costs.

As at 31 December 2016, approximately 91% of CIT's interest rate exposure was fixed for further 3.0 years on average.

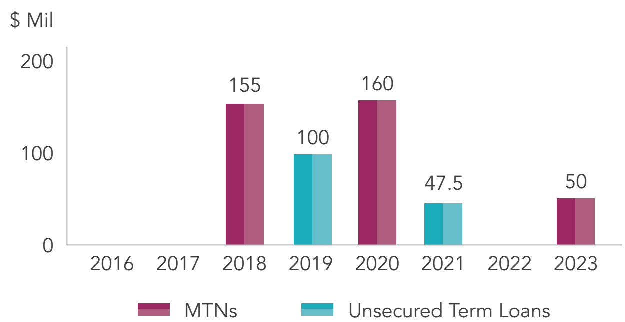
All-in-all, the capital markets activities conducted in FY2016 strengthened CIT's capital structure. Our debt maturity profile is now more diversified, with no major refinancing requirements till the second half of 2018, which reduces refinancing risks in the coming financial years.

DEBT PROFILE

As at 31 December 2016, CIT's aggregate leverage was 37.5% which is in line with its long term target range of 30% to 40%. The debt maturity profile of CIT is as follows:

Diversified Debt Maturity Profile

- Well-staggered debt maturity profile, with no refinancing due till 2H2018
- Available revolving credit facility ("RCF") of $102.5m provides CIT with financial flexibility



STAKEHOLDER ENGAGEMENT

CIT is committed to effective and transparent stakeholder engagement. We adopt proactive communication with Unitholders, investors, analysts, media, clients, partners and the entire stakeholder community.

INVESTOR RELATIONS

The Manager has a dedicated investor relations team that conducts a comprehensive investor relations programme guided by three main principles:

- **Efficiency**: We use communications technologies to convey messages to all stakeholders. We are committed to disseminate all material information that would reasonably be required to make an informed decision about investment in CIT's securities in a fair, timely and cost-efficient manner.
- **Transparency**: We are committed to an open and transparent communication with all stakeholders. We promote investor confidence by ensuring that all market-sensitive information is released to the market in a timely manner.
- **Clarity**: We communicate with stakeholders in clear language that avoids unnecessary jargon and provides maximum understanding of our messages. CIT's financial results are announced four times a year and the announcement materials are uploaded on SGXNET as well as on our website. The management team also holds media and analysts briefings twice a year, following CIT's half-year and full-year financial results.

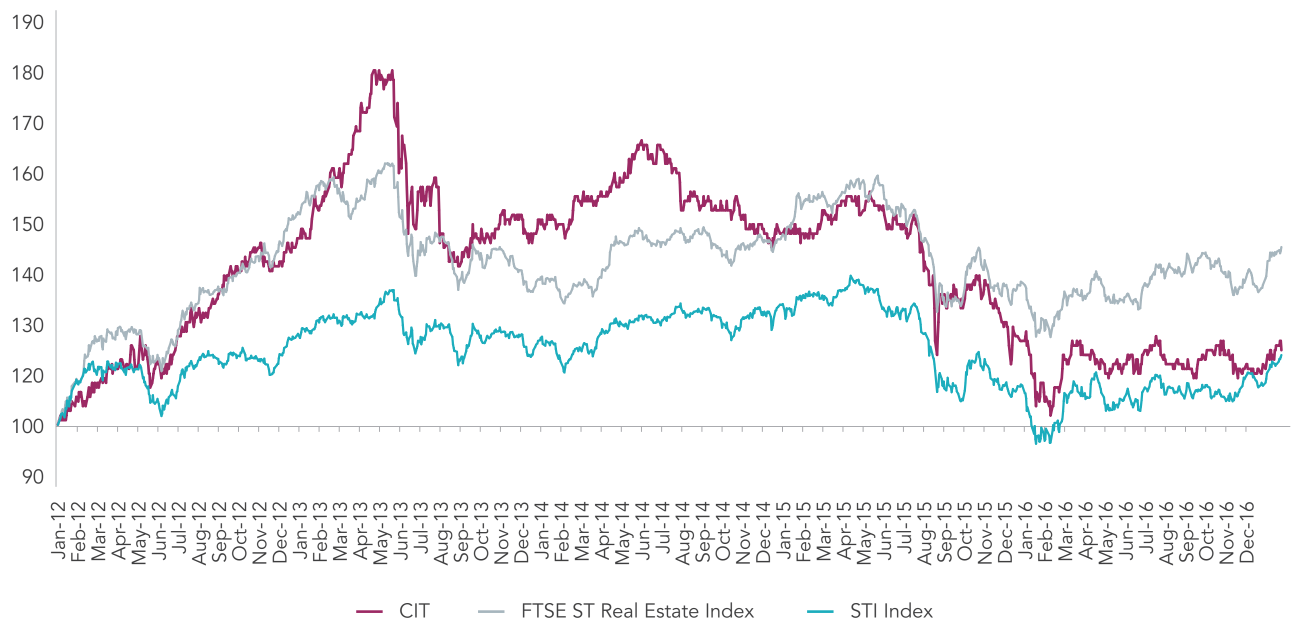
CIT's 7th AGM was held on 28 April 2016 and was attended by more than 150 Unitholders. Unitholders were able to ask questions and give feedback to the management team and to the Board of Directors at the open dialogue session following the formal proceedings.

In FY2016 we held close to 250 briefings with analysts and institutional investors in Singapore, Malaysia, Thailand, Hong Kong, Japan, Europe and US. Engagements included one-on-one meetings, group conference calls, face to face briefings as well as active participation in investor conferences.

TENANT AND PARTNER ENGAGEMENT

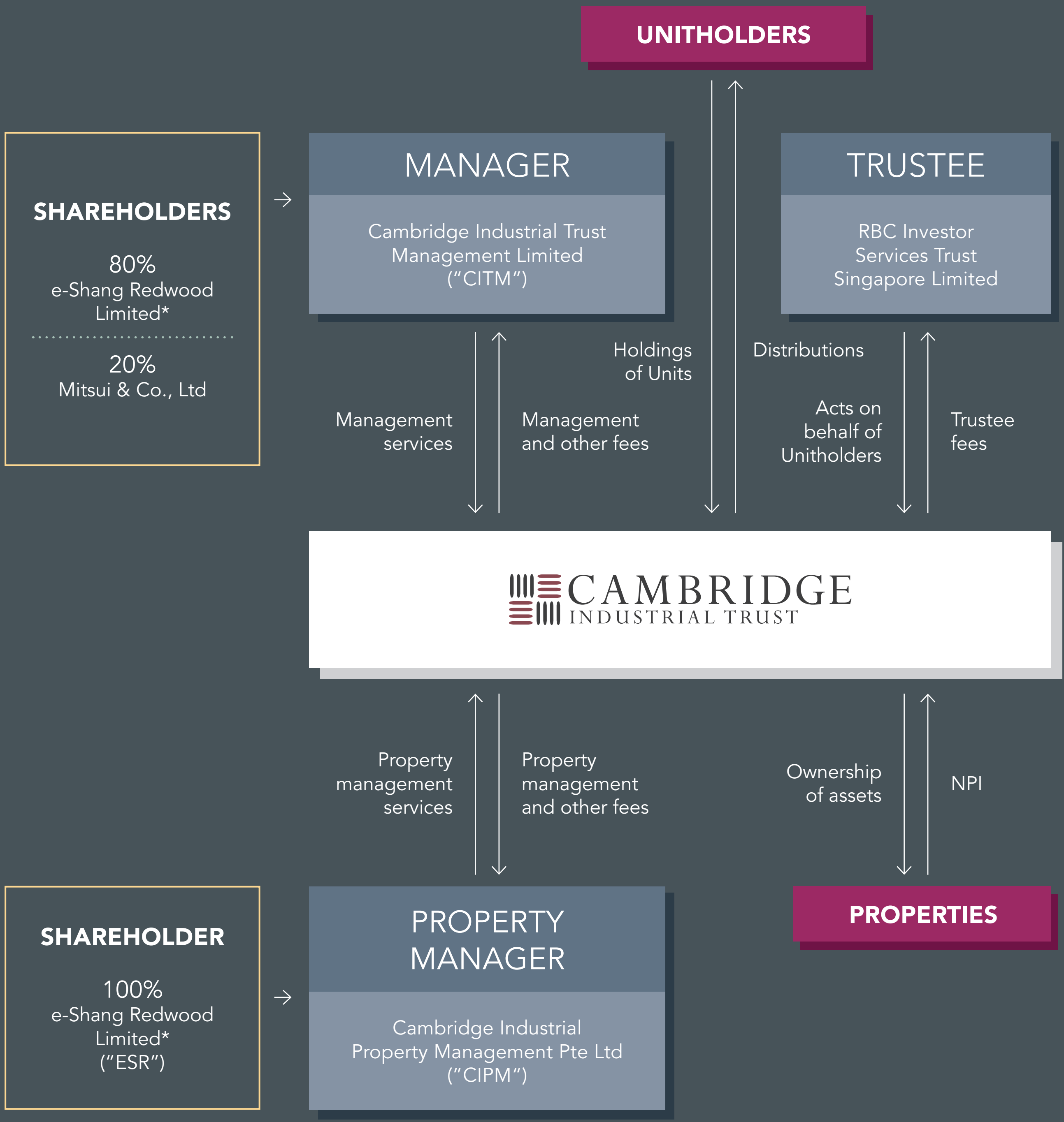
In 2016 the Manager continued with our proactive Tenant Engagement Programme, which includes regular annual events such as movie nights, educational seminars and festive gatherings. Our third annual Tenant Movie Night in November 2016 was attended by more than 250 representatives of our tenant community. We also organise educational seminars related to industry topics of relevance to our tenants in regular intervals. These events serve as a platform to foster closer relationships with the management team and give us an in-depth understanding of tenants needs in an ever-changing landscape.

Five-year CIT Unit Price Performance (%)
(Rebased to 100 as at January 2012)



30 Toh Guan Road

CAMBRIDGE INDUSTRIAL TRUST GROUP STRUCTURE

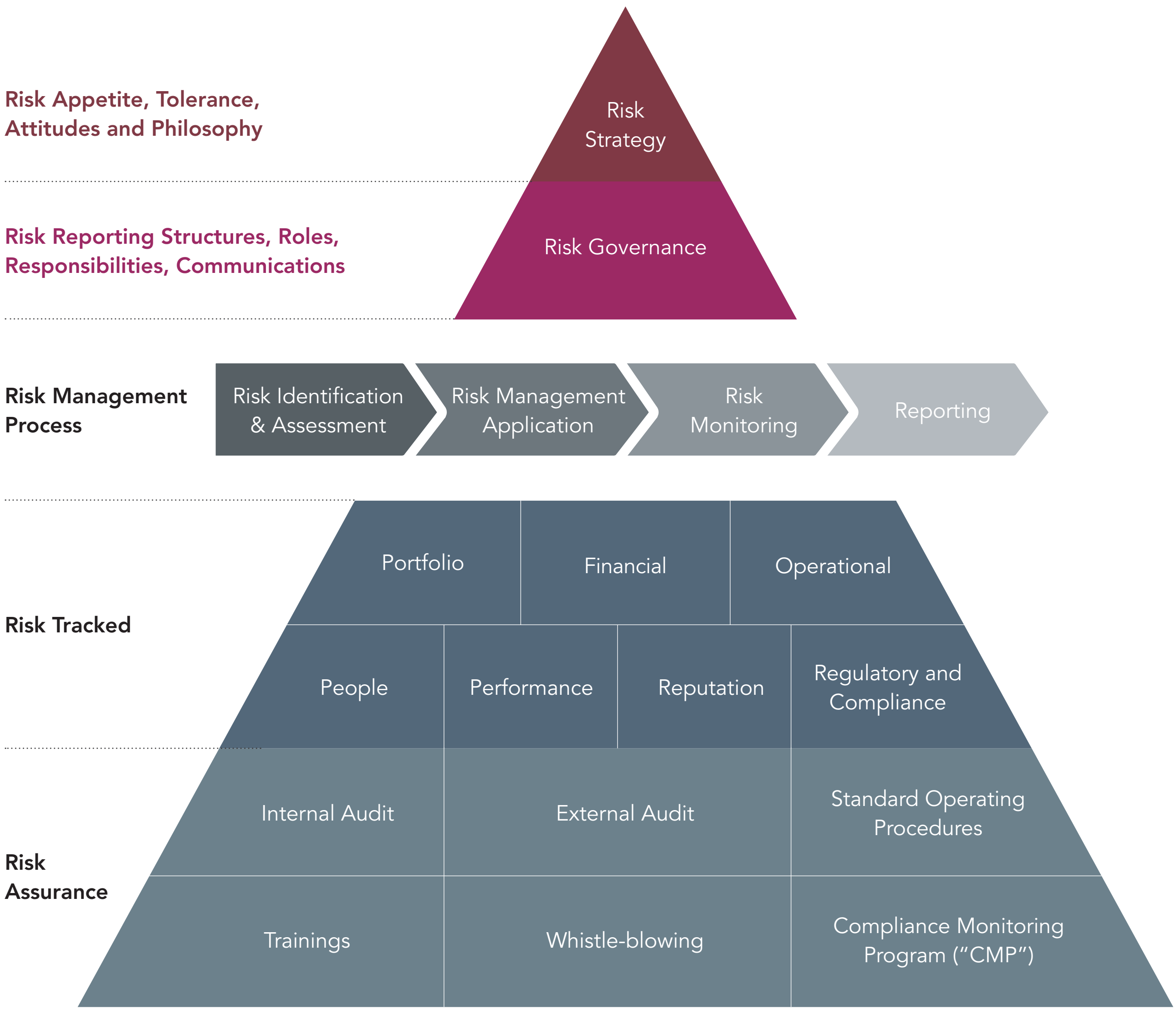


* CITM and CIPM are 80% and 100% owned respectively by Cambridge Real Estate Investment Management Pte Ltd which is indirectly owned by ESR

RISK MANAGEMENT

Proactive and effective risk management is a fundamental part of CITM's business strategy.

CITM recognises that risk management is about opportunities as much as it is about threats. To capitalise on opportunities, CITM has to take risks. Therefore risk management is not about pursuing risk minimisation as a goal but rather optimising the risk-reward relationship, within known and agreed risk appetite levels. CITM, therefore, takes risks in a prudent manner for justifiable business reasons.



STRONG OVERSIGHT AND GOVERNANCE

The Board of Directors of the Manager has the overall responsibility for governing risks and ensuring that CITM maintains a sound risk management system and internal controls to safeguard Unitholders' interests and CIT's assets. For these purposes, the Board is assisted by the ARCC which provides dedicated oversight of risk management at the Trust and Manager Level. The ARCC currently comprises three independent members and meets on a quarterly basis. The meetings are attended by the CEO, COO and CFO and Head of Compliance of CITM.

Risk Management Process

The Manager adopts a four-step risk management process to manage different risks by performing the following steps:
(1) Risk identification and assessment;
(2) Risk management application;
(3) Risk monitoring; and
(4) Reporting

(1) Risk Identification and Assessment

The Enterprise-Risk Management ("ERM") Risk Appetite Statement was formulated and approved by the Board to identify the nature and extent of key material risks and risk appetite threshold of CIT and CITM. Both Risk Appetite Statements are monitored on a quarterly basis to ensure that all risks are appropriately managed. The ERM Risk Appetite Statements are reviewed and tabled to both the Board and ARCC on a quarterly basis for their notation. The metrics adopted for each measure will be reviewed at least annually or more frequently if the business environment warrants.

Besides using ERM Risk Appetite Statement as one of the tools to identify and assess risks, CITM requires respective Head of Departments to proactively identify, assess and document material operational risks as well as controls and/or treatment actions needed to address them, on a quarterly basis. The Key Risks and Control Matrix ("Risk Matrix") covers CIT's and CITM's material operational risks, the likelihood of the risks occurring, the consequences should they occur and the controls put in place to mitigate or manage these risks. The material operational risks are sub-categorised into commercial & legal, economic/financial, operational, technology, human resources, occupational health and safety ("OHS")/environmental, development and strategic. The Risk Matrix is reviewed by both the CEO and COO and CFO before they are presented to the ARCC and the Board.

(2) Risk Management Application

Besides using the ERM Risk Appetite Statement and Risk Matrix to identify and assess the risks, CITM also uses other tools to manage risks. The Compliance Matrix is one such tool that lists a summary of the major regulatory requirements related to both CITM and CIT. It covers the Securities and Futures Act ("SFA"), Securities and Futures Regulations ("SFR") and related Notices and Guidelines, SGX Listing Rules and the Code Of Collective Investment Scheme ("CIS"). Identified regulations are reviewed yearly or whenever the business environment changes substantially or whenever there are new relevant regulations to ensure that the matrix is kept up-to-date.

CITM has various policies and procedures to reduce operational risks by providing uniform practices that serve as a basis for guidance in day-to-day operation and to facilitate the understanding and correct implementation of different work processes. All policies and procedures are reviewed and updated where relevant at least once a year to ensure they are kept up-to-date. Any revisions, amendments and supplements to the various policies must be approved by the Board, ARCC or the CEO, as appropriate.

To increase the level of awareness and knowledge of various risks, controls requirements and processes within CIT and CITM, all new employees are required to undergo induction training by the various departments. On-the-job training will be provided to equip the staff with the knowledge and skills to carry out their work. Internal training will be conducted for the purpose of information sharing, especially on changes relating to internal policies. Staff are encouraged to source for external training that relates to their field of expertise and/or are included in personal development plans. Skills and knowledge acquired via such training can be applied to their work to improve work processes or control requirements thus effectively reducing operational risks for CITM.

(3) Risk Monitoring

To ensure that risks are effectively managed and controlled, the following are some of the methods of risk monitoring adopted by CITM. The monitoring results are reported to ARCC and noted by the Board through ARCC updates.

- Quarterly monitoring of ERM Risk Appetite Statement
- Quarterly review of Key Risk and Control Matrix
- Quarterly monitoring of outstanding internal/external audit recommendations
- Quarterly attestations from employees, appointed representatives, Heads of Departments and Directors in terms of compliance with relevant regulatory requirements
- Quarterly reporting of breaches, potential breach and loss events

RISK MANAGEMENT

In addition to the above risk monitoring methods, CITM has formulated a Compliance Monitoring Framework using the Compliance Matrix as a base document. A risk assessment of all regulatory requirements impacting both CIT and CITM will be performed on an annual basis which will guide the approach taken for Compliance's oversight function. The risk assessment exercise consists of both inherent risk and residual risk assessment with a rating scale of low, medium and high. With the results generated, Compliance will conduct oversight through a combination of routine monitoring and risk-based monitoring programmes (otherwise known as the Compliance Monitoring Programme).

(4) Reporting

Reports are provided to ARCC/Board/Regulators on a regular basis to provide updates on CITM's risk and compliance management activities.

Risk Tracked

CITM undertakes an iterative and comprehensive approach in identifying, managing, monitoring and reporting of material risks. Such material risks include:

Portfolio Risk

The key objectives of CITM are to deliver secure and stable distributions to Unitholders and to achieve long-term growth in NAV per unit in order to provide Unitholders with a competitive rate of return for their investment. To achieve these objectives, the Manager uses the following strategies:

- Pro-actively managing CIT's property portfolio to maximise returns;
- Selectively acquiring properties that meet our investment criteria and enhance Unitholders' value;
- Divesting of non-core properties; and
- Adopting prudent capital and risk management strategies

The investment portfolio will primarily comprise real estate used mainly for industrial purposes (including investments in real estate related assets and/or other related value enhancing assets or instruments). The investments will be made in Singapore and Asian markets, with the current focus on the local market and Australia, depending on investment opportunities and market conditions and will be for the long-term. To manage the impact of economic uncertainties, CITM monitors economic development as well as any policies that have an impact on the daily operations within the portfolio.

Financial Risk

CITM monitors the financial market risk and capital structure actively as prudent capital management is the key for a sustainable business. CITM needs to ensure that there is diversity in terms of source of funds, a well-staggered debt maturity profile, and a gearing ratio within its target range, to mitigate any financial and liquidity risk.

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 CIT, as and when they fall due. CITM established credit limits for tenants and monitors their balances on an on-going basis. Credit evaluations are performed by CITM before lease agreements are entered into with the lessees. In addition, CIT requires the lessees to provide tenancy security deposits or corporate guarantees, or to assign rental proceeds from sub-lessees to CIT.

Interest Rate

CIT's exposure to changes in interest rates relate primarily to its interest-bearing financial liabilities. Interest rate risk is managed by CITM on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates. CIT adopts a policy of ensuring that the majority of its exposure to changes in interest rates on borrowings is on a fixed rate basis. This is achieved by entering into interest rate swaps and/or fixed rate borrowings.

Currency Risk

At present, all transactions involving CIT are denominated in Singapore dollars and the Group faces no currency risk. If this were to change in the future, CITM would consider currency hedging to the extent appropriate.

Liquidity and Refinancing Risk

CITM monitors the liquidity risk of CIT and maintains a level of cash and cash equivalents deemed adequate by management to finance CIT's operations. Typically, CIT will ensure that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disasters. CITM monitors and observes the CIS Code issued by the MAS concerning limits on total borrowings.

Operational Risk

Guidelines and policies are put in place to ensure business continuity. This includes the monitoring of incidents and ensuring safety-related standards and procedures are set in place. To mitigate the risk of any disasters, disaster recovery testing is conducted at least once a year.

Performance and Reputation Risk

CIT's NPI yield, Mean Expense Ratio ("MER") and Distribution Per Unit ("DPU") are some of the metrics monitored and measured against peer benchmarks to ensure that the Trust is performing better than or at least on par with the market. In addition, regulatory requirements on base capital and financial resources are being monitored to ensure that the requirements are met on an ongoing basis.

Reputational risk is the current or prospective risk to earnings and capital arising from adverse perception of the image of Cambridge by tenants, counterparties, shareholders, investors and regulators. CITM uses formal media monitoring to assess if there are any adverse news on CIT that warrants any actions from the Manager.

Other than the above material risks, CITM also needs to manage the following risks:

Regulatory and Compliance Risk

Due to the nature of business, CITM, being a Capital Markets Services Licence Holder, is required to comply with the relevant legislation and regulations issued by the Monetary Authority of Singapore ("MAS"), SGX-ST and the tax rulings issued by the Inland Revenue Authority of Singapore on the taxation of CIT and its Unitholders. Thus, any changes in these legislation and regulations may affect CIT's business, results or operations. The Manager has established relevant regulatory related policies and procedures to ensure CIT's and CITM's compliance with applicable legislation and regulations. Regulatory compliance is being monitored via the reporting of results of compliance monitoring program, non-compliance instances, regulatory breaches and overdue internal/external/regulatory inspection findings to ensure that both CIT and CITM are adhering to regulatory requirements.

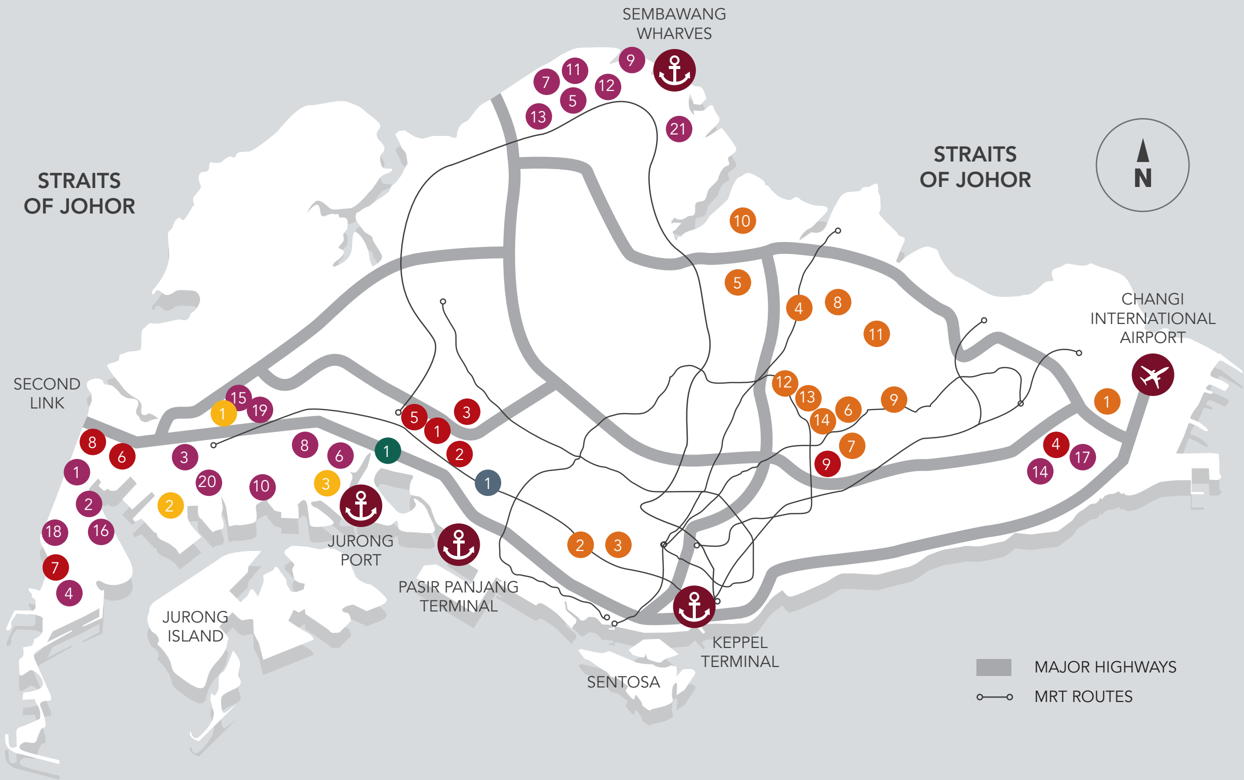
People Risk

People are the key to the business. Succession planning is in place for key personnel and staff remuneration is reviewed periodically to ensure it is aligned to the market to retain and reward staff.

Risk Assurance

On top of the risk management tools that are highlighted above, the Manager also has a Whistle Blowing Policy put in place which provides an avenue to employees and external parties to raise any concerns about possible improprieties in matters of financial reporting or other matters to the ARCC Chairman. Independent investigation and appropriate follow-up action will be taken for all concerns raised.

PROPERTY LOCATIONS



LOGISTICS

1. 1 Third Lok Yang Road and 4 Fourth Lok Yang Road
2. 3 Pioneer Sector 3
3. 24 Jurong Port Road

WAREHOUSING

1. 3C Toh Guan Road East
2. 4/6 Clementi Loop
3. 9 Bukit Batok Street 22
4. 25 Changi South Avenue 2
5. 30 Toh Guan Road
6. 31 Tuas Avenue 11
7. 79 Tuas South Street 5
8. 120 Pioneer Road
9. 160 Kallang Way

LIGHT INDUSTRIAL

1. 1/2 Changi North Street 2
2. 2 Jalan Kilang Barat
3. 11 Chang Charn Road
4. 11 Serangoon North Avenue 5
5. 12 Ang Mo Kio Street 65
6. 16 Tai Seng Street
7. 21/23 Ubi Road 1
8. 54 Serangoon North Avenue 4
9. 55 Ubi Avenue 3
10. 70 Seletar Aerospace View
11. 87 Defu Lane 10
12. 128 Joo Seng Road
13. 130 Joo Seng Road
14. 136 Joo Seng Road

GENERAL INDUSTRIAL

1. 2 Tuas South Avenue 2
2. 3 Tuas South Avenue 4
3. 5/7 Gul Street 1
4. 9 Tuas View Crescent
5. 11 Woodlands Walk
6. 15 Jurong Port Road
7. 21B Senoko Loop
8. 22 Chin Bee Drive
9. 23 Woodlands Terrace
10. 25 Pioneer Crescent
11. 28 Senoko Drive
12. 28 Woodlands Loop
13. 30 Marsiling Industrial Estate Road 8
14. 31 Changi South Avenue 2
15. 31 Kian Teck Way
16. 43 Tuas View Circuit
17. 45 Changi South Avenue 2
18. 60 Tuas South Street 1
19. 86/88 International Road
20. 160A Gul Circle
21. 511/513 Yishun Industrial Park A

CAR SHOWROOM AND WORKSHOP

1. 30 Teban Gardens Crescent

BUSINESS PARK

1. 16 International Business Park

PROPERTY PORTFOLIO

LOGISTICS

114,111
SQ FT
OF LETTABLE AREA

$12.1
MILLION
VALUATION AS AT 31 DEC 2016

1 1 THIRD LOK YANG ROAD & 4 FOURTH LOK YANG ROAD

644,991
SQ FT
OF LETTABLE AREA

$106.8
MILLION
VALUATION AS AT 31 DEC 2016

2 3 PIONEER SECTOR 3

737,778
SQ FT
OF LETTABLE AREA

$89.1
MILLION
VALUATION AS AT 31 DEC 2016

3 24 JURONG PORT ROAD

WAREHOUSING

167,317
SQ FT
OF LETTABLE AREA

$32.0
MILLION
VALUATION AS AT 31 DEC 2016

1 3C TOH GUAN ROAD EAST

255,560
SQ FT
OF LETTABLE AREA

$51.3
MILLION
VALUATION AS AT 31 DEC 2016

2 4/6 CLEMENTI LOOP

132,447
SQ FT
OF LETTABLE AREA

$23.6
MILLION
VALUATION AS AT 31 DEC 2016

3 9 BUKIT BATOK STREET 22

72,998
SQ FT
OF LETTABLE AREA

$12.7
MILLION
VALUATION AS AT 31 DEC 2016

4 25 CHANGI SOUTH AVENUE 2

293,429
SQ FT
OF LETTABLE AREA

$59.7
MILLION
VALUATION AS AT 31 DEC 2016

5 30 TOH GUAN ROAD

75,579
SQ FT
OF LETTABLE AREA

$11.9
MILLION
VALUATION AS AT 31 DEC 2016

6 31 TUAS AVENUE 11

67,942
SQ FT
OF LETTABLE AREA

$11.3
MILLION
VALUATION AS AT 31 DEC 2016

7 79 TUAS SOUTH STREET 5


Artist Impression

226,302
SQ FT
OF LETTABLE AREA

$37.0
MILLION
VALUATION AS AT 31 DEC 2016

8 120 PIONEER ROAD

PROPERTY PORTFOLIO

322,604
SQ FT
OF LETTABLE AREA

$28.2
MILLION
VALUATION AS AT 31 DEC 2016

9 **160 KALLANG WAY**

LIGHT INDUSTRIAL

125,870
SQ FT
OF LETTABLE AREA

$23.5
MILLION
VALUATION AS AT 31 DEC 2016

1 **1/2 CHANGI NORTH STREET 2**

67,667
SQ FT
OF LETTABLE AREA

$28.0
MILLION
VALUATION AS AT 31 DEC 2016

2 **2 JALAN KILANG BARAT**

76,140
SQ FT
OF LETTABLE AREA

$31.5
MILLION
VALUATION AS AT 31 DEC 2016

3 **11 CHANG CHARN ROAD**

112,601
SQ FT
OF LETTABLE AREA

$19.7
MILLION
VALUATION AS AT 31 DEC 2016

4 11 SERANGOON NORTH AVENUE 5

166,124
SQ FT
OF LETTABLE AREA

$38.9
MILLION
VALUATION AS AT 31 DEC 2016

5 12 ANG MO KIO STREET 65

215,666
SQ FT
OF LETTABLE AREA

$73.2
MILLION
VALUATION AS AT 31 DEC 2016

6 16 TAI SENG STREET

148,055
SQ FT
OF LETTABLE AREA

$36.0
MILLION
VALUATION AS AT 31 DEC 2016

7 21/23 UBI ROAD 1

116,761
SQ FT
OF LETTABLE AREA

$21.0
MILLION
VALUATION AS AT 31 DEC 2016

8 54 SERANGOON NORTH AVENUE 4

117,264
SQ FT
OF LETTABLE AREA

$22.0
MILLION
VALUATION AS AT 31 DEC 2016

9 55 UBI AVENUE 3

53,729
SQ FT
OF LETTABLE AREA

$9.2
MILLION
VALUATION AS AT 31 DEC 2016

10 70 SELETAR AEROSPACE VIEW

91,213
SQ FT
OF LETTABLE AREA

$17.4
MILLION
VALUATION AS AT 31 DEC 2016

11 87 DEFU LANE 10

73,407
SQ FT
OF LETTABLE AREA

$12.0
MILLION
VALUATION AS AT 31 DEC 2016

12 128 JOO SENG ROAD

89,626
SQ FT
OF LETTABLE AREA

$16.1
MILLION
VALUATION AS AT 31 DEC 2016

13 130 JOO SENG ROAD

78,189
SQ FT
OF LETTABLE AREA

$13.4
MILLION
VALUATION AS AT 31 DEC 2016

14 136 JOO SENG ROAD

GENERAL INDUSTRIAL

217,351
SQ FT
OF LETTABLE AREA

$36.0
MILLION
VALUATION AS AT 31 DEC 2016

1 2 TUAS SOUTH AVENUE 2

PROPERTY PORTFOLIO

315,522
SQ FT
OF LETTABLE AREA

$40.0
MILLION
VALUATION AS AT 31 DEC 2016

2 3 TUAS SOUTH AVENUE 4

98,864
SQ FT
OF LETTABLE AREA

$14.5
MILLION
VALUATION AS AT 31 DEC 2016

3 5/7 GUL STREET 1

71,581
SQ FT
OF LETTABLE AREA

$9.5
MILLION
VALUATION AS AT 31 DEC 2016

4 9 TUAS VIEW CRESCENT

96,625
SQ FT
OF LETTABLE AREA

$17.4
MILLION
VALUATION AS AT 31 DEC 2016

5 11 WOODLANDS WALK

245,172
SQ FT
OF LETTABLE AREA

$39.5
MILLION
VALUATION AS AT 31 DEC 2016

6 15 JURONG PORT ROAD

195,823
SQ FT
OF LETTABLE AREA

$31.5
MILLION
VALUATION AS AT 31 DEC 2016

7 21B SENOKO LOOP

120,653
SQ FT
OF LETTABLE AREA

$15.1
MILLION
VALUATION AS AT 31 DEC 2016

8 22 CHIN BEE DRIVE

99,224
SQ FT
OF LETTABLE AREA

$17.2
MILLION
VALUATION AS AT 31 DEC 2016

9 23 WOODLANDS TERRACE

PROPERTY PORTFOLIO

76,003
SQ FT
OF LETTABLE AREA

$16.4
MILLION
VALUATION AS AT 31 DEC 2016

10 25 PIONEER CRESCENT

159,338
SQ FT
OF LETTABLE AREA

$13.8
MILLION
VALUATION AS AT 31 DEC 2016

11 28 SENOKO DRIVE

131,859
SQ FT
OF LETTABLE AREA

$18.3
MILLION
VALUATION AS AT 31 DEC 2016

12 28 WOODLANDS LOOP

171,747
SQ FT
OF LETTABLE AREA

$38.0
MILLION
VALUATION AS AT 31 DEC 2016

13 30 MARSILING INDUSTRIAL ESTATE ROAD 8

59,697
SQ FT
OF LETTABLE AREA

$11.2
MILLION
VALUATION AS AT 31 DEC 2016

14 31 CHANGI SOUTH AVENUE 2

33,088
SQ FT
OF LETTABLE AREA

$5.7
MILLION
VALUATION AS AT 31 DEC 2016

15 31 KIAN TECK WAY

122,836
SQ FT
OF LETTABLE AREA

$16.5
MILLION
VALUATION AS AT 31 DEC 2016

16 43 TUAS VIEW CIRCUIT

63,530
SQ FT
OF LETTABLE AREA

$13.2
MILLION
VALUATION AS AT 31 DEC 2016

17 45 CHANGI SOUTH AVENUE 2

PROPERTY PORTFOLIO

44,675
SQ FT
OF LETTABLE AREA

$5.2
MILLION
VALUATION AS AT 31 DEC 2016

18 60 TUAS SOUTH STREET 1

237,229
SQ FT
OF LETTABLE AREA

$41.1
MILLION
VALUATION AS AT 31 DEC 2016

19 86/88 INTERNATIONAL ROAD

86,075
SQ FT
OF LETTABLE AREA

$19.5
MILLION
VALUATION AS AT 31 DEC 2016

20 160A GUL CIRCLE

194,635
SQ FT
OF LETTABLE AREA

$26.0
MILLION
VALUATION AS AT 31 DEC 2016

21 511/513 YISHUN INDUSTRIAL PARK A

CAR SHOWROOM AND WORKSHOP

139,525
SQ FT
OF LETTABLE AREA

$39.8
MILLION
VALUATION AS AT 31 DEC 2016

1 **30 TEBAN GARDENS CRESCENT**

BUSINESS PARK

69,258
SQ FT
OF LETTABLE AREA

$31.0
MILLION
VALUATION AS AT 31 DEC 2016

1 **16 INTERNATIONAL BUSINESS PARK**

PROPERTY PORTFOLIO

LOGISTICS

	Address	Tenants	Lettable Area (Sq ft)	Land Lease Expiry/Title
1	1 Third Lok Yang Road and 4 Fourth Lok Yang Road	YCH DistriPark (Pte) Ltd	114,111	2031 / Leasehold estate of 30 years w.e.f 16 December 2001
2	3 Pioneer Sector 3	Multi-tenanted	644,991	2050 / Leasehold estate of 30 + 30 years w.e.f 16 December 1990
3	24 Jurong Port Road	Multi-tenanted	737,778	2037 / Leasehold estate of 30 + 12 years w.e.f 1 March 1995

WAREHOUSING

	Address	Tenants	Lettable Area (Sq ft)	Land Lease Expiry/Title
1	3C Toh Guan Road East	Multi-tenanted	167,317	2051 / Leasehold estate of 30 + 30 years w.e.f 16 February 1991
2	4/6 Clementi Loop	Multi-tenanted	255,560	2053 / Leasehold estate of 30 + 30 years w.e.f 1 October 1993
3	9 Bukit Batok Street 22	Multi-tenanted	132,447	2053 / Leasehold estate of 30 + 30 years w.e.f 1 February 1993
4	25 Changi South Avenue 2	Wan Tai and Company (Private) Limited	72,998	2054 / Leasehold estate of 30 + 30 years w.e.f 16 October 1994
5	30 Toh Guan Road	Multi-tenanted	293,429	2055 / Leasehold estate of 30 + 30 years w.e.f 16 August 1995
6	31 Tuas Avenue 11	SLS Bearings (Singapore) Pte Ltd	75,579	2054 / Leasehold estate of 30 + 30 years w.e.f 1 April 1994
7	79 Tuas South Street 5	Vacant	67,942	2060 / Leasehold estate of 30 + 30 years w.e.f 1 February 2000
8	120 Pioneer Road	Multi-tenanted	226,302	2055 / Leasehold estate of 30 + 28 years w.e.f 16 February 1977
9	160 Kallang Way	StorHub Kallang Pte. Ltd.	322,604	2033 / Leasehold estate of 60 years w.e.f 16 February 1973

Acquisition Date	Purchase Price / Development Cost ($million)	Occupancy (%) 31 Dec 2016	Gross Rental Income ($million) 31 Dec 2016	Valuation ($million) 31 Dec 2016
25 July 2006	12.4	100	1.3	12.1
25 July 2006	93.4	100	8.8	106.8
25 July 2006	96.0	95	7.9	89.1

Acquisition Date	Purchase Price / Development Cost ($million)	Occupancy (%) 31 Dec 2016	Gross Rental Income ($million) 31 Dec 2016	Valuation ($million) 31 Dec 2016
30 January 2012	35.5	77	2.3	32.0
13 June 2011	63.4	76	4.0	51.3
25 October 2007	18.3	92	2.1	23.6
25 July 2006	7.3	100	1.0	12.7
25 July 2006	35.0	99	6.2	59.7
25 July 2006	8.7	100	1.0	11.9
30 April 2008	10.4	–	–	11.3
24 October 2007	27.9	53	2.1	37.0
25 July 2006	23.2	100	2.7	28.2

PROPERTY PORTFOLIO

LIGHT INDUSTRIAL

	Address	Tenants	Lettable Area (Sq ft)	Land Lease Expiry/Title
1	1 Changi North Street 2	ETLA Limited	125,870	2061 / Leasehold estate of 30 + 30 years w.e.f. 1 March 2001
	2 Changi North Street 2			2065 / Leasehold estate of 30 + 30 years w.e.f. 23 November 2005
2	2 Jalan Kilang Barat	Multi-tenanted	67,667	2062 / Leasehold estate of 99 years w.e.f 1 July 1963
3	11 Chang Charn Road	Multi-tenanted	76,140	2056 / Leasehold estate of 99 years w.e.f 1 January 1958
4	11 Serangoon North Avenue 5	Multi-tenanted	112,601	2057 / Leasehold estate of 30 + 30 years w.e.f 16 April 1997
5	12 Ang Mo Kio Street 65	Multi-tenanted	166,124	2050 / Leasehold estate of 30 + 30 years w.e.f 16 October 1990
6	16 Tai Seng Street	Nobel Design Holdings Ltd	215,666	2067 / Leasehold estate of 30 + 30 years w.e.f 4 July 2007
7	21/23 Ubi Road 1	Multi-tenanted	148,055	2057 / Leasehold estate of 30 + 30 years w.e.f 1 Feburary 1997
8	54 Serangoon North Avenue 4	Multi-tenanted	116,761	2056 / Leasehold estate of 3 30 + 30 years w.e.f 16 June 1996
9	55 Ubi Avenue 3*	Multi-tenanted	117,264	2056 / Leasehold estate of 30 + 30 years w.e.f 1 July 1996
10	70 Seletar Aerospace View	Air Transport Training College Pte Ltd	53,729	2041 / Leasehold estate of 30 years w.e.f 16 October 2011
11	87 Defu Lane 10	Multi-tenanted	91,213	2050 / Leasehold estate of 30 + 30 years w.e.f 1 November 1990
12	128 Joo Seng Road	Multi-tenanted	73,407	2052 / Leasehold estate of 30 + 30 years w.e.f 1 May 1992
13	130 Joo Seng Road	Multi-tenanted	89,626	2051 / Leasehold estate of 30 + 30 years w.e.f 1 December 1991
14	136 Joo Seng Road	Multi-tenanted	78,189	2050 / Leasehold estate of 30 + 30 years w.e.f 1 October 1990

* Property held for divestment

Acquisition Date	Purchase Price / Development Cost ($million)	Occupancy (%) 31 Dec 2016	Gross Rental Income ($million) 31 Dec 2016	Valuation ($million) 31 Dec 2016
19 October 2010	22.1	100	1.9	23.5
25 July 2006	20.0	94	1.9	28.0
31 March 2014	32.0	100	2.3	31.5
25 July 2006	14.0	94	2.1	19.7
13 September 2014	39.8	100	3.5	38.9
29 May 2012	72.9	100	5.7	73.2
25 July 2006	25.0	100	3.6	36.0
01 March 2013	21.0	92	1.9	21.0
27 February 2007	18.8	62	1.3	22.0
22 November 2012	8.5	100	1.0	9.2
25 July 2006	14.8	100	1.6	17.4
25 June 2007	10.0	86	1.3	12.0
25 July 2006	12.0	100	1.7	16.1
25 July 2006	10.3	100	1.3	13.4

PROPERTY PORTFOLIO

GENERAL INDUSTRIAL

	Address	Tenants	Lettable Area (Sq ft)	Land Lease Expiry/Title
1	2 Tuas South Avenue 2	Soon Wing Investments Pte. Ltd	217,351	2059 / Leasehold estate of 60 years w.e.f 4 January 1999
2	3 Tuas South Avenue 4	Strides Pharma Global Pte. Limited	315,522	2059 / Leasehold estate of 30 + 30 years w.e.f 1 May 1999
3	5/7 Gul Street 1	Precise Industries Pte. Ltd	98,864	2037 / Leasehold estate of 29.5 years w.e.f 1 April 2008
4	9 Tuas View Crescent	C M R (Far East) Pte. Ltd	71,581	2058 / Leasehold estate of 30 + 30 years w.e.f 16 July 1998
5	11 Woodlands Walk	NTS Components Singapore Pte. Ltd	96,625	2055 / Leasehold estate of 30 + 30 years w.e.f 16 October 1995
6	15 Jurong Port Road	HG Metal Manufacturing Limited	245,172	2035 / Leasehold estate of 28 years w.e.f 25 March 2007
7	21B Senoko Loop	Tellus Marine Engineering Pte. Ltd	195,823	2053 / Leasehold estate of 30 + 30 years w.e.f 1 Feburary 1993
8	22 Chin Bee Drive	Deluge Fire Protection (S.E.A) Pte. Ltd	120,653	2035 / Leasehold estate of 30 years w.e.f 16 September 2005
9	23 Woodlands Terrace	Multi-tenanted	99,224	2056 / Leasehold estate of 30 + 30 years w.e.f 16 November 1996
10	25 Pioneer Crescent	Bohler Pacific Pte. Ltd	76,003	2067 / Leasehold estate of 30 + 28 years w.e.f 1 Feburary 2009
11	28 Senoko Drive	Tat Seng Packaging Group Ltd	159,338	2039 / Leasehold estate of 30 + 30 years w.e.f 16 December 1979
12	28 Woodlands Loop	Sanwa Plastic Industry Pte. Ltd	131,859	2055 / Leasehold estate of 30 + 30 years w.e.f 16 October 1995
13	30 Marsiling Industrial Estate Road 8	Multi-tenanted	171,747	2049 / Leasehold estate of 30 + 30 years w.e.f 1 December 1989
14	31 Changi South Avenue 2	Presscrete Engineering Pte. Ltd	59,697	2055 / Leasehold estate of 30 + 30 years w.e.f 1 March 1995
15	31 Kian Teck Way	Donald Mcarthy Trading Pte. Ltd	33,088	2042 / Leasehold estate of 30 + 19 years w.e.f 1 September 1993
16	43 Tuas View Circuit	Q'son Precision Engineering Pte. Ltd	122,836	2038 / Leasehold estate of 30 years w.e.f 1 Feburary 2008
17	45 Changi South Avenue 2	Multi-tenanted	63,530	2055 / Leasehold estate of 30 + 30 years w.e.f 1 September 1995
18	60 Tuas South Street 1	Vacant	44,675	2035 / Leasehold estate of 30 years w.e.f 16 March 2005

Acquisition Date	Purchase Price / Development Cost ($million)	Occupancy (%) 31 Dec 2016	Gross Rental Income ($million) 31 Dec 2016	Valuation ($million) 31 Dec 2016
25 July 2006	23.0	100	2.3	36.0
19 March 2013	15.0	100	1.8	40.0
15 July 2011	14.5	100	1.5	14.5
25 July 2006	5.6	100	0.7	9.5
29 October 2012	17.3	100	1.4	17.4
30 January 2013	43.0	100	3.7	39.5
28 January 2008	27.8	100	2.6	31.5
28 September 2010	15.0	100	1.5	15.1
26 October 2007	15.4	76	1.3	17.2
29 March 2012	15.3	100	1.2	16.4
25 June 2007	12.0	100	1.7	13.8
25 July 2006	13.0	100	1.7	18.3
24 October 2012	39.0	85	2.7	38.0
27 July 2007	7.3	100	0.6	11.2
25 July 2006	3.2	100	0.6	5.7
21 September 2012	13.5	100	1.4	16.5
25 July 2006	8.3	92	0.8	13.2
29 June 2011	6.4	–	–	5.2

PROPERTY PORTFOLIO

	Address	Tenants	Lettable Area (Sq ft)	Land Lease Expiry/Title
19	86/88 International Road	Multi-tenanted	237,229	2054 / Leasehold estate of 30 + 30 years w.e.f 16 December 1994
20	160A Gul Circle	Unicable Pte. Ltd	86,075	2040 / Leasehold estate of 27 years w.e.f 30 September 2013
21	511 Yishun Industrial Park A	Multi-tenanted	194,635	2054 / Leasehold estate of 29 + 30 years w.e.f 1 June 1995
	513 Yishun Industrial Park A	Multi-tenanted		2053 / Leasehold estate of 30 + 30 years w.e.f 1 December 1993

CAR SHOWROOM AND WORKSHOP

	Address	Tenants	Lettable Area (Sq ft)	Land Lease Expiry/Title
1	30 Teban Gardens Crescent	Eurosports Auto Pte Ltd	139,525	2039 / Leasehold estate of 10 + 22 years w.e.f 1 June 2007

BUSINESS PARK

	Address	Tenants	Lettable Area (Sq ft)	Land Lease Expiry/Title
1	16 International Business Park	M+W Singapore Pte Ltd	69,258	2056 / Leasehold estate of 30 + 30 years w.e.f 1 August 1996



Acquisition Date	Purchase Price / Development Cost ($million)	Occupancy (%) 31 Dec 2016	Gross Rental Income ($million) 31 Dec 2016	Valuation ($million) 31 Dec 2016
25 July 2006	32.6	90	3.2	41.1
13 May 2015	19.1	100	1.5	19.5
30 November 2010 30 November 2010	32.6	56	0.7	26.0

Acquisition Date	Purchase Price / Development Cost ($million)	Occupancy (%) 31 Dec 2016	Gross Rental Income ($million) 31 Dec 2016	Valuation ($million) 31 Dec 2016
17 March 2014	41.0	100	3.5	39.8

Acquisition Date	Purchase Price / Development Cost ($million)	Occupancy (%) 31 Dec 2016	Gross Rental Income ($million) 31 Dec 2016	Valuation ($million) 31 Dec 2016
19 December 2014	30.3	100	1.9	31.0

SINGAPORE INDUSTRIAL PROPERTY MARKET OVERVIEW

PREPARED BY EDMUND TIE & COMPANY (SEA) PTE LTD

1 ECONOMIC OVERVIEW

1.1 Gross Domestic Product ("GDP") Growth

Singapore's GDP expanded by 2.0% in 2016, slightly better than the 1.9% in 2015. Economic growth was weighed down by business services sectors, alongside decline of financial & insurance.

1.2 Sectoral Performances

1.2.1 Manufacturing

In 2016, the manufacturing sector grew strongly by 3.6%, improving from the -5.1% growth in 2015. According to Ministry of Trade and Industry Economic Survey of Singapore 2016, majority of the growth in the manufacturing sector was contributed by electronics (4.4%) and biomedical manufacturing (2.6%).

However, business conditions in the sector remained lacklustre and recovery was cluster-specific. Weaknesses were evident in selected manufacturing clusters, as the machinery & equipment and chenucaks & chemical products continued to contract.

1.2.2 Transportation and Storage

The services producing industries grew by 1.0% in 2016. Growth was underpinned by transportation & storage, a key demand driver for logistics warehouse[1]. The transportation & storage sector grew by 2.3%, with moderate expansion in water transport, storage and other support services segments.

1.2.3 Business Services

The business services sector has been the most affected and declined by 0.9% from a 3.9% growth in 2015. The professional services segment grew marginally in 2016, supported by the growth in legal (4.9%) and architectural & engineering services (2.3%). On the other hand, the business & management consultancy sub-segment contacted by 10%.

1.2.4 Financial & Insurance

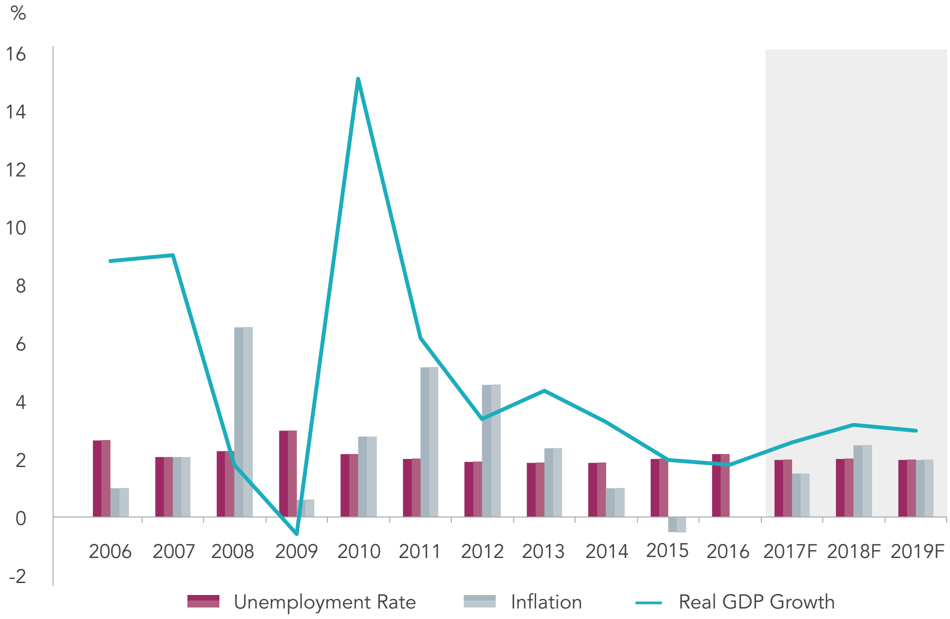
The financial & insurance sector expanded marginally by 0.7 % in 2016, due to weakness in the offshore financial intermediation, fund management and security dealing segments.

1.3 Inflation and Employment

Amid lower commodity prices and moderated economic growth, inflation has eased since 2011. MAS estimated that inflation increased from 0.4% to 0.9% in 2016. Oxford Economics expects inflation to return to more sustainable levels of up to 2.5% from 2017 onwards (Figure 1.1).

[1] According to MTI, the transportation and storage sector, which includes logistics, contributed 7.4% to Singapore's GDP and employed over 8% of the total workforce in 2015.

Figure 1.1: Real GDP Growth, Inflation and Unemployment Rate



Source: Oxford Economics, Department of Statistics of Singapore (DOS), Edmund Tie & Company Consulting, February 2017

In the labour market, total employment grew by 16,400 in 2016, the slowest growth since 2009. Meanwhile, unemployment rate for Singaporean and permanent residents, as well as retrenchment in Q3 2016, were at the highest since 2009. In 2016, there were 19,000 job redundancies. The increase in unemployment was due to contractions in the manufacturing and construction sectors.

1.4 Outlook

Singapore's economy is expected to grow modestly by 1.0% - 3.0% in 2017. While expansionary fiscal policies in the United States (US) and Japan are expected to support growth in 2017, global and regional economies face some downside risks, including expected interest rate hike by the US Federal Reserve and the increasingly inward-looking trade policies of the US and other countries. Meanwhile, continued slowdown in growth of services producing industries could potentially offset the improvement in manufacturing sector.

The e-commerce potential of growing middle class in Southeast Asia largely remained untapped compared with mature markets such as the US and China. The establishment of ASEAN Economic Community[2] as a single economic region with free movement of goods, services, investment, skilled labour and freer flow of capital will enable Singapore to have strong connectivity for supply chain, and thus unlock more opportunity for industrialists and logistics enterprises. In addition, emerging technologies like additive manufacturing and the growth of omni-channel retail provide further growth opportunities for the logistics industries.

2 MAJOR GOVERNMENT POLICIES AND PLANS

2.1 Major Government Policies, Plans, and Initiatives

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

In Q1 2018, some 10,700 industrial units and 540 industrial land leases under the HDB will be transferred to JTC. The consolidation of all public sector industrial land and properties under a single agency will enable the Government to better support industrialists, especially the small and medium enterprises (SMEs). As industrialists will have one-stop access to a full range of public sector industrial facilities available, they will receive better support for their land and space needs across the different stages of their growth.

[2] Established on 31 December 2015, ASEAN Economic Community comprises Indonesia, Malaysia, Singapore, Thailand, the Philippines, Brunei, Cambodia, Laos, Myanmar and Vietnam

SINGAPORE INDUSTRIAL PROPERTY MARKET OVERVIEW

2.1.2 Industry Transformation Map ("ITM")

The ITM, released by the MTI in March 2016, is a strategy to promote growth and competitiveness for 23 industries, under six clusters. Each map integrates productivity improvement, skills development, innovation and internationalization to develop and implement in partnership with industry partners.

Each ITM will consist of a growth and competitiveness plan, supported by four pillars:

- Productivity: Strategies to support companies especially SMEs to move to higher value-added activities and raise operational efficiency;
- Jobs & Skills: Investing in people, to equip them with deep skills to support the shift to greater value creation;
- Innovation: Strategies to leverage R&D to develop new products and services; and
- Trade and International: Supporting companies in expanding to overseas markets.

The ITM will promote better productivity and competitiveness in the industry. In addition, employers and employees in the industrial clusters will benefit from comprehensive growth plans to ensure their sustainability and opportunities for growth.

2.1.3 Logistics Industry Transformation Map ("LITM")

As part of the ITM, the MTI launched the LITM. The government will reinforce Singapore's position as a regional and global logistics hub, enabling the industry to achieve a value-add of $8.3 billion and create 2,000 new quality jobs by 2020. To achieve these targets, the government strengthens 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.

As logistics enterprises grow through innovation and higher productivity, this presents tremendous opportunities for players in the logistics warehouse industry.

2.1.4 Federated Locker System

In April 2016, the government announced the establishment of a federated locker system in residential areas and convenient locations islandwide. Scheduled to be fully implementated by end-2017, the large-scale deployment of federated parcel lockers will help providers reduce traffic and enhance efficiency, especially in 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 and improves convenience for e-commerce customers.

Other initiatives to improve last mile delivery include stationing logistics operators in well-located malls with high footfall. Consolidated logistics in a mall reduces the number of last-mile deliveries and make it convenient for customers to receive delivered goods. The government is also exploring an integrated goods mover system.

With higher volume of goods and parcels delivery, this will bode well for the demand for logistics warehouse.

2.1.5 Government support measures for Marine & Offshore Engineering ("M&OE") firms

In November 2016, the government announced targeted measures to help companies in the M&OE sector, which is experiencing a significant slowdown. Enhancements are made to trade development agency International Enterprise (IE) Singapore's Internationalisation Finance Scheme (IFS). Also, Spring Singapore has re-introduced the Bridging Loan (BL) to provide one-off financial support. The aim of the scheme is to facilitate companies' access to working capital and other financing and in turn, enable companies to look for growth in new markets and sectors, further strengthening Singapore's industrial position as a hub for M&OE activities.

2.1.6 Major Infrastructure Plans

Major Infrastructure Plans such as High Speed Rail and Mass Rapid Transit lines will improve the connectivity to the industrial properties, as it allows for easy and faster commute to these areas.

High Speed Rail ("HSR")

The Singapore-Kuala Lumpur HSR will boost connectivity, strengthen economic ties and forge closer ties between Singapore and Malaysia. Once completed in 2026, the HSR link will cut travel time between Singapore and Kuala Lumpur to 90 minutes, compared to four hours by car. Successful operation of the HSR could provide higher visitor arrivals into Singapore for both business and leisure activities, and direct job opportunities from the increased business opportunities in sectors such as hospitality, logistics, tourism and retail. Another benefit is the twinning effect whereby businesses are attracted to have their headquarters and operations in Singapore while having their factories and warehouses in Malaysia.

Mass Rapid Transit ("MRT") Lines

Singapore is expanding the coverage of the MRT network and by 2030, majority of the residential, industrial and business districts will have access to MRT. Properties located near the new MRT stations will benefit from the expansion of the MRT network. In addition to the lines that are currently under construction, the Cross Island Line (CSL) which is currently being planned, will provide a faster commute and more travel options between the east and the west, from Changi to Jurong industrial Estate when it commences operation in 2030.

Tuas Mega Port

All 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 status of Tuas Megaport as a major sea port. With close proximity to Tuas, logistics and warehousing operators as well as manufacturers, will benefit from faster turnaround time.

2.2 Industrial Government Land Sales Programme for H12017

Through the Industrial Government Land Sales ("IGLS") programme, the government releases industrial land plots to the meet the demand of industrialists.

Majority of the land plots on the Confirmed List in the IGLS for H1 2017 are small plots (less than 1 hectare), mainly catering to SMEs. The three larger sites, including a 1.61 ha B1 (Light Industrial) site, are on the Reserve List (Table 2.1). Sites on the Reserve List will only be launched for sale if an interested party submits a minimum price bid, acceptable to the government. All sites on the Confirmed List are on 20-year leases (Table 2.1). A shorter tenure would translate into a lower upfront cost, making it more affordable for end users e.g. industrialists.

SINGAPORE INDUSTRIAL PROPERTY MARKET OVERVIEW

Table 2.1: IGLS H1 2017

Location	Tenure (Years)	Zoning	Site Area (Ha)	Gross Plot Ratio	Estimated Launch Month
Confirmed List					
Plot 15, Tuas South Link 3	20	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	30	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	20	B2	0.47	1.4	May 2017
Plot 21, Tuas South Link 3		B2	0.79	1.4	Jun 2017

Note: Site zoned as B1 is for light and less pollutive industrial use, while sites zoned as B2 are for heavier and more pollutive use
Source: JTC, Edmund Tie & Company Consulting, February 2017

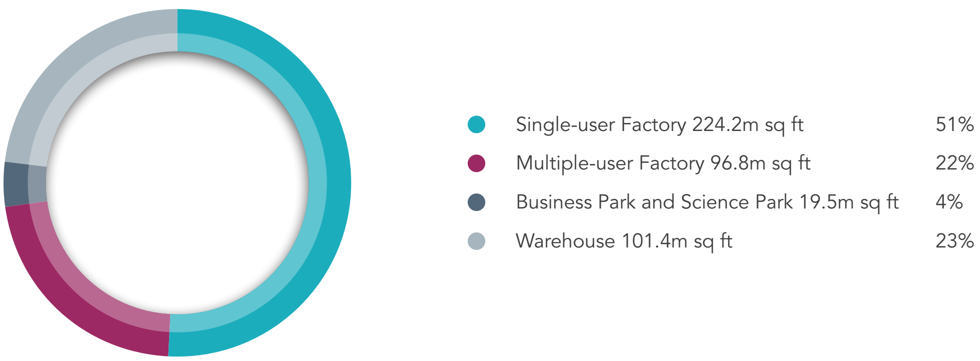
The six sites on the Confirmed List can potentially yield some 656,086 sq ft (GFA) of industrial space, lower than the 705,466 sq ft in H2 2016 GLS. The government has factored in the weaker demand and scaled back launches of land parcels.

3 INDUSTRIAL PROPERTY MARKET OVERVIEW

3.1 Stock[3]

As at Q4 2016, Singapore had a total of 441.9m sq ft of private industrial stock. Single-user factories formed about half (224.2m sq ft; 51%) of total stock, followed by warehouses (101.4m sq ft; 23%) and multiple-user factories (96.8m sq ft; 22%). The remaining 4% (19.5m sq ft) comprises business park and science park (Figure 3.1).

Figure 3.1: Private Industrial Stock Breakdown

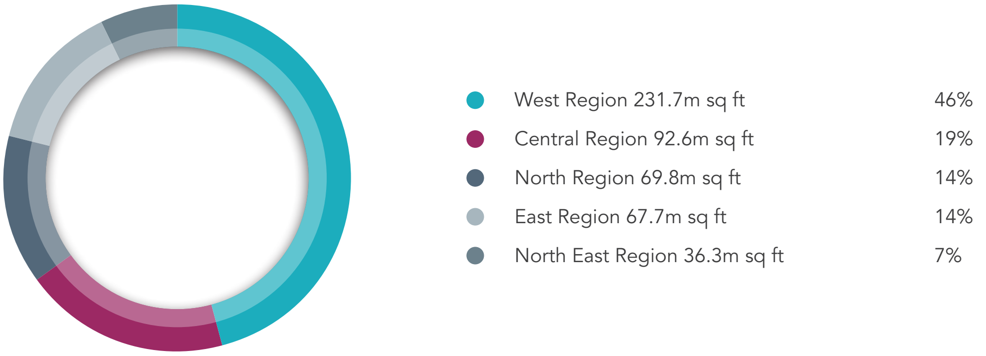


Source: URA, Edmund Tie & Company Consulting, February 2017

[3] This report focuses on private industrial stock

The West Region accounted for 231.7m sq ft (46%) of the private industrial stock, followed by 92.6m sq ft (19%) in the Central Region, 69.8m sq ft (14%) in the North Region, 67.7m sq ft (14%) in the East Region and 36.3m sq ft (7%) in the North East Region (Figure 3.2).

Figure 3.2: Industrial Stock by Region



Source: URA, Edmund Tie & Company Consulting, February 2017

4 FACTORY PROPERTY MARKET OVERVIEW

4.1 Stock[4]

In 2016, islandwide private factory stock increased by 3.6% (11.2m sq ft) to 321m sq ft. Table 4.1 shows the major completions for single-user and multiple-user factory.

Table 4.1: Major completions for single-user and multiple-user factory (2016)

Development	Developer	Location	Type	NLA (sq ft)
Factory	Singapore Telecommunications	8 Yung Ho Road	Single-user factory	466,034
Factory	Mencast Marine	42A Penjuru Road	Single-user factory	321,281
Factory	Shell Eastern Petroleum	1 Tuas South Avenue 5/ Tuas South Way	Single-user factory	315,000
Greyform Building	Straits Construction Singapore	21, 23 Kaki Bukit Road 6	Single-use factory	283,327
West Connect Building	Publique Realty (Jurong)	10 Buroh Street	Multiple-user factory (strata-titled for sale)	604,608
The Index	Grow-Tech Properties	110 Tuas South Avenue 3	Multiple-user factory (strata-titled for sale)	488,982
T99	Soon Hock Group Pte Ltd	1,1A,3,3A,5,5A, 5B,7,7A,7B,9 Tuas South Avenue 10	Multiple-user factory (strata-titled for sale)	488,982
Loyang Enterprise	OKH Global	56 Loyang Way	Multiple-user factory (strata-titled for sale)	455,442
E9 Premium	Incorporated Woodlands Pte Ltd	61 Woodlands Industrial Park E9	Multiple-user factory (strata-titled for sale)	369,826
Factory	Mapletree Industrial Trust Management	1, 1A Depot Close	Multiple-user factory	330,990
Interlocal Centre	Interlocal Exim Pte Ltd	100G Pasir Panjang Road	Multiple-user factory	311,572

Source: JTC, Edmund Tie & Company Consulting, February 2017

[4] All existing supply and demand figures are in terms of Net Lettable Area (NLA).

SINGAPORE INDUSTRIAL PROPERTY MARKET OVERVIEW

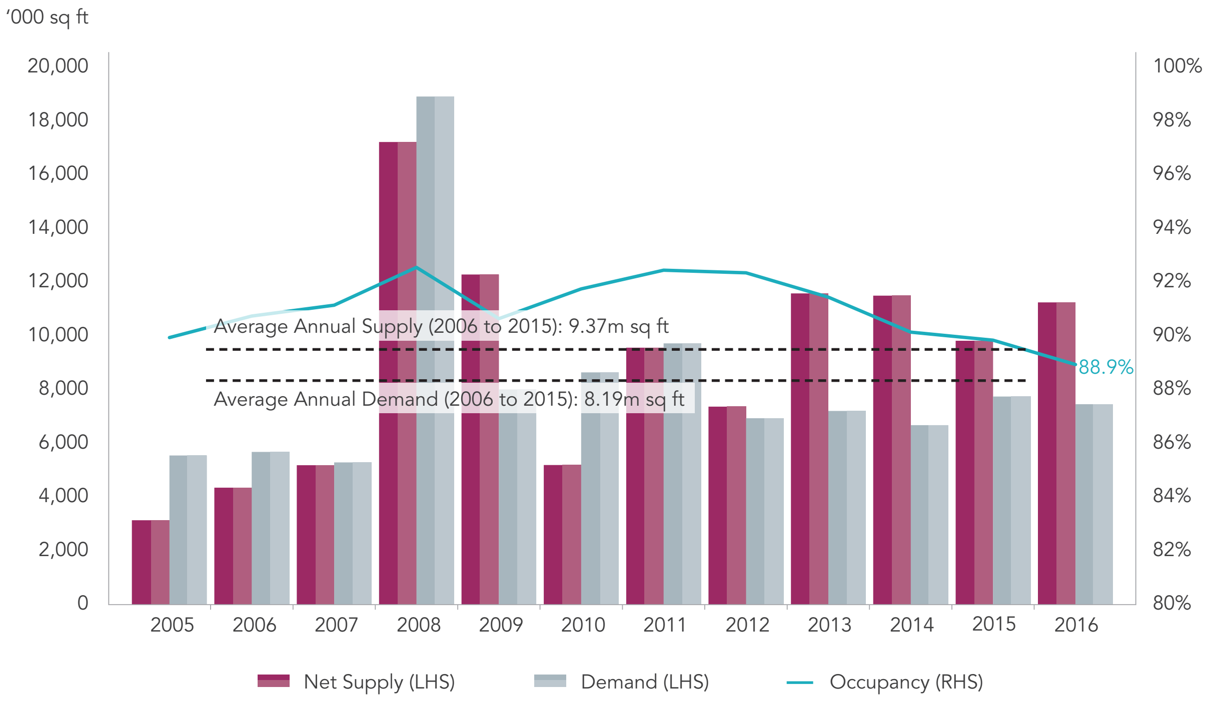
Due to Singapore's stability and available pool of highly skilled workforce, Biotronik, a biomedical technology company, set up its first Asia Pacific manufacturing facility at Kaki Bukit in 2016. Apart from producing cardiac management devices, the Singapore factory will also manufacture components which will be incorporated globally in vascular intervention products. The site was developed to increase the company's global manufacturing base so as to position itself close to growing markets in Asia Pacific.

For the precision engineering sector, the Government is also helping companies set up digital factories, which serve multiple functions such as offering a setting for technology providers and end-users to test solutions. Meibian Group, a local precision engineering firm, will digitalise its factory operations through the iSmart Factory project. To ensure that Singapore is prepared for the technology-intensive digital manufacturing era, the Government will invest in new infrastructure to build up new technical capabilities of local companies. The Precision Engineering ("PE") ITM will implement two key initiatives, "Model Digital Factories" and Digital Champions, to encourage innovation. With the evolution of the precision engineering sector, 3,000 more jobs for professionals, managers, executives and technicians will be created in Singapore by 2020.

4.2 Supply, Demand and Occupancy

Net supply has increased and demand fell in 2016. While net supply increased by 15% from 9.8m sq ft in 2015 to 11.2m sq ft in 2016, demand fell by 4% from 7.7m sq ft in 2015 to 7.4m sq ft in 2016. Since 2013, supply has outpaced demand. This reflects the subdued activities in manufacturing and traditional storage, as external demand for manufacturing output was weak in the post-global financial crisis period (Figure 4.1). Furthermore, subletting restriction of industrial space was tightened in 2014, with subletting cap reduced from 50% to 30% of total GFA. Anchor tenants are required to occupy minimum 70% of total GFA and the new policy does not allow them to sublet the space, despite the weakening market.

Figure 4.1: Net Supply, Demand and Occupancy in Private Factories



Source: JTC, URA, Edmund Tie & Company Consulting, February 2017

Occupancy rate for both single-user and multiple-user private factory eased by 0.9%-points from 89.8% in Q4 2015 to 88.9% in Q4 2016 (Figure 4.1).

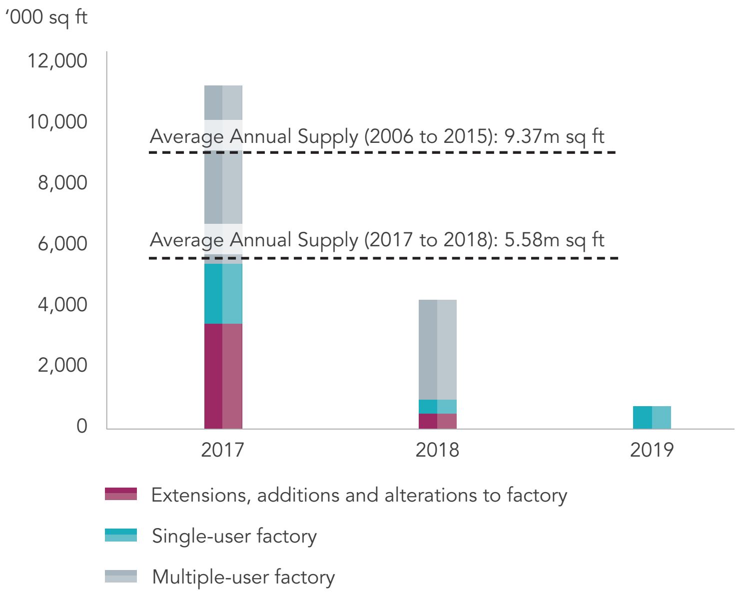
Occupancy rate in multiple-user factories fell marginally by 0.1%-points from 86.3% in Q4 2015 to 86.2% in Q4 2016.

Multiple-user factories in the North and Central Regions are more popular and enjoyed healthy occupancy, increasing by 1.9%-points and 1.1%-points to 88.9% and 88.3% respectively. In contrast, occupancy rates for multiple-user factory in the Northeast and West fell by 0.9%-points and 0.5%-points respectively. Occupancy rates for multiple-user factory in the East remained at 88.1%.

4.3 Potential Supply

About 16.2m sq ft (GFA) of private factory space is scheduled to complete between 2017 and 2019 (Figure 4.2). Although ample supply is expected in 2017 and 2018, the average annual supply of 5.58m sq ft between 2017 and 2018 is significantly lower than the five-year average annual supply of 9.93m sq ft and the average annual supply in the past decade of 9.37m sq ft.

Figure 4.2: Potential Supply for Private Factories



Source: JTC, URA, Edmund Tie & Company Consulting, February 2017

Approximately 6.8m sq ft (GFA) (57%) of factory space to be completed is single-user factory, followed by multiple-user (2.9m sq ft, 25%) and extensions, additions and alternations to factory (2.2m sq ft, 18%). Some of the noticeable developments include:

- The Build-to-Suit (BTS) development at Depot Road by Mapletree Industrial Trust Management. Comprising two hi-tech buildings with total 824,500 sq ft (GFA), Phase two (GFA 403,500 sq ft) is scheduled for completion in Q2 2017. Upon completion of both phases, the buildings will feature facilities for manufacturing, product/ software development and an office. Hewlett-Packard has committed to lease the entire BTS facility for an initial period of 10.5 years, with an option to renew for two additional five-year terms. This includes the six-month rent-free periods that will be distributed over the first 18 months for both phases;

- Developed by Wee Hur Development and ZACD Investments, Mega @ Woodlands (GFA 1.0m sq ft) is a 30-year leasehold, 8-storey multiple-user clean, light and general industrial factory development at Woodlands Close; and
- Located in the heart of the northern industrial cluster, Nordcom Two @ Gambas Crescent, which is developed by Far East Organization, is set to complete in 2018. The development is strategically positioned between Woodlands Regional Centre and Seletar Regional Centre, Nordcom Two is set to serve as vibrant liveable hubs for business and recreation. The development will support office operations as well as manufacturing, assembly and associated storage, and provide business with easy accessibility and seamless operation.

Table 4.2: Selected Major Private Factory Development in the Pipeline Supply (Island Wide)

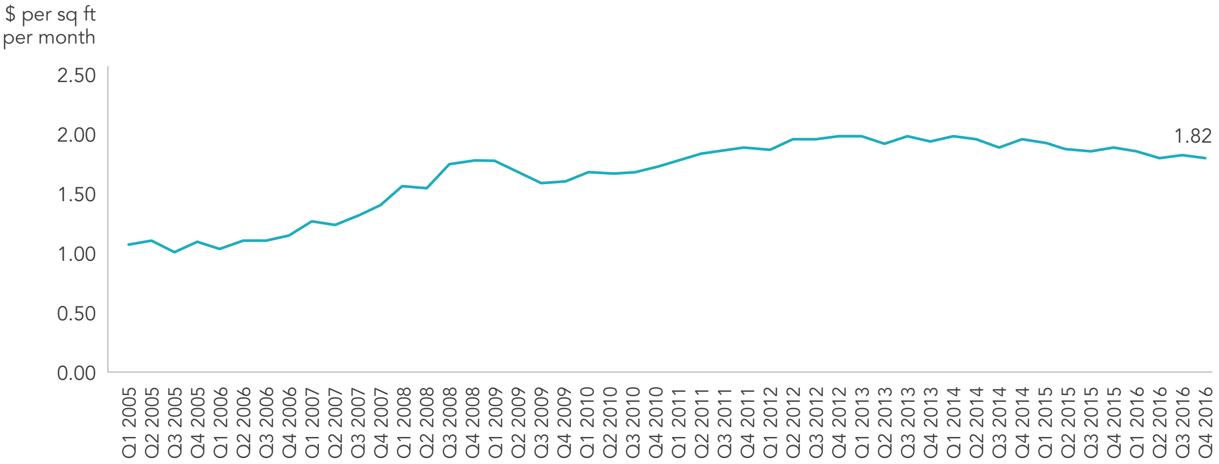
Development / Developer	Location	Type	GFA (sq ft)
2017			
BTS-Hewlett Packard (Phases 2)	Depot Road	Single-user factory	420,546
Factory	Airport Road	Single-user factory	337,664
Factory	Ang Mo Kio Electronics Park Road	Single-user factory	322,917
Wave9	Woodlands Industrial Park E9	Multiple-user factory (strata-titled for sale)	494,924
ACE @ Buroh	Buroh Cresent	Multiple-user factory	475,764
Proxima @ Gambas	Gambas Crescent	Multiple-user factory (strata-titled for sale)	421,514
Nordcom One	Gambas Crescent (Parcel 1)	Multiple-user factory (strata-titled for sale)	324,747
2018			
Hydrochem (S)	Tuas South Avenue 3	Single-user factory	499,876
Hunting Energy Services (International)	Sunview Road	Single-user factory	350,473
Mega@Woodlands	Woodlands Close	Multiple-user factory (strata-titled for sale)	1,053,355
Nordcom Two	Gambas Avenue (Parcel 2 & 3)	Multiple-user factory (strata-titled for sale)	749,167
West Star	Tuas Bay Close	Multiple-user factory (strata-titled for sale)	455,959
Shine @ Tuas South	Tuas South Link 1 (Plot 12, off Tuas South Avenue 7)	Multiple-user factory (strata-titled for sale)	451,912
DBS Trustee Limited as Trustee of Mapletree Industrial Trust	Boon Keng Road/ Kallang Place	Multiple-user factory	336,480
2019			
T-space	Tampines North Drive 1	Multiple-user factory (strata-titled for sale)	737,004

Source: JTC, Edmund Tie & Company Consulting, February 2017

4.4 Rent

Rents for conventional factory space continued to trend downwards. The weak manufacturing sector resulted in slower growth in demand for conventional factory spaces. As net supply has outpaced demand, the monthly median rent of factory space eased by 4.2% to $1.82 per sq ft in Q4 2016 from $1.90 per sq ft in Q4 2015 (Figure 4.3).

Figure 4.3: Median Rent[5] (Factory)



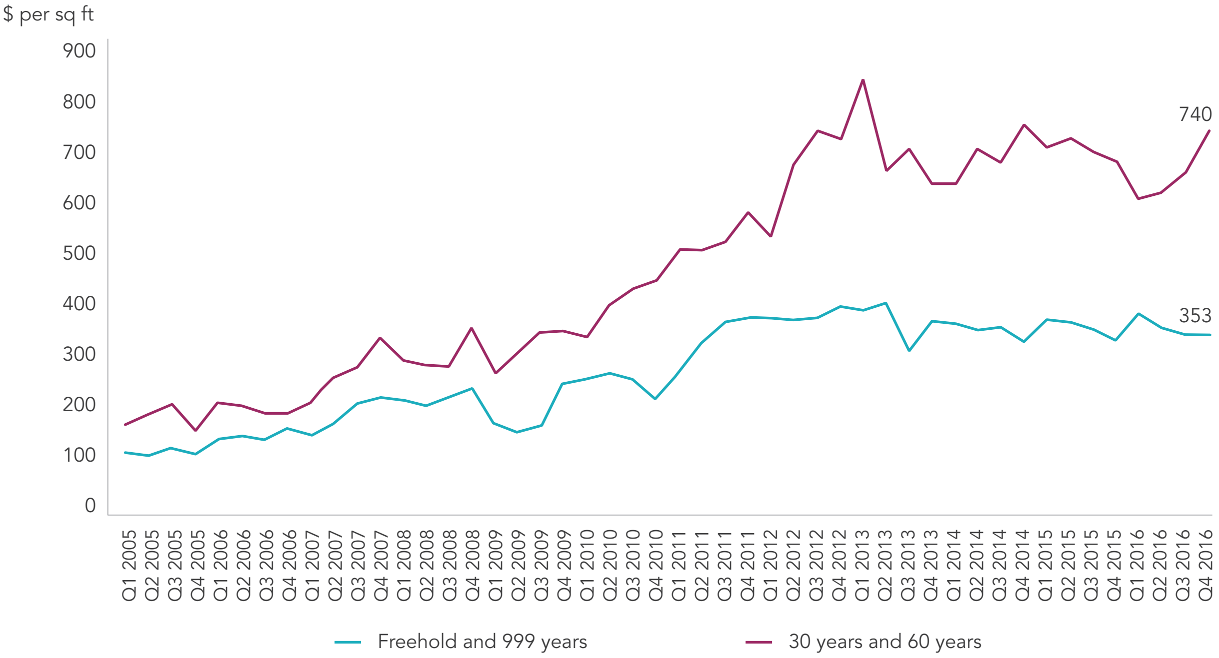
Source: URA, Edmund Tie & Company Consulting, February 2017

4.5 Price

As at 10 January 2017, caveats lodged with URA showed that median price for freehold and 999- years leasehold multiple-user factories increased by 8.5% from $682 per sq ft in Q4 2015 to $740 per sq ft in Q4 2016. The median price at $753 per sq ft as of Q4 2016 is the highest since Q4 2014.

Meanwhile, the median prices for 30- and 60-years leasehold factories inched up by 3.2% from $342 per sq ft in Q4 2015 to $353 per sq ft in Q4 2016 (Figure 4.3). In Q4 2016, 159 caveats were made, with 126 caveats that were sizes less than 5,400 sq ft.

Figure 4.4: Median Price[6] (Factory)



Source: URA, Edmund Tie & Company Consulting, February 2017

5 Note: Data is based on caveats lodged as at 10 January 2017.

6 Note: Data is based on caveats lodged as at 10 January 2017.

4.6 Key Investment Transactions

Table 4.3 highlights the major private factory investment transactions.

Table 4.3: Major Investment Transactions (2016)

Date	Development	Location	Tenure	Strata Area (sq ft)	Buyer	Transacted Price ($m)	Unit Price ($ per sq ft)
Q1 2016	Harper Kitchen	25 Harper Road	Freehold	54,250	Nanshan Group led consortium	51.10	942
Q2 2016	Bukit Batok Connection	2 Bukit Batok St 23	30 years from 26 November 2012	403,591	DBS Trustee of Soilbuild Business Space REIT	96.3	239
Q2 2016	GMTI Building	6 Commonwealth Lane	99 Yrs from 1 January 1963	52,646	Unknown	42.35	804
Q2 2016	Plot 1 Tuas South Link 1		30 Yrs	716,885	Diamond Land	37.50	105

Source: JTC, Edmund Tie & Company Consulting, February 2017

4.7 Outlook

According to MTI, Singapore's economy expanded by 2% in 2016. The manufacturing sector grew by 3.6%. Growth is supported by the electronics and precision engineering clusters, which had benefitted from the increase in external demand for semi-conductors and semi-conductor related equipment respectively.

Based on the Survey of Business Expectations of the Manufacturing Sector by Singapore Economic Development Board in October 2016, a net weighted balance of 4% of manufacturers foresee an improvement in business sentiments from October 2016 to March 2017. Among the manufacturing cluster, the electronics cluster is the most optimistic, with a net weighted balance of 25% of firms expecting business conditions to improve. Similarly, the biomedical manufacturing cluster reflects a strong demand for pharmaceutical products/services and medical devices.

In addition, with Singapore working towards becoming a Smart Nation, data storage like Cloud computing is becoming popular and therefore high spec factories are needed to accommodate the needs. Hence, the demand for high specs industrial space is likely to rise.

On the other hand, demand for exports is expected to remain weak due to slowdown in investment in the US and China, and insourcing trends. Export volume from the export-dependent Singapore may be further affected by the Trump Presidency's trade and tax policies. Hence, rental and capital values for private factory is likely to ease or decline in the short-term.

5 WAREHOUSE PROPERTY MARKET OVERVIEW

5.1 Stock

In 2016, the total private warehouse stock increased by 1.1% (1.1m sq ft) to 101.4m sq ft, with the West Planning Region (5.8m sq m, 62%) continuing to dominate the market. Notable completions include Supply Chain City and SingPost Regional eCommerce Logistics Hub (Table 5.1).

Table 5.1: Major Completions for Private Warehouse (2016)

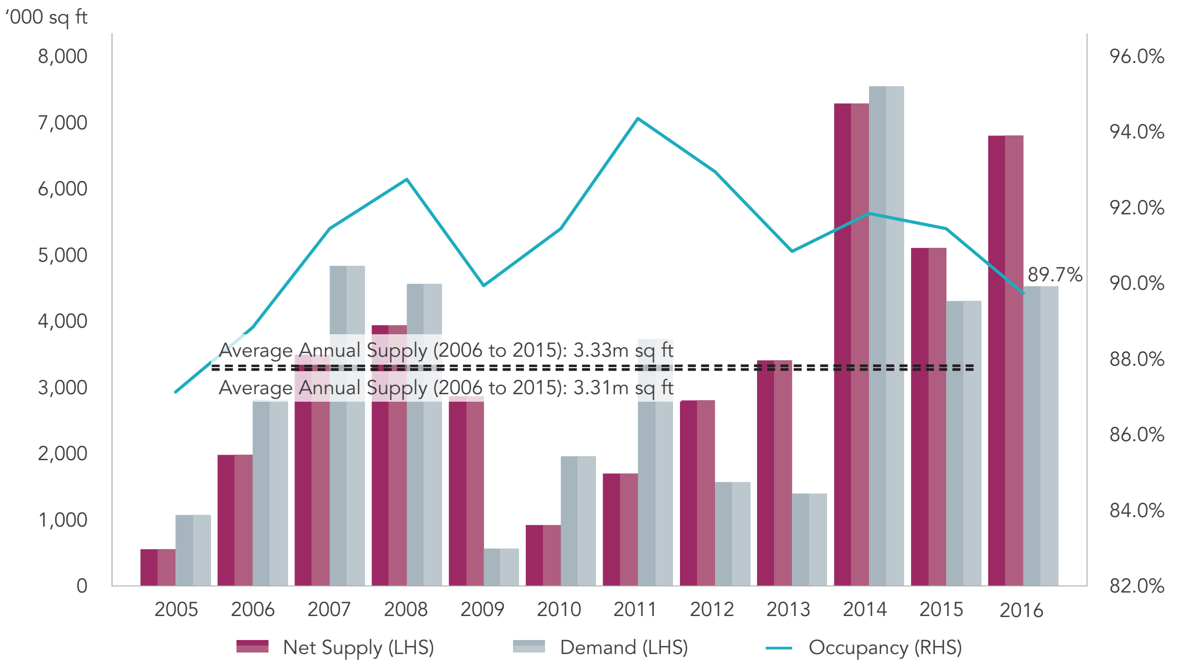
Development	Developer	Location	Type	NLA (sq ft)
Warehouse	Supply Chain City	8 Bulim Avenue	Single-user warehouse	762,773
Mapletree Logistics Hub – Toh Guan	Mapletree Logistics Trust Management	5B Toh Guan Road East	Single-user warehouse	587,817
SingPost Regional eCommerce Logistics Hub	Singapore Post	37 & 39 Greenwich Drive, Tampines Logistics Park	Single-user warehouse	469,328
Freightlinks Districentre	Crystal Freight Services Distripark	146 Gul Circle	Single-user warehouse	416,563
Warehouse	Euro-Asia Investment	20 Penjuru Lane	Single-user warehouse	397,123
Warehouse	Tiong Woon Crane & Transport	15 Pandan Crescent	Single-user warehouse	303,628
Warehouse	HTSG as Trustee for AIMS AMP Capital Industrial REIT	30 Tuas West Road	Single-user warehouse	248,086
Warehouse	World Furnishing Hub	18 Sungei Kadut Street 2	Single-user warehouse	229,572

Source: JTC, Edmund Tie & Company Consulting, February 2017

5.2 Supply, Demand and Occupancy

The demand for warehouse increased from 4.3m sq ft in 2015 to 4.5m sq ft in 2016. Meanwhile, supply increased by 33.3% from 5.1m sq ft in 2015 to 6.8m sq ft in 2016. There is a slight decline in occupancy rate of 1.7%-points, from 91.4% in 2015 to 89.7% in 2016 (Figure 5.1). In addition, the decreases in warehouse occupancy in the Central, North-East and West Regions outweighed the increases in occupancy rates of warehouses in the East and North Regions.

Figure 5.1: Net Supply, Demand and Occupancy in Private Factories



Source: JTC, URA, Edmund Tie & Company Consulting, February 2017

SINGAPORE INDUSTRIAL PROPERTY MARKET OVERVIEW

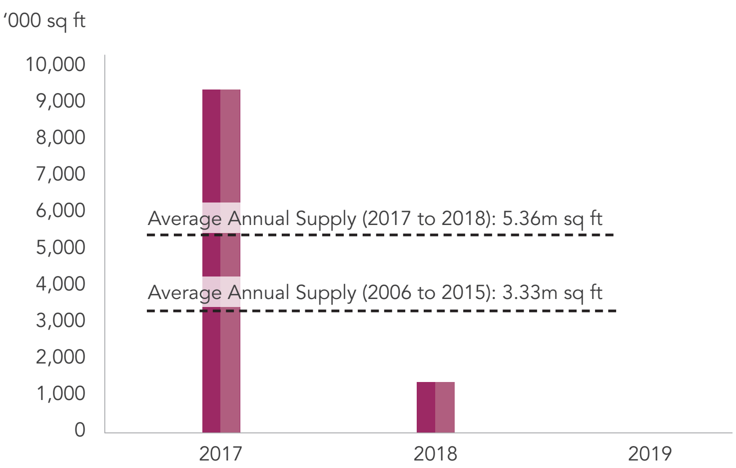
Growing middle class households in Southeast Asia are attracting e-commerce companies like Amazon and Alibaba to establish their base in Singapore. Demand for logistics warehouses in Singapore, especially fulfilment centres that cater to storing, packing and distribution of goods, is set to grow alongside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

As the demand for manufacturing output was weak in the post-global financial crisis period, activities were slower in manufacturing and traditional storage. Coupled with tightened subletting policy, this led to higher vacancy. Consequently, the occupancy of private warehouse fell from 91.8% in Q4 2014 to 89.7% in Q4 2016. Notwithstanding, demand was supported by logistics and distribution activities, which was strongly promoted and supported by the government.

5.3 Potential Supply

About 12.1m sq ft (GFA) of private warehouse space is in the pipeline from 2017 to 2019 (Figure 5.2). The average annual supply in 2017 and 2018 of 5.36m sq ft is higher than the five-year average annual supply of 4.04m sq ft and average annual supply of 3.33m sq ft in the past decade (Figure 5.2), due to the expected completions of some large logistics warehouse developments in 2017 (Table 5.2).

Figure 5.2: Potential Supply for Private Factories



Source: URA, Edmund Tie & Company Consulting, February 2017

One notable project is the redevelopment of the headquarter of Tech-Link Storage Engineering, a company engaging in procurement, manufacturing, and marketing of storage, distribution and materials handling products and systems. Another is the redevelopment of 39 Benoi Road GKE Warehousing & Logistics. With the redevelopment, the warehousing space will be expanded and the warehousing capabilities widened to include specialty chemicals storage, which is in line with the government's focus on the growth of specialised storage.

Table 5.2: Selected Potential Supply of Private Warehouse

Development / Developer	Location	Type	GFA (sq ft)
2017			
CWT Limited	Jalan Buroh	Single-user warehouse	2,391,200
Carros Centre by Kranji Development	Jalan Lam Huat	Multiple-user warehouse	1,166,376
Toll City by Toll Logistics (Asia)	Pioneer Road	Single-user warehouse	1,088,768
HSBC Institutional Trust Services	Pioneer Road	Single-user warehouse	771,556
Poh Tiong Choon Logistics	Pandan Road	Single-user warehouse	548,313
Hankyu Hanshin Express	Jalan Buroh	Single-user warehouse	515,483
GKE Warehousing & Logistics	Benoi Road	Single-user warehouse	427,973
Euro-Asia Investment	Penjuru Lane	Single-user warehouse	401,171
Santa Warehousing	Changi South Street 1	Single-user warehouse	247,139
2018			
HSBC Institutional Trust Services	Jalan Ahmad Ibrahim/ Tuas Avenue 1	Single-user warehouse	476,948
Peck Tiong Choon	Tuas West Drive	Single-user warehouse	204,084
Trans Eurokars	Tanjong Penjuru	Single-user warehouse	142,835
Hock Seng Heng Transport and Trading	Jalan Besut	Single-user warehouse	120,017
Soon Lee Heng Trading & Transportation	Plot 12, Tampines Industrial Drive	Single-user warehouse	77,285

Source: JTC, Edmund Tie & Company Consulting, February 2017

Most of the warehouse developments are single-user and likely to be owner-occupied. Hence, they are less speculative developments.

CWT's warehouse (2,391,200 sq ft) in Jalan Buroh is very large. CWT intends to create 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. For example, Singapore Wine Vault is an owned subsidiary of CWT Logistics, a part of the CWT Group. The six-storey Singapore Wine Vault includes a main chamber and a separate area devoted to private wine cellars. Each individual cellar can be customised to the client's requirements, such as installing 24-hour security cameras to storage layout. Individuals can access the cellars from a virtual cellar account, which allows wine stock to be remotely monitored and provides a place for easy payments.

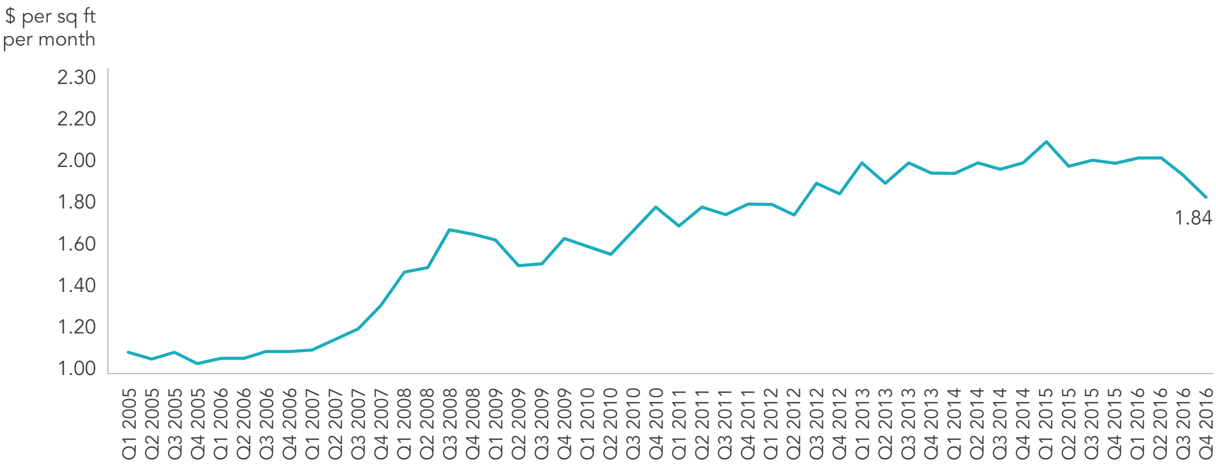
Meanwhile, domestic companies like Poh Tiong Choon Logistics and GKE Warehousing & Logistics are increasing their warehousing capacity to meet growing demand.

5.4 Rent

In 2016, the net supply of warehouse space exceeded demand, resulting in lower occupancy. Furthermore, the slowdown of manufacturing activity affected the demand for logistics warehouse. With the fall in warehouse occupancy, monthly median rent for private multiple-user warehouse fell by 8% from $2.00 per sq ft in 2015 to $1.84 per sq ft in 2016 (Figure 5.3).

SINGAPORE INDUSTRIAL PROPERTY MARKET OVERVIEW

Figure 5.3: Median Rent (Private Multiple-user Warehouse)

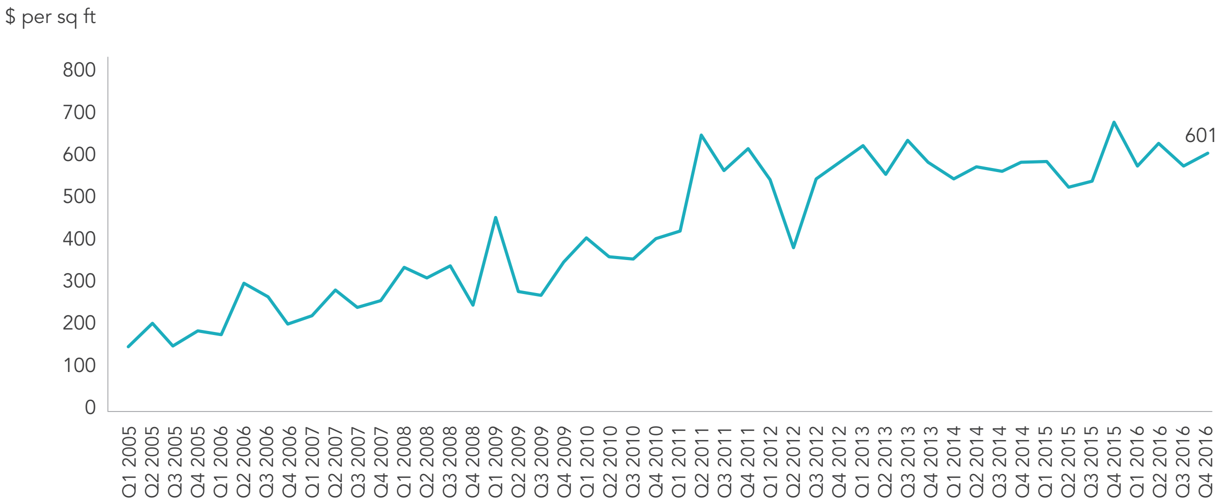


Source: URA, Edmund Tie & Company Consulting, February 2017

5.5 Price

The imposition of government measures (i.e. Seller's Stamp Duty) and policies (i.e. Total Debt Servicing Ratio) in 2013 which limit the purchaser's borrowing power to buy strata-titled industrial properties, led to slowdown in transactional activities. The median price for private multiple-user warehouse declined by 11.1% from $676 per sq ft in 2015 to $601 per sq ft in 2016. In Q4 2016, all 8 caveats lodged were for sizes less than 5,400 sq ft.

Figure 5.4: Median Price (Private Multiple-user Warehouse)



Source: URA, Edmund Tie & Company Consulting, February 2017

5.6 Key Investment Transactions

There was only one major logistics warehouse transaction in 2016. (Table 5.3). Sharikat Logistics entered into sale and leaseback agreement 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.

Table 5.3 Major Private Warehouse Investment Transaction

Date	Development / Developer	Tenure	NLA (sq ft)	Buyer	Transacted Price ($m)	Unit Price ($ per sq ft)
Q4 2016	6 Chin Bee Avenue	30 year	324,166	Viva Industrial Trust	87.3	269

Source: JTC, Edmund Tie & Company Consulting, February 2017

5.7 Outlook

As the logistics market slows down, challenging times ahead are expected for the warehouse market. Lower demand for warehouse is anticipated and occupiers may hold off expansion plans while relocations dwindle as obtaining budget approvals for capital expenditure remained one of the major stumbling block. Given the subdued manufacturing environment, industrialists' focus will largely be optimised operations and cost reduction. This leads to downward risks on rental and capital values for warehouses remain in the short-term.

Notwithstanding the above, warehouse demand is expected to grow together with e-commerce as Southeast Asia is anticipated to perform better in 2017. The trend, however, will benefit more sophisticated warehouses e.g. those that enable logistics companies to take on more specialized cargo. More MNCs and domestic companies are confident in taking up new warehouses. Moreover, the logistics industry is undergoing transformation supported by the government to enhance the operational environment for logistics activities. Together, these will reinforce Singapore's position as a global logistics hub.

Many logistics companies have developed niche capabilities to keep ahead. Time-critical goods especially chemicals, marine, perishables and pharmaceutical products require specialised logistics warehouse.

Another demand driver for warehouse is the self-storage sector. Due to shrinking apartments and increasing consumerism, there is a growing need for affordable and flexible storage solutions. The self-storage industry will be able to leverage on the changes in lifestyle and grow.

6 BUSINESS PARK PROPERTY MARKET OVERVIEW

6.1 Stock

In 2016, islandwide business park stock increased slightly by 0.2% (32,000 sq ft) to 19.5m sq ft.

The increase came mainly from BTS completions in Ascent (417,000 sq ft NLA) in 2016, as well as two completions in the Central Region: Mapletree Business City II (916,000 sq ft) and STT MediaHub (188,885 sq ft).

Mapletree Business City II, located in Pasir Panjang Road, obtained full Temporary Occupation Permit in 2016. This is the first high-rise business park development of 30 storeys, offering business park space with Grade A office specifications. Major tenants include Google (relocated from Asia Square Tower 1) and Covidien (relocated from Visioncrest Commercial).

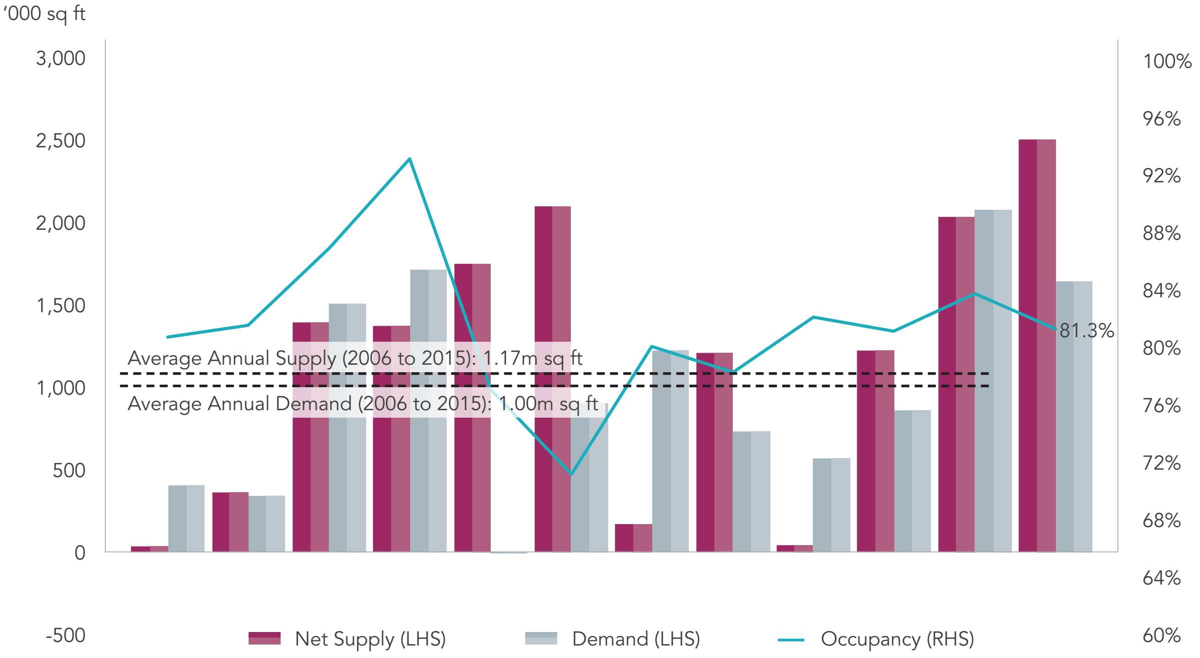
GlaxoSmithKline business park headquarter located at one-north was completed in Q4 2016, adding around 400,000 sq ft of business park space.

SINGAPORE INDUSTRIAL PROPERTY MARKET OVERVIEW

6.2 Supply, Demand and Occupancy

Demand declined from 2.1m sq ft in 2015 to 1.6m sq ft in 2016. On the supply side, business park developments, especially the older ones, faced competition from the new completions, which amounted to 2.5m sq ft. In addition, office occupiers who qualify for business park space are less incentivised to move to business parks with more affordable office accommodation options. Occupancy rate of business parks declined by 2.4%-points to 81.3% in Q4 2016 compared to 83.7% in Q4 2015. (Figure 6.1)

Figure 6.1: Net Supply, Demand and Occupancy in Business Park



Source: JTC, URA, Edmund Tie & Company Consulting, February 2017

Occupancy rates for choice business park developments remained healthy and resilient despite challenging business environment. Separately, some business park developments saw a drop in occupancy due to AEIs.

Demand for business park space, particularly newer developments such as Mapletree Business City II and Ascent, were mainly from the information and communications technology (ICT), as well as biomedical manufacturing and chemical companies which require higher specifications of industrial space. Apart from Johnson & Johnson leasing more than 150,000 sq ft, Japan Agency for Medical Research and Development (AMED) established its Singapore office at Ascent.

6.3 Potential Supply

Only two business park developments amounting to some 256,299 sq ft (GFA) of business park space is expected to complete in 2018. There is no potential supply in 2017 and 2019. The business park developments at Changi Business Park Central 2 (141,330 sq ft) and Pasir Panjang Road (124,969 sq ft) are expected to complete in 2018 (Table 6.1). Both of these are likely to be for the single users. The total potential supply of business park space between 2017 and 2018 (0.27m sq ft) is much lower than the average annual supply from 2006 to 2015 (1.17m sq ft).

Table 6.1: Potential Supply of Business Park

Development	Developer	Location	Type	GFA (sq ft)
2018				
Business park development at Changi Business Park Central 2	Kingsmen Creative Ltd	East	Single-user business park	141,330
Business park development at Pasir Panjang Road	Singapore Science Park Ltd	Central	Single-user business park	124,969

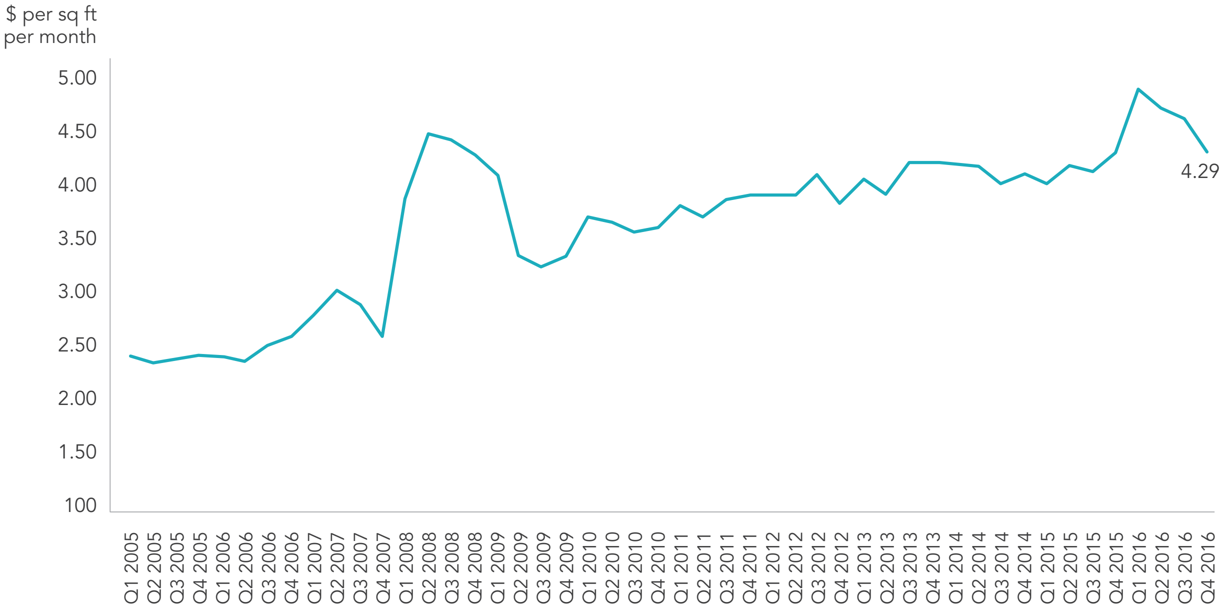
Source: JTC, Edmund Tie & Company Consulting, February 2017

6.4 Rent

The monthly median rent for business parks remain at $4.29 per sq ft in 2016, similar to the median rent $4.29 per sq ft in 2015 (Figure 6.2).

Rents of business parks are adversely affected by the decline in office rents. Business parks and office markets are highly correlated. The correlation was largely due to the movement of firms that qualify for both business park space and office space. With the weak office market, office occupiers that qualify for business park space are less compelled to move to business parks; whilst some business park occupiers may consider "upgrading" to offices. As the rental gap narrows, landlords were more realistic in their rental expectations and became more flexible in negotiations. However, the expected growth in the ICT and biomedical sectors will help support the demand and rents for business parks.

Figure 6.2: Median Rent (Business Park)



Source: URA, Edmund Tie & Company Consulting, February 2017

SINGAPORE INDUSTRIAL PROPERTY MARKET OVERVIEW

6.5 Key Investment Transactions

There were no major business park transactions except for Mapletree Business City (Phase One) in 2016.

6.6 Outlook

While rents for business park space are under pressure, the decline in rental is expected to moderate in 2017 as it will be supported by investments in the growing ICT and R&D sectors. Companies are seeking to set up their R&D facilities in Singapore, given its ready pool of talent and infrastructure. For example, the global bio-pharmaceutical company AbbVie opened its small molecule active pharmaceutical ingredient facility at Tuas Biomedical Park in September 2016. Singapore was chosen for its well-supported infrastructure, skilled workforce and conducive environment for manufacturing.

The ICT sector will be a pillar of growth, particularly from the data analytics and cyber security subsectors. According to the Economic Development Board, data analytics is anticipated to add $1 billion to the economy by 2017. Firms from these fast-growing sectors are likely to be attracted to business parks that have an ecosystem of firms supporting their supply chain, consisting of market leaders and startups that allow the companies to collaborate and grow.

In addition, the Singapore government will soon introduce a Cybersecurity Act, requiring owners and operators of critical information infrastructure to be responsible for securing their systems and networks. Hence, there will be more demand for cyber security-related services e.g. cyber security expertise leading to more demand for business park space.

21B Senoko Loop

BOARD OF DIRECTORS

The Board of CITM comprises seven Non-Executive Directors (three independent and four non-independent) and one Executive Director. Together they bring to the Board a wide range of industry experience, and knowledge in real estate, asset management, finance and banking, law and strategic planning. The Board is committed to ensuring that the highest standards of corporate governance are practised in the management of CITM and CIT. A fundamental part of its responsibility is to protect and enhance CIT Unitholders' value and interests.

MR OOI ENG PENG, 60

Independent Chairman
Member of Audit, Risk Management, Compliance Committee
Member of Nominating and Remuneration Committee

Date of appointment as Director: 27 July 2012
Date of last re-appointment as Director: 27 July 2015
Length of service as a director: 4 years 8 months

Description:

Mr Ooi has over 30 years of real estate experience in property investment, development, project management and fund investment, and management businesses in both Asia and Australia. Mr Ooi was previously the CEO of Lend Lease Asia, based in Singapore from 2010 to 2011. From 2006 to 2010, he was the CEO of Investment Management and Retail Asia for Lend Lease based in Singapore. Prior to his roles in Asia, he was regional Chief Financial Officer ("CFO") of Lend Lease Communities Asia Pacific (2003 to 2005), Global CFO of Lend Lease Investment Management (2002 to 2003) and CFO of Lend Lease Development (2000 to 2002), all based in Sydney.

Mr Ooi holds a Bachelor of Commerce from the University of New South Wales and is a member of the Certified Practising Accountants of Australia.

Academic & Professional Qualifications:

- Bachelor of Commerce, University of New South Wales, Australia
- Member of the Certified Practising Accountants of Australia

Present Directorships/Chairmanships[1]:

Listed Companies

- Perennial Real Estate Holdings Limited

Other Principal Commitments[2]

- Frasers Property Australia Pty Ltd
- Savant Global Capital Pty Ltd
- Cambridge-MTN Pte. Ltd.
- Cambridge SPV2 Pte. Ltd.

Past Directorships/Chairmanships in Listed Companies Held Over the Preceding Three Years:

- Perennial China Retail Trust Management Pte Ltd (the Manager of Perennial China Retail Trust)

[1] Present (as at 17 January 2017) and past directorships/chairmanships in listed companies held over the preceding three years (from 1 January 2014 to 31 December 2016)

[2] The term "principal commitments" shall include all commitments which involve significant time commitments such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments

MR BRUCE KENDLE BERRY, 63

Independent Non-Executive Director
Chairman of the Audit, Risk Management and Compliance Committee

Date of appointment as Director: 16 September 2016
Length of service as a director : 6 months

Description:
Mr Berry has over 30 years of business experience covering, construction, property, financial management, infrastructure, and project finance in both Asia and Australia. From 2005 to 2012 Mr Berry was with AMP Capital Services Limited where he held a number of senior management positions including Fund Manager for a diversified infrastructure fund, and was seconded as the CFO for ASX listed DUET.

Prior to this, Mr. Berry was with Lend Lease Corporate for 22 years, and held a number of senior roles in subsidiary or joint venture companies including CFO for Civil and Civic Ltd, Lyonnaise Asia Water Services Pte Ltd and Oakwood Asian Pacific Pte Ltd.

Academic & Professional Qualifications:
- Bachelor of Commerce, University of New South Wales
- Master of Business Administration, University of Sydney
- Chartered Accountant, Chartered Accountants of Australia and New Zealand
- Graduate member of Australia Institute of Company Directors

Present Directorships/Chairmanships[1]:
Listed Companies
Nil

Other Principal Commitments[2]
Nil

Past Directorships in Listed Companies Held Over the Preceding Three Years:
Nil

MR ERLE WILLIAM SPRATT, 49

Independent Non-Executive Director
Chairman of Nominating and Remuneration Committee
Member of the Audit, Risk Management and Compliance Committee

Date of appointment as Director: 13 January 2017
Length of service as a director : 2 months

Description:
Mr Spratt has more than 30 years of experience in audit and advisory services as well as finance and real estate investment. He started his career with Deloitte in audit and advisory services, followed by more than 16 years with Lend Lease Corporation, where he held a number of senior roles including CFO for Lend Lease Development Australia and Lend Lease Real Estate Investments Japan, Commercial Manager in Lend Lease Development Australia, Investment Director in Lend Lease Retail Singapore and Fund Manager in Lend Lease Investment Management Singapore.

Upon leaving Lend Lease, Mr Spratt joined M&G Real Estate as Investment Director and Fund Manager of the Asia Property Fund in 2010. He held these roles until he left M&G Real Estate in November 2016.

Mr. Spratt holds a Bachelor of Economics from the University of Sydney and is qualified as a Chartered Accountant in Australia.

Academic & Professional Qualifications:
- Bachelor of Economics, University of Sydney
- Qualified as a Chartered Accountant, Chartered Accountants of Australia and New Zealand

Present Directorships/Chairmanships[1]:
Listed Companies
Nil

Other Principal Commitments[2]
- Aerial Equity Pte. Ltd.

Past Directorships in Listed Companies Held Over the Preceding Three Years:
Nil

MR AKIHIRO NOGUCHI, 40

Non-Executive Director

Date of appointment as Director: 9 June 2014
Length of service as a director: 2 years 9 months

Description:
Mr Noguchi joined Mitsui & Co., Ltd, Tokyo in 2002 and is currently the Deputy General Manager of the Financial and New Business Department in Mitsui & Co. (Asia Pacific) Pte. Ltd.

Based in Singapore, Mr. Noguchi is engaged in initiating new business developments, focusing on REITS/real estate funds in ASEAN. His areas of expertise include asset management, asset finance and leasing, mergers & acquisitions and corporate risk.

Mr Noguchi holds a Master of Economics and a Bachelor of Economics from Kyushu University, Japan.

Academic & Professional Qualifications:
- Master of Economics, Kyushu University, Japan
- Bachelor of Economics, Kyushu University, Japan

Present Directorships/Chairmanships[1]:

Listed Companies

Nil

Other Principal Commitments[2]
- Mitsui & Co. (Asia Pacific) Pte. Ltd.
- Challenger Emerging Market Infrastructure Fund Pte. Ltd.

Past Directorships in Listed Companies Held Over the Preceding Three Years:
Nil

MR JEFFREY DAVID PERLMAN, 33

Non-Executive Director

Date of appointment as Director: 18 January 2017
Length of service as a director: 2 months

Description:
Mr Perlman is based in Singapore, joined Warburg Pincus in 2006 and leads the firm's investments in Southeast Asia. Additionally, Mr Perlman focuses on real estate investments across the greater Asia-Pacific region. Prior to joining Warburg Pincus, he worked in the Real Estate Investment Banking Group at Credit Suisse. He currently serves on the Board of Directors for e-Shang Redwood Group, GO-JEK, Mofang Apartments, Nova Property Investment, PT. Nirvana Wastu Pratama, Vincom Retail Joint Stock Company and CITM.

Academic & Professional Qualifications:
- Bachelor of Business Administration (BBA) from the Ross School of Business, University of Michigan

Present Directorships/Chairmanships[1]:

Listed Companies

Nil

Other Principal Commitments[2]
- ESR
- Cubic City (China) Service Apartment Group Holdings Limited (also known as 'Mofang Apartments')
- Vincom Retail Joint Stock Company
- Nova Property Investment Co., Ltd.
- PT Nirvana Wastu Pratama
- PT Aplikasi Karya Anak Bangsa (also known as 'GO-JEK')
- Athena Investment Company (Singapore) Pte Limited
- Athena Investment Company (Cayman) Limited
- Madrid Holdings Private Limited
- Helen Holdings Private Limited

Past Directorships in Listed Companies Held Over the Preceding Three Years:
- 7 Days Group Holdings Limited (previously listed NYSE: SVN, delisted in 2013)

MR MICHAEL PATRICK DWYER, 61

Non-Executive Director

Date of appointment as Director: 7 August 2008
Date of last re-appointment as Director: 28 October 2014
Length of service as a director: 8 years 8 months

Description:

Mr Dwyer is the Executive Chairman of Oxley Global Group which holds units in CIT.

Mr Dwyer was the CEO of Allco REIT, which became the eighth REIT to be listed on the Singapore Stock Exchange in 2006. It was the first independent cross-border listed property trust, raising $500 million at listing.

Mr Dwyer was involved in the mortgage REIT industry in Australia for over 15 years, having held the position of Joint Managing Director of a leading Mortgage REIT. He also has a strong involvement with the securities industry regulators and financial service associations in Australia.

Mr Dwyer is a qualified solicitor in Australia and has 20 years of experience in all facets of commercial and property law.

Academic & Professional Qualifications:

- Solicitor of Supreme Court of Queensland and Federal Court of Australia

Present Directorships/Chairmanships[1]:

Listed Companies

Nil

Other Principal Commitments[2]

- CIPM
- CREIM Holdings Limited
- CREIM Limited
- DMI Holdings Pte Ltd
- Eden Living Pte Ltd (Formerly known as International Mezzanine Fund Pte Ltd)
- International Mezzanine Funds Group Ltd
- International Mezzanine Fund Management Limited
- DAVCO Bioenergy Holdings Pty Ltd
- Newground Capital Partners Pty Ltd
- Newground Capital Pte. Ltd.
- Hawthorne Holdings Pte. Ltd.
- Oxley Global Limited

Past Directorships in Listed Companies Held Over the Preceding Three Years:

Nil

MR JEFFREY SHEN JINCHU, 44

Non-Executive Director

Date of appointment as Director: 18 January 2017
Length of service as a director: 2 months

Description:

Mr Shen has over 15 years of industrial real estate experience in China, and is currently the CEO of the Shanghai e-Shang Warehousing Services Co., Limited and the co-CEO of ESR, the leading pan-Asia logistics real estate developer, owner and operator. ESR represents one of the largest logistics real estate platforms in the region with over 6.5 million square meters of projects owned and under development across China, Japan and South Korea, and is also the largest third-party landlord for the leading e-commerce companies in China. Mr Shen oversees the overall management of business and the general oversight of the e-Shang's business operations.

Prior to ESR, Mr Shen was the Senior VP of GLP Investment Management (China) Co., Ltd., the former ProLogis China, and, during his tenure from January 2004 to May 2011, he was responsible for both the business development and the general management of the company in China.

Mr Shen holds a Bachelor Degree in Economics & Management from the Shanghai Jiao Tong University and a Master of Business Administration from the Eastern China University.

Academic & Professional Qualifications:

- Bachelor Degree in Economics & Management, Shanghai Jiao Tong University
- Master of Business Administration, Eastern China University

Present Directorships/Chairmanships[1]:

Listed Companies

Nil

Other Principal Commitments[2]

- ESR
- Shanghai e-Shang Warehouse Services Co., Limited

Past Directorships in Listed Companies Held Over the Preceding Three Years:

Nil

BOARD OF DIRECTORS

MR ADRIAN CHUI, 41

CEO and Executive Director

Date of appointment as Director: 24 March 2017
Length of service as a director: Less than 1 month

Description:

Mr Adrian Chui joined the Manager in March 2017 as CEO and Executive Director. He reports to the Board and is responsible for achieving CIT's fiduciary duties to Unitholders as well as managing major stakeholder relationships. His key responsibilities include setting the strategic objectives for CIT alongside the Board as well as driving the overall business plan execution with the support of the management team.

Prior to joining the Manager, Mr Chui most recently ran the South East Asia real estate advisory division of Standard Chartered Bank ("SCB"). His overall responsibilities at SCB included structuring, fundamental analysis and approval of acquisition financing for real estate companies / REITs / Business Trusts, valuation and execution advice for mergers & acquisitions, as well as structuring, execution and investment case positioning & strategies of REIT Initial Public Offerings ("IPOs") and follow-on offerings of equity, equity- linked and debt securities across all real estate segments.

Before SCB, Mr Chui was the Director of Real Estate, Lodging and Leisure Group at UBS Investment Bank's Singapore office, where he headed a team involved in structuring and listing of Singapore and cross-border REITs / Business Trusts and property company IPOs for Southeast Asia. His past work experience also includes a stint at Morgan Stanley Asia (Singapore) Securities Pte Ltd, where he was the property research analyst responsible for Singapore listed REITs and property companies, including CapitaLand Limited and Ascendas Real Estate Investment Trust.

Mr Chui holds a Bachelor of Business from Nanyang Technological University in Singapore.

MANAGEMENT TEAM

The management team comprises real estate specialists and industry professionals with extensive experience and a proven track record in fund, asset and property management in Singapore and the region.

MR SHANE HAGAN

COO and CFO

Mr Hagan joined the CIT Manager in January 2016 as COO and CFO. He reports to the CEO and works alongside the Board. He is responsible for the operational and financial performance of the Trust and the Manager.

Mr Hagan has over 20 years of experience in the real estate industry across New Zealand, Australia and Singapore. Prior to joining the Manager, Mr Hagan was the CEO of Soilbuild REIT, where he led the team to list the Industrial REIT on the SGX in 2013. He also held a number of positions at Mapletree Investments, including CFO of Mapletree Commercial Trust and CFO of Lippo Mapletree Indonesia Retail Trust. He was also the CFO of the Manager of Ascendas Real Estate Investment Trust where he was involved in growing the asset base from $500 million to approximately $3.5 billion within 4 years.

Mr Hagan is a Singapore Citizen and holds a Bachelor's Degree in Commerce and Administration from Victoria University. He is a Chartered Accountant of the Institute of Chartered Accountants of New Zealand (now known as Chartered Accountants Australia and New Zealand).

MS NANCY TAN

Head of Real Estate

Ms Tan joined the CIT Manager in February 2009 as Asset Manager and was appointed as Head of Real Estate in February 2011. She reports to the CEO and formulates strategic plans to maximise the returns of CIT's assets. She oversees the investment, asset management, property management and leasing departments. She has over 20 years of experience in the real estate and asset management industry in Singapore.

Prior to joining the Manager, Ms Tan was the Fund Manager of MacarthurCook Industrial REIT. She also held management positions in a number of established real estate firms, including Far East Organisation and City Developments Limited.

Ms Tan holds a Bachelor of Science (Estate Management) from the National University of Singapore and a Graduate Diploma in Marketing from the Marketing Institute of Singapore.

MS ELENA ARABADJIEVA

Head of Investor Relations and Corporate Communications

Ms Arabadjieva joined the CIT Manager in August 2015 as Head of Investor Relations and Corporate Communications. She reports to the CEO and oversees the full communications portfolio of the Manager which includes investor and media relations. She has over 15 years of investor relations, marketing and communications experience in Asia.

Prior to joining the Manager, Ms Arabadjieva was the Director of Investor Relations at Genting Singapore where she oversaw the relationship with more than 20 analysts and more than 1000 active institutional investors. She was also the Director of Marketing and Communications of Suntec Singapore International Convention and Exhibition Centre and instrumental in winning multiple awards for innovative marketing campaigns.

Ms Arabadjieva holds a Masters' Degree of Architecture from the University of Architecture, Civil Engineering and Geodesy (Bulgaria) and a Master of Business Administration ("MBA") from INSEAD (France/Singapore).

MANAGEMENT TEAM

MS LOY YORK YING

Head of Compliance

Ms Loy joined the CIT Manager in June 2014 as Head of Compliance. She reports to the ARCC and CEO and is responsible for all internal and external compliance requirements for the Trust, the Manager and all other related companies of the Manager. She has over 15 years of experience in in the financial services industry, including more than 10 years in regulatory and compliance functions.

Prior to joining the Manager, Ms Loy was the Head of Regulatory Advisory and Policy, Compliance in Maybank Singapore and was responsible for the oversight and management of all compliance-related requirements of Singapore branch. She also managed the portfolio and provided financial advisory services to high net-worth individuals with DBS Bank Ltd and UOB Ltd.

Ms Loy holds a Bachelor of Business (Banking) from Nanyang Technological University. She also holds the Institute of Banking and Finance Advanced, Compliance (Banking) Certification.

MS FRECY BASTIAN

Head of HR and Corporate Services

Ms Bastian joined the CIT Manager in September 2007 as Executive, Corporate Services and was appointed as Head of HR and Corporate Services in January 2015. She reports to the NRC and CEO and is responsible for all human resource and personnel matters and oversees the Information Technology and Office Administration functions of the Manager. She has over 15 years of experience in running corporate office operations in various industries in Singapore and the Philippines.

Prior to joining the Manager, Ms Bastian was the Team Coordinator of Rohde & Schwarz (Philippines) Inc. and was responsible in achieving the ISO9001 certification of the Company. She was also the Associate Editor of Communication Asia, the publisher of School Guide Magazine.

Ms Bastian holds an Executive MBA from University of Hull (UK), a Bachelor of Science in Journalism from Lyceum of the Philippines and holds a Certification in Human Resource Management from HRSingapore. She is also a Certified HBDI Practitioner and member of the Hermann International Global Network.

MR SIM THIAM MENG

General Manager of CIPM

Mr Sim joined the Property Manager in July 2007 as Senior Property Manager and was appointed as General Manager in January 2016. He reports to CIPM's Board of Directors and is responsible in leading the property management team in fulfilling its responsibilities to CIT. He works closely with CITM's CEO, COO and CFO and Head of Real Estate in developing and implementing effective business plans to improve the operational efficiency of CIPM. He has over 15 years of experience in property and project management in Singapore.

Prior to joining the Property Manager, Mr Sim was a Senior Property Management Officer in JTC Corporation and a Trainee Engineer in Chicago Bridge and Iron LLC.

Mr Sim holds a Bachelor of Science in Real Estate (Property Management) from the National University of Singapore and a Diploma in Building Services Engineering from Ngee Ann Polytechnic

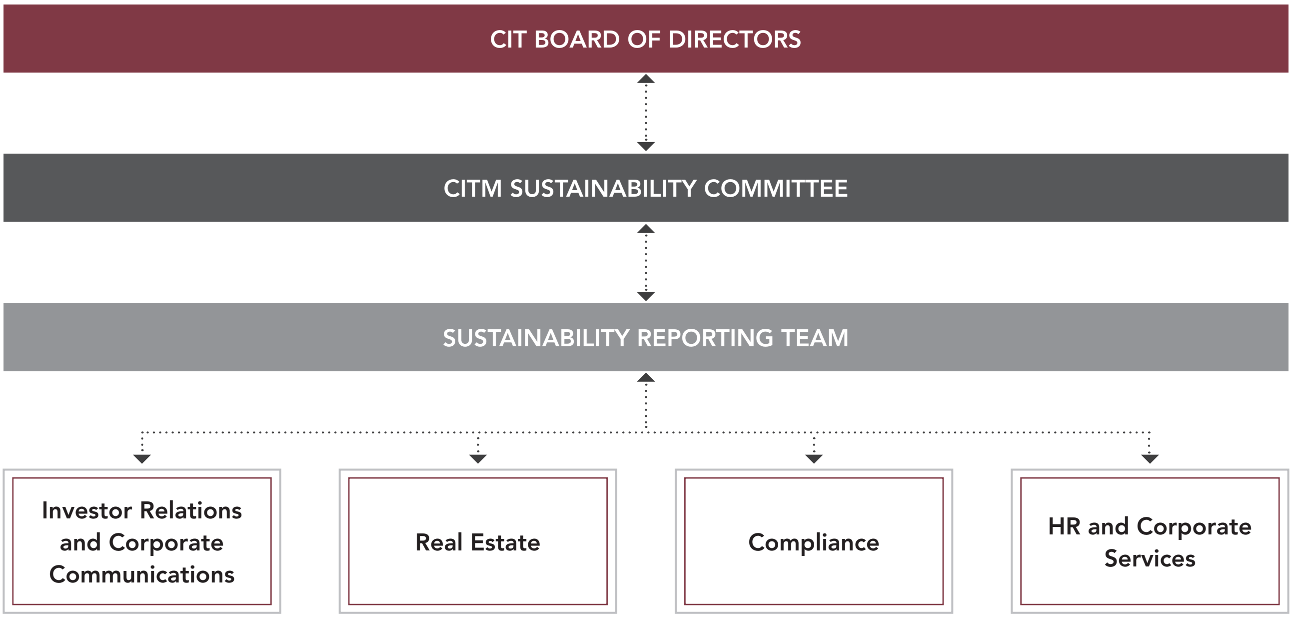
16 International Business Park

SUSTAINABLE BUSINESS

CORPORATE GOVERNANCE

Good corporate governance is the cornerstone of a sustainable business. Prudent and responsible leadership is essential to upholding highest corporate governance standards, which is key to gaining Unitholders' trust. The Manager has put in place robust corporate governance policies and practices that are further elaborated on pages 76 – 95 of this report. The Sustainability Committee is responsible for the integration of sustainability principles and practices throughout the business in the coming years, and is tasked to supervise the Sustainability Reporting Team in the ongoing reporting efforts.

Figure 1: Sustainability Governance Structure



ENVIRONMENT

Figure 2: Overview of Environmental Performance in 2016

	Grid Electricity Consumption	Electricity Consumption Intensity	CO_2e Emissions Released	CO_2e Emissions Intensity	Water Consumption
2015	8,404,812 kWh	195 kWh/m²	3,632,560 $kgCO_2e$	77.3 kg CO_2e/m^2	77,411 m³
2016	8,421,322 kWh[1]	131 kWh/m²	3,639,695 $kgCO_2e$	56.7 kg CO_2e/m^2	55,079 m³
	▲	▼	▲	▼	▼

[1] There were three more MTBs converted in FY2016, resulting in a moderate increase in electricity consumption

Energy and Carbon Emissions

In keeping with Singapore's commitment and as part of the Paris Agreement to reduce carbon emission intensity by 36% from 2005 levels by 2030, CIT aspires to be one of the Greenest Industrial REITs in Asia. The Manager commits to achieving 5% savings y-o-y in energy use per unit GFA – Energy Utilisation Index ("EUI") over the next 5 years period from 2016 to 2020. Specific actions taken to achieve this are: conversions to LED lights, modernisation of lifts, installation of motion sensors, and usage of in-house solar energy harvested as an alternate source of energy. By the end of 2016, eight properties were already equipped with solar energy harvesting facilities, many of which were commissioned during FY2015. Usage of solar energy has tripled in comparison to FY2015, resulting in cost savings of $750,000 (double the cost savings in FY2015) and reduction of carbon emissions by 927,237 $kgCO_2^e$ emissions. Going forward, the Manager will continue to explore installation of solar panels on more of CIT's buildings and engage in AEIs with efficient and sustainable materials.

Water Stewardship

Access to clean fresh water is becoming increasingly important in today's world. Singapore's government places great importance on the efficient use of water, as reflected in one of the key goals as part of the latest budget cycle and in the Singapore's sustainability blueprint targets for year 2030. In line with the national efforts towards water conservation, the Manager has embarked on water efficiency initiatives and targets to achieve Water Efficient Building ("WEB") certifications for all upgraded toilet facilities in its properties by the end of 2017. As at 2016, the toilet facilities of 10 or 40% of CIT's MTB properties have been upgraded. Eight of these MTBs have been already awarded with WEB, and two more are still in the process of obtaining the certification. As a result of these efforts, total municipal water consumption was 55,079 m^3, registering an approximate decrease of 28% as compared to FY2015's levels. The Manager will continue to embark on water reduction and conservation plans especially in light of the latest Singapore budget announcement on the substantial increase in water tariffs.

Waste Management

Playing its part to achieve the national recycling target of 70% by 2030, the Manager believes in the importance of reinforcing the values of recycling, reusing and reducing waste to all its stakeholders, including employees, tenants and visitors to CIT's buildings.

At the Manager's own office, employees practice responsible habits such as recycling whenever possible, segregating plastics from general waste, disposing of electrical and IT-related hardware through the building's e-waste collection bins and printing less by printing with single ink and double-sided pagination default setting.

At CIT's buildings, a total of 4.4 tonnes of waste were recycled in 2016 since the roll-out of the recycling program to the tenants. In the same year, there were also no incidents of non-compliance with waste disposal laws and regulations.

Figure 3: List of Certifications and Awards as at 31 December 2016

Name of awards/ certifications/ ratings /labelling schemes	Name of property	Year of award
Certifications		
BCA Green Mark 'Certified' Certification	86 International Road	2016
BCA Green Mark 'Gold' Certification	3 Pioneer Sector 3 (New Warehouse)	2015
BCA Green Mark 'Certified' Certification	21B Senoko Loop	2015
BCA Green Mark 'Certified' Certification	88 International Road	2014
BCA Green Mark 'Certified' Certification	30 Toh Guan Road (Annexed warehouse)	2012
Awards		
Solar Pioneer Award 2015	43 Tuas View Circuit, 9 Bukit Batok Street 22, 3C Toh Guan Road East, 23 Woodlands Terrace, 55 Ubi Avenue 3, 11 Serangoon North Avenue 5, 54 Serangoon North Avenue 4, 3 Pioneer Sector 3	2015
Solar Pioneer Award 2014	30 Toh Guan Road	2014

SOCIAL

Tenant Engagement and Product Responsibility
Quality of Assets and Services

Ensuring quality of services at CIT's assets is critical to the interests of Unitholders, as this is a key determination factor of capital value preservation and income generation. Major vendors and suppliers are subjected to an annual quality assessment which seeks to reinforce the Manager's position on quality of services and processes. In addition, the Manager seeks to attain appropriate certifications and awards that correspond with these efforts.

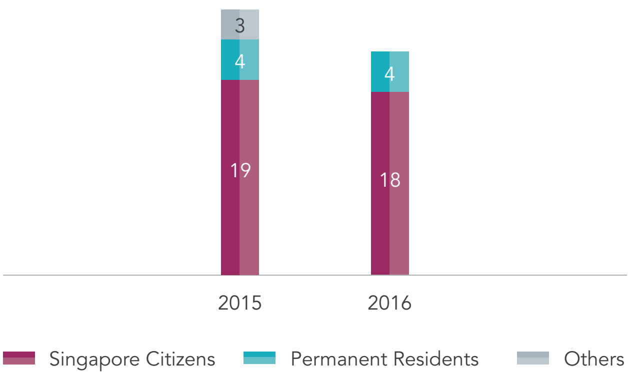
Tenant Satisfaction

The Manager seeks to maintain overall tenant satisfaction through regular communication, timely resolution of issues and progressive upgrading of facilities. The overall tenant satisfaction achieved in the Tenant Satisfaction Survey 2016 was 73%, an increase from FY2015's levels. Feedback gathered centered on the following criteria: (i) Service quality provided by various teams – Asset, Leasing, Property and Finance; Service quality provided by external vendors and (ii) Tenant's environment policies (if any). Moving forward, CITM targets to achieve higher survey participation and further improve satisfaction rate. The feedback received has helped CIPM to target facilities for improvement programmes in the coming years. Some planned improvement programmes are lift modernisation, façade enhancement, landscape improvement and greenery in the common spaces.

COMMUNITY DEVELOPMENTS

The Manager recognises that working responsibly also includes creating a positive impact on the communities it operates in. The social investments made by the Manager seek to support the communities' efforts in improving people's standard of living. CITM gives back to the local education system and provides financial support to outstanding students, while at the same time develops a pipeline for future talents in the real estate industry through the introduction of a Sponsorship Programme to Ngee Ann Polytechnic Real Estate students. Team members also give back to the local community by helping the less-privileged through regular participation in programmes such as "*Food for Families*" and "*Ride for Rainbow*".

Figure 4: Team Members' Diversity and Age Profile in FY2015 and FY2016



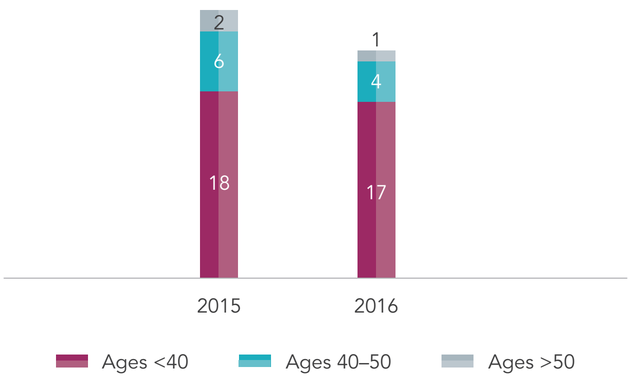
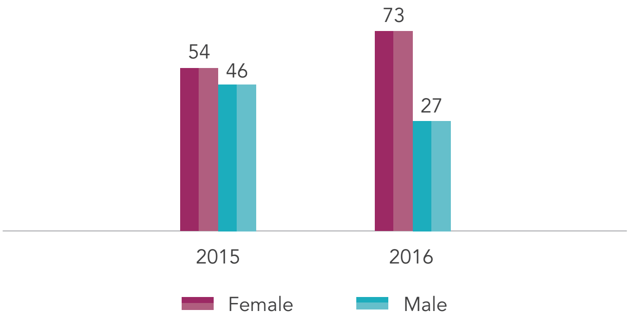
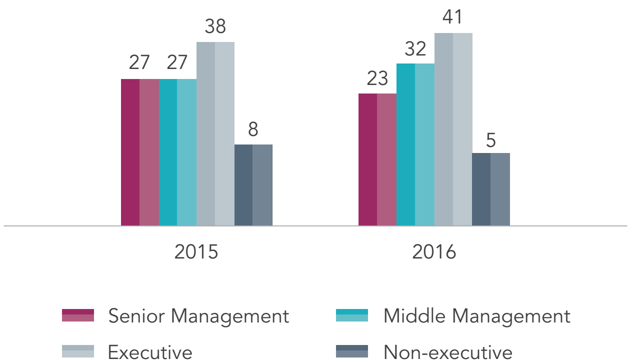


Figure 5: Team Members' Gender Composition and Employment Category in Percentage (%)





OUR PEOPLE

Team Profile

The Manager is committed to gender equality and equal opportunity and this commitment is incorporated in its human resource management processes. Recruitment and progressions are based on merit. As at 31 December 2016, CITM had a total staff strength of 22 team members, with gender composition of 73% female and 27% male. The composition by employment category remained fairly consistent from prior years.

The manager embraces diversity and upholds equality and inclusiveness as key drivers of internal innovation and growth. The Manager's Human Resource Management (HRM) Policy and practices are aligned and built on the key principles defined by the Tripartite Guidelines on Fair Employment Practices (TGFEP) and the Ministry of Manpower's Fair Consideration Framework. As a Capital Market Services (CMS) license holder, the Manager endeavors to hire candidates that pass the rigorous due diligence checks on integrity, educational background and financial stability. The Manager also continues to conduct annual reviews to ensure that team members remain fit and proper to minimise potential risks affecting the business. In addition, all employees are given the equal opportunity to constantly upgrade their skill sets and soft skills. As at 31 December 2016, an average of 35 training hours (far exceeding FY2016 target of 20 training hours per year) were provided to each employee. The Manager also advocates fair employment practices and equal opportunity for the suppliers and contractors that it engages and has addressed a number of potential concerns relating to suppliers and contractors through gradually implementing risk mitigating measures over time.

Team Members' Wellness and Engagement

The Manager understands that team members' wellness is important to the sustained success of the organization. Initiatives addressing health concerns, work-life balance and flexibility in working arrangements are provided whenever possible. The following targets have been set and achieved by the Manager in FY2016:

- Increase in participation rate in group activities to 15%, 5% higher than 2015
- Gym participation rate of 48%, 18% higher than the target rate of 30%
- Incorporate ergonomic office environment during the relocation project, resulting in 96.67% of team members rating the quality of furniture and work-stations at the new office as satisfactory

Other benefits (e.g. insurance cover, flexi-benefits scheme, annual team building activities) that are available to employees are regularly assessed for market competitiveness and vary based on employment level. In addition, the management ensures that communication between departments and all levels of the organization are always open in order to minimise potential conflicts or misunderstandings that can affect work performance. In FY2016, the Manager achieved an overall satisfaction rating of 79%, an increase from 2015 in its annual satisfaction survey.

DETAILED SUSTAINABILITY REPORT

The Manager strongly believes that the commitment on sustainability will place CIT in a stronger position and create value for the Unitholders' and stakeholders' community. The detailed sustainability initiatives are outlined in CIT's second sustainability report that will be available exclusively on CIT's website (www.cambridgeindustrialtrust.com) at the end of April 2017. The report is prepared in accordance with the Global Reporting Initiative ("GRI") G4 Guidelines – Core, and covers all aspects of environmental, social and governance factors across all properties of CIT in Singapore for FY2016.

CORPORATE GOVERNANCE

CIT, constituted as a trust, is externally managed by CITM. CIT has no personnel of its own. CITM appoints qualified and experienced executives to manage its operations.

The Manager is committed to maintaining high standards of corporate governance in line with the Singapore Code of Corporate Governance. The Board and Management believe that sound corporate governance policies and practices are essential to protect the assets of CIT and the interests of its Unitholders and to enhance the value of Unitholders' investment in CIT.

The Manager has general powers of management over the real estate and real estate related assets of CIT. The Manager's main responsibility is to manage CIT's assets and liabilities for the benefit of the Unitholders. It sets the strategic direction of CIT and gives recommendations to the Trustee on the acquisition, property development, divestment and/or enhancement of assets of CIT in accordance with its stated investment strategy. The Manager is also responsible for the capital and risk management of CIT. In executing its strategy, the Manager is responsible for ensuring compliance with the applicable provisions of the SFA and all other relevant legislation, including the Rules of the SGX-ST Listing Manual ("Listing Manual"), the Code on Collective Investment Schemes (including its property funds appendix ("Property Funds Appendix")) and the Trust Deed.

The Manager also supervises the performance of the Property Manager to ensure that it meets its objectives pursuant to the property management agreement.

The Manager holds a Capital Markets Services Licence ("CMS Licence") issued by MAS to carry out REIT management under the SFA. Under its CMS Licence, the Manager appoints relevant officers and staff as its representatives to conduct REIT management activities on its behalf.

This report describes the Manager's corporate governance practices and structures that were in place during FY2016, to comply with the Code of Corporate Governance ("the Code") issued by MAS on 2 May 2012. Any deviations from the Code are explained.

SIGNIFICANT CHANGES DURING REPORTING PERIOD

Change of Majority Shareholder of CITM

- nabInvest Capital Partners Pty Limited ("NAB") and CREIM Limited completed the sale of their aggregate 80% indirect interest in CITM to e-Shang Infinity Cayman Limited ("Infinity"), a subsidiary of e-Shang Redwood Limited ("ESR"), on 18 January 2017.

Change of Board Members of CITM

- Mr Ian Andrew Smith, Non-Executive Director, resigned on 1 July 2016.
- Mr Philip Henry Lewis Levinson, CEO and Executive Director, resigned on 9 November 2016.
- Dr Chua Yong Hai and Mr Tan Guong Ching retired as Chairman of the Board and Chairman of the Nominating and Remuneration Committee ("NRC"). The effective dates of retirement for Dr Chua and Mr Tan were 1 January 2017 and 15 January 2017 respectively. Their retirement was part of succession planning and enhanced corporate governance strategy designed to comply with new regulatory requirements.
- Mr Ooi Eng Peng was appointed as the Chairman of the Board on 1 January 2017.
- Mr Bruce Kendle Berry was appointed as the Chairman of ARCC on 1 January 2017.
- Mr Erle William Spratt was appointed as Independent Non-Executive Director on 13 January 2017.
- With the change in CITM's shareholders, Mr Jeffrey Shen Jinchu and Mr Jeffrey David Perlman, were appointed as non-executive directors on 18 January 2017.
- Mr David Ian MacGregor stepped down from the Board on 18 January 2017.
- Mr Adrian Chui was appointed as CEO & Executive Director on 24 March 2017.

Accessibility of Annual Report

Limited copies of the annual report were printed, however a PDF version is available for download from the corporate website: www.cambridgeindustrialtrust.com/

Principles and Guidelines of the Code of Corporate Governance 2012 Code
Board matters
Principle 1: The Board's Conduct of Affairs
Principle 2: Board Composition and Guidance
Principle 3: Chairman and Chief Executive Officer
Principle 4: Board Membership
Principle 5: Board Performance
Principle 6: Access to Information
Remuneration matters
Principle 7: Procedures for Developing Remuneration Policies
Principle 8: Level and Mix of Remuneration
Principle 9: Disclosure on Remuneration
Accountability and audit
Principle 10: Accountability
Principle 11: Risk Management and Internal Controls
Principle 12: Audit Committee
Principle 13: Internal Audit
Unitholder Rights and Responsibilities
Principle 14: Unitholder Rights
Principle 15: Communication with Unitholders
Principle 16: Conduct of Unitholder Meetings

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the Company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The Board primary responsibility is to lead and to supervise the management of the business and affairs of the Manager and the Trust. The top-stewardship responsibility of the Board is to ensure that the Trust is managed in the best interests of all Unitholders. This includes protecting CIT's assets and Unitholders' interests and enhancing the value of Unitholders' investment in CIT.

The functions of the Board are defined broadly as follows:

- To ensure the Manager discharges its duties to act in the best interests of all Unitholders of the Trust and to give priority to the interests of the Unitholders over the interest of the Manager and the shareholders of the Manager in the event of conflict between the interests of the Unitholder and in the interest of the Manager or shareholders of the Manager;
- To provide entrepreneurial leadership, set strategic and financial objectives, major corporate policies, annual budgets, and ensure that the necessary financial and human resources are in place for the Manager to meet its objectives;
- To establish a framework of prudent and effective controls which enables risk to be assessed and managed;
- To review senior management performance;
- To set the Manager's values and standards and ensure that obligations to shareholders and others are understood and met.
- To consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

The Board oversees a system of internal controls and business risk management processes that set the guidelines which govern matters reserved for Board's decision and approval. This includes approval limits for investments and divestments, bank borrowings, capital expenditure and cheque signatories. Appropriate delegation of authority for approval of capital and operating expenditure and specified financial transactions are also provided at Management level to facilitate operational efficiency.

The Board meets at least once every quarter, and on such other occasions that necessitate its involvement. Members of the Board also meet periodically without the presence of Management to discuss and review Management performance. Where exigencies prevent a Director attending a Board meeting in person, the Manager's Constitution permits Board meetings to be held by way of telephone conference or by means of similar communication equipment by which all persons participating in the meeting are able to hear and be heard by all other participants. The Board and Board Committees may also make decisions by way of resolutions in writing.

Various Board Committees, namely ARCC and NRC have been constituted with clear written Terms of Reference to assist the Board in the discharge of its functions. Each of these Board Committees operates under delegated authority from the Board. The Board may form other Board Committees as dictated by business imperatives. Membership of the various Board Committees is managed to ensure an equitable distribution of responsibilities among Board member, to maximise the effectiveness of the Board and to foster active participation and contribution from Board members. Diversity of experience and appropriate skills are considered in the composition of the respective Board Committees.

Due to the recent change in CITM's shareholders, the Manager is reviewing the composition for the various sub-committees of the Board. Thus, the Budget and Finance Committee ("BFC") and Investment Committee ("IC") will be in abeyance until further notice and the approval of all matters for the two committees will be re-routed to both ARCC and Board accordingly.

Composition of the Board of Directors and its Committees as at 25 January 2017:

Name	Board	ARCC	NRC
Ooi Eng Peng	Independent Chairman	M	M
Bruce Kendle Berry	Independent Non-Executive Director	C	-
Erle William Spratt	Independent Non-Executive Director	M	C
Michael Patrick Dwyer	Non-Executive Director	-	-
Akihiro Noguchi	Non-Executive Director	-	-
Jeffrey David Perlman	Non-Executive Director	-	M
Jeffrey Shen Jinchu	Non-Executive Director	-	-

Denotes C- Chairman; M- Member

A total of eight Board meetings were held in FY 2016. The Board also schedules a Board Strategy meeting once a year to discuss strategic matters. A table showing the attendance record of Directors at Board and Board Committee meetings during FY 2016 is set out as follows:

Board Members	Board Meetings[1]		Audit, Risk Management and Compliance Committee Meetings ("ARCC")		Nomination and Remuneration Committee ("NRC")		2016 Annual General Meeting
	Held	Attended	Held	Attended	Held	Attended	
Dr Chua Yong Hai[2]	8	8	N.A.	N.A.	5	5	√
Mr Ooi Eng Peng	8	8	4	4	5	5	√
Mr Tan Guong Ching[3]	8	8	4	4	5	5	√
Mr Michael Patrick Dwyer	8	6	4	3	N.A.	N.A.	√
Mr Bruce Kendle Berry[4]	8	1	4	1	N.A.	N.A.	N.A.
Mr Akihiro Noguchi	8	7	N.A.	N.A.	N.A.	N.A.	√
Mr Ian Andrew Smith[5]	8	5	N.A.	N.A.	N.A.	N.A.	√
Mr David Ian MacGregor[6]	8	6	4	2	5	5	√
Mr Philip Henry Lewis Levinson[7]	8	8	4	4	N.A.	N.A.	√

1 Not including other meetings attended by directors with Management
2 Dr Chua Yong Hai retired from the Board on 1 January 2017
3 Mr Tan Guong Ching retired from the Board on 15 January 2017
4 Mr Bruce Kendle Berry was appointed to the Board on 16 September 2016
5 Mr Ian Andrew Smith resigned from the Board on 1 July 2016
6 Mr David Ian MacGregor was invited to attend the ARCC meetings. He resigned from the Board on 18 January 2017
7 Mr Philip Henry Lewis Levinson, attended ARCC meetings by invitation. He resigned from the Board on 9 November 2016

To enable the Board of Directors to be able to properly discharge their duties and responsibilities as Board or Board Committee members, the Board is provided with routine updates on developments and changes in the operating environment, including revisions to accounting standards, and laws and regulations affecting CIT and/or the Manager. Directors are also encouraged to participate in industry conferences, seminars and training programmes in connection with their duties.

Newly appointed directors are given induction trainings after joining the Board together with an induction pack which includes constitutional documents of CIT and the Manager, contact information of each Board member, Management staff and Company Secretary. The training covers business activities of CIT, its strategic directions and policies, the regulatory environment in which CIT and the Manager operate, and the Manager's corporate governance practices, statutory and other duties and responsibilities as directors. Where a director has no prior experience as a director of a listed company, further training in areas such as accounting, legal and industry-specific knowledge is provided.

As a principle of good corporate governance, all directors are appointed for 3 years, subject to extension for a further 3 years at the Board's and shareholders' discretion. Letters of appointment are issued to directors upon their appointment, setting out their duties and responsibilities to the Manager and CIT. These include seeking the Chairman's prior approval before accepting any additional commitments that may affect the time allocated to their role as a director of the Manager.

None of the directors of the Manager has entered into any service contract directly with CIT.

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[8]. No individual or small group of individuals should be allowed to dominate the Board's decision making.

Board Composition and Independent Directors

The Board presently consists of eight members, three of whom are independent Directors. The Manager is actively looking for new independent directors to comply with the composition guidelines in the Code of Corporate Governance, which require at least half the Board to comprise of independent Directors. The Chairman of the Board is Mr Ooi Eng Peng.

The current Board is represented by members with a breadth of expertise in finance, accounting, real estate, law and management.

The Board believes that the current board size, composition and balance between Executive, Non-Executive and Independent directors is appropriate and provides sufficient diversity without interfering with efficient and effective decision-making. It allows for a balanced exchange of views, robust deliberations and debates among members and effective oversight over Management, ensuring no individual or small group dominates the Board's decisions or its process.

With the background of skills, experience and core competencies of its members, the Board is of the view that it has the appropriate mix of expertise and experience, skills needed in the strategic direction and planning of the business of CIT.

The composition of the Board is reviewed periodically to ensure that the board size is appropriate and comprises directors with an appropriate mix of expertise, skills, and experience to discharge their duties and responsibilities.

All independent directors are subject to an annual independence assessment based on the guidelines set out under the Code. The assessment also takes into account additional factors such as the director's business relationship with the Company and related entities, whether the director has received any gifts or financial assistance from the Company, whether the director is financially dependent on the Company or related Company, as recommended under the Nominating Committee Guide. With respect to FY2016, Mr Bruce Kendle Berry, Mr Ooi Eng Peng and Mr Tan Guong Ching, were considered independent. None of the directors have served the Manager for a period exceeding nine years.

8 The term "10% shareholder" shall refer to a person who has an interest or interests in one or more voting shares in the company and the total votes attached to that share, or those shares, is not less than 10% of the total votes attached to all the voting shares in the company. "Voting shares" exclude treasury shares

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The roles of the Chairman and the CEO are separate. The Chairman and the CEO are not related to each other, nor is there any business relationship between them. This is consistent with the principle of instituting an appropriate balance of power and authority.

The Chairman of the Board is an Independent Director. He leads the Board, ensures its effectiveness in all aspects of its role; sets its meeting agenda and ensures that adequate time is available for discussion for all agenda items; promotes a culture of openness and debate at the Board; arranges for directors to receive accurate, timely and clear information; monitors CEO's effective communication with Unitholders and other stakeholders; encourages constructive relations within the Board and between the Board and Management; facilitates the effective contribution of non-executive directors and promotes high standards of corporate governance in general.

The CEO has full executive responsibilities over the business direction and operational decisions in managing CIT and is responsible for implementing CIT's strategies and policies. He ensures the quality and timeliness of the flow of information between Management and the Board, Unitholders and other stakeholders.

Board Membership

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

Nominating and Remuneration Committee

The Manager has established a NRC to make recommendations to the Board on all director appointments and related matters including the following:

- The review of structure, size and composition of the Board and Board Committees;
- The review of succession plans for the directors, CEO and key management staff;
- The appointment and re-appointment of all directors;

With the new corporate developments, the NRC currently comprises of three Directors, the majority of whom, including the Chairman of the NRC, are independent; namely:

1. Mr Erle William Spratt	Chairman
2. Mr Ooi Eng Peng	Member
3. Mr Jeffrey David Perlman	Member

Process and Criteria for Appointment of Directors

The NRC shall make recommendations to the Board on all Board appointments, re-appointments and composition of the Board, taking into account the balance between executive and non-executive directors, independent and non-independent directors, the scope and nature of the operations of CIT and the requirements of the business. Appointment of alternate directors are not encouraged.

In addition, the NRC takes into account that the Board composition should reflect balance in matters such as skill representation, tenure, experience, age spread and diversity. The NRC identifies suitable candidates with skills and experience that will complement the existing Board and ensure that the candidate has sufficient time available to commit to his responsibilities as a Director for appointment to the Board. During the search process, the NRC may also tap on the personal contacts of current directors and senior management for recommendations of prospective candidates. The NRC will also consider professional networking sessions, inputs from the Manager's shareholders, and the use of third party executive/Board search firms at the company's expense. Nominations of incoming directors may be made by any of the Manager's shareholders and are openly discussed and objectively evaluated by the NRC before any appointment and/or reappointment is made. Appointment of directors is also subject to MAS approval.

Annual Review of Directors' Time Commitments

The Code requires listed companies to fix the maximum number of Board representations on other listed companies that their directors may hold and to disclose this in their annual report.

Although no maximum limit has been formally set by the Board on the number of listed company board representations a Director with multiple board representations may hold, the NRC is of the view that the duties of all Directors have been fully discharged based on the time and attention devoted by each Director, their individual abilities and their respective individual contribution of skills, knowledge and experience and their commitment to the affairs of CIT. The Board is of the view that such appointments do not hinder the Directors from carrying out their duties as Directors of the Manager and therefore believes that it would not be necessary to prescribe a maximum number of listed company board representations a Director may hold.

Key Information Regarding Directors

The key information regarding Directors is set out in pages 64 to 68 of the Annual Report, which covers academic and professional qualifications, board committees served on (as a member or chairman), date of first appointment as a director, date of last re-appointment as a director, directorships or chairmanships both present and those held over the preceding three years in other listed companies, and other principal commitments.

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 Board has in place a formal process to annually assess the effectiveness of the Board and the ARCC through feedback from individual directors on areas relating to the Board's and ARCC's competencies and effectiveness.

All directors are requested to complete a Board Evaluation Questionnaire designed to seek their view on the various aspects of the Board and the ARCC performance so as to assess the overall effectiveness of the Board and the ARCC. The results of the evaluation will be reviewed by the Board. Action plans will be implemented for areas which the Board is of the view that improvements are required to enhance the overall effectiveness of the Board and the ARCC.

Individual director's performance is evaluated annually and informally on a continual basis by the Board. The criteria taken into consideration include the value of contribution to the development of strategy, attendance at Board and ARCC meetings, the degree of preparedness, industry and business knowledge and experience each director possess which are crucial to the business of CIT and the Manager.

Due to the major changes in the Board's composition during FY2016, the Board agreed that individual Board members' performance evaluation would not be relevant or meaningful thus the evaluation was not completed. However, the Board is generally satisfied with its achievements in FY2016.

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 ongoing basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

All directors have unrestricted access to CIT's and the Manager's records and information. A Deed of Access, which sets out their rights to access or inspect the records and information, is issued to directors upon their appointment.

The Board is provided with timely and complete information both prior to board meetings and on an ongoing basis so as to allow the Board to make informed decisions to discharge its duties and responsibilities. Generally, board papers are distributed at least one week prior to Board meetings to ensure that directors have sufficient time to review the information provided. However, sensitive matters may be tabled at the meeting itself, or discussed without papers being distributed.

The information provided to the Board includes board papers, financial results, market and business developments, and business and operational information. Such reports keep the Board informed, on a balanced and understandable basis, of CIT's performance, financial position and prospects. The financial results are also compared against the budgets, together with explanations given for significant variances for the reporting period.

An off-site business overview meeting was organised during the start of 2017 for an in-depth discussion by the Board and the Management on strategic issues and directions pertaining to CIT and the Manager.

In addition to the information provided above, Management remains available at all times to answer any query raised by any Director. Frequent dialogues and interaction take place between Management and the Directors. The Directors are thus able to access the Manager's operations and information at a deeper level, allowing them to better strategise and guide CIT in their role as Directors. Furthermore, the Board Papers Portal allows Board members to securely access and read Board/Board Committee papers and materials electronically at any place and any time, using the Directors' electronic or mobile devices.

Board members have separate and independent access to Management as well as to the Company Secretary. The Company Secretary attends all Board meetings and ensures that board procedures and applicable rules and regulations are complied with. The appointment and the removal of the Company Secretary is subject to Board's approval. The Company Secretary, together with the CEO ensure good information flows between Management and the directors.

The Board takes independent professional advice as and when necessary, with approval from the Chairman, to enable it to discharge its responsibilities effectively. Individual directors can seek independent professional advice with the consent of the Chairman or ARCC Chairman. For complex matters, the Board may from time to time appoint a sub-committee to assist the Board in its deliberations and to provide recommendations.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Level and Mix of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Disclosure on Remuneration

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

Procedures for Developing Remuneration Policies

CIT, constituted as a Trust, is externally managed by the Manager and accordingly, it has no personnel of its own.

Through the NRC, the Board has instituted a formal and transparent procedure in developing remuneration policies and framework relating to CEO and Non-Executive Directors. Independent Directors' fees and the CEO's remuneration, including all employees of the Manager are paid by the Manager and not the Trust.

Guided by the Remuneration Framework, NRC with the endorsement of the Board, reviews on periodic basis:
- the directors' fees and allowances provided to the Independent Directors;
- remuneration components of the CEO, as well as the Key Management Personnel ("KMP"). Directors do not decide on their own fees.

Directors' Fees

There are no directors' fees paid to the CEO and Non-Executive Directors. All Independent Directors are appointed for a period of 3 years and are subject to extension for a further 3 years at the discretion of the Board and the Shareholders. Accordingly, the Independent Directors' fees are established once every 3 years. The Independent Directors are paid a basic fee. The fees are dependent on the level of responsibilities at the Board level, and where applicable, additional responsibilities given in other committees set up by the Board. The Chairman of the Board and ARCC are paid higher fees compared with members of the Board and ARCC in view of greater responsibilities carried by those appointments. CITM also ensures that the remuneration of its CEO and executive director shall not be linked to CIT's gross revenue.

CEO and Select Key Management Personnel's ("KMP") Remuneration

The NRC reviews the remuneration of the CEO and some KMP's of the Manager annually or as and when there is a significant change to the structure of the Manager. The remuneration components include fixed pay, fixed allowances, short-term incentive bonus (also known as annual performance bonus or "STI") and long-term incentives plan ("LTIs").

The Manager's Remuneration and Benefits Policy are aligned to its performance management process that aims to have an equitable and fair reward system driving the organisational performance. It is also designed to attract, motivate and retain high-performing employees.

The Manager has engaged McLagan (part of Aon Hewitt Group), an independent remuneration consultant, to conduct a study. This is to align internal remuneration to market and industry benchmarks taking into consideration the size of the REIT as well as the employees' responsibilities, work experience and educational qualifications. The results are used as a guide to adjust the remuneration of the employees ensuring that the Manager maintains a fair and competitive pay scale.

The Manager carries out a formal bi-annual performance review process to re-enforce strengths, identify improvements and plan for the development of the employees.

LTIs are provided to the CEO and a few selected KMPs as they have direct influence in driving the performance of the Trust. The CEO's LTI is paid in cash and is distributed annually in five tranches and the other KMPs in three tranches.

During 2016, none of the targets were met as the broad market environment proved to be challenging.

STIs are rewarded to the CEO and all other employees of the company. It is based on the key performance targets set at the start of the financial year and cascaded down to direct reports and adjusted according to own areas of responsibilities. All employees of the Manager undergo the bi-annual formal review process reviewing individual's performance and contribution to the business' performance. The performance bonus pool is a reasonable percentage of the Manager's profit and is duly approved by the NRC. STIs can be paid in mixed form such as cash and CIT units, and are rewarded 3 months after the financial year-end is closed. There were no CIT units issued to staff in 2016. To date, the Manager has not implemented a Share Employee Option Scheme as part of its remuneration package.

The Manager reviews, on an annual basis, the relationships between employees, shareholders and board members to ensure that there is no conflict of interest. For FY2016, there were no employees who are immediate family members of any director or the CEO or any of the existing staff.

Directors' fees paid to the Independent Directors in FY2016 are as follows:

Name of Director	Base / Fixed Salary (%)	Variable or Performance-related income / Bonuses (%)	Others (Allowances) (%)	Benefits-in-kind (%)	Stock options granted (%)	Share-based incentives and awards (%)	Other long-term incentives (%)	Directors' Fee (%)	Other Pay-ments	Total (to the nearest S$000')
Executive Director/ CEO										
Mr Philip Henry Lewis Levinson*	50.3	21.0	1.5	0.3	–	–	–	–	26.9	1,120
Mr Shane Peter Hagan^	77.2	19.5	2.5	0.8	–	–	–	–	–	461
Independent Non-Executive Directors										
Dr Chua Yong Hai	–	–		–	–	–	–	100	–	130
Mr Ooi Eng Peng	–	–		–	–	–	–	100	–	88
Mr Tan Guong Ching	–	–		–	–	–	–	100	–	82
Mr Bruce Kendle Berry#	–	–	–	–	–	–	–	29	–	24

* Resigned on 9 November 2016. FY2016 remuneration includes a one-off lump-sum in-lieu of notice that was paid in FY2016 but covers a period that includes FY2017

^ Appointed as COO and CFO on 17 January 2016. Appointed as Acting CEO with effect from 23 November 2016 to 23 March 2017 on the same terms as the COO and CFO position

Appointed as Independent Non-Executive Director with effect from 16 September 2016

Remuneration of the top five key management personnel (who are not directors or the CEO) in bands of $250,000 are as follows:

Key management personnel	Base/Fixed Salary (%)	Variable or Performance-related income / Bonuses (%)	Other (Allowances) (%)	Benefits-in-kind (%)	Stock options granted (%)	Share-based incentives and awards (%)	Long-term incentives (%)	Total (%)
Between $250,000 and $500,000								
Ms Nancy Tan*	72.4	23.9	2.7	1.0	–	–	–	100
Ms Elena Arabadjieva	80.5	15.6	2.8	1.1	–	–	–	100
Below $250,000								
Ms Loy York Ying	73.2	21.6	3.8	1.4	–	–	–	100
Ms Frecy Bastian	73.8	17.5	6.4	2.3	–	–	–	100

* Variable bonus includes LTI received for YE2014 performance.

The aggregate remuneration paid to the top five* key management personnel (excluding CEO) is $1.4m in FY2016.

ACCOUNTABILITY AND AUDIT

Accountability

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

The Board is responsible for providing a balanced and understandable assessment of CIT's performance, position and prospects, which extend to interim and other price sensitive public reports, and reports to regulators (where required). Management provides the Board with relevant information on the performance of CIT and the Manager on a timely basis and as the Board may require from time to time, in order for the Board to effectively discharge its duties. Quarterly and annual financial reports and other material information are disseminated to the unitholders through announcements via SGXNET, CIT's corporate website, and where applicable, media releases and analyst briefings.

The Board meets regularly to review the financial performance of CIT and the Manager against the yearly approved budget, taking note of any significant variances for quarter-on quarter and year-to-date performance. In assessing business risks, the Board takes into account the economic environment and risks associated with the property industry.

* Including Mr Shane Hagan in his COO and CFO capacity

The Board also reviews the risks to the assets of CIT, examines the management of liabilities, and will act upon any comments from internal and external auditors of CIT.

Given the importance of compliance and risk management, the ARCC has been tasked to oversee this aspect of the Manager and CIT's operations. The ARCC reviews and assesses the adequacy of the Manager's financial, operational, compliance, information technology controls, risk management policies and systems established by the Management. The ARCC also oversees the establishment and operation of the risk management system, including reviewing the adequacy of risk management practices for material risks, such as commercial and legal, financial and economical, operational and technology risks, on a regular basis; and reviews major policies for effective risk management.

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 unitholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Manager has put in place a system of internal controls to safeguard CIT's assets, Unitholders' interests and to manage risk in general. The Manager's approach to risk management and internal control and the management of key business risks is set out in the "Risk Management" section on pages 18 to 21 of the Annual Report.

CIT's and the Manager's ERM framework have been implemented to further enhance risk management capabilities. Key risks, control measures and management actions are continually identified, reviewed and monitored as part of the ERM process. The monitoring of the risks identified is via a "traffic light alert system". The risk appetite threshold of each risk is based on the colours of a traffic light – Red, Amber and Green. Green is within the acceptable risk appetite, Amber signals increasing risk which needs to be monitored and reduced as necessary and Red means it is outside the risk appetite that both CIT and the Manager is willing to undertake and thus measures and steps need to be put in place to reduce the risk level to within the acceptable range. The ERM Risk Appetite Statement is monitored on a quarterly basis to ensure that all risks are appropriately managed. The Statement is reviewed and tabled to both the ARCC and the Board on a quarterly basis for their notation. The metrics adopted for each measure will be reviewed at least annually or more frequently if the business environment warrants.

In addition, a Risk Matrix is produced covering CIT's and the Manager's relevant material operational risks by sub-category (e.g. Commercial & Legal; Economical/Financial; Operational; and Technology), the likelihood of the risk occurring, the consequence should it occur and the controls put in place to mitigate or manage these risks. Risks are analysed by combining estimates of likelihood and consequences, adequacy of existing controls/treatments or actions to determine whether a level of risk is to be accepted, or requires specific management responsibility or escalation to the ARCC. Identified risks are reviewed quarterly or whenever the business environment changes substantially to ensure that changes in circumstances have not altered risk priorities. Identified controls/treatments or actions are reviewed quarterly to ensure that changes in circumstances have not affected their adequacy and effectiveness.

In addition to the Risk Matrix, reports on the internal controls are also provided to the ARCC on a periodic basis to assess the adequacy of the existing internal controls and risk framework.

The ARCC, through the assistance of internal and external auditors, reviews and reports to the Board on the effectiveness and adequacy of CIT's risk management and internal control system, including financial, operational, compliance and information technology controls, taking into consideration the reports and assurance provided by Management, recommendations of both internal and external auditors and the timely and proper implementation of all required corrective, preventive or improvement measures.

In line with the strategic objectives to provide Unitholders with a stable and secure income stream and to achieve long term growth in net asset value per unit, the Manager critically analyses each transaction before proceeding. To arrive at an investment decision, the Manager identifies the risk exposures and determines how to mitigate, transfer, manage and/or reduce those risks, where possible, to a level which is appropriate for the corresponding expected return on that investment. Extensive procedures, including due diligence, are carried out at various stages of the investment process. The Board reviews management reports and feasibility studies on proposed acquisitions, as prepared by experienced staff of the Manager, and approves accordingly if the Board believes it is in the best interests of the Trust and its Unitholders.

The Manager is committed to conduct its business within a framework that fosters the highest ethical and legal standards. The Manager has a whistle-blowing policy that is made available on CIT's website. The policy provides a channel for external parties, in addition to employees, to raise concerns and continues to provide employees reassurance that they will be protected from reprisals or victimisation for whistle-blowing in good faith.

The Board has received confirmation from the COO and CFO in his capacity as acting CEO of the Manager that he is not aware of any events that have arisen which would have a material effect on the financial results of CIT and its subsidiaries, except as disclosed in the financial results, and nothing has come to his attention which may render the financial results false or misleading.

Based on the risk management and internal controls system established and maintained by the Manager, audits conducted by the internal and external auditors and their recommendations, and together with the CEO's and COO and CFO's quarterly and annual undertaking confirming their responsibilities for, and adequacy and effectiveness of the internal controls; pursuant to Rule 1207(10) of the Listing Manual, the Board with the concurrence of the ARCC is satisfied that the Manager's system of internal controls addressing financial, operational, compliance and information technology risks was adequate for FY2016, to provide reasonable assurance that assets are safeguarded and that proper accounting records are maintained and financial statements are reliable.

The Board of Directors has reasonable assurance on the internal controls of the Manager after taking into account of the nature, scale and complexity of CITM's operations after considering the type of properties that CIT invests in and size of CIT's property portfolio.

Dealing in CIT Units

The Trust Deed requires each director of the Manager to give notice to the Manager of his acquisition of units or to any changes to the number of units which he holds, or in which he has an interest, within two business days after such acquisition, or the occurrence of the event giving rise to changes in the number of units which he holds, or in which he has an interest, as applicable. The SFA also requires directors and CEO of the Manager to give such notice. All dealings in units by the directors and CEO of the Manager are to be announced through SGXNET.

In general, the directors and employees of the Manager are encouraged to hold the units and not to deal on short-term considerations.

The Manager has adopted an internal policy which provides guidelines for dealing in units, under which directors, CEO and employees are prohibited from dealing in units in the period commencing:

1. One month before the public announcement of CIT's annual results and, where applicable, CIT's property valuations, ending on the date of announcement of the relevant results;
2. Two weeks before the announcement of CIT's quarterly results, ending on the date of announcement of the relevant results; and
3. At any time whilst in possession of undisclosed material information.

In addition, while in possession of undisclosed material information, Directors and employees of the Manager are not to advise others to trade in CIT units or communicate such information to another person.

Prior to the commencement of the prohibition period, directors and employees are reminded not to trade during this period or whenever they are in possession of undisclosed material information.

In addition, the Manager has given an undertaking to the MAS that it will announce to the SGX-ST the particulars of its holdings in the units and any changes thereto within two business days after the date on which it acquires or disposes of any units. The Manager has also undertaken that it will not deal in CIT units during the period commencing two weeks before the public announcement of CIT's quarterly results or one month before the annual and semi-annual results, and if applicable, property valuation, and ending on the date of announcement of the relevant results.

Review Procedures for Interested Party Transactions ("IPT")

The Manager has established an internal control system to ensure that all future transactions involving the Trustee and any related party of the Manager or CIT are undertaken on normal commercial terms and will not be prejudicial to the interests of CIT and the Unitholders. Generally, the Manager will demonstrate to the ARCC that such transactions satisfy the foregoing criteria, which may entail obtaining quotations from parties unrelated to the Manager, or obtaining one or more valuations from independent valuers, in accordance with the Property Funds Appendix.

In addition:

- transactions equal to or exceeding $100,000 in value but below 3% of the value of CIT's net tangible assets are subject to review by the ARCC at regular intervals;
- transactions equal to or exceeding 3%, but below 5% of the value of CIT's latest audited net tangible assets, are subject to the review and prior approval of the ARCC. Such approval will only be given if the transactions are on normal commercial terms and consistent with similar types of transactions made by 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 related party during the same financial year) equal to or exceeding 5% of the value of CIT's latest audited net tangible assets, are reviewed and approved by the ARCC who may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent valuers. Further, under the Listing Manual and the Property Funds Appendix, such transactions would have to be approved by the Unitholders at a meeting of Unitholders.

Where matters concerning CIT relate to transactions entered into, or to be entered into, by the Trustee for and on behalf of CIT with a related party of the Manager or CIT, the Trustee is also required to ensure that such transactions are conducted on normal commercial terms and are not prejudicial to the interests of CIT and the Unitholders.

Further, the Trustee has the ultimate discretion under the Trust Deed to decide whether or not to enter into a transaction involving a related party of the Manager or CIT. If the Trustee is to sign any contract with a related party of the Manager or CIT, the Trustee will review the contract to ensure that it complies with the requirements relating to interested party transactions in the Property Funds Appendix and the provisions of the Listing Manual relating to interested person transactions, as well as such other guidelines issued by MAS and the SGX-ST that apply to REITs. All IPTs (and the basis, quotation obtained to support its basis) entered into are maintained in records by the Manager and reviewed by the ARCC.

CIT will, in compliance with Rule 905 of the Listing Manual, announce any interested person transaction if such transaction, either by itself or when aggregated with other interested person transactions entered into with the same interested person during the same financial year, is 3% or more of CIT's latest audited net tangible assets.

Dealings with Conflicts of Interest

The following key protocols have been established to deal with conflict of interest issues:

- all executive officers are employed by the Manager;
- all resolutions in writing of the directors of the Manager in relation to matters concerning CIT must be approved by a majority of the directors, including at least one Independent Director;
- at least half the Board is comprised of Independent directors;
- in respect of the matters in which a director or his associates have an interest, direct or indirect, such interested director will notify his interest and, where appropriate, abstain from voting. In such matters, the Board may also seek external professional advice to assist in their deliberations;
- matters in which any of its shareholders has an interest (whether directly or indirectly), the nominee director appointed by the relevant shareholder shall abstain from voting in such matters and the quorum must comprise a majority of the independent directors;
- all IPTs must be reviewed by the ARCC and approved by a majority of the ARCC. If a member of the ARCC has an interest in a transaction, he or she will, where appropriate, abstain from voting;
- directors receive training about their duties including the importance of not being influenced by directives from the shareholders which may conflict with the obligations of the Manager owed to clients, Unitholders or third parties who may, in turn, owe obligations to CIT, or with their broader duties as directors;
- notwithstanding any request from its shareholders, decisions regarding service providers retained by the Manager go through a due diligence process conducted by the Manager to ensure that appropriate services are acquired in the circumstances;
- to prevent misuse of confidential information, employees must not disclose, or use for their own purposes, or cause any unauthorised disclosure of, any information of a confidential nature relating to the business of the Manager or its affiliates or its agents or customers;
- under the Trust Deed, other than a meeting convened for the removal of the Manager, the Manager and its associates are prohibited from being counted in a quorum for or voting at any meeting of Unitholders convened to approve any matter in which the Manager or any of its associates has a material interest. For so long as CITM is the Manager, the controlling shareholders (as defined in the Listing Manual) of CITM and their respective associates are prohibited from being counted in the quorum for or voting at any meeting of Unitholders convened to consider a matter in respect of which the relevant controlling shareholder and/or their associates have a material interest; and
- if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of CIT with an affiliate of the Manager, the Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) for legal advice on the matter. If that law firm is of the opinion that the Trustee, on behalf of CIT, has a prima facie case against the party allegedly in breach under such agreement, the Manager is 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 a breach of any agreement entered into by the Trustee for and on behalf of CIT with an affiliate of the Manager and the Trustee may take such action as it deems necessary to protect the rights of Unitholders and in the interests of Unitholders. Any decision by the Manager not to take action against an affiliate of the Manager shall not constitute a waiver of the Trustee's rights to take such action as it deems fit against such affiliate.
- the Manager ensures that the CEO is fully committed to the operations of CIT's operations as he is employed full-time in the day-to-day operations of the REIT manager and he does not take up any executive role in another entity.

Audit Committee

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

The ARCC was established to assist the Board in its oversight of CIT and the Manager's governance in relation to financial, risk, audit, information technology and compliance matters. The ARCC scope of authority and responsibilities are defined in its term of reference and in compliance with the revised second edition of the Audit Committee ("AC") Guidelines announced in August 2014.

In line with the revised second Edition of the AC Guidelines and MAS Notice and Guidelines to REIT Managers, the ARCC must comprise of at least three directors, majority of whom must be independent. Currently, all three members in the ARCC are independent as indicated in the below table:

1. Mr Bruce Kendle Berry
   Chairman (Independent Non-Executive Director)
2. Mr Ooi Eng Peng
   Member (Independent Non-Executive Director)
3 Mr Erle William Spratt
   Member (Independent Non-Executive Director)

The separation of the roles of the Chairman of the Board and the Chairman of the ARCC ensures greater independence of the ARCC in the discharge of its duties.

Members of the ARCC bring with them invaluable experience and professional expertise in the accounting, financial management and real estate areas. Mr Bruce Kendle Berry is a Chartered Accountants (CA) and Mr Erle William Spratt is qualified as a Chartered Accountant of Chartered Accountants Australia and New Zealand. Mr Ooi Eng Peng is a Member of the Certified Practising Accountants of Australia.

The ARCC has explicit authority to investigate any matter within its terms of reference. It has full access to, and the co-operation of the Management and full discretion to invite any director or staff to attend its meetings. The ARCC has adequate resources, including access to external consultants and auditors, to enable it to discharge its responsibilities properly.

The ARCC functions are broadly defined as assisting the Board in fulfilling its oversight responsibilities by:

- reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial information provided by the Manager to any governmental authority or the public and any announcements relating to the company's financial performance;
- assessing, and challenging, where necessary, the accuracy, completeness, and consistency of financial reports, before they are submitted to the Board for approval or made public;
- reviewing and monitoring the effectiveness and adequacy of the systems of internal controls, including financial, operational, compliance, information technology and risk management controls and procedures that Management and the Board have established;
- reviewing the assurance provided by the CEO and COO and CFO that the financial records have been properly maintained, and the financial statements give a true and fair view of the company's operations and finances;
- overseeing and reviewing the adequacy and effectiveness of the company's risk management function;
- overseeing management in establishing the risk management framework of the company;
- reviewing the effectiveness of the company's internal audit function;
- reviewing the scope and results of the external audit (EA), the independence and objectivity of the EA. The AC shall then recommend to the Board the appointment, reappointment and removal of the EA and its remuneration and terms of engagement;
- ensuring that the CIT and the Manager comply with the requisite laws and regulations;
- overseeing the establishment and operation of the whistleblowing process in the company;
- reviewing interested party transactions ("IPT")

The ARCC's activities for FY2016, included the following:

(a) Financial Reporting

The ARCC reviewed the interim and annual financial statements and financial announcements required by the SGX-ST, for recommendation to the Board for approval.

The ARCC's oversight of financial reporting included review of changes in Financial Reporting Standards and discussions with Management and the external auditors on the impact of current and impending changes on financial reporting by the Group.

In the review of the financial statements, the ARCC has discussed with management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The following significant matters impacting the financial statements were discussed with management and the external auditor and were reviewed by the ARCC:

Significant Matters	How the ARCC reviewed these matters and what decisions were made
Valuation of investment properties	The ARCC considered the approach and methodology applied to the valuation model in assessing the valuation of the investment properties. The accounts adopted the values determined by the relevant independent valuers. The ARCC reviewed the reasonableness of the projected cash flows, the key assumptions used (including the market rental growth, capitalisation and discount rates) and the procedures taken where rates were outside the expected range in the valuation model. The valuation of the investment properties was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for FY2016. Please refer to page 100 to 101 of this Annual Report.
Contingent tax exposure	The ARCC received and reviewed ongoing detailed reporting from management of the Manager, tax advisors and external lawyers' basis of assessment and views that the gain on the disposal is capital and should not be subject to income tax. The ARCC reviewed the reasonableness of management's assessment and concurred that the disclosures in the financial statements provided a balanced description of the current tax status and risks. The contingent tax exposure was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for FY2016. Please refer to page 101 of this Annual Report.

Following the review and discussions, the ARCC recommended to the Board to approve the full year financial statements.

(b) External Audit

The ARCC reviewed and approved the audit plan and scope with the external auditors and critically reviewed the report on the audit of the year-end financial statements.

The aggregate amount of the audit fees paid/payable by CIT and its subsidiary to the external auditors for FY2016 was S$257,000, of which audit and non-audit fees amounted to S$179,000 and S$78,000 respectively. The ARCC has undertaken a review of all non-audit services provided by the auditors and they would not, in the ARCC's opinion, affect the independence of the auditors.

Accordingly, the Manager confirms that CIT complies with Rule 712 and 715 of the Listing Manual with respect to the suitability of the audit firm for CIT and its subsidiary.

At the end of the financial year, the ARCC also evaluated the performance of the external auditors via a checklist, as part of its responsibility to recommend to the Board whether the external auditors should be reappointed in the following year. The ARCC's evaluation of the EA is based on both quantitative and qualitative audit quality factors.

KPMG, the retiring auditors, have served as external auditors of CIT since the constitution of CIT. The Manager however, has historically been audited by Ernst & Young ("E&Y"). Given that the auditor of ESR, the new majority shareholder of the Manager, is E&Y, the Manager is of the view that it would be prudent and more cost-effective for E&Y to be auditors of both CIT and the Manager. The Manager is therefore of the view that it would be timely to effect a change of external auditor for FY2017.

The ARCC has reviewed and deliberated on the proposed change of auditors and has recommended that E&Y be appointed in place of the retiring auditors, after taking into consideration the suitability of E&Y and the requirements of Rule 712(1), Rule 712(2) and Rule 715 of the Listing Manual of the SGX-ST.

The Directors have taken into account the ARCC's recommendation, and considered factors such as the adequacy of the resources and experience of E&Y and the persons to be assigned to the audit, E&Y's audit engagements, the size and complexity of E&Y and its subsidiaries, and the number and experience of E&Y's supervisory and professional staff to be assigned to the audit, and is satisfied that E&Y will be able to meet the audit requirements of CIT. Accordingly, the Directors recommend the appointment of E&Y as the auditors of CIT in place of the retiring auditors, KPMG. The resolution will be put forth for Unitholder's approval in the coming Annual General Meeting to be held on 25 April 2017.

(c) Internal Audit

The three-year Internal Audit Rotational Plan for FY2015 to FY2017 was approved by the ARCC in 2014.

The ARCC reviewed the scope of internal audit work and its audit program; it reviewed the findings during the year and Management's responses thereto; and it satisfied itself as to the adequacy of the internal audit function.

An annual internal assessment was performed on PricewaterhouseCoopers LLP ("PwC") to evaluate the performance and effectiveness of the internal auditors. The internal assessments include the monitoring of performance of the internal audit function and periodic review performed by the Compliance Department.

(d) IPT

The ARCC reviewed IPT to ensure compliance with internal procedures, provisions of the Listing Manual and the Property Funds Appendix.

(e) Whistle Blowing

The ARCC ensures that the Whistle Blowing Policy put in place provides an avenue through which staff and external parties may raise, in good faith and in confidence, any concerns about possible improprieties in matters of financial reporting or other matters to the Chairman of the ARCC and that there will be independent investigation and appropriate follow-up action taken.

External parties can raise their concerns by submitting the prescribed form found on www.cambridgeindustrialtrust.com/whistleblowing.html, to whistleblowing@cambridgeitm.com.

The ARCC meets at least four times a year. It has full access to the external and internal auditors and meets with the auditors, without the presence of Management, on a quarterly basis.

The number of ARCC meetings held and corresponding attendances for FY2016 are set out on page 78.

Internal Audit

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

Given the Manager's size and scale of operations, the Manager outsources the internal audit function. PwC has been appointed as the internal auditor for a 3-year period from FY2015 to FY2017. PwC adopts the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The internal auditor primary reporting line is to the Chairman of ARCC and administratively to the CEO. The ARCC reviews and approves the annual internal audit plan, and ensures that the internal auditor has adequate resources to perform its functions. The ARCC also reviews the results of internal audits and Management's actions in resolving any audit issues reported.

The ARCC is satisfied with the suitability of the internal auditors and is of the view that the internal audit function is adequately resourced to perform its functions, and has appropriate standing within the Manager.

UNITHOLDERS RIGHTS AND RESPONSIBILITIES

Unitholders' Rights

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

Communication with Unitholders

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

Conduct of Unitholder Meetings

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

The Manager upholds a strong culture of continuous disclosure and transparent communication with Unitholders, the investing community and other stakeholders. The Manager has developed a disclosure policy, which requires timely and full disclosure of financial reports and all material information relating to CIT by way of public releases or announcements through the SGX-ST via SGXNET. This will be subsequently followed up with the release on CIT's website at www.cambridgeindustrialtrust.com.

Our Policies and Practices

The Code encourages listed companies to have a policy on the payment of dividends. The Manager's policy is to distribute 100 percent of CIT's taxable income, comprising substantially its income from the letting of its properties after deduction of allowable expenses. The actual level of distribution will be determined at the Manager's discretion taking into account the needs of the Trust for capital expenditure, working capital requirements and the liquidity position of CIT. Since the listing in 2006, CIT has distributed 100 percent of its taxable income to its Unitholders.

The Manager has a dedicated investor relations and corporate communications team which handles communications with investors, the investment community, analysts and the media.

One of the key roles of the CEO, together with the Head of Investor Relations and Corporate Communications, is to keep the market and investors apprised of CIT's financial performance and corporate developments. The Manager believes in regular, effective, unbiased and transparent communication and conducts regular briefings for analysts and media representatives, which generally coincide with the release of CIT's results. During these briefings, the Manager will review CIT's most recent performance, as well as discuss the business outlook for CIT. In accordance with the Manager's objective of transparent communication, briefing materials are released to the SGX-ST and made available on CIT's website.

For the year, the Management met with institutional investors in Singapore, Malaysia, Thailand, Hong Kong, Japan, Europe and US, through one-on-one or group meetings, teleconferences and investor conferences. The retail investors were also engaged directly with the Manager as well as the Board of Directors through the AGM.

In compliance with the Property Funds Appendix, an AGM will be held after the close of the financial year allowing the Manager to interact with investors. A copy of CIT's Annual Report will also be sent to Unitholders no later than four months from the end of each financial year. Notice of the AGM will be published on SGXNET, newspapers and CIT's website.

CIT encourages Unitholder participation at general meetings. A Unitholder who is entitled to attend and vote may either vote in person or appoint a nominee or custodial services to appoint more than two proxies.

At the AGM, each distinct matter will be proposed as a separate resolution. Unitholders will be invited to raise questions they may have relating to the resolution to be passed before voting on each of the resolutions by poll, using an electronic voting system. This will allow all Unitholders present, or represented at the meeting to vote on a one Unitholder, one vote basis. The voting results with details of percentages in favour and against, will be screened at the meeting and announced via SGXNET after the meeting.

As and when an EGM is to be convened, a circular containing details of the matters proposed for the Unitholder's consideration and approval will also be sent to Unitholders; together with the notice of the EGM. Such notice will also be published on SGXNET, newspapers and CIT's website.

Board members, Management and the external auditors will be present at the AGM and EGM. The external auditors are present to address Unitholders' queries on the conduct of the audit and the preparation and content of the auditor's report.

As part of the Manager's efforts to encourage greater Unitholders' participation at the AGM, a Question and Answer session is held at the AGM to allow Unitholders the opportunity to put forth any questions and clarify any issues they may have with the Board members, Management or external auditors regarding the affairs of the Manager and CIT. The Company Secretary prepares the minutes of the AGM/EGM incorporating the queries from the Unitholders together with the responses of the Board and Management.

CIT's website also provides visitors with the option to sign up for a free email alert service when there is any newly posted information on the website or provide any feedback via the electronic feedback form on the website.

CODE OF CORPORATE GOVERNANCE 2012

Guidelines for Disclosures

Guideline	Questions	How has the Company complied?
Board's Conduct of Affairs		
Guideline 1.3	Delegation of authority, by the Board to any board committee, to make decisions on certain board matters	Please refer to Principle 1 on The Board's Conduct of Affairs, pages 77 to 78 of the Annual Report.
Guideline 1.4	The number of meetings of the Board and board committees held in the year, as well as the attendance of every board member at these meetings	Please refer to Principle 1 on The Board's Conduct of Affairs, page 78 of the Annual Report.
Guideline 1.5	The types of material transactions which require approval from the Board	Please refer to Principle 1 on The Board's Conduct of Affairs, page 77 of the Annual Report.
Guideline 1.6	The induction, orientation and training provided to new and existing directors	Please refer to Principle 1 on The Board's Conduct of Affairs, page 79 of the Annual Report.
Board Composition and Guidance		
Guideline 2.3	The Board should identify in the company's Annual Report each director it considers to be independent. Where the Board considers a director to be independent in spite of the existence of a relationship as stated in the Code that would otherwise deem a director not to be independent, the nature of the director's relationship and the reasons for considering him as independent should be disclosed	Please refer to Principle 2 on Composition of the Board, page 79 of the Annual Report.
Guideline 2.4	Where the Board considers an independent director, who has served on the Board for more than nine years from the date of his first appointment, to be independent, the reasons for considering him as independent should be disclosed.	N.A.
Chairman and Chief Executive Officer		
Guideline 3.1	Relationship between the Chairman and the CEO where they are immediate family members	Please refer to Principle 3 on Chairman and Chief Executive Officer, page 80 of the Annual Report.
Board Membership		
Guideline 4.1	Names of the members of the NRC and the key terms of reference of the NRC, explaining its role and the authority delegated to it by the Board	Please refer to Principle 4 on Board Membership, page 80 of the Annual Report.
Guideline 4.4	The maximum number of listed company board representations which directors may hold should be disclosed	Please refer to Principle 4 on Board Membership, page 80 of the Annual Report. No maximum limit has been formally set by the Board on the number of listed company board representations a Director can hold as the NRC is of the view that the duties of all Directors have been fully discharged based on the time and attention devoted by each Director, their individual abilities and their respective individual contribution of skills, knowledge, experience and commitment to the affairs of CIT.

Guideline	Questions	How has the Company complied?
Guideline 4.6	Process for the selection, appointment and re-appointment of new directors to the Board, including the search and nomination process	Please refer to Principle 4 on Board Membership, page 80 of the Annual Report.
Guideline 4.7	Key information regarding directors, including which directors are executive, non-executive or considered by the NRC to be independent	Please refer to Principle 4 on Board Membership, page 81 of the Annual Report.
Board Performance		
Guideline 5.1	The Board should state in the company's Annual Report how assessment of the Board, its board committees and each director has been conducted. If an external facilitator has been used, the Board should disclose in the company's Annual Report whether the external facilitator has any other connection with the company or any of its directors. This assessment process should be disclosed in the company's Annual Report	Please refer to Principle 5 on Board Performance, page 81 of the Annual Report.
Remuneration matters		
Guideline 7.1	Names of the members of the NRC and the key terms of reference of the NRC, explaining its role and the authority delegated to it by the Board	Please refer to Principle 4 on Board Membership, page 80 of the Annual Report.
Guideline 7.3	Names and firms of the remuneration consultants (if any) should be disclosed in the annual remuneration report, including a statement on whether the remuneration consultants have any relationships with the company	Please refer to Principle 7 on Procedures for Developing Remuneration Policies and Principle 8 on Level and Mix of Remuneration, page 82 of the Annual Report.
Disclosure on Remuneration		
Principle 9	Clear disclosure of remuneration policies, level and mix of remuneration, and procedure for setting remuneration.	Please refer to Principle 7 on Procedures for Developing Remuneration Policies, Principle 8 on Level and Mix of Remuneration and Principle 9 on Disclosure on Remuneration, pages 82 to 83 of the Annual Report.
Guideline 9.1	Remuneration of directors, the CEO and at least the top five key management personnel (who are not also directors or the CEO) of the company. The annual remuneration report should include the aggregate amount of any termination, retirement and post-employment benefits that may be granted to directors, the CEO and the top five key management personnel (who are not directors or the CEO)	Please refer to Principle 7 on Procedures for Developing Remuneration Policies, Principle 8 on Level and Mix of Remuneration and Principle 9 on Disclosure on Remuneration, pages 83 to 84 of the Annual Report.
Guideline 9.2	Fully disclose the remuneration of each individual director and the CEO on a named basis. There will be a breakdown (in percentage or dollar terms) of each director's and the CEO's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives	Please refer to Principle 7 on Procedures for Developing Remuneration Policies, Principle 8 on Level and Mix of Remuneration and Principle 9 on Disclosure on Remuneration, page 83 of the Annual Report.

Guideline	Questions	How has the Company complied?
Guideline 9.3	Name and disclose the remuneration of at least the top five key management personnel (who are not directors or the CEO) in bands of S$250,000. There will be a breakdown (in percentage or dollar terms) of each key management personnel's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives. In addition, the company should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO). As best practice, companies are also encouraged to fully disclose the remuneration of the said top five key management personnel	Please refer to Principle 7 on Procedures for Developing Remuneration Policies, Principle 8 on Level and Mix of Remuneration and Principle 9 on Disclosure on Remuneration, pages 83 to 84 of the Annual Report.
Guideline 9.4	Details of the remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds S$50,000 during the year. This will be done on a named basis with clear indication of the employee's relationship with the relevant director or the CEO. Disclosure of remuneration should be in incremental bands of S$50,000	N.A.
Guideline 9.5	Details and important terms of employee share schemes	Please refer to Principle 7 on Procedures for Developing Remuneration Policies, Principle 8 on Level and Mix of Remuneration and Principle 9 on Disclosure on Remuneration, page 83 of the Annual Report.
Guideline 9.6	For greater transparency, companies should disclose more information on the link between remuneration paid to the executive directors and key management personnel, and performance. The annual remuneration report should set out a description of performance conditions to which entitlement to STIs and LTIs are subject, an explanation on why such performance conditions were chosen, and a statement of whether such performance conditions are met	Please refer to Principle 7 on Procedures for Developing Remuneration Policies, Principle 8 on Level and Mix of Remuneration and Principle 9 on Disclosure on Remuneration, pages 82 to 83 of the Annual Report.

Guideline	Questions	How has the Company complied?
Risk Management and Internal Controls		
Guideline 11.3	The Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems The commentary should include information needed by stakeholders to make an informed assessment of the company's internal control and risk management systems The Board should also comment on whether it has received assurance from the CEO and the COO and CFO: (a) that the financial records have been properly maintained and the financial statements give true and fair view of the company's operations and finances; and (b) regarding the effectiveness of the company's risk management and internal control systems	Please refer to Principle 11 on Risk Management and Internal Controls, pages 84 to 85 of the Annual Report.
Audit Committee		
Guideline 12.1	Names of the members of the ARCC and the key terms of reference of the ARCC, explaining its role and the authority delegated to it by the Board	Please refer to Principle 12 on Audit Committee, page 88 of the Annual Report.
Guideline 12.6	Aggregate amount of fees paid to the external auditors for that financial year, and breakdown of fees paid in total for audit and non-audit services respectively, or an appropriate negative statement	Please refer to Principle 12 on Audit Committee, page 89 of the Annual Report.
Guideline 12.7	The existence of a whistle-blowing policy should be disclosed in the company's Annual Report	Please refer to Principle 12 on Audit Committee, page 90 of the Annual Report.
Guideline 12.8	Summary of the ARCC's activities and measures taken to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements	Please refer to Principle 12 on Audit Committee, pages 89 to 90 of the Annual Report.
Communication with Unitholders		
Guideline 15.4	The steps the Board has taken to solicit and understand the views of the unitholders e.g. through analyst briefings, investor roadshows or Investors' Day briefings	Please refer to Principle 14 on Unitholders' Rights, Principle 15 on Communication with Unitholders and Principle 16 on Conduct of Unitholder Meetings, pages 90 to 91 of the Annual Report.
Guideline 15.5	Where dividends are not paid, companies should disclose their reasons.	Please refer to Principle 14 on Unitholders' Rights, Principle 15 on Communication with Unitholders and Principle 16 on Conduct of Unitholder Meetings, page 91 of the Annual Report.

24 Jurong Port Road

FINANCIAL REPORT CONTENTS

REPORT OF THE TRUSTEE

RBC Investor Services Trust Singapore Limited (the "Trustee") is under a duty to take into custody and hold the assets of Cambridge Industrial Trust (the "Trust") and its subsidiaries (the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "Units"). In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of Cambridge Industrial Trust Management Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 31 March 2006 (as amended) between the Manager and the Trustee in each annual accounting year 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 year covered by these financial statements, set out on pages 104 to 164 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,
RBC Investor Services Trust Singapore Limited

Hoi Sau Kheng
Director

Singapore
17 March 2017

STATEMENT BY THE MANAGER

In the opinion of the directors of Cambridge Industrial Trust Management Limited, the accompanying financial statements of Cambridge Industrial Trust (the "Trust") and its subsidiaries (the "Group") set out on pages 104 to 164 comprising the Statement of Financial Position, Statement of Total Return, Distribution Statement, Statement of Movements in Unitholders' Funds, Portfolio Statement of the Group and of the Trust, the Consolidated Statement of Cash Flows of the Group and a Summary of Significant Accounting Policies and other explanatory notes, are drawn up so as to present fairly, in all material respects, the financial position of the Group and of the Trust as at 31 December 2016, and the total return, distributable amount, changes in Unitholders' funds of the Group and of 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 Group and the Trust will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager,
Cambridge Industrial Trust Management Limited

Mr Ooi Eng Peng
Chairman

Singapore
17 March 2017

INDEPENDENT AUDITORS' REPORT

UNITHOLDERS

CAMBRIDGE INDUSTRIAL TRUST

Constituted in the Republic of Singapore pursuant to the trust deed dated 31 March 2006 (as amended)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Cambridge Industrial 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 104 to 164.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of total return, distribution statement and statement of movements 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 ended on that date 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.

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.

<u>Valuation of investment properties (Refer to Portfolio Statement, Notes 4 and 20 to the financial statements)</u>

Risk:

As at 31 December 2016, the Group owns a portfolio of 49 properties (collectively "investment properties"). These investment properties are stated at their fair values, which amounted to $1.35 billion (2015: $1.42 billion).

These investment properties are stated at their fair values based on independent external valuations and represent the single largest asset category on the statement of financial position.

The valuation of investment properties requires significant judgement in the determination of the appropriate valuation methodology and in deciding on the assumptions and estimates that are to be applied in the valuation. The valuation of the investment properties is highly sensitive to the key assumptions applied and a small change in the key assumptions can have a significant impact on the valuations.

How the matter was addressed in our audit:

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 considered the valuation methodologies used against those applied by other valuers for similar property types. We tested the integrity of inputs of the projected cash flows used in the valuation. We assessed the reasonableness of key assumptions used in the valuations, including market rental growth, terminal yield, capitalisation and discount rates, by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected range, we undertook further procedures and, when necessary, held further discussions with the valuers to understand the effects of additional factors taken into account in the valuations.

Our findings

The valuers are members of professional bodies for valuers and have considered their own independence in carrying out their work. The valuation methodologies used are in line with generally accepted market practices and the key assumptions used are within the range of market data.

Contingent tax exposure (Refer to Note 17 to the financial statements)

Risk:

In a prior year, the Trust had disposed of an investment property for a gain of $29.2 million. The gain, from a tax perspective was $66.8 million, measured against the initial acquisition cost of the property sold. The Manager of the Trust is of the view that the gain of $66.8 million is capital in nature and should not be subject to income tax.

The treatment of the abovementioned gain on disposal as a capital gain not subject to tax is subject to agreement by the Inland Revenue Authority of Singapore ("IRAS"). The tax affairs of the Trust for the relevant year of assessment have not been finalised by IRAS.

How the matter was addressed in our audit:

We have reviewed the information and facts presented by the Manager and held discussions with the Manager and their tax advisers to understand the basis for their assessment and views that the gain on the disposal is capital and should not be subject to income tax. We assessed the information presented and the reasonableness of the stance taken by the Manager.

Our findings

We assessed the information and facts considered by the Manager to support the judgement taken that the gain on disposal is capital in nature. We found the Manager's judgement to be reasonable and the potential tax exposure is described in Note 17 to the financial statements.

INDEPENDENT AUDITORS' REPORT

UNITHOLDERS

CAMBRIDGE INDUSTRIAL TRUST

Constituted in the Republic of Singapore pursuant to the trust deed dated 31 March 2006 (as amended)

Other Information

Cambridge Industrial Trust Management Limited, the Manager of the Trust (the Manager) is responsible for the other information. The other information comprises the Corporate Information, Letter to Unitholders, Financial Highlights, Year in Brief, Manager's Report, Structure of Cambridge Industrial Trust, Risk Management, Property Locations, Property Portfolio, Singapore Industrial Property Market Overview, Board of Directors, The Management Team, Sustainable Business, Corporate Governance, Additional Information and Statistics of Unitholders (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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* 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 control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- 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 control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our 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

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
17 March 2017

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Note	Group 2016 $'000	Group 2015 $'000	Trust 2016 $'000	Trust 2015 $'000
Assets					
Non-current assets					
Investment properties	4	1,332,000	1,377,400	1,292,000	1,339,100
Investment in subsidiaries	5	–	–	25,206	25,206
		1,332,000	1,377,400	1,317,206	1,364,306
Current assets					
Investment properties held for divestment	4	22,000	40,600	22,000	40,600
Trade and other receivables	6	9,278	9,652	9,867	9,564
Derivative financial instruments	9	–	604	–	604
Cash and cash equivalents		3,699	2,656	2,517	2,231
		34,977	53,512	34,384	52,999
Total assets		1,366,977	1,430,912	1,351,590	1,417,305
Liabilities					
Current liabilities					
Trade and other payables	7	21,464	24,004	21,384	23,806
		21,464	24,004	21,384	23,806
Non-current liabilities					
Trade and other payables	7	8,894	8,743	8,664	8,742
Interest-bearing borrowings	8	509,590	525,254	509,590	525,254
		518,484	533,997	518,254	533,996
Total liabilities		539,948	558,001	539,638	557,802
Net assets		**827,029**	**872,911**	**811,952**	**859,503**
Represented by:					
Unitholders' funds		**827,029**	**872,911**	**811,952**	**859,503**
Units in issue ('000)	10	1,304,434	1,297,775	1,304,434	1,297,775
Net asset value per unit (cents)		63.4	67.3	62.2	66.2

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

STATEMENT OF TOTAL RETURN

YEAR ENDED 31 DECEMBER 2016

	Note	Group 2016 $'000	Group 2015 $'000	Trust 2016 $'000	Trust 2015 $'000
Gross revenue	11	**112,087**	**112,244**	**109,427**	**110,248**
Property expenses	12	(29,814)	(26,088)	(29,716)	(25,997)
Net property income		**82,273**	**86,156**	**79,711**	**84,251**
Management fees	13	(7,060)	(7,115)	(7,060)	(7,115)
Trust expenses	14	(1,870)	(2,326)	(1,833)	(2,335)
Interest income		47	149	47	149
Borrowing costs	15	(21,147)	(22,220)	(21,142)	(21,782)
Net income		**52,243**	**54,644**	**49,723**	**53,168**
Share of profits in joint venture	21	–	123	–	–
Distribution income from subsidiary/ joint venture	21	–	–	1,731	1,180
Net income after distributable income from subsidiary/ joint venture		**52,243**	**54,767**	**51,454**	**54,348**
Gain on disposal of investment properties	16	1,231	–	1,231	–
Change in fair value of financial derivatives		(493)	395	(493)	395
Change in fair value of investment properties	4	(45,894)	(2,645)	(46,774)	(2,381)
Total return before income tax		**7,087**	**52,517**	**5,418**	**52,362**
Income tax expense*	17	–	–	–	–
Total return after income tax for the year		**7,087**	**52,517**	**5,418**	**52,362**
Earnings per unit (cents)					
Basic and diluted	18	0.544	4.090	0.416	4.078
Distribution per unit (cents)	18	4.173	4.793	4.173	4.793

* Less than $1,000

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

DISTRIBUTION STATEMENT

YEAR ENDED 31 DECEMBER 2016

	Group		Trust	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Total return after income tax, before distribution for the year	7,087	52,517	5,418	52,362
Add: Distribution adjustments (Note A)	47,389	7,203	49,058	7,358
Net income available for distribution to Unitholders	**54,476**	**59,720**	**54,476**	**59,720**
Distribution from capital (Note B)	–	2,093	–	2,093
Total amount available for distribution	**54,476**	**61,813**	**54,476**	**61,813**
Less: Distributions (Note C)	(41,442)	(47,014)	(41,442)	(47,014)
Net amount available for distribution to Unitholders as at 31 December	**13,034**	**14,799**	**13,034**	**14,799**

NOTE A – DISTRIBUTION ADJUSTMENTS

	Group		Trust	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Non-tax deductible items and other adjustments:				
Management fees payable in units	–	2,665	–	2,665
Acquisition fees paid in units	–	60	–	60
Trustee's fees	384	385	384	385
Transaction costs relating to debt facilities	2,488	3,984	2,483	3,899
Change in fair value of investment properties	45,894	2,645	46,774	2,381
Change in fair value of financial derivatives	493	(395)	493	(395)
Legal and professional fees	343	580	327	555
Adjustment for straight line rent and lease incentives	(1,729)	(2,830)	(909)	(2,266)
Share of profits in joint venture	–	(123)	–	–
Distribution income from joint venture	–	156	–	–
Allowance for doubtful debts	–	175	–	175
Miscellaneous expenses/(income)	747	(99)	737	(101)
	48,620	7,203	50,289	7,358
Income not subject to tax:				
Gain on disposal of investment properties	(1,231)	–	(1,231)	–
Net effect of distribution adjustments	**47,389**	**7,203**	**49,058**	**7,358**

NOTE B – DISTRIBUTION FROM CAPITAL AND CAPITAL GAINS

Distribution from capital of $2.1 million was paid in the previous financial year to offset the transitional impact on net income from the conversion of master leases to multi-tenanted buildings which are associated with initially higher costs and vacancies.

NOTE C – DISTRIBUTIONS

	Group and Trust	
	2016 $'000	2015 $'000
Distributions to Unitholders during the financial year comprise:		
Distribution of 0.987 cents per unit for the period from 1/7/2016 to 30/9/2016	12,875	–
Distribution of 1.078 cents per unit for the period from 1/4/2016 to 30/6/2016	14,062	–
Distribution of 1.112 cents per unit for the period from 1/1/2016 to 31/3/2016	14,505	–
Distribution of 1.204 cents per unit for the period from 1/7/2015 to 30/9/2015	–	15,553
Distribution of 1.225 cents per unit for the period from 1/4/2015 to 30/6/2015	–	15,784
Distribution of 1.225 cents per unit for the period from 1/1/2015 to 31/3/2015	–	15,677
	41,442	47,014
Distribution of 1.139 cents per unit for the period from 1/10/2015 to 31/12/2015	14,782	–
Distribution of 1.252 cents per unit for the period from 1/10/2014 to 31/12/2014	–	15,920
Total Distributions to Unitholders during the financial year[(1)]	56,224	62,934

Note:

(1) Distributions were partly paid by CIT issuing an aggregate of 6.7 million units amounting to $3.3 million (2015: 22.2 million units amounting to $14.6 million), pursuant to the distribution reinvestment plan for period from 1 October 2015 to 31 December 2015.

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

STATEMENT OF MOVEMENTS IN UNITHOLDERS' FUNDS

YEAR ENDED 31 DECEMBER 2016

	Note	Group 2016 $'000	Group 2015 $'000	Trust 2016 $'000	Trust 2015 $'000
Unitholders' funds at beginning of year		**872,911**	**866,333**	**859,503**	**853,080**
Operations					
Total return for the year after tax		**7,087**	**52,517**	**5,418**	**52,362**
Unitholders' transactions					
Issue of new units:					
– Management fees paid in units		–	2,665	–	2,665
– Distribution Reinvestment Plan		3,288	14,565	3,288	14,565
Acquisition fees paid in units		–	60	–	60
Equity issue costs	19	(33)	(295)	(33)	(295)
Distributions to Unitholders		(56,224)	(62,934)	(56,224)	(62,934)
Net decrease in Unitholders' funds resulting from Unitholders' transactions		**(52,969)**	**(45,939)**	**(52,969)**	**(45,939)**
Unitholders' funds at end of year		**827,029**	**872,911**	**811,952**	**859,503**

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

AS AT 31 DECEMBER 2016

	Properties held by the Trust	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
	Logistics Properties[1]				
	24 JURONG PORT ROAD	Leasehold	30+12	20[6]	24 Jurong Port Road Singapore 619097
	1 THIRD LOK YANG ROAD AND 4 FOURTH LOK YANG ROAD	Leasehold	30	15[7]	1 Third Lok Yang Road Singapore 627996 and 4 Fourth Lok Yang Road Singapore 629701
	3 PIONEER SECTOR 3	Leasehold	30+30	34[8]	3 Pioneer Sector 3 Singapore 628342
	Warehousing Properties[2]				
	31 TUAS AVENUE 11	Leasehold	30+30	37[9]	31 Tuas Avenue 11 Singapore 639105
	25 CHANGI SOUTH AVENUE 2	Leasehold	30+30	38[10]	25 Changi South Ave 2 Singapore 486594
+	23 TUAS AVENUE 10	Leasehold	30+29	40[11]	23 Tuas Avenue 10 Singapore 639149
	160 KALLANG WAY	Leasehold	60	16[12]	160 Kallang Way Singapore 349246
	120 PIONEER ROAD	Leasehold	30+28	38[13]	120 Pioneer Road Singapore 639597
	9 BUKIT BATOK STREET 22	Leasehold	30+30	36[14]	9 Bukit Batok Street 22 Singapore 659585
	79 TUAS SOUTH STREET 5	Leasehold	30+30	43[15]	79 Tuas South Street 5 Singapore 637604
	4/6 CLEMENTI LOOP	Leasehold	30+30	37[16]	4/6 Clementi Loop Singapore 129810 and 129814
	3C TOH GUAN ROAD EAST	Leasehold	30+30	34[17]	3C Toh Guan Road East Singapore 608832
	30 TOH GUAN ROAD	Leasehold	30+30	39[18]	30 Toh Guan Road Singapore 608840

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

Existing use	Occupancy rate at 31/12/2016 %	Occupancy rate at 31/12/2015 %	At Independent Valuation 31/12/2016 $'000	At Independent Valuation 31/12/2015 $'000	Percentage of Unitholders' Funds 31/12/2016 %	Percentage of Unitholders' Funds 31/12/2015 %
Logistics	95	95	89,100	89,100	10.77	10.21
Logistics	100	100	12,100	12,800	1.46	1.47
Logistics	100	97	106,800	112,000	12.91	12.83
			208,000	**213,900**	**25.14**	**24.51**
Warehousing	100	100	11,900	12,000	1.44	1.37
Warehousing	100	100	12,700	13,700	1.54	1.57
Warehousing	–	100	–	15,700	–	1.80
Warehousing	100	100	28,200	29,500	3.41	3.38
Warehousing	53	100	37,000	34,200	4.47	3.92
Warehousing	92	78	23,600	23,900	2.85	2.74
Warehousing	–	–	11,300	11,700	1.37	1.34
Warehousing	76	100	51,300	63,100	6.20	7.23
Warehousing	77	90	32,000	33,000	3.87	3.78
Warehousing	99	99	59,700	60,000	7.22	6.87
			267,700	**296,800**	**32.37**	**34.00**

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT
AS AT 31 DECEMBER 2016

	Properties held by the Trust	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
	Light Industrial Properties[3]				
+	2 UBI VIEW	Leasehold	60	42[19]	2 Ubi View Singapore 408556
	128 JOO SENG ROAD	Leasehold	30+30	35[20]	128 Joo Seng Road Singapore 368356
	1/2 CHANGI NORTH STREET 2	Leasehold	30+30/30+30	44/49[21]	1/2 Changi North Street 2 Singapore 498808/498775
	16 TAI SENG STREET	Leasehold	30+30	51[22]	16 Tai Seng Street Singapore 534138
	70 SELETAR AEROSPACE VIEW	Leasehold	30	25[23]	70 Seletar Aerospace View Singapore 797564
*	55 UBI AVENUE 3	Leasehold	30+30	40[24]	55 Ubi Avenue 3 Singapore 408864
	130 JOO SENG ROAD	Leasehold	30+30	35[25]	130 Joo Seng Road Singapore 368357
	2 JALAN KILANG BARAT	Leasehold	99	45[26]	2 Jalan Kilang Barat Singapore 159346
	54 SERANGOON NORTH AVENUE 4	Leasehold	30+30	40[27]	54 Serangoon North Avenue 4 Singapore 555854
	136 JOO SENG ROAD	Leasehold	30+30	34[28]	136 Joo Seng Road Singapore 368360
	21/23 UBI ROAD 1	Leasehold	30+30	40[29]	21/23 Ubi Road 1 Singapore 408724/408725
	11 SERANGOON NORTH AVENUE 5	Leasehold	30+30	40[30]	11 Serangoon North Avenue 5 Singapore 554809
	87 DEFU LANE 10	Leasehold	30+30	34[31]	87 Defu Lane 10 Singapore 539219
	11 CHANG CHARN ROAD	Leasehold	99	40[32]	11 Chang Charn Road Singapore 159640
	12 ANG MO KIO STREET 65	Leasehold	30+30	33[33]	12 Ang Mo Kio Street 65 Singapore 569060

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

Existing use	Occupancy rate at 31/12/2016 %	31/12/2015 %	At Independent Valuation 31/12/2016 $'000	31/12/2015 $'000	Percentage of Unitholders' Funds 31/12/2016 %	31/12/2015 %
Light industrial	–	100	–	9,900	–	1.13
Light industrial	86	100	12,000	12,500	1.45	1.43
Light Industrial	100	100	23,500	23,200	2.84	2.66
Light Industrial	100	100	73,200	73,000	8.85	8.36
Light Industrial	100	100	9,200	8,800	1.11	1.01
Light Industrial	62	56	22,000	22,100	2.66	2.53
Light Industrial	100	100	16,100	15,000	1.95	1.72
Light Industrial	94	91	28,000	29,000	3.39	3.32
Light Industrial	92	64	21,000	22,200	2.54	2.54
Light Industrial	100	100	13,400	13,700	1.62	1.57
Light Industrial	100	100	36,000	36,600	4.35	4.19
Light Industrial	94	94	19,700	19,900	2.38	2.28
Light Industrial	100	100	17,400	18,500	2.10	2.12
Light Industrial	100	96	31,500	32,000	3.81	3.67
Light Industrial	100	85	38,900	40,600	4.71	4.65
			361,900	**377,000**	**43.76**	**43.18**

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT
AS AT 31 DECEMBER 2016

Properties held by the Trust	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
General Industrial Properties[4]				
9 TUAS VIEW CRESCENT	Leasehold	30+30	42[34]	9 Tuas View Crescent Singapore 637612
28 SENOKO DRIVE	Leasehold	30+30	23[35]	28 Senoko Drive Singapore 758214
31 CHANGI SOUTH AVENUE 2	Leasehold	30+30	38[36]	31 Changi South Avenue 2 Singapore 486478
21B SENOKO LOOP	Leasehold	30+30	36[37]	21B Senoko Loop Singapore 758171
23 WOODLANDS TERRACE	Leasehold	30+30	40[38]	23 Woodlands Terrace Singapore 738472
22 CHIN BEE DRIVE	Leasehold	30	19[39]	22 Chin Bee Drive Singapore 619870
31 KIAN TECK WAY	Leasehold	30+19	26[40]	31 Kian Teck Way Singapore 628751
45 CHANGI SOUTH AVENUE 2	Leasehold	30+30	39[41]	45 Changi South Avenue 2 Singapore 486133
2 TUAS SOUTH AVENUE 2	Leasehold	60	42[42]	2 Tuas South Ave 2 Singapore 637601
511/513 YISHUN INDUSTRIAL PARK A	Leasehold	29+30/30+30	37/37[43]	511/513 Yishun Industrial Park A Singapore 768768/768736

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

Existing use	Occupancy rate at 31/12/2016 %	Occupancy rate at 31/12/2015 %	At Independent Valuation 31/12/2016 $'000	At Independent Valuation 31/12/2015 $'000	Percentage of Unitholders' Funds 31/12/2016 %	Percentage of Unitholders' Funds 31/12/2015 %
General Industrial	100	100	9,500	11,400	1.15	1.31
General Industrial	100	100	13,800	14,000	1.67	1.60
General Industrial	100	100	11,200	11,200	1.35	1.28
General Industrial	100	100	31,500	31,500	3.81	3.61
General Industrial	76	76	17,200	17,500	2.08	2.00
General Industrial	100	100	15,100	15,500	1.83	1.78
General Industrial	100	100	5,700	5,700	0.69	0.65
General Industrial	92	100	13,200	14,000	1.60	1.60
General Industrial	100	100	36,000	36,000	4.35	4.12
General Industrial	56	25	26,000	33,200	3.14	3.80
			179,200	**190,000**	**21.67**	**21.75**

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

AS AT 31 DECEMBER 2016

Properties held by the Trust	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
Balance brought forward				
General Industrial Properties (cont'd)				
60 TUAS SOUTH STREET 1	Leasehold	30	18[44]	60 Tuas South Street 1 Singapore 639925
5/7 GUL STREET 1	Leasehold	29.5	21[45]	5/7 Gul Street 1 Singapore 629318/629320
28 WOODLANDS LOOP	Leasehold	30+30	39[46]	28 Woodlands Loop Singapore 738308
25 PIONEER CRESCENT	Leasehold	30+28	50[47]	25 Pioneer Crescent Singapore 628554
43 TUAS VIEW CIRCUIT	Leasehold	30	21[48]	43 Tuas View Circuit Singapore 637360
30 MARSILING INDUSTRIAL ESTATE ROAD 8	Leasehold	30+30	33[49]	30 Marsiling Industrial Estate Road 8 Singapore 739193
11 WOODLANDS WALK	Leasehold	30+30	39[50]	11 Woodlands Walk Singapore 738265
15 JURONG PORT ROAD	Leasehold	28	18[51]	15 Jurong Port Road Singapore 619119
86/88 INTERNATIONAL ROAD	Leasehold	30+30	38[52]	86/88 International Road Singapore 629176/629177
160A GUL CIRCLE	Leasehold	27	24[54]	160A Gul Circle Singapore 629618

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

Existing use	Occupancy rate at 31/12/2016 %	31/12/2015 %	At Independent Valuation 31/12/2016 $'000	31/12/2015 $'000	Percentage of Unitholders' Funds 31/12/2016 %	31/12/2015 %
			179,200	**190,000**	**21.67**	**21.75**
General Industrial	–	–	5,200	6,200	0.63	0.71
General Industrial	100	100	14,500	14,700	1.75	1.68
General Industrial	100	100	18,300	18,300	2.21	2.10
General Industrial	100	100	16,400	16,200	1.98	1.86
General Industrial	100	100	16,500	16,500	2.00	1.89
General Industrial	85	82	38,000	39,000	4.60	4.47
General Industrial	100	100	17,400	17,300	2.10	1.98
General Industrial	100	100	39,500	42,000	4.78	4.81
General Industrial	90	90	41,100	40,700	4.97	4.66
General Industrial	100	100	19,500	19,400	2.36	2.22
			405,600	**420,300**	**49.05**	**48.13**

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

AS AT 31 DECEMBER 2016

Properties held by the Trust	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
Car Showroom and Workshop Properties[5]				
30 TEBAN GARDENS CRESCENT	Leasehold	10+22	22[55]	30 Teban Gardens Crescent Singapore 608927
Business Park Properties[5a]				
16 INTERNATIONAL BUSINESS PARK	Leasehold	30+30	39[56]	16 International Business Park Singapore 609929
Total properties held by the Trust				
Property held by a subsidiary				
General Industrial Properties[4]				
3 TUAS SOUTH AVENUE 4	Leasehold	30+30	42[53]	3 Tuas South Avenue 4 Singapore 637610
Property held by a subsidiary				
Total properties held by the Group				
Trust				
Investment properties, at valuation				
Other assets and liabilities (net)				
Net assets				
Group				
Investment properties, at valuation				
Other assets and liabilities (net)				
Net assets				

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

Existing use	Occupancy rate at 31/12/2016 %	31/12/2015 %	At Independent Valuation 31/12/2016 $'000	31/12/2015 $'000	Percentage of Unitholders' Funds 31/12/2016 %	31/12/2015 %
Car Showroom and Workshop	100	100	39,800	40,700	4.81	4.66
			39,800	**40,700**	**4.81**	**4.66**
Business Park	100	100	31,000	31,000	3.75	3.55
			31,000	**31,000**	**3.75**	**3.55**
			1,314,000	**1,379,700**	**158.88**	**158.03**
General Industrial	100	100	40,000	38,300	4.84	4.39
			40,000	**38,300**	**4.84**	**4.39**
			1,354,000	**1,418,000**	**163.72**	**162.42**
			1,314,000	1,379,700	161.83	160.52
			(502,048)	(520,197)	(61.83)	(60.52)
			811,952	**859,503**	**100.00**	**100.00**
			1,354,000	1,418,000	163.72	162.42
			(526,971)	(545,089)	(63.72)	(62.42)
			827,029	**872,911**	**100.00**	**100.00**

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

AS AT 31 DECEMBER 2016

	At Independent Valuation 2016 $'000	2015 $'000
As disclosed in the Statement of Financial Position:		
Trust		
Investment properties – non current	1,292,000	1,339,100
Investment properties held for divestment – current (denoted as (*) in the Portfolio Statement)	22,000	40,600
Total investment properties	**1,314,000**	**1,379,700**
Group		
Investment properties – non current	1,332,000	1,377,400
Investment properties held for divestment – current (denoted as (*) in the Portfolio Statement)	22,000	40,600
Total investment properties	**1,354,000**	**1,418,000**

Notes

(1) These properties are single or multi-storey distribution and logistics facilities catering for tenants that are third party logistics and supply chain management providers or trading companies.
(2) These properties are single or multi-storey warehouse facilities with low content of office space that are used by both multi-national corporations and local small and medium enterprises predominantly as storage space for raw material, semi-finished or finished goods; coupled with light industrial activities such as assembly and packing. This also includes self-storage business.
(3) These properties are single or multi-storey of manufacturing/production space with low content of office space used by both multi-national corporations and local small and medium enterprises for light industrial activities such as light manufacturing, assembly, non-pollutive industrial and businesses that engage in high technology, R&D or type 1 e-business kind of activities.
(4) These properties are single or multi-storey of manufacturing/factory facilities with low content of office space catering to both multi-national corporations and small and medium enterprises for industrial purposes which includes but not limited to manufacturing, altering, repairing, finishing, precision engineering
(5) This property is a multi-storey industrial building used for car showroom and service workshops.
(5a) This property is a multi-storey suburban office building in specially designated "Business Park Zone" of which serves as regional headquarters for multi-national companies catering to knowledge-based activities.
(6) CIT holds the remainder of a 30+12 year lease commencing from 1 March 1995.
(7) CIT holds the remainder of a 30 year lease commencing from 16 December 2001.
(8) CIT holds the remainder of a 30+30 year lease commencing from 16 December 1990.
(9) CIT holds the remainder of a 30+30 year lease commencing from 1 April 1994.
(10) CIT holds the remainder of a 30+30 year lease commencing from 16 October 1994.
(11) CIT holds the remainder of a 30+29 year lease commencing from 1 November 1997.
(12) CIT holds the remainder of a 60 year lease commencing from 16 February 1973.
(13) CIT holds the remainder of a 30+28 year lease commencing from 16 February 1997.
(14) CIT holds the remainder of a 30+30 year lease commencing from 1 February 1993.
(15) CIT holds the remainder of a 30+30 year lease commencing from 1 February 2000.
(16) CIT holds the remainder of a 30+30 year lease commencing from 1 October 1993.
(17) CIT holds the remainder of a 30+30 year lease commencing from 16 February 1991.
(18) CIT holds the remainder of a 30+30 year lease commencing from 16 August 1995.
(19) CIT holds the remainder of a 60 year lease commencing from 4 January 1999.
(20) CIT holds the remainder of a 30+30 year lease commencing from 1 May 1992.
(21) CIT holds the remainder of a 30+30 year lease commencing from 1 March 2001 for 1 Changi North Street 2 and 30+30 year lease commencing from 23 November 2005 for 2 Changi North Street 2.
(22) CIT holds the remainder of a 30+30 year lease commencing from 4 July 2007.
(23) CIT holds the remainder of a 30 year lease commencing from 16 October 2011.
(24) CIT holds the remainder of a 30+30 year lease commencing from 1 July 1996.
(25) CIT holds the remainder of a 30+30 year lease commencing from 1 December 1991.
(26) CIT holds the remainder of a 99 year lease commencing from 1 July 1963.
(27) CIT holds the remainder of a 30+30 year lease commencing from 16 June 1996.
(28) CIT holds the remainder of a 30+30 year lease commencing from 1 October 1990.
(29) CIT holds the remainder of a 30+30 year lease commencing from 1 February 1997.
(30) CIT holds the remainder of a 30+30 year lease commencing from 16 April 1997.
(31) CIT holds the remainder of a 30+30 year lease commencing from 1 November 1990.
(32) CIT holds the remainder of a 99 year lease commencing from 1 January 1958.

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

(33) CIT holds the remainder of a 30+30 year lease commencing from 16 October 1990.
(34) CIT holds the remainder of a 30+30 year lease commencing from 16 July 1998.
(35) CIT holds the remainder of a 30+30 year lease commencing from 16 December 1979.
(36) CIT holds the remainder of a 30+30 year lease commencing from 1 March 1995.
(37) CIT holds the remainder of a 30+30 year lease commencing from 1 February 1993.
(38) CIT holds the remainder of a 30+30 year lease commencing from 16 November 1996.
(39) CIT holds the remainder of a 30 year lease commencing from 16 September 2005.
(40) CIT holds the remainder of a 30+19 year lease commencing from 1 September 1993.
(41) CIT holds the remainder of a 30+30 year lease commencing from 1 September 1995.
(42) CIT holds the remainder of a 60 year lease commencing from 4 January 1999.
(43) CIT holds the remainder of a 29+30 year lease commencing from 1 June 1995 for 511 Yishun and 30+30 lease commencing from 1 December 1993 for 513 Yishun.
(44) CIT holds the remainder of a 30 year lease commencing from 16 March 2005.
(45) CIT holds the remainder of a 29.5 year lease commencing from 1 April 2008.
(46) CIT holds the remainder of a 30+30 year lease commencing from 16 October 1995.
(47) CIT holds the remainder of a 30+28 year lease commencing from 1 February 2009.
(48) CIT holds the remainder of a 30 year lease commencing from 1 February 2008.
(49) CIT holds the remainder of a 30+30 year lease commencing from 1 December 1989.
(50) CIT holds the remainder of a 30+30 year lease commencing from 16 October 1995.
(51) CIT holds the remainder of a 28 year lease commencing from 25 March 2007.
(52) CIT holds the remainder of a 30+30 year lease commencing from 16 December 1994.
(53) The subsidiary holds the remainder of a 30+30 year lease commencing from 1 May 1999.
(54) CIT holds the remainder of a 27 year lease commencing from 30 September 2013.
(55) CIT holds the remainder of a 10+22 year lease commencing from 1 June 2007.
(56) CIT holds the remainder of a 30+30 year lease commencing from 1 August 1996.

\+ Properties disposed of during the financial year.

Investment properties comprise a diverse portfolio of industrial properties that are leased to external tenants. All of the leases are structured under single-tenancy or multiple-tenancy and the tenancies range from two to twenty eight years for single tenancy and three months to ten years for multiple-tenancy.

In determining the fair value, the valuers have used valuation methods which involve certain estimates. The Manager has exercised its judgment and is satisfied that the valuation methods and estimates are reflective of the current market conditions.

The independent professional valuers have considered valuation techniques including direct comparison method, capitalisation approach and/or discounted cash flow analysis in arriving at the open market value as at the reporting date. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation rate, terminal yield, discount rate and average growth rate.

As at the reporting date, investment properties with a carrying value of $1.35 billion are fully unencumbered. As at 31 December 2015, investment properties with a carrying value of $246.4 million were mortgaged as security for loan facilities granted to the Group (see Note 4 and Note 8).

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2016

	Group	
	2016	**2015**
	$'000	**$'000**
Cash flows from operating activities		
Total return after income tax for the year	7,087	52,517
Adjustments for:		
Borrowing costs	21,147	22,220
Change in fair value of financial derivatives	493	(395)
Change in fair value of investment properties	45,894	2,645
Gain on disposal of investment properties	(1,231)	–
Share of profits in joint venture	–	(123)
Interest income	(47)	(149)
Management fees paid/payable in units (Note A(i))	–	2,665
Acquisition fees paid in units (Note A (ii))	–	60
Allowance for doubtful debts	–	175
Operating income before working capital changes	**73,343**	**79,615**
Changes in working capital:		
Trade and other receivables	(2,524)	(1,630)
Trade and other payables	(2,220)	1,126
Cash generated from operations	**68,599**	**79,111**
Income tax paid	(54)	(59)
Net cash generated from operating activities	**68,545**	**79,052**
Cash flows from investing activities		
Interest received	47	149
Capital expenditure on investment properties	(5,595)	(20,964)
Net cash outflow on purchase of investment properties (including acquisition related costs) (Note B)	–	(19,479)
Proceeds from disposal of investment properties	27,000	–
Payment for divestment costs	(169)	–
Acquisition of subsidiary (Note 21)	–	(10,582)
Distribution income from subsidiary/joint venture	1,204	930
Net cash generated/(used in) investing activities	**22,487**	**(49,946)**
Cash flows from financing activities		
Borrowing costs paid	(20,908)	(20,664)
Distributions paid to Unitholders (Note A(iii))	(52,936)	(48,369)
Equity issue costs paid	(145)	(278)
Proceeds from borrowings	111,000	338,000
Repayment of borrowings	(127,000)	(301,239)
Net cash used in financing activities	**(89,989)**	**(32,550)**
Net increase/(decrease) in cash and cash equivalents	**1,043**	**(3,444)**
Cash and cash equivalents at 1 January	**2,656**	**6,100**
Cash and cash equivalents at 31 December	**3,699**	**2,656**

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

NOTES:

(A) *Significant Non-cash Transactions*

(i) *Management fees paid/payable in units*

There were no management fees paid in units in the financial year. In the previous financial year, the management fees were partly paid by CIT issuing an aggregate of 6.5 million units amounting to $2.7 million.

(ii) *Acquisition fees paid in units*

In the previous financial year, a total of 85,922 units (equivalent to $60,000) were issued as payment of the acquisition fee to the Manager in connection with the acquisition of the remaining 40% partnership interest in Cambridge SPV1 LLP from Oxley Projects Pte. Ltd., an interested party to the Trust in March 2015. The Property Fund Appendix of the Code on Collective Investment Schemes requires that the acquisition fee for an interested party transaction to be paid in units.

Please see Note 21 for more details.

(iii) Distributions paid to Unitholders

Distributions for the year ended 31 December 2016 were partly paid by CIT issuing an aggregate of 6.7 million units (2015: 22.2 million units), amounting to $3.3 million (2015: $14.6 million), pursuant to the distribution reinvestment plan.

	2016 $'000	2015 $'000
Distributions paid to Unitholders	56,224	62,934
Distributions paid in units pursuant to distribution reinvestment plan	(3,288)	(14,565)
Net Distributions paid to Unitholders in cash	52,936	48,369

(B) *Net Cash Outflow on Purchase of Investment Properties (including acquisition related costs)*

Net cash outflow on purchase of investment properties (including acquisition related costs) is set out below:

	Group	
	2016 $'000	2015 $'000
Investment properties	–	19,133
Acquisition related costs	–	337
Capital expenditure incurred	–	9
Investment properties acquired (including acquisition related costs and capital expenditure incurred)	–	19,479
Net cash outflow	–	19,479

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

NOTES TO THE 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 17 March 2017.

1. GENERAL

Cambridge Industrial Trust ("CIT" or the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 31 March 2006 (as amended) entered into between Cambridge Industrial Trust Management Limited (the "Manager") and RBC Investor Services Trust Singapore Limited (the "Trustee"), and is governed by the laws of the Republic of Singapore ("Trust Deed"). On 31 March 2006, CIT was declared as an authorised unit trust scheme under the Trustees Act, Chapter 337. The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries (the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "Units").

On 25 July 2006, CIT was admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST"). On 3 April 2006, CIT was included under the Central Provident Fund ("CPF") Investment Scheme.

The financial statements of the Group as at and for the year ended 31 December 2016 comprise the Trust and its subsidiaries (together referred to as the "Group").

The principal activity of CIT is to invest in a diverse portfolio of properties with the primary objective of achieving an attractive level of return from rental income and long-term capital growth. The principal activity of the subsidiaries are set out in Note 5 to the financial statements.

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

(A) Trustee's fees

Pursuant to the Trust Deed, the Trustee's fees shall not exceed 0.1% per annum of the value of all the gross assets of CIT ("Deposited Property"), excluding out-of-pocket expenses and GST. The actual fee payable will be determined between the Manager and the Trustee from time to time. The Trustee's fee is presently charged on a scaled basis of up to 0.03% per annum of the value of the Deposited Property.

(B) Management fees

Under the Trust Deed, the Manager is entitled to receive a base fee and performance fee as follows:

(i) A base fee ("Base Fee") of 0.5% per annum of the value of the Deposited Property or such higher percentage as may be fixed by an Extraordinary Resolution of Meeting of Unitholders.

1. GENERAL (CONT'D)

(B) Management fees (Cont'd)

(ii) The performance fee calculation methodology was revised and approved at the Extraordinary General Meeting on 19 May 2015, from a total return based formula to a DPU growth model. The Manager has voluntarily waived any performance fee entitlement for the financial years ended 31 December 2015 and 2016 under the new structure ("Performance Fee Waiver").

The performance fee under the DPU growth model ("Performance Fee") is computed at 25% of the growth in DPU for such financial year multiplied by the weighted average number of units in issue for such financial year.

The DPU growth is measured by the excess of DPU for such financial year to the highest DPU achieved by the Trust in the previous years for which a performance fee was payable ("Highest DPU Threshold"). Whenever a performance fee is earned, the Highest DPU Threshold will be adjusted to the highest DPU achieved. In order to be eligible for a performance fee in future, the Trust would have to outperform the adjusted Highest DPU Threshold.

For the purpose of calculation of the performance fee payable under the revised performance fee structure, the Highest DPU Threshold is initially set at 6.000 cents, or if the DPU achieved during the Performance Fee Waiver period is higher, then such higher DPU.

The Performance Fee, whether payable in any combination of cash and Units or solely in cash or Units will be payable in arrears within 30 days after the last day of each financial year. If a trigger event occurs resulting in the Manager being removed, the Manager is entitled to payment of any Performance Fee in cash to which it might otherwise have been entitled for that financial year in cash, which shall be calculated, as if the end of the financial year was the date of occurrence of the trigger event, in accordance with the Trust Deed. If a trigger event occurs at a time when any accrued Performance Fee has not been paid, resulting in the Manager being removed, the Manager is entitled to payment of such accrued Performance Fee in cash.

Management fees (Base Fee and Performance Fee, including any accrued Performance Fee which have been carried forward from previous financial years but excluding any acquisition fee or disposal fee) to be paid to the Manager in respect of a financial year, whether in cash or in Units or a combination of cash and Units, are capped at an amount equivalent to 0.8% per annum of the value of Deposited Property as at the end of the financial year (referred to as the "annual fee cap").

The total amount of performance fee accruing to the Manager under the previous performance fee structure was approximately $1.3 million as at 31 December 2016. This amount was fully paid in January 2017.

Please refer to Note 10 for the Manager's base fees payable in units.

1. GENERAL (CONT'D)

(C) Acquisition and disposal fees

The Manager is also entitled to receive the following fees:

(i) An acquisition fee of 1.0% of each of the following as is applicable, subject to there being no double-counting:

(a) the purchase price, excluding GST, of any real estate acquired, whether directly by CIT or indirectly through a special purpose vehicle;

(b) the value of any underlying real estate (pro-rata, if applicable, to the proportion of CIT's interest in such real estate) where CIT invests in any class of real estate related assets, including any class of equity, equity-linked securities and/or securities issued in real estate securitisation, of any entity directly or indirectly owning or acquiring such real estate, provided that:

- CIT shall hold or invest in at least 50% of the equity of such entity; or
- if CIT holds or invests in 30% or more but less than 50% of the equity of such entity, CIT shall have management control of the underlying real estate and/or such entity;

(c) the value of any shareholder's loan extended by CIT to the entity referred to in paragraph (b) above, provided that the provision in paragraph (b) is complied with; and

(d) the value of any investment by CIT in any loan extended to, or in debt securities of, any property corporation or other special purpose vehicle owning or acquiring real estate, (where such investment does not fall within the ambit of paragraph (b)) made with the prior consent of the Unitholders passed by ordinary resolution at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

(ii) A disposal fee of 0.5% of each of the following as is applicable, subject to there being no double-counting:

(a) the sale price, excluding GST, of any investment of the type referred to in paragraph (C)(i)(a) above for the acquisition fee;

(b) in relation to an investment of the type referred to in paragraph (C)(i)(b) above for the acquisition fee, the value of any underlying real estate (pro-rata, if applicable, to the proportion of CIT's interest in such real estate);

(c) the proceeds of sale, repayment or (as the case may be) redemption of an investment in a loan referred to in paragraph (C)(i)(c) above for the acquisition fee; and

(d) the value of an investment referred to in paragraph (C)(i)(d) above for the acquisition fee.

The Manager can opt to receive acquisition and disposal fees in the form of cash or Units or a combination as it may determine.

1. GENERAL (CONT'D)

(D) Property Manager's fees

Cambridge Industrial Property Management Pte. Ltd. (the "Property Manager"), as property manager of all CIT's properties including the property held through Cambridge SPV1 LLP, is entitled to receive the following fees:

(i) A property management fee of 2.0% per annum of the gross revenue of the relevant property;

(ii) A lease management fee of 1.0% per annum of the gross revenue of the relevant property;

(iii) A marketing services commission equivalent to:

(a) one month's gross rent, inclusive of service charge, for securing a tenancy of three years or less;

(b) two month's gross rent, inclusive of service charge, for securing a tenancy of more than three years;

(c) half month's gross rent, inclusive of service charge, for securing a renewal of tenancy of three years or less; and

(d) one month's gross rent, inclusive of service charge, for securing a renewal of tenancy of more than three years.

(iv) A project management fee in relation to development or redevelopment (if not prohibited by the Property Funds Appendix of the Code on Collective Investment Schemes ("CIS Code") or if otherwise permitted by the MAS), the refurbishment, retrofitting and renovation works on a property, as follows:

(a) where the construction costs are $2.0 million or less, a fee of 3.0% of the construction costs;

(b) where the construction costs exceed $2.0 million but do not exceed $20.0 million, a fee of 2.0% of the construction costs;

(c) where the construction costs exceed $20.0 million but do not exceed $50.0 million, a fee of 1.5% of the construction costs; and

(d) where the construction costs exceed $50.0 million, a fee to be mutually agreed by the Manager, the Property Manager and the Trustee.

(v) A property tax services fee in respect of property tax objections submitted to the tax authority on any proposed annual value of a property if, as a result of such objections, the proposed annual value is reduced resulting in property tax savings for the relevant property:

(a) where the proposed annual value is $1.0 million or less, a fee of 7.5% of the property tax savings;

(b) where the proposed annual value is more than $1.0 million but does not exceed $5.0 million, a fee of 5.5% of the property tax savings; and

(c) where the proposed annual value is more than $5.0 million, a fee of 5.0% of the property tax savings.

The above-mentioned fee is a lump sum fixed fee based on the property tax savings calculated over a 12-month period.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements are 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 CIS Code issued by the MAS and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should 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 the historical cost basis, except for investment properties, financial derivatives and certain financial liabilities, which are stated at fair value.

2.3 Functional and presentation currency

The 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 judgments

The preparation of financial statements in conformity with RAP 7 requires the Manager to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods.

In particular, information about critical judgements and, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 6 – Assessment of collectibility of trade and other receivables
- Note 17 – Assessment of income tax provision
- Note 20 – Valuation of investment properties

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Basis of consolidation

Subsidiaries

The 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 the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of the subsidiaries have been aligned with the policies adopted by the Group.

Transactions eliminated on consolidation

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

Accounting for investments in subsidiaries in the Trust's financial statements

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

3.2 Investment properties

Investment properties are accounted for as non-current assets, except if they meet the conditions to be classified as held for divestment (see Note 3.3 below). These properties are initially stated at cost on acquisition, and at valuation thereafter. The cost of a purchased property comprises its purchase price and any directly attributable expenditure. Transaction costs are included in the initial measurements. Valuations are determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers in the following manner:

(i) in such manner and frequency required under the CIS code issued by MAS; and

(ii) at least once in each period of 12 months following the acquisition of each investment property.

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.

Subsequent expenditure relating to investment properties that have already been recognised is added to the carrying amount of the asset 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.

When an investment property is disposed of, the resulting gain or loss recognised in the Statement of Total Return is the difference between net disposal proceeds and the carrying amount of the property.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Investment properties held for divestment

Investment properties that are expected to be recovered primarily through divestment rather than through continuing use, are classified as held for divestment 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.

3.4 Financial instruments

Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date at which 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 of the risks and rewards of ownership and does not retain control over the transferred assets. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

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.

Non-derivative financial assets comprise loans and receivables.

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.

Cash and cash equivalents consist of cash balances and bank deposits.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (Cont'd)

Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or when they expire.

Non-derivative financial liabilities comprise loans and borrowings and trade and other payables.

Such financial liabilities are recognised initially 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.

Unitholders' funds

Unitholders' funds represent the Unitholders' residual interest in the Group's net assets upon termination and is classified as equity. Incremental costs, directly attributable to the issuance, offering and placement of Units in the Trust are deducted directly against Unitholders' funds.

Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, or indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security.

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 original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the Statement of Total Return.

Impairment losses in respect of financial assets measured at amortised cost are reversed to the Statement of Total Return, if the subsequent increase in fair value can be related objectively to an event occurring after the impairment loss was recognised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Impairment – non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

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 groups of assets (the "cash-generating unit", or "CGU").

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.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Total Return.

Impairment losses recognised in prior years 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.

3.6 Revenue recognition

(i) Rental income from operating leases

Rental income from investment properties is recognised in the Statement of Total Return on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

(ii) Interest income

Interest income is accrued using the effective interest method.

3.7 Expenses

(i) Property expenses

Property expenses are recognised on an accrual basis. Included in property expenses are the Property Manager's fee which is based on the applicable rate stipulated in Note 1.

(ii) Management fees

Management fees are recognised on an accrual basis based on the applicable rates stipulated in Note 1.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Expenses (Cont'd)

(iii) Trust expenses

Trust expenses are recognised on an accrual basis. Included in trust expenses are the trustee's fees which are based on the applicable rate stipulated in Note 1.

(iv) Borrowing costs

Borrowing costs comprise interest expense on borrowings, amortisation of related transaction costs which are recognised in the Statement of Total Return using the effective interest method over the period of borrowings.

3.8 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in the Statement of Total Return except to the extent that it relates to items directly related to Unitholders' funds, in which case it is recognised in Unitholders' funds.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- temporary differences related to investment in subsidiaries and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at 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 income taxes levied by the same tax authority on the same entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or the tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Tax (Cont'd)

In determining the amount of current tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes 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 laws 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 CIT and its Unitholders. Subject to meeting the terms and conditions of the tax ruling issued by IRAS, the Trustee will not be assessed to tax on the taxable income of CIT on certain types of income. Instead, the Trustee and the Manager will deduct income tax at the prevailing corporate tax rate (currently 17.0%) from the distributions made to Unitholders that are made out of the taxable income of CIT, except:

(i) where the beneficial owners are individuals or Qualifying Unitholders, the Trustee and the Manager will make the distributions to such Unitholders without deducting any income tax; or

(ii) where the beneficial owners are foreign non-individual Unitholders, the Trustee and the Manager will deduct Singapore income tax at the reduced tax rate of 10.0% for distributions made before 31 March 2020.

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 (e.g. a town council, a statutory board, a registered charity, a registered cooperative society, a registered trade union, a management corporation, a club and a trade 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 which 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 to section 10(1)(a) of the Income Tax Act, Chapter 134 and collected from the Trustee. Where the gains are capital gains, they will not be assessed to tax and the Trustee and the Manager may distribute the capital gains without tax being deducted at source.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Distribution policy

The Group's distribution policy is to distribute at least 90% of its annual distributable income to Unitholders, comprising income from letting of its properties after deduction of allowable expenses. The actual level of distribution will be determined at the Manager's discretion. Distributions are made on a quarterly basis at the discretion of the Manager.

3.10 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 for the period after tax by the weighted average number of units outstanding during the year. Diluted EPU is determined by adjusting the total return for the period after tax and the weighted average number of units outstanding and for the effects of all dilutive potential units.

3.11 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 CIT's Chief Operating Decision Makers ("CODM"s) which comprise mainly the Chief Executive Officer, and Chief Operating Officer and Chief Financial Officer of the Manager, to make decisions about resources to be allocated to the segments and assess their performance and for which discrete financial information is available.

3.12 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations have been issued as of the date of the statement of financial position, but are not effective for the 12 months ended 31 December 2016. Early application of the new standards and interpretations is permitted but have not been applied in preparing the financial statements.

For these new standards, amendments to standards and interpretations that are expected to have an effect on the financial statements of the Group in future financial periods, the Group is currently assessing the transition options and their potential impact on its financial statements. The Group does not plan to adopt these standards earlier than effective date.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Applicable to 2018 financial statements

New standards

Summary of the requirements	Potential impact on the 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.	The Group is currently performing its initial assessment of the impact on the Group's financial statements. Overall, the Group does not expect a significant change to the basis of revenue recognition. **Transition** – The Group plans to adopt the standard when it becomes effective in 2018 without restating comparative information.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Applicable to 2018 financial statements (Cont'd)

New standards

Summary of the requirements	Potential impact on the financial statements
FRS 109 *Financial Instruments*	
FRS 109 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.	The Group is currently performing its initial assessment of the impact on the Group's financial statements. Overall, 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.
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.	**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 109. On adoption of FRS 109, the Group does not expect an increase in the impairment loss allowance. **Transition** – The Group plans to adopt the standard when it becomes effective in 2018 without restating comparative information.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Applicable to 2019 financial statements

New standards

Summary of the requirements	Potential impact on the financial statements
FRS 116 Leases	
FRS 116 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.	The Group is currently assessing the impact on the financial statements based on its existing lease arrangements. Based on the preliminary assessment, the total assets, total liabilities and total return are expected to increase from the implementation of FRS 116.
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.	The Group plans to adopt the standard when it becomes effective in 2019. The Group will perform a detailed analysis of the standard, including the transition options and practical expedients in 2017.
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.	

4. INVESTMENT PROPERTIES

		Group		Trust	
	Note	2016 $'000	2015 $'000	2016 $'000	2015 $'000
At 1 January		1,418,000	1,346,880	1,379,700	1,346,880
Acquisition of investment properties		–	19,133	–	19,133
Acquisition of subsidiary	21	–	38,000	–	–
Acquisition related costs		–	338	–	338
Capital expenditure incurred		5,799	14,139	5,799	14,139
Disposal of investment properties		(25,600)	–	(25,600)	–
		1,398,199	1,418,490	1,359,899	1,380,490
Change in fair value during the year*		(44,199)	(490)	(45,899)	(790)
At 31 December		1,354,000	1,418,000	1,314,000	1,379,700
Investment properties (non-current)		1,332,000	1,377,400	1,292,000	1,339,100
Investment properties held for divestment (current)		22,000	40,600	22,000	40,600
		1,354,000	1,418,000	1,314,000	1,379,700

The disclosure on determination of fair value in relation to investment properties is included in Note 20.

* The fair value loss of $44.2 million (2015: $0.5 million), together with an adjustment of $1.7 million (2015: $2.1 million) to recognise rental income on a straight line basis in accordance with FRS 17 *Leases*, aggregate to $45.9 million (2015: $2.6 million) as disclosed in the Statement of Total Return.

Investment Properties held for Divestment

An investment property at a carrying value of $22.0 million as at 31 December 2016 (2015: $40.6 million) , has been reclassified as investment properties held for divestment. 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.

Security

As at the reporting date, all the investment properties are fully unencumbered (2015: security value $246.4 million) (see Note 8).

5. INVESTMENT IN SUBSIDIARIES

	Trust 2016 $'000	Trust 2015 $'000
Unquoted equity investment, at cost	25,206	25,206

Details of the subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Effective equity interest held by the Group 2016 %	Effective equity interest held by the Group 2015 %
Cambridge-MTN Pte. Ltd.	Provision of financial and treasury services	Singapore	100	100
Cambridge SPV1 LLP	Investment, management, leasing and redevelopment of properties	Singapore	100	100
Cambridge SPV2 Pte. Ltd.	Investment holding	Singapore	100	100

All the subsidiaries are audited by KPMG LLP in Singapore.

6. TRADE AND OTHER RECEIVABLES

	Group 2016 $'000	Group 2015 $'000	Trust 2016 $'000	Trust 2015 $'000
Trade receivables (gross)	2,595	2,633	2,595	2,521
Impairment losses	(1,163)	(1,372)	(1,163)	(1,372)
Trade receivables (net)	1,432	1,261	1,432	1,149
Deposits	1,415	1,200	1,415	1,200
Other receivables	1,351	1,801	2,266	2,180
Loans and receivables	4,198	4,262	5,113	4,529
Prepayments	5,080	5,390	4,754	5,035
Total trade and other receivables	9,278	9,652	9,867	9,564

The Group's primary exposure to credit risk arises through its trade and other receivables. The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Concentration of credit risk relating to trade receivables is limited due to the Group's large number and diverse range of tenants. The maximum exposure to credit risk for trade and other receivables is represented by the carrying amount at the reporting date.

6. TRADE AND OTHER RECEIVABLES (CONT'D)

Impairment losses

The ageing of trade receivables at the reporting date is as follows:

	Gross receivables 2016 $'000	Impairment losses 2016 $'000	Gross receivables 2015 $'000	Impairment losses 2015 $'000
Group				
Past due 0 – 30 days	715	–	890	–
Past due 31 – 120 days	705	–	375	16
More than 120 days past due	1,175	1,163	1,368	1,356
	2,595	1,163	2,633	1,372
Trust				
Past due 0 – 30 days	715	–	778	–
Past due 31 – 120 days	705	–	375	16
More than 120 days past due	1,175	1,163	1,368	1,356
	2,595	1,163	2,521	1,372

The movements in impairment loss in respect of trade receivables are as follows:

	Group and Trust 2016 $'000	Group and Trust 2015 $'000
At 1 January	1,372	1,197
Impairment loss made	–	175
Impairment loss utilised	(209)	–
At 31 December	1,163	1,372

Trade receivables are individually assessed for impairment at the end of the financial year. The impairment loss relates to a debtor that has defaulted in payments and is in liquidation.

The Manager believes that no additional allowance is necessary in respect of the remaining trade receivables as these receivables are mainly due from tenants that have good payment records and sufficient securities in the form of bankers' guarantees, insurance bonds or cash security deposits as collaterals.

Source of estimation uncertainty

The Manager maintains an allowance for impairment at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated on the basis of factors that affect the collectability of debtors, their payment behaviour and known market factors. The Manager continually reviews the age and status of receivables and identifies accounts for which impairment allowances are required.

The Group and the Trust's exposure to credit risk related to trade and other receivables is disclosed in Note 24.

7. TRADE AND OTHER PAYABLES

	Group		Trust	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Current liabilities				
Trade payables and accrued operating expenses	9,959	8,663	9,880	8,464
Amounts due to related parties (trade):				
– the Manager	1,865	6,008	1,865	6,008
– the Property Manager	432	18	431	18
– the Trustee	95	97	95	97
Amount due to a subsidiary (non-trade)	–	–	1,640	1,640
Interest and loan commitment fee payable	2,251	2,438	611	799
Security deposits	3,765	3,290	3,765	3,290
Rent received in advance	615	113	615	113
Retention sums	2,200	3,268	2,200	3,268
Other payables	282	109	282	109
	21,464	24,004	21,384	23,806
Non-current liabilities				
Security deposits	8,894	7,383	8,664	7,382
Amounts due to the Manager*	–	1,360	–	1,360
	8,894	8,743	8,664	8,742
Total trade and other payables	30,358	32,747	30,048	32,548

* The amounts due to the Manager related to performance fees payable in excess of the annual fee cap which will be carried forward for payment in future half year periods. Further details are disclosed in Note 1B(ii).

The amounts due to related parties are unsecured. Transactions with related parties are priced on terms agreed between the parties.

The non-trade amount due to a subsidiary is unsecured and interest-free, and is repayable on demand.

Retention sums relate to certain investment properties acquired in the prior years.

The Group and the Trust's exposure to liquidity risk related to trade and other payables are disclosed in Note 8.

8. INTEREST-BEARING BORROWINGS

	Group 2016 $'000	Group 2015 $'000	Trust 2016 $'000	Trust 2015 $'000
Non-current liabilities				
Secured loans	–	100,000	–	100,000
Unsecured loans	147,500	113,500	147,500	113,500
Fixed rate notes (unsecured)	365,000	315,000	50,000	–
Loan from subsidiary (unsecured)	–	–	315,000	315,000
Unamortised loan transaction costs	(2,910)	(3,246)	(2,910)	(3,246)
Total interest-bearing borrowings	509,590	525,254	509,590	525,254

The weighted average all-in cost of debt as at 31 December 2016 was 3.7% per annum (2015: 3.7% per annum).

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Nominal interest rate %	Year of maturity	2016 Face value $'000	2016 Gross carrying amount $'000	2015 Face value $'000	2015 Gross carrying amount $'000
Group						
Secured						
Term loan facility						
– S$ floating rate loan	SOR* + margin	2017	–	–	100,000	100,000
Unsecured						
Term loan facilities						
– S$ fixed rate loan	3.60%	2019	100,000	100,000	100,000	100,000
– S$ floating rate loan	SOR* + margin	2021	25,000	25,000	–	–
Revolving credit facilities						
– S$ floating rate loan	SOR* + margin	2019	–	–	13,500	13,500
– S$ floating rate loan	SOR* + margin	2021	22,500	22,500	–	–
Medium Term Notes						
– S$ fixed rate notes	4.10%	2020	30,000	30,000	30,000	30,000
– S$ fixed rate notes	3.50%	2018	155,000	155,000	155,000	155,000
– S$ fixed rate notes	3.95%	2020	130,000	130,000	130,000	130,000
– S$ fixed rate notes	3.95%	2023	50,000	50,000	–	–
			512,500	512,500	528,500	528,500

8. INTEREST-BEARING BORROWINGS (CONT'D)

	Nominal interest rate %	Year of maturity	2016 Face value $'000	2016 Gross carrying amount $'000	2015 Face value $'000	2015 Gross carrying amount $'000
Trust						
Secured						
Term loan facility						
– S$ floating rate loan	SOR* + margin	2017	–	–	100,000	100,000
Unsecured						
Term loan facilities						
– S$ fixed rate loan	3.60%	2019	100,000	100,000	100,000	100,000
– S$ floating rate loan	SOR* + margin	2021	25,000	25,000	–	–
Revolving credit facilities						
– S$ floating rate loan	SOR* + margin	2019	–	–	13,500	13,500
– S$ floating rate loan	SOR* + margin	2021	22,500	22,500	–	–
Medium Term Note						
– S$ fixed rate notes	3.95%	2023	50,000	50,000	–	–
Loans from a subsidiary						
– S$ fixed rate loan	4.10%	2020	30,000	30,000	30,000	30,000
– S$ fixed rate loan	3.50%	2018	155,000	155,000	155,000	155,000
– S$ fixed rate loan	3.95%	2020	130,000	130,000	130,000	130,000
			512,500	512,500	528,500	528,500

* Swap Offer Rate.

The nominal interest rate for the S$ floating rate loans is determined by a margin plus SOR per annum.

The following are the expected contractual undiscounted cash inflows/(outflows) of interest-bearing borrowings including interest payments and other borrowing costs, and trade and other payables:

	Gross carrying amount $'000	Contractual cash flows $'000	Cash flow: Within 1 year $'000	Cash flow: Between 2 to 5 years $'000	Cash flow: More than 5 years $'000
Group					
2016					
Non-derivative financial liabilities					
Term loan facilities					
– S$ fixed rate loan	100,000	(108,098)	(3,383)	(104,715)	–
– S$ floating rate loan	25,000	(28,117)	(673)	(27,444)	–
Revolving credit facility					
– S$ floating rate loan	22,500	(25,305)	(606)	(24,699)	–
Medium Term Notes					
– S$ fixed rate notes	30,000	(34,091)	(1,014)	(33,077)	–
– S$ fixed rate notes	155,000	(165,003)	(4,578)	(160,425)	–
– S$ fixed rate notes	130,000	(147,388)	(4,558)	(142,830)	–
– S$ fixed rate notes	50,000	(62,548)	(1,688)	(7,905)	(52,955)
Trade and other payables*	29,743	(29,743)	(20,849)	(8,894)	–
	542,243	(600,293)	(37,349)	(509,989)	(52,955)

8. INTEREST-BEARING BORROWINGS (CONT'D)

	Gross carrying amount $'000	Contractual cash flows $'000	Cash flow: Within 1 year $'000	Cash flow: Between 2 to 5 years $'000	Cash flow: More than 5 years $'000
Group					
2015					
Non-derivative financial liabilities					
Term loan facilities					
– S$ floating rate loan	100,000	(104,235)	(2,635)	(101,600)	–
– S$ fixed rate loan	100,000	(112,202)	(3,393)	(108,809)	–
Revolving credit facility					
– S$ floating rate loan	13,500	(14,999)	(421)	(14,578)	–
Medium Term Notes					
– S$ fixed rate notes	30,000	(35,324)	(1,018)	(34,306)	–
– S$ fixed rate notes	155,000	(170,443)	(4,593)	(165,850)	–
– S$ fixed rate notes	130,000	(152,537)	(4,572)	(147,965)	–
Trade and other payables*	32,634	(32,634)	(23,891)	(8,743)	–
	561,134	(622,374)	(40,523)	(581,851)	–
Derivative financial asset					
Interest rate swaps	(604)	430	430	–	–
	560,530	(621,944)	(40,093)	(581,851)	–
Trust					
2016					
Non-derivative financial liabilities					
Term loan facilities					
– S$ fixed rate loan	100,000	(108,098)	(3,383)	(104,715)	–
– S$ floating rate loan	25,000	(28,117)	(673)	(27,444)	–
Revolving credit facility					
– S$ floating rate loan	22,500	(25,305)	(606)	(24,699)	–
Medium Term Note					
– S$ fixed rate note	50,000	(62,548)	(1,688)	(7,905)	(52,955)
Loans from a subsidiary					
– S$ fixed rate loan	30,000	(34,091)	(1,014)	(33,077)	–
– S$ fixed rate loan	155,000	(165,003)	(4,578)	(160,425)	–
– S$ fixed rate loan	130,000	(147,388)	(4,558)	(142,830)	–
Trade and other payables*	29,434	(29,434)	(20,770)	(8,664)	–
	541,934	(599,984)	(37,270)	(509,759)	(52,955)
2015					
Non-derivative financial liabilities					
Term loan facilities					
– S$ floating rate loan	100,000	(104,235)	(2,635)	(101,600)	–
– S$ fixed rate loan	100,000	(112,202)	(3,393)	(108,809)	–
Revolving credit facility					
– S$ floating rate loan	13,500	(14,999)	(421)	(14,578)	–
Loans from a subsidiary					
– S$ fixed rate loan	30,000	(35,324)	(1,018)	(34,306)	–
– S$ fixed rate loan	155,000	(170,443)	(4,593)	(165,850)	–
– S$ fixed rate loan	130,000	(152,537)	(4,572)	(147,965)	–
Trade and other payables*	32,435	(32,435)	(23,693)	(8,742)	–
	560,935	(622,175)	(40,325)	(581,850)	–
Derivative financial asset					
Interest rate swaps	(604)	430	430	–	–
	560,331	(621,745)	(39,895)	(581,850)	–

* Trade and other payables exclude rent received in advance.

8. INTEREST-BEARING BORROWINGS (CONT'D)

As at the reporting date, the Group has in place unsecured borrowings comprising:

(A) Term loans and revolving credit facilities

(i) 4-year loan facility maturing in June 2019 ("TLF1") consisting of:

- Facility A: $100 million term loan facility at a fixed rate of 3.6% per annum for 3.5 years from the date of loan drawn down; and
- Facility B: $50 million revolving credit facility at an interest rate of margin plus swap offer rate.

(ii) 4.75-year loan facility maturing in June 2021 ("TLF2") consisting of:

- Facility A: $25 million term loan facility at an interest rate of margin plus swap offer rate for 4.75 years from the date of loan drawn down; and
- Facility B: $75 million revolving credit facility at an interest rate of margin plus swap offer rate.

As at 31 December 2016, the total amount outstanding under the term loan and revolving credit facilities were $125.0 million and $22.5 million respectively.

(B) Unsecured Medium Term Notes

On 2 February 2012, Cambridge Industrial Trust, through its wholly owned subsidiary, Cambridge-MTN Pte. Ltd. (the "Issuer"), established a $500 million multi-currency medium term note programme (the "MTN Programme"). The MTN Programme was modified and renamed as $750 million multi-currency debt issuance programme (the "Debt Issuance Programme") in March 2016 to allow the issue of medium term notes (the "Notes") and/or perpetual securities (the "Perps") by either the Trust and/or the Issuer.

Under the Debt Issuance Programme, the Trust and/or the Issuer may, subject to compliance with all relevant laws, regulations, and directives, from time to time issue the Notes/Perps denominated in Singapore dollars and/or any other currencies.

The payment of all amounts payable in respect of the Notes/Perps are unconditionally and irrevocably guaranteed by RBC Investor Services Trust Singapore Limited (in its capacity as trustee of CIT) (the "Guarantor").

The Notes/Perps may be issued in series having one or more issue dates and the same maturity date, and on identical terms.

8. INTEREST-BEARING BORROWINGS (CONT'D)

(B) Unsecured Medium Term Notes (Cont'd)

The Group issued the following Notes under its Debt Issuance Programme:

- $30 million 6-year Fixed Rate Notes issued in April 2014, bearing a fixed interest rate of 4.10% per annum payable semi-annually in arrears which will mature in April 2020.
- $155 million 4-year Fixed Rate Notes comprising Tranche 1 $100 million issued in November 2014 and Tranche 2 $55 million issued in January 2015, bearing a fixed interest rate of 3.50% per annum payable semi-annually in arrears which will mature in November 2018.
- $130 million 5-year Fixed Rate Notes issued in May 2015, bearing a fixed interest rate of 3.95% per annum payable semi-annually in arrears which will mature in May 2020.
- $50 million 7-year Fixed Rate Notes issued in May 2016, bearing a fixed interest rate of 3.95% per annum payable semi-annually in arrears which will mature in May 2023.

The Issuer has on-lent the net proceeds from the issuance of the Notes to the Trust, which in turn, had used such proceeds to finance property acquisitions and/or repayment of existing loans.

9. DERIVATIVE FINANCIAL INSTRUMENTS

	Group and Trust	
	2016 $'000	2015 $'000
Current asset		
Interest rate swaps	–	604
Total derivative assets	–	604
Derivative financial instruments as a percentage of net assets	–	0.07%

Interest rate swaps

The Group manages its exposure to interest rate movements on its floating rate loans and borrowings by entering into interest rate swaps. The Group unwound its interest rate swaps during the financial year.

Offsetting financial assets and financial liabilities

The Group's derivative transactions that are not transacted on an exchange are entered into under International Swaps and Derivatives Association (ISDA) Master Netting Agreements. In general, under such agreements the amounts owed by each counterparty that are due on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount being payable by one party to the other. In certain circumstances, for example if a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions.

The above ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because the right of set-off of recognised amounts is enforceable only following an event of default, insolvency or bankruptcy of the Group and of the counterparties. 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.

10. UNITS IN ISSUE

	Trust 2016 Number of units '000	2015 Number of units '000
Units in issue:		
At 1 January	1,297,775	1,269,030
Units created:		
– Distribution Reinvestment Plan	6,659	22,184
– Management fees paid in units (base fees)	–	6,475
– Acquisition fees paid in units	–	86
Total issued and issuable units at 31 December	1,304,434	1,297,775

Distribution Reinvestment Plan

During the financial year, the Trust issued a total of 6.6 million units (2015: 22.2 million units) in lieu of distribution payments pursuant to a Distribution Reinvestment Plan ("DRP"), whereby the Unitholders have the option to receive their distribution payment in units instead of cash or a combination of units and cash as follows:

Date of Issue	Number of units issued	Issue price per unit ($)	Period relating to
2016			
29 February 2016	6,659,229	0.4937	1 October 2015 to 31 December 2015
2015			
27 February 2015	6,960,810	0.6669	1 October 2014 to 31 December 2014
10 June 2015	7,392,728	0.6886	1 January 2015 to 31 March 2015
8 September 2015	1,823,992	0.6499	1 April 2015 to 30 June 2015
8 December 2015	6,007,201	0.6072	1 July 2015 to 30 September 2015

Units issued in lieu of distribution payment pursuant to DRP rank pari passu in all respects with the units in issue which include the entitlement to all future distributions.

10. UNITS IN ISSUE (CONT'D)

Management fees paid in units

There were no management fees paid in units during the financial year.

In the previous financial year, the Trust issued a total of 6.5 million units to the Manager as partial payment for management fees as follows:

Date of Issue	Number of units issued	Issue price per unit ($)	Period relating to
2015			
16 January 2015	2,513,309	0.6813	1 October 2014 to 31 December 2014
24 April 2015	1,214,643	0.7173	1 January 2015 to 31 March 2015
28 July 2015	1,317,344	0.6856	1 April 2015 to 30 June 2015
27 October 2015	1,429,730	0.6230	1 July 2015 to 30 September 2015

Units issued as partial settlement rank pari passu in all respects with the units in issue which include the entitlement to all future distributions.

Unitholders' rights

Each unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- receive income and other distributions attributable to the units held;
- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer to it of any assets (or part thereof) or any estate or interest in any asset (or part thereof) of the Trust;
- attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or one-tenth in number of Unitholders, whichever is lesser) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed; and
- one vote per unit.

The limitations on a Unitholder's rights include the following:

- a Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- a Unitholder has no right to request the Manager to redeem his units while the units are listed on the SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any unit in the Trust. The provisions of the Trust Deed provide that no Unitholder will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that the liabilities of the Trust exceed its assets.

11. GROSS REVENUE

	Group		Trust	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Property rental income	111,839	111,541	109,179	109,545
Other income	248	703	248	703
	112,087	112,244	109,427	110,248

12. PROPERTY EXPENSES

	Group		Trust	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Land rental	8,618	7,362	8,618	7,362
Property tax	6,984	6,217	6,984	6,217
Repair and maintenance expenses	7,228	5,136	7,227	5,136
Property and lease management fees	5,163	4,791	5,093	4,736
Other property operating expenses	1,821	2,582	1,794	2,546
	29,814	26,088	29,716	25,997

13. MANAGEMENT FEES AND PERFORMANCE FEES

	Group and Trust	
	2016 $'000	2015 $'000
Management fees paid and payable		
– in cash	7,060	4,450
– in units	–	2,665
	7,060	7,115

There is no performance fee payable for the financial year as the Trust has not outperformed the initial Highest DPU Threshold of 6.000 cents for the financial year ended 31 December 2016. In any case, the Manager opted to waive the performance fee entitlement for the financial years ended 31 December 2015 and 2016. Please see Note 1B(ii) for more details on the revised performance fee structure.

The total amount of performance fee accruing to the Manager under the previous performance fee structure of approximately $1.3 million as at 31 December 2016 was fully paid in January 2017.

Please see Note 10 for the Manager's base fees paid in units.

14. TRUST EXPENSES

	Group 2016 $'000	Group 2015 $'000	Trust 2016 $'000	Trust 2015 $'000
Trustee's fees	384	385	384	385
Valuation fees	125	125	123	121
Professional fees	633	965	567	914
Other expenses	728	851	759	915
	1,870	2,326	1,833	2,335

Included in the professional fees are audit fees paid/payable to the auditors of the Group amounting to $179,000 (2015: $180,000) and non-audit fees paid/payable to the auditors of the Group amounting to $78,000 (2015: $118,000).

The trust expenses decreased due to costs in connection with the acquisition of the remaining 40% interest in Cambridge SPV1 LLP ("CSPV1") in March 2015 (see Note 21 for more details), legal and professional fees relating to general corporate works and the revision of the performance fee structure being included in the previous year.

15. BORROWING COSTS

	Group 2016 $'000	Group 2015 $'000	Trust 2016 $'000	Trust 2015 $'000
Borrowing costs paid and payable:				
– bank loans	6,329	8,743	6,329	8,391
– financial derivatives	(173)	(88)	(173)	(88)
– fixed rate notes	13,105	10,145	1,282	–
– loans from a subsidiary	–	–	11,823	10,145
Amortisation of transaction costs relating to debt facilities	1,886	3,420	1,881	3,334
	21,147	22,220	21,142	21,782

16. GAIN ON DISPOSAL OF INVESTMENT PROPERTIES

The gain on disposal of investment properties represents the excess of proceeds from disposal over the carrying value of properties disposed of during the financial year.

17. INCOME TAX EXPENSE

	Group 2016 $'000	Group 2015 $'000	Trust 2016 $'000	Trust 2015 $'000
Reconciliation of effective tax rate				
Total return for the year before income tax	7,087	52,517	5,418	52,362
Income tax using Singapore tax rate of 17% (2015: 17%)	1,205	8,928	921	8,902
Income not subject to tax	(209)	–	(209)	–
Non-tax deductible items	8,265	1,225	8,549	1,251
Tax transparency	(9,261)	(10,153)	(9,261)	(10,153)
Income tax expense	–	–	–	–

In a prior year, the Group recorded a gain from the disposal of the Trust's interest in the 63 Hillview property. The Manager is of the view that the gain is capital in nature and should not be subject to income tax. No provision has been made for the contingent tax. If the gain is taxable, income tax payable on the gain, based on management's estimate, would be approximately $11.4 million.

18. EARNINGS AND DISTRIBUTION PER UNIT

(a) Basic earnings per unit

The calculation of basic earnings per unit is based on the weighted average number of units in issue and the total return after tax for the financial year.

	Group 2016 $'000	Group 2015 $'000	Trust 2016 $'000	Trust 2015 $'000
Total return before income tax	7,087	52,517	5,418	52,362
Less: income tax expense*	–	–	–	–
Total return after income tax	7,087	52,517	5,418	52,362

* Less than $1,000

	Group and Trust Number of Units 2016 '000	Group and Trust Number of Units 2015 '000
Weighted average number of units:		
– Units issued at beginning of year	1,297,775	1,269,030
Effect of issue of new units:		
– Distribution Reinvestment Plan	5,586	10,995
– Management fees paid in units	–	4,064
– Acquisition fees paid in units	–	66
	1,303,361	1,284,155

	Group 2016	Group 2015	Trust 2016	Trust 2015
Basic earnings per unit (cents)	0.544	4.090	0.416	4.078

18. EARNINGS AND DISTRIBUTION PER UNIT (CONT'D)

(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 current and previous financial year.

(c) Distribution per unit

The calculation of distribution per unit is based on the total amount available for distribution for the financial year and the applicable number of units which is either the number of units in issue at the end of each period or the applicable number of units in issue during the financial year.

	Group and Trust	
	2016	2015
	$'000	$'000
Total amount available for distribution	54,476	61,813

	Number of Units	
	2016	2015
	'000	'000
Applicable number of units for the calculation of DPU	1,305,440	1,289,652
Distribution per unit (cents)	4.173	4.793

19. EQUITY ISSUE COSTS

The equity issue costs of $33,000 (2015: $295,000) incurred in relation to the distribution reinvestment plan are deducted directly against Unitholders' funds.

20. DETERMINATION OF FAIR VALUES OF INVESTMENT PROPERTIES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Investment properties

Investment properties are stated at fair value based on valuations as at 31 December 2016 performed by independent professional valuers, having appropriate recognised professional qualifications and experience in the location and category of property being valued. Independent valuations are obtained annually for all investment properties. Any change in the fair value is recorded in the Statement of Total Return.

In determining the fair value, the valuers have used valuation methods which involve certain estimates. The Manager has exercised its judgment and is satisfied that the valuation methods and estimates are reflective of the current market conditions.

The independent professional valuers have considered valuation techniques including direct comparison method, capitalisation approach and/or discounted cash flow analysis in arriving at the open market value as at the reporting date. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation rate, terminal yield, discount rate and market rental growth rates.

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an expected rate of return.

Valuation processes applied by the Group

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

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair value, 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 the resulting fair value estimate should be classified.

Significant valuation issues are reported to the Manager's Board.

20. DETERMINATION OF FAIR VALUES OF INVESTMENT PROPERTIES (CONT'D)

Fair value hierarchy

The table below analyses recurring non-financial assets carried at fair value. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities that the Group can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: unobservable inputs for the asset or liability.

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 entire measurement (with Level 3 being the lowest).

The Group recognises any transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. There were no such transfers during the current and previous financial year.

The table below analyses non-financial assets carried at fair value.

	Level 3 $'000
Group	
31 December 2016	
Investment properties (including investment properties held for divestment)	1,354,000
31 December 2015	
Investment properties (including investment properties held for divestment)	1,418,000
Trust	
31 December 2016	
Investment properties (including investment properties held for divestment)	1,314,000
31 December 2015	
Investment properties (including investment properties held for divestment)	1,379,700

20. DETERMINATION OF FAIR VALUES OF INVESTMENT PROPERTIES (CONT'D)

Level 3 fair values

The reconciliation of investment properties for the financial year for Level 3 fair value measurements is shown in Note 4.

The following table shows the key unobservable inputs used in the valuation model:

Type	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Investment properties		
Discounted cash flow approach and capitalisation approach	• Market rental growth of 3.0% (2015: 3.0% to 4.0%) per annum • Risk-adjusted discount rates of 8.0% (2015: 8.0% to 8.25%) • Capitalisation rates from 5.75% to 7.0% (2015: 5.75% to 7.5%) • Terminal yield rates from 6.0% to 7.5% (2015: 6.0% to 8.0%)	The estimated fair value would increase/(decrease) if: • expected market rental growth were higher/(lower); • the risk-adjusted discount rate were lower/(higher); • the capitalisation rates were lower/(higher); or • the terminal yield rates were lower/(higher).

Key unobservable inputs correspond to:

- Market rental growth, capitalisation and terminal yield rates derived from specialised publications from the industrial market and recent sales in the industrial sector.

- Discount rates, based on the risk-free rate for 10-year bonds issued by the Singapore government, adjusted for a risk premium to reflect the increased risk of investing in the asset class.

21. ACQUISITION OF SUBSIDIARY

In March 2015, the Trust incorporated a wholly owned subsidiary, Cambridge SPV2 Pte. Ltd. ("CSPV2") with a capital of $1. The Trust, together with CSPV2, increased its equity interest in CSPV1 from 60% to 100% by acquiring the remaining 40% partnership interest in CSPV1 from Oxley Projects Pte. Ltd., an interested party to the Trust ("Cambridge LLP Acquisition"). CSPV1, previously a joint venture, became a wholly owned entity of the Trust and its accounts have been consolidated since completion of the Cambridge LLP Acquisition in March 2015.

22. COMMITMENTS

(a) Lease commitments

CIT's investment properties are leased. Non-cancellable operating lease rentals are receivable as follows:

	Group		Trust	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Receivable:				
– Within 1 year	103,844	102,378	101,854	100,538
– After 1 year but within 5 years	186,784	209,916	176,749	200,427
– After 5 years	165,879	166,887	120,627	119,098
	456,507	479,181	399,230	420,063

22. COMMITMENTS (CONT'D)

(b) Operating lease commitments

CIT is required to pay annual land rent to Jurong Town Corporation ("JTC"), Housing & Development Board ("HDB") and Ascendas Land (Singapore) Pte Ltd ("Ascendas") for 33 properties (2015: 30 properties).

The annual land rent is based on market rent for the relevant year and any increase in annual land rent from year to year shall not exceed 5.5% of the annual land rent for the respective properties for the immediate preceding year. The land rent paid based on prevailing rental rates during the financial year was $8.6 million for 33 properties (2015: $7.4 million for 30 properties).

As at 31 December 2016 and 31 December 2015, CIT had the following operating lease commitments based on the underlying land leases which range from 27 to 99 years.

	Gross amount $'000	Borne by tenants $'000	Net amount $'000	Within 1 year $'000	Within 1 to 5 years $'000	More than 5 years $'000
Group						
2016						
Land rents						
– JTC	323,159	(95,858)	227,301	6,297	25,187	195,817
– HDB	90,115	–	90,115	2,467	9,865	77,783
– Ascendas	20,504	–	20,504	607	2,427	17,470
	433,778	(95,858)	337,920	9,371	37,479	291,070
2015						
Land rents						
– JTC	357,295	(147,579)	209,716	5,995	22,172	181,549
– HDB	90,323	–	90,323	2,411	9,644	78,268
– Ascendas	21,111	–	21,111	607	2,427	18,077
	468,729	(147,579)	321,150	9,013	34,243	277,894
Trust						
2016						
Land rents						
– JTC	295,251	(87,596)	207,655	6,297	25,187	176,171
– HDB	90,115	–	90,115	2,467	9,865	77,783
– Ascendas	20,504	–	20,504	607	2,427	17,470
	405,870	(87,596)	318,274	9,371	37,479	271,424
2015						
Land rents						
– JTC	324,175	(137,774)	186,401	5,995	22,172	158,234
– HDB	90,323	–	90,323	2,411	9,644	78,268
– Ascendas	21,111	–	21,111	607	2,427	18,077
	435,609	(137,774)	297,835	9,013	34,243	254,579

(c) Capital commitments

As at the reporting date, the Group had $5.6 million (2015: $2.0 million) of capital expenditure commitments relating to asset enhancement initiatives and capital expenditure for investment properties that had been authorised and contracted for but not provided in the consolidated financial statements. These capital projects are targeted to be completed in 2017.

23. RELATED PARTIES

For the purposes of these financial statements, parties are considered to be related to the Group if the Manager or the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Manager and the party are subject to common significant influence. Related parties may be individuals or other entities.

Other than as disclosed elsewhere in the financial statements, there were the following significant related party transactions carried out in the normal course of business on terms agreed between the parties:

	Group and Trust 2016 $'000	Group and Trust 2015 $'000
Cambridge Industrial Trust Management Limited (the Manager)		
Management fees paid and payable		
– in cash	7,060	4,450
– in units	–	2,665
Acquisition fee paid		
– in cash	–	162
– in units	–	60
Disposal fee paid	135	–
Cambridge Industrial Property Management Pte. Ltd. (Subsidiary of immediate holding company of the Manager)		
Property manager's fees paid and payable	3,294	3,282
Lease marketing services commission paid and payable	1,708	1,803
Project management fees paid and payable	84	137
RBC Investor Services Trust Singapore Limited (the Trustee)		
Trustee fees paid and payable	384	385
National Australia Bank Limited (Related company of the Manager) (Note 1)		
Loan disbursed	–	13,125
Loan repaid	100,000	88,125
Loan transaction costs paid and payable	–	20
Commitment fee paid and payable	–	74
Interest paid and payable	1,565	3,753
Hedging costs paid/payable on partial unwinding of interest rate swaps	65	175
Oxley Projects Pte. Ltd. (Related company of the Manager) (Note 2)		
Acquisition of remaining 40% partnership interest in CSPV1	–	10,967

Note 1: National Australia Bank Limited ("NAB"), was the ultimate holding company of nabInvest Capital Partners Pty Limited ("nabInvest Capital") in Australia, and was related to the Manager by virtue of nabInvest Capital's indirect equity interest of 56% in the Manager.

Note 2: Oxley Projects Pte. Ltd. ("Oxley"), which was a subsidiary of the Oxley Global Limited, was related to the Manager by virtue of Oxley Global's indirect equity interest of 24% in the Manager.

Please refer to Note 27 for details on the change of shareholders in the Manager, whereby NAB and Oxley ceased to be related parties on 18 January 2017.

24. FINANCIAL INSTRUMENTS

Financial risk management

Capital management

As part of its finance policy, the Board of the Manager (the "Board") proactively reviews the Trust's capital and debt management regularly so as to optimise the Trust's funding structure. The Board also monitors the Group's exposure to various risk elements and externally imposed requirements by closely adhering to clearly established management policies and procedures.

The Group is subject to the aggregate leverage limit as defined in the Property Fund Appendix of the CIS code. With effect from 1 January 2016, the CIS code stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 45.0% of the fund's deposited property. Prior to 1 January 2016, the Aggregate Leverage of a property fund may go up to a maximum of 60.0% if a credit rating of the property fund from Fitch Inc., Moody's or Standard and Poor's was obtained and disclosed to the public. The property fund was required to maintain and disclose a credit rating so long as its aggregate leverage exceeded 35.0% of the fund's deposited property.

Notwithstanding the change to a single tier Aggregate Leverage limit, the Trust continues to maintain an issuer rating of "Baa3" with Moody's Investors Service. As at the reporting date, the Aggregate Leverage of the Group is 37.5%. (2015: 36.9%). The Group and the Trust are in compliance with the Aggregate Leverage limit of 45.0% during the financial year.

Overview

The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Manager continually monitors the Group's risk management process to ensure an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit, Risk Management and Compliance Committee ("ARCC") oversees how management monitors compliance with the Trust's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Trust. The ARCC is assisted in its oversight role by Internal Audit. Internal Audit, which is outsourced to a public accounting firm, undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the ARCC.

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 amounts receivable on an on-going basis. Credit evaluations are performed by the Manager before lease agreements are entered into with the lessees. In addition, the Group requires the lessees to provide tenancy security deposits or corporate guarantees, or to assign rental proceeds from sub-lessees to CIT.

The Manager establishes an allowance for impairment that represents its estimate of losses in respect of trade and other receivables. The main component of this allowance is estimated losses that relate to specific tenants or counterparties.

Cash and fixed deposits are placed with financial institutions which are regulated.

At the reporting date, except as disclosed in Note 6, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset on the Statement of Financial Position.

24. FINANCIAL INSTRUMENTS (CONT'D)

Interest rate risk

The Group's exposure to changes in interest rates relate primarily to its interest-bearing financial liabilities. Interest rate risk is managed by the Manager on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates. The Group adopts a policy of ensuring that the majority of its exposures to changes in interest rates on borrowings is on a fixed-rate basis. This is achieved by entering into interest rate swaps and fixed rate borrowings.

(a) Effective interest rates and repricing analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates the effective interest rates as at 31 December 2016 and 31 December 2015 and the periods at which they reprice.

	Effective interest rate %	Floating interest $'000	Fixed interest rate maturing within 1 to 5 years $'000	Fixed interest rate maturing more than 5 years $'000	Total $'000
Group					
2016					
Financial liabilities					
Interest-bearing borrowings					
– S$ fixed rate	3.60	–	100,000	–	100,000
– S$ floating rate	2.49	47,500	–	–	47,500
Medium Term Notes					
– S$ fixed rate notes	4.10	–	30,000	–	30,000
– S$ fixed rate notes	3.50	–	155,000	–	155,000
– S$ fixed rate notes	3.95	–	130,000	–	130,000
– S$ fixed rate notes	3.95	–	–	50,000	50,000
		47,500	415,000	50,000	512,500
2015					
Financial liabilities					
Interest-bearing borrowings					
– S$ floating rate	2.58	100,000	–	–	100,000
– S$ fixed rate	3.60	–	100,000	–	100,000
– S$ floating rate	2.82	13,500	–	–	13,500
Medium Term Notes					
– S$ fixed rate notes	4.10	–	30,000	–	30,000
– S$ fixed rate notes	3.50	–	155,000	–	155,000
– S$ fixed rate notes	3.95	–	130,000	–	130,000
		113,500	415,000	–	528,500
Financial assets					
Derivative financial instruments	0.88	–	604	–	604

24. FINANCIAL INSTRUMENTS (CONT'D)

Interest rate risk (Cont'd)

(a) Effective interest rates and repricing analysis (Cont'd)

	Effective interest rate %	Floating interest $'000	Fixed interest rate maturing within 1 to 5 years $'000	Fixed interest rate maturing more than 5 years $'000	Total $'000
Trust					
2016					
Financial liabilities					
Interest-bearing borrowings					
– S$ fixed rate	3.60	–	100,000	–	100,000
– S$ floating rate	2.49	47,500	–	–	47,500
Medium Term Note					
– S$ fixed rate note	3.95	–	–	50,000	50,000
Loans from a subsidiary					
– S$ fixed rate loan	4.10	–	30,000	–	30,000
– S$ fixed rate loan	3.50	–	155,000	–	155,000
– S$ fixed rate loan	3.95	–	130,000	–	130,000
		47,500	415,000	50,000	512,500
2015					
Financial liabilities					
Interest-bearing borrowings					
– S$ floating rate	2.58	100,000	–	–	100,000
– S$ fixed rate	3.60	–	100,000	–	100,000
– S$ floating rate	2.82	13,500	–	–	13,500
Loans from a subsidiary					
– S$ fixed rate loan	4.10	–	30,000	–	30,000
– S$ fixed rate loan	3.50	–	155,000	–	155,000
– S$ fixed rate loan	3.95	–	130,000	–	130,000
		113,500	415,000	–	528,500
Financial assets					
Derivative financial instruments	0.88	–	604	–	604

(b) Sensitivity analysis

In managing the interest rate risk, the Group aims to reduce the impact of short term fluctuations on its earnings.

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

24. FINANCIAL INSTRUMENTS (CONT'D)

Sensitivity analysis for variable rate instruments

As at 31 December 2016 and 2015, a change of 100 basis points in interest rates would have increased/(decreased) Unitholders' funds and total return by the amounts shown below:

	Total Return		Unitholders' Funds	
	100 bp increase $'000	100 bp decrease $'000	100 bp increase $'000	100 bp decrease $'000
Group				
31 December 2016				
Variable rate instruments				
– Interest expense	(475)	481	(475)	481
	(475)	481	(475)	481
31 December 2015				
Variable rate instruments				
– Interest expense	(1,135)	1,619	(1,135)	1,619
Interest rate swaps				
– Interest expense	1,000	(1,427)	1,000	(1,427)
– Change in fair value of financial derivatives	1,136	(845)	1,136	(845)
	1,001	(653)	1,001	(653)

The Group does not designate interest rate swaps as hedging instruments under a cash flow hedge accounting model. Therefore a change in interest rates at the reporting date would not affect Unitholders' funds.

Currency risk

At present, all transactions involving the Group are denominated in Singapore dollars and the Group faces no currency risk. If this were to change in the future, the Manager would consider currency hedging to the extent appropriate.

Liquidity risk

The Manager monitors the liquidity risk of the Group and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations. Typically, the Group ensures that it has sufficient cash on demand and committed revolving credit facilities to meet expected operational expenses for a reasonable period, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disasters.

The Manager monitors and observes the CIS Code issued by the MAS concerning limits on total borrowings.

24. FINANCIAL INSTRUMENTS (CONT'D)

Determination of fair values

The following summarises the significant methods and assumptions used in estimating the fair values.

(a) Financial derivatives

The fair values of derivative financial instruments such as interest rate swaps (Level 2 fair values) are based on valuation statements from banks. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take into account the credit risk of the Group entity and counterparty when appropriate.

(b) Floating interest-bearing borrowings

Fair value is calculated based on discounted expected future principal and interest cash flows. The carrying amounts of interest-bearing borrowings which are repriced quarterly approximate the corresponding fair values (see Note 8).

(c) Fixed rate notes

Fair value is calculated based on discounted expected future principal and interest cash flows.

(d) Other financial assets and liabilities

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) approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

Fair value hierarchy

The table below analyses recurring financial assets and liabilities carried at fair value. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities that the Group can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: unobservable inputs for the asset or liability.

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 any transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. There were no such transfers during the current and previous year.

The table below analyses fair value measurements for financial assets and financial liabilities, by the levels in the fair value hierarchy based on the inputs to valuation techniques.

24. FINANCIAL INSTRUMENTS (CONT'D)

As at the reporting date, there were no financial assets and liabilities carried at fair value.

Financial assets and liabilities not carried at fair value but for which fair values are disclosed*

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
31 December 2016				
Fixed rate loan	–	–	100,000	100,000
Fixed rate notes	–	–	364,991	364,991
	–	–	464,991	464,991
31 December 2015				
Fixed rate loan	–	–	100,009	100,009
Fixed rate notes	–	–	315,024	315,024
	–	–	415,033	415,033
Trust				
31 December 2016				
Fixed rate loan	–	–	100,000	100,000
Fixed rate note	–	–	49,998	49,998
Loans from a subsidiary	–	–	314,993	314,993
	–	–	464,991	464,991
31 December 2015				
Fixed rate loan	–	–	100,009	100,009
Loans from a subsidiary	–	–	315,024	315,024
	–	–	415,033	415,033

* Excludes financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis which approximate their fair values due to their short-term nature and where the effect of discounting is immaterial.

24. FINANCIAL INSTRUMENTS (CONT'D)

Classification and fair value of financial instruments

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Statement of Financial Position, are as follows:

	Note	Loans and receivables $'000	Fair value through profit or loss $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
Group						
31 December 2016						
Trade and other receivables*	6	4,198	–	–	4,198	4,198
Cash and cash equivalents		3,699	–	–	3,699	3,699
Loans and borrowings	8	–	–	(509,590)	(509,590)	(511,545)
Trade and other payables^	7	–	–	(29,743)	(29,743)	(29,743)
		7,897	–	(539,333)	(531,436)	(533,391)
31 December 2015						
Trade and other receivables*	6	4,262	–	–	4,262	4,262
Cash and cash equivalents		2,656	–	–	2,656	2,656
Derivative financial instruments	9	–	604	–	604	604
Loans and borrowings	8	–	–	(525,254)	(525,254)	(527,641)
Trade and other payables^	7	–	–	(32,634)	(32,634)	(32,634)
		6,918	604	(557,888)	(550,366)	(552,753)
Trust						
31 December 2016						
Trade and other receivables*	6	5,113	–	–	5,113	5,113
Cash and cash equivalents		2,517	–	–	2,517	2,517
Loans and borrowings	8	–	–	(509,590)	(509,590)	(511,545)
Trade and other payables^	7	–	–	(29,433)	(29,433)	(29,433)
		7,630	–	(539,023)	(531,393)	(533,348)
Trust						
31 December 2015						
Trade and other receivables*	6	4,529	–	–	4,529	4,529
Cash and cash equivalents		2,231	–	–	2,231	2,231
Derivative financial instruments	9	–	604	–	604	604
Loans and borrowings	8	–	–	(525,254)	(525,254)	(527,641)
Trade and other payables^	7	–	–	(32,435)	(32,435)	(32,435)
		6,760	604	(557,689)	(550,325)	(552,712)

* Excludes prepayments and option fees paid.

^ Excludes rent received in advance.

25. SEGMENT REPORTING

Segment information is presented based on the information reviewed by CIT's Chief Operating Decision Makers ("CODMs") for performance assessment and resource allocation.

As each investment property is mainly used for industrial (including warehousing) purposes, these investment properties are similar in terms of economic characteristics, nature of services and type of customers. The CODMs are of the view that the Group has only one reportable segment – Leasing of investment properties. This forms the basis of identifying the operating segments of CIT under FRS 108 *Operating Segments*. Accordingly, no geographical segment information has been prepared as all of the Group's investment properties are located in Singapore.

26. FINANCIAL RATIOS

	2016 %	2015 %
Expenses to weighted average net assets[(1)]		
– Expense ratio excluding performance-related fee	1.03	1.08
– Expense ratio including performance-related fee[(2)]	1.03	1.08
Portfolio turnover rate[(3)]	3.10	3.92

(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 CIT, excluding property related expenses, borrowing costs and income tax expense.

(2) The expense ratio including performance–related fee would have been 1.48 (2015: 1.56) if adjusted for actual performance fee paid and payable of $3.9 million (2015: $4.2 million) for the financial year. The payment of performance fees are subject to an annual fee cap.

(3) The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of CIT expressed as a percentage of daily average net asset value.

27. SUBSEQUENT EVENTS

On 18 January 2017, e-Shang Redwood Limited ("ESR"), through its subsidiary, e-Shang Infinity Cayman Limited (incorporated in Cayman Islands), acquired an aggregate indirect 80% stake in the Manager, from NAB and Oxley.

Subsequent to the acquisition, the shareholders for the Manager are ESR and Mitsui & Co., Ltd., which hold 80% and 20% stake in the Manager, respectively. Accordingly, NAB and Oxley ceased to be related to the Manager following the completion of the acquisition.

ADDITIONAL INFORMATION

INTERESTED PERSON TRANSACTIONS ("IPTS")

The transactions entered into with interested persons ("IPTs") during the financial year and fall within the Listing Manual of the SGX-ST and the Property Funds Appendix of the CIS Code (excluding transactions of less than $100,00 each) are as follows:

Name of Interested Persons	Aggregate value of all IPTs during the financial year under review (excluding transactions less than $100,000 and transactions conducted under Unitholders' mandate pursuant to Rule 920) S$'000	Aggregate value of all IPTs conducted under Unitholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) S$'000
Cambridge Industrial Trust Management Limited (the Manager)		
Management fees paid and payable in cash	7,060	–
Disposal fees paid relating to the sale of investment properties	135	–
Cambridge Industrial Property Management Pte. Ltd. (Subsidiary of immediate holding company of the Manager)		
Property manager's fees paid and payable	3,294	–
Lease marketing services commission paid and payable	1,708	–
RBC Investor Services Trust Singapore Limited (the Trustee)		
Trustee fees paid and payable	384	–
National Australia Bank Limited (Related company of the Manager)[1]		
Loan repaid	100,000	–
Interest expense paid and payable	1,565	–

Note:

[1] National Australia Bank Limited ("NAB") which was the ultimate holding company of nabInvest Capital Partners Pty Limited ("nabInvest Capital") in Australia, was related to the Manager by virtue of nabInvest Capital's indirect equity interest of 56% in the Manager during the financial year. However, NAB ceased to be related to the Manager following the change of Shareholders in the Manager on 18 January 2017. Please refer to the Subsequent Events in Note 27 for more details.

Please also see Significant Related Party Transactions in Note 23 to the financial statements.

Rule 905 and 906 of the Listing Manual of the SGX-ST are not applicable if such interested person transactions are made on the basis of, and in accordance with, the terms and conditions set out in the IPO prospectus.

ADDITIONAL INFORMATION

ACQUISITION OF PROPERTIES IN FY2016

There were no property acquisitions in FY2016.

SALES OF PROPERTIES IN FY2016

The following properties were divested during the financial year:

	Properties	Buyer of Property	Sales Proceeds[1] $ million
1	23 Tuas Ave 10	Reliance Products Pte Ltd	16.5
2	2 Ubi View	CSE Global Limited	10.5
	Total		**27.0**

Note:

[1] The sales proceeds for the properties, which were above the valuation as at the date of disposal, exclude divestment costs.

ADDITIONAL INFORMATION

(A) FEES PAYABLE TO THE MANAGER

Under the revised CIS Code issued by the Monetary Authority of Singapore on 14 July 2015, which came into effect on 1 January 2016, where fees are payable to the Manager out of the deposited property value of the Trust, the justifications and methodology for each type of fees payable should be disclosed. The methodology for computing the fees is disclosed in Note 1 of the audited financial statements for FY2016.

Management Fees

The Manager is entitled to receive a base fee and performance fee for the management of the Trust's portfolio. The payment for the total of base fee and performance fee is capped at 0.8% of the Trust's total deposited property value per annum under the Trust Deed Clause 15.1.3. The amount in excess of the fee cap will be carried forward for payment in future financial years.

Base Fee

The Base Fee enables the Manager to cover operational and administrative overheads incurred in the management of the portfolio. The fee is computed at 0.5% per annum of the deposited property value in accordance with Clause 15.1.1 of the Trust Deed. The fee is calculated at a percentage of asset value as the asset value provides an appropriate metric to determine the resources for managing the assets.

Based on the Manager's election, the fee is payable in cash, units or a combination of both. Under the Trust Deed, the cash component of the base fee is payable monthly in arrears within 30 days of the calendar month end while the unit component of the base fee is accrued and issued within 30 days of the financial quarter.

The issue price for the manager fees paid in units was determined based on the volume weighted average price for a Unit for all the trades done on the SGX-ST in the ordinary course of trading on the SGX-ST for the period of ten business days ("10 days VWAP") immediately preceding the date of the Trust's result announcement for the relevant quarter.

Performance Fee

The Manager's performance is measured by the growth of distribution per unit ("DPU Growth Model") of the Trust.

The performance fee under the DPU Growth Model is computed at 25% of the growth in DPU for such financial year multiplied by the weighted average number of units in issue for such financial year. The DPU growth is measured by the excess of DPU for such financial year to the highest DPU achieved by the Trust in the previous years for which a performance fee was payable ("Highest DPU Threshold"). Whenever a performance fee is earned, the Highest DPU Threshold will be adjusted to the highest DPU achieved. In order to be eligible for a performance fee in future, the Manager would have to outperform the adjusted Highest DPU Threshold.

The pegging of the performance fee to DPU aligns the Manager with the interests of Unitholders as the compensation commensurate with the value the Manager delivers to Unitholders as a whole in the form of distributable income.

With DPU Growth Model, the Manager will be more committed to providing the Unitholders with stable and secure distribution on a more sustainable basis. The Manager is motivated to increase DPU through the efficient portfolio management, astute cost management and effective use of debt and equity. This can achieved by pro-active organic and external growth strategies such as asset enhancement initiatives, acquisitions, developments and divestments to continually rebalance the portfolio and sustain income accretions. Taking on short-term risks is deterred as the Manager strives to achieve sustainability.

(A) FEES PAYABLE TO THE MANAGER (CONT'D)

The fee is payable in cash, units or a combination of both at the option of the Manager. Under Clause 15.1.2 of the Trust Deed, the performance fee payable whether in cash or units, is payable in arrears within 30 days of the financial year end.

The issue price for the performance fees paid in units was determined based on the greater of five business day VWAP before and after the relevant financial year (ie 10 days VWAP in total) and gross asset value per unit.

Acquisition Fee

The Acquisition Fee earned by the Manager is contingent upon the successful completion of property acquisitions. This fee entitlement is prescribed in Clause 15.2 of the Trust Deed. This fee seeks to motivate and compensate the Manager for its efforts expended to continually seek out and acquire DPU accretive assets to increase sustainable returns for Unitholders.

The Acquisition Fee also allows the Manager to recover the additional costs and resources incurred by the Manager in the course of seeking out new acquisition opportunities, including but not limited to due diligence efforts and man hours spent in evaluating the transaction.

As required by the Property Funds Appendix of the CIS Code, where the acquisition fees are to be paid to the Manager for the acquisition of assets from an interested party, the acquisition fees are to be paid in the form of units at the prevailing market price which should not be sold for a period of one year from their date of issuance. As the Manager's interest is closely tied to the performance of DPU, this ensures that related party acquisition performs and contributes to Unitholders' returns.

Please see Note 1 of the audited financial statements for FY2016 for computation methodology.

Divestment Fee

The Divestment Fee earned by the Manager is contingent upon the successful completion of property divestments. This fee entitlement is prescribed in Clause 15.3 of the Trust Deed. This fee seeks to motivate and compensate the Manager for its efforts expended to continually rebalance the portfolio and maximise value received by the Trust in the divestment. In addition, the Divestment Fee allows the Manager to recover the additional costs and resources incurred by the Manager for the divestment, including but not limited to due diligence efforts and man hours spent in marketing and maximising the divestment price.

As required by the Property Funds Appendix of the CIS Code, where divestment fees are to be paid to the Manager for the divestment of assets to an interested party, the divestment fees are to be paid in the form of units at the prevailing market price which should not be sold for a period of one year from their date of issuance.

Please see Note 1 of the audited financial statements for FY2016 for computation methodology.

(B) RATIO OF TOTAL OPERATING EXPENSES TO NET ASSET VALUE

In addition, the revised CIS Code issued by MAS on 14 July 2015, which came into effect on 1 January 2016, requires that the total operating expenses (including all fees and charges paid to the Manager) be disclosed in both absolute terms and as a percentage of the net asset value of the Trust as at the end of the financial year.

The total operating expenses of the Trust, including all fees, charges paid to the Manager and interested parties to net asset value as at 31 December 2016 is as follows:

	2016 $'000	2015 $'000
Property expenses	29,814	26,088
Management fees	7,060	7,115
Trust expenses	1,870	2,326
Borrowing costs	21,147	22,220
Total operating expenses	59,891	57,749
Less: Income tax	–	–
	59,891	57,749
Net assets value	827,029	872,911
Ratio of total operating expenses to net asset value (%)	7.2	6.6

STATISTICS OF UNITHOLDERS

AS AT 8 MARCH 2017

ISSUED AND FULLY PAID-UP UNITS

1,304,434,416 Ordinary Units (voting rights: one vote per Unit)
Market Capitalisation $743.5 million (based on closing price of $0.57 as at 8 March 2017)

Size of Unitholdings	No. of Unitholders	% of Unitholders	No. of Units	% of Units in Issue
1 – 99	200	1.97	8,271	0.00
100 – 1,000	673	6.63	469,417	0.04
1,001 – 10,000	3,741	36.87	21,272,755	1.63
10,001 – 1,000,000	5,484	54.05	288,928,920	22.15
1,000,001 and above	49	0.48	993,755,053	76.18
Total	10,147	100.00	1,304,434,416	100.00

TWENTY LARGEST UNITHOLDERS

As shown in the Register of Unitholders

No.	Name	No. of Units	% of Units In Issue
1	CITIBANK NOMINEES SINGAPORE PTE LTD	274,269,238	21.03
2	RHB SECURITIES SINGAPORE PTE LTD	176,069,457	13.50
3	DBS NOMINEES PTE LTD	132,272,897	10.14
4	RAFFLES NOMINEES (PTE) LTD	61,456,815	4.71
5	ABN AMRO NOMINEES SINGAPORE PTE LTD	55,657,577	4.27
6	UNITED OVERSEAS BANK NOMINEES (PTE) LTD	45,004,610	3.45
7	HSBC (SINGAPORE) NOMINEES PTE LTD	35,954,629	2.76
8	MAYBANK KIM ENG SECURITIES PTE LTD	32,796,191	2.51
9	DBSN SERVICES PTE LTD	29,454,373	2.26
10	MITSUI AND CO LTD	21,018,412	1.61
11	COSMIC INSURANCE CORPORATION LIMITED - SIF	15,570,520	1.19
12	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	11,732,825	0.90
13	S C WONG HOLDINGS PTE. LTD.	8,885,295	0.68
14	OCBC NOMINEES SINGAPORE PTE LTD	7,836,285	0.60
15	DBS VICKERS SECURITIES (S) PTE LTD	6,969,275	0.53
16	OCBC SECURITIES PRIVATE LTD	6,732,758	0.52
17	CAMBRIDGE INDUSTRIAL TRUST MANAGEMENT LIMITED	5,134,604	0.39
18	PHILLIP SECURITIES PTE LTD	4,972,465	0.38
19	ABN AMRO CLEARING BANK N.V.	4,431,631	0.34
20	TEO TING KOK	4,142,850	0.32
		940,362,707	**72.09**

UNITHOLDINGS OF SUBSTANTIAL UNITHOLDERS AS AT 8 MARCH 2017

Name of Substantial Unitholder	Direct Interest No. of Units	%*	Deemed Interest No. of Units	%*
Tong Jingquan	71,068,000	5.45	170,222,119 (1)	13.05
Shanghai Summit Pte Ltd	–	–	170,222,119 (2)	13.05
Wealthy Fountain Holdings Inc	159,236,219	12.21	– (3)	–
e–Shang Infinity Cayman Limited	123,520,292	9.47	33,108,108 (4)	2.54
e–Shang Jupiter Cayman Limited	–	–	156,628,400 (5)	12.01
e–Shang Redwood Limited	–	–	156,628,400 (6)	12.01
WP OCIM One LLC	–	–	156,628,400 (7)	12.01
WP X Investment VI Ltd.	–	–	156,628,400 (8)	12.01
Warburg Pincus Private Equity X, L.P.	–	–	156,628,400 (9)	12.01
Warburg Pincus X, L.P.	–	–	156,628,400 (10)	12.01
Warburg Pincus LLC	–	–	156,628,400 (11)	12.01
Warburg Pincus X GP L.P.	–	–	156,628,400 (12)	12.01

STATISTICS OF UNITHOLDERS
AS AT 8 MARCH 2017

UNITHOLDINGS OF SUBSTANTIAL UNITHOLDERS AS AT 8 MARCH 2017 (CONT'D)

Name of Substantial Unitholder	Direct Interest No. of Units	%*	Deemed Interest No. of Units	%*
WPP GP LLC	–	–	156,628,400 (13)	12.01
Warburg Pincus Partners, L.P.	–	–	156,628,400 (14)	12.01
Warburg Pincus Partners GP LLC	–	–	156,628,400 (15)	12.01
Warburg Pincus & Co.	–	–	156,628,400 (16)	12.01
Charles R. Kaye	–	–	156,628,400 (17)	12.01
Joseph P. Landy	–	–	156,628,400 (18)	12.01

* Based on Substantial Unitholders' disclosures in respect of interests in securities.

(1) Mr Tong Jinquan is the sole shareholder of Shanghai Summit Pte Ltd which is the sole shareholder of Wealthy Fountain Holdings Inc and Skyline Horizon Consortium Ltd and accordingly, is deemed to be interested in the 170,222,119 units which Wealthy Fountain Holdings and Skyline Horizon Consortium Ltd holds. Skyline Horizon Consortium Ltd is holding 10,985,900 CIT units directly.

(2) Shanghai Summit Pte Ltd is the sole shareholder of Wealthy Fountain Holdings Inc and Skyline Horizon Consortium Ltd and accordingly, is deemed to be interested in the 170,222,119 units which Wealthy Fountain Holdings and Skyline Horizon Consortium Ltd holds. Skyline Horizon Consortium Ltd is holding 10,985,900 CIT units directly.

(3) Wealthy Fountain Holdings Inc is wholly-owned by Tong Jinquan through Shanghai Summit Pte Ltd.

(4) 33,108,108 units in CIT are held by Sunrise (BVI) Limited, a wholly-owned subsidiary of e-Shang Infinity Cayman Limited.

(5) e-Shang Jupiter Cayman Limited owns the entire issued share capital of eShang Infinity Cayman Limited. As e-Shang Jupiter Cayman Limited has control of e-Shang Infinity Cayman Limited, it is deemed to have interests in the 156,628,400 CIT Units owned by e-Shang Infinity Cayman Limited and its wholly-owned subsidiary, Sunrise (BVI) Limited (the "Infinity Units").

(6) e-Shang Redwood Limited owns 95.2% of the issued share capital of e-Shang Jupiter Cayman Limited, which in turn owns the entire issued share capital of e-Shang Infinity Cayman Limited. As e-Shang Redwood Limited has control of e-Shang Infinity Cayman Limited, it is deemed to have interests in the 156,628,400 Infinity Units.

(7) e-Shang Redwood Limited has control of e-Shang Infinity Cayman Limited and is deemed to have interests in the 156,628,400 Infinity Units. As WP OCIM One LLC has interest in more than 20% in the issued share capital of e-Shang Redwood Limited, it is also deemed to have interests in the 156,628,400 Infinity Units.

(8) WP OCIM One LLC has interest in more than 20% in the issued share capital of e-Shang Redwood Limited and is deemed to have interests in the 156,628,400 Infinity Units. As WP X Investment VI Ltd. has a controlling interest in WP OCIM One LLC, it is also deemed to have interests in the 156,628,400 Infinity Units.

(9) WP X Investment VI Ltd. has a controlling interest in WP OCIM One LLC and is deemed to have interests in the 156,628,400 Infinity Units. As Warburg Pincus Private Equity X, L.P. has a controlling interest in WP X Investment VI Ltd., it is also deemed to have interests in the 156,628,400 Infinity Units.

(10) Warburg Pincus Private Equity X, L.P. has a controlling interest in WP X Investment VI Ltd. and is deemed to have interests in the 156,628,400 Infinity Units. As Warburg Pincus X, L.P. is the general partner having control of Warburg Pincus Private Equity X, L.P., together with its affiliated partnership, it is also deemed to have interests in the 156,628,400 Infinity Units.

(11) Warburg Pincus X, L.P. is the general partner of Warburg Pincus Private Equity X, L.P., together with its affiliated partnership ("WPX") and is deemed to have interests in the 156,628,400 Infinity Units. As Warburg Pincus LLC is the manager having control of WPX , it is also deemed to have interests in the 156,628,400 Infinity Units.

(12) Warburg Pincus X, L.P. (""WPXGP"") is the general partner having control of Warburg Pincus Private Equity X, L.P., together with its affiliated partnership, and it is deemed to have interests in the 156,628,400 Infinity Units. As Warburg Pincus X GP L.P. is the general partner having control of WPXGP, it is also deemed to have interests in the 156,628,400 Infinity Units.

(13) Warburg Pincus X GP L.P. ("WP X GP LP") is the general partner having control of Warburg Pincus X, L.P., and it is deemed to have interests in the 156,628,400 Infinity Units. As WPP GP LLC is the general partner having control of WP X GP LP, it is also deemed to have interests in the 156,628,400 Infinity Units.

(14) WPP GP LLC ("WPP GP") is the general partner having control of Warburg Pincus X GP L.P., and it is deemed to have interests in the 156,628,400 Infinity Units. As Warburg Pincus Partners, L.P. is the managing member having control of WPP GP, it is also deemed to have interests in the 156,628,400 Infinity Units.

(15) Warburg Pincus Partners, L.P. ("WP Partners") is the managing member having control of WPP GP LLC, and it is deemed to have interests in the 156,628,400 Infinity Units. As Warburg Pincus Partners GP LLC is the general partner having control of WP Partners, it is also deemed to have interests in the 156,628,400 Infinity Units.

(16) Warburg Pincus Partners GP LLC ("WP Partners GP") is the general partner having control of Warburg Pincus Partners, L.P., and it is deemed to have interests in the 156,628,400 Infinity Units. As Warburg Pincus & Co. is the managing member having control of WP Partners GP, it is also deemed to have interests in the 156,628,400 Infinity Units.

(17) Warburg Pincus & Co. (""WP"") is the managing member having control of Warburg Pincus Partners GP LLC, and it is deemed to have interests in the 156,628,400 Infinity Units. As Charles R. Kaye is the Managing General Partner having control of WP and Managing Member and Co-Chief Executive Officer having control of WP LLC, he is also deemed to have interests in the 156,628,400 Infinity Units.

(18) Warburg Pincus & Co. (""WP"") is the managing member of Warburg Pincus Partners GP LLC, and it is deemed to have interests in the 156,628,400 Infinity Units. As Joseph P. Landy is the Managing General Partner having control of WP and Managing Member and Co-Chief Executive Officer having control of WP LLC, he is also deemed to have interests in the 156,628,400 Infinity Units.

UNITHOLDINGS OF DIRECTORS AS AT 21 JANUARY 2017*

Name of Directors	Direct Interest No. of Units	%#	Deemed Interest No. of Units	%#
Mr Ooi Eng Peng	–	–	–	–
Mr Bruce Kendle Berry	–	–	–	–
Mr Erle William Spratt	–	–	–	–
Mr Michael Patrick Dwyer	–	–	–	–
Mr Akihiro Noguchi	–	–	–	–
Mr Jeffrey David Perlman	–	–	–	–
Mr Jeffrey Shen Jinchu	–	–	–	–

\# The percentage interest is based on units in issue as at 21 January 2017.

* As required under Rule 1207(7), the statement is provided as at 21st day after the end of the financial year.

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 are at all times held by the public. Based on the information made available to the Manager as at 8 March 2017, approximately 87% of CIT's Units are held by the public and therefore, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 8th Annual General Meeting of Cambridge Industrial Trust ("**CIT**") will be held at Suntec Singapore International Convention and Exhibition Centre, Rooms 300 – 302, 1 Raffles Boulevard, Suntec City, Singapore 039593, on 25 April 2017 at 10.00 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:

AS ORDINARY BUSINESS

1. ORDINARY RESOLUTION

To receive and to adopt the report of the trustee of CIT issued by RBC Investor Services Trust Singapore Limited, as trustee of CIT (the "**Trustee**"), the statement issued by Cambridge Industrial Trust Management Limited, as manager of CIT (the "**Manager**") and the audited financial statements of CIT for the financial year ended 31 December 2016.

2. EXTRAORDINARY RESOLUTION

To appoint Ernst & Young LLP ("**E&Y**") as Auditor of CIT for the financial year ending 31 December 2017 in place of the retiring Auditor, KPMG LLP ("**KPMG**"), to hold office until the conclusion of the next AGM of CIT, and to authorise the Manager to fix their remuneration.

(Please see Explanatory Notes)

AS SPECIAL BUSINESS

3. ORDINARY RESOLUTION

That authority be and is hereby given to the Manager, to

(a) (i) issue units in CIT ("**Units**") whether by way of rights, bonus or otherwise, and including any capitalisation of any sum for the time being standing to the credit of any of CIT's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution; and/or

(ii) make or grant offers, agreements or options that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, options, debentures or other instruments convertible into Units (collectively, "**Instruments**"),

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),

provided that:

(1) the aggregate number of Units (other than by way of a rights issue offered on a pro rata basis to all Unitholders) 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 ten per cent. (10%) of the value of all the assets of CIT, including all its Authorised Investments (as defined in the trust deed constituting CIT (as amended) (the "**Trust Deed**")) for the time being held or deemed to be held by CIT (determined pursuant to Clause 6 of the Trust Deed), acquired or to be acquired by CIT, for which the Units are to be issued for, provided that the aggregate number of Units to be issued (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution and any adjustment effected under any relevant Instrument) shall not exceed twenty per cent. (20%) of the total number of issued Units (as calculated in accordance with sub-paragraph (3) below);

(2) the Units to be issued under a rights issue offered on a pro rata basis to all Unitholders pursuant to this Resolution shall not, in aggregate exceed fifty per cent. (50%) of the total number of issued Units (as calculated in accordance with sub-paragraph (3) below);

(3) subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the purpose of determining the aggregate number of Units that may be issued under sub-paragraphs (1) and (2) above, the percentage of issued Units shall be calculated based on the total number of issued Units at the time this Resolution is passed, after adjusting for:

(a) any new Units arising from the conversion or exercise of any Instruments which are outstanding or subsisting at the time this Resolution is passed; and

(b) any subsequent bonus issue, consolidation or subdivision of Units;

(4) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST (the "**Listing Manual**") for the time being in force (unless such compliance has been waived by the SGX-ST) and the Trust Deed for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

(5) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of CIT or (ii) the date on which the next AGM of CIT is required by applicable regulations to be held, whichever is earlier;

(6) 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 bonus or other capitalisation issues or any other events, the Manager is authorised to 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

(7) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider necessary, expedient, incidental or in the interest of CIT to give effect to the authority contemplated and/or authorised by this Resolution.

(Please see Explanatory Notes)

OTHER BUSINESS

To transact any other business which may properly be brought forward.

By Order of The Board
Cambridge Industrial Trust Management Limited
As manager of Cambridge Industrial Trust
(Company Registration No. 200512804G, Capital Markets Services licence no.: 100132-5)

Mr Ooi Eng Peng
Independent Chairman
Singapore
7 April 2017

Notes:

(1) A Unitholder who is not a relevant intermediary entitled to attend the meeting and vote is entitled to appoint not more than two proxies to attend and vote instead of him; a proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the proportion of the Unitholder's holdings (expressed as a percentage of the whole) to be represented by each proxy.

(2) 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.

(3) The instrument appointing the proxy or proxies (a form is enclosed) must be deposited with B.A.C.S. Private Limited, the Unit Registrar, at its office at 8 Robinson Road #03-00 ASO Building Singapore 048544 not less than 72 hours before the time appointed for holding the meeting.

Explanatory Notes:

Resolution 2

The Extraordinary Resolution 2 above is to approve the appointment of E&Y as Auditors of CIT in place of the retiring Auditors, KPMG, and to authorise the Managers to fix their remuneration.

KPMG, the retiring Auditors, have served as external Auditors of CIT since the constitution of CIT. The Manager, however has historically been audited by E&Y. Given that e-Shang Redwood Group, the new majority shareholder of the Manager, is audited by E&Y, it is viewed as cost efficient and most effective for E&Y to be Auditors of both CIT and the Manager. The Manager is of the view that it will be timely to effect a change of external Auditor for the financial year ending 31 December 2017.

The E&Y team will be led by Mr Nagaraj Sivaram who has more than 30 years of audit experience in listed and multinational companies. Mr Sivaram is a Partner of the Real Estate, Hospitality & Construction practice in E&Y and has been involved in the audit of various REITs in Singapore. Mr Sivaram is a practising member of the Institute of Singapore Chartered Accountants and is a public accountant registered with the Accounting and Corporate Regulatory Authority of Singapore.

The Audit, Risk and Compliance Committee of the Manager has reviewed and deliberated on the proposed change of Auditors and has recommended that E&Y be appointed in place of the retiring Auditors, after taking into consideration the suitability of E&Y and the requirements of Rule 712(1), Rule 712(2) and Rule 715 of the Listing Manual of the SGX-ST.

The Directors have taken into account the Audit, Risk and Compliance Committee's recommendation, and considered factors such as the adequacy of the resources and experience of E&Y and the persons to be assigned to the audit, E&Y's audit engagements, the size and complexity of CIT and its subsidiaries, and the number and experience of E&Y's supervisory and professional staff to be assigned to the audit, and is satisfied that E&Y will be able to meet the audit requirements of CIT. Accordingly, the Directors recommend the appointment of E&Y as the Auditors of CIT in place of the retiring Auditors, KPMG.

In accordance with the requirements of Rule 1203(5) of the Listing Manual of the SGX-ST:

(i) the outgoing Auditors, KPMG, have confirmed that they are not aware of any professional reasons why the new Auditors, E&Y, should not accept appointment as Auditors of CIT;

(ii) the Trustee and the Manager confirm that there were no disagreements with the outgoing Auditors, KPMG, on accounting treatments within the last 12 months;

(iii) the Trustee and the Manager confirm that, other than as set out above, it is not aware of any circumstances connected with the proposed change of Auditors that should be brought to the attention of Unitholders; and

(iv) the Manager confirm that Rule 712 and Rule 715 of the Listing Manual of the SGX-ST are complied with in relation to the appointment of E&Y.

Resolution 3

The Ordinary Resolution 3 above, if passed, will empower the Manager from the date of this AGM until (i) the conclusion of the next AGM of CIT; (ii) the date on which the next AGM of CIT is required by the applicable regulations to be held, or (iii) the date on which such authority is revoked or varied by the Unitholders in a general meeting, whichever is the earliest (the "**Mandated Period**"), to issue Units whether by way of bonus or otherwise (excluding by way of a rights issue offered on a pro rata basis to all existing Unitholders), to make or grant Instruments and to issue Units pursuant to such Instruments, up to a number not exceeding 10% of the Value of the Deposited Property including any Authorised Investment acquired or to be acquired by CIT, for which the Units are to be issued for, provided that the aggregate number of Units issued does not exceed 20% of the total number of issued Units. For Units issued by way of a rights issue offered on a pro rata basis to all Unitholders, the aggregate number of Units shall be up to fifty per cent. (50%) of the total number of issued Units.

The Ordinary Resolution 3 above, if passed, will empower the Manager to issue Units, during the Mandated Period, as either full or partial payment of fees which the Manager is entitled to receive for its own account pursuant to the Trust Deed.

To determine the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the total number of 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 or subsisting at the time the Ordinary Resolution 3 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 and the Trust Deed or any applicable laws and regulations in such instances, the Manager will then obtain the approval of Unitholders accordingly.

NOTICE OF ANNUAL GENERAL MEETING

DIRECTORS RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Notice and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Notice constitutes full and true disclosure of all material facts about CIT and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Notice misleading.

Where information contained in this Notice has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in this Notice in its proper form and context.

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 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 Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (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.

IMPORTANT NOTICE

The value of Units and the income derived from them may fall as well as rise. Units are not investments or deposits in, liabilities or obligations of, Cambridge Industrial Trust Management Limited ("Manager"), RBC Investor Services Trust Singapore Limited (in its capacity as Trustee of CIT) ("Trustee"), or any of their respective related corporations and affiliates (individually and collectively "**Affiliates**").

An investment in Units is subject to equity investment risk, including the possible delays in repayment and loss of income or the principal amount invested. Neither CIT, the Manager, the Trustee nor any of the Affiliates guarantees the repayment of any principal amount invested, the performance of CIT, any particular rate of return from investing in CIT, or any taxation consequences of an investment in CIT. Any indication of CIT performance returns is historical and cannot be relied on as an indicator of future performance.

Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that investors may only deal in their Units through trading on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

CORPORATE DIRECTORY

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200512804G

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Mr Erle William Spratt
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Mr Jeffrey Shen Jinchu
Non-Executive Director

Mr Akihiro Noguchi
Non-Executive Director

Mr Michael Patrick Dwyer
Non-Executive Director

Mr Adrian Chui Wai Yin
CEO and Executive Director

ARCC
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Chairman

Mr Ooi Eng Peng
Member

Mr Erle William Spratt
Member

NRC
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Chairman

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