CACHE LOGISTICS TRUST

ANNUAL REPORT 2015

Spreading Our Wings

ENDURING. EVOLVING. GROWING.

SPREADING OUR WINGS

A bird's wings are uniquely adapted to the needs of its daily life, enabling it to take flight from solid ground to the sky in search of sustenance, to escape from predators, and embark on migrations spanning thousands of miles.

During the financial year, Cache Logistics Trust has spread its wings on a journey of growth, expanding and diversifying into Australia and completing its very first build-to-suit warehouse for DHL Supply Chain Singapore.

CONTENTS

HIGHLIGHTS

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

In 2015, Cache Logistics Trust expanded its footprint into Australia with the acquisition of six logistics warehouses for approximately A$163.9 million. It also completed its first build-to-suit warehouse for DHL Supply Chain Singapore valued at approximately $147.2 million[1].

DISTRIBUTION PER UNIT

8.500¢

NET PROPERTY INCOME

$76.2 MILLION

OCCUPANCY

94.9%

WEIGHTED AVERAGE LEASE TO EXPIRY ("WALE")

4.4 YEARS

BY NET LETTABLE AREA (NLA)

NUMBER OF PROPERTIES

19

GROSS FLOOR AREA ("GFA")

7.5 MILLION

SQUARE FEET

NOTE:

[1] Based on the independent valuation as at 31 December 2015.

CORPORATE PROFILE

VISION

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

MISSION

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

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

ABOUT CACHE LOGISTICS TRUST

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

Cache's portfolio comprises 19 high quality logistics warehouse properties strategically located in established logistics clusters in Singapore, Australia and China. The portfolio has a total gross floor area of approximately 7.5 million square feet and an appraised value of approximately S$1.3 billion as at 31 December 2015.

Cache is focused on increasing shareholder value by pursuing accretive acquisition growth, proactive asset enhancement and strategic development opportunities.

Coupled with prudent capital management and robust risk management, Cache strives to achieve sustainable growth over the long term.

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

ABOUT ARA-CWT TRUST MANAGEMENT (CACHE) LIMITED

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

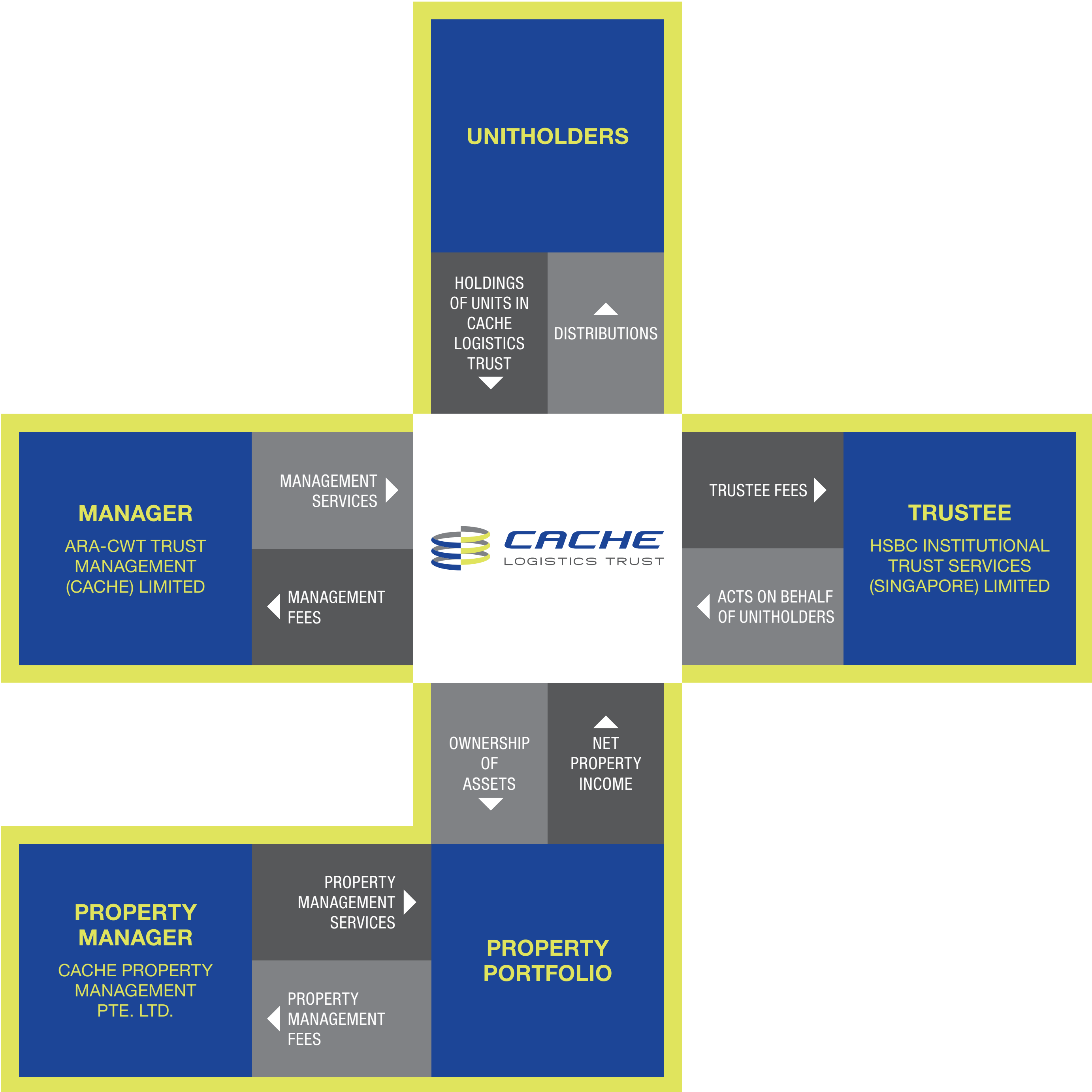
ARA is Asia's premier integrated real estate fund manager which has been listed on the Main Board of the Singapore Exchange Securities Trading Limited since November 2007. It currently manages REITs and private real estate funds that are invested in the office, retail, logistics/industrial, hospitality and residential sectors in the Asia Pacific region, complemented by its in-house real estate management services and advisory services. Established in 2002, to date it has over 1,200 professionals in 15 cities managing total assets close to S$30 billion.

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

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

For more information, please visit *www.cwtlimited.com*.

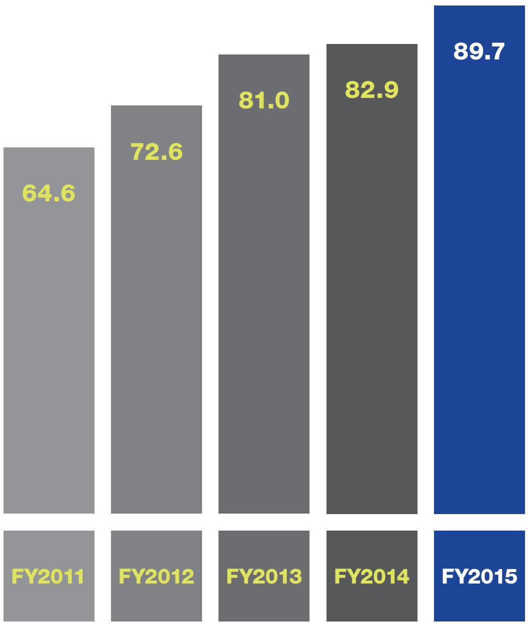
STRUCTURE OF CACHE LOGISTICS TRUST



PERFORMANCE AT A GLANCE

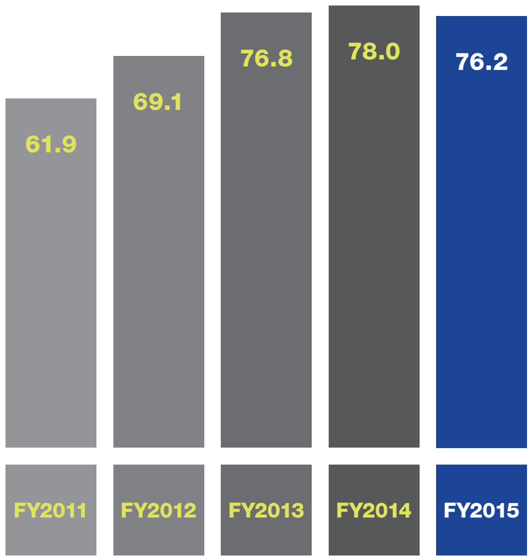
GROSS REVENUE

(S$ million)



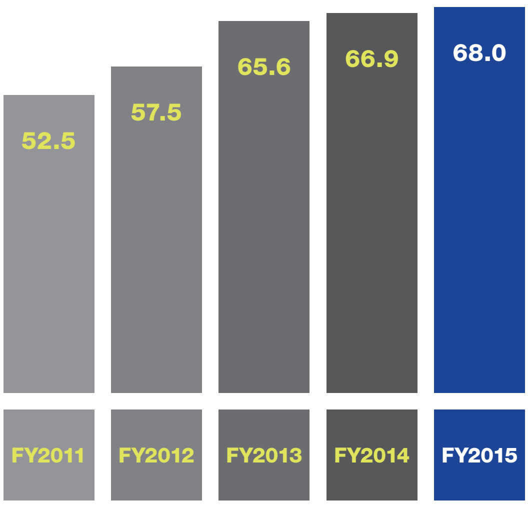
NET PROPERTY INCOME

(S$ million)



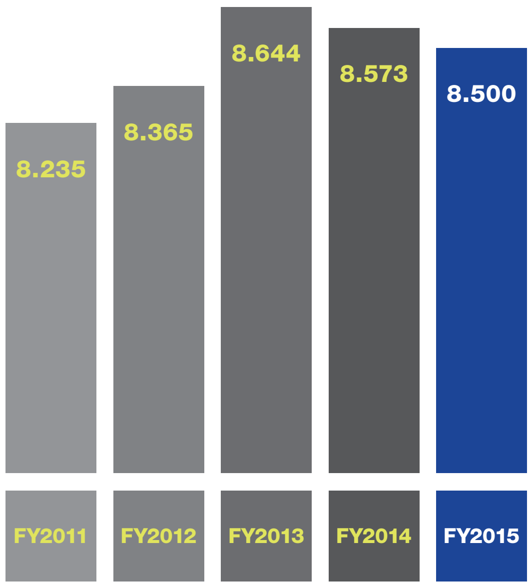
INCOME AVAILABLE FOR DISTRIBUTION

(S$ million)



DISTRIBUTION PER UNIT

(Singapore cents)



PERFORMANCE AT A GLANCE

5-YEAR FINANCIAL HIGHLIGHTS

	FY2011	FY2012	FY2013	FY2014	FY2015
INCOME STATEMENT & DISTRIBUTION DATA					
Gross Revenue (S$'000)	64,607	72,638	80,955	82,852	**89,721**
Net Property Income (S$'000)	61,922	69,144	76,813	78,000	**76,156**
Income Available for Distribution (S$'000) [1]	52,489	57,464	65,555	66,880	**67,960**
Distribution Per Unit (Singapore cents) [1]	8.235	8.365	8.644	8.573	**8.500**
BALANCE SHEET DATA					
Total Assets (S$ million)	855.2	987.0	1,077.2	1,137.1	**1,326.3**
Total Liabilities (S$ million)	261.1	315.1	315.5	370.2	**539.8**
Unitholders' Funds (S$ million)	594.1	671.9	761.8	766.9	**786.5**
Value of Portfolio Properties (S$ million) [2]	842.8	971.9	1,035.0	1,120.2	**1,308.0**
Net Asset Value per Unit (cents)	0.93	0.96	0.98	0.98	**0.88**
KEY FINANCIAL RATIOS					
Distribution Yield (%) [3]	8.7	6.7	7.8	7.4	**9.3**
Aggregate Leverage Ratio (%) [4]	29.6	31.7	29.1	31.2	**39.8**
Interest Coverage Ratio (times) [5]	6.2	5.8	6.3	6.8	**4.8**
All-in Financing Cost (%) [6]	3.97	3.82	3.48	3.30	**3.25**
Units in Issue (million) [7]	638.9	703.4	777.4	781.8	**893.5**
Market Capitalisation (S$ million) [8]	605.9	871.0	865.6	905.5	**811.6**

NOTES:

[1] Includes a partial capital distribution of S$5.08 million from the proceeds received from the divestment of 4 Penjuru Lane, Singapore ("Kim Heng Warehouse") in FY2015, which amounts to 0.614 Singapore cents per unit.

[2] Includes investment properties under development in FY2014.

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

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

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

[6] Includes margin and amortisation of capitalised upfront fee.

[7] Includes units issued to the Manager as partial consideration of Manager's fees.

[8] Based on the closing price of Cache Logistics Trust and the units in issue as at 31 December of each financial year.

ENDURING

Grounded on Strong Fundamentals

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

LETTER TO UNITHOLDERS

DEAR UNITHOLDERS,

We are pleased to present the Cache Logistics Trust Annual Report 2015 for the financial year ended 31 December 2015.

As has been widely reported, the global economy remained uncertain throughout most of FY2015. Global growth slowed to its weakest pace since the financial crisis. A slowing economic growth in China and the unexpected devaluation of the renminbi in August 2015 sent markets tumbling. The Eurozone continues to be plagued by chronic debt woes and a migrant crisis. The interest rate "lift-off" by the US Federal Reserve towards the end of the year may also weigh down on future growth. Nevertheless, the advanced economies of Europe and Japan, led by the United States, are expected to grow modestly this year, supported by declining oil prices and accommodative monetary policies.

Given the openness and relative size of Singapore, its economy is susceptible to these global headwinds. The Singapore Purchasing Manager's Index ("PMI"), which tracks manufacturing activity, has contracted for the sixth straight month in December 2015 due to lacklustre global demand. The Ministry of Trade & Industry has trimmed its growth outlook for Singapore to a modest 1% to 3% in 2016 [1], a wide range that emphasises a lack of clear economic growth indicators.

Despite the market uncertainty, the long-term prospects for Singapore remain sound. Singapore is a trusted and reliable supply chain hub with a government that is committed to infrastructure investment and initiatives that support successful business operations. The development of the future Tuas mega port, expected to complete by 2030, will handle up to 65 million Twenty-Foot Equivalent Unit ("TEUs") per annum, more than twice the current capacity handled in 2015. Singapore also boasts one of the world's busiest and well-connected airports in Asia, with the third runway and the fourth passenger terminal under construction and terminal five already in the works.

STABLE FINANCIAL PERFORMANCE AND ROBUST BALANCE SHEET

Cache delivered stable financial performance in FY2015. Distribution Per Unit ("DPU") for FY2015 was 8.500 cents, a marginal drop of 0.9% over the preceding year (FY2014 DPU: 8.573 cents). This was primarily attributable to an enlarged issued units base.

Gross Revenue increased 8.3% to S$89.7 million while Net Property Income ("NPI") fell 2.4% to S$76.2 million. NPI was lower primarily due to the conversion of four properties from single-tenant master-leases to multi-tenancies, leading to a slight increase in vacancy and Cache assuming direct obligation for all property expenses, including land rent, property tax, maintenance and leasing expenses. This was offset by incremental revenue from our newly acquired properties in Australia.

The Cache balance sheet remains robust with a gearing level of 39.8% and an average all-in cost of borrowing of 3.25% for the financial year. We continue to mitigate the impact of interest rate volatility on the distributable income by hedging approximately 62% of Cache's total borrowings into fixed rates. In particular, approximately 73% of the Singapore dollar borrowings is hedged. Cache has a weighted average tenure of debt outstanding of 3.1 years with no refinancing requirement until October 2017.

On the asset management side of the business, the appraised value of our properties increased to S$1,308.0 million from S$1,120.2 million last year, due to the addition of six new warehouses in Australia and the newly completed DHL Supply Chain Advanced Regional Centre ("DHL Supply Chain ARC"), and taking into account downward revaluations in some of our Singapore properties primarily due to lower market rentals and slower growth assumptions.

As at 31 December 2015, the portfolio WALE was approximately 4.4 years (by NLA) and 4.2 years (by Gross Rental Income), with more than 40% [2] of the leases committed to FY2020 and beyond.

EXPANDING OUR FOOTPRINT INTO AUSTRALIA

In February 2015, Cache made its foray into the Australian warehouse market with the acquisitions of three logistics warehouses in the major trade and distribution cities of Sydney, Melbourne, and Brisbane.

Three additional warehouses were acquired during the year, making a total of six acquisitions worth approximately A$163.9 million in FY2015. The total Australian portfolio measures over 1.4 million square feet and currently makes up close to one fifth of Cache's portfolio. The warehouses are fully leased to high quality tenants such as McPhee Distribution, Linfox, Western Star Trucks and Metcash Trading.

The Australian acquisitions, which offer freehold land tenure and a longer WALE of 6.8 years [2], provide a good balance to Cache's predominantly Singapore-based portfolio.

Unitholders will benefit from geographical and income diversification with the Australian acquisitions. Approximately 7.9% of gross revenue in FY2015 was derived from our properties outside of Singapore.

NOTES:

[1] *The Straits Times*, 25 November 2015, "Singapore 2015 GDP growth forecast trimmed to 'close to 2%', 1-3% for 2016: MTI."

[2] By NLA, as at 31 December 2015.

LETTER TO UNITHOLDERS

REJUVENATING THE PORTFOLIO

In July 2015, we completed our first build-to-suit warehouse for DHL Supply Chain Singapore within budget and expected timeline. The logistics facility, which measures over 989,200 square feet, is on a 10-year lease to DHL Supply Chain based on progressive occupation. We are honoured to be the first real estate investment trust to develop and own a property in the newly established and highly sought-after Tampines LogisPark. The facility houses DHL's Asia Pacific regional office, the Singapore country office and its Asia Pacific Innovation Center, the first innovation centre for DHL outside Germany.

In addition, in line with our proactive asset management strategy to streamline the portfolio and unlock value for unitholders, we divested our warehouse at 4 Penjuru Lane ("Kim Heng Warehouse"). Kim Heng Warehouse, the smallest property in our portfolio, was sold for S$9.7 million. Part of the sale proceeds were returned to unitholders in the course of the year.

CONVERTING MASTER-LEASED PROPERTIES INTO MULTI-TENANTED ASSETS

Our asset management team has been hard at work throughout the year as we secured a total of 3.1 million square feet of new leases and renewals for leases that expired in FY2015. Four of our Singapore properties, namely Cache Cold Centre, Cache Changi Districentre 1, Cache Changi Districentre 2 and Pandan Logistics Hub were converted from single-tenant master-leases to multi-tenancies in the year. Our proactive lease management and marketing efforts paid off as we managed to achieve an overall high portfolio occupancy of close to 95% and a tenant/end-user retention rate of 86.6%.

During the year, our asset management endeavours also included investing in various asset enhancement and capital expenditure works, such as the transfer of non-productive GFA to increase lettable area, converting under-utilised ambient GFA to air-conditioned space, upgrading aircon systems and other green building initiatives. The works carried out are real estate solutions that value-add to the tenants' operations, improve the competitiveness of our buildings and, in many cases, enabled Cache to sign longer leases on more favourable terms.

STRENGTHENING THE BOARD WITH MORE INDEPENDENT NON-EXECUTIVE DIRECTORS

With effect from 1 January 2016, we have bolstered the Board with the addition of two Independent Non-executive Directors and Audit Committee members, being Mr Lim Kong Puay and Mr Lim Lee Meng. With their introduction, half of the Board comprises Independent Non-executive Directors ("IDs"). The additional IDs enhance the independence of the Board and add to its diversity of skills and strategic experience that will drive Cache's continued growth and success over time.

ENGAGING INVESTORS THROUGH GOOD INVESTOR RELATIONS

We recognise the importance of good investor relations in the competitive global capital markets and will continue to improve in this aspect.

In recognition of our relentless efforts in Investor Relations, Cache was awarded Best Investor Relations (Bronze) in the REITS & Business Trust category at the Singapore Corporate Awards 2015. We are thankful for the support from our unitholders, analysts, the media and the investment community and will continue to strive towards upholding our good corporate governance standards and investor relations practices.

GOING FORWARD

The Singapore industrial property market will remain challenging over the next 12 months. The sector continues to be weighed down by an imbalance in the supply and demand of industrial space, slowing global growth and government regulations which place downward pressure on warehouse rental and occupancy rates over the short to medium term.

The Australian economy is improving, with growth currently at around 2.5%[1]. The lower Australian dollar is seen as helping the non-mining sectors of the economy, particularly tourism and education. As with most economies, the outlook remains cautious in Australia due to, amongst others, uncertainty in commodity prices and a slowing Chinese economy. Nevertheless, the freehold land tenure and the relatively longer WALE for our Australian portfolio enable us to ride on the long-term growth in the country.

Notwithstanding the external challenges, Cache continues to be guided by our mission to deliver long-term growth and sustainable returns to unitholders.

ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the Board for their stewardship and contribution throughout the years. We would also like to thank our management and staff for their dedication and hard work.

Finally, we would like to thank our unitholders, tenants, end-users and business associates for their continued support.

Lim How Teck
Chairman

Daniel Cerf
Chief Executive Officer

NOTE:

[1] *JLL Australia, "Economic Outlook December 2015".*

FINANCIAL YEAR 2015 IN BRIEF

JANUARY 2015

Cache achieved a robust financial performance in FY2014[1]. Distributable income for FY2014 was S$66.9 million and DPU was 8.573 Singapore cents.

FEBRUARY 2015

Cache expanded its footprint into Australia with the maiden acquisitions of three logistics warehouses in the major trade and distribution cities of Melbourne, Sydney and Brisbane valued at approximately A$70 million.

APRIL 2015

Cache convened its Fifth Annual General Meeting on 14 April 2015 where all resolutions as set out in the Notice of AGM were duly passed.

Cache reported 1Q FY2015 distributable income of S$16.8 million. Unitholders received a DPU of 2.146 cents for the period 1 January 2015 to 31 March 2015.

JUNE 2015

In line with its proactive asset management strategy, Cache successfully divested Kim Heng Warehouse located at 4 Penjuru Lane Singapore for S$9.7 million, representing a 9% premium above the original acquisition price.

JULY 2015

Cache received a Bronze award in "Best Investor Relations" in the REITs & Business Trusts category at the Singapore Corporate Awards 2015 for its relentless efforts in good corporate governance and investor relations.

Cache successfully completed its first build-to-suit warehouse for DHL Supply Chain Singapore which was valued at approximately S$147.2 million and spans over 989,000 square feet in GFA.

Cache reported 2Q FY2015 distributable income of S$16.8 million. Unitholders received a DPU of 2.140 cents for the period 1 April 2015 to 30 June 2015.

OCTOBER 2015

Cache reported 3Q FY2015 distributable income of S$16.8 million. Unitholders received a DPU of 2.140 cents for the period 1 July 2015 to 30 September 2015.

Cache acquired its fourth property in Australia located at 203 Viking Drive, Wacol, Queensland, Australia for A$27.0 million.

NOVEMBER 2015

Cache raised S$100 million in gross proceeds by way of a private placement of 106,270,000 new units.

DECEMBER 2015

Cache successfully completed the acquisitions of two additional logistics warehouses located at 404-450 Findon Road, Kidman Park, South Australia for A$57.3 million and 223 Viking Drive, Wacol, Queensland, Australia for A$9.575 million.

JANUARY 2016

Cache further strengthened its Board composition with the appointment of two new Independent Non-executive Directors and Audit Committee members, being Mr Lim Kong Puay and Mr Lim Lee Meng.

Cache achieved a steady financial performance for FY2015[2]. Distributable Income for FY2015 was S$68.0 million. Unitholders received a total DPU of 8.500 Singapore cents for the financial year.

NOTES:

[1] FY2014 refers to financial year 2014 which is the period from 1 January 2014 to 31 December 2014.

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

UNIT PRICE PERFORMANCE

UNIT PRICE PERFORMANCE IN FY2015

(1 January 2015 – 31 December 2015)

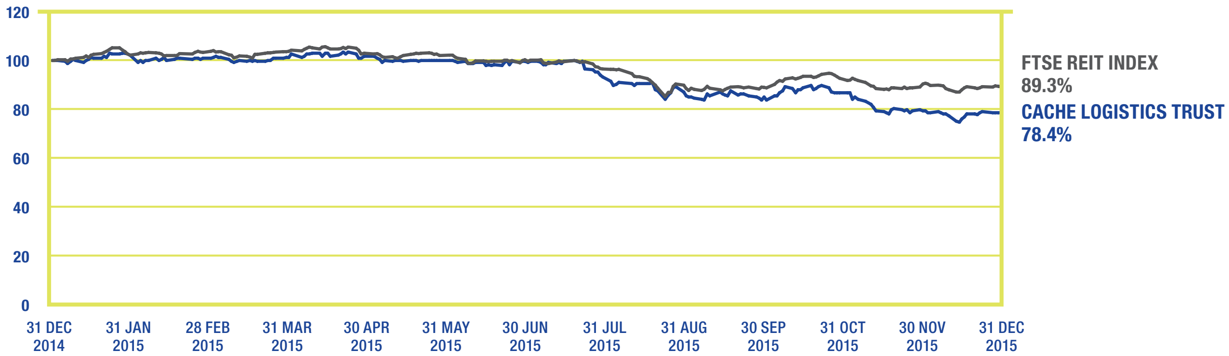
FY2015 was a volatile period for the global equities market due to uncertainties about global economic growth, risk of interest rate hike by the US Federal Reserve, geopolitical tensions and currency fluctuations, amongst other factors.

On 3 November 2015, Cache issued 106.27 million new units at an issue price of S$0.941 per new unit, successfully raising S$100 million in gross proceeds.

The equity issuance, which drew strong demand from existing and new institutional investors, increased Cache's number of units outstanding by 13.5%.

Cache's unit price closed at S$0.91 on 31 December 2015, down 21.6% compared to a year ago. Cache offered a distribution yield of approximately 9.3%[1], compared to an average distribution yield of 7.0% for the FTSE REIT Index.

UNIT PRICE PERFORMANCE IN FY2015 (BASE = 100 ON 31 DECEMBER 2014)



TRADING PERFORMANCE HIGHLIGHTS

	2014	2015
Opening Price (S$)	1.115	**1.160**
Closing Price (S$)	1.160	**0.910**
Highest Closing Price (S$)	1.240	**1.200**
Lowest Closing Price (S$)	1.080	**0.865**
Average Daily Volume Traded (million units)	0.96	**1.74**

TOTAL RETURN

From a longer term perspective, Cache delivered a total return[2] of 58.3% to Unitholders since its listing on 12 April 2010.

PERFORMANCE OF CACHE LOGISTICS TRUST COMPARED WITH FTSE REIT INDEX	1 YEAR		3 YEARS		5 YEARS	
	Price Change	Total Return[2]	Price Change	Total Return[2]	Price Change	Total Return[2]
Cache Logistics Trust	**-21.6%**	**-14.5%**	**-26.6%**	**-7.7%**	**-5.7%**	**39.2%**
FTSE REIT Index	-10.7%	-4.9%	-11.2%	6.6%	1.9%	39.1%

Source: Bloomberg

NOTES:

[1] Based on FY2015 DPU of 8.500 cents and closing unit price of S$0.91 on 31 December 2015.

[2] Total return is calculated based on the closing unit price on the last day of the preceding reporting period compared to the closing unit price on the last day of the next period. It assumes distributions paid during the period are reinvested.

INVESTOR RELATIONS

The fifth AGM, held on 14 April 2015, was well attended by unitholders who also took the opportunity to interact with the board of directors and the Manager (left and centre).

OPEN AND TRANSPARENT COMMUNICATIONS

The Manager is committed to maintaining open and transparent communications with all unitholders and the investment community. It provides timely and factual disclosure on all material information concerning Cache via the SGX-ST and on its corporate website. General information and all publications including annual reports, factsheets, media releases and investor presentations are updated regularly on Cache's corporate website.

Stakeholders can also contact the investor relations team via a dedicated email address, and subscribe to Cache's email distribution list to receive updates.

ACTIVE ENGAGEMENT WITH ALL STAKEHOLDERS

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

During the year, the Manager participated in various international and local institutional investor conferences:

- Barclays Select Series: SGX Corporate Day
- BoAML 2015 ASEAN Conference
- Citigroup Asia Pacific Property Conference 2015
- Citi-REITAS Singapore REITs & Sponsors Forum 2015
- DBS Pulse of Asia Conference
- J.P. Morgan Asia Pacific Real Estate Conference 2015
- Macquarie ASEAN Conference 2015
- Morgan Stanley 14th Asia Pacific Summit
- SGX Broker Roadshows – Phillip Securities Research

In addition, the Manager also participated in the inaugural *REITs Symposium 2015* held in May 2015 to raise public awareness about REITs and Cache.

ANNUAL GENERAL MEETING (AGM)

The AGM is an important event that facilitates communication among the board of directors, the Manager and unitholders. The fifth AGM, which was convened on 14 April 2015, was well attended by over 210 unitholders and unitholder proxies. Unitholders were provided updates on the business performance, outlook and strategies of Cache, and took the opportunity to raise queries and interact directly with the board of directors and the Manager. The voting for all the AGM resolutions was conducted via electronic polls. The results of such meetings showing the number of votes cast for and against each resolution were also announced after the AGM.

INVESTOR RELATIONS

The Manager, along with the ARA Group, participated in the REITs Symposium 2015 held on 23 May 2015 to promote Cache (right).

COVERAGE BY EQUITY RESEARCH HOUSES

During the year, Phillip Securities Research initiated research coverage on Cache while Standard Chartered Bank ceased their equity research activities in Singapore. There are currently nine equity research houses which provide equity research coverage on Cache. They are (in alphabetical order):

- CIMB Research
- DBS Vickers Securities
- Macquarie Capital Securities
- Maybank Kim Eng Research
- OCBC Investment Research
- Phillip Securities Research
- Religare Institutional Research
- RHB Research (formerly DMG & Partners Securities)
- UOB Kay Hian Research

INVESTOR RELATIONS ACCOLADE

Cache was awarded "Best in Investor Relations (Bronze)" (REITs & Business Trusts category) at the Singapore Corporate Awards 2015, organised by The Business Times. Cache is honoured and thankful for the support from the investment community and will continue to uphold the principles of openness, timeliness, transparency and fairness in its investor relations policy for all investors.

For enquiries, please contact:

THE MANAGER

Ms Judy Tan
Assistant Director, Investor Relations
ARA-CWT Trust Management (Cache) Limited

Tel: (65) 6512 5161
Fax: (65) 6835 9672
Email: judytan@ara.com.hk
Website: www.cache-reit.com

UNIT REGISTRAR

M & C Services Private Limited

112 Robinson Road #05-01
Singapore 068902

Tel: (65) 6227 6660
Fax: (65) 6225 1452

UNITHOLDER DEPOSITORY

The Central Depository (Pte) Limited

11 North Buona Vista Drive
#06-07 The Metropolis Tower 2
Singapore 138589

Tel: (65) 6535 7511
Fax: (65) 6535 0775

EVOLVING

Diversifying Our Reach

Leveraging on the combined expertise of its Sponsor and ARA Asset Management, Cache continues to evolve to adapt to a challenging operating environment. In FY2015, it expanded its footprint into Australia.

BOARD OF DIRECTORS

01 LIM HOW TECK
Chairman and Non-executive Director

Mr Lim How Teck is the Chairman of the Manager.

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

Currently, Mr Lim is the chairman of Redwood International Pte. Ltd., an investment and consultancy company. From 1979 to 2005, Mr Lim was with Neptune Orient Lines Ltd ("NOL") where he held various positions including executive director, group chief financial officer, group chief operating officer and group deputy chief executive officer. He also held directorships in various subsidiaries, associated companies and investment interests of NOL. Prior to joining NOL, he was with Coopers & Lybrand, an international accounting firm and Plessey Singapore, a multinational trading and manufacturing company.

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

02 LIM HWEE CHIANG JOHN
Non-executive Director

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

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

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

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

03 LIM AH DOO
Lead Independent Non-executive Director and Chairman of the Audit Committee

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

He is also an Independent Non-executive Director and the Chairman of the Board Risk Committee of Sembcorp Marine Limited, an Independent Non-executive Director and Chairman of the Audit Committee of GP Industries Limited, GDS Holdings Limited and U Mobile Sdn Bhd, and an Independent Non-executive Director, Chairman of the Nomination Committee and Member of the Audit Committee of Bracell Limited (previously known as Sateri Holdings Limited).

BOARD OF DIRECTORS

01 LIM HOW TECK
Chairman and Non-executive Director

02 LIM HWEE CHIANG JOHN
Non-executive Director

03 LIM AH DOO
Lead Independent Non-executive Director and Chairman of the Audit Committee

04 STEFANIE YUEN THIO
Independent Non-executive Director

BOARD OF DIRECTORS

In addition, he is also an Independent Non-executive Director and member of the Audit Committee of Singapore Technologies Engineering Ltd, as well as an Independent Non-executive Director of SM Investments Corporation.

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

Mr Lim was formerly an Independent Director and Executive Committee member of EDBI Pte Ltd, the investment arm of the Singapore Economic Development Board from 2006 to 2012. He was also an Independent Commissioner and Chairman of the Audit Committee of PT Indosat Tbk, a leading listed Indonesian telecommunications group, and Chairman of EDBV Pte Ltd (a subsidiary of EDBI Pte Ltd) from 2005 to 2006. He represented RGE Pte Ltd as a Council Member of the Singapore-Shandong Business Council and Singapore-Jiangsu Co-operation Council. In addition, Mr Lim served as Chairman of the Singapore Investment Banking Association from 1994 to 1995 (as representative of Morgan Grenfell (Asia) Limited).

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

04 STEFANIE YUEN THIO

Independent Non-executive Director

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

She is also the Joint Managing Director of TSMP Law Corporation and is the Head of its corporate practice. She was admitted to the Singapore Bar in 1994 and her areas of expertise include mergers and acquisitions, equity capital markets, corporate transactions and regulatory advice. Her clients include logistics companies, REITs and REIT managers. She is regularly named by legal journals as a leading practitioner in her areas of specialisation.

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

05 LIAO CHUNG LIK

Non-executive Director

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

Mr Liao is currently the Deputy Group Managing Director of the C&P Group. He joined C&P in 1982 and in 1994, he was promoted to Deputy Group Managing Director.

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

06 JIMMY YIM WING KUEN

Non-executive Director

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

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

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

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

BOARD OF DIRECTORS

05 LIAO CHUNG LIK
Non-executive Director

06 JIMMY YIM WING KUEN
Non-executive Director

07 LIM KONG PUAY
Independent Non-executive Director

08 LIM LEE MENG
Independent Non-executive Director

09 MOSES K. SONG
Alternate Director to Lim Hwee Chiang John

BOARD OF DIRECTORS

07 LIM KONG PUAY
Independent Non-executive Director

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

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

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

08 LIM LEE MENG
Independent Non-executive Director

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

He is currently a senior partner (non-practising) of RSM Chio Lim LLP, a member firm of RSM International. Mr Lim is also an Independent Director of Teckwah Industrial Corporation Ltd, Tye Soon Limited, ARA Trust Management (Suntec) Limited (manager of Suntec REIT) and ARA Trust Management (Fortune) Limited (manager of Fortune REIT). He also serves as the Chairman of the audit committee of Teckwah and the manager of Fortune REIT, and is a member of the Audit Committee of the manager of Suntec REIT and Tye Soon Limited.

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

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

09 MOSES K. SONG
Alternate Director to Lim Hwee Chiang John

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

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

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

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

MANAGEMENT TEAM

THE MANAGER

ARA-CWT TRUST MANAGEMENT (CACHE) LIMITED

01 DANIEL CERF
Chief Executive Officer

Mr Daniel Cerf has more than 30 years of experience in Asia involving real estate investment, development and related management consulting ventures.

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

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

02 HO JIANN CHING
Director, Head of Investment

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

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

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

03 ROBERT WONG
Director of Finance & Operations

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

Mr Wong has over 19 years of accounting and financial management experience, most of which has been in the real estate fund management industry. Before joining the Manager, he was Senior Vice President with CBRE Global Investors and ING Real Estate from 2007 to 2012. Prior to that, he was based in Australia and held various finance positions with Mirvac Funds Management, Colonial First State Property and Westpac Investment Property Limited.

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

04 HO KIN LEONG
Assistant Director, Head of Asset Management

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

Mr Ho has over 14 years of experience in real estate investment, development and asset management. Before joining the Manager, he was Senior Vice President, Asset Management with MEAG Pacific Star Asset Management where he led the formulation and implementation of strategies in asset enhancement initiatives, leasing, refinancing and divestment of the portfolio's properties. Prior to that, he was Senior Investment Manager with Keppel Land for overseas markets. Mr Ho began his career with International Enterprise Singapore in 1990 and was based in both Singapore and Japan, holding key business development positions for regional markets during his 11-year stint with the organisation.

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

MANAGEMENT TEAM

Left to right:

08 **ALVIN KOH** Assistant Finance Manager
07 **NG SZE MING** Finance Manager
03 **ROBERT WONG** Director of Finance & Operations
01 **DANIEL CERF** Chief Executive Officer
02 **HO JIANN CHING** Director, Head of Investment
05 **JUDY TAN** Assistant Director, Investor Relations

MANAGEMENT TEAM

THE MANAGER

ARA-CWT TRUST MANAGEMENT (CACHE) LIMITED

05 JUDY TAN

Assistant Director, Investor Relations

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

Ms Tan has over 10 years of working experience in the capital markets, including investor relations and risk management. Prior to joining the Manager, she was Assistant Vice President in the Risk Management & Regulation Group at Singapore Exchange Limited.

Ms Tan completed her Master of Finance from the University of Cambridge, UK, under the Finance Scholarship Programme administered by the Monetary Authority of Singapore. She also holds a Bachelor of Business Administration (First Class Honours) from the National University of Singapore Business School.

06 WANG JING

Manager, Asset Management

Ms Wang Jing is responsible for managing the overall performance of Cache's property portfolio. Ms Wang has over 14 years of experience in real estate and urban planning. Prior to joining the Manager, she was Senior Manager, Asset Management with Mapletree Investments Pte Ltd where she managed various properties including business park, commercial and warehouse assets totaling over two million square feet. She also worked as Investment Manager, sourcing commercial/mixed-use real estate projects in China.

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

07 NG SZE MING

Finance Manager

Ms Ng Sze Ming assists the Director of Finance & Operations in the areas of accounting, finance, treasury and capital management.

Ms Ng has more than 15 years of experience in accounting and finance. Prior to joining the Manager, she was senior accountant with SGX-listed Hotel Properties Limited, and an auditor with PricewaterhouseCoopers and KPMG.

Ms Ng holds a Bachelor of Accountancy degree from the National Technological University of Singapore and is a Chartered Accountant with the Institute of Singapore Chartered Accountants.

08 ALVIN KOH

Assistant Finance Manager

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

Mr Koh has more than 11 years of experience in accounting and finance. Prior to joining the Manager, he was an accountant with SB REIT Management Pte. Ltd., manager of Soilbuild Business Space Reit, and prior to that, he was Finance Assistant with CapitaLand Mall Trust Management Limited, manager of CapitaLand Mall Trust.

Mr Koh holds a Bachelor's of Banking & Finance degree from University of London. He also holds an ACCA Certificate (UK) and is a Chartered Accountant.

09 BRIAN NG

Analyst

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

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

Mr Ng holds a Bachelor of Science (Real Estate) (Honours), with a Real Estate Finance Specialisation from the National University of Singapore. He is also a Level III candidate in the CFA Program.

MANAGEMENT TEAM

Left to right:

09 **BRIAN NG** Analyst
06 **WANG JING** Manager, Asset Management
04 **HO KIN LEONG** Assistant Director, Head of Asset Management
12 **DAVID WONG** Senior Finance Manager
10 **JIMMY CHAN** General Manager
11 **DEREK LOH** Senior Property Manager
13 **JOEL TAY** Marketing & Leasing Manager

THE PROPERTY MANAGER

CACHE PROPERTY MANAGEMENT PTE. LTD.

10 JIMMY CHAN
General Manager

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

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

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

11 DEREK LOH
Senior Property Manager

Mr Derek Loh assists the General Manager in property management, project management and other projects.

Mr Loh has more than 20 years of experience in construction, property and project management. Prior to joining the Property Manager, he was the Building Manager cum Fire Safety/Green Mark Manager with Jones Lang LaSalle where he was responsible for the management and maintenance of the Starhub Green building, including space planning, Additions & Alterations works and property tax matters. Before his stint with Jones Lang LaSalle, he was Portfolio Manager with Cofely (S.E.A) Pte Ltd (now known as Cofely FMO), managing numerous properties totaling over 2.5 million square feet.

Mr Loh holds a Bachelor of Science degree in Facilities Management from Heriot-Watt University (UK) and a Diploma in Building from Singapore Polytechnic. He is also a qualified Fire Safety Manager and a certified Green Mark Manager.

12 DAVID WONG
Senior Finance Manager

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

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

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

13 JOEL TAY
Marketing & Leasing Manager

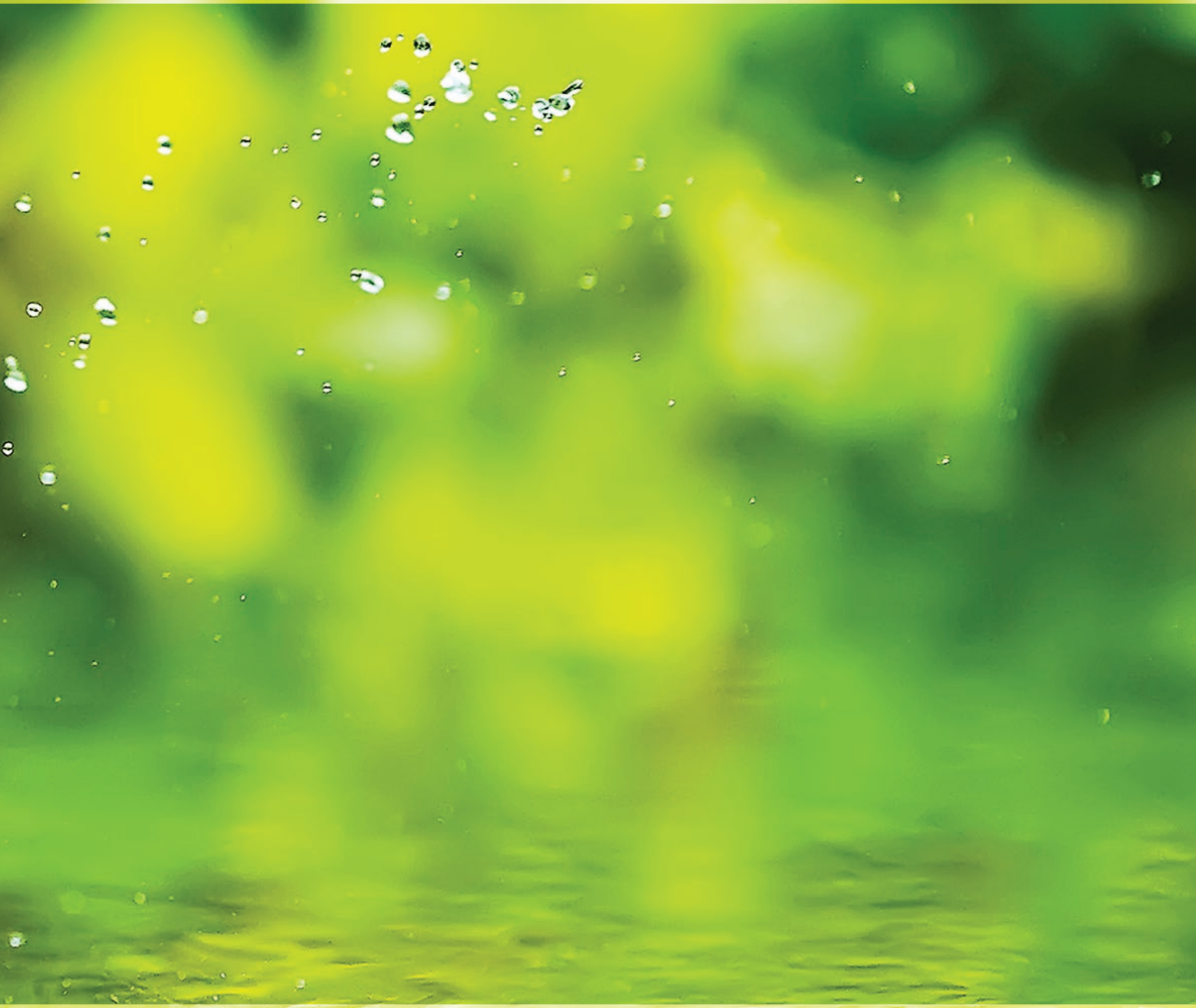
Mr Joel Tay is responsible for the marketing and leasing of Cache's property portfolio.

Mr Tay has more than 3 years of experience in asset and property management, lease management and marketing. Prior to joining the Property Manager, Mr Tay assumed the role of portfolio asset management in CBRE Singapore where he managed the real estate portfolio for Shell, a multinational oil and gas company. He was also involved in marketing residential properties for Jones Lang LaSalle previously.

Mr Tay holds a Bachelor of Science (Real Estate) degree from the National University of Singapore.

GROWING

Sustaining Our Resilience



Cache continues to build on its portfolio through the strategic addition of quality assets that have the potential to contribute to sustainable growth over time.

OPERATIONS & FINANCIAL REVIEW

OPERATIONS REVIEW

Building a Quality Portfolio

EXPANDING FOOTPRINT INTO AUSTRALIA

In FY2015, Cache acquired six quality, well-located logistics warehouses, leveraging on the major trade and distribution cities of Melbourne, Sydney, Brisbane and Adelaide. The Australian warehouses, which span over 1.4 million square feet or approximately one fifth of Cache's portfolio, were purchased over the course of the year for approximately A$163.9 million. The Australian properties come with freehold land tenure and a longer WALE, features that provide a good balance to Cache's predominantly Singapore-based portfolio.

KEY BENEFITS OF THE AUSTRALIAN ACQUISITIONS:

- Quality, well-located assets
- Long WALE of 6.8 years (by NLA)
- Freehold land tenure provides good balance to leasehold assets in Singapore
- Provides income diversification and growth
- Strengthens and enlarges the portfolio

The Australian warehouses are fully leased to high quality tenants such as McPhee Distribution, Linfox, Western Star Trucks and Metcash Trading with rental escalations that range between 3% and 4% per annum or the Consumer Price Index, whichever is higher.

COMPLETION OF FIRST BUILD-TO-SUIT DEVELOPMENT

In addition, Cache successfully completed the development of DHL Supply Chain ARC which received its temporary occupation permit on 8 July 2015. Spanning over 989,200 square feet, the logistics facility occupies the largest plot of land within the new Tampines LogisPark. Cache is the first real estate investment trust to develop and own a property in the newly established and highly sought-after logistics zone.

The facility houses DHL's Asia Pacific regional office, the Singapore country office and its Asia Pacific Innovation Center, the first innovation centre for DHL outside Troisdorf, Germany.

DIVESTMENT OF KIM HENG WAREHOUSE

In line with the Manager's asset management strategy to streamline the portfolio and unlock value for unitholders, Cache divested Kim Heng Warehouse for S$9.7 million to JTC Corporation in June 2015. Acquired in 2011 for S$8.9 million, the property was valued at approximately S$9.0 million as at 31 December 2014. This represents a premium of approximately 9% above the original acquisition price.

SUMMARY OF AUSTRALIAN ACQUISITIONS

PROPERTY	SELLER	PURCHASE CONSIDERATION	DATE
127 Orchard Road, Chester Hill, New South Wales	McPhee Developments Pty Limited	A$37.0 million S$ 38.8 million	27 February 2015
16-28 Transport Drive, Somerton, Victoria	Larapinta Logistics Pty Ltd	A$22.3 million S$23.4 million	27 February 2015
51 Musgrave Road, Coopers Plains, Queensland	Sonton Pty Ltd	A$10.7 million S$11.2 million	27 February 2015
203 Viking Drive, Wacol, Queensland	One Funds Management Ltd	A$27.0 million S$27.1 million	23 October 2015
223 Viking Drive, Wacol, Queensland	Muzzie Pty Ltd	A$9.575 million S$9.6 million	4 December 2015
404-450 Findon Road, Kidman Park, South Australia	In For A Pound Pty Ltd	A$57.3 million S$57.4 million	18 December 2015

OPERATIONS & FINANCIAL REVIEW

OPERATIONS REVIEW

DHL Supply Chain ARC received its Temporary Occupation Permit in July 2015.

As at 31 December 2015, Cache's portfolio comprised 19 properties strategically located in established logistics clusters in Singapore, Australia and China which are well served by good transportation infrastructure. The portfolio was valued at S$1,308.0 million, an increase of S$187.8 million or 16.8% over the total value of investment properties as at 31 December 2014. The increase was due to the addition of DHL Supply Chain ARC and the six new warehouses in Australia which were acquired during the year, and taking into account downward revaluations in several of the properties which were largely due to a combination of lower market rentals, lower future rental growth assumptions and shorter balance land tenure for select Singapore properties.

	AS AT 31 DECEMBER 2014	AS AT 31 DECEMBER 2015
Number of Properties	**14 Properties** 13 in Singapore[1] 1 in China, Shanghai	**19 Properties** 12 in Singapore 6 in Australia 1 in China, Shanghai
Portfolio Value	S$1,120.2 million	S$1,308.0 million
Gross Floor Area	6,106,509 square feet	7,508,508 square feet
Average Building Age	6.8 years	10.0 years
Number of Tenants	8 Master Lessees 3 Individual Tenants	10 Master Lessees 27 Individual Tenants
Occupancy	97.9%	94.9%
Property Features	10 properties – Ramp-up 2 properties – Cargo Lift 2 properties – Single Storey	10 properties – Ramp-up 2 properties – Cargo Lift 7 properties – Single Storey

NOTE:

[1] Includes Kim Heng Warehouse, which was subsequently divested in June 2015, and DHL Supply Chain ARC, which was under development as at 31 December 2014.

OPERATIONS & FINANCIAL REVIEW

OPERATIONS REVIEW

Strategic Locations in Logistics Clusters

Cache's portfolio specialises in logistics warehouses serving a diverse group of multi-national and local third-party logistics providers (3PLs). 3PLs are firms that provide multiple logistics services for use by customers. These services include transportation, warehousing, inventory management, packaging and freight forwarding[1]. Often times logistics services as such are integrated or bundled depending on customer requirements.

SINGAPORE

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

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

AUSTRALIA

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

CHINA

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

SINGAPORE PORTFOLIO

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

NOTE:

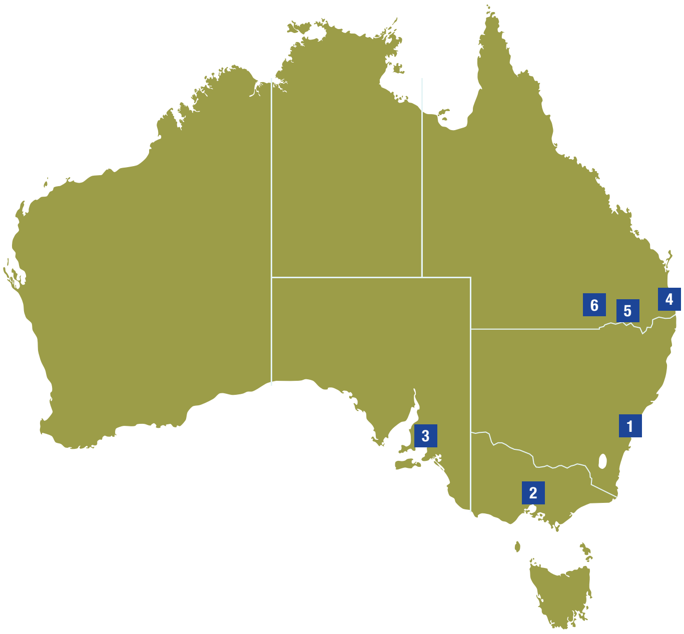
[1] Definition as provided by the Council of Supply Chain Management Professionals.

OPERATIONS & FINANCIAL REVIEW

OPERATIONS REVIEW

AUSTRALIA PORTFOLIO

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



CHINA PORTFOLIO

SHANGHAI	
1	Jinshan Chemical Warehouse

OPERATIONS & FINANCIAL REVIEW

OPERATIONS REVIEW

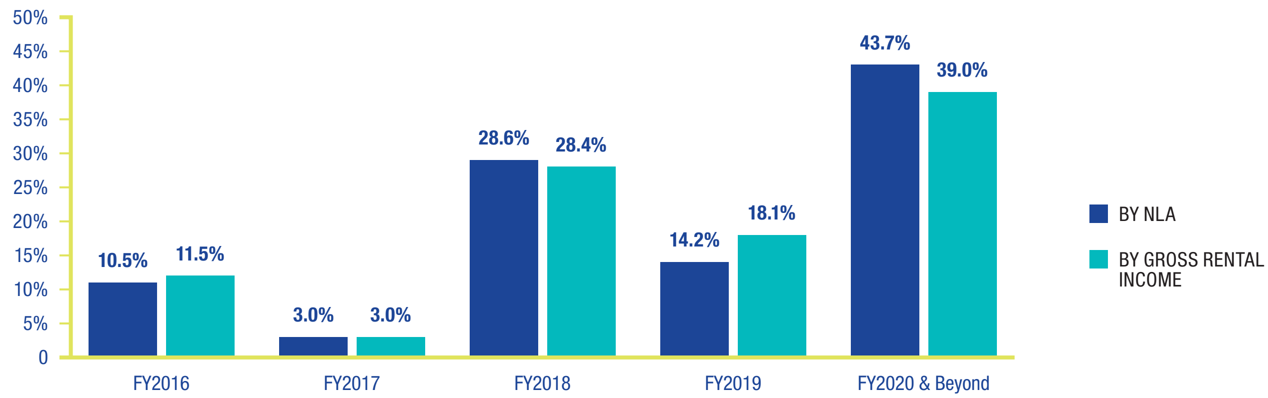
Long WALE and High Occupancy Provide Earnings Stability

Cache's quality portfolio is underpinned by a long WALE and the lease expiry profile is well staggered with 11.5% and 3.0% of leases (by Gross Rental Income) due for renewal in FY2016 and FY2017, respectively.

As at 31 December 2015, the portfolio weighted average lease expiry stood at 4.4 years by NLA and 4.2 years by Gross Rental Income, longer than the REIT industry average. Cache's portfolio enjoys a high degree of predictability in its cashflow and earnings stability as more than 40% of the total portfolio leases (by NLA) are committed till FY2020 and beyond.

Cache maintained a strong occupancy of 94.9% as at 31 December 2015, which compares favourably with the Singapore industrial warehouse average occupancy rate of approximately 91.4% in the fourth quarter of 2015[1]. With some of the best-in-class warehouse properties and its proactive marketing strategy, Cache continues to draw robust demand for logistics space from 3PLs and other logistics operators.

PORTFOLIO LEASE EXPIRY PROFILE (BY % OF NLA AND GROSS RENTAL INCOME)



	FY2016	FY2017	FY2018	FY2019	FY2020 and Beyond
Number of leases expiring	4	4	16	8	12
Total NLA of expiring leases (square feet)	741,592	215,886	2,030,655	1,003,712	3,095,365

HEALTHY LEASING ACTIVITY IN FY2015

During the year, four master-leased properties, namely Cache Cold Centre, Cache Changi Districentre 1, Cache Changi Districentre 2 and Pandan Logistics Hub were converted to multi-tenanted properties. With its proactive leasing management strategy, the Manager secured key tenants such as TNT Express Worldwide in Cache Changi Districentre 1, NTUC Fairprice Co-operative in Cache Cold Centre, International Grand Forwarding in Cache Changi Districentre 2 and CWT Limited in Pandan Logistics Hub. The master lease at CWT Commodity Hub, which was due to expire in April 2015, was renewed for another three years.

For the leases that expired in FY2015, a total of 3.1 million square feet of new leases and renewals were secured, with a 86.6% tenant/end-user retention rate. These new leases and renewals have a WALE of 2.9 years (as at 31 December 2015) by both NLA and Gross Rental Income and contributed 40.8% to FY2015 Gross Revenue.

Another 2.4 million square feet of new leases were secured in FY2015 in respect of the recently completed DHL Supply Chain ARC and six newly acquired properties in Australia. The combined WALE of these leases was 7.8 years by NLA and 8.1 years by Gross Rental Income. The Australian leases and the interim leases at Block 2 of DHL Supply Chain ARC contributed 7.4% to FY2015 Gross Revenue. Revenue from DHL Supply Chain Singapore, the anchor tenant at DHL Supply Chain ARC, commenced in January 2016.

NOTE:

[1] JTC Corporation Quarterly Market Report for Industrial Properties, Fourth Quarter 2015.

Geographical and Income Diversification

With the acquisitions in Australia, unitholders will benefit from geographical and income diversification. Approximately 7.9% of FY2015 Gross Revenue was derived from Cache's properties outside of Singapore.

GREATER BALANCE BETWEEN MASTER LEASES AND MULTI-TENANCIES

Over time, Cache achieved a more balanced mix of master-leased and multi-tenanted properties. Master-leased properties provide portfolio stability with their typically longer lease periods while multi-tenanted properties enable Cache the ability to ride on potential rental upsides during a buoyant rental market due to typically shorter lease periods.

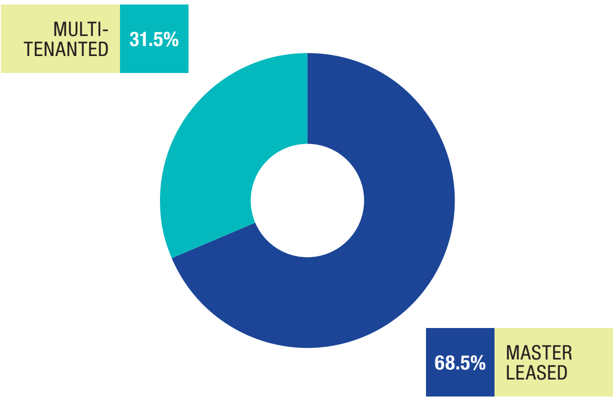
The current master lease agreements in Singapore are structured with predominantly triple-net rental and built-in rental escalation of between 1% and 2% per annum over the lease term. For the Australian assets, the master lease arrangements come with built-in annual rental escalations of between 3% and 4%, or tied to the local Consumer Price Index, whichever is higher.

As at 31 December 2015, multi-tenanted properties contributed 31.5% of FY2015 Gross Rental Income while master-leased properties contributed to the balance 68.5%.

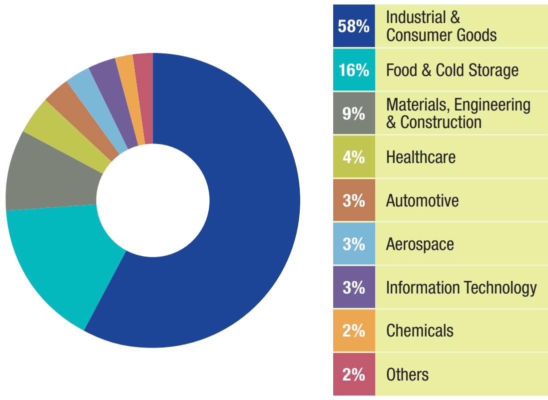
A GROWING & DIVERSIFIED END-USER CUSTOMER BASE

Cache's diversified tenant and end-user base continues to underpin the stability of its operational performance. Although Cache's gross rental income is largely attributed to CWT Limited, it is well supported by a diverse group of end-users with strong demand for quality logistics space. A majority of the end-users are multi-national companies from a broad range of industries such as industrial and consumer goods, food and cold storage, materials, engineering and construction, healthcare, automotive, aerospace and chemicals. This diversification across trade sectors enables Cache to mitigate its concentration risk to any single tenant over time.

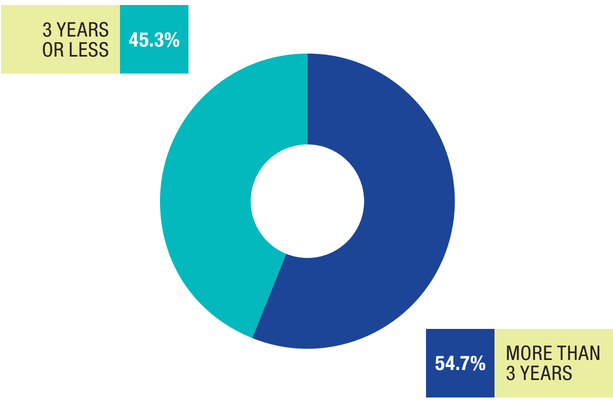
LEASE STRUCTURES (BY GROSS RENTAL INCOME)



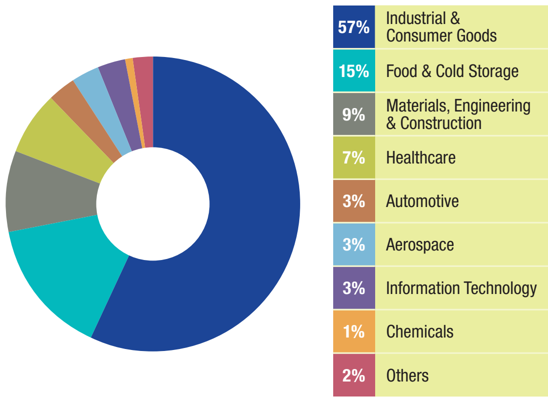
TRADE SECTOR END-USER MIX (BY LETTABLE AREA)



LEASE TERMS (BY GROSS RENTAL INCOME)



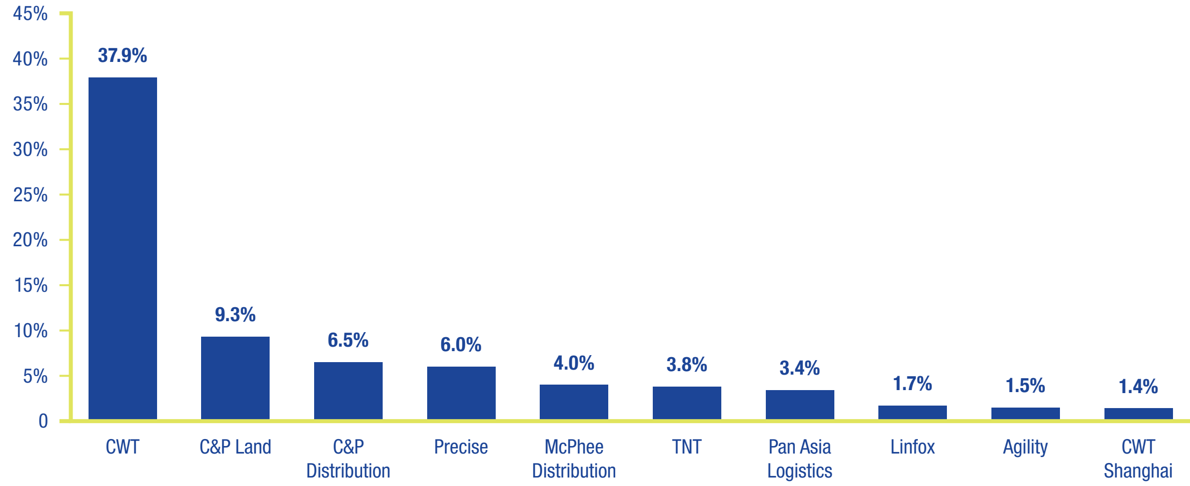
TRADE SECTOR END-USER MIX (BY GROSS RENTAL INCOME)



OPERATIONS & FINANCIAL REVIEW

OPERATIONS REVIEW

TOP 10 TENANTS BY GROSS RENTAL INCOME (AS AT 31 DECEMBER 2015)



Security Deposits Provide a Buffer on Cashflow

The rental obligations of our tenants are supported by security deposits in the form of cash or bank guarantees of up to 12 months' rental. As at 31 December 2015, the security deposits underpinning the rental obligations at Cache's properties averaged 7.4 months providing a security buffer and additional confidence in our cashflow.

There were no rental in arrears outstanding at the end of the financial year.

Strengthening the Portfolio with Freehold Assets

Freehold land (by NLA) accounted for approximately 19.8% of the portfolio, with the remaining 80.2% on leasehold tenure. The weighted average unexpired land lease tenure as at 31 December 2015 was 43.6 years[1]. Excluding freehold land, the weighted average unexpired lease term for underlying leasehold land (by NLA) was approximately 29.4 years.

NOTE:

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

OPERATIONS & FINANCIAL REVIEW

OPERATIONS REVIEW

PROPERTY[1]	PROPERTY FEATURE	ACQUISITION DATE	VALUATION[2]	GROSS FLOOR AREA	FY2015 GROSS REVENUE[3]	ADDRESS
SINGAPORE			(S$ million)	(square feet)	(S$ million)	
CWT Commodity Hub	Ramp-up	12 Apr 2010	336.1	2,295,927	31.0	24 Penjuru Road
Cache Cold Centre	Ramp-up	12 Apr 2010	139.6	344,681	10.1	2 Fishery Port Road
Schenker Megahub	Ramp-up	12 Apr 2010	116.8	439,956	7.9	51 ALPS Avenue
Hi-Speed Logistics Centre	Ramp-up	12 Apr 2010	82.0	308,626	5.6	40 ALPS Avenue
Cache Changi Districentre 1	Ramp-up	12 Apr 2010	93.4	364,361	7.5	5 Changi South Lane
Cache Changi Districentre 2	Cargo lift	12 Apr 2010	18.2	111,359	1.4	3 Changi South Street 3
Cache Changi Districentre 3	Ramp-up	31 Mar 2011	26.1	176,955	3.2	6 Changi North Way
Air Market Logistics Centre	Cargo lift	19 Aug 2011	13.1	67,564	1.1	22 Loyang Lane
Pan Asia Logistics Centre	Ramp-up	30 Apr 2012	37.0	196,990	2.9	21 Changi North Way
Pandan Logistics Hub	Ramp-up	3 Jul 2012	60.6	329,112	5.2	49 Pandan Road
Precise Two	Ramp-up	1 Apr 2013	49.8	284,384	5.1	15 Gul Way
DHL Supply Chain ARC	Ramp-up	8 Jul 2015[4]	147.2	989,260	0.8[5]	1 Greenwich Drive
12 properties in Singapore			**S$1,119.9**	**5,909,175**		

PROPERTY	PROPERTY FEATURE	ACQUISITION DATE	VALUATION[2]	GROSS FLOOR AREA	FY2015 GROSS REVENUE[3]	ADDRESS
AUSTRALIA			(A$ million)	(square feet)	(S$ million)	
127 Orchard Road	Single-storey	27 Feb 2015	37.3	278,034	2.7	127 Orchard Road, Chester Hill, New South Wales
16-28 Transport Drive	Single-storey	27 Feb 2015	25.0	229,047	1.5	16-28 Transport Drive, Somerton, Victoria
51 Musgrave Road	Single-storey	27 Feb 2015	9.6	102,172	0.9	51 Musgrave Road, Coopers Plains, Queensland
203 Viking Drive	Single-storey	23 Oct 2015	27.0	143,839	0.5	203 Viking Drive, Wacol, Queensland
223 Viking Drive	Single-storey	4 Dec 2015	9.6	67,555	0.1	223 Viking Drive, Wacol, Queensland
404-450 Findon Road	Single-storey	18 Dec 2015	57.3	632,869	0.3	404-450 Findon Road, Kidman Park, South Australia
6 properties in Australia			**A$165.7**	**1,453,516**		

PROPERTY	PROPERTY FEATURE	ACQUISITION DATE	VALUATION[2]	GROSS FLOOR AREA	FY2015 GROSS REVENUE[3]	ADDRESS
CHINA			(¥ million)	(square feet)	(S$ million)	
Jinshan Chemical Warehouse	Single-storey	15 Jun 2011	¥77.3	145,816	1.2	288 Gongchuang Road, Caojing Town, Jinshan District, Shanghai
1 property in China			**¥77.3**	**145,816**		

NOTES:

[1] Cache has a 100% interest in all its investment properties.

[2] Based on independent valuations as at 31 December 2015. For the properties located in Singapore, the valuations were conducted by DTZ Debenham Tie Leung (SEA) Pte Ltd; for the property located in China, the valuation was conducted by DTZ Debenham Tie Leung Limited; for the properties in Australia, the valuations were conducted by m3property Pty Limited with the exception of the property located at 404-450 Findon Road, Kidman Park, South Australia whose valuation was conducted by JLL Adelaide, South Australia. The exchange rates used are S$1.00 ~ ¥4.579 and S$1.00 ~ A$0.968.

[3] Gross Revenue includes net rental income (after rental rebates and rent-free periods), service charge, license fees and other reimbursables for multi-tenanted properties.

[4] Temporary Occupation Permit (T.O.P.) date.

[5] The FY2015 revenue of DHL Supply Chain ARC comprises rental from interim leases at Block 2 and other income. The revenue from DHL Supply Chain Singapore commenced in January 2016.

OPERATIONS & FINANCIAL REVIEW

FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS

FINANCIAL YEAR ENDED 31 DECEMBER	FY2014 (S$'000)	FY2015 (S$'000)	CHANGE (%)
Gross Revenue	82,852	89,721	8.3
Property Expenses	(4,852)	(13,565)	179.6
Net Property Income	**78,000**	**76,156**	**(2.4)**
Net Income [1]	**57,118**	**52,995**	**(7.2)**
Amount Available for Distribution	**66,880**	**67,960**	**1.6**
Distribution Per Unit (Singapore cents)	**8.573**	**8.500**	**(0.9)**

NOTE:
[1] Excludes net change in fair value of investment properties.

PERFORMANCE COMPARISON BETWEEN FY2014 AND FY2015

Gross revenue for the year ended 31 December 2015 was S$89.7 million, an increase of S$6.8 million or 8.3% over the corresponding period last year. The increase was mainly attributed to incremental rental income from the six Australian properties acquired during the year.

Property expenses for the year ended 31 December 2015 totaled S$13.6 million, an increase of S$8.7 million from the same period in 2014. The increase was due to conversion of four properties from single-tenant master-leases to multi-tenancies, leading to Cache assuming direct obligation for all property expenses including land rent, property tax, maintenance and leasing expenses. In addition, property expenses were incurred for DHL Supply Chain ARC which received TOP in July 2015.

Consequently, NPI fell by S$1.8 million to S$76.2 million, or 2.4% year-on-year.

Net income fell by S$4.1 million, or 7.2% to S$53.0 million due to the drop in NPI, finance expenses associated with new loans drawn in relation to acquisitions made during the year and the development of DHL Supply Chain ARC, as well as higher Manager's fees and Trustee's fees in line with the increase in total assets.

DISTRIBUTIONS

Income available for distribution for the year ended 31 December 2015 increased 1.6% to S$68.0 million. DPU fell marginally by 0.9% year-on-year to 8.500 cents. The slight drop in DPU was due to a lower net income and an increase in the units base associated with the private placement launched on 3 November 2015.

Cache maintained a 100% distribution payout policy for the financial year ended 31 December 2015.

OPERATIONS & FINANCIAL REVIEW

FINANCIAL REVIEW

DISTRIBUTION PER UNIT (SINGAPORE CENTS)			
FINANCIAL YEAR ENDED 31 DECEMBER	FY2014	FY2015	CHANGE
First Quarter (1 January – 31 March)	2.140	2.146	0.3
Second Quarter (1 April – 30 June)	2.147	2.140 [1]	(0.3)
Third Quarter (1 July – 30 September)	2.140	2.140 [2]	–
Fourth Quarter (1 October – 31 December)	2.146	2.074 [3]	(3.4)
Full Year (1 January – 31 December)	8.573	8.500	(0.9)

NOTES:

[1] Includes a 0.185 Singapore cents capital distribution from the sales proceeds from the disposal of Kim Heng Warehouse.

[2] Includes a 0.192 Singapore cents capital distribution from the sales proceeds from the disposal of Kim Heng Warehouse.

[3] Includes a 0.237 Singapore cents capital distribution from the sales proceeds from the disposal of Kim Heng Warehouse and an Advanced Distribution of 0.9 Singapore cents for the period 1 October 2015 to 12 November 2015.

BALANCE SHEET

	FY2014 $'000	FY2015 $'000
Investment Properties	1,044,462	1,307,959
Total Assets	1,137,060[1]	1,326,290
Debt, at amortised cost	(349,245)	(523,448)
Total Liabilities	**(370,159)**	**(539,780)**
Unitholders' Funds	**766,901**	**786,510**
Net Asset Value per unit (Singapore cents)	**0.98**[2]	**0.88**[3]

NOTES:

[1] Includes DHL Supply Chain ARC which was under development as at 31 December 2014 and classified under "Investment property under development".

[2] Based on 781,758,464 issued units including 780,626,338 issued units as at 31 December 2014 and 1,132,126 units issued to the Manager in 1Q 2015 as partial consideration of Manager's fees.

[3] Based on 893,472,054 issued units including 891,846,123 issued units as at 31 December 2015 and 1,625,931 units issued to the Manager in 1Q 2016 as partial consideration of Manager's fees.

TOTAL ASSETS AND NET ASSET VALUE PER UNIT

As at 31 December 2015, the total assets of Cache stood at S$1.33 billion, a 16.6% increase from S$1.14 billion a year ago. The increase was attributed to an increase in the appraised value of the investment properties with the acquisition of six warehouses in Australia during the financial year. This was offset by a decrease in the valuation of some properties within the portfolio.

Net assets stood at S$786.5 million as at 31 December 2015, compared with S$766.9 million for the same period in 2014. The net asset value of Cache fell to S$0.88 per unit from S$0.98 per unit, primarily due to fair valuation adjustments on the investment properties and an increase in the total issued units base.

OPERATIONS & FINANCIAL REVIEW

FINANCIAL REVIEW

TOTAL OPERATING EXPENSES

	FY2014 $'000	FY2015 $'000
Property manager's fees *(including reimbursables)*	3,146	3,514
Manager's fees[1]	6,651	9,274
Property expenses	1,706	10,033
Other trust expenses[2]	1,940	1,971
Tax expenses	275	604
Total operating expenses	13,718	25,396
As a percentage of NAV[3]	1.8%	3.2%

NOTE:

[1] Includes acquisition fees and divestment fees.

[2] Includes trustee fees, valuation fees and reimbursables to the Manager.

[3] Based on total operating expenses over the NAV as at 31 December 2015 of $786,510,000 (2014: $766,901,000).

Total operating expenses were approximately $25.4 million in FY2015. 39.5% of the total operating expenses was attributable to property expenses. The higher year-on-year property expenses compared to FY2014 was due to the conversion of four properties from single-tenant master-leases to multi-tenancies, leading to Cache assuming direct obligation for all property expenses including land rent, property tax, maintenance and leasing expenses. In addition, the property expenses also rose in tandem with an increase in the number of properties from 14 as at 31 December 2014 to 19 as at 31 December 2015.

CAPITAL MANAGEMENT

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

FUNDING SOURCES

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

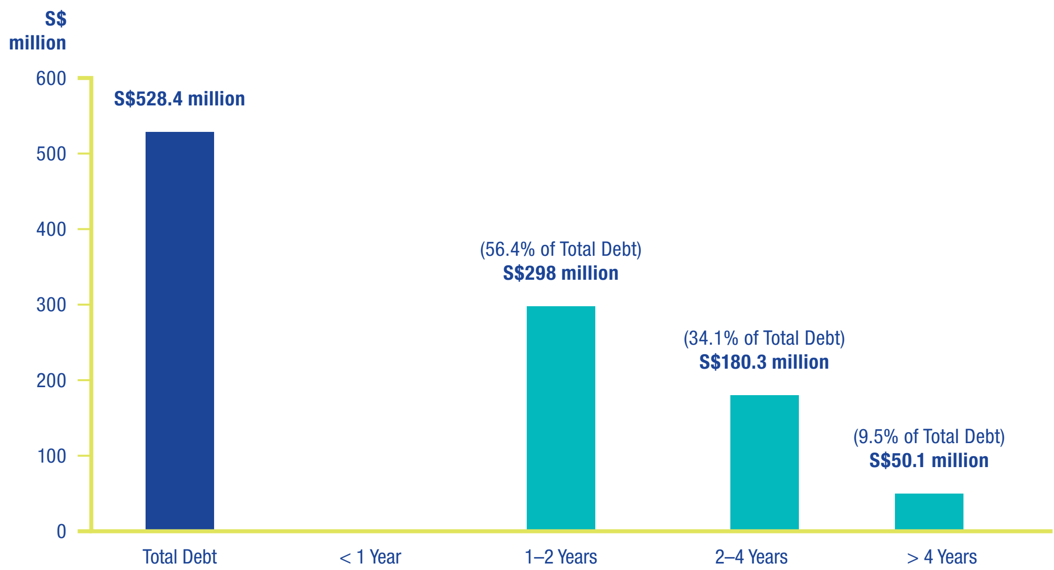
On 3 November 2015, Cache successfully raised S$100 million in gross proceeds from a private placement, which were used to fund the acquisitions in Australia and pare down debt. As at 31 December 2015, approximately S$34.8 million was used to fund acquisitions in Australia, S$51.6 million to repay debt and S$1.5 million for issue fees and expenses. The balance of S$12.1 million will be used to repay debt and/or for working capital requirements. This is in accordance with the stated use and percentage allocated on the use of proceeds as announced.

As at 31 December 2015, Cache had a total capacity of S$608.4 million from its sources of funding, of which S$528.4 million had been utilised. None of its total borrowings will mature in the next 12 months.

DEBT MATURITY PROFILE

The debt maturity profile of Cache as at 31 December 2015 is set out as follows:

MATURITY DATE	S$'000	% OF TOTAL BORROWINGS
Due in FY2017	73,000	13.8
Due in FY2018	225,000	42.6
Due in FY2019	180,300	34.1
Due in FY2020	50,100	9.5
	528,400	100.0



CAPITAL MANAGEMENT

AGGREGATE LEVERAGE

As at 31 December 2015, the aggregate leverage ratio was 39.8% (31 December 2014: 31.2%) and the interest cover ratio was 4.8 times (31 December 2014: 6.8 times).

The weighted average debt maturity was 3.1 years as at 31 December 2015.

HEDGING PROFILE

The Manager continues to mitigate the impact of interest rate fluctuations on the distribution income by hedging approximately 62% of Cache's total borrowings into fixed rates as at 31 December 2015. Of this, approximately 73% of Singapore dollar borrowings was hedged. The fair value of these derivative financial instruments represents 0.27% (31 December 2014: 0.04%) of the net assets of the Group.

The Manager addresses its foreign currency exposure for its assets and liabilities in other currencies by way of borrowing in the same currency to provide a natural currency hedge. As at 31 December 2015, the Australian dollar borrowings amounted to approximately 65.1% of the Australian portfolio valuation and approximately 7.9% of Cache's income stream in FY2015 was in a currency other than Singapore dollars.

In terms of foreign exchange risk on overseas earnings, the Manager continues to monitor the foreign exchange markets closely for an opportune time to apply currency hedge positions.

CREDIT RATING

Cache has corporate credit rating from Moody's Investors Service ("Moody's"). Moody's has given Cache a corporate credit rating of Baa3 with a "stable" outlook, unchanged from last year.

CORPORATE LIQUIDITY AND CAPITAL RESOURCES

	FY2014 (S$'000)	FY2015 (S$'000)
FINANCIAL RESOURCES AND LIQUIDITY		
Total borrowings [1]	355,181	528,409
Undrawn Revolving Credit Facility [2]	65,000	56,000
Cash and cash equivalents	11,275	8,054
Total available undrawn RCF and cash	76,275	64,054
Weighted average term of maturity (years)	**4.1**	**3.1**
Aggregate Leverage Ratio %	**31.2**	**39.8**
Average All-in Cost of Financing (%)	**3.30**	**3.25**

	FY2014 (S$'000)	FY2015 (S$'000)
INTEREST COVER RATIO		
EBITDA	69,799	67,773
Interest expenses	10,323 [3]	14,131
Interest cover ratio (times)	6.8	4.8

NOTES:

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

[2] Relates to the S$400 million club loan facility and excludes the revolving credit facility for DHL Supply Chain ARC.

[3] Excludes non-recurring finance expenses incurred on refinancing exercise.

RISK MANAGEMENT

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

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

KEY RISKS & MITIGATING ACTIONS IN FY2015

INVESTMENT RISK: All investment proposals are subject to a rigorous, disciplined and thorough evaluation process according to an extensive set of investment criteria including, but not limited to, asset quality, yield accretion, expected returns, tenant's credit standing, future growth potential and sustainability of asset performance and asset enhancement potential in relation to existing economic and financial market conditions.

DEVELOPMENT RISK: Cache embarked on its first build-to-suit (BTS) development of DHL Supply Chain ARC in April 2014. To minimise development risk, a fixed price building works contract was entered into with a qualified and well-established contractor who provided an on-demand performance bond as security. The BTS development obtained its TOP in July 2015, on schedule and within budget.

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

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

HUMAN CAPITAL RISK: Human capital risk is mitigated by maintaining a robust human resource policy which includes careful screening of staff, fair and reasonable remuneration in line with industry conditions, and personal development and training opportunities to enhance staff retention. This approach has been effective as evident in minimal staff turnover in 2015.

INTEREST RATE RISK: Interest rate risk is managed on a continuing basis with the objective of limiting Cache's exposure to changes in interest rates which will affect its interest expense. For a majority portion of Cache's outstanding borrowings, the Manager hedges Cache's exposure to interest rate volatility through interest rate swaps. As at 31 December 2015, approximately 62% of Cache's total debt was hedged.

LIQUIDITY RISK: The Manager maintains an efficient use of cash and debt facilities to ensure sufficient credit facilities to meet its financial obligations, working capital and capital expenditure commitments. The Manager also adheres closely to the bank covenants in loan agreements and the property fund guidelines in the Code of Collective Investment Scheme.

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

CREDIT RISK: Credit risk is mitigated by conducting tenant credit assessments. For new leases, credit evaluation is performed and, on an ongoing basis, tenant credit and arrears are closely monitored by the Manager. Credit risks are further mitigated through the collection of security deposits of up to 12 months' rental.

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

COMPLIANCE RISK: Cache is subject to applicable laws and regulations of the various jurisdictions in which it operates, including the property fund guidelines in the Code of Collective Investment Scheme and tax rulings issued by the Inland Revenue Authority of Singapore.

The Manager has put in place policies and procedures to facilitate compliance with the applicable laws and regulations. The Manager stays well informed of the latest developments in the relevant laws and regulations through training and attending relevant seminars.

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

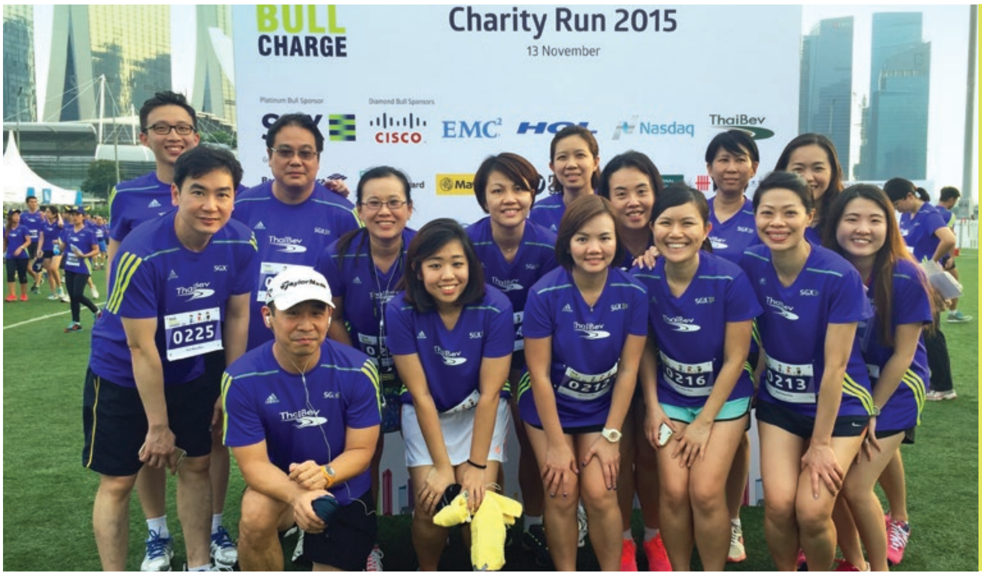
CACHE CARES

Along with its holding company, ARA, the Manager recognises the impact that its business has on the environment and the societies we operate within. Our philosophy towards sustainability guides our business strategies and execution plans as well as how we interact with our stakeholders.

STAFF VOLUNTEERISM

The Manager believes that a successful company is defined not only by its financial performance, but also by the positive role that it can play in the community. Alongside ARA, the Manager actively supports community events for charitable and social causes through donations and employee volunteering.

In 2015, the Manager participated in three meaningful charity programmes, namely "Operation Smile Singapore", which funded surgery and treatments for children with facial deformities, the annual SGX Bull Charge event, and the annual "Y Food of Love" programme organised by YMCA for children and youths from the Thye Hua Kwan Family Services Centre.



The SGX Bull Charge Event raised S$2.9 million in 2015.

Spreading our love to the children in the YMCA Y Food of Love Programme.

CONSERVING THE ENVIRONMENT

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

The Manager strives to improve its resource efficiency in order to reduce energy and water consumption and carbon emissions. The environmentally friendly approach is good for business in so far as attracting better quality end-users, lowering utilities costs and ultimately translating to higher returns for our stakeholders over time.

Internally, all staff are encouraged to play a part in protecting the environment through various initiatives, including raising staff environmental awareness and our commitment to green causes such as recycling.

Through internal communication programmes, all staff are encouraged to reduce desk lighting, turn off lights in unoccupied rooms, and minimise equipment use.

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

ENVIRONMENTALLY FRIENDLY ASSET ENHANCEMENT INITIATIVES

INITIATIVES	DETAILS
LIGHTING	▪ Adjusted staircase, ramp and loading/unloading bay timers such that the lightings will be switched on after 7pm and automatically switched off by 7am.
	▪ Replaced perimeter/high-bay lights with LED lights.
	▪ Skylights installed to take advantage of the natural lighting.
MOTION SENSORS	▪ Installed motion sensors in all the toilets / lift lobbies.
NATURAL VENTILATION	▪ Natural ventilation incorporated into the physical design of the properties.
AMMONIA-BASED COLD SYSTEM	▪ Implemented a more energy-efficient ammonia-based cold system compared to a traditional freon-based system.

EMPLOYEE WELLNESS AND ENGAGEMENT

Cache adheres to the core values of Respect, Excellence, Integrity and Teamwork in its human resource policies. The Manager promotes fairness, equality of opportunity, continuing personal development and training, mutual trust and teamwork. The Manager and ARA regularly organise a diverse selection of employee wellness programmes. These activities range from social events (Dinner and Dance, Chinese New Year parties, etc.), to sports and fitness programmes (health screening, yoga, running, etc) and other enrichment activities (wine appreciation, sushi-making workshops, etc).

SINGAPORE INDUSTRIAL PROPERTY MARKET REVIEW[1]

BY COLLIERS INTERNATIONAL CONSULTANCY & VALUATION (SINGAPORE) PTE LTD

1 MACROECONOMIC TRENDS

1.1 REVIEW OF ECONOMIC PERFORMANCE IN THE PAST YEAR

Advance estimates released by the Ministry of Trade and Industry ("MTI") on 4 January 2016 showed Singapore's real Gross Domestic Product ("GDP") growth slowed for the second consecutive year to 2.1% year-on-year (YoY) in 2015, from 2.9% YoY in 2014. This was due mainly to the weak manufacturing sector.

1.2 MANUFACTURING OUTPUT AND INVESTMENT COMMITMENTS

According to statistics released by the Economic Development Board ("EDB") on 26 January 2016, Singapore's total manufacturing output ended five successive years of expansion in 2015 with a 5.2% YoY contraction.

1.3 TRANSPORT & STORAGE SECTOR PERFORMANCE

Latest available statistics for the first nine months of 2015 showed the transport and storage sector expanded by a marginal 1.3% YoY in 1Q 2015, reversing 4Q 2014's 0.4%YoY dip. This was on the back of an expansion in the water transport segment. However, weighed down by the water transport segment, the transport and storage sector contracted by 1.0% YoY in 2Q 2015, and inched up by just 0.3% YoY in 3Q 2015.

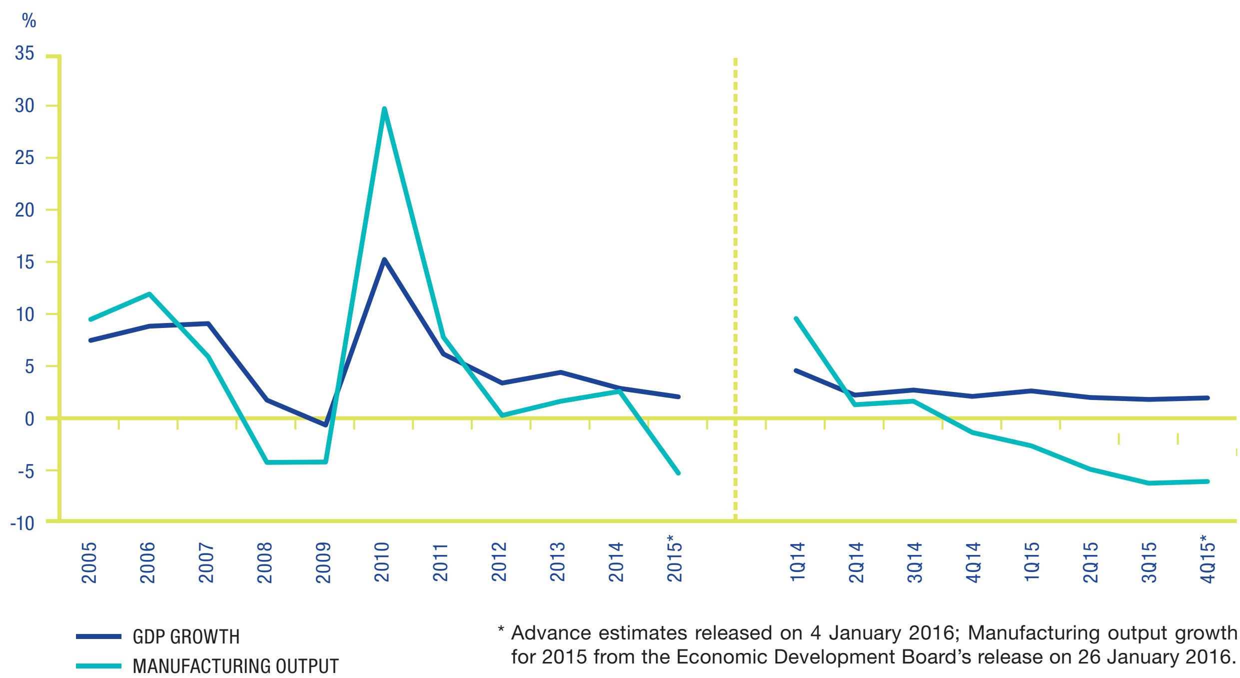
Preliminary figures for 2015 reflected the challenges faced by the water transport segment with declines in both container throughput and sea cargo throughput, after five straight years of expansion. Specifically, total container throughput fell by 8.7% YoY to 30.9 million TEUs[2], while sea cargo throughput decreased by 1.1% YoY to 574.9 million tonnes. The air transport segment fared better with air freight movements up by 0.5% YoY to 1.85 million tonnes in 2015.

1.4 ECONOMIC OUTLOOK

Singapore's economic outlook remains tentative in 2016. Based on the latest official statement issued by the MTI on 25 November 2015, the Singapore economy is expected to grow by a modest 1% to 3% in 2016.

Although growth is expected to be supported by some sectors such as finance & insurance and wholesale trade, the key manufacturing sector is foreseen to stay weak. Labour constraints may also weigh down the growth of labour-intensive sectors like retail and food services. Additionally, growth may be affected by the presence of global economic downside risks such as a continued slowdown in China's economic growth.

YEAR-ON-YEAR GROWTH IN GDP AND MANUFACTURING SECTOR OUTPUT



* Advance estimates released on 4 January 2016; Manufacturing output growth for 2015 from the Economic Development Board's release on 26 January 2016.

Source: Singapore Department of Statistics / Economic Development Board

NOTES:

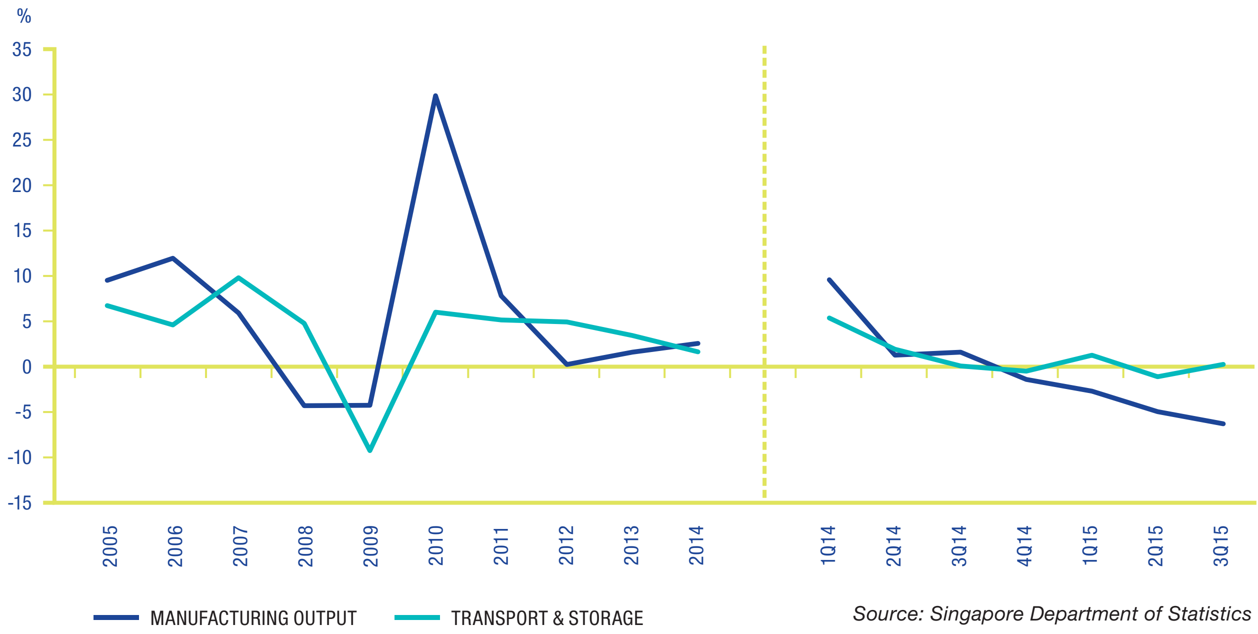
[1] Dated 12 February 2016.

[2] TEU or twenty-foot equivalent unit is a measure of capacity in container transportation.

SINGAPORE INDUSTRIAL PROPERTY MARKET REVIEW

BY COLLIERS INTERNATIONAL CONSULTANCY & VALUATION (SINGAPORE) PTE LTD

YEAR-ON-YEAR GROWTH IN TRANSPORT & STORAGE SECTOR VS MANUFACTURING SECTOR OUTPUT



Source: Singapore Department of Statistics

2 RECENT GOVERNMENT MEASURES AFFECTING THE SINGAPORE INDUSTRIAL PROPERTY MARKET

2.1 INDUSTRIAL GOVERNMENT LAND SALES (IGLS) PROGRAMME

The Government manages the supply of industrial land to ensure an adequate supply of industrial space for industrialists through its bi-annual Industrial Government Land Sales ("IGLS") Programme. Taking cognisance of the current ample pipeline supply of industrial space, the Government has continued to scale back its industrial land supply.

In the 1H 2016 IGLS Programme launched by the MTI on 28 December 2015, 10 sites with an aggregate land area of 12.24 ha were offered, down from the 14 sites with a total land area of 14.30 ha offered under the 2H 2015 IGLS Programme.

2.2 RECENT KEY GOVERNMENT POLICIES AND INITIATIVES

2.2.1 Changes to JTC's Tenancy Policies

To address changing business needs and operating environment, JTC Corporation ("JTC") has tweaked its policies for Third Party Facility Providers (e.g. REITs), where land has been leased through its Third Party Build & Lease or Sale & Lease-Back schemes. The following changes, which took effect on 1 October 2015, are expected to provide more flexibility in the leasing of such facilities.

2.2.1.1 Reduced Gross Floor Area Requirement by Anchor Subtenants

Effective 1 October 2015, JTC reduced the minimum Gross Floor Area ("GFA") requirement for anchor subtenants from 1,500 sq m to 1,000 sq m. This will allow more industrialists to qualify as anchor subtenants.

2.2.1.2 Anchor Subtenants with Status Quo Space Requirements at Renewal Need Not be Reassessed

From 1 October 2015, existing anchor subtenants renewing their premises with no changes to the quantum of occupied space and/or space usage will not need to be reassessed. This will improve administrative efficiency. However, applications will still have to be submitted for extension of subletting period.

2.2.1.3 Minimum Occupation Period of Anchor Subtenant Upon Renewal

The minimum occupation period ("MOP") of three years per term that was imposed on subsequent anchor subtenants, i.e. replacement of the original anchor subtenants, was relaxed to allow for greater flexibility.

JTC will consider the overall duration that the anchor subtenants have been on the site. Subject to JTC's approval, these anchor tenants can now renew for any duration (depending on their business needs) after fulfilling the initial MOP. This flexibility was also extended to original anchor subtenants for their renewals after they have fulfilled their MOP.

SINGAPORE INDUSTRIAL PROPERTY MARKET REVIEW

BY COLLIERS INTERNATIONAL CONSULTANCY & VALUATION (SINGAPORE) PTE LTD

3 WAREHOUSE / LOGISTICS PROPERTY MARKET OVERVIEW IN SINGAPORE

3.1 SUPPLY

JTC's statistics showed Singapore's total warehouse stock, which encompasses space for warehousing/ storage and logistics purposes, stood at 8.9 million sq m as of 4Q 2015. The private sector held the majority 98.9% of the available stock, while the public sector held the remaining 1.1%.

The West planning region has the largest concentration of completed warehouse space, accounting for 61.6% of the islandwide stock. This was followed by the East (15.3%), Central (14.3%), North (4.5%) and Northeast (4.2%) planning regions.[1]

It is estimated that some 3.2 million sq m or about 36.0% of Singapore's total warehouse stock as of 4Q 2015 is ramp-up warehouse space.

In 2015, Singapore's islandwide stock of completed warehouse space expanded by 5.6% or a net increase of 474,000 sq m. This was nearly 30% lower than 2014's net new supply of 676,000 sq m, but 76.2% higher than the 10-year annual average net new supply of 269,000 sq m from 2005 to 2014.

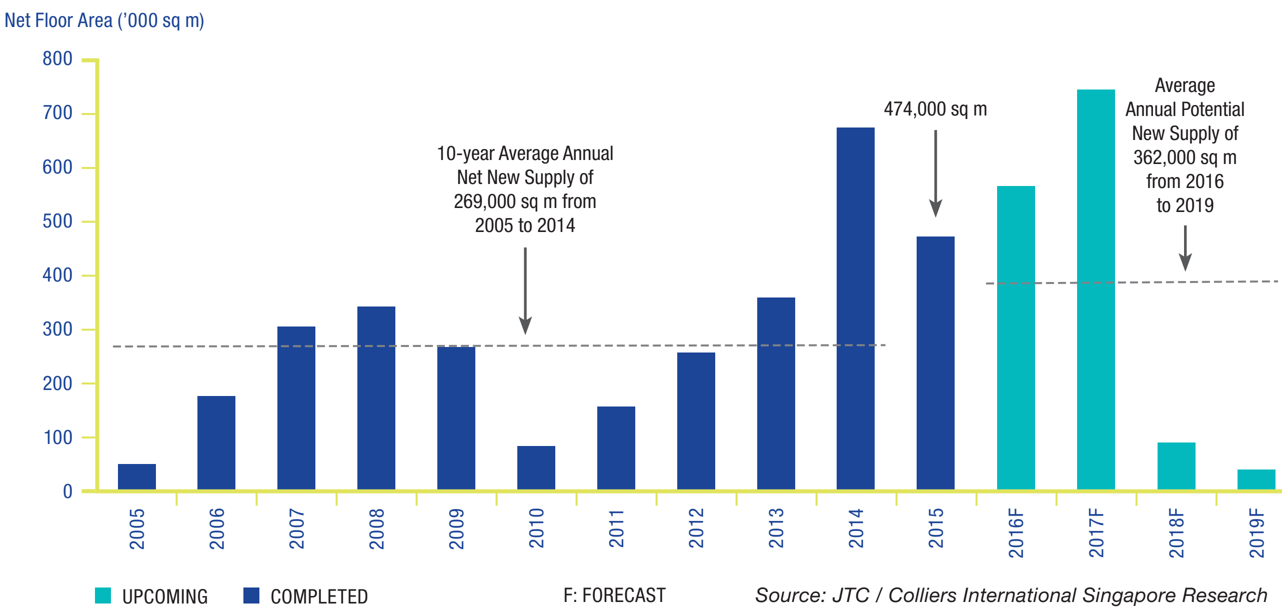
Examples of major warehouse completions in 2015 included DHL Supply Chain Advanced Regional Centre at Greenwich Drive with estimated net lettable area ("NLA") of about 86,200 sq m, CWT Pandan Logistics Centre at Pandan Avenue with estimated NLA of 56,400 sq m and Space@Tampines at Tampines Industrial Crescent with estimated NLA of 56,000 sq m.

The supply of new warehouse space is projected to increase in 2016 and 2017, before tapering off in 2018 and 2019. Based on available information as of 4Q 2015, an estimated 1.4 million sq m[2] (net floor area) of new warehouse space or about 362,000 sq m per annum is expected to be completed from 2016 to 2019.

While this is some 18.3% lower than the average annual net new supply of 443,000 sq m for the preceding four years from 2012 to 2015, it is 16.4% higher than the 10-year average annual net new supply of 311,000 sq m from 2006 to 2015.

However, as the bulk or about 76.0% of the upcoming warehouse supply from 2016 to 2019 is expected to be single-user space meant mainly for owner occupation purposes, this would help to limit the oversupply risks.

HISTORICAL NET NEW AND POTENTIAL SUPPLY OF WAREHOUSE SPACE (AS OF 4Q 2015)



Source: JTC / Colliers International Singapore Research

NOTES:

[1] Figures do not add to 100% due to rounding off.

[2] Potential supply includes space under construction and planned but the actual level of new supply could change due to changes in the status of planned projects.

SINGAPORE INDUSTRIAL PROPERTY MARKET REVIEW

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EXAMPLES OF MAJOR* KNOWN POTENTIAL SUPPLY OF WAREHOUSE SPACE FROM 2016 TO 2019 (AS OF 4Q 2015)

PROJECT NAME	LOCATION	DEVELOPER	ESTIMATED NET LETTABLE AREA (sq m)	EXPECTED YEAR OF COMPLETION (TOP)
SINGLE-USER WAREHOUSE				
Warehouse	146 Gul Circle	Crystal Freight Services Distripark Pte Ltd	42,769	2016
Singapore Post Regional eCommerce Logistics Hub	Greenwich Drive / Tampines Road	Singapore Post Limited	48,175	2016
Supply Chain City	Jurong West Avenue 2 / Jurong West Street 23	Supply Chain City Pte Ltd (YCH Group)	124,108	2016
Warehouse	Jalan Buroh	Hankyu Hanshin Express (Singapore) Pte Ltd	45,496	2017
Toll City Hub	Pioneer Road	Toll Logistics (Asia) Ltd	95,884	2017
Warehouse	Pandan Road	Poh Tiong Choon Logistics Limited	96,511	2017
Warehouse	Jalan Buroh	CWT Limited	206,236	2017
MULTI-USER WAREHOUSE				
Warehouse	5B Toh Guan Road East	Mapletree Logistics Trust Management Ltd	53,950	2016
Warehouse	76 Pioneer Road	HSBC Institutional Trust Services (Singapore) Ltd	60,928	2017
Carros Centre	60 Jalan Lam Huat	Kranji Development Pte Ltd	92,106	2017
Warehouse	Penjuru Lane	Euro-Asia Investment Pte Ltd	67,176	2018

* refers to projects with an estimated net lettable area of at least 40,000 sq m

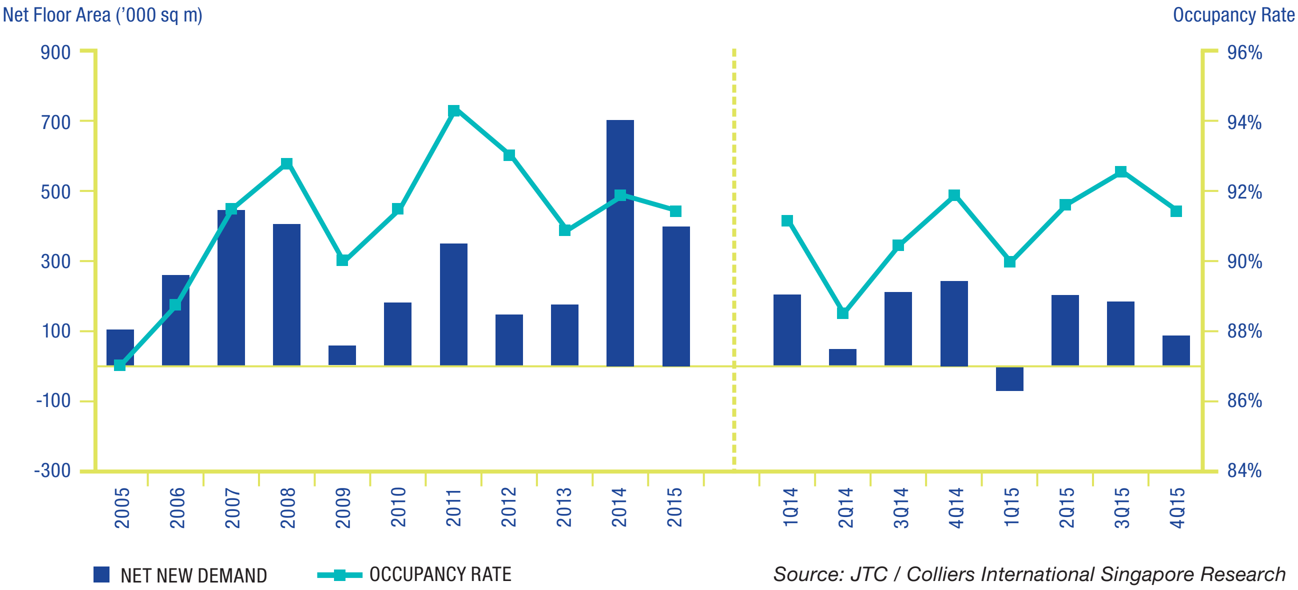
Source: JTC / Colliers International Singapore Research

3.2 DEMAND AND OCCUPANCY

Net new demand[1] of warehouse space averaged 280,000 sq m per year from the end of 2004 to the end of 2014, exceeding the average annual net new supply of 269,000 sq m over the corresponding period by about 4.1%. As such, the average occupancy rate rose from 87.0% in 2005 to a 16-year high of 94.3% in 2011, before easing over the next two years to 90.8% as of 4Q 2013 as supply rose.

As 2014's occupied stock grew faster than the completed stock, the average occupancy rate rose to 91.8% as of 4Q 2014. However, the average occupancy rate slipped to 91.4% as of 4Q 2015, as the net new supply of 474,000 sq m in 2015 exceeded the corresponding net new demand of 395,000 sq m.

NET NEW DEMAND AND OCCUPANCY RATE OF WAREHOUSE SPACE (AS OF 4Q 2015)



Source: JTC / Colliers International Singapore Research

NOTE:

[1] Net new demand refers to the net change in occupied space between two points in time.

SINGAPORE INDUSTRIAL PROPERTY MARKET REVIEW

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3.3 RENTS

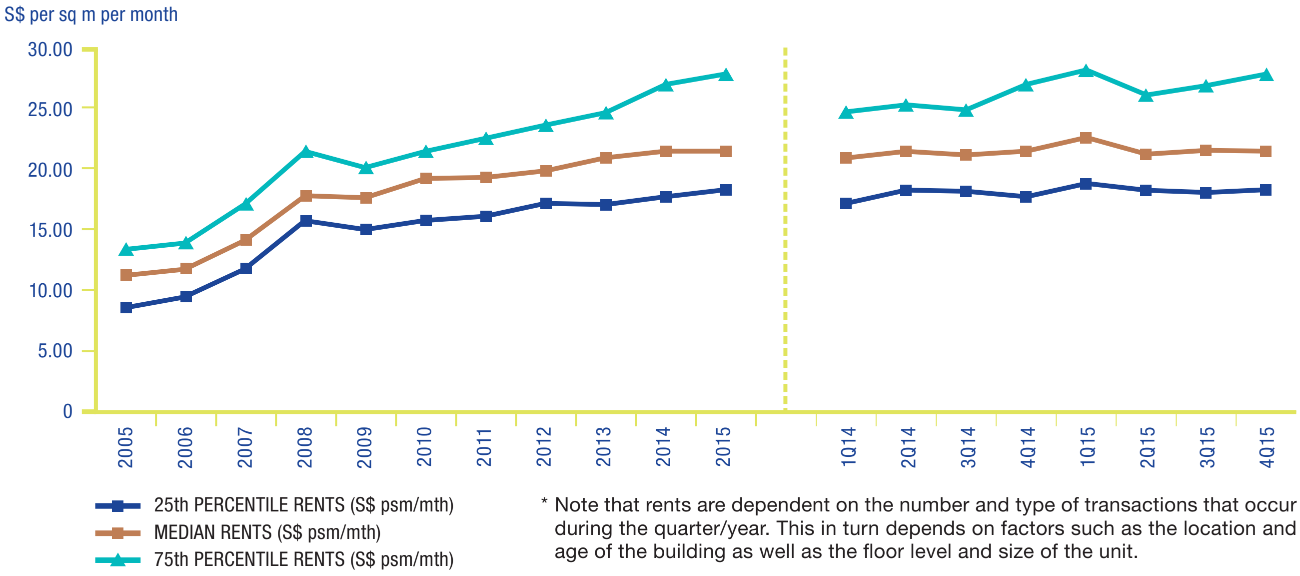
Rental information[1] sourced from the URA's Real Estate Information System (REALIS), which is based on actual rental transactions, indicated that the monthly median rent and 75th percentile rent for Singapore's warehouse premises had risen for five successive years, from S$1.64 per sq ft (S$17.70 per sq m) and S$1.88 per sq ft (S$20.19 per sq m) as of 4Q 2009, to S$2.00 per sq ft (S$21.53 per sq m) and S$2.51 per sq ft (S$27.02 per sq m) as of 4Q 2014, respectively. This was backed by the healthy occupancy rates of above 90% over the period.

Over the same five years, the monthly 25th percentile rent, which is more representative of the rents achieved for larger warehouse premises, rose from S$1.40 per sq ft (S$15.07 per sq m) as of 4Q 2009 to S$1.60 per sq ft (S$17.22 per sq m) as of 4Q 2012, before easing to S$1.59 per sq ft (S$17.11 per sq m) as of 4Q 2013. However, rents rebounded to S$1.65 per sq ft (S$17.76 per sq m) as of 4Q 2014.

The monthly 25th percentile rent and 75th percentile rent continued to rise in 2015, registering full year increases of 3.0% and 3.2% to S$1.70 per sq ft (S$18.34 per sq m) and S$2.59 per sq ft (S$27.88 per sq m) as of 4Q 2015. Over the same period, the median rent was flat at S$2.00 per sq ft (S$21.53 per sq m) as of 4Q 2015.

For multi-user ramp-up warehouse premises of above 15,000 sq ft, Colliers International's research showed the islandwide average gross monthly rent retreated at a faster pace of 4.9% YoY to S$1.56 per sq ft (S$16.79 per sq m) as of 4Q 2015, compared to the previous year's 1.2% YoY dip. The continued downward rental pressure was amid an increase in completed multi-user ramp-up warehouse space and softer demand.

ISLANDWIDE RENTS* FOR WAREHOUSE SPACE



* Note that rents are dependent on the number and type of transactions that occur during the quarter/year. This in turn depends on factors such as the location and age of the building as well as the floor level and size of the unit.

Source: URA REALIS / Colliers International Singapore Research

3.4 PRICES AND YIELDS

Based on caveat records from URA's REALIS as of 12 February 2016, average prices of 30-year and 60-year leasehold multi-user[2] warehouse space in Singapore peaked in 2011 after a 70.9% YoY surge, but generally headed south thereafter from 2012 to 2014.

The slowdown in demand, combined with the ramping up of the IGLS programme and halving of the maximum tenure of industrial sites sold under the IGLS programme to 30 years, also led to more competition for buyers, especially among the 30-year leasehold industrial properties.

NOTES:

[1] The stock of warehouse space comprises developments of varying building specifications that command a range of varying rents. Additionally, the rents sourced from URA's REALIS are dependent on the number and type of rental transactions which are in turn affected by factors such as the quantum of space leased, as well as the age, location and building specifications of the warehouse.

[2] Due to the limitation on the type of sales caveat data/information recorded by the URA, analysis can only be carried out for multi-user warehouse space.

SINGAPORE INDUSTRIAL PROPERTY MARKET REVIEW

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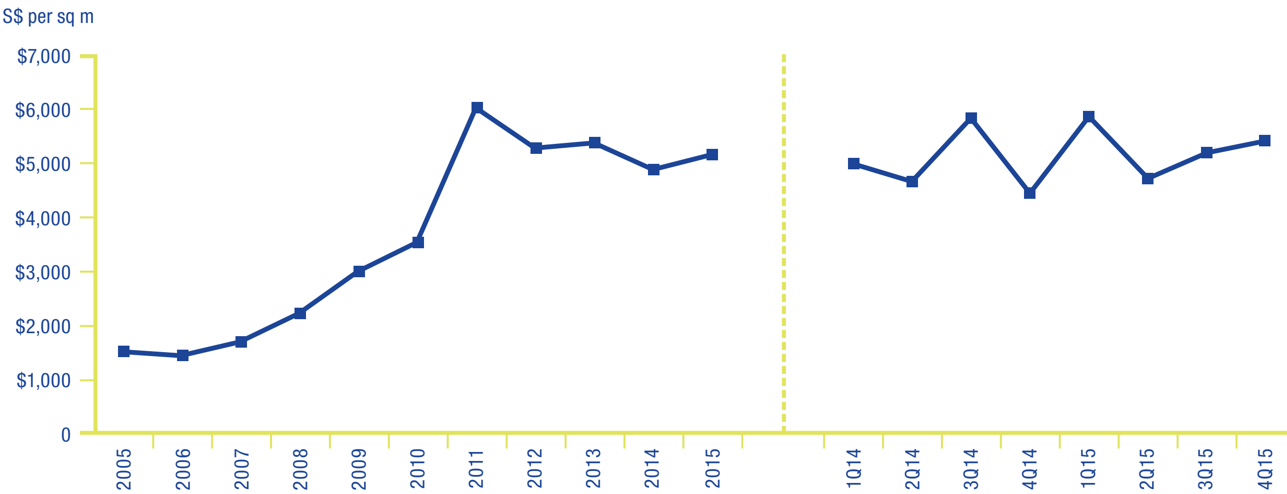
In 2015, 30-year and 60-year leasehold multi-user warehouse properties registered a 5.7% YoY increase in the average price to S$481 per sq ft (about S$5,177 per sq m). However, the price increase was not driven by a significant pick-up in demand, as the 50 transactions in 2015 was only slightly more than the 47 deals in 2014. Instead, it was due to the increase in number of 60-year leasehold multi-user warehouse transactions from 43 in 2014, to 50 in 2015, which are pricier than their 30-year leasehold counterparts.

Notably, there were no 30-year leasehold multi-user warehouse transactions in 2015.

Based on available market information/transaction records and the experience of Colliers International's Industrial Services division, yields of en-bloc warehouse transactions[1], which fell within the range of about 7% to 9% from 2010 to 2013, appeared to have tightened to a range of around 6.5% to 8% in 2014, and stayed within the same range in 2015.

AVERAGE PRICES* OF 30-YEAR AND 60-YEAR LEASEHOLD MULTI-USER WAREHOUSE SPACE



* Note that the average prices are dependent on the number and type of transactions that occur during the quarter/year. This in turn depends on factors such as the location and age of the building as well as the floor level and size of the unit.

Source: URA REALIS / Colliers International Singapore Research (as of 12 February 2016)

3.5 OUTLOOK

Notwithstanding the presence of macroeconomic headwinds, prospects for Singapore's logistics industry remain cautiously optimistic.

Demand for warehouse space in 2016 is expected to receive continued support from Singapore's standing as an important logistics hub in Asia, Asia's expanding consumer base and the growth of the e-retailing industry, which would generate more storage, packing and distribution requirements.

Although new warehouse supply is projected to rise in 2016, more than 80% are expected to be single-user space and hence, likely to be almost fully occupied upon completion. Consequently, the islandwide average occupancy rate for warehouse space is foreseen to stay at a healthy level of around 90%.

However, industrialists are expected to remain cost sensitive and cautious in assessing their real estate requirements in 2016 due to the more challenging business operating climate. Coupled with the availability of ample space options in the market, warehouse rents are expected to face some downward pressure, and possibly ease by around 3% to 5% for facilities suitable for logistics players.

Meanwhile, yields of en-bloc warehouses could tighten slightly to around 7% to 8% in 2016 as investors take into consideration the need to pay an upfront land premium for warehouses on JTC land and other risks such as the rising interest rates, the economic uncertainties, the weak manufacturing sector and companies' cautiousness on business expansion.

NOTE:

[1] Note that the yields of en-bloc warehouse transactions will vary depending on factors such as the location, tenure and market dynamics at the time of the transaction.

AUSTRALIA INDUSTRIAL PROPERTY MARKET REVIEW[1]

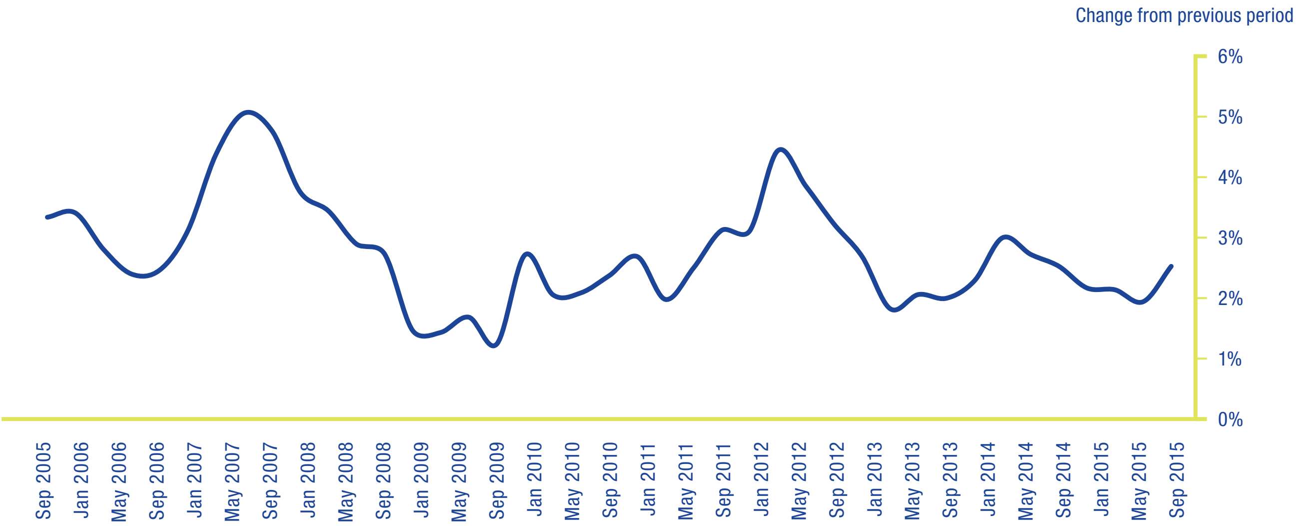
BY COLLIERS INTERNATIONAL (NSW) PTY LIMITED

MACRO-ECONOMIC OVERVIEW AND CURRENT TRENDS

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

In 2015, national economic growth was soft as economic activity rebalanced away from the resource sector. Growth was dragged down by declining commodity prices, which was caused by lower Asian demand and an increased supply, and weaker Chinese industrial activity, leading to lower exports. As a result of a lower demand for resources, the AUD fell by almost 11% against the USD in 2015, which assisted a recovery in the non-mining sectors such as tourism and education.

GROSS DOMESTIC PRODUCT SEASONALLY ADJUSTED Y/Y (%)



Source: ABS / Colliers International

MACRO-ECONOMIC OUTLOOK

According to the Reserve Bank of Australia (RBA), GDP growth is expected to remain between the 2% to 3% range in the first half of 2016, before gradually lifting to the long-term average range between 2.75% to 3.75% by June 2017. Growth will be underpinned by household consumption, growth in the labour market and low interest rates. Notwithstanding this, a recovery in the Australian economy will be exposed to an uncertain global growth environment, especially a weakening Chinese economy.

INDUSTRIAL AND LOGISTICS SECTOR PERFORMANCE

In a market fuelled by historically low interest rates, investors have looked to the Australian industrial property sector for investment opportunities. In 2015, over AUD1.33 billion industrial portfolio sales occurred nationally, comprising 43 properties. This trend is set to continue with strong demand from offshore investors, particularly, Asian-based investors and local funds based in Australia.

The limitation of stock compounded by the low cost of capital has resulted in the downward movement in yields. However, economic conditions between these

NOTE:

[1] As data collection for many of the industrial markets in Australia is conducted on a bi-annual basis, in March and September, the latest available information as at September 2015 is used for this report.

AUSTRALIA INDUSTRIAL PROPERTY MARKET REVIEW

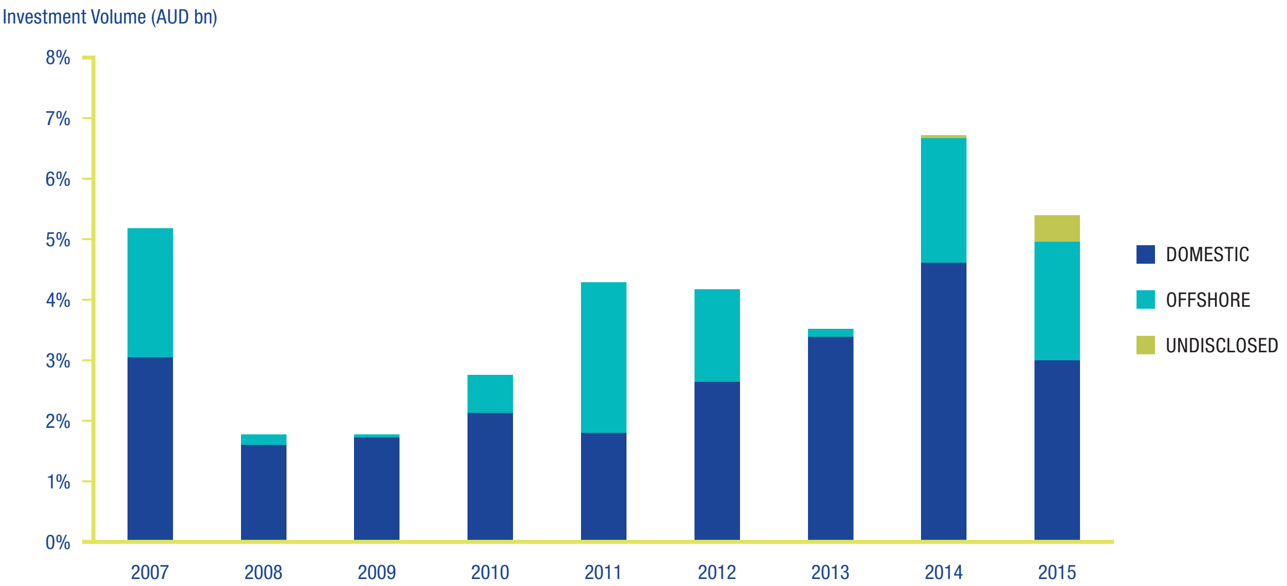
BY COLLIERS INTERNATIONAL (NSW) PTY LIMITED

two periods are vastly disparate. There is positive spread between the all-in cost of debt and income yield on property. Unlike conditions between 2006 and 2011, where the spread was negative, current property incomes can counterbalance a rise in interest rates or any deterioration in leasing conditions. Over the year, the average overall yield for secondary industrial properties nationally compressed 67 basis points.

Traditional Australian listed and unlisted REITs do not appear overly active in the sector, from a built form perspective. However, they are notably active in the development sector (particularly in the logistics space). Notable examples include Mirvac's purchase of a significant parcel of land at Eastern Creek known as the Quarantine Station, and Stockland Group's Ingleburn transaction of a staged development opportunity secured by both 3-year and 10-year income agreements with Asciano, and an immediate development opportunity.

Leasing conditions have been comparatively subdued, facing headwinds caused by an economy emerging from a sub-trend period. Rental growth is limited in many markets, restricted by ready availability in supply at competitive rents, although limitations in space and a positive business outlook are beginning to drive rental growth and a reduction in incentives in inner Melbourne, inner Sydney and western Sydney. In contrast, West Melbourne and South Brisbane are projected to have minimal rental growth due to their highly competitive environment.

ONSHORE / OFFSHORE INVESTMENT IN INDUSTRIAL ASSETS



Source: Colliers Edge / RCA

CURRENT TRENDS IN THE LOGISTICS WAREHOUSE SECTOR

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

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

AUSTRALIA INDUSTRIAL PROPERTY MARKET REVIEW

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SUPPLY

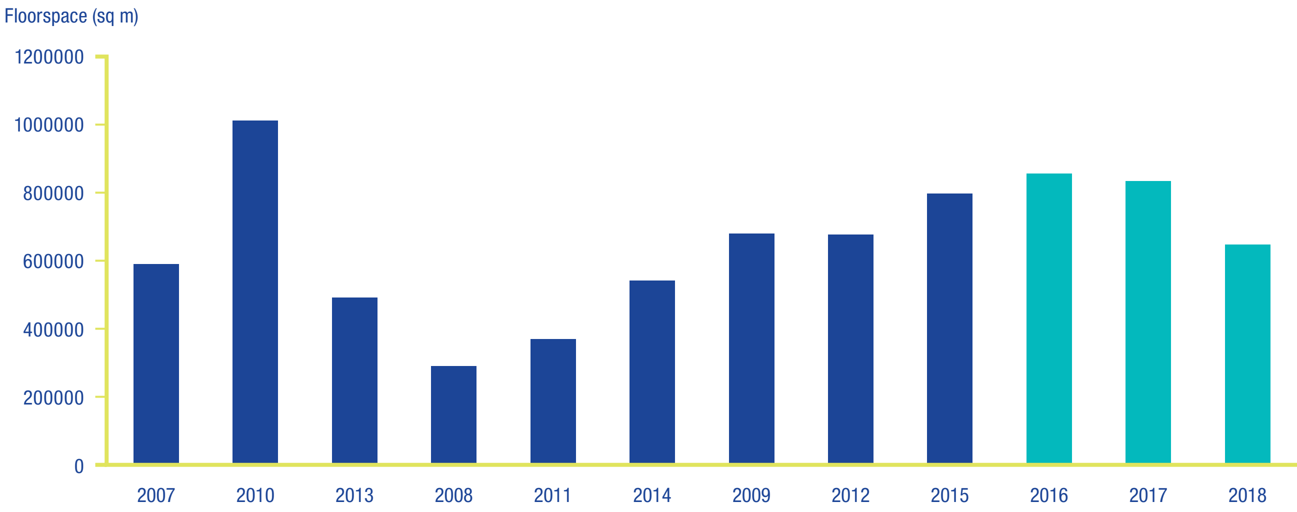
SYDNEY

Construction activity continued to rise throughout western Sydney on the back of robust enquiries. In particular, many potential tenants seek to consolidate existing operations for efficiencies, and/or require 'immediate space requirements'. The North, South and Inner West markets have been constrained by an availability of land. Notwithstanding this, reflecting the wider economic conditions, supply levels in Sydney are at their highest level since 2008.

MELBOURNE

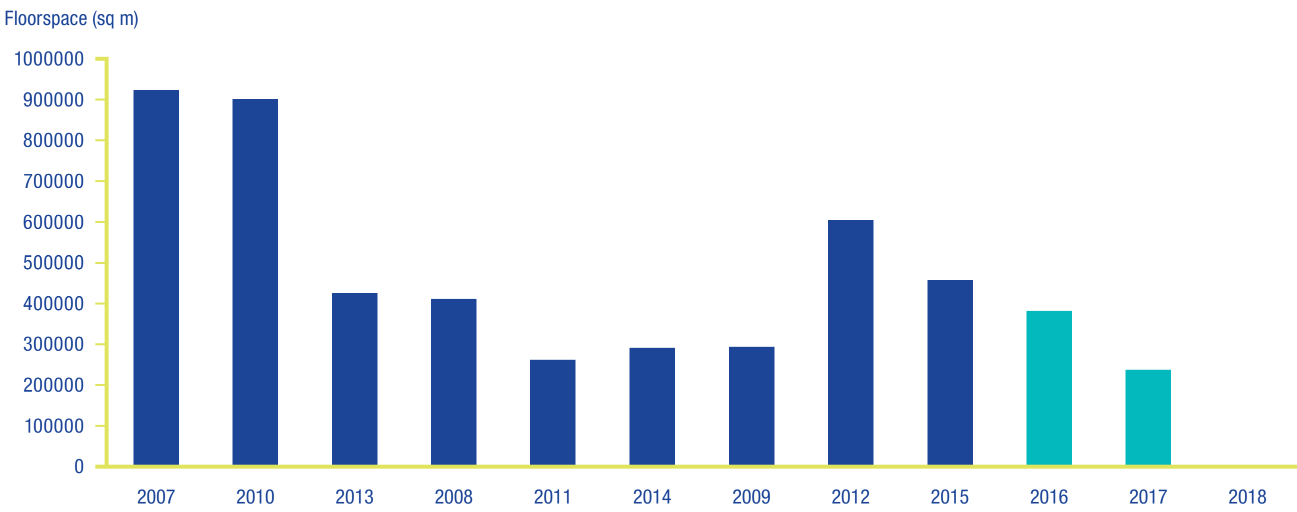
Supply continues to be driven by the e-commerce, transport, logistics and storage sectors, with a number of pre-commitment deals for new large distribution centres and warehouse facilities evident within the market. More recently, Australand pre-leased a 14,750 sq m facility in Truganina, TNT pre-leased a 43,000 sq m facility in Tullamarine while Toll Holdings also pre-leased a 70,000 sq m facility in Tullamarine. The pre-commitment trend is ongoing and is expected to continue throughout the remainder of 2015 and into 2016.

SYDNEY INDUSTRIAL SUPPLY



Source: Colliers Edge / Cordell

MELBOURNE INDUSTRIAL SUPPLY

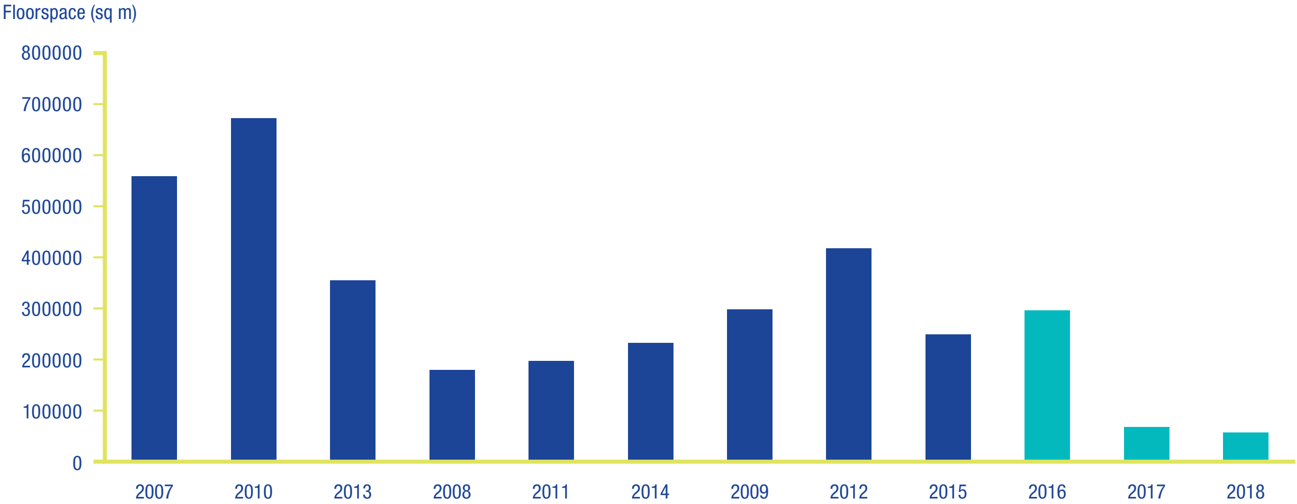


Source: Colliers Edge / Cordell

AUSTRALIA INDUSTRIAL PROPERTY MARKET REVIEW

BY COLLIERS INTERNATIONAL (NSW) PTY LIMITED

BRISBANE INDUSTRIAL SUPPLY



Source: Colliers Edge / Cordell

BRISBANE

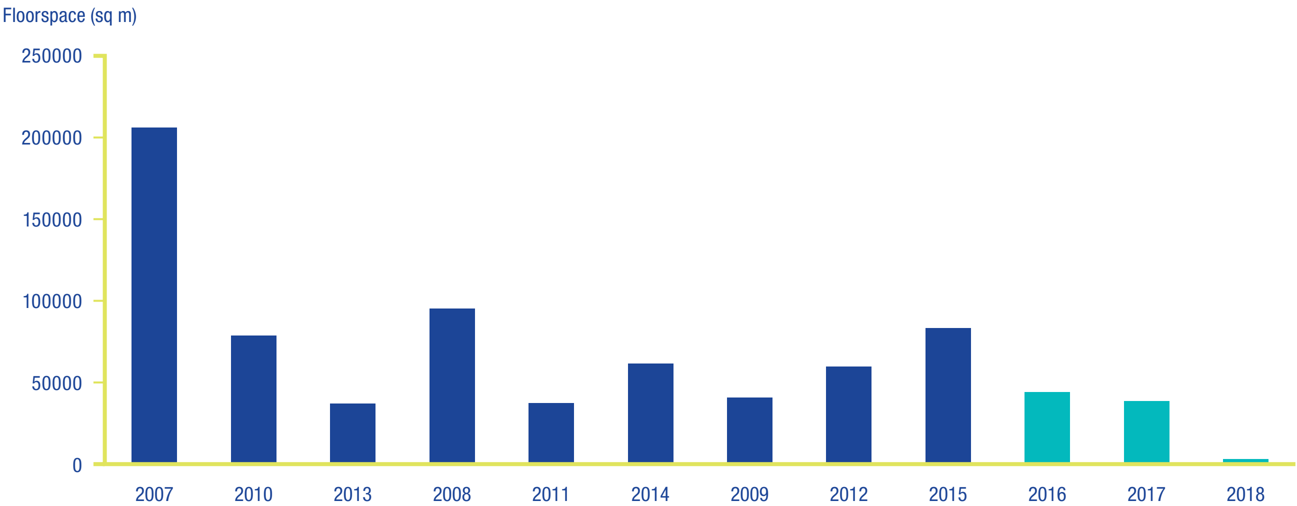
From 2011 to 2015, development activity in Brisbane increased and was largely being driven by the REITs for industrial facilities with GLA greater than 5,000 sq m. These estates are located in the TradeCoast precinct as well as Richlands and Redbank in Brisbane south and west.

The development pipeline for facilities greater than 5,000 sq m remains stable with up to 20 separate development applications in the pipeline. Conversely, there is a large supply of established secondary properties in this space with higher vacancy rates in outer lying industrial precincts.

ADELAIDE

Adelaide's construction of large-scale industrial assets is forecast to be at the highest rate in five years. Over 85,000 sq m of space is expected to be completed by the end of 2015. This level of construction has not been seen since 2010 and is well above the current five year average of 56,700 sq m.

ADELAIDE INDUSTRIAL SUPPLY



Source: Colliers Edge / Cordell

AUSTRALIA INDUSTRIAL PROPERTY MARKET REVIEW

BY COLLIERS INTERNATIONAL (NSW) PTY LIMITED

RENTS, CAPITAL VALUES, YIELDS AND TRENDS

SYDNEY

YIELDS AND CAPITAL VALUES

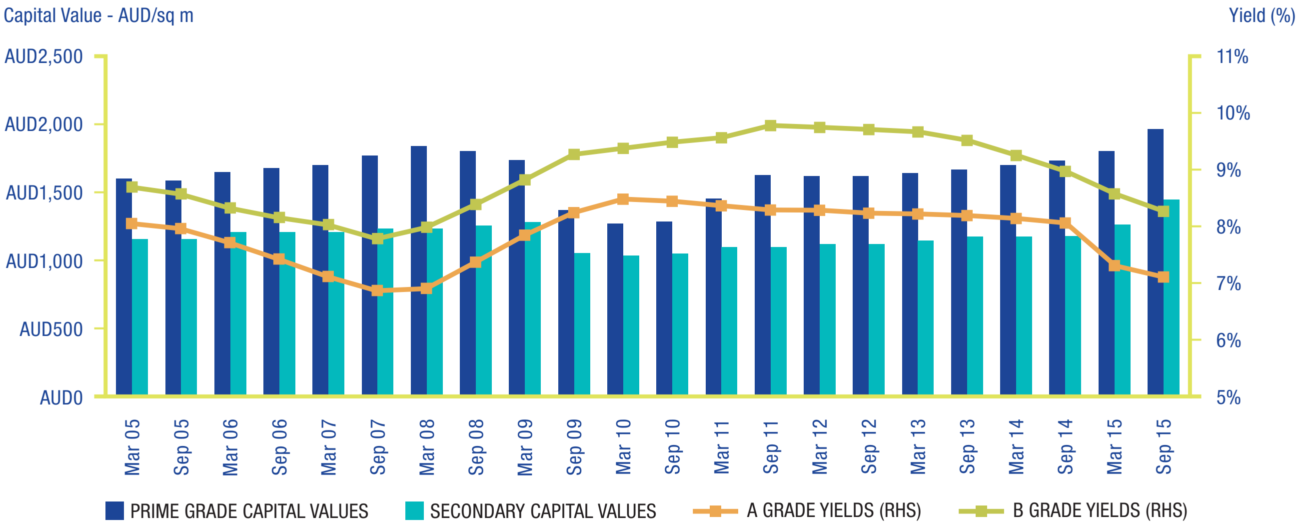
Average yields in the Sydney market have continued to trend downward since March 2012. Yields experienced the highest rate of compression as a result of an intensified completion beginning early 2014. Prime yields compressed by 97 basis points in the year, while in the same period, secondary yields declined by 71 basis points. Forecasts indicate yields will continue to decline, albeit at a moderate rate. We forecast that prime yields will plateau in the near term, while secondary yields will continue to compress as investors move up the risk curve.

LEASING

Leasing conditions in Sydney have demonstrated signs of improvement, reflecting the wider performance of the market. Prime and secondary grade assets have shown steady rental growth since September 2009.

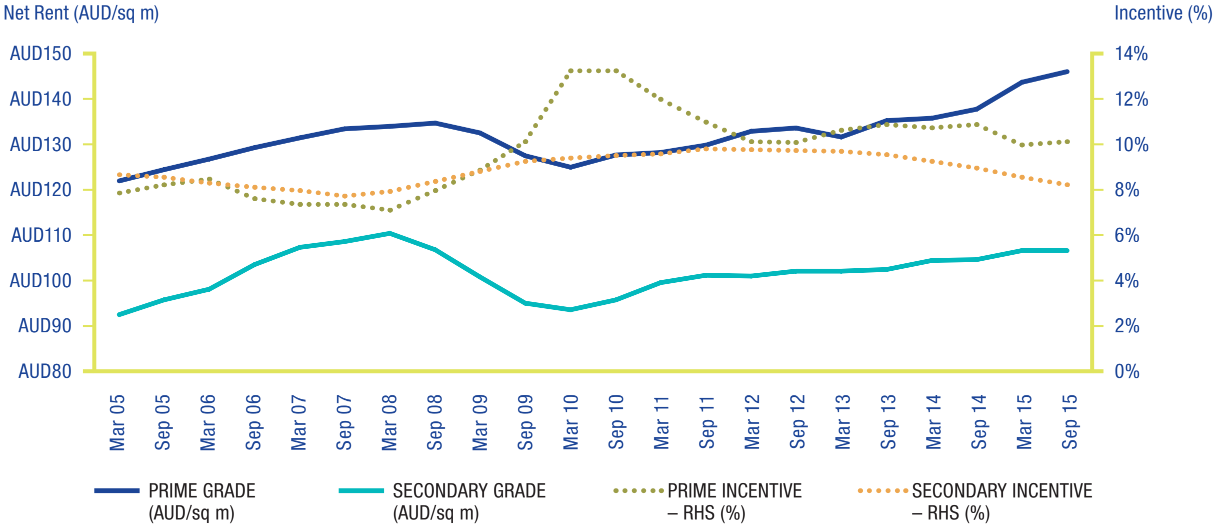
This growth is expected to continue given the restricted supply in the pipeline, particularly in the West, North West, North and Inner South markets. This rental growth is projected to continue at a moderate rate given the strength of the state's economic fundamentals and the restricted supply.

SYDNEY YIELDS & CAPITAL VALUES



Source: Colliers Edge

SYDNEY NET RENT & INCENTIVES



Source: Colliers Edge

AUSTRALIA INDUSTRIAL PROPERTY MARKET REVIEW

BY COLLIERS INTERNATIONAL (NSW) PTY LIMITED

MELBOURNE

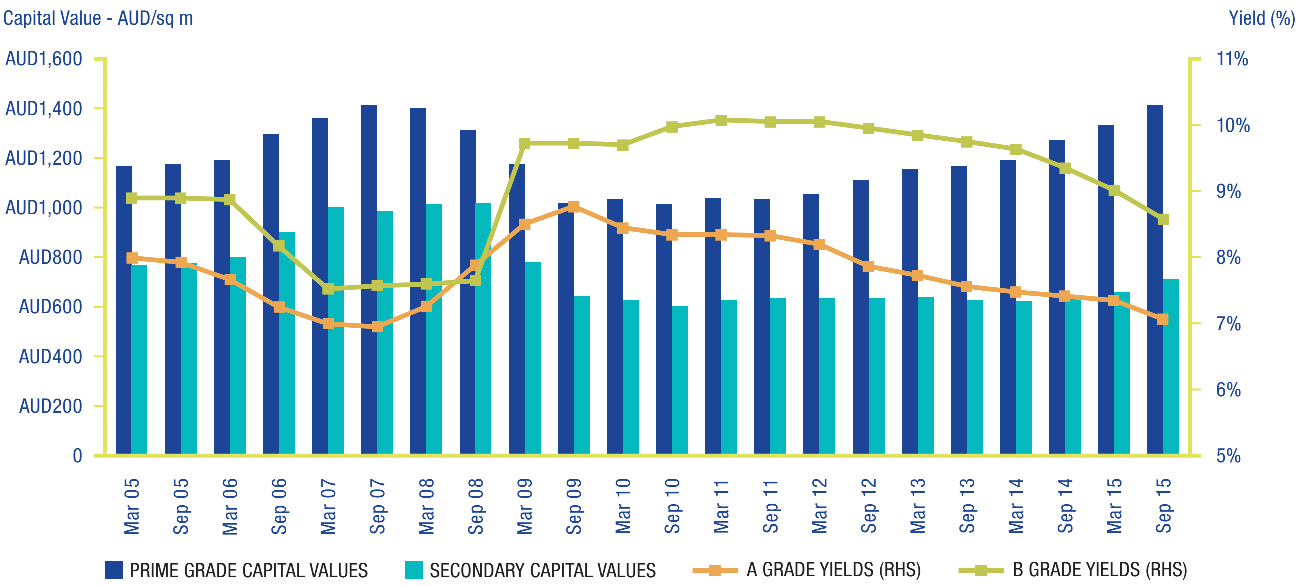
YIELDS AND CAPITAL VALUES

Victoria recorded the second greatest volume of industrial sales of all the states in the previous 12 months. Consequently, yields have continued to compress in the year. Secondary yield demonstrated the greatest compression, falling by 78 basis points to end on 8.58%. In this period, prime yields declined by 35 basis points to finish on 7.06%.

LEASING

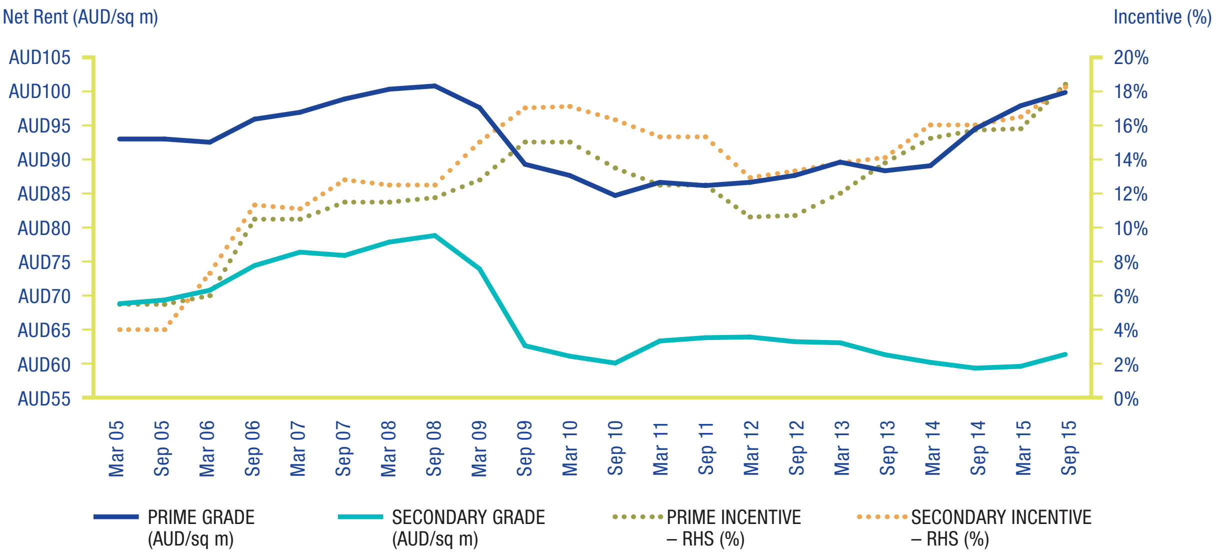
Leasing conditions in Victoria have been relatively subdued, with prime rents showing subtle signs of growth. In contrast, secondary rents have been quite flat, with any growth limited by the availability of stock and healthy pipeline. The Melbourne market has experienced a steady increase in incentives in the past decade. Market incentives have climbed from around 4% in 2005 to around 18% more recently. This trend is expected to endure as owners compete to secure tenants.

MELBOURNE YIELDS & CAPITAL VALUES



Source: Colliers Edge

MELBOURNE NET RENT & INCENTIVES



Source: Colliers Edge

AUSTRALIA INDUSTRIAL PROPERTY MARKET REVIEW

BY COLLIERS INTERNATIONAL (NSW) PTY LIMITED

BRISBANE

YIELDS AND CAPITAL VALUES

The current Brisbane industrial investment market is strong and considered to be nearing a ‘cyclical peak’ resulting in limited distressed assets being brought to the market in the short term. The investment market is particularly strong for ‘prime’ industrial assets with long-term lease expiry profiles and quality standard of improvements, resulting in tight investment yields between 6.25% and 7.25% being achieved.

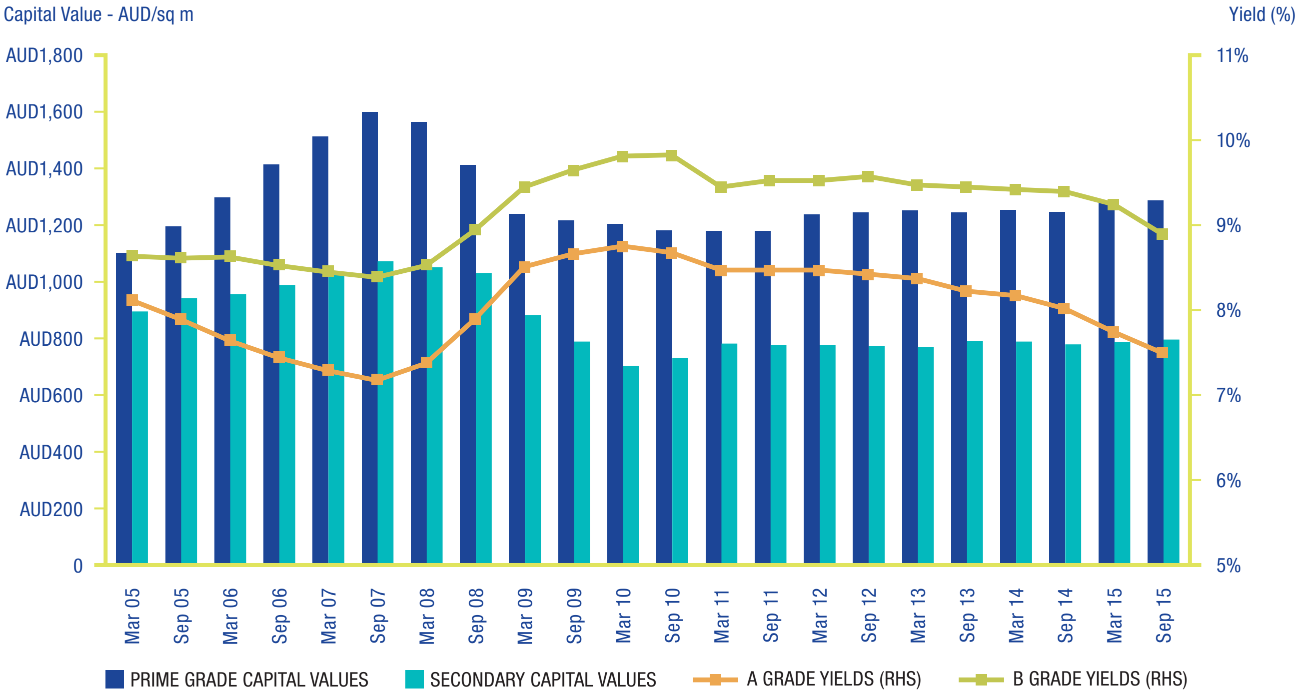
A consequence of significant yield compression in prime grade industrial assets is greater levels of interest for secondary industrial assets from private investors and syndicators who require higher returns than those currently achievable from prime grade assets. During 2013/14, as the investment market for prime industrial assets strengthened as a consequence of record low interest rates, a wider disparity between prime and secondary yields resulted in the order of 1.5% to 2%. However, during 2015 as demand for secondary assets improved, the disproportion between primary and secondary assets compressed to more traditional levels of 0.5% to 1%.

LEASING

In contrast to a strong investment market, the industrial leasing market remains subdued as a result of the decline of the manufacturing industry in Australia as well as a weaker mining sector that directly impact the wider Queensland economy.

Average market rents for prime grade facilities have remained static throughout 2014 and 2015 at approximately AUD103/sq m. Secondary industrial facilities have been relatively stable remaining at approximately AUD85/sq m to AUD80/sq m since 2012. While net face rents have remained stable for both prime and secondary assets, incentives have generally increased with rental incentives for prime assets averaging 10% of net income over the initial term of the lease, and above 15% for secondary assets.

BRISBANE YIELDS & CAPITAL VALUES



Source: Colliers Edge

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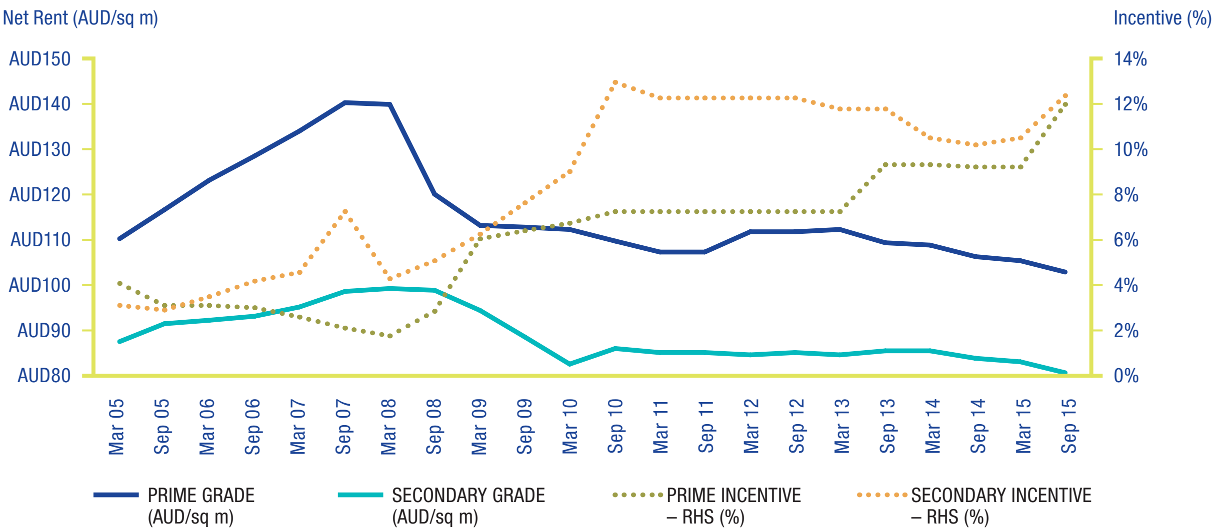
BRISBANE NET RENT & INCENTIVES



Source: Colliers Edge

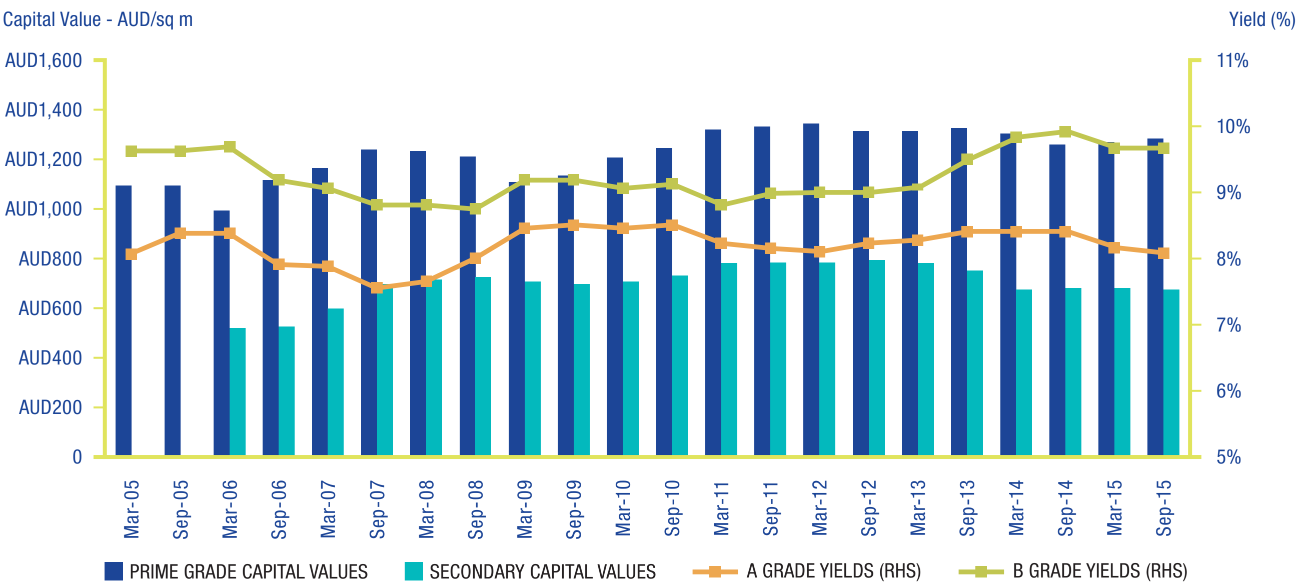
ADELAIDE

YIELDS AND CAPITAL VALUES

The Adelaide industrial investment market has continued to see improvements in enquiry, with the depth of enquiry on campaigns improving during most of 2015, driven by both institutional and private investors. With the current low interest rate environment, a significant weight of capital is looking to invest in the property sector.

With market liquidity and comparatively higher yields achieved in the Adelaide industrial market over eastern seaboard states, sales volumes are expected to improve. Prime quality assets are experiencing improved demand and it is therefore expected that yields will continue to tighten for this grade of assets over the next 12 months. However, secondary yields have remained flat more recently following a challenging period of investment.

ADELAIDE YIELDS & CAPITAL VALUES



Source: Colliers Edge

AUSTRALIA INDUSTRIAL PROPERTY MARKET REVIEW

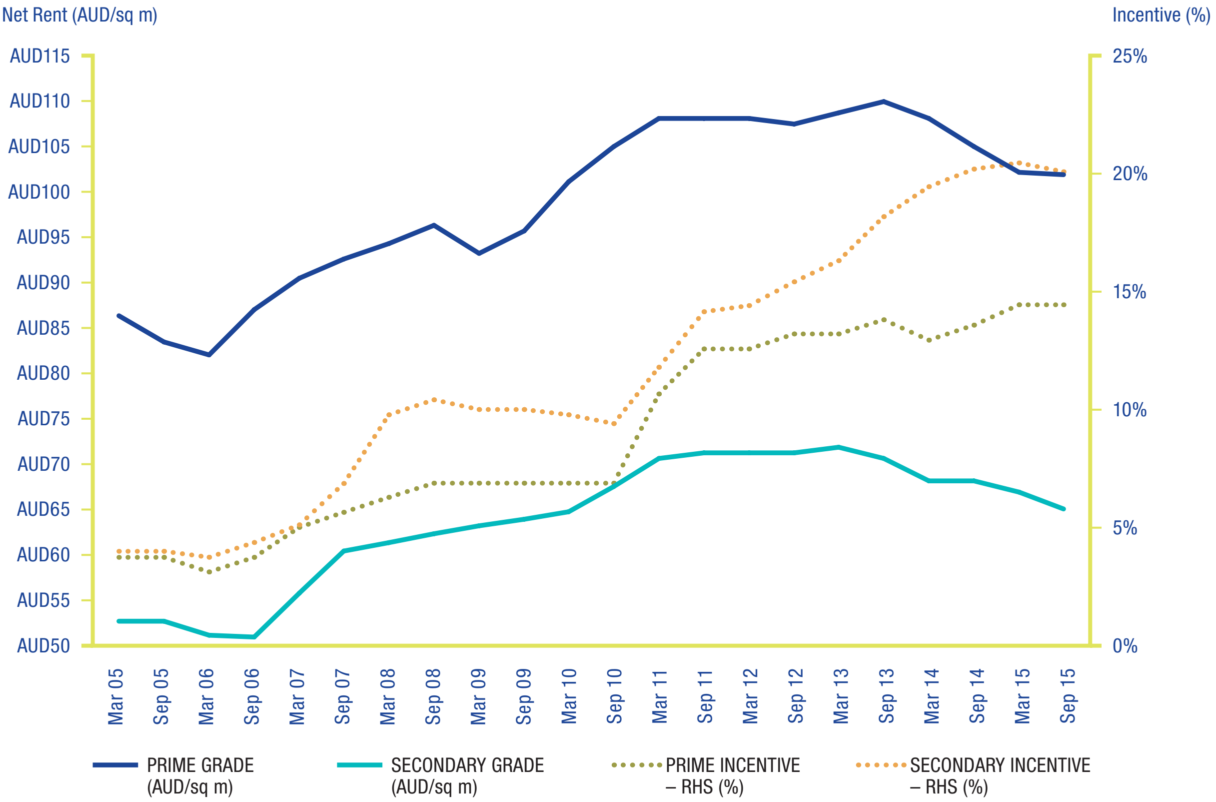
BY COLLIERS INTERNATIONAL (NSW) PTY LIMITED

LEASING

The imminent closure of Holden in 2017 has dominated much of the news and discussion around industrial property. The closure will have a significant impact on this market with vacancy already the highest in Adelaide when compared to other Adelaide industrial submarkets.

In September 2015, the total market vacancy rate was 6.4%, up from 4.6% in March 2015. Prime grade rents have continued to grow over the last 12 months with incentives remaining stable in the range of 10% to 15%. Secondary rents have however eased over the last 12 months with incentives increasing to a range of 15% to 25%.

ADELAIDE NET RENT & INCENTIVES



Source: Colliers Edge

AUSTRALIA INDUSTRIAL PROPERTY MARKET REVIEW

BY COLLIERS INTERNATIONAL (NSW) PTY LIMITED

OUTLOOK

SYDNEY

As in previous property cycles, rental growth has been relatively benign in recent years, in line with the Sydney Consumer Price Index. Notwithstanding, as a result of the less than trend supply chain and development approvals, it is reasonable to expect rental growth to track slightly above CPI. We expect net rental growth of about 3% in the next 12 months. Similarly, tenant incentives on new leases are expected to remain mostly unchanged at around 12%.

Capital values are expected to show a slight increase in the next 12 months, as a result of light yield compression; however, the extent of the yield compression will not be as acute as what has been experienced in the past two years. Some property commentators are citing peak (or close to peak) prices. However, we are of the opinion that there is still a significant amount of unplaced capital from offshore investors, enticed by relatively stronger investment returns resulting in some, albeit slight, yield compression.

MELBOURNE

Rental growth for all Victorian sectors will be benign given the healthy development pipeline and availability of land for development. Demand for industrial assets has continued to strengthen over the past six months with investment yields for good quality assets and, in some instances secondary assets, reflecting yield compression of up to 50 basis points.

There is reasonable demand for modern, well-located, functional assets with strong lease covenants and extended WALE. The margin between prime and secondary yields remains steady. However, the risk levels for older secondary properties in isolated locations that face obsolescence or significant capital expenditure is reflected in their yields.

Transactional activity has steadily increased since 2011 with volumes returning to those of the previous peak of the market in 2007. The steady levels of transactional activity are expected to continue, particularly from REITs (both domestic and international) while interest rates remain at record low levels.

BRISBANE

Based on current conditions in the leasing market, rental levels for both prime and secondary stock are expected to be largely unchanged in the short to medium term with limited scope for short-term growth. Continuing global economic uncertainty, as well as the slowdown in the resource sector and manufacturing industry, is likely to restrict supply additions over the short-to-medium term. The supply of secondary accommodation generally outweighs demand and this market imbalance is likely to continue for the foreseeable future.

The Brisbane industrial investment market is strong and considered to be nearing a ‘cyclical peak’, resulting in limited distressed assets being brought to the market in the short term. There is reasonable demand for modern, well-located, functional assets with strong lease covenants and extended WALE. The margin between prime and secondary yields remains steady as secondary assets with moderate WALE have also shown yield tightening in the order of 25 to 50 basis points. The risk levels for older secondary properties in isolated locations that face obsolescence or significant capital expenditure are now reflected in their yields and continue to generate very low levels of demand.

Transactional activity has steadily increased since 2011, peaking in 2014 with 249 transactions greater than AUD1 million, which is the highest number of transactions since the previous market peak in 2007. The steady levels of transactional activity are expected to continue, particularly from REITs and private investment groups.

ADELAIDE

Although there are some positive aspects to the performance of the Adelaide industrial property market, this market is in a state of transition and therefore faces challenges. With the closure of the automotive industry and the uncertainty surrounding defence contracts, there is a move away from the traditional manufacturing base of the industrial market. While there are opportunities in the mining, gas, energy and technology areas, these are likely to take some time to develop and therefore may dampen demand in the short-to-medium term.

Warehouse Profiles

WAREHOUSE PROFILES

CWT Commodity Hub

24 Penjuru Road, Singapore

CWT Commodity Hub is the largest warehouse in Singapore and one of the largest in Southeast Asia. The property comprises approximately 2.3 million sf of GFA over five levels in two adjoining warehouse buildings served by a central vehicular ramp. The average floor plate of 448,000 square feet per floor and a ceiling height of 9 metres allow users greater efficiencies in the movement of goods.

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

PROPERTY DETAILS	
Valuation	S$336.1 million
Valuation Date	31 December 2015
Purchase Consideration	S$323.0 million
Acquisition Date	12 April 2010
Property Type	Ramp-up logistics warehouse with ancillary office facilities
Land Leasehold Tenure	29 years from 19 August 2006
Land Area	918,407 sq ft
Gross Floor Area	2,295,927 sq ft
Maximum Plot Ratio	2.50
Current Plot Ratio	2.50
Lease Type	Master Lease
Master Tenant	CWT Limited
Occupancy	100%

Cache Cold Centre

2 Fishery Port Road, Singapore

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

The property is located in a food zone within Jurong Industrial Estate, Fishery Port. Due to the time and temperature sensitive nature of the cold storage business, it is strategically located near to sea ports. It is also well served by major expressways/roads such as Fishery Port Road, Jalan Buroh and Jurong Port Road and is approximately 15 km from the city centre.

PROPERTY DETAILS	
Valuation	S$139.6 million
Valuation Date	31 December 2015
Purchase Consideration	S$122.0 million
Acquisition Date	12 April 2010
Property Type	Ramp-up logistics warehouse with ancillary office facilities
Land Leasehold Tenure	30+30 years from 20 December 2005
Land Area	254,904 sq ft
Gross Floor Area	344,681 sq ft
Maximum Plot Ratio	2.50
Current Plot Ratio	1.35
Lease Type	Multi-tenanted
Occupancy	77%

WAREHOUSE PROFILES

Schenker Megahub

51 Alps Avenue, Singapore

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

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

PROPERTY DETAILS	
Valuation	S$116.8 million
Valuation Date	31 December 2015
Purchase Consideration	S$99.0 million
Acquisition Date	12 April 2010
Property Type	Ramp-up logistics warehouse with ancillary office facilities
Land Leasehold Tenure	30+30 years from 1 June 2005
Land Area	220,145 sq ft
Gross Floor Area	439,956 sq ft
Maximum Plot Ratio	2.00
Current Plot Ratio	2.00
Lease Type	Master Lease
Master Tenant	C&P Land Pte. Ltd.
Occupancy	100%

Hi-Speed Logistics Centre

40 Alps Avenue, Singapore

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

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

Hi-Speed Logistics Centre was purpose-built as the headquarters for Nippon Express (Singapore) Pte. Ltd.

PROPERTY DETAILS	
Valuation	S$82.0 million
Valuation Date	31 December 2015
Purchase Consideration	S$69.5 million
Acquisition Date	12 April 2010
Property Type	Ramp-up logistics warehouse with ancillary office facilities
Land Leasehold Tenure	30+30 years from 16 August 2005
Land Area	162,074 sq ft
Gross Floor Area	308,626 sq ft
Maximum Plot Ratio	2.00
Current Plot Ratio	1.90
Lease Type	Master Lease
Master Tenant	C&P Distribution Pte. Ltd.
Occupancy	100%

WAREHOUSE PROFILES

Cache Changi Districentre 1

5 Changi South Lane, Singapore

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

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

PROPERTY DETAILS	
Valuation	S$93.4 million
Valuation Date	31 December 2015
Purchase Consideration	S$82.0 million
Acquisition Date	12 April 2010
Property Type	Ramp-up logistics warehouse with ancillary office facilities
Land Leasehold Tenure	30+30 years from 16 August 2005
Land Area	145,745 sq ft
Gross Floor Area	364,361 sq ft
Maximum Plot Ratio	2.50
Current Plot Ratio	2.50
Lease Type	Multi-tenanted
Occupancy	87%

DHL Supply Chain Advanced Regional Centre

1 Greenwich Drive, Singapore

DHL Supply Chain ARC is a modern, state-of-the-art logistics warehouse which comprises one block of three-storey ramp-up warehouse with a four-storey ancillary office ("Block 1") and one block of two-storey ramp-up warehouse ("Block 2"). It was a Build-to-Suit development for DHL Supply Chain Singapore Pte Ltd, completed in July 2015, on a 10-year lease term with options to renew until the end of the land lease tenure.

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

PROPERTY DETAILS	
Valuation	S$147.2 million
Valuation Date	31 December 2015
Completion Date	8 July 2015
Property Type	Ramp-up logistics warehouse with ancillary office facilities
Land Leasehold Tenure	30 years from 16 June 2014
Land Area	638,424 sq ft
Gross Floor Area	989,260 sq ft
Maximum Plot Ratio	1.55
Current Plot Ratio	1.55
Lease Type	Multi-tenanted
Occupancy	82%

WAREHOUSE PROFILES

Cache Changi Districentre 3
6 Changi North Way, Singapore

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

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

PROPERTY DETAILS	
Valuation	S$26.1 million
Valuation Date	31 December 2015
Purchase Consideration	S$30.9 million
Acquisition Date	31 March 2011
Property Type	Ramp-up logistics warehouse with ancillary office facilities
Land Leasehold Tenure	30 years from 1 January 2004
Land Area	177,079 sq ft
Gross Floor Area	176,955 sq ft
Maximum Plot Ratio	1.60
Current Plot Ratio	1.00
Lease Type	Multi-tenanted
Occupancy	100%

Pan Asia Logistics Centre
21 Changi North Way, Singapore

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

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

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

PROPERTY DETAILS	
Valuation	S$37.0 million
Valuation Date	31 December 2015
Purchase Consideration	S$35.2 million
Acquisition Date	30 April 2012
Property Type	Ramp-up logistics warehouse with ancillary office facilities
Land Leasehold Tenure	30 years from 1 June 2010
Land Area	123,119 sq ft
Gross Floor Area	196,990 sq ft
Maximum Plot Ratio	1.60
Current Plot Ratio	1.60
Lease Type	Master Lease
Master Tenant	Pan Asia Logistics Singapore Pte. Ltd.
Occupancy	100%

WAREHOUSE PROFILES

Pandan Logistics Hub
49 Pandan Road, Singapore

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

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

PROPERTY DETAILS	
Valuation	S$60.6 million
Valuation Date	31 December 2015
Purchase Consideration	S$66.0 million
Acquisition Date	3 July 2012
Property Type	Ramp-up logistics warehouse with ancillary office facilities
Land Leasehold Tenure	30 years from 1 October 2009
Land Area	133,680 sq ft
Gross Floor Area	329,112 sq ft
Maximum Plot Ratio	2.50
Current Plot Ratio	2.46
Lease Type	Multi-tenanted
Occupancy	77%

Precise Two
15 Gul Way, Singapore

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

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

PROPERTY DETAILS	
Valuation	S$49.8 million
Valuation Date	31 December 2015
Purchase Consideration	S$55.2 million
Acquisition Date	1 April 2013
Property Type	Ramp-up logistics warehouse with ancillary office facilities
Land Leasehold Tenure	30 years from 1 October 2003
Land Area	203,272 sq ft
Gross Floor Area	284,384 sq ft
Maximum Plot Ratio	1.40
Current Plot Ratio	1.40
Lease Type	Master Lease
Master Tenant	Precise Development Pte. Ltd.
Occupancy	100%

WAREHOUSE PROFILES

Cache Changi Districentre 2

3 Changi South Street 3, Singapore

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

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

PROPERTY DETAILS	
Valuation	S$18.2 million
Valuation Date	31 December 2015
Purchase Consideration	S$17.7 million
Acquisition Date	12 April 2010
Property Type	Cargo-lift logistics warehouse with ancillary office facilities
Land Leasehold Tenure	30+30 years from 16 February 1996
Land Area	65,767 sq ft
Gross Floor Area	111,359 sq ft
Maximum Plot Ratio	2.00
Current Plot Ratio	1.69
Lease Type	Multi-tenanted
Occupancy	100%

Air Market Logistics Centre

22 Loyang Lane, Singapore

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

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

PROPERTY DETAILS	
Valuation	S$13.1 million
Valuation Date	31 December 2015
Purchase Consideration	S$13.0 million
Acquisition Date	19 August 2011
Property Type	Cargo-lift logistics warehouse with ancillary office facilities
Land Leasehold Tenure	30+16 years from 1 February 2007
Land Area	50,754 sq ft
Gross Floor Area	67,564 sq ft
Maximum Plot Ratio	2.50
Current Plot Ratio	1.33
Lease Type	Master Lease
Master Tenant	Air Market Express (S) Pte. Ltd.
Occupancy	100%

WAREHOUSE PROFILES

127 Orchard Road, Chester Hill
New South Wales, Australia

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

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

PROPERTY DETAILS	
Valuation	S$38.5 million (A$37.3 million)
Valuation Date	31 December 2015
Purchase Consideration	S$38.8 million (A$37.0 million)
Acquisition Date	27 February 2015
Property Type	Single-storey logistics warehouse distribution facility with ancillary office facilities
Land Leasehold Tenure	Freehold
Land Area	414,952 sq ft
Gross Floor Area	278,034 sq ft
Maximum Plot Ratio	–
Current Plot Ratio	0.67
Lease Type	Master Lease
Tenant	McPhee Distribution Services Pty Limited
Occupancy	100%

16-28 Transport Drive, Somerton
Victoria, Australia

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

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

PROPERTY DETAILS	
Valuation	S$25.8 million (A$25.0 million)
Valuation Date	31 December 2015
Purchase Consideration	S$23.4 million (A$22.3 million)
Acquisition Date	27 February 2015
Property Type	Single-storey logistics warehouse with ancillary office space
Land Leasehold Tenure	Freehold
Land Area	492,776 sq ft
Gross Floor Area	229,047 sq ft
Maximum Plot Ratio	–
Current Plot Ratio	0.46
Lease Type	Master Lease
Tenant	Linfox Australia Pty Limited
Occupancy	100%

WAREHOUSE PROFILES

51 Musgrave Road, Coopers Plains
Queensland, Australia

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

PROPERTY DETAILS	
Valuation	S$9.9 million (A$9.6 million)
Valuation Date	31 December 2015
Purchase Consideration	S$11.2 million (A$10.7 million)
Acquisition Date	27 February 2015
Property Type	Single-storey logistics warehouse
Land Leasehold Tenure	Freehold
Land Area	171,793 sq ft
Gross Floor Area	102,172 sq ft
Maximum Plot Ratio	–
Current Plot Ratio	0.59
Lease Type	Multi-tenanted
Occupancy	100%

404-450 Findon Road, Kidman Park
South Australia, Australia

This large warehouse distribution facility is well located within 2 km of Adelaide Airport and 6 km (radial) from the Adelaide CBD. The facility offers a range of facilities comprising large scale ambient warehouse facilities, drive-through cold storage facility, hardstand, offices, a canteen, and a workshop. There is also a vacant land lot that can be used for future development purposes.

PROPERTY DETAILS	
Valuation	S$59.2 million (A$57.3 million)
Valuation Date	31 December 2015
Purchase Consideration	S$57.4 million (A$57.3 million)
Acquisition Date	18 December 2015
Property Type	Large warehouse facility with chilled, cold and ambient space and ancillary components such as offices and a canteen
Land Leasehold Tenure	Freehold
Land Area	1,282,746 sq ft
Gross Floor Area	632,869 sq ft
Maximum Plot Ratio	–
Current Plot Ratio	0.49
Lease Type	Master Lease
Tenants	Metcash Trading Limited
Occupancy	100%

WAREHOUSE PROFILES

203 Viking Drive, Wacol
Queensland, Australia

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

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

PROPERTY DETAILS	
Valuation	S$27.9 million (A$27.0 million)
Valuation Date	31 December 2015
Purchase Consideration	S$27.1 million (A$27.0 million)
Acquisition Date	23 October 2015
Property Type	Single-storey logistics warehouse with two-storey office
Land Leasehold Tenure	Freehold
Land Area	241,544 sq ft
Gross Floor Area	143,839 sq ft
Maximum Plot Ratio	–
Current Plot Ratio	0.6
Lease Type	Master Lease
Tenants	Western Star Trucks Australia Pty Ltd
Occupancy	100%

223 Viking Drive, Wacol
Queensland, Australia

Adjacent to 203 Viking Drive, this single-storey warehouse benefits from similar proximity, transportation and network benefits of its neighbour.

The facility boasts good vehicular circulation and an upgraded hardstand area which is especially conducive for heavy vehicles.

PROPERTY DETAILS	
Valuation	S$9.9 million (A$9.6 million)
Valuation Date	31 December 2015
Purchase Consideration	S$9.6 million (A$9.575 million)
Acquisition Date	4 December 2015
Property Type	Single-storey logistics warehouse with hardstand and two-storey office building
Land Leasehold Tenure	Freehold
Land Area	244,989 sq ft
Gross Floor Area	67,555 sq ft
Maximum Plot Ratio	–
Current Plot Ratio	0.28
Lease Type	Master Lease
Tenants	Western Star Trucks Australia Pty Ltd
Occupancy	100%

WAREHOUSE PROFILES

Jinshan Chemical Warehouse No. 288 Gongchuang Road, Caojing Town, Jinshan District, Shanghai, China

The property comprises four blocks of single-storey dangerous goods warehouses with ancillary office space.

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

PROPERTY DETAILS	
Valuation	S$16.9 million (¥77.3 million)
Valuation Date	31 December 2015
Purchase Consideration	S$13.9 million (¥71.0 million)
Acquisition Date	15 June 2011
Property Type	Chemical warehouse with ancillary office facilities
Land Leasehold Tenure	50 years from 18 September 2006
Land Area	360,664 sq ft
Gross Floor Area	145,816 sq ft
Maximum Plot Ratio	1.00
Current Plot Ratio	0.40
Lease Type	Multi-tenanted
Occupancy	84.4%

Corporate Governance Report

CORPORATE GOVERNANCE

INTRODUCTION

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

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

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

The primary role of the Manager is to set the strategic direction for Cache. This includes making recommendations to the Trustee on acquisitions, divestments and enhancement of assets.

The Manager is committed to upholding high standards of corporate governance and business integrity to preserve and enhance Cache's asset value so as to achieve long-term sustainable growth in distributions to Unitholders.

Other functions and responsibilities of the Manager include:

1. ensuring compliance with the principles and guidelines of the Code of Corporate Governance 2012 (the "CG Code") and other applicable laws, rules and regulations including the Securities and Futures Act, the Listing Manual of the SGX-ST, the Code on Collective Investment Schemes ("CIS Code"), the Singapore Code on Takeovers and Mergers, the Trust Deed, the CMS Licence and any tax rulings and all relevant contracts;

2. using its best endeavours to carry on and conduct its business and operations in a proper and efficient manner and to conduct all transactions with or for Cache at arm's length;

3. preparing annual budget proposal with forecasts on net income, property expenditure, capital expenditure, and providing explanations for major variances to previous year's forecasts, written commentary on key issues and any relevant assumptions. The purpose of these reports is to manage the performance of Cache's assets;

4. establishing a framework of prudent and effective controls which enables financial, operational, compliance and information technology risks to be managed; and

5. managing communications with Unitholders.

This corporate governance report describes the Manager's corporate governance framework and practices. The Manager confirms that it is in compliance with the principles and guidelines of the Code of Corporate Governance 2012 (the "CG Code") as set out below, and has also explained any areas of non-compliance where applicable.

THE BOARD'S CONDUCT OF AFFAIRS

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

The composition of the Board of Directors of the Manager (the "Board") as at 31 December 2015 is as follows:

Mr Lim How Teck	Chairman and Non-executive Director
Mr Lim Hwee Chiang John	Non-executive Director
Mr Liao Chung Lik	Non-executive Director
Mr Jimmy Yim Wing Kuen	Non-executive Director
Mr Lim Ah Doo	Lead Independent Non-executive Director and Chairman of the Audit Committee
Ms Stefanie Yuen Thio	Independent Non-executive Director
Mr Moses K. Song	Alternate Director to Mr Lim Hwee Chiang John

CORPORATE GOVERNANCE

Each of our Directors is a well-respected individual from the corporate and/or international circles and brings to the Board diversified experience, objective judgement and strategic networking relationships, which further the interests of the Manager and Cache.

The Board is entrusted with the responsibility of overseeing the business affairs of Cache and the Manager, and setting the strategic directions of the Manager. The Board's role includes:

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

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

Apart from matters that specifically require approval from the Board, the Board approves material transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to the relevant Board committee and Management where appropriate. The Audit Committee was established to assist the Board in the discharge of its corporate governance and risk management responsibilities and operates under clear written terms of reference defining its authority and duties which have been approved by the Board.

Upon joining the Board, new Directors undergo a comprehensive induction programme to provide them with information on Cache's business, strategic directions, governance practices, policies and their statutory duties and responsibilities as Directors. Training is provided for first-time Directors in areas such as accounting, legal and industry-specific knowledge where appropriate. New Directors receive a formal letter of appointment setting out relevant Directors' duties and obligations so as to familiarise them with the responsibilities as Directors of the Manager.

Directors also receive regular training, particularly on developments in laws, regulations and changes in relevant financial reporting standards. In FY2015, Directors were briefed on the forthcoming key changes to the Companies Act and Financial Reporting Standards and the implications for Cache. The Board was also briefed on MAS' response to feedback received on the consultation paper on enhancements to the regulatory regime governing REITs and REIT Managers. In addition to talks conducted by professionals, the Board is also encouraged to attend relevant courses and seminars such as those conducted by the Singapore Institute of Directors. The cost of arranging and funding the training of Directors is borne by the Manager, not Cache.

The Board meets regularly, at least once every quarter, to review key business activities, business strategies, performance and other significant management matters. The schedule of all Board and Board Committee meetings is planned well in advance. In the event that any Director is unable to physically attend Board meetings, the Manager's Articles of Association provide for the Director to participate in meetings by way of teleconference or video conference. If required, time is set aside for discussions amongst the members of the Board without the presence of Management, in line with the guidelines of the CG Code. In addition to the meetings, the Board has direct access to Management throughout the financial year and may request further information on briefings by or discussions on any aspect of Cache's operations, thereby facilitating the Board's continuous strategic oversight of the Manager and Cache.

The participation of each Director, as well as the number of Board and Audit Committee meetings held during the period 1 January 2015 to 31 December 2015 ("FY2015"), is disclosed below:

	Board Meetings	Audit Committee Meetings
Meetings held during FY2015	**4**	**4**
Mr Lim How Teck	4/4	4/4
Mr Lim Hwee Chiang John *(Alternate – Mr Moses K. Song)*	4/4	–
Mr Liao Chung Lik	4/4	–
Mr Jimmy Yim Wing Kuen	3/4	–
Mr Lim Ah Doo	4/4	4/4
Ms Stefanie Yuen Thio	4/4	4/4

CORPORATE GOVERNANCE

BOARD COMPOSITION AND GUIDANCE

Principle 2: **There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.**

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

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

As at 31 December 2015, the Board comprised six members who are all Non-executive Directors, of which two members are Independent Non-executive Directors. The Chairman of the Board is Mr Lim How Teck.

With effect from 1 January 2016, the Board has appointed two new Independent Non-executive Directors, Mr Lim Lee Meng and Mr Lim Kong Puay, to the Audit Committee. Mr Lim How Teck, who remains as Chairman of the Board, has stepped down as member of the Audit Committee. The appointment of these Independent Non-executive Directors further strengthens the Board's independence as half of the Board comprises Independent Non-executive Directors with effect from 1 January 2016.

The Non-executive Directors add value to the Board as they bring alternative perspectives and enable the Board to make informed and balanced decisions. Non-executive Directors also enable the Board to interact and work with Management to help shape the strategic process. When reviewing Management proposals or decisions, Non-executive Directors bring their objective judgement to bear on business activities and transactions involving conflicts of interest and other complexities. The Non-executive Directors meet without presence of Management on a need-basis.

The current composition of the Board with effect from 1 January 2016 is as follows:

Mr Lim How Teck	Chairman and Non-executive Director
Mr Lim Hwee Chiang John	Non-executive Director
Mr Liao Chung Lik	Non-executive Director
Mr Jimmy Yim Wing Kuen	Non-executive Director
Mr Lim Ah Doo	Lead Independent Non-executive Director and Chairman of the Audit Committee
Ms Stefanie Yuen Thio	Independent Non-executive Director
Mr Lim Kong Puay	Independent Non-executive Director
Mr Lim Lee Meng	Independent Non-executive Director
Mr Moses K. Song	Alternate Director to Mr Lim Hwee Chiang John

The Directors as a group provide an appropriate balance and diversity of skills, experience, gender and knowledge in areas such as real estate, accounting, finance, legal, strategic planning and business management. This enables Management to benefit from the external and expert perspectives of the Directors who possess the core competencies relevant to the direction and growth of Cache. Besides employing a diverse mix of Board members, the Board is also well balanced and includes both female and male Directors. Collectively and individually, the Directors act in good faith and exercise due diligence and care in the course of their deliberations and, at all times, consider objectively the interests of Cache and its Unitholders.

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

The independence of each Director is reviewed upon appointment and thereafter the Board reviews the independence of the Directors annually with reference to the guidelines set out in the CG Code and applicable laws and regulations. Each Independent Director has declared that there were no relationships or instances, as stated in Guideline 2.3 of the CG Code, that would otherwise deem him/her not to be independent and none of the Independent Directors have served more than nine years on the Board. None of the Independent Directors have any relationship with the Manager, its related corporations, its 10% shareholders[1], its officers or 10% Unitholders[2] that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement in the best interests of Cache. The Board has determined that each Independent Director is independent.

To promote good corporate governance, the Board has appointed Mr Lim Ah Doo, an Independent Director and Chairman of the Audit Committee, as the Lead Independent Director since April 2013. The Lead Independent Director is available to Unitholders if the Unitholders have concerns and for which contact through the Chairman, the CEO or the Director of Finance & Operations has failed to resolve or is inappropriate. As Lead Independent Director, Mr Lim Ah Doo facilitates meetings with the other Independent Directors on board matters in the absence of the other directors, when necessary, and provides his feedback to the Chairman after such meetings.

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

Key information regarding the Directors is disclosed on pages 16 to 20 and page 86 of this Annual Report.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

The positions of Chairman and CEO are held by separate individuals to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.

The Chairman and the CEO are not immediate family members.

The Chairman, who is non-executive, is responsible for the overall leadership and management of the Board. The Chairman sets the agenda for Board meetings, encourages constructive discussions between the Board and Management and promotes high standards of corporate governance. The CEO has full executive responsibilities over the business direction and operations of the Manager and Cache.

BOARD MEMBERSHIP

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

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

Cache has not established a Nominating Committee ("NC"). Taking into account the activities of Cache, the Board considers that the objectives of a NC could be achieved by the full Board, where half of the Board comprises Independent Directors with effect from 1 January 2016. The Board currently performs the full functions of the NC which include tabling nominations, reviewing the structure, size, composition and performance of the Board, reviewing the independence of Directors and reviewing the training and professional development of its members. In respect of the search and nomination process for new Directors, the Board shortlists prospective candidates through the Directors' personal contacts, external referrals, or engaging third-party search companies.

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

NOTES:

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

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

CORPORATE GOVERNANCE

mindedness, as well as the candidate's ability to carry out his/her duties as a Director (in particular, when the Director holds multiple directorships) and to contribute to the proper guidance of the Manager in its management of Cache. All candidates are carefully evaluated by the Board to ensure that the recommendations are objective and well supported, taking into account the criteria under the Guidelines on Fit and Proper Criteria issued by the MAS for such appointments.

The Board has taken cognisance of the Guidance Note in the CG Code that prescribes the maximum number of listed companies' board representations that their directors may hold. However, the Board is of the view that this is not necessary for its Board members as long as each Director is able to commit adequate time and attention to the Board, including attending meetings and contributing constructively to the Manager and Cache's affairs. Therefore, the Board believes that other listed companies' board representations do not hinder the Directors from carrying out their duties. For FY2015, the Board has determined that each individual Director has devoted sufficient time and attention to discharge his/ her duties and responsibilities as a Director.

BOARD PERFORMANCE

Principle 5: **There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.**

The Manager believes that Board performance is ultimately reflected in the long-term performance of Cache.

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

The Board has deliberated and is satisfied that it has achieved its performance objectives for FY2015 and that all Directors have demonstrated full commitment to their roles and contributed effectively to the discharge of their duties.

ACCESS TO INFORMATION

Principle 6: **In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.**

On an on-going basis and prior to Board meetings, Management provides the Board with complete, timely and adequate information on Cache's affairs and issues.

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

Management regularly keeps the Board, including the Independent Directors, informed of key developments affecting Cache as well as material transactions so that the Board is kept fully aware of Cache's business, its business and financial environment, and the risks faced by Cache. All Directors have separate and independent access to Management, the Company Secretary, and the Internal and External Auditors at all times. The Directors are entitled to request from Management and be provided with such additional information as needed by them to make informed decisions. The Directors, whether as a group or individually, may also obtain independent professional advice, as and when necessary, in furtherance of their duties.

The Company Secretary works with the Chairman to ensure that all Board procedures and applicable rules and regulations are complied with, and advises the Board on governance matters. In addition, the Company Secretary attends all Board and Audit Committee meetings and acts as a channel of communication for information flows to and within the Board and its Board Committees and between Management and Non-executive Directors. The Company Secretary also assists with the professional development and training for Directors when required.

REMUNERATION MATTERS

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

LEVEL AND MIX OF REMUNERATION

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

As Cache is externally managed by the Manager, it does not itself hire employees. The Manager hires experienced and well-qualified management personnel to manage the day-to-day operational matters of the Manager and Cache. The remuneration of the Directors and employees of the Manager are paid directly by the Manager from the fees it receives and not by Cache.

The Board has assessed the remuneration policies and practices of ARA and deemed such remuneration policies and practices to be appropriate taking into account the circumstances of Cache. Accordingly, the Manager has adopted the remuneration policies and practices of ARA, which has a Remuneration Committee (the “ARA Remuneration Committee”) that oversees the framework of remuneration, compensation and benefits for the Directors and key executives of the Manager. The Manager, in adopting the remuneration policies and practices of ARA, ensures that such remuneration policy and packages are aligned with the interests of the Unitholders and designed to attract and retain talented staff, while taking into account the prevailing market conditions within the industry.

Under the remuneration policy and practice adopted, a comprehensive and structured performance assessment is carried out annually for the CEO and executives of the Manager. At the start of the year, key performance indicators for the CEO and executives are discussed and agreed upon to ensure that such indicators are specific, measurable, result-oriented and time bound. Such key performance indicators reflect organisational goals and are linked to Cache’s and the individual’s performance. A mid-year review is carried out to monitor the performance and relevance of these indicators and a year-end review is carried out to measure actual performance against the key performance indicators. Based on these reviews, the variable year-end bonus for the executives is determined.

In addition to their base salary and a variable year-end bonus, both of which are paid in cash, designated executives of the REIT Manager participate in a Performance Based Bonus Scheme (the “Scheme”). Under the Scheme, designated executives of the Manager may be entitled to a pool of incentive payments based on certain performance indicators of the Manager. The incentive payments are paid in cash and allocated amongst the designated executives based on various factors and conditions, including seniority, length of service, performance and contributions.

In addition, the ARA Remuneration Committee annually reviews the succession planning regime of senior management positions within the Manager. The suitability of internal successors is assessed by the ARA Remuneration Committee and is benchmarked against external prospects. As part of the talent management process, the succession planning regime identifies and develops talented employees in the preparation of assuming senior positions when they become available, and motivates and retains high-performing staff with potential.

In light of the new Guidelines to REIT Managers issued on 1 January 2016, the Board will further deliberate on the remuneration policies and practices concerning the Manager to comply with applicable regulations.

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.

CORPORATE GOVERNANCE

The Manager's compensation framework comprises fixed pay and variable bonus incentives. Executive remuneration is linked to individual performance based on an annual appraisal of each individual employee of the Manager. The remuneration of Non-executive Directors takes into account factors such as their time spent and responsibilities, including Board Committee memberships.

The remuneration of the Directors for the financial year ended 31 December 2015 comprised entirely of Directors' fees (which are paid in cash) and the details of the Directors' remuneration is set out below:

Remuneration Bands	Number of Directors
Above S$250,000	0
Below S$250,000	6
Total	**6**

Remuneration Band / Name of Director	Salary (%)	Bonus (%)	Directors' Fee [1] (%)	Others (%)	Total (%)
Lim How Teck	–	–	100	–	100
Lim Hwee Chiang John	–	–	100	–	100
Liao Chung Lik	–	–	100	–	100
Jimmy Yim Wing Kuen	–	–	100	–	100
Lim Ah Doo	–	–	100	–	100
Stefanie Yuen Thio	–	–	100	–	100
Moses K. Song (Alt. Director)	–	–	–	–	–
Lim Kong Puay [2]	–	–	–	–	–
Lim Lee Meng [2]	–	–	–	–	–

NOTES:

[1] Directors' fee structure is set out as follows (also refer to summary of Directors' appointments on page 74 of this Annual Report): Board Member – S$30,000; Audit Committee Chairman – S$40,000; Audit Committee Member - S$20,000; Chairman of the Board – S$60,000; Alternate Director S$0.

[2] Mr Lim Lee Meng and Mr Lim Kong Puay were appointed as Directors with effect from 1 January 2016 and hence no fees were payable in FY2015.

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

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

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

(iii) due to the confidentiality and sensitivity of staff remuneration matters, the Manager is of the view that such disclosure could be prejudicial to the interests of Unitholders; and

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

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

ACCOUNTABILITY

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

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

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

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Manager has put in place a sound system of risk management and internal controls comprising procedures and processes to safeguard Cache's assets and Unitholders' interests. The Audit Committee reviews and reports to the Board on the adequacy and effectiveness of such controls, including financial, compliance, operational and information technology controls, and risk management procedures and systems, taking into consideration the recommendations of both the Internal and External Auditors.

Risk management is a fundamental part of Cache's ongoing operations. The Manager has identified the key risks faced by Cache and set out appropriate mitigating actions as well as monitoring mechanisms in its Risk Profile. The ownership of these risks lies with the respective department heads with stewardship residing with the Board. Key risks, process owners, risk factors, mitigating actions and risk indicators are continually identified, assessed and monitored by Management as part of Cache's enterprise-wide risk management framework (the "ERM Framework") approved by the Board and which is administered by a separate Cache Risk Management Committee ("RMC"). The RMC comprises the CEO, Director of Finance & Operations and Head of ARA's Risk Management and Internal Audit.

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

In addition, there are also standard operating procedures in place that cover financial reporting, new investments, investment due diligence, project evaluation, asset valuation, equity fund raising, bank borrowings, compliance, business continuity and other risk management issues.

The Audit Committee reviews the Risk Profile of Cache quarterly and the Manager, and ensures that robust risk management processes and internal controls are in place. The RMC identifies the strategic, operational, financial, compliance and information technology risks faced by Cache in the Risk Profile and sets out the appropriate mitigating actions and monitoring mechanism to respond to these risks and changes in the external business environment. The Risk Profile then highlights changes in the risk assessment, quantitative and qualitative factors affecting inherent risk levels and effectiveness of mitigating controls supporting the residual risks as within the approved risk appetite. In addition, the Internal Auditors perform a review of the Risk Profile as part of the internal audit plan approved by the Audit Committee. In addition, the External Auditors perform tests of certain controls relevant to the preparation of Cache's financial statements. The key risks highlighted in the Risk Profile include strategic, leasing, operational, financial and compliance risks.

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

Based on the internal controls established and maintained by the Manager, the 1207(10) Checklist and the reviews performed by the Internal and External Auditors, the Board, with the concurrence of the Audit Committee, is of the opinion that taking into account the nature, scale and complexity of the Manager's operations, Cache's internal controls, including financial, operational, compliance and information technology controls, and risk management systems are adequate and effective to meet the needs of the Group in its current business environment, pursuant to Rule 1207(10) of the Listing Manual.

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

CORPORATE GOVERNANCE

The Board has also received written assurances from the CEO and Director of Finance & Operations of the Manager:

- that the financial records have been properly maintained and that the financial statements give a true and fair view of Cache's operations and finances; and

- the risk management and internal control systems established and maintained by the Manager are adequate and effective in addressing the material risks faced by the Group in its current business environment as at 31 December 2015.

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

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

For FY2015, the Audit Committee comprised three Non-executive Directors, of which two are independent:

NAME	ROLE
Mr Lim Ah Doo	Chairman
Mr Lim How Teck	Member
Ms Stefanie Yuen Thio	Member

With effect from 1 January 2016, the Audit Committee comprises four Non-executive Directors, all of whom, including the Chairman, are independent:

NAME	ROLE
Mr Lim Ah Doo	Chairman
Ms Stefanie Yuen Thio	Member
Mr Lim Kong Puay	Member
Mr Lim Lee Meng	Member

The Board currently fulfils the requirement that the Audit Committee of a REIT Manager comprises at least three Directors.

The Audit Committee's responsibilities include:

- reviewing the system of internal controls including financial, operational, compliance controls and risk management processes;

- reviewing the financial statements and auditors' report for recommendation to the Board for approval;

- monitoring Management's compliance with applicable legislation such as the SFA, the Listing Manual and the Property Funds Appendix;

- reviewing with the Internal and External Auditors the audit plans, audit reports and their evaluation of the systems of internal controls;

- reviewing and monitoring procedures established to regulate Interested Person Transactions (as defined below) including ensuring compliance with the provisions of the Listing Manual relating to transactions between the Trustee and an "interested person", and the provisions of the Property Funds Appendix relating to transactions between the Trustee and an "interested party" (both such types of transactions constituting "Interested Person Transactions");

- making recommendations to the Board on the proposals to the Unitholders on the appointment / re-appointment of the External Auditors, their terms of engagement and their fees, as well as reviewing the adequacy of the external audits in respect of cost, scope and performance;

- reviewing the scope and results of the external audit, and the independence and objectivity of the External Auditors, taking into consideration the non-audit services provided by the External Auditors. In FY2015, the aggregate amount of the audit fees paid and payable by Cache to the External Auditors was S$684,000, of which audit and non-audit fees amounted to S$256,000 and S$428,000 respectively; and

- reviewing the adequacy and effectiveness of the internal audit function, including resources, audit plans, scope and effectiveness.

The Audit Committee members bring with them professional expertise and experience in the financial, business management and corporate legal fields. The Board is of the view that the Audit Committee Chairman and members of the Audit Committee are appropriately qualified, with the necessary accounting and financial management expertise and experience to discharge their responsibilities. The Audit Committee is kept abreast of changes to accounting standards and issues which have a direct impact on Cache. In FY2015, Directors were briefed on the forthcoming key changes to the Companies Act and Financial Reporting Standards and the implications for Cache.

The Audit Committee meets at least four times in a year and any decision made by the Audit Committee is passed upon majority vote whereby each member has an equal vote. In addition, the Audit Committee meets with the Internal and External Auditors, without the presence of the Management, at least once a year. The Internal and External Auditors may also request a meeting of the Audit Committee if they consider it necessary. Both the Internal Auditors and External Auditors have confirmed that they had full access to and received the full co-operation and support of Management.

For FY2015, the Audit Committee has:

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

KPMG LLP ("KPMG") was re-appointed pursuant to the approval of the Unitholders on 14 April 2015 as External Auditors of Cache. Taking into consideration (i) the resources and experience of KPMG, (ii) the terms of engagement, (iii) the number and the experience of KPMG's supervisory and professional staff assigned to the audit of Cache, (iv) the size and complexity of Cache and its subsidiaries, (v) the fees paid to KPMG for audit and non-audit services and (vi) the independence and objectivity of KPMG, the Audit Committee is of the view that KPMG is suitable to continue with its appointment as External Auditors of Cache and, with the concurrence of the Board, recommends its re-appointment at the forthcoming Annual General Meeting. The External Auditors have also confirmed their independence. The Audit Committee will continue to review the performance, independence and the suitability of KPMG as External Auditors.

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

WHISTLE-BLOWING POLICY

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

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

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

External parties may refer to the Whistle-Blowing Policy which is available on the corporate website. Complaints can be made in person, or in writing, directly to any member of the Audit Committee or the Designated Officers (CEO and/or Director of Finance and Operations). The website also provides an email address for complainants to report possible improprieties directly to the Audit Committee members and the Designated Officers to allow independent investigation of any matter raised and appropriate follow-up action to be undertaken.

CORPORATE GOVERNANCE

INTERNAL AUDIT

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

The internal audit function of the Manager is out-sourced to Ernst & Young Advisory Pte. Ltd. (the "Internal Auditor"), an independent professional.

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

In FY2015, the Internal Auditor conducted its audit reviews based on the internal audit plan approved by the Audit Committee and had unfettered access to all the Company's documents, records and personnel. The internal audit plan adopts a risk-based approach covering all business of Cache and support functions of the Manager and Property Manager. The audit assignments cover the assessment of the design and operating effectiveness of the internal controls, as well as compliance with the stated policies and procedures. The Internal Auditor reports its findings and recommendations to Management who would respond on the actions to be taken. At least twice yearly, the Internal Auditor would submit to the Audit Committee a report on the status of the audit plan and audit findings and the actions taken by Management on such findings. The Audit Committee also monitors and reviews the timely and proper implementation of any corrective or improvement measure undertaken by Management in this respect.

As part of the internal audit plan, the Internal Auditor also assists the Audit Committee in the evaluation of financial, operational and compliance controls, and risk management processes. Any material non-compliance and internal control weakness, together with the Internal and External Auditors' recommendations to address them, are reported to the Audit Committee.

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

UNITHOLDER RIGHTS AND RESPONSIBILITIES

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

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

COMMUNICATION WITH UNITHOLDERS

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

The Manager upholds the principles of accuracy, timeliness, transparency, fairness and effectiveness in its communications with Unitholders and the investment community. The Manager's disclosure policy requires timely and accurate disclosure of all material information relating to Cache, on a non-selective basis, by way of public releases or announcements through SGXNET at the first instance, and subsequently on its corporate website. The Manager also has a dedicated Investor Relations Manager to facilitate communication between Cache, its Unitholders and the investment community.

Cache's corporate website provides Unitholders with comprehensive information required to make well-informed investment decisions. The website also features an "Investor Relations" link, which provides access to all announcements and other publications, including contacts details for investors to channel their comments and queries.

The Manager regularly meets and communicates with Unitholders and the investment community. During the year, the Manager participated in various international and local institutional investor conferences. In addition, the Manager also participated in the inaugural *REITs Symposium 2015* held in May 2015 to raise public awareness about REITs and Cache. Site visits to Cache's properties were also conducted for the investment community. The Manager also conducts post-results briefings for analysts and media representatives.

In recognition of the Manager's efforts in investor relations, Cache received the Bronze award in "Best Investor Relations" (REITs & Business Trusts category) at the Singapore Corporate Awards 2015.

More details on the Manager's investor relations activities are found on pages 12 to 13 of this Annual Report.

CONDUCT OF UNITHOLDER MEETINGS

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

A copy of the annual report is sent to all Unitholders prior to the AGM. The Board supports and encourages active Unitholder participation at AGMs as the AGMs serve as a good platform for Unitholders to communicate their views to the Board and Management and to interact with them. Board members and senior Management will be present at each Unitholders' meeting to respond to any questions or feedback from Unitholders. The External Auditors are also present to address queries about the conduct of the audit and the preparation and content of the auditors' report.

Unitholders are allowed to vote in person or by proxy. At the meetings, each distinct issue is proposed as a separate resolution and full information is provided for each item in the agenda for the AGM in the Notice. Prior to voting at the AGM or any general meeting, the voting procedures will be explained to Unitholders to facilitate the exercise of their votes. For greater transparency, the Manager has adopted electronic poll voting at its AGMs.

After the meeting, the Manager will make an announcement on SGXNET of the detailed results showing the number and percentage of votes cast for and against each resolution.

ADDITIONAL INFORMATION

DEALINGS IN UNITS

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

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

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

The Directors and employees of the Manager are also prohibited from communicating price-sensitive information to any person.

The Directors and employees of the Manager are advised to observe the following at all times:

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

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

DEALING WITH CONFLICTS OF INTEREST

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

- the Manager will not manage any other real estate investment trust which invests in the same type of properties as Cache;
- all Management personnel will work exclusively for the Manager and will not hold other executive positions in other firms;

CORPORATE GOVERNANCE

- all resolutions in writing of the Directors in relation to matters concerning Cache must be approved by a majority of the Directors, including at least one Independent Director;
- at least half of the Board comprises Independent Directors;
- in respect of matters in which the Sponsor and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by the Sponsor and/or its subsidiaries to the Board to represent their interests will abstain from voting. In such matters, the quorum must comprise a majority of the Independent Directors and must exclude nominee Directors of the Sponsor and/or its subsidiaries;
- in respect of matters in which ARA and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by ARA and/or its subsidiaries to the Board to represent their interests will abstain from voting. In such matters, the quorum must comprise a majority of the Independent Directors and must exclude nominee Directors of ARA and/or its subsidiaries; and
- it is also provided in the Trust Deed that if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee with an interested person of the Manager, the Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) which shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee has a prima facie case against the party allegedly in breach under such agreement, the Manager shall be obliged to take appropriate action in relation to such agreement. The Directors of the Manager will have a duty to ensure that the Manager so complies. Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee with an interested person of the Manager and the Trustee may take such action as it deems necessary to protect the rights of Unitholders and/or which is in the interests of Unitholders. Any decision by the Manager not to take action against an interested person of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such interested person.

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

INTERESTED PERSON TRANSACTIONS

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

The following procedures will be undertaken:

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding S$100,000 in value but below 3.0% of the value of Cache's net tangible assets will be subject to review by the Audit Committee at regular intervals;
- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of Cache's net tangible assets will be subject to the review and prior approval of the Audit Committee. Such approval shall only be given if the transactions are on normal commercial terms and not prejudicial to the interests of Cache and its Unitholders, and are consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the Manager; and
- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 5.0% of the value of Cache's net tangible assets will be reviewed and approved prior to such transactions being entered into, on the basis described in the preceding paragraph, by the Audit Committee which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers. Furthermore, under the Listing Manual and the Property Funds Appendix, such transactions would have to be approved by the Unitholders at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

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

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

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

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

ROLE OF THE AUDIT COMMITTEE FOR INTERESTED PERSON TRANSACTIONS

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

The Manager maintains a register to record all Interested Person Transactions which are entered into by Cache and the bases, including any quotations from unrelated parties and independent valuations on which they are entered into. The Manager incorporates into its internal audit plan a review of all Interested Person Transactions entered into by Cache. The Audit Committee shall review the internal audit reports at least twice a year to ascertain that the guidelines and procedures established to monitor Interested Person Transactions have been complied with. The Trustee will also have the right to review such audit reports to ascertain that the Property Funds Appendix has been complied with.

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

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

MATERIAL CONTRACTS

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

CORPORATE GOVERNANCE

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

NAME OF DIRECTOR	APPOINTMENT	DATE OF INITIAL APPOINTMENT / LAST RE-ELECTION	DIRECTORSHIPS IN LISTED COMPANIES (AS AT 31 DECEMBER 2015)[1]
Lim How Teck	Chairman and Non-executive Director	18 March 2010 / 22 April 2015	ARA Asset Management Limited Swissco Holdings Limited NauticAWT Limited Rickmers Trust Management Pte. Ltd. (trustee-manager of Rickmers Maritime)
Lim Hwee Chiang John	Non-executive Director	15 October 2009 / 22 April 2015	ARA Asset Management Limited Teckwah Industrial Corporation Ltd
Liao Chung Lik	Non-executive Director	18 March 2010 / 18 April 2013	CWT Limited
Jimmy Yim Wing Kuen	Non-executive Director	18 March 2010 / 18 April 2013	CWT Limited Singapore Medical Group Limited Low Keng Huat (Singapore) Limited
Lim Ah Doo	Lead Independent Non-executive Director and Chairman of the Audit Committee	18 March 2010 / 16 April 2014	GP Industries Limited Sembcorp Marine Ltd SM Investments Corporation Bracell Limited Singapore Technologies Engineering Ltd
Stefanie Yuen Thio	Independent Non-executive Director	18 March 2010 / 16 April 2014	Nil
Lim Kong Puay	Independent Non-executive Director	1 January 2016	Nil
Lim Lee Meng	Independent Non-executive Director	1 January 2016	Teckwah Industrial Corporation Ltd Tye Soon Limited
Moses K. Song	Alternate Director to Lim Hwee Chiang John	18 March 2010	Nil

NOTES:

[1] Past Directorships in listed companies held over the preceding three years:

Mr Lim How Teck – Mewah International Inc.

Mr Lim Hwee Chiang John – APN Property Group Limited.

Mr Lim Ah Doo – Chemoil Energy Limited; PST Management Pte Ltd ("PSTM") in its capacity as trustee-manager of Pacific Shipping Trust and Linc Energy Limited.

Mr Moses K. Song – APN Property Group Limited.

Financials

FINANCIAL CONTENTS

REPORT OF THE TRUSTEE

HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of Cache Logistics Trust (the "Trust") in trust for the holders ("Unitholders") of units in the Trust (the "Units"). In accordance with the Securities and Futures Act, Chapter 289, of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of ARA-CWT Trust Management (Cache) Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 11 February 2010 (as amended by a first supplemental deed dated 18 March 2010 and a second supplemental deed dated 29 September 2014) (the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust during the period covered by these financial statements, set out on pages 92 to 137 in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
HSBC Institutional Trust Services (Singapore) Limited

Esther Fong
Senior Vice President, Trustee Services

29 February 2016

STATEMENT BY THE MANAGER

In the opinion of the directors of ARA-CWT Trust Management (Cache) Limited (the "Manager"), the accompanying financial statements set out on pages 92 to 137 comprising the Statements of Financial Position, Statements of Total Return, Distribution Statements, Statements of Movements in Unitholders' Funds and Portfolio Statements of the Group and of the Trust, Statement of Cash Flows of the Group and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of Cache Logistics Trust (the "Trust") and its subsidiaries (the "Group") as at 31 December 2015, the total return, distributable income, movements in Unitholders' funds of the Group and the Trust and cash flows of the Group for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "*Reporting Framework for Unit Trusts*" issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Trust will be able to meet its financial obligations as and when they materialise.

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

Lim Hwee Chiang John
Director

29 February 2016

INDEPENDENT AUDITORS' REPORT

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

Report on the financial statements

We have audited the accompanying financial statements of Cache Logistics Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the statements of financial position and portfolio statements of the Group and the Trust as at 31 December 2015, the statement of total return, distribution statement, statements of movements in unitholders' funds and 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 a summary of significant accounting policies and other explanatory information, as set out on pages 92 to 137.

Manager's responsibility for the financial statements

ARA-CWT Trust Management (Cache) Limited, the Manager of the Trust (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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements 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 Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager of the Trust, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the 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 financial position of the Group and the Trust as at 31 December 2015 and the total return, distributable income, movements in unitholders' funds and cash flows of the Group and the total return, distributable income and movements in unitholders' funds of the Trust for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
29 February 2016

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	Group 2015	Group 2014	Trust 2015	Trust 2014
		$'000	$'000	$'000	$'000
Non-current assets					
Investment properties	4	1,307,959	1,044,462	1,119,900	1,027,550
Investment property under development	5	–	75,700	–	75,700
Plant and equipment	6	3,049	1,840	2,807	1,729
Investments in subsidiaries	7	–	–	78,110	628
Derivative assets	12	1,836	242	1,836	242
		1,312,844	1,122,244	1,202,653	1,105,849
Current assets					
Trade and other receivables	8	4,975	3,455	43,106	16,156
Derivative assets	12	417	86	417	86
Cash and cash equivalents	9	8,054	11,275	5,529	9,976
		13,446	14,816	49,052	26,218
Total assets		1,326,290	1,137,060	1,251,705	1,132,067
Current liabilities					
Trade and other payables	10	14,269	20,501	12,897	20,322
Interest-bearing borrowings	11	8,305	6,622	8,305	6,622
		22,574	27,123	21,202	26,944
Non-current liabilities					
Trade and other payables	10	1,627	–	1,627	–
Interest-bearing borrowings	11	515,143	342,623	435,268	342,623
Derivative liabilities	12	120	–	–	–
Deferred tax liabilities		316	413	–	–
		517,206	343,036	436,895	342,623
Total liabilities		539,780	370,159	458,097	369,567
Net assets		786,510	766,901	793,608	762,500
Represented by:					
Unitholders' funds		786,510	766,901	793,608	762,500
Units in issue ('000)	13	893,472	781,758	893,472	781,758
Net asset value per Unit ($)		0.880	0.981	0.888	0.975

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

STATEMENTS OF TOTAL RETURN
FOR THE YEAR ENDED 31 DECEMBER 2015

		Group		Trust	
	Note	2015	2014	2015	2014
		$'000	$'000	$'000	$'000
Gross revenue	15	89,721	82,852	82,671	81,677
Property expenses	16	(13,565)	(4,852)	(13,124)	(4,761)
Net property income		76,156	78,000	69,547	76,916
Other income		411	5	410	–
Dividend income		–	–	3,351	585
Finance income		60	161	662	161
Finance expenses		(14,131)	(12,457)	(12,708)	(12,457)
Net financing costs	17	(14,071)	(12,296)	(12,046)	(12,296)
Manager's fees	18	(7,530)	(6,651)	(7,530)	(6,651)
Trustee fees		(472)	(327)	(379)	(327)
Valuation fee		(90)	(33)	(58)	(33)
Other trust expenses	19	(1,409)	(1,580)	(1,052)	(1,488)
		(9,501)	(8,591)	(9,019)	(8,499)
Net income		52,995	57,118	52,243	56,706
Net change in fair value of investment properties		(64,714)	8,966	(52,509)	8,913
Total return for the year before tax and distribution		(11,719)	66,084	(266)	65,619
Income tax	20	(604)	(275)	(500)	–
Total return for the year after tax, before distribution		(12,323)	65,809	(766)	65,619
Earnings per Unit (cents)	21				
Basic		(1.544)	8.447	(0.096)	8.423
Diluted		(1.544)	8.447	(0.096)	8.423
Distribution per Unit (cents)		8.500	8.573	8.500	8.573

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

DISTRIBUTION STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Group		Trust	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Income available for distribution to Unitholders at the beginning of the year	16,782	16,619	16,782	16,619
Total return after tax, before distribution	(12,323)	65,809	(766)	65,619
Distribution adjustments (Note A below)	75,206	1,071	63,649	1,261
A portion of sales proceeds from the disposal of investment property	5,077	–	5,077	–
Income available for distribution	84,742	83,499	84,742	83,499
Distributions to Unitholders:				
Distribution of 2.137 cents per unit for the period 1 October 2013 to 31 December 2013	–	(16,615)	–	(16,615)
Distribution of 2.140 cents per unit for the period 1 January 2014 to 31 March 2014	–	(16,660)	–	(16,660)
Distribution of 2.147 cents per unit for the period 1 April 2014 to 30 June 2014	–	(16,737)	–	(16,737)
Distribution of 2.140 cents per unit for the period 1 July 2014 to 30 September 2014	–	(16,705)	–	(16,705)
Distribution of 2.146 cents per unit for the period 1 October 2014 to 31 December 2014	(16,776)	–	(16,776)	–
Distribution of 2.146 cents per unit for the period 1 January 2015 to 31 March 2015	(16,802)	–	(16,802)	–
Distribution of 2.140 cents per unit for the period 1 April 2015 to 30 June 2015	(16,781)	–	(16,781)	–
Distribution of 2.140 cents per unit for the period 1 July 2015 to 30 September 2015	(16,811)	–	(16,811)	–
Distribution of 0.90 cents per unit for the period 1 October 2015 to 12 November 2015	(7,070)	–	(7,070)	–
Total distributions	(74,240)	(66,717)	(74,240)	(66,717)
Income available for distribution to Unitholders at the end of the year	10,502	16,782	10,502	16,782
Note A – Distribution adjustments				
Distribution adjustment items:				
Commitment fee	197	312	197	312
Amortisation of transaction costs	1,227	1,578	1,151	1,578
Transaction costs written-off	–	2,134	–	2,134
Manager's fees paid/payable in units	5,648	4,988	5,648	4,988
Net change in fair value of investment properties	64,714	(8,966)	52,509	(8,913)
Trustee fees	472	327	379	327
Depreciation	647	224	611	200
Deferred taxation	(106)	13	–	–
Foreign exchange difference	(67)	8	(40)	–
Gain on disposal of investment property	(408)	–	(408)	–
Overseas income not distributed to the Trust	–	–	299	163
Other items	2,882	453	3,303	472
Distribution adjustments	75,206	1,071	63,649	1,261

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

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Group 2015 $'000	Group 2014 $'000	Trust 2015 $'000	Trust 2014 $'000
Unitholders' fund at the beginning of the year		766,901	761,750	762,500	757,959
Operations					
Total return after tax, before distribution		(12,323)	65,809	(766)	65,619
Effective portion of changes in fair value of cash flow hedge		1,805	651	1,923	651
Foreign currency translation reserve					
Translation differences from financial statements of foreign entities		176	420	–	–
Net gain recognised directly in Unitholders' fund		1,981	1,071	1,923	651
Unitholders' transactions					
Units issued:					
– Issue of new units (private placement)		100,000	–	100,000	–
– Manager's fees paid in units		4,178	3,695	4,178	3,695
Units to be issued:					
– Manager's fees payable in units		1,470	1,293	1,470	1,293
Issue expenses	22	(1,457)	–	(1,457)	–
Distribution to Unitholders		(74,240)	(66,717)	(74,240)	(66,717)
Net increase/(decrease) in net assets resulting from Unitholders' transactions		29,951	(61,729)	29,951	(61,729)
Unitholders' funds at end of the year		786,510	766,901	793,608	762,500

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

PORTFOLIO STATEMENT
AS AT 31 DECEMBER 2015

GROUP

Description of property	Type	Lease term for underlying land	Location	Occupancy rate as at 31 December 2015	Carrying values as at 31 December 2015	Carrying values as at 31 December 2014	% of total net assets as at 31 December 2015	% of total net assets as at 31 December 2014
				%	$'000	$'000	%	%
CWT Commodity Hub	Logistics	29 years wef 19 August 2006	24 Penjuru Road, Singapore	100	336,100	364,700	42.7	47.6
Cache Cold Centre	Logistics	30 years wef 20 December 2005[(1)]	2 Fishery Port Road, Singapore	77	139,600	139,000	17.7	18.1
Schenker Megahub	Logistics	30 years wef 1 June 2005[(1)]	51 Alps Avenue, Singapore	100	116,800	115,300	14.9	15.0
Cache Changi Districentre 1	Logistics	30 years wef 16 August 2005[(1)]	5 Changi South Lane, Singapore	87	93,400	93,400	11.9	12.2
Hi-Speed Logistics Centre	Logistics	30 years wef 16 August 2005[(1)]	40 Alps Avenue, Singapore	100	82,000	81,500	10.4	10.6
Cache Changi Districentre 2	Logistics	30 years wef 16 February 1996[(1)]	3 Changi South Street 3, Singapore	100	18,200	20,400	2.3	2.7
Cache Changi Districentre 3	Logistics	30 years wef 1 January 2004	6 Changi North Way, Singapore	100	26,100	32,100	3.3	4.2
Kim Heng Warehouse	Logistics	30 years wef 1 December 2011	4 Penjuru Lane, Singapore	–	–	9,000	–	1.2
Air Market Logistics Centre	Logistics	30 years wef 1 February 2007[(2)]	22 Loyang Lane, Singapore	100	13,100	14,200	1.7	1.9
Pan Asia Logistics Centre	Logistics	30 years wef 1 June 2010	21 Changi North Way, Singapore	100	37,000	36,800	4.7	4.8
Balance carried forward					862,300	906,400	109.6	118.3

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

PORTFOLIO STATEMENT (CONT'D)
AS AT 31 DECEMBER 2015

GROUP (CONT'D)

Description of property	Type	Lease term for underlying land	Location	Occupancy rate as at 31 December 2015	Carrying values as at 31 December 2015	Carrying values as at 31 December 2014	% of total net assets as at 31 December 2015	% of total net assets as at 31 December 2014
				%	$'000	$'000	%	%
Balance carried forward					862,300	906,400	109.6	118.3
Pandan Logistics Hub	Logistics	30 years wef 1 October 2009	49 Pandan Road, Singapore	77	60,600	65,050	7.7	8.5
Precise Two	Logistics	30 years wef 1 October 2003	15 Gul Way, Singapore	100	49,800	56,100	6.3	7.3
DHL Supply Chain Advanced Regional Centre[3]	Logistics	30 years wef 16 June 2014	1 Greenwich Drive, Tampines LogisPark, Singapore	82	147,200	75,700	18.7	9.9
Jinshan Chemical Warehouse	Logistics	50 years wef 18 September 2006	288 Gongchuang Road, Shanghai, China	84	16,882	16,912	2.1	2.2
Chester Hill (NSW)	Logistics	Freehold	127, Orchard Road, Chester Hill, New South Wales, Australia	100	38,487	–	4.9	–
Somerton (VIC)	Logistics	Freehold	16 – 28 Transport Drive, Somerton, Victoria, Australia	100	25,830	–	3.3	–
Coopers Plains (QLD)	Logistics	Freehold	51 Musgrave Road, Coopers Plains, Queensland, Australia	100	9,919	–	1.3	–
Wacol (QLD)	Logistics	Freehold	203 Viking Drive, Wacol, Queensland, Australia	100	27,896	–	3.5	–
Wacol 2 (QLD)	Logistics	Freehold	223 Viking Drive, Wacol, Queensland, Australia	100	9,893	–	1.3	–
Kidman Park (SA)	Logistics	Freehold	404-450 Findon Road, Kidmark Park, South Australia, Australia	100	59,152	–	7.6	–
Investment properties, at valuation					1,307,959	1,120,162	166.3	146.2
Other assets and liabilities (net)					(521,449)	(353,261)	(66.3)	(46.2)
Net assets					786,510	766,901	100.0	100.0

PORTFOLIO STATEMENT (CONT'D)
AS AT 31 DECEMBER 2015

TRUST

Description of property	Type	Lease term for underlying land	Location	Occupancy rate as at 31 December 2015	Carrying values as at 31 December 2015	Carrying values as at 31 December 2014	% of total net assets as at 31 December 2015	% of total net assets as at 31 December 2014
				%	$'000	$'000	%	%
CWT Commodity Hub	Logistics	29 years wef 19 August 2006	24 Penjuru Road, Singapore	100	336,100	364,700	42.4	47.8
Cache Cold Centre	Logistics	30 years wef 20 December 2005[(1)]	2 Fishery Port Road, Singapore	77	139,600	139,000	17.6	18.2
Schenker Megahub	Logistics	30 years wef 1 June 2005[(1)]	51 Alps Avenue, Singapore	100	116,800	115,300	14.7	15.1
Cache Changi Districentre 1	Logistics	30 years wef 16 August 2005[(1)]	5 Changi South Lane, Singapore	87	93,400	93,400	11.8	12.2
Hi-Speed Logistics Centre	Logistics	30 years wef 16 August 2005[(1)]	40 Alps Avenue, Singapore	100	82,000	81,500	10.3	10.7
Cache Changi Districentre 2	Logistics	30 years wef 16 February 1996[(1)]	3 Changi South Street 3, Singapore	100	18,200	20,400	2.3	2.7
Cache Changi Districentre 3	Logistics	30 years wef 1 January 2004	6 Changi North Way, Singapore	100	26,100	32,100	3.3	4.2
Kim Heng Warehouse	Logistics	30 years wef 1 December 2011	4 Penjuru Lane, Singapore	–	–	9,000	–	1.2
Air Market Logistics Centre	Logistics	30 years wef 1 February 2007[(2)]	22 Loyang Lane, Singapore	100	13,100	14,200	1.7	1.9
Pan Asia Logistics Centre	Logistics	30 years wef 1 June 2010	21 Changi North Way, Singapore,	100	37,000	36,800	4.7	4.8
Pandan Logistics Hub	Logistics	30 years wef 1 October 2009	49 Pandan Road, Singapore	77	60,600	65,050	7.6	8.5
Precise Two	Logistics	30 years wef 1 October 2003	15 Gul Way, Singapore	100	49,800	56,100	6.3	7.4
DHL Supply Chain Advanced Regional Centre [(3)]	Logistics	30 years wef 16 June 2014	1 Greenwich Drive, Tampines LogisPark, Singapore	82	147,200	75,700	18.4	9.9
Investment properties, at valuation					1,119,900	1,103,250	141.1	144.6
Other assets and liabilities (net)					(326,292)	(340,750)	(41.1)	(44.6)
Net assets					793,608	762,500	100.0	100.0

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

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

[(3)] Development of the investment property commenced in April 2014 and obtained its Temporary Occupation Permit in July 2015.

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

PORTFOLIO STATEMENT (CONT'D)
AS AT 31 DECEMBER 2015

Note:

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

The carrying amounts of the investment properties as at 31 December 2015 were based on the independent valuations undertaken by DTZ Debenham Tie Leung (SEA) Pte Ltd, DTZ Debenham Tie Leung Limited, m3property Pty Limited and JLL Adelaide, South Australia (2014: DTZ Debenham Tie Leung (SEA) Pte Ltd) (the "Independent Valuers"). Valuations are determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers at least once a year, in accordance with the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore. The Independent Valuers have the appropriate professional qualification and recent experience in the location and category of the properties being valued. The valuations were based on capitalisation approach and discounted cash flow analysis for both years ended 31 December 2015 and 2014.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015	2014
		$'000	$'000
Cash flows from operating activities			
Total return before taxation and distribution		(11,719)	66,084
Adjustments for:			
Net change in fair value of investment properties		64,714	(8,966)
Depreciation of plant and equipment		648	224
Manager's fees paid/payable in units	A	5,648	4,988
Net financing costs		14,071	12,296
Loss on disposal of plant and equipment		25	–
Gain on disposal of investment properties		(408)	–
		72,979	74,626
Changes in:			
Trade and other receivables		(1,520)	(2,593)
Trade and other payables		4,225	2,099
Cash generated from operating activities		75,684	74,132
Tax paid		(576)	(289)
Net cash from operating activities		75,108	73,843
Cash flows from investing activities			
Interest received		60	166
Capital expenditure on investment property and investment property under development		(88,040)	(62,009)
Purchase of investment properties		(182,538)	–
Purchase of plant and equipment		(1,879)	(1,456)
Proceeds from disposal of investment property		9,408	–
Net cash used in investing activities		(262,989)	(63,299)
Cash flows from financing activities			
Distributions to Unitholders		(74,240)	(66,717)
Interest paid		(12,101)	(8,701)
Issue expenses paid		(1,457)	–
Repayment of borrowings due to refinancing exercise		–	(313,000)
Net proceeds from borrowings		173,132	355,181
Financing costs		(661)	(6,825)
Proceeds from issue of new units		100,000	–
Net cash from/(used in) financing activities		184,673	(40,062)
Net decrease in cash and cash equivalents		(3,208)	(29,518)
Cash and cash equivalents at beginning of the year		11,275	40,754
Effect of exchange rate differences on cash and cash equivalents		(13)	39
Cash and cash equivalents at end of the year		8,054	11,275

A Significant non-cash transactions

The total Manager's fees paid/payable in Units for the year ended 31 December 2015 amounts to $5,648,000 (2014: $4,988,000). This comprises 5,444,000 (2014: 4,318,000) Units, of which 3,818,000 (2014: 3,186,000) Units were issued and another 1,626,000 (2014: 1,132,000) Units will be issued to the Manager by the Trust.

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 29 February 2016.

1 DOMICILE AND ACTIVITIES

Cache Logistics Trust (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 11 February 2010 (as amended by a first supplemental deed dated 18 March 2010 and a second supplemental deed dated 29 September 2014) (the "Trust Deed") entered into between ARA-CWT Trust Management (Cache) Limited, as manager of the Trust (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited, as Trustee of the Trust (the "Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust held by it or through its subsidiaries (collectively the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "Units").

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 12 April 2010 and was included in the Central Provident Fund ("CPF") Investment Scheme on 12 April 2010.

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

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

1.1 Property Manager's fees

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

For Singapore Properties:

- a property management fee of 2.0% per annum of gross revenue (see note 15) of each property; and
- a lease management fee of 1.0% per annum of gross revenue (see note 15) of each property

For Australian Properties:

- a property and lease management fee of 2.0% per annum of net rental income (see note 15) of each property

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

1.2 Manager's fees

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

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

The Manager may elect to receive the base fee and performance fee in cash or Units or a combination of cash and Units (as it may in its sole discretion determines). The Manager has in financial year 2015 elected to receive 75% (2014: 75%) of the manager's fee in the form of Units, and 25% (2014: 25%) in cash.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

1 DOMICILE AND ACTIVITIES (cont'd)

1.3 Trustee's fees

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

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

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

1.4 Acquisition fees

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

1.5 Divestment fees

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars which is the Trust's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2 BASIS OF PREPARATION (cont'd)

2.4 Use of estimates and judgements

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

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

Information about significant areas of estimation uncertainty that have the most significant effect on the amounts recognised in the financial statements is included in notes 4 – (Investment properties) and 5 – (Investment property under development).

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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

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

Significant valuation issues are reported to the Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability are categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in notes 4 and 5.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3 SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

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

(ii) Transactions eliminated on consolidation

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

(iii) Subsidiaries in the separate financial statements

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

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

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

(ii) Foreign operations

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

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

3.3 Investment properties

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

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Investment properties (cont'd)

Investment properties are accounted for as non-current assets and are initially recognised at cost, including transaction costs, and at fair value thereafter. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. Fair values of investment properties are determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers in the following events:

- in such manner and frequency required under the Property Funds Appendix of the CIS Code issued by the MAS; and
- where the Manager proposes to issue new units for subscription or to redeem existing units unless the investment properties have been valued not more than 6 months ago.

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

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

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

3.4 Investment property under development

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

3.5 Plant and equipment

(i) Measurement

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

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

(ii) Depreciation

Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives for the current and comparative years are as follows:

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.5 Plant and equipment (cont'd)

(iii) Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in the statement of total return as incurred.

(iv) Disposal

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

3.6 Financial instruments

(i) Non-derivative financial assets

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

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

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;
- the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously; and
- the right to set off a financial asset and a financial liability is not contingent or a future event and is enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties.

The Group's 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 excluding prepayments. Cash and cash equivalents comprise cash balances and bank deposits.

(ii) Non-derivative financial liabilities

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

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.6 Financial instruments (cont'd)

(ii) Non-derivative financial liabilities (cont'd)

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

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

The Group's non-derivative financial liabilities comprise interest-bearing 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.

(iii) Unitholders' funds

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

(iv) Derivative financial instruments, including hedge accounting

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

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

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the statement of total return as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.6 Financial instruments (cont'd)

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

Cash flow hedges (cont'd)

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

Derivatives that do not qualify for hedge accounting

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

3.7 Impairment

(i) Non-derivative financial assets

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

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

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

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

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties and investment property under development, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.7 Impairment (cont'd)

(ii) Non-financial assets (cont'd)

Impairment losses are recognised in the statement of total return. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.8 Revenue recognition

Rental income from operating leases

Rental income receivable under operating leases is recognised in the statement of total return on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of total rental to be received. Contingent rentals are recognised as income in the accounting period on a receipt basis. No contingent rentals are recognised if there are uncertainties due to the possible return of amounts received.

Dividend income

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

3.9 Lease payments

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.10 Expenses

(i) Property expenses

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

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

(ii) Manager's fees

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

(iii) Trustee's fees

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

3.11 Finance income and expenses

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

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

3.12 Tax

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at each reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The temporary differences on initial recognition of assets or liabilities that affect neither accounting nor taxable profit are not provided for.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.12 Tax (cont'd)

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling on the taxation of the Trust for income earned and expenditure incurred after its listing on the SGX-ST. Subject to meeting the terms and conditions of the tax ruling issued by IRAS which includes a distribution of at least 90% of the taxable income of the Trust, the Trustee is not subject to tax on the taxable income of the Trust. Instead, the Trustee and the Manager will deduct income tax at the prevailing corporate tax rate (currently 17%) from the distributions made to Unitholders that are made out of the taxable income of the Trust (the "tax transparency treatment"), except:

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

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

A Qualifying Unitholder is a Unitholder who is:

- a Singapore-incorporated company which is a tax resident in Singapore;
- a body of persons, other than a company or a partnership, registered or constituted in Singapore (for example, a town council, a statutory board, a registered charity, a registered co-operative society, a registered trade union, a management corporation, a club, and a trade and industry association); or
- a Singapore branch of a foreign company which has presented a letter of approval from the IRAS granting a waiver from tax deduction at source in respect of distributions from the Trust.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.13 Distribution policy

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

3.14 Earnings per Unit

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

3.15 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

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

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these financial statements. The Group is currently assessing the potential impact of adopting these new standards and interpretations, on the financial statements of the Group and the Trust.

These new standards include, among others, FRS 115 Revenue from Contracts with Customers and FRS 109 Financial Instruments which are mandatory for adoption by the Group on 1 January 2017 and 1 January 2018 respectively.

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

As FRS 115 and FRS 109, when effective, will change the existing accounting standards and guidance applied by the Group and the Trust in accounting for revenue and financial instruments, these standards are expected to be relevant to the Group and the Trust. The Group has set up project teams to assess the potential impact on its financial statements and to implement the standards. The Group does not plan to adopt these standards early.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4 INVESTMENT PROPERTIES

	Group		Trust	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
At 1 January	1,044,462	1,034,980	1,027,550	1,018,500
Acquisition of investment properties	182,521	–	–	–
Reclassified from investment property under development (see note 5)	139,789	–	139,789	–
Disposal of investment properties	(9,000)	–	(9,000)	–
Capital expenditure	14,546	925	14,070	925
Translation difference	355	379	–	–
	1,372,673	1,036,284	1,172,409	1,019,425
Changes in fair values of investment properties	(64,714)	8,178	(52,509)	8,125
At 31 December	1,307,959	1,044,462	1,119,900	1,027,550

Investment properties are held for use by tenants under operating leases. Generally, the leases contain an initial non-cancellable period of between 3 and 10 years. Subsequent renewals are negotiated with the lessee to reflect market rentals. None of the leases contain contingent rental arrangements.

Security

At 31 December 2015, investment properties with an aggregate carrying amount of $1,126,000,000 (2014: $850,000,000) are pledged as security for banking facilities (see note 11).

Measurement of fair value

In determining the fair value, the valuers have used valuation techniques which involve certain estimates. In relying on the valuation reports, the Manager has exercised its judgement and is satisfied that the valuation techniques and estimates are reflective of current market conditions. The valuation reports are prepared in accordance with recognised appraisal and valuation standards. The estimates underlying the valuation techniques in the next financial year may differ from current estimates, which may result in valuations that may be materially different from the valuations as at each reporting date.

The valuers have considered the capitalisation approach and discounted cash flows analysis in arriving at the open market value as at each reporting date. The capitalisation approach capitalises an income stream into a present value using single-year capitalisation rates. The income stream used is adjusted to market rentals currently being achieved within comparable investment properties and recent leasing transactions achieved within the investment property. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with a rate of return to arrive at the market value. The discounted cash flow method requires the valuers to assume a rental growth rate indicative of market and the selection of a target rate of return consistent with current market requirements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4 INVESTMENT PROPERTIES (cont'd)

Measurement of fair value (cont'd)

The fair value measurement for investment properties based on the inputs to the valuation techniques used is as follows:

	Level 3
	$'000
Group	
31 December 2015	
Investment properties	1,307,959
31 December 2014	
Investment properties	1,044,462
Trust	
31 December 2015	
Investment properties	1,119,900
31 December 2014	
Investment properties	1,027,550

The following table shows the Group's valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Type	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Investment properties consisting of logistics warehouse properties for leasing.	**Group** • Terminal yield rates 6.50% to 8.50% (2014: 6.80% to 7.30%) • Discount rates 7.50% to 11.00% (2014: 7.80% to 11.00%) • Capitalisation rates 6.25% to 8.50% (2014: 6.50% to 7.00%) • Market rental growth rates 0% to 3.25% (2014: 3.00%)	The estimated fair values would increase/(decrease) if: • the terminal yield rates were lower/(higher); • the discount rates were lower/(higher); • the capitalisation rates were lower/(higher); or • the market rental growth rates were higher/(lower).
	Trust • Terminal yield rates 6.50% to 7.25% (2014: 6.80% to 7.30%) • Discount rates 7.50% to 8.25% (2014: 7.80% to 8.30%) • Capitalisation rates 6.25% to 7.00% (2014: 6.50% to 7.00%) • Market rental growth rates 0% to 3.00% (2014: 3.00%)	

4 INVESTMENT PROPERTIES (cont'd)

Measurement of fair value (cont'd)

Key unobservable inputs correspond to:

- Terminal yield rates derived from specialised publications from the related markets and comparable transactions.
- Discount rates, based on the risk-free rate for 10-year bonds issued by the government in the relevant market, adjusted for a risk premium to reflect the increased risk of investing in investment properties.
- Capitalisation rates derived from an analysis of yields reflected in sales of comparable property types.

5 INVESTMENT PROPERTY UNDER DEVELOPMENT

	Group and Trust	
	2015	2014
	$'000	$'000
At 1 January	75,700	–
Construction cost and capital expenditure capitalised during the year[1]	64,089	74,912
Change in fair value of investment property under development	–	788
Reclassified to investment property[2]	(139,789)	–
At 31 December	–	75,700

[1] Includes borrowing costs capitalised of $1,040,000 (2014: $194,000).

[2] The property was reclassified to investment property when the Temporary Occupation Permit was obtained in July 2015.

Measurement of fair value

Investment property under development is valued by estimating the fair value of the completed investment property (see note 4) and then deducting from that amount the estimated costs to complete the construction.

The fair value measurement of investment property under development based on the inputs to the valuation techniques used is as follows:

	Level 3
	$'000
Group and Trust	
31 December 2015	
Investment property under development	–
31 December 2014	
Investment property under development	75,700

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6 PLANT AND EQUIPMENT

	Fixtures and fittings	Plant, machinery and improvements	Office equipment	Total
	$'000	$'000	$'000	$'000
Group				
Cost				
At 1 January 2014	2	753	13	768
Additions	–	1,450	6	1,456
Translation difference	–	2	–	2
At 31 December 2014	2	2,205	19	2,226
Additions	2	1,869	8	1,879
Disposals	–	(37)	–	(37)
Translation difference	–	3	–	3
At 31 December 2015	4	4,040	27	4,071
Accumulated depreciation				
At 1 January 2014	–	152	10	162
Depreciation	1	221	2	224
At 31 December 2014	1	373	12	386
Disposals	–	(12)	–	(12)
Depreciation	1	642	5	648
At 31 December 2015	2	1,003	17	1,022
Carrying amounts				
At 1 January 2014	2	601	3	606
At 31 December 2014	1	1,832	7	1,840
At 31 December 2015	2	3,037	10	3,049
Trust				
Cost				
At 1 January 2014	–	631	14	645
Additions	–	1,437	3	1,440
At 31 December 2014	–	2,068	17	2,085
Additions	2	1,704	8	1,714
Disposals	–	(38)	–	(38)
At 31 December 2015	2	3,734	25	3,761
Accumulated depreciation				
At 1 January 2014	–	146	10	156
Depreciation	–	197	3	200
At 31 December 2014	–	343	13	356
Depreciation	–	606	4	610
Disposals	–	(12)	–	(12)
At 31 December 2015	–	937	17	954
Carrying amounts				
At 1 January 2014	–	485	4	489
At 31 December 2014	–	1,725	4	1,729
At 31 December 2015	2	2,797	8	2,807

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7 INVESTMENTS IN SUBSIDIARIES

	Trust	
	2015	2014
	$'000	$'000
Equity investment at cost	74,062	*
Advances to a subsidiary	4,048	628
	78,110	628

* Less than $1,000

Advances to a subsidiary are unsecured, interest-free and stated at cost less accumulated impairment losses. The advances form part of the Trust's net investments in subsidiaries as settlement of these amounts are neither planned nor likely to occur in the foreseeable future.

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Ownership interest 2015	2014
		%	%
Cache-MTN Pte Ltd (1)	Singapore	100	100
Cache (Australia) Pte Ltd (1)	Singapore	100	100
Cache Singapore One Pte Ltd (1)	Singapore	100	100
Cache Polar (Hong Kong) Limited (3) ^	Hong Kong	100	100
CWT Cayman (Jinshan) Limited (2) ^	The Cayman Islands	100	100
CWT Jinshan (Hong Kong) Pte Limited (3) ^	Hong Kong	100	100
CWT Warehousing Transportation (Shanghai) Development Co., Ltd (4) ^	China	100	100
Tanglewood Success Limited (2) ^	British Virgin Islands	100	100
The Trust Company (Australia) Limited ATF Cache Logistics Trust Australia (2) ^	Australia	100	–
The Trust Company Limited ATF Chester Hill (NSW) Trust (2) ^	Australia	100	–
The Trust Company Limited ATF Somerton (VIC) Trust (2) ^	Australia	100	–
The Trust Company Limited ATF Coopers Plain (QLD) Trust (2) ^	Australia	100	–
The Trust Company Limited ATF Wacol (QLD) Trust (2) ^	Australia	100	–
The Trust Company Limited ATF Wacol 2 (QLD) Trust (2) ^	Australia	100	–
The Trust Company Limited ATF Kidman Park (SA) Trust (2) ^	Australia	100	–

(1) Audited by KPMG LLP, Singapore

(2) Not required to be audited by the laws of the country of incorporation

(3) Audited by other member firms of KPMG International

(4) Audited by other auditors

^ Each subsidiary is not considered significant to the Group. For this purpose, a subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8 TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Trade receivables	428	15	428	15
Other receivables	645	1,317	600	1,315
Deposits	612	2,018	612	2,018
Amounts due from subsidiaries (non-trade)	–	–	38,765	12,705
Loans and receivables	1,685	3,350	40,405	16,053
Prepayments	3,290	105	2,701	103
	4,975	3,455	43,106	16,156

Included in amounts due from subsidiaries are loans to subsidiary of $26,347,000 (2014: Nil) which are unsecured, interest-bearing at 6.5% (2014: Nil) and repayable on demand. The remaining amounts are unsecured, interest-free and repayable on demand.

9 CASH AND CASH EQUIVALENTS

	Group		Trust	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Cash at bank	8,054	11,275	5,529	9,976

The bank accounts in relation to the charged properties are assigned as security for credit facilities granted to the Group and Trust (see note 11). As at 31 December 2015, the amounts standing in these accounts amounted to $2,547,000 (2014: $4,545,000) and $1,800,000 (2014: $4,545,000) for the Group and Trust respectively.

10 TRADE AND OTHER PAYABLES

	Group		Trust	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Current				
Trade payables	3,674	3,614	3,418	3,609
Other payables	1,061	141	777	146
Security deposits	176	687	176	687
Accrued operating expenses	6,930	2,231	6,098	2,052
Accrued construction costs	2,428	13,828	2,428	13,828
	14,269	20,501	12,897	20,322
Non-current				
Security deposits	1,627	–	1,627	–
	15,896	20,501	14,524	20,322

The exposure of the Group and Trust to liquidity risk related to trade and other payables is disclosed in note 14.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11 INTEREST-BEARING BORROWINGS

	Group		Trust	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Secured borrowings	511,878	355,181	431,495	355,181
Less: Unamortised transaction costs	(4,916)	(5,936)	(4,408)	(5,936)
	506,962	349,245	427,087	349,245
Unsecured borrowings	16,531	–	16,531	–
Less: Unamortised transaction costs	(45)	–	(45)	–
	16,486	–	16,486	–
Maturity of borrowings				
Within 1 year	8,305	6,622	8,305	6,622
After 1 year but within 5 years	515,143	342,623	435,268	342,623
	523,448	349,245	443,573	349,245

Terms and debt repayment schedule

The terms and conditions of outstanding loans and borrowings are as follows:

	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount
				$'000	$'000
Group					
2015					
Term loan facility (1)	SGD	SOR* + Margin	2017	73,030	72,425
Revolving credit facility (1)	SGD	SOR* + Margin	2018	9,000	8,305
Term loan facility (1)	SGD	SOR* + Margin	2018	185,000	183,362
Term loan facility (3)	AUD	BBSY# + Margin	2018	14,465	14,432
Term loan facility (4)	AUD	BBSY# + Margin	2018	16,531	16,486
Term loan facility (1)	SGD	SOR* + Margin	2019	150,000	148,563
Term loan facility (2)	AUD	BBSY# + Margin	2019	36,162	35,926
Term loan facility (2)	AUD	BBSY# + Margin	2019	30,273	30,153
Term loan facility (2)	AUD	BBSY# + Margin	2020	13,948	13,796
				528,409	523,448
Trust					
Term loan facility (1)	SGD	SOR* + Margin	2017	73,030	72,425
Revolving credit facility (1)	SGD	SOR* + Margin	2018	9,000	8,305
Term loan facility (1)	SGD	SOR* + Margin	2018	185,000	183,362
Term loan facility (3)	AUD	BBSY# + Margin	2018	14,465	14,432
Term loan facility (4)	AUD	BBSY# + Margin	2018	16,531	16,486
Term loan facility (1)	SGD	SOR* + Margin	2019	150,000	148,563
				448,026	443,573
Group and Trust					
2014					
Revolving credit facility (1)	SGD	SOR* + Margin	2017	6,808	6,622
Term loan facility (1)	SGD	SOR* + Margin	2017	28,373	27,430
Term loan facility (1)	SGD	SOR* + Margin	2018	185,000	182,005
Term loan facility (1)	SGD	SOR* + Margin	2019	135,000	133,188
				355,181	349,245

* Swap Offer Rate
\# Bank Bill Swap Rate

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11 INTEREST-BEARING BORROWINGS (cont'd)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

		Cash flows		
	Carrying amount	Contractual cash flows	Within 1 year	Within 2 to 5 years
	$'000	$'000	$'000	$'000
Group				
2015				
Non-derivative financial liabilities				
Revolving credit facility ^	8,305	(9,789)	(281)	(9,508)
Floating rate term loans ^	515,143	(598,010)	(23,366)	(574,644)
Trade and other payables	15,896	(15,896)	(14,269)	(1,627)
	539,344	(623,695)	(37,916)	(585,779)
Derivative financial assets				
Interest rate swaps used for hedging				
– Inflow ^	2,253	18,244	5,575	12,669
– Outflow	(120)	(17,382)	(5,471)	(11,911)
	2,133	862	104	758
2014				
Non-derivative financial liabilities				
Revolving credit facility ^	6,622	(7,333)	(196)	(7,137)
Floating rate term loans ^	342,623	(381,223)	(8,008)	(373,215)
Trade and other payables	20,501	(20,501)	(20,501)	–
	369,746	(409,057)	(28,705)	(380,352)
Derivative financial assets				
Interest rate swaps used for hedging				
– Inflow ^	328	1,424	1,117	307
– Outflow	–	(1,216)	(935)	(281)
	328	208	182	26

11 INTEREST-BEARING BORROWINGS (cont'd)

	Carrying amount	Cash flows: Contractual cash flows	Cash flows: Within 1 year	Cash flows: Within 2 to 5 years
	$'000	$'000	$'000	$'000
Trust				
2015				
Non-derivative financial liabilities				
Revolving credit facility ^	8,305	(9,790)	(282)	(9,508)
Floating rate term loans ^	435,268	(482,352)	(14,896)	(467,456)
Trade and other payables	14,524	(14,524)	(12,897)	(1,627)
	458,096	(506,666)	(28,075)	(478,591)
Derivative financial assets				
Interest rate swaps used for hedging				
– Inflow ^	2,253	15,923	4,982	10,941
– Outflow	–	(14,617)	(4,780)	(9,837)
	2,253	1,306	202	1,104
2014				
Non-derivative financial liabilities				
Revolving credit facility ^	6,622	(7,333)	(196)	(7,137)
Floating rate term loans ^	342,623	(381,223)	(8,008)	(373,215)
Trade and other payables	20,322	(20,322)	(20,322)	–
	369,567	(408,878)	(28,526)	(380,352)
Derivative financial assets				
Interest rate swaps used for hedging				
– Inflow ^	328	1,424	1,117	307
– Outflow	–	(1,216)	(935)	(281)
	328	208	182	26

^ For the purpose of the contractual cash flows calculation, SOR of 1.701% (2014: SOR of 0.738%) and BBSY of 2.330% (2014: Nil) were used.

The maturity analysis shows the contractual undiscounted cash flows of the Group and the Trust's financial liabilities on the basis of their earliest possible contractual maturity. The cash inflows/(outflows) disclosed for derivative financial instruments relate to those instruments held for risk management purposes and which are usually not closed out prior to contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled. Net-settled derivative financial assets are included in the maturity analysis as they are held to hedge the cash flow variability of the Group's floating rate loans.

The exposure of the Group and the Trust to liquidity and interest rate risks relates to interest-bearing borrowings and is disclosed in note 14.

(1) Secured term loan facilities and revolving credit facilities

The facilities are secured by:

- A first mortgage on 7 properties located in Singapore;
- A debenture creating fixed and floating charges over all assets in relation to the 7 properties;
- An assignment of all leases, sale agreements, banker's guarantees and bank accounts in relation to the 7 properties;
- An assignment of all insurance policies in relation to the 7 properties; and
- An assignment of the Trust's rights in the corporate guarantees given in respect of certain properties.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11 INTEREST-BEARING BORROWINGS (cont'd)

(2) Secured term loan facilities.
The facilities are secured by way of a legal Mortgage and charges over 5 Australian properties.

(3) Secured term loan facilities.
The facility is secured by way of a Second Ranking legal Mortgage over 3 Australian properties.

(4) Unsecured term loan facilities.

Measurement of fair value

The carrying amounts of interest-bearing borrowings which are all re-priced within 3 months from the reporting date approximate to their corresponding fair values.

12 DERIVATIVE ASSETS/(LIABILITIES)

	Group		Trust	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Non-current asset				
Interest rate swaps	1,836	242	1,836	242
Current asset				
Interest rate swaps	417	86	417	86
Non-current liability				
Interest rate swaps	(120)	–	–	–
Total derivative assets/(liabilities)	2,133	328	2,253	328

The Group uses interest rate swaps to manage its exposure to interest rate movements on its floating rate interest-bearing term loan by swapping the interest expense on a proportion of the term loan from floating rates to fixed rates.

The Group hedged its exposure to changes in interest rates on its variable rate borrowings by entering into interest rate swaps with the following notional contract amounts and maturity dates:

(i) $87,850,000 maturing in 2016;

(ii) $131,250,000 maturing in 2018;

(iii) $26,875,000 maturing in 2018;

(iv) $26,875,000 maturing in 2018;

(v) $29,550,000 maturing in 2019;

(vi) A$17,500,000 maturing in 2020; and

(vii) A$6,750,000 maturing in 2020.

The Group has designated the interest rate swaps as hedging instruments under the cash flow hedge model. Where the interest rate swap is an effective hedge in a cash flow hedge relationship, the change in fair value of the interest rate swap relating to the effective portion is recorded in Unitholders' funds. The ineffective portion of the fair value changes are taken to the statement of total return. During the year, the designated interest rate swaps were effective as cash flow hedges and the fair value change thereof has been recognised in Unitholders' funds. The fair value of these derivative financial instrument represents 0.27% (2014: 0.04%) of the net assets of the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12 DERIVATIVE ASSETS/(LIABILITIES) (cont'd)

Offsetting financial assets and financial liabilities

The Group's derivative transactions are entered into under International Swaps and Derivatives Association Master Agreements ("ISDA Master Agreements") with various bank counterparties. The derivative financial instruments presented above are not offset in the statement of financial position as the right of set-off of recognised amounts is enforceable only following the occurrence of a termination event as set out in such ISDA Master Agreements. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

As at 31 December 2015 and 31 December 2014, the Group's derivative financial assets and liabilities do not have any balances that are eligible for offsetting under the enforceable master netting arrangement.

Measurement of fair value

The fair value of interest rate swaps is based on broker quotes at the reporting date. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each swap and using market interest rates for similar instruments at the measurement date.

	Level 2
	$'000
Group and Trust	
31 December 2015	
Interest rate swaps used for hedging	2,133
31 December 2014	
Interest rate swaps used for hedging	328

13 UNITS IN ISSUE

	Group and Trust	
	2015	2014
	'000	'000
Units in issue:		
At the beginning of the year	781,758	777,440
Units issued:		
– Issue of new units (private placement)	106,270	–
– Manager's fees paid in units	3,818	3,186
	891,846	780,626
Units to be issued:		
– Manager's fees payable in units	1,626	1,132
Total issued and to be issued units at the end of the year	893,472	781,758

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

- receive income and other distributions attributable to the Units held;
- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust and available for purposes of such distribution less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer to it of any assets (or part thereof) or of any estate or interest in any asset (or part thereof) of the Trust; and

13 UNITS IN ISSUE (cont'd)

- attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or one-tenth in number of the Unitholders, whichever is the lesser) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed.

The Unitholders cannot give any directions to the Manager or the Trustee (whether at a meeting of Unitholders or otherwise) if it would require the Trustee or the Manager to do or omit doing anything which may result in:

- the Trust ceasing to comply with the Listing Manual issued by the SGX-ST or the Property Funds Appendix; or
- the exercise of any discretion expressly conferred on the Trustee or the Manager by the Trust Deed or the determination of any matter for which the agreement of either or both the Trustee and the Manager is required under the Trust Deed.

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

14 FINANCIAL INSTRUMENTS

Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Trust's management of capital. Further quantitative disclosures are included throughout these financial statements.

Financial risk management objectives and policies

Exposure to credit, interest rate and liquidity risks arise in the normal course of the Group's business. The Group has written policies and guidance which set out its overall business strategies and its general risk management philosophy.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

The Manager has established credit limits for tenants and monitors their balances on an ongoing basis. Credit evaluations are performed by the Property Manager before lease agreements are entered into with tenants. The Group establishes an allowance for impairment, based on specific loss component that relates to individually significant exposures, that represents its estimate of incurred losses in respect of trade and other receivables.

The tenants have provided security deposits amounting to 3-12 months rental in the form of bankers' guarantee or cash. The maximum exposure to credit risk is represented by the carrying value of each financial asset, including derivative financial instruments, on the statement of financial position.

Cash and fixed deposits are placed with financial institutions which are regulated. Transactions involving derivative financial instruments are allowed only with counterparties that are credit worthy.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14 FINANCIAL INSTRUMENTS (cont'd)

Credit risk (cont'd)

Exposure to credit risk

The carrying amount of the following assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Group		Trust	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Trade and other receivables	4,975	3,455	43,106	16,156
Derivative assets	2,253	328	2,253	328
Cash and cash equivalents	8,054	11,275	5,529	9,976
	15,282	15,058	50,888	26,460

Liquidity risk

The Manager monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. In addition, the Manager monitors and observes the Code of Collective Investment Schemes issued by the MAS concerning limits on total borrowings.

The Group has committed and undrawn facilities comprising $56,000,000 (2014: $74,192,000) from secured revolving credit facilities and $Nil (2014: $67,627,000) from secured term loan facilities with a panel of banks. In addition, the Group has a $500 million MTN Programme established by Cache-MTN Pte Ltd, a wholly-owned subsidiary of the Trust.

The Group has secured bank loans which contain debt covenants. Any breach of covenants may require the Group to repay the loan earlier than indicated in note 11.

Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Group's total return or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk, utilising interest rate and currency hedging strategies where appropriate.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14 FINANCIAL INSTRUMENTS (cont'd)

Currency risk

At the reporting date, the exposure to currency risk is as follows:

	2015 RMB $'000	2015 AUD $'000	2014 RMB $'000	2014 AUD $'000
Group				
Investment properties	16,882	171,177	16,912	–
Cash and cash equivalents	1,134	2,592	1,299	–
Other receivables	69	565	1	–
Interest-bearing borrowings	–	(110,793)	–	–
Other payables	(155)	(1,338)	(124)	–
Derivative liabilities	–	(120)	–	–
Net statement of financial position exposure	17,929	62,084	18,088	–
Trust				
Cash and cash equivalents	–	1,284	–	–
Interest-bearing borrowings	–	(30,918)	–	–
Other payables	–	(160)	–	–
Amount due from subsidiaries	–	26,347	–	–
Net statement of financial position exposure	–	(3,447)	–	–

A 10% strengthening of the Singapore Dollar against the following currencies would increase/(decrease) Unitholders funds and total return (before any tax effect) by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group and Trust considered to be reasonably possible at the end of the reporting period. The analysis assumes all other variables, in particular interest rates, remain constant.

	Statement of total return		Unitholders' funds	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Group				
RMB	–	–	1,793	1,809
AUD	(344)	–	6,553	–
Trust				
RMB	–	–	–	–
AUD	(344)	–	–	–

A 10% weakening of the SGD against the above currencies would have had an equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to interest-bearing borrowings. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates. The Group has entered into interest rate swaps to achieve an appropriate mix of fixed and floating exposures in respect of its interest-bearing borrowings (see note 12).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14 FINANCIAL INSTRUMENTS (cont'd)

Profile

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	Group		Trust	
	Carrying amount		Carrying amount	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Variable rate instruments				
Financial assets	8,054	11,275	5,529	9,976
Financial liabilities *	(200,954)	(136,081)	(145,626)	(136,081)
	(192,900)	(124,806)	(140,097)	(126,105)

* net of effect of interest rate swaps

Cash flow sensitivity analysis for variable rate instruments

A change of 25 (2014: 25) basis points ("bp") in interest rate at the reporting date would increase/(decrease) total return and Unitholders' fund by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Total return		Unitholders' fund	
	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease
	$'000	$'000	$'000	$'000
Group				
31 December 2015				
Financial assets	20	(20)	–	–
Financial liabilities	(502)	502	184	(226)
Cash flow sensitivity (net)	(482)	482	184	(226)
31 December 2014				
Financial assets	28	(28)	–	–
Financial liabilities	(340)	340	1	(121)
Cash flow sensitivity (net)	(312)	312	1	(121)
Trust				
31 December 2015				
Financial assets	14	(14)	–	–
Financial liabilities	(364)	364	186	(199)
Cash flow sensitivity (net)	(350)	350	186	(199)
31 December 2014				
Financial assets	25	(25)	–	–
Financial liabilities	(340)	340	1	(121)
Cash flow sensitivity (net)	(315)	315	1	(121)

Hedging

Interest rate swaps, which are denominated in Singapore dollars and Australian dollars, have been entered into to achieve an appropriate mix of fixed and floating rate exposures within the Group's policy. As at 31 December 2015, the Group had interest rate swaps with an aggregated notional contract amount of $327,500,000 (2014: $219,100,000) (see note 12).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14 FINANCIAL INSTRUMENTS (cont'd)

Capital management

The primary objective of the Group's capital management is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise Unitholder's value. In order to maintain or achieve an optimal capital structure, the Group will endeavour to employ an appropriate mix of debt and equity in financing acquisitions and assets enhancements, and utilise interest rate and currency hedging strategies where appropriate. The Manager reviews this policy on a continuous basis.

The Property Funds Appendix stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 45.0% (2014: 35.0%) of the fund's deposited property.

At 31 December 2015, the Group's Aggregate Leverage ratio was 39.8% (2014: 31.2%). The Group and Trust are in compliance with the Aggregate Leverage limit of 45.0% during the financial year.

With effect from 1 January 2016, the Aggregate Leverage of a property fund should not exceed 45% of the fund's Deposited Property without requirement of credit rating and the option for a property fund to leverage up to 60% by obtaining a credit rating will be removed.

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are set out below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amounts				Fair value			
	Fair value – hedging instruments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
31 December 2015								
Financial assets measured at fair value								
Derivative assets	2,253	–	–	2,253	–	2,253	–	2,253
Financial assets not measured at fair value								
Trade and other receivables ^	–	1,685	–	1,685				
Cash and cash equivalents	–	8,054	–	8,054				
	–	9,739	–	9,739				

^ Excludes prepayments

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14 FINANCIAL INSTRUMENTS (cont'd)

Accounting classifications and fair values (cont'd)

	Carrying amounts				Fair value			
	Fair value – hedging instruments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
31 December 2015								
Financial liabilities measured at fair value								
Derivative liabilities	120	–	–	120	–	120	–	120
Financial liabilities not measured at fair value								
Trade and other payables (non-current)	–	–	1,627	1,627	–	–	1,506	1,506
Trade and other payables (current)	–	–	14,269	14,269				
Interest-bearing borrowings	–	–	523,448	523,448				
	–	–	539,344	539,344				
31 December 2014								
Financial assets measured at fair value								
Derivative assets	328	–	–	328	–	328	–	328
Financial assets not measured at fair value								
Trade and other receivables ^	–	3,350	–	3,350				
Cash and cash equivalents	–	11,275	–	11,275				
	–	14,625	–	14,625				
Financial liabilities not measured at fair value								
Trade and other payables	–	–	20,501	20,501				
Interest-bearing borrowings	–	–	349,245	349,245				
	–	–	369,746	369,746				

^ Excludes prepayments

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

	Carrying amounts				Fair value			
	Fair value – hedging instruments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Trust								
31 December 2015								
Financial assets measured at fair value								
Derivative assets	2,253	–	–	2,253	–	2,253	–	2,253
Financial assets not measured at fair value								
Trade and other receivables ^	–	40,405	–	40,405				
Cash and cash equivalents	–	5,529	–	5,529				
	–	45,934	–	45,934				
Financial liabilities not measured at fair value								
Trade and other payables (non-current)	–	1,627	–	1,627	–	–	1,506	1,506
Trade and other payables (current)	–	12,897	–	12,897				
Interest-bearing borrowings	–	443,573	–	443,573				
	–	458,097	–	458,097				

^ Excludes prepayments

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14 FINANCIAL INSTRUMENTS (cont'd)

Accounting classifications and fair values (cont'd)

	Carrying amounts				Fair value			
	Fair value – hedging instruments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Trust								
31 December 2014								
Financial assets measured at fair value								
Derivative assets	328	–	–	328	–	328	–	328
Financial assets not measured at fair value								
Trade and other receivables	–	16,053	–	16,053				
Cash and cash equivalents	–	9,976	–	9,976				
	–	26,029	–	26,029				
Financial liabilities not measured at fair value								
Trade and other payables	–	–	20,322	20,322				
Interest-bearing borrowings	–	–	349,245	349,245				
	–	–	369,567	369,567				

Financial instruments not measured at fair value

The following table shows the valuation technique and the key unobservable inputs used in the determination of fair value of the Level 3 financial instruments not measured at fair value:

Financial instrument	Valuation technique	Significant unobservable inputs
Other financial liabilities*	Discounted cash flows**	Not applicable

* Other financial liabilities include trade and other payables.

** It is assumed that inputs considered as observable used in the valuation technique are significant to the fair value measurement.

Financial instruments for which fair value is equal to the carrying amount

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15 GROSS REVENUE

	Group		Trust	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Gross revenue	89,721	82,852	82,671	81,677

Gross revenue includes net rental income (after rent rebates and provisions for rent free period), service charge, license fees and other reimbursables for multi-tenanted properties.

16 PROPERTY EXPENSES

	Group		Trust	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Property management fees (including reimbursables)	3,514	3,146	3,479	3,146
Other fees paid/payable to property manager	721	15	721	15
Depreciation of plant and equipment	647	224	611	200
Utilities	2,702	207	2,644	199
Property tax and land rent	3,969	663	3,818	663
Others	2,012	597	1,851	538
	13,565	4,852	13,124	4,761

17 NET FINANCING COSTS

	Group		Trust	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Bank deposits	60	161	40	161
Intercompany loan	–	–	622	–
Finance income	60	161	662	161
Interest expense:				
– bank loans	(12,691)	(7,754)	(11,377)	(7,754)
– interest rate swaps	(637)	(787)	(593)	(787)
Commitment fee	(197)	(312)	(197)	(312)
Amortisation of transaction costs	(1,634)	(1,662)	(1,576)	(1,662)
Transaction costs written-off	–	(2,134)	–	(2,134)
Others	(12)	(2)	(5)	(2)
Less:				
Borrowings costs capitalised in investment property under development	1,040	194	1,040	194
Finance expenses	(14,131)	(12,457)	(12,708)	(12,457)
Net financing costs	(14,071)	(12,296)	(12,046)	(12,296)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18 MANAGER'S FEES

Included in Manager's fees of the Group and the Trust are Manager's fees paid/payable in Units for the year ended 31 December 2015 amounting to $5,648,000 (2014: $4,988,000). This comprises 5,444,000 (2014: 4,318,000) Units, of which 3,818,000 (2014: 3,186,000) Units were issued and another 1,626,000 (2014: 1,132,000) Units will be issued to the Manager by the Trust.

19 OTHER TRUST EXPENSES

Included in other trust expenses are:

	Group		Trust	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Audit fees	256	210	196	190
Other professional fees paid to auditors	133	59	58	44
Valuation fees	90	33	58	33

20 INCOME TAX EXPENSE

	Group		Trust	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Current taxation				
Current year	147	183	–	–
Withholding tax	563	79	500	–
	710	262	500	–
Deferred taxation				
Origination of temporary differences – investment property	(106)	13	–	–
Income tax expense	604	275	500	–

Reconciliation of effective tax rate

	Group		Trust	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Total return before tax and distribution	(11,719)	66,084	(266)	65,619
Tax calculated using Singapore tax rate of 17% (2014: 17%)	(1,992)	11,234	(45)	11,155
Effect of tax rates in foreign jurisdiction	46	52	–	–
Non-tax deductible items	12,259	1,712	10,940	1,702
Non-taxable income	(53)	(1,560)	(676)	(1,615)
Tax transparency	(10,219)	(11,242)	(10,219)	(11,242)
Withholding tax	563	79	500	–
	604	275	500	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21 EARNINGS PER UNIT

Basic earnings per Unit is based on:

	Group		Trust	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Total return after tax, before distribution	(12,323)	65,809	(766)	65,619

	Group and Trust	
	2015	2014
	Number of Units	Number of Units
Issued Units at beginning of year	781,758	777,440
Effect of creation of new Units:		
– issue of new Units (private placement)	14,266	–
– issued as payment of Manager's fees	1,867	1,619
– to be issued as payment of Manager's fees payable in Units	5	3
Weighted average number of issued and issuable Units at end of year	797,896	779,062

Diluted earnings per Unit is the same as the basic earnings per Unit as there were no dilutive instruments in issue during the year.

22 ISSUE EXPENSES

Issue expenses comprise professional, advisory and underwriting fees and other costs related to issuance of Units.

23 OPERATING SEGMENTS

Management considers the business from a geographic segment perspective. Geographically, management manages and monitors the business by 3 countries: Singapore, Australia and China. All geographical locations are in the business of investing in logistics properties, which is the only business segment of the Group.

Management assesses the performance of the geographic segments based on a measure of Net Property Income ("NPI"). Interest income and finance expenses are not allocated to the segments, as the certain treasury activities are centrally managed by the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23 OPERATING SEGMENTS (cont'd)

The segment information provided to the Management for the reportable segments for the year ended 31 December 2015 is as follows:

	Singapore $'000	Australia $'000	China $'000	Total $'000
Gross revenue	82,671	5,874	1,176	89,721
Property expenses	(13,124)	(325)	(116)	(13,565)
Net property income	69,547	5,549	1,060	76,156
Net movement in the fair value of investment properties	(52,509)	(11,779)	(426)	(64,714)
Unallocated amounts:				
– Interest and other income				471
– Borrowing costs				(14,131)
– Unallocated costs *				(9,501)
Total return for the year before tax				(11,719)
Income tax	(500)	–	(104)	(604)
Total return for the year after tax				(12,323)
Assets and liabilities				
Segment assets				
– Investment properties	1,119,900	171,177	16,882	1,307,959
– Others	13,646	1,873	1,202	16,721
	1,133,546	173,050	18,084	1,324,680
Unallocated assets **				1,610
Consolidated total assets				1,326,290
Segment liabilities	427,101	81,172	471	508,744
Unallocated liabilities ***				31,036
Consolidated total liabilities				539,780

Comparative information for the year ended 31 December 2014 is not presented as the Group only had one operating segment, comprising logistics warehouses which are mainly located in Singapore. The logistics warehouse property in China did not meet any of the quantitative thresholds for determining reportable segments.

* Unallocated costs include Manager's management fees, Trustee fees and other trust expenses.

** Unallocated assets include cash and cash equivalents, and other receivables.

*** Unallocated liabilities include borrowings of A$16 million and A$14 million (Note 11).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24 COMMITMENTS

	Group		Trust	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
(a) Capital commitments:				
Capital expenditure contracted but not provided for	17	39,950	17	39,950

(b) The Group leases out its investment properties. Non-cancellable operating lease rentals receivable are as follows:

	Group		Trust	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Within 1 year	99,156	56,556	85,214	55,472
After 1 year but within 5 years*	220,838	143,326	170,258	141,681
After 5 years*	125,906	83,209	86,408	83,209
	445,900	283,091	341,880	280,362

* Excludes prevailing market rate adjustment

(c) The Trust is required to pay JTC Corporation annual land rent in respect of certain properties. The annual land rent payable is based on the market land rent in the relevant year of the lease term. However, the lease agreements limit any increase in the annual land rent from year to year to 5.5% of the annual land rent for the immediate preceding year. The land rent paid/payable to JTC Corporation amounted to $8,298,000 (2014: $6,134,000) in relation to 11 (2014: 11) properties for the year ended 31 December 2015 (including amounts that have been directly recharged to tenants).

25 SIGNIFICANT RELATED PARTY TRANSACTIONS

During the financial year, other than the transactions disclosed elsewhere in the financial statements, there were the following related party transactions:

	Group		Trust	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Property manager's fees and reimbursables paid/payable to the property manager	3,514	3,146	3,497	3,146
Other fees paid/payable to property manager [(1)]	721	15	721	15
Rental income received/receivable from a sponsor and its related corporations	56,415	70,067	55,240	68,891
Acquisition/Divestment fees paid to the Manager	1,744	–	1,744	–

[(1)] Marketing commissions and fees for property tax savings.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26 FINANCIAL RATIOS

	Group	
	2015	2014
	%	%
Expenses to weighted average net assets [1]		
– including performance component of Manager's fees	1.2	1.1
– excluding performance component of Manager's fees	1.1	1.0
Portfolio turnover rate [2]	1.2	–

[1] The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group, excluding property expenses, interest expense and income tax expense.

[2] The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of daily average net asset value.

27 SUBSEQUENT EVENT

On 25 January 2016, the Manager declared a distribution of 1.174 cents per Unit in respect of the period from 13 November 2015 to 31 December 2015 to be paid on 29 February 2016.

ADDITIONAL INFORMATION

INTERESTED PERSON (AS DEFINED IN THE LISTING MANUAL OF THE SGX-ST) AND INTERESTED PARTY (AS DEFINED IN THE PROPERTY FUNDS APPENDIX) TRANSACTIONS (COLLECTIVELY "RELATED PARTY TRANSACTIONS")

The Related Party Transactions during the financial period and which fall within the Listing Manual of the SGX-ST and the Property Funds Appendix are:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
ARA-CWT Trust Management (Cache) Limited		
– Manager's fees[(1)]	9,274	–
C & P Holdings Pte Ltd and its associates		
– Rental income	56,415	–
– Property manager's fees and reimbursable	3,514	–
– Other fees paid/payable to property manager[(2)]	721	–
HSBC Institutional Trust Services (Singapore) Limited		
– Trustee's fees	472	–

Notes:

(1) Includes acquisition and divestment fees. The Manager has opted to receive, for the year ended 31 December 2015, 75% of the Manager's fees in Units. In respect of the period from 1 January 2015 to 31 March 2015, a total of 1,174,130 units of Cache Logistics Trust at $1.1620* were issued to the Manager on 23 April 2015. In respect of the period from 1 April 2015 to 30 June 2015, a total of 1,210,178 units at $1.1471* were issued to the Manager on 21 July 2015. In respect of the period from 1 July 2015 to 30 September 2015, a total of 1,433,351 units at $0.9942* were issued to the Manager on 22 October 2015. In respect of the period from 1 October 2015 to 31 December 2015, a total of 1,625,931 units at $0.9037* were issued to the Manager on 26 January 2016.

* Based on the volume weighted average traded price for a unit for all trades done on the SGX-ST in the ordinary course of trading on the SGX-ST for the last 10 business days of the relevant period in which the Manager's fees accrues.

(2) Marketing commissions and fees for property tax savings.

FEES PAYABLE TO THE MANAGER

The Manager is committed to delivering value to the stakeholders of Cache Logistics Trust, in addition to its key responsibilities of managing and maintaining the long term interests of all Unitholders.

The Manager is entitled to the following fees for the management of Cache Logistics Trust, which cover an extensive scope of functions including but not limited to asset management (including asset enhancements), financing, investment management, marketing and investor relations:

(1) a base fee of 0.5% per annum of the value of the properties of Cache Logistics Trust (as defined under Clause 15.1.1 of the Trust Deed). Pursuant to Clause 15.1.4 of the Trust Deed, the Base Fee is paid monthly or quarterly, in arrears, in the form of cash and/or Units, as the Manager may elect. The Base Fee which is based on a fixed percentage of the value of the assets of the Trust, commensurates with the complexity and efforts required of the Manager in managing the Trust.

ADDITIONAL INFORMATION (CONT'D)

(2) a performance fee equal to 1.5% per annum of the Net Property Income of Cache Logistics Trust or any special purpose vehicles for each financial year (as defined under Clause 15.1.2 in the Trust Deed). The performance fee is paid in the form of cash and/or Units, as the Manager may elect. The performance fee methodology is reflective of the alignment of interests between the Manager and the Unitholders in incentivising the Manager to drive higher income yields for Cache Logistics Trust. The Manager is incentivised to review the growth potential of the assets in the portfolio, and improve the long-term performance of such assets on a sustainable basis (as opposed to taking excessive short-term risks) through proactive management including undertaking effective leasing strategies and asset enhancement/repositioning initiatives and achieving cost efficiencies.

In accordance with the Code on Collective Investment Schemes dated 1 January 2016 ("CIS Code"), crystallisation of the Performance Fee should be no more frequent than once a year. Therefore, with effect from FY2016, the Performance Fee payable in the form of Units and/or cash will be paid on an annual basis in arrears, subsequent to the end of the applicable financial year.

In addition, the Manager is entitled to an acquisition fee[1] which is paid in the form of cash or Units as the Manager may elect after the completion of an acquisition. The Manager is also entitled to a divestment fee[1] which is paid in cash after the completion of a divestment. Details of the fee structure of the acquisition fee and divestment fee are set out in Note 1 to the Financial Statements herein (and Clauses 15.2.1(i) and (ii) of the Trust Deed). The acquisition fee and divestment fee payable to the Manager are to recognise the Manager's efforts in actively seeking potential opportunities to acquire new properties and/or in unlocking the underlying value of existing properties within its asset portfolio through divestments to optimise returns to the Unitholders. The Manager provides these services over and above the provision of ongoing management services with an aim to generate long term benefits for the Unitholders.

Note:

1 In the case of an interested party transaction, the fee is paid in the form of Units at the prevailing market price and such Units should not be sold within one year from their date of issuance as stipulated in the CIS Code.

SUBSCRIPTION OF UNITS IN CACHE

As at 31 December 2015, an aggregate of 893,472,054 Units were in issue. On 26 January 2016, Cache issued 1,625,931 Units to the Manager in satisfaction of its asset management fees for the period from 1 October 2015 to 31 December 2015.

NON DEAL ROAD SHOW

Non-deal roadshow expenses of $5,000 (2014: $3,700) were incurred during the year ended 31 December 2015.

STATISTICS OF UNITHOLDINGS

ISSUED AND FULLY PAID UP UNITS

As at 29 February 2016

Dates	Events	No of units	Price	Amount (S$)
23 April 2015	Asset Management Fees	1,174,130	1.1620	1,364,339
21 July 2015	Asset Management Fees	1,210,178	1.1471	1,388,195
22 October 2015	Asset Management Fees	1,433,351	0.9942	1,425,038
13 November 2015	Private Placement	106,270,000	0.9410	100,000,070
26 January 2016	Asset Management Fees	1,625,931	0.9037	1,469,354

There were 893,472,054 Units (Voting Rights: One Vote per Unit) outstanding as at 29 February 2016.

There is only one class of Units.

The market capitalisation was S$755.0 million based on a closing unit price of S$0.845 on 29 February 2016.

RANGE OF UNITHOLDINGS

As at 29 February 2016

Size of Unitholdings	No. of Unitholders	% of Unitholders	No. of Units	% of Units
1 – 99	12	0.12	159	0.00
100 – 1,000	871	8.66	846,459	0.10
1,001 – 10,000	5,190	51.59	32,273,863	3.61
10,001 – 1,000,000	3,948	39.25	222,111,707	24.86
1,000,001 and above	38	0.38	638,239,866	71.43
TOTAL	**10,059**	**100.00**	**893,472,054**	**100.00**

STATISTICS OF UNITHOLDINGS (CONT'D)

20 LARGEST UNITHOLDERS

As at 29 February 2016

No.	Name of Unitholder	No. of Units	% of Units
1	DBS Nominees Pte Ltd	193,480,876	21.65
2	HSBC (Singapore) Nominees Pte Ltd	73,050,726	8.18
3	Citibank Nominees Singapore Pte Ltd	72,370,070	8.10
4	Raffles Nominees (Pte) Ltd	63,248,900	7.08
5	United Overseas Bank Nominees Pte Ltd	43,898,034	4.91
6	CWT Limited	37,000,000	4.14
7	DBSN Services Pte Ltd	21,905,286	2.45
8	NTUC Fairprice Co-Operative Ltd	18,400,000	2.06
9	BNP Paribas Securities Services	14,654,500	1.64
10	Bank of Singapore Nominees Pte Ltd	11,518,450	1.29
11	DBS Vickers Securities (Singapore) Pte Ltd	9,038,900	1.01
12	KGI Fraser Securities Pte Ltd	8,093,900	0.91
13	DB Nominees (Singapore) Pte Ltd	7,647,407	0.86
14	UOB Kay Hian Pte Ltd	5,394,800	0.60
15	CIMB Securities (Singapore) Pte Ltd	4,953,000	0.56
16	Ko Woon Hong	4,234,800	0.47
17	OCBC Nominees Singapore Pte Ltd	4,127,800	0.46
18	BNP Paribas Nominees Singapore Pte Ltd	4,087,900	0.46
19	Phillip Securities Pte Ltd	3,600,700	0.40
20	Maybank Kim Eng Securities Pte Ltd	3,479,229	0.39
	TOTAL	**604,185,278**	**67.62**

FREE FLOAT

Under Rule 723 of the Listing Manual of the SGX-ST, a listed issuer must ensure that at least 10.0% of its listed securities is at all times held by the public. Based on the information available to the Manager as at 29 February 2016, approximately 93.3% of the Units in Cache are held in public hands.

STATISTICS OF UNITHOLDINGS (CONT'D)

SUBSTANTIAL UNITHOLDERS

As at 29 February 2016

There were no Substantial Unitholders in Cache Logistics Trust.

UNITHOLDINGS OF DIRECTORS OF THE MANAGER

As at 21 January 2016

Directors	No. of Units	
	Direct	Deemed
Lim Hwee Chiang John	1,000,000	1,000,000[(1)]
Lim How Teck	300,000[(2)]	–
Liao Chung Lik	1,085,600	–
Jimmy Yim Wing Kuen	200,000	–
Stefanie Yuen Thio	50,000	–
Lim Ah Doo	–	–
Lim Kong Puay	–	–
Lim Lee Meng	–	–
Moses K. Song (Alternate Director to Lim Hwee Chiang John)	–	–

Notes:

[(1)] 1,000,000 Cache Units are held by Citibank Nominees Singapore Pte. Ltd. (as nominee for JL Philanthropy Ltd). Mr Lim is the settlor of JL Charitable Settlement which is the beneficiary of JL Philanthropy Ltd.

[(2)] Subsequent to 21 January 2016, Mr Lim How Teck acquired an additional 50,000 Units on 28 January 2016 and another 50,000 Units on 4 February 2016 to own a total of 300,000 Units.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of the unitholders of Cache Logistics Trust ("**Cache**") will be held at Level 3, Meeting Rooms 331 – 332, Suntec Singapore International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Wednesday, 13 April 2016, 10.00 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Report of HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Cache (the "**Trustee**"), the Statement by ARA-CWT Trust Management (Cache) Limited, as manager of Cache (the "**Manager**") and the Audited Financial Statements of Cache for the financial year ended 31 December 2015 together with the Auditors' Report thereon.

(Resolution 1)

2. To re-appoint KPMG LLP as the Auditors of Cache and to hold office until the conclusion of the next AGM of Cache and to authorise the Manager to fix their remuneration.

(Resolution 2)

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

3. **GENERAL MANDATE FOR THE ISSUE OF NEW UNITS AND/OR CONVERTIBLE SECURITIES**

That authority be and is hereby given to the Manager to:

(a) (i) issue new units in Cache ("**Units**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may, in its absolute discretion deem fit; and

(b) issue Units in pursuance of any Instrument made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

provided that:

(A) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent (50%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (B) below) at the time of the passing of this Resolution, of which the aggregate number of Units to be issued other than on a pro rata basis to Unitholders shall not exceed twenty per cent (20%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (B) below);

(B) subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (A) above, the total number of issued Units (excluding treasury Units, if any) shall be based on the total number of issued Units (excluding treasury Units, if any) as at the time this Resolution is passed, after adjusting for:

(i) any new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of Units;

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

(C) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed constituting Cache dated 11 February 2010 (as amended) (the "**Trust Deed**") for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

(D) unless revoked or varied by Unitholders in a general meeting, the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of Cache or (ii) the date by which the next AGM of Cache is required by applicable law and/or regulations to be held, whichever is earlier;

(E) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Manager may issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and

(F) the Manager, any director of the Manager ("**Director**") and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee may consider expedient or necessary or in the interest of Cache to give effect to the authority conferred by this Resolution.

(See Explanatory Note(i))

(Resolution 3)

AS OTHER BUSINESS

4. To transact such other business as may be transacted at an AGM.

By Order of the Board of ARA-CWT Trust Management (Cache) Limited
(Company registration no. 200919331H)
(as manager of Cache Logistics Trust)

Sharon Yeoh
Chiang Wai Ming
Company Secretaries

Singapore
24 March 2016

Notes –

1. A Unitholder who is not a relevant intermediary entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder.

2. If the appointer is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its authorised officer or attorney.

3. The instrument appointing a proxy must be lodged at the Unit Registrar's office at M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902 not less than forty-eight (48) hours before the time appointed for AGM.

4. A Unitholder who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than one proxy to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed.

   "**relevant intermediary**" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds Units in that capacity; or

   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

5. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at forty-eight (48) hours before the time appointed for AGM in order for the Depositor to be entitled to attend and vote at the AGM.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting ("AGM") and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing and administration by the Manager and the Trustee (or their agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee (or their agents) in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

Explanatory Note:

(i) The Ordinary Resolution 3 above, if passed, will empower the Manager from the date of this AGM until the (i) date of the next AGM of Cache or (ii) the date by which the next AGM of Cache is required by applicable law and/or regulations to be held, whichever is earlier, to issue Units and to make or grant instruments (such as securities, warrants or debentures) convertible into Units and issue Units pursuant to such instruments, up to a number not exceeding fifty per cent (50%) of the total number of issued Units (excluding treasury Units, if any), of which twenty per cent (20%) may be issued other than on a pro rata basis to Unitholders.

   For determining the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the issued Units at the time the Ordinary Resolution 3 above is passed, after adjusting for new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Units.

   Fund raising by issuance of new Units may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual of the SGX-ST and the Trust Deed or any applicable laws and regulations in such instances, the Manager will then obtain the approval of Unitholders accordingly.

CORPORATE DIRECTORY

MANAGER

ARA-CWT Trust Management (Cache) Limited
6 Temasek Boulevard #16-02
Suntec Tower Four
Singapore 038986

Tel : (65) 6835 9232
Fax : (65) 6835 9672

Email : cache-enquiry@ara.com.hk
Website: www.cache-reit.com

DIRECTORS

Lim How Teck
Chairman and Non-executive Director

Lim Hwee Chiang John
Non-executive Director

Liao Chung Lik
Non-executive Director

Jimmy Yim Wing Kuen
Non-executive Director

Lim Ah Doo
Lead Independent Non-executive Director

Stefanie Yuen Thio
Independent Non-executive Director

Lim Kong Puay *(appointed 1 January 2016)*
Independent Non-executive Director

Lim Lee Meng *(appointed 1 January 2016)*
Independent Non-executive Director

Moses K. Song
Alternate Director to Mr Lim Hwee Chiang John

AUDIT COMMITTEE

Lim Ah Doo
Chairman

Stefanie Yuen Thio
Member

Lim Kong Puay
Member

Lim Lee Meng
Member

PROPERTY MANAGER

Cache Property Management Pte. Ltd.

REGISTERED ADDRESS
6 Temasek Boulevard
#16-02
Suntec Tower Four
Singapore 038986

MAILING ADDRESS
38 Tanjong Penjuru
CWT Logistics Hub 1
Singapore 609039

Tel : (65) 6307 8291
Fax : (65) 6262 2119

TRUSTEE

HSBC Institutional Trust Services (Singapore) Limited

REGISTERED ADDRESS
21 Collyer Quay #13-02
HSBC Building
Singapore 049320

MAILING ADDRESS
21 Collyer Quay #03-01
HSBC Building
Singapore 049320

Fax : (65) 6534 5526

COMPANY SECRETARIES OF THE MANAGER

Sharon Yeoh

Chiang Wai Ming

TMF Singapore H Pte. Ltd
38 Beach Road
South Beach Tower #29-11
Singapore 189767

Tel : (65) 6808 1600
Fax : (65) 6808 1616

LEGAL ADVISER

Allen & Gledhill LLP
One Marina Boulevard #28-00
Singapore 018989

Tel : (65) 6890 7188
Fax : (65) 6327 3800

AUDITOR

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Tel : (65) 6213 3388
Fax : (65) 6225 0984

Partner-in-charge : Philip Lee
(Appointed with effect from financial year ended 31 December 2015)

UNIT REGISTRAR

M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902

Tel : (65) 6227 6660
Fax : (65) 6225 1452

STOCK EXCHANGE QUOTATION

SGX Stock Code : K2LU

Bloomberg Code : CACHE SP

Reuters Code : CALT.SI

WEBSITES

www.cache-reit.com

www.ara-asia.com

www.cwtlimited.com

CACHE LOGISTICS TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 11 February 2010 (as amended))

PROXY FORM
ANNUAL GENERAL MEETING

(Please see notes overleaf before completing this Form)

IMPORTANT

1. A relevant intermediary may appoint more than one proxy to attend the Annual General Meeting and vote (please see Note 4 for the definition of "relevant intermediary").
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.

PERSONAL DATA PRIVACY

3. By submitting an instrument appointing a proxy(ies) and/or representative(s), the unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 24 March 2016.

*I/We, ______________________________ (Name)

of ______________________________ (Address)

being a unitholder/unitholders of Cache Logistics Trust ("**Cache**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Unitholdings	
		No. of Units	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Unitholdings	
		No. of Units	%
Address			

or failing *him/her, the Chairman of the Meeting as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf at the Annual General Meeting (the "**Meeting**") of Cache to be held at Level 3, Meeting Rooms 331 – 332, Suntec Singapore International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Wednesday, 13 April 2016, 10.00 a.m. and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her discretion.

No.	Ordinary Resolutions	No. of Votes For**	No. of Votes Against**
	ORDINARY BUSINESS		
1	Adoption of the Report of the Trustee, the Statement by the Manager, the Audited Financial Statements of Cache for the financial year ended 31 December 2015 and the Auditors' Report thereon		
2	Re-appointment of KPMG LLP as Auditors and authorisation of the Manager to fix the Auditors' remuneration		
	SPECIAL BUSINESS		
3	Authority to the Manager to issue Units and to make or grant convertible instruments		

* Delete where inapplicable.

** If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ______ day of ______________________ 2016

Total number of Units held

____

Signature of Unitholder(s)/Common Seal of Corporate Unitholder

FOLD THIS FLAP FOR SEALING

AFFIX
POSTAGE
STAMP

M & C SERVICES PRIVATE LIMITED

112 Robinson Road #05-01
Singapore 068902

FOLD HERE

FOLD HERE

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to Proxy Form

1. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against his name in the Depository Register maintained by the Central Depository (Pte) Limited ("**CDP**"), he should insert that number of Units. If the Unitholder has Units registered in his name in the Register of Unitholders of Cache, he should insert that number of Units. If the Unitholder has Units entered against his name in the said Depository Register and registered in his name in the Register of Unitholders, he should insert the aggregate number of Units. If no number is inserted, this proxy form will be deemed to relate to all the Units held by the Unitholder.
2. A unitholder of Cache ("**Unitholder**") entitled to attend and vote at the Annual General Meeting ("**AGM**") who is not a relevant intermediary is entitled to appoint one or two proxies to attend and vote in his/her stead.
3. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy. A proxy need not be a Unitholder.
4. A Unitholder who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than one proxy to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed.

   "**relevant intermediary**" means:

   (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds Units in that capacity; or

   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
5. Completion and return of this instrument appointing a proxy shall not preclude a Unitholder from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a Unitholder attends the AGM in person, and in such event, the Manager reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the AGM.
6. The instrument appointing a proxy or proxies (the "**Proxy Form**") must be deposited at the Unit Registrar's office at M & C Services Private Limited, 112 Robinson Road #05-01 Singapore 068902 not less than 48 hours before the time set for AGM.
7. The Proxy Form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the Manager) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
8. A corporation which is a Unitholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
9. The Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his name in the Depository Register as at 48 hours before the time appointed for holding the AGM, as certified by CDP to the Manager.
10. All Unitholders will be bound by the outcome of the AGM regardless of whether they have attended or voted at the AGM.

CACHE
LOGISTICS TRUST

ARA CWT

MANAGED BY

ARA-CWT Trust Management (Cache) Limited
6 Temasek Boulevard, #16-02
Suntec Tower Four, Singapore 038986

Tel: (65) 6835 9232
Fax: (65) 6835 9672

www.cache-reit.com

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