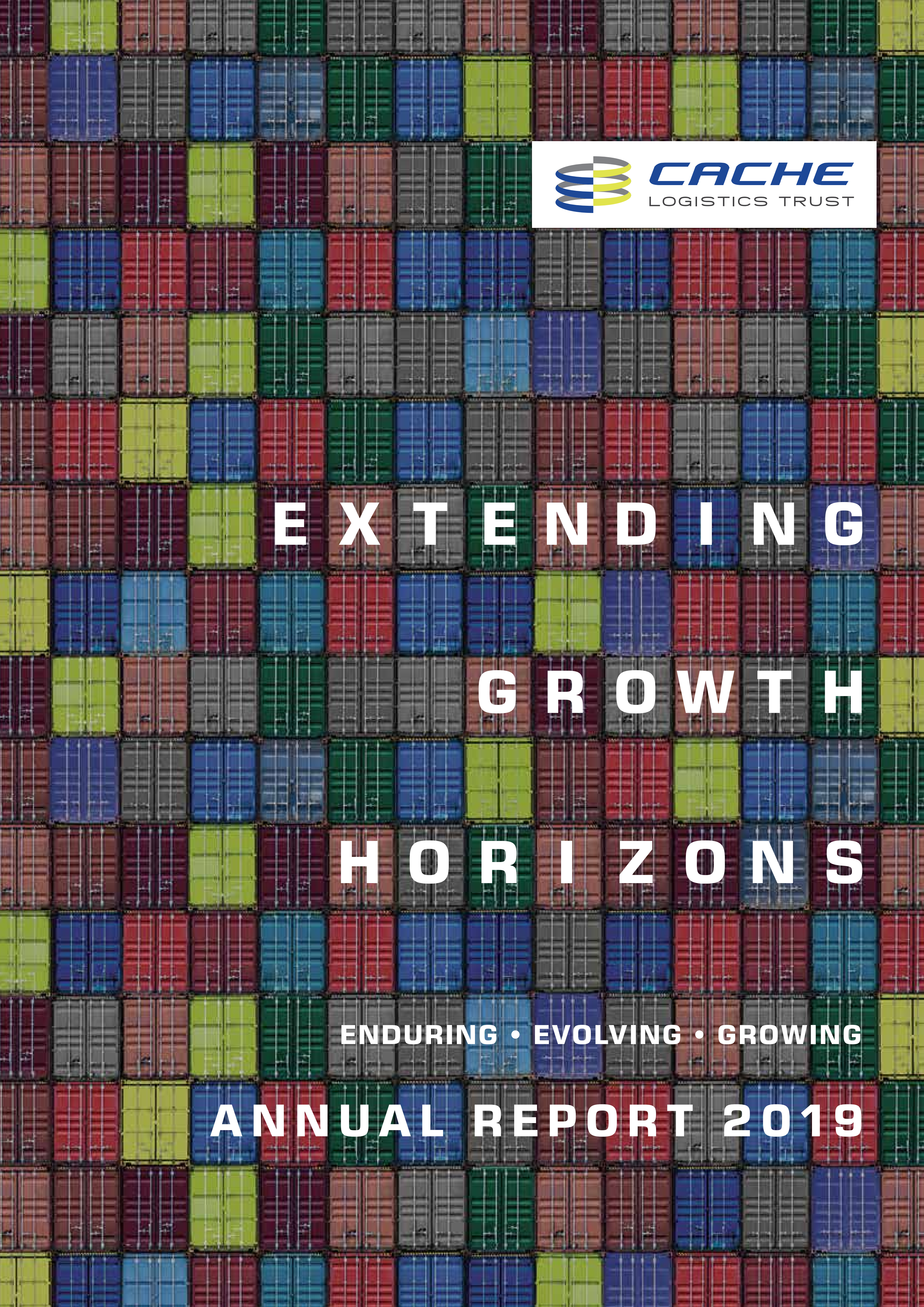

CACHE LOGISTICS TRUST

EXTENDING GROWTH HORIZONS

ENDURING • EVOLVING • GROWING

ANNUAL REPORT 2019

VISION

Our vision is to provide our customers with the highest quality logistics real estate solutions in Asia Pacific.

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 value for all our stakeholders through building a strong portfolio and adopting the best practices in risk management, corporate governance and sustainability.

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ABOUT CACHE LOGISTICS TRUST

Listed on 12 April 2010 on the Main Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), Cache Logistics Trust (“**Cache**”) is a real estate investment trust (“**REIT**”) that invests in income-producing real estate used for logistics purposes as well as real estate-related assets in Asia Pacific.

As at 31 December 2019, Cache’s portfolio comprised 27 high-quality logistics warehouse properties strategically located in established logistics clusters in Singapore and Australia with a total gross floor area of 9.0 million square feet and an appraised value of S$1.26 billion.

Cache is managed by ARA Trust Management (Cache) Limited (the “**Manager**”), a wholly-owned subsidiary of LOGOS. The Manager is focused on value creation through the pursuit of disciplined acquisition growth and proactive portfolio management strategies. Coupled with an emphasis on prudent capital and risk management, Cache strives to deliver regular and stable distributions to Unitholders and achieve long-term sustainable growth.

For more information, please visit www.cache-reit.com

ABOUT ARA ASSET MANAGEMENT LIMITED

ARA Asset Management Limited (“**ARA**” or the “**Group**”) is the ultimate holding company of LOGOS, which operates as ARA’s global logistics real estate platform.

ARA is a leading APAC real assets fund manager with a global reach. With S$88 billion[1] in gross assets under management as at 31 December 2019, ARA manages listed and unlisted real estate investment trusts (REITs) and private real estate and infrastructure funds in 28 countries. As part of its investor-operator philosophy, ARA also operates a real estate management services division with local teams to manage its assets worldwide.

ARA’s multi-platform, multi-product global fund management strategy, combined with its dedicated teams with in-depth local knowledge and expertise, enables the Group to offer enduring value to investors. Built on a foundation of strong corporate governance and business integrity, ARA counts some of the world’s largest pension funds, sovereign wealth funds, financial institutions, endowments and family offices as its investors.

For more information, please visit http://www.ara-group.com.

ABOUT LOGOS

LOGOS Group (“**LOGOS**”) is one of Asia Pacific’s leading logistics property groups with over 6 million sqm of property owned and under development, with a completed assets under management of S$9.4 billion, across 18 ventures.

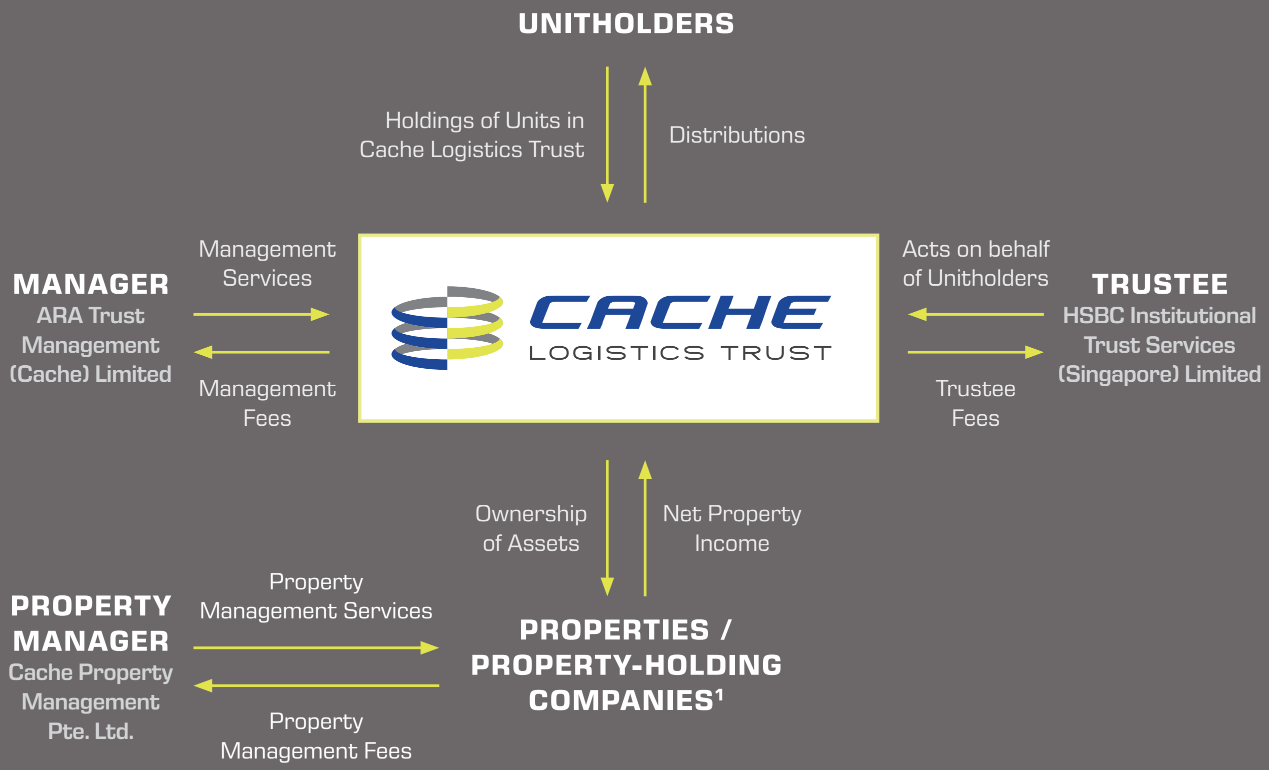
As a vertically integrated business, LOGOS manages every aspect of logistics real estate, from sourcing land or facilities to undertaking development and asset management, on behalf of some of the world’s leading global real estate investors.

Established in Australia in 2010 by founders John Marsh and Trent Iliffe, LOGOS has actively worked with its capital partners and tenants to support their growth strategies across Asia Pacific. LOGOS expanded into China in 2012, and in 2016, Stephen Hawkins founded LOGOS’ South East Asia business. LOGOS has since expanded into India, New Zealand and Vietnam in 2017, 2018 and 2020 respectively.

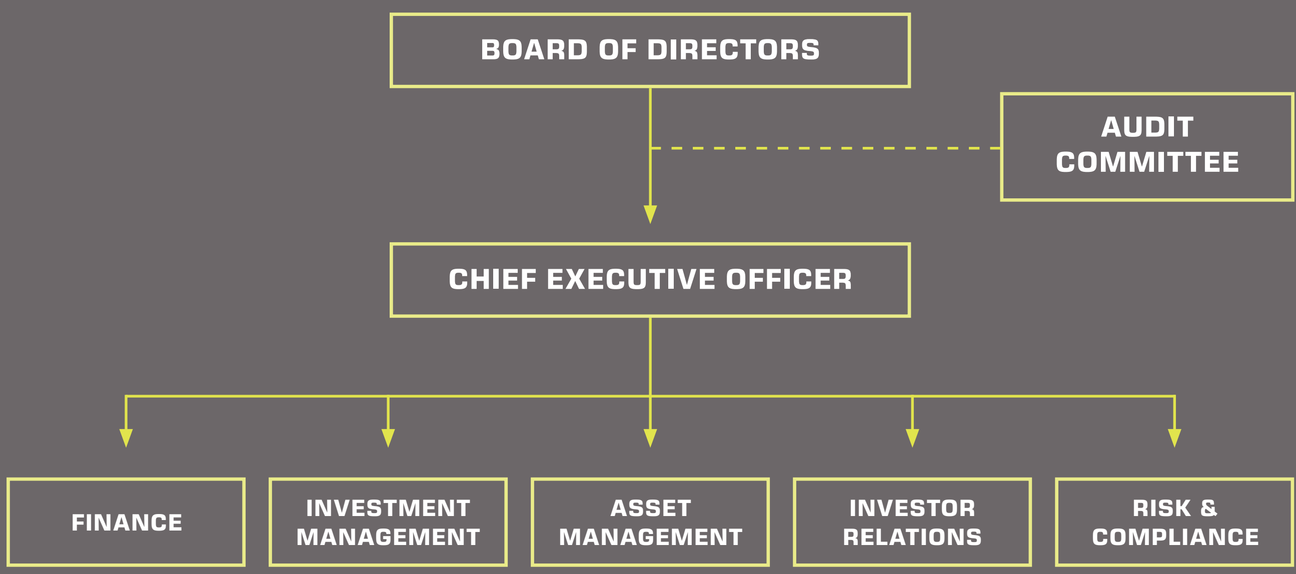
For more information, please visit https://www.logosproperty.com.

Note:
1 Includes assets under management by ARA Asset Management Limited and the Group of companies and its Associates as at 31 December 2019

TRUST STRUCTURE



ORGANISATION STRUCTURE OF THE MANAGER



Note:

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

LETTER TO UNITHOLDERS

DEAR UNITHOLDERS,

On behalf of the Board of Directors of the Manager, it is our pleasure to present Cache Logistics Trust Annual Report 2019 for the financial year ended 31 December 2019 ("**FY2019**").

While we continue to experience various economic and global headwinds that have supressed growth altogether, our previous efforts to shore-up performance have cushioned the blow. Pressure on earnings remains bearing in mind the recent COVID-19 outbreak, particularly for those with exposure to supply chains most seriously affected by the disruption. That said, we are confident that the strength of our overall tenant base and the quality of the Cache portfolio will continue to support our performance.

In keeping with the ongoing execution of our Portfolio Rebalancing & Growth Strategy, we successfully recycled capital from the divestment of Hi-Speed Logistics Centre and Jinshan Chemical Warehouse in 2018 to acquire a warehouse in Altona, Victoria, Australia in 2Q FY2019. This is evidence of our continued focused efforts to strengthen and position the portfolio for sustainable and long-term growth.

In addition, Unitholders will have seen the exciting news that ARA has created a new platform focusing entirely on logistics. The formation of a strategic venture between ARA and LOGOS Group ("**LOGOS**") is not only a catalyst for growth into the sector through the wide range of funds and development opportunities, it is a clear indication of ARA's commitment to grow Cache by way of this transformational move. With its

LIM HOW TECK
Chairman

DANIEL CERF
Chief Executive Officer

interest in LOGOS, ARA is firmly committed to be more aligned with Unitholders in paving the way for Cache's future. The new platform offers significant synergies, particularly opportunities with which Cache can harvest the strengths of LOGOS' position within the sector. We have expanded on this exciting move within the report.

The formation of a strategic relationship between ARA and LOGOS is not only a catalyst for growth into the sector through the wide range of funds and development opportunities, it is a clear indication of ARA's commitment to grow Cache by way of this transformational move. With its interest in LOGOS, ARA is firmly committed to be more aligned with Unitholders in paving the way for Cache's future.

MODEST GLOBAL GROWTH IN 2019

As published data confirms, in 2019 we witnessed a synchronised slowdown in the global economy. Numerous factors impacted global economic activity in the year and it is quite clear the COVID-19 outbreak will exacerbate the market status in 2020.

The International Monetary Fund ("**IMF**") forecasted global economic growth to experience a modest pickup from an estimated 2.9% in 2019 to 3.3% in 2020 and 3.4% in 2021, lower than the projections published in October's World Economic Outlook report.[1] This was mainly due to negative economic activity experienced in some emerging market economies such as India, which resulted in the reassessment of growth prospects for the next two years. The emergence of the COVID-19 virus in early 2020 caused an additional round of rethinking of growth forecasts globally.

In Singapore, the economy in 2019 grew 0.7%, considerably lower than 2018's 3.4%, mainly due to a contraction experienced in the manufacturing sector.[2] Singapore's Purchasing Managers' Index ("**PMI**") was 50.1 in December 2019, rising above 50 for the first time since April, due to an expansion in factory activity.[3] In February 2020 however, PMI fell to 48.7, 1.6 points lower than 50.3 in January 2020 on the back of the COVID-19 virus outbreak.

Australia also experienced a slower growth in 2019, dragged by factors such as drought, housing-related sentiment and lower confidence among consumers and businesses. However, tax cuts, lower interest rates and a lower Australian dollar as well as a rebound in housing prices contributed to growth.[4] Gross Domestic Product ("**GDP**") for 2019 was at 2.2%,[5] on the back of factors such as the bushfires and the continuing COVID-19 virus impact, which will weigh-in on growth into early 2020. As a result, the Reserve Bank of Australia further lowered the cash rate to 0.25% in early March 2020.

Despite the challenging times that may lie ahead, we continue to embark on initiatives to enhance Cache's fundamentals to generate sustainable, long-term returns for our Unitholders.

REVIEW OF CACHE'S FY2019 FINANCIAL PERFORMANCE

In FY2019, Gross Revenue was lower by 6.6% to S$113.6 million compared to S$121.5 million in the financial year ended 31 December 2018 ("**FY2018**"), mainly attributable to the conversion from the previous master lease to the present multi-tenancy structure at Commodity Hub and Cache Gul LogisCentre, transitory vacancy downtime between leases, lower signing rents for new leases compared to that previously signed, absence of contribution from 40 Alps Ave and Jinshan Chemical Warehouse (divested in 2018) and a weaker Australian dollar. This was partially offset by the additional rental contribution from 182 – 198 Maidstone, Altona, Victoria, Australia (acquired in April 2019) and the full-year contribution from the 9-property Australia portfolio acquired in February 2018.

Net Property Income ("**NPI**") decreased by 5.6% to S$85.8 million from S$90.9 million in FY2018. This was due to lower gross revenue as explained and partially offset by the exclusion of land rent from the property expense line following the adoption of FRS 116 *Leases* effective 1 January 2019.

Distributable Income in FY2019 was S$59.8 million, a decrease of S$3.6 million, or 5.7% as compared to FY2018. DPU for the full year was 5.523 cents, 6.4% lower than that for FY2018.

In 2019, we continued to successfully execute our proactive marketing and lease management efforts. Cache saw the expiry of several master leases since IPO, including Commodity Hub in April 2018 and Cache Gul LogisCentre (formerly Precise Two) in April 2019.

Notes:
1 IMF, World Economic Outlook Update, January 2020.
2 Ministry of Trade and Industry ("MTI"), Press Release, "MTI Downgrades 2020 GDP Growth Forecast to "-0.5 to 1.5 Per Cent", 17 February 2020.
3 The Straits Times, Manufacturing shows signs of recovery, 4 January 2020.
4 Deloitte Access Economics Business Outlook. 20 January 2020.
5 Reserve Bank of Australia, Key Economic Indicators Snapshot, 4 March 2020.

LETTER TO UNITHOLDERS

Despite a challenging operating environment such as a soft industrial demand backdrop in Singapore, Cache remains steadfast in its proactive asset management strategies and continued to make strides in its leasing momentum. Some of the initiatives undertaken included reaching out to end-users to secure early renewals and continued Asset Enhancement Initiatives ("**AEIs**") to maintain the attractiveness and competitiveness of the portfolio. The success of our efforts is evidenced by way of the strong committed occupancy levels Cache continues to maintain each year, including closing at a strong 95.3% as at end 2019 amidst a challenging environment. Close to 1.5 million square feet of new and renewed leases were secured in FY2019, most of which were located in Singapore. Again, this is despite the soft industrial rental market in Singapore.

The achievements would not be as significant if not for the attractiveness and quality of the properties within the Cache portfolio. This is particularly the case bearing in mind the overall Singapore island-wide vacancy rate is approximately 12%.

Cache's portfolio continues to be underpinned by a strong and diversified tenant base. Cache's portfolio consists of good credit and well-established tenants/end-users. Tenants are largely multi-national third-party logistics service providers. The end-users serve diverse business sectors, from industrial and consumer goods to food and cold storage, materials, engineering, construction, healthcare and e-commerce.

The portfolio weighted average lease to expiry ("**WALE**") by our net lettable area of the portfolio ("**NLA**") was 3.0 years. The appraised value of Cache's portfolio comprising of 27 investment properties was S$1,255.9 million as at 31 December 2019. The Singapore portfolio saw a lower year-on-year ("**y-o-y**") valuation mainly due to the valuer's assumptions pertaining to lower market rent, rental growth and taking in the shortening land lease tenure. Excluding the acquisition of 182 – 198 Maidstone, Altona, Victoria in April 2019, on a like-for-like basis, the valuation of Cache's Australian portfolio increased by 2.6% y-o-y in Australian dollar terms, however ended up decreasing by approximately 1.0% in Singapore dollar terms due to a weaker Australian dollar.

PRUDENT AND PROACTIVE CAPITAL MANAGEMENT

While pursuing long-term sustainable growth by way of organic performance, the Manager remained disciplined and prudent in its capital management, striving to market volatility, diversify our funding sources and maintain a robust balance sheet.

As part of its proactive capital management strategy, the Manager constantly seeks opportunities to lower financing costs. In the year, the Manager took advantage of the lower interest rate environment to achieve cost savings where the average all-in cost of financing during the year decreased from 3.87% in 1Q FY19 to 3.78% in 4Q FY19. All-in cost of financing for FY2019 was at 3.84%.

Meanwhile, aggregate leverage ratio stood at 40.1% as at 31 December 2019.

Of Cache's total borrowings, 91% is currently unsecured and 91% of the portfolio is unencumbered, with the Singapore portfolio entirely unencumbered. The average debt to maturity stood at 3.3 years as at end-2019.

Cache continues to maintain a relatively strong hedging profile to mitigate the impact of interest rate volatility on its distributable income. As at end-2019, approximately 66.8% of Cache's total borrowings were hedged into fixed rates. As for foreign exchange risk, Cache maintains a minimal exposure bearing in mind approximately 84.1% of Cache's distributable income was hedged into or was derived in Singapore dollars at end-2019.

DEEPENING OUR PRESENCE AND INVESTING IN GROWTH

Since first embarking on acquisitions in Australia in 2015, we have steadily deepened our footprint within the country. In 2019, Cache continued the effort by completing the acquisition of 182 – 198 Maidstone Street, Altona, Victoria, Australia for A$41.2 million (S$39.7 million) in April, further extending Cache's presence in Australia.

Cache has come a long way from only six Singapore properties at the time of the IPO portfolio to 27 properties across Singapore and Australia, having almost doubled the portfolio size in value-terms. As at end-2019, the Singapore properties constituted approximately 68% and Australia approximately 32% of the total value of Cache's investment properties.

The new acquisition in Altona is further evidence of our efforts to rebalance and grow Cache over time where capital was recycled from divested properties into good quality, income-producing freehold assets in Australia to generate stable, long-term sustainable earnings for Unitholders. In the process, Management continues to prudently diversify Cache's portfolio across geographies, tenant mix and lease tenure, providing Unitholders with more diversified and sustainable income streams.

COMMITMENT TO INTEGRATE SUSTAINABILITY IN CACHE'S BUSINESS

A strong environmental, social and governance ("**ESG**") performance is integral to Cache's business. This is not only a commitment to improving our energy savings, participating in community action or merely abiding by the latest corporate governance code. Cache made advances across the spectrum to further demonstrate our commitment and alignment with Cache Unitholders and all other stakeholders.

As an example of our sustainability

efforts, in August 2019, Cache and Sembcorp Industries announced the successful implementation of a green energy campaign. The first phase of which involved installation and operation of an 8.0 megawatt-peak rooftop solar farm across three of Cache's warehouses in Singapore. The properties included in the initial programme included: Cache Commodity Hub, being one of Singapore's largest rooftop solar facility to date, Pandan Logistics Hub and Cache DistriCentre 1. The total installation in the first phase is in excess of 21,000 panels which is expected to generate over 10,000 megawatt hours of green power annually - enough to power more than 2,000 four-room HDB flats in a single year. This will avoid over four million kilogrammes of carbon dioxide emissions a year, equivalent to taking almost 900 cars off the road or planting more than 50,000 trees.

This completion marks a significant milestone for Cache in our green initiatives and pursuit to grow our business sustainably. Cache remains committed to reducing our environmental impact through the responsible consumption of energy in our operations.

UPHOLDING GOOD CORPORATE GOVERNANCE AND SOCIAL PRACTICES

The Manager views social responsibility as integral to our corporate culture. We are committed to actively and regularly engaging staff in volunteering initiatives to create a positive impact in our community as well as contribute to the common good.

We are also committed to the high standards of corporate governance and transparency in the business and operations of the Manager, Cache and its respective subsidiaries so as to protect the interest of and enhance the long-term value of Unitholders' investments in Cache.

Meanwhile, more details on Cache's sustainability will be available in the sustainability report which will be published online during the year.

ARA'S NEW LOGISTICS PLATFORM

On 5 March 2020, ARA announced the completion of ARA's acquisition of a majority stake in LOGOS, one of the leading logistics real estate specialist in Asia-Pacific. LOGOS is now part of ARA's newly established global logistics platform. This platform was created to ride on the wave of the increasing reliance on the logistics market, which is underpinned by growth factors such as the vastly expanding e-commerce industry.

This new strategic venture combines ARA's fund management capabilities with LOGOS' extensive logistics property and development expertise to create a best-in-class logistics real estate platform. ARA will also continue to retain control of the Manager of Cache through its interest in LOGOS.

The combined scale of ARA and LOGOS, and with LOGOS operating as ARA's global logistics real estate platform, will further springboard Cache's position for growth as a leading logistics solutions provider within Asia Pacific.

LOOKING AHEAD

The Manager is mindful of and will continue to closely monitor the evolving COVID-19 situation. Additional measures have also been undertaken in accordance with the relevant health authority's guidelines as the safety and well-being of our stakeholders are of the utmost importance.

With factors such as the COVID-19 virus outbreak and slow global economic growth weighing in, a muted global outlook is expected ahead.

MTI has downgraded the GDP growth forecast for 2020 to "-0.5 to 1.5 per cent", with growth expected to come in at around 0.5%, the mid-point of the forecast range. A modest pickup in global growth, along with a recovery in the global electronics cycle is expected to be seen in 2020. However, the COVID-19 outbreak is likely to soften growth prospects of China and other affected countries especially in Asia this year. The Australia economy is forecasted to see an improvement in GDP growth in 2020 and 2021, underpinned by a turnaround in mining investment and low interest rates that will benefit the housing market and household spending. Negative near-term economic effects of the bushfires and the impact of COVID-19 on aggregate activity is likely to continue to put pressure on production and exports for a while.

Looking ahead, the Manager will continue its proactive asset management and prudent capital management to maintain high occupancy, and identify value-adding acquisition opportunities and assess selective development projects to optimise portfolio returns.

ACKNOWLEDGEMENTS

As announced on 5 March 2020, Mr Stephen Hawkins, Managing Director of LOGOS South East Asia Business, has been appointed as Non-Executive Director of the Board with effect from 5 March 2020. The Board welcomes Mr Hawkins and looks forward to working closely with him to propel Cache forward to greater heights.

We would like to express our sincere appreciation to the Board of Directors for their active participation in deliberations, their wise counsel and guidance. We would also like to thank the management team for their hard work and dedication. Finally, we would like to express our gratitude to Unitholders, tenants, end-users, the investment community at large as well as our business associates for their continued support. We look forward to an exciting journey ahead of opportunities and growth.

Lim How Teck
Chairman

Daniel Cerf
Chief Executive Officer

KEY EVENTS

JANUARY 2019

- Announced a Distributable Income of S$16.2 million for the period 1 October 2018 to 31 December 2018. DPU for the quarter amounted to 1.502 cents.

- Announced the signing of a solar power agreement with Sembcorp Industries for the installation and operation of rooftop solar farms at three logistics warehouses in Singapore owned by Cache.

APRIL 2019

- Convened its 9th Annual General Meeting on 22 April 2019. All resolutions set out in the Notice of AGM were duly passed.

- Announced a Distributable Income of S$16.3 million for the period 1 January 2019 to 31 March 2019. DPU for the quarter amounted to 1.513 cents.

- Completed the acquisition of 182-198 Maidstone Street located at Altona, Victoria, Australia for A$41.2 million (approximately S$39.7 million).

JULY 2019

- Announced a Distributable Income of S$14.3 million for the period 1 April 2019 to 30 June 2019. DPU for the quarter amounted to 1.321 cents.

- Announced the completion of the installation of 8.0 megawatt-peak rooftop solar farm built, owned and operated by Sembcorp Industries at three logistics warehouses (Commodity Hub, Pandan Logistics Hub and Cache Changi DistriCentre 1) in Singapore owned by Cache. Over 21,000 solar panels were installed, with Commodity Hub housing one of Singapore's largest rooftop solar facility in operation to date.

OCTOBER 2019

- Announced a Distributable Income of S$14.2 million for the period 1 July 2019 to 30 September 2019. DPU for the quarter amounted to 1.313 cents.

DECEMBER 2019

- Announced a strategic transaction between ARA and LOGOS to grow ARA's logistics real estate platform.

JANUARY 2020

- Announced a Distributable Income of S$14.9 million for the period 1 October 2019 to 31 December 2019. DPU for the quarter amounted to 1.376 cents.

MARCH 2020

- ARA completes acquisition of a majority stake in LOGOS.

- LOGOS will now operate as ARA's global logistics real estate platform.

ARA'S ACQUISITION OF LOGOS AS PART OF ITS NEW GLOBAL LOGISTICS REAL ESTATE PLATFORM

THE TRANSACTION

On 5 March 2020, ARA announced the completion of the acquisition of a majority stake in LOGOS, and LOGOS will now operate as ARA's global logistics real estate platform. As part of the transaction, ARA has successfully transferred its holdings in the Manager and Cache to LOGOS and will continue to retain control of the Manager via LOGOS. Cache will also be rebranded in the coming months.

HARVESTING OPPORTUNITIES FROM THIS TRANSFORMATIONAL TRANSACTION TO UNLOCK FURTHER VALUE FOR CACHE

KEY BENEFITS

1. Expansion Opportunities and Enlarged Footprint
2. Enlarged Network in Key and New High Growth Markets
3. Enhanced Complementary Capabilities and Resources
4. Provides Extensive Development Expertise
5. Increase Attractiveness to A Larger Pool of Institutional Investors

OVERVIEW OF LOGOS

LOGOS

- Leading owner, developer and manager of logistics properties in Asia Pacific.
- Experienced logistics real estate specialist with operations across Australia, China, Singapore, Indonesia, Malaysia, Vietnam, India and New Zealand.
- Extensive track record in managing every aspect of logistics real estate, from sourcing land or facilities to undertaking development and asset management.

COMPLETED ASSETS UNDER MANAGEMENT	S$9.4b	COUNTRIES	8
PEOPLE	235	INDUSTRIAL ESTATES COMPRISING OVER 100 PROPERTIES OWNED AND UNDER DEVELOPMENT	88
CORPORATE OFFICES THROUGHOUT ASIA-PACIFIC	12	VENTURES MANAGED	18

FY2019 KEY HIGHLIGHTS

ASSETS UNDER MANAGEMENT
S$1.26billion

DISTRIBUTABLE INCOME
S$59.8million

DPU
5.523cents

PORTFOLIO OCCUPANCY
95.3%
Singapore: 94.2%
Australia: 96.9%

WEIGHTED AVERAGE LEASE TO EXPIRY ("WALE")
3.0 Years (Net Lettable Area)
3.0 Years (Gross Rental Income)

NUMBER OF PROPERTIES
27
Singapore: 10
Australia: 17

AGGREGATE LEVERAGE RATIO
40.1%

ALL-IN FINANCING COST
3.84%p.a.

NAV PER UNIT
58.9cents

PERFORMANCE HIGHLIGHTS

5-YEAR FINANCIAL HIGHLIGHTS

	FY2015	FY2016	FY2017	FY2018	**FY2019**
Income Statement & Distribution Data					
Gross Revenue (S$'000)	89,721	111,271	111,960	121,540	**113,555**
Net Property Income (S$'000)	76,156	88,014	87,291	90,924	**85,844**
Distributable Income (S$'000)	67,960[1]	69,318[1]	66,015[1]	63,409[1]	**59,770**
DPU (Singapore cents)	8.500[2]	7.725[2]	6.583[3]	5.903[4]	**5.523[5]**
Balance Sheet Data					
Total Assets (S$ million)	1,326.3	1,258.3	1,229.0	1,309.7	**1,358.7**
Total Borrowings (S$ million)[6]	528.4	542.6	446.7	474.7	**513.3**
Unitholders' Funds (S$ million)	786.5	701.1	765.7	713.2	**639.4**
Value of portfolio properties (S$ million)[7]	1,308.0	1,236.4	1,206.9	1,269.0	**1,255.9**
NAV per Unit (Singapore cents)	88.0	77.9	71.6	66.2	**58.9**
Key Financial Ratios					
Distribution Yield (%)[8]	9.3	9.5	7.7	8.5	**7.7**
Aggregate Leverage Ratio (%)[9]	39.8	43.1	36.3	36.2	**40.1**
Interest Coverage Ratio (times)[10]	4.8	4.0	4.2	3.9	**3.8**
All-in Financing Cost (%)[11]	3.25	3.60	3.56	3.71	**3.84**
Units in Issue (million)[12]	893.5	900.5	1,069.7	1,077.9	**1,085.8**
Market Capitalisation (in S$ million)[13]	813.1	729.4	914.6	749.1	**776.4**

Notes:

1 Includes a partial capital distribution from the divestment proceeds of 4 Penjuru Lane, Singapore ("Kim Heng Warehouse"). The capital distribution amounted to S$5.08 million, S$2.40 million, S$1.61 million and S$0.408 million in FY2015, FY2016, FY2017 and FY2018 respectively.
2 Includes a partial capital distribution from the divestment proceeds of Kim Heng Warehouse. The capital distribution per unit amounted to 0.614 cents and 0.268 cents in FY2015 and FY2016 respectively.
3 The recomputed FY2017 DPU of 6.583 cents reflects the effect of the bonus element in the Rights Issue, which includes a capital distribution per unit of 0.165 cents from the divestment proceeds of Kim Heng Warehouse. The actual DPU for the year was 6.738 cents, which includes an actual capital distribution per unit of 0.169 cents.
4 Includes reimbursements received in relation to outstanding lease incentives from certain Australia properties and the divestment proceeds of Kim Heng Warehouse.
5 Includes reimbursements received in relation to outstanding lease incentives and rental support from certain properties in Australia.
6 Excludes unamortised costs.
7 Based on annual independent valuations of portfolio properties.
8 Based on the closing unit price of Cache Logistics Trust on the last trading day of each financial year and the actual DPU of each financial year, except in FY2017 which is based on the recomputed DPU of 6.583 cents.
9 Ratio of Total Debt over Deposited Properties as defined by Appendix 6 of the Code of Collective Investment Schemes ("Property Funds Appendix").
10 Ratio of earnings before interest expense, tax, depreciation and amortisation to interest expense. Excludes non-recurring finance expenses incurred for any refinancing exercise during the financial year and FRS 116 adjustments.
11 Includes margin and amortisation of capitalised upfront fee, excluding non-recurring finance expenses and FRS 116 adjustments.
12 Based on units in issue and to be issued as at 31 December of each financial year.
13 Based on the closing unit price of Cache Logistics Trust on the last trading day of each financial year.

UNIT PRICE PERFORMANCE

UNIT PRICE PERFORMANCE

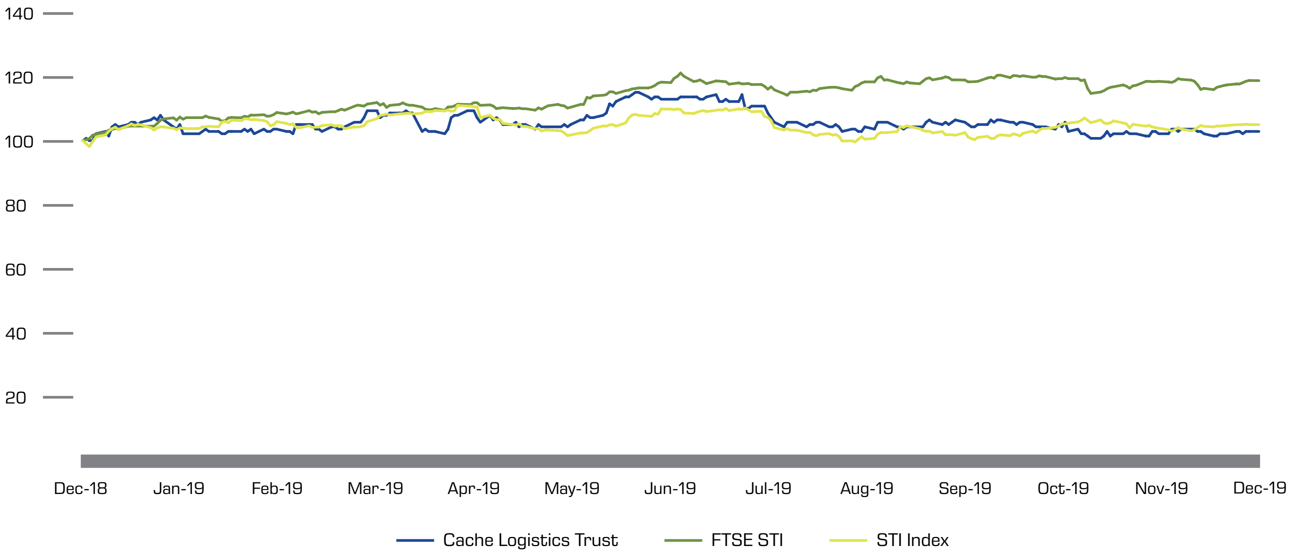
	FY2018	FY2019
Opening Price (S$)	0.855	**0.695**
Closing Price (S$)	0.695	**0.715**
Highest Closing Price (S$)	0.880	**0.800**
Lowest Closing Price (S$)	0.660	**0.695**
Average Daily Volume Traded (million units)	1.8	**1.8**

Source: Bloomberg

Cache's unit opening price was S$0.695 and it closed at S$0.715 on 31 December 2019, the last trading day of 2019 with a market capitalisation of S$776.4 million. At a closing price of S$0.715 and a full year DPU of 5.523 cents, Cache offered a distribution yield of approximately 7.7%. As at 31 December 2019, Cache offered a total return of approximately 77.3% since listing.

COMPARATIVE 1-YEAR PERFORMANCE

(Base = 100 on 31 December 2018)



RELATIVE PERFORMANCE

Performance of Cache compared with major indices[1]	1 Year		3 Years		5 Years	
	Price Change	Total Return	Price Change	Total Return	Price Change	Total Return
Cache Logistics Trust	2.9%	11.1%	-8.3%	16.0%	-36.0%	-4.3%
FTSE REIT Index	18.8%	25.5%	30.1%	55.2%	18.4%	60.2%
FTSE ST Index	5.0%	9.4%	11.9%	24.8%	-4.2%	14.8%

Source: Bloomberg

Note:

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

CORPORATE DIRECTORY

MANAGER

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Suntec Tower Five
Singapore 038985
Tel: (65) 6835 9232
Fax: (65) 6835 9672
Email: cache-enquiry@ara-group.com
Website: www.cache-reit.com

BOARD OF DIRECTORS

LIM HOW TECK
Chairman and Non-Executive Director

LIM LEE MENG
Lead Independent Non-Executive Director

LIM KONG PUAY
Independent Non-Executive Director

OH ENG LOCK
Independent Non-Executive Director

CHIA NAM TOON
Non-Executive Director

STEPHEN HAWKINS
Non-Executive Director
(Appointed on 5 March 2020)

AUDIT COMMITTEE

LIM LEE MENG
Chairman

LIM KONG PUAY
Member

OH ENG LOCK
Member

PROPERTY MANAGER

Cache Property Management Pte. Ltd.
Registered and Mailing Address
5 Temasek Boulevard #12-01
Suntec Tower Five
Singapore 038985
Tel: (65) 6513 3160
Fax: (65) 6587 4552

TRUSTEE

HSBC Institutional Trust Services (Singapore) Limited
Registered Address
10 Marina Boulevard
Marina Bay Financial Centre
Tower 2 #48-01
Singapore 018983

Mailing Address
10 Marina Boulevard
Marina Bay Financial Centre
Tower 2 #45-01
Singapore 018983

COMPANY SECRETARIES

Yeoh Kar Choo Sharon
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

Partner-in-charge: Lim Jek
(appointed with effect from financial year ended
31 December 2018)

UNIT REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623
Tel: (65) 6536 5355
Fax: (65) 6536 1360

STOCK EXCHANGE QUOTATION

SGX Stock Code: K2LU
Bloomberg Code: CACHE SP
Reuters Code: CALT.SI

WEBSITES

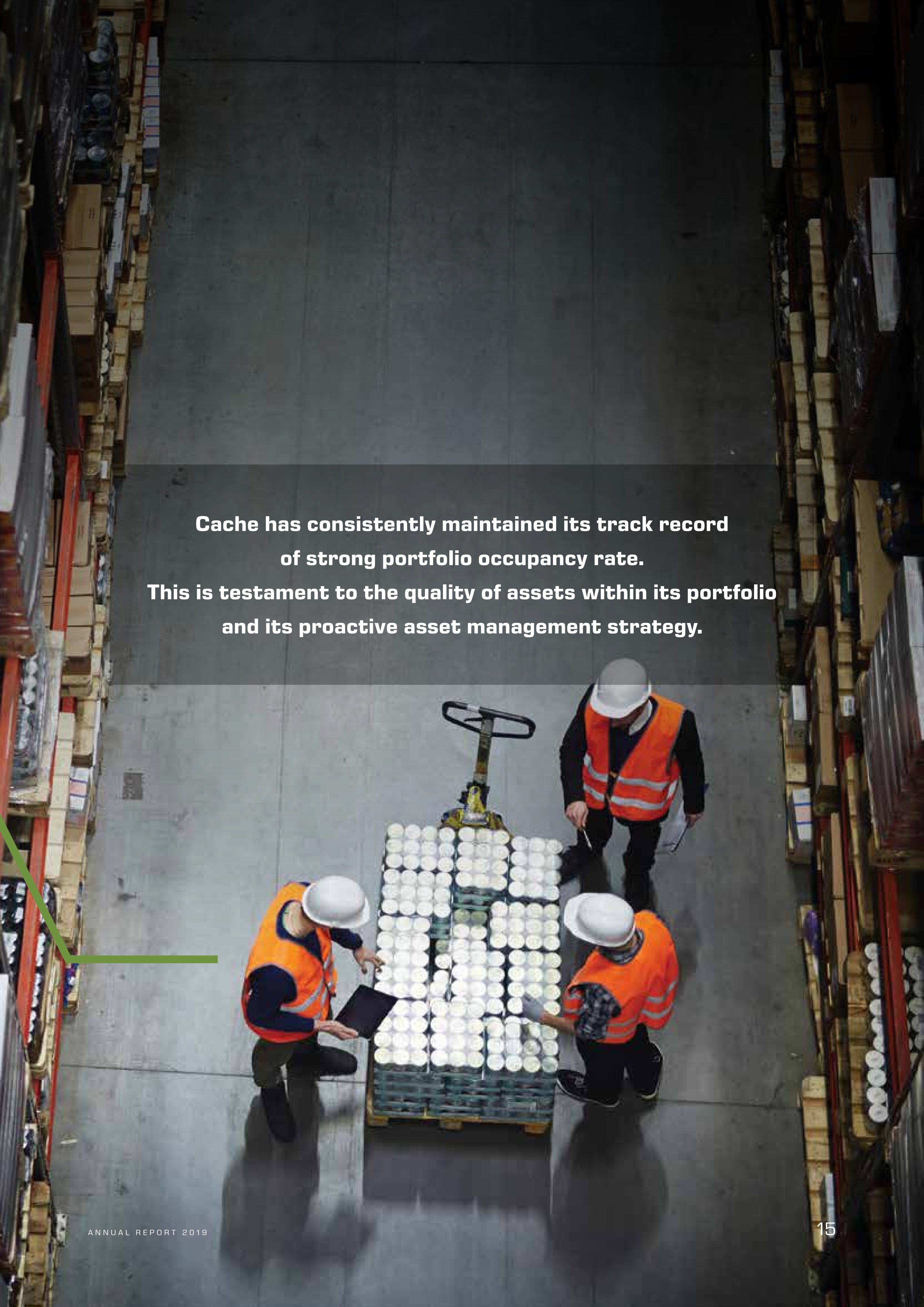
www.cache-reit.com
www.ara-group.com
www.logosproperty.com

ENDURING –
Delivering Returns Through A Consistency In **HIGH** Occupancy Rate

95.3%
FY2019 Occupancy

95.0%
FY2018 Occupancy

96.6%
FY2017 Occupancy



Cache has consistently maintained its track record of strong portfolio occupancy rate. This is testament to the quality of assets within its portfolio and its proactive asset management strategy.

BOARD OF DIRECTORS

LIM HOW TECK
Chairman and Non-Executive Director

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

LIM KONG PUAY
Independent Non-Executive Director

OH ENG LOCK
Independent Non-Executive Director

CHIA NAM TOON
Non-Executive Director

STEPHEN HAWKINS
Non-Executive Director

LIM HOW TECK

Chairman and Non-Executive Director

Mr Lim How Teck is the Chairman of the Manager.

Mr Lim is the Chairman of Heliconia Capital Management Pte. Ltd. and Redwood International Pte. Ltd. Mr Lim is also Lead Independent Director, Chairman of the Audit Committee and Member of the Nomination Committee of Raffles Education Corporation Limited. He is also a governor of the Foundation for Development Cooperation and sits on the boards of Mizuho Securities (Singapore) Private Limited, Yang Kee Logistics (Singapore) Pte Ltd and the Papua New Guinea Sustainable Development Program Company.

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

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

LIM LEE MENG

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

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

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

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

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

BOARD OF DIRECTORS

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 took on the role of Senior Advisor to Tuas Power after his retirement as the President and CEO of the Company in August 2018.

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's 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.

OH ENG LOCK

Independent Non-Executive Director

Mr Oh Eng Lock was appointed as an Independent Non-Executive Director and Member of the Audit Committee of the Manager from 15 March 2019.

Mr Oh was previously the Group CEO of BreadTalk Group Limited from 2011 to 2017 and was appointed as an Executive Director of BreadTalk Group Limited from 2017 to 2018.

Mr Oh brings with him extensive financial markets experience where he was the Regional Managing Director with Merrill Lynch Asia Pacific Ltd in Hong Kong, overseeing the North Asia businesses from 2004 to 2010. He previously held senior positions in various banking institutions including Head of China, Corporate & Commercial Banking and General Manager at United Overseas Bank from 2001 to 2003 and General Manager and Corporate Country Head - China at DBS Bank from 1997 to 2001.

Mr Oh is a fellow member of the Singapore Institute of Directors. He holds a Bachelor of Arts degree from the University of Singapore and has attended the Advanced Management Programme at Wharton Business School, University of Pennsylvania, USA.

CHIA NAM TOON

Non-Executive Director

Mr Chia Nam Toon is a Non-Executive Director of the Manager.

Mr Chia is the Assistant Group Chief Executive Officer (CEO) and oversees Logistics Real Estate & Special Projects for ARA Group. He is responsible for driving the growth of ARA's logistics business. Mr Chia is a senior member of the ARA Group and sits on the Business Development Committee and Group Investment Review Committee which oversees the Group's global investment strategy.

Mr Chia has more than 35 years of work experience, with over 15 years in the real estate industry. Prior to joining ARA, he was CEO of the Manager of Ascendas REIT, one of Singapore's largest-listed REITs, from 2016 to 2017 and was responsible for its overall management and operations. Prior to that, he was the Group Chief Financial Officer (CFO) of Ascendas-Singbridge from 2015 to 2016, providing strategic financial leadership for the Group. Prior to the merger between Ascendas and Singbridge, he held the position of Group Assistant CEO and CFO of Ascendas Group from 2006 to 2014 and oversaw Ascendas' corporate services functions which included Strategy Management, Communications, Legal & Corporate Secretariat, Enterprise Risk Management, Information Management and Finance.

Before joining Ascendas, Mr Chia was Chief Operating Officer and Finance Director with PEC Tech Group from 2004 to 2006. He previously held various business and functional roles with ICI Paints Asia Pacific and the ICI Group headquarters in London, Tioxide Asia Pacific, F&N Group Malaysia, KAB Group of Companies and Deloitte & Touche Malaysia.

Mr Chia holds a Diploma in Commerce from Tunku Abdul Raman College, Malaysia. He is a Fellow of the Association of Chartered Certified Accountants UK (FCCA) and a Fellow of the Institute of Singapore Chartered Accountants.

STEPHEN HAWKINS

Non-Executive Director

Mr Stephen Hawkins was appointed as Non-Executive Director of the Manager on 5 March 2020.

Mr Hawkins has over 30 years' experience in chartered accounting, property finance and funds management and a transaction record exceeding $2.6 billion.

He founded LOGOS' South East Asian business in 2006 and, as the Managing Director for this region, oversees LOGOS' Singapore, Indonesian, Malaysian and Vietnam operations.

Prior to joining LOGOS, Mr Hawkins was Head of Funds Management Asia for Goodman where earlier in his tenure he established Ascendas-MGM Funds Management and pioneered the listing of Ascendas Real Estate Investment Trust (A-REIT), Singapore's first industrial S-REIT. As the CEO of Macquarie Goodman Asia (a Goodman Group and Macquarie Bank joint venture), Mr Hawkins led its expansion of funds management across properties in Asia launching the Macquarie Goodman Wholesale Fund after acquiring over $800 million of assets in 12 months.

MANAGEMENT TEAM

THE MANAGER

ARA TRUST MANAGEMENT (CACHE) LIMITED

DANIEL CERF
Chief Executive Officer

WANG JING
Assistant Director, Asset Management

EDNA KOH
Assistant Manager, Finance

HO JIANN CHING
Director, Head of Investment

CASSANDRA SEET
Manager, Investor Relations

SEAH AI HUI
Senior Analyst, Investment

HO KIN LEONG
Director, Asset Management

WENDY PEK
Manager, Finance

ZOE LEE
Accountant

DONOVAN NG
Assistant Director, Finance

BRIAN NG
Assistant Manager, Asset Management

DANIEL CERF
Chief Executive Officer

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

Prior to joining the Manager, Mr Cerf was Deputy CEO of what is presently known as Keppel REIT Management Limited, the manager of Keppel REIT. Earlier, Mr Cerf worked with First Pacific Land in Hong Kong and later headed-up their operations in Singapore and Malaysia. Together with a group of investors, Mr Cerf acquired First Pacific Land's businesses in Malaysia which he continued to helm in conjunction with an asset management consultancy serving banks and institutions throughout SE Asia.

Mr Cerf is a former practicing architect and holds a Bachelor of Architecture from the University of Oklahoma, USA.

HO JIANN CHING
Director, Head of Investment

Mr Ho Jiann Ching is responsible for developing and executing investment strategies for acquisitions and divestments. Mr Ho has over 26 years of regional experience in real estate investment, development, asset management and marketing.

Prior to joining the Manager, he was Business Development Director at Ayala International and Head of Transaction Review for ARCH Asian Partners Fund. Prior to that, Mr Ho was at Sembawang Properties involving in residential and commercial development. Mr Ho began his career in 1993 with JTC Corporation in roles associated with land allocation of strategic foreign direct investment projects and industrial land-use planning.

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

HO KIN LEONG
Director, Asset Management

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

Mr Ho has over 18 years of experience in real estate investment, development and asset management. Prior to joining the Manager, he was Senior Vice President, Asset Management with MEAG Pacific Star Asset Management where he led the strategy formulation and implementation in asset enhancement initiatives, leasing, refinancing and divestment. Prior to that, he was Senior Investment Manager with Keppel Land for overseas markets. Mr Ho began his career with International Enterprise Singapore, holding business development positions in regional markets during his 11-year stint.

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

DONOVAN NG
Assistant Director, Finance

Mr Donovan Ng heads the finance team and is responsible for the accounting, finance, tax, treasury, investment, compliance, risk management and capital management for Cache.

Mr Ng has over 20 years of experience in accounting and finance. Prior to joining the Manager, he was Finance Manager with ARA Managers (APF) Pte Ltd., (private funds division of ARA), where he handled the accounting, finance and treasury functions. Prior to that, he was Finance Manager with Fortune Real Estate Investment Trust and Senior Accountant with Ascendas Land (Singapore) Pte Ltd and Lindeteves-Jacoberg Limited.

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

WANG JING
Assistant Director, Asset Management

As part of the asset management team, Ms Wang Jing is responsible for managing the overall performance of Cache's property portfolio.

Ms Wang has over 18 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 totalling over two million square feet. She was also the Investment Manager responsible for 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.

CASSANDRA SEET
Manager, Investor Relations

Ms Cassandra Seet oversees the Investor Relations function and is responsible for maintaining timely and transparent communications with Cache's Unitholders, investors, analysts and the media.

Ms Seet has over 10 years of working experience in investor relations and communications. Prior to joining the Manager, she was managing investor relations for an IPO. She was also previously with public and investor relations consultancy, Citigate Dewe Rogerson, as well as managing investor relations for Sabana Shari'ah Compliant REIT.

Ms Seet holds a Bachelor of Science (Banking and Finance) from Singapore Institute of Management (University of London).

MANAGEMENT TEAM

WENDY PEK
Manager, Finance

Ms Wendy Pek is a member of the finance team, assisting in the preparation of financial statements and providing support in areas of accounting, finance, treasury and capital management.

Ms Pek has over 15 years of experience in accounting and finance. Prior to joining the Manager, she was Finance Manager with G. K. Goh Strategic Holdings Pte Ltd. Prior to that, she held various finance positions with YTL Starhill Global Reit Management Pte Ltd, the manager of Starhill Global Reit, and CapitaLand Mall Trust Management Limited, the manager of CapitaLand Mall Trust, as well as G. K. Goh Financial Services (S) Pte Ltd.

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

BRIAN NG
Assistant Manager, Asset Management

Mr Brian Ng assists in managing Cache's property portfolio to support portfolio performance optimisation and undertakes financial analysis and research for its investment strategies. Mr Ng has over six years of experience in development, investment, asset management, research and marketing. He was formerly an Asset Specialist at Warees Investments Pte Ltd where he formulated and executed investment strategies and development plans for hospitality and boutique mixed-use developments.

Mr Ng holds a Bachelor of Science (Real Estate) (Honours) with a Real Estate Finance Specialisation from National University of Singapore.

EDNA KOH
Assistant Manager, Finance

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

Ms Koh has 11 years of work experience and holds a Bachelor of Commerce in Accounting and Finance from Murdoch University, Australia.

SEAH AI HUI
Senior Analyst, Investment

Ms Seah Ai Hui assists in the evaluation and execution of investment opportunities, through financial analysis as well as market research.

Ms Seah has three years of work experiences in real estate investment, asset management, redevelopment and marketing. She was formerly a Portfolio Analyst with Ascendas Funds Management Pte Ltd.

Ms Seah holds a Bachelor of Science (Real Estate) (Distinction Honours) from the National University of Singapore.

ZOE LEE
Accountant

Ms Zoe Lee is a member of the finance team, assisting in managing the monthly accounts, preparation of financial statements and provides support in the areas of accounting and finance management. She started her career as Audit Assistant with Ernst & Young LLP. Prior to her graduation, she has interned with ARA Group Finance Team for various periods between April 2014 to August 2017 and was a recipient of the ARA-Lim Hoon Foundation Scholarship.

Ms Lee holds a Bachelor of Accountancy with a second major in Finance from Singapore Management University.

THE PROPERTY MANAGER

CACHE PROPERTY MANAGEMENT PTE. LTD.

JIMMY CHAN
General Manager

DAVID WONG
Head, Finance/Lease Management

GEORGE SEOW
Senior Manager, Property and Project Management

DES PABUSTAN
Manager, Procurement & Property Management

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 over 21 years of experience in real estate, property management, redevelopment, asset management and lease management. He was previously Senior Manager, Asset Management/ Investments at Mapletree Investments Pte Ltd where he managed a S$1.7 billion industrial portfolio acquired from JTC Corporation.

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

DAVID WONG
Head, Finance/Lease Management

Mr David Wong is responsible for the accounting, finance and lease management functions relating to Cache's property portfolio.

Mr Wong has over 21 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 (now known as ESR-REIT) and was previously Assistant Finance Manager with OCBC Property Services Pte Ltd.

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

GEORGE SEOW
Senior Manager, Property and Project Management

Mr George Seow is responsible for the property and project management as well as procurement relating to Cache's portfolio.

Mr Seow has over 20 years of experiences in building & construction and the oil & gas industries. He was actively involved in several large-scale A&A projects in the infrastructure, hospitality commercial and industrial sectors locally and overseas. Prior to that, he was previously Senior Principal Project Manager at CPG.

Mr Seow holds a Master's degree in Applied Project Management from the University of Adelaide and is a certified Green Mark Manager, Project Management Professional ("**PMP**") and Primavera Planner Associate. He is also a qualified construction safety manager and internal auditor for ISO standard projects.

DES PABUSTAN
Manager, Procurement & Property Management

Ms Des Pabustan is responsible for procurement and managing the yearly operating budget and capital expenditure.

Ms Pabustan has over 18 years of experience in property, procurement and facilities management. Prior to joining the Property Manager, Ms Pabustan worked with Jones Lang LaSalle and was responsible for managing StarHub Green, including advertising & promotion, A&A works and tenant relations. Prior to that, Ms Pabustan was a Tenant Relations Manager with Chambers International Group of Companies which manages the Central Provident Fund building, where she was responsible for addressing service gaps and working closely with its tenants.

Ms Pabustan holds a Bachelor of Arts in Psychology (Dean's list) from Philippine Women's University. She is a qualified Site Main Controller/ Site Incident Controller for Company Emergency Response Team and a certified Work-At-Height Supervisor and Manager.

INVESTOR RELATIONS

The Manager is guided by the principles of timeliness, objectivity, transparency and fairness in its communications with Unitholders and the investment community and is committed towards upholding them, while taking a proactive approach in engaging all stakeholders and fostering good long-term working relationships.

PROACTIVE ENGAGEMENT WITH INVESTORS

The senior management team of the Manager regularly engage with investors across various platforms. This included attending meetings, conference calls and investor luncheons throughout the year. The Manager participates in various equity and property conferences and roadshows locally and overseas. In conjunction with the release of Cache's results, results briefings and teleconference calls were also organised. These interactions allow senior management to communicate material information, strategic and performance updates on Cache. Property site visits are also conducted to introduce investors and analysts to the high-quality warehouses within Cache's portfolio. The Manager also regularly participates in the Annual REITs Symposium, jointly organised by Shareinvestor and the REIT Association of Singapore, to engage retail investors as part of the ARA Group.

TRANSPARENT AND REGULAR COMMUNICATION ACROSS VARIOUS CHANNELS

Cache's website (www.cache-reit.com) is regularly updated to keep various stakeholders abreast of the latest updates on the REIT, including announcements, press releases, corporate earnings results and other pertinent information.

The Annual General Meeting ("**AGM**") remains an important channel for communication between the Board of Directors, the management of the Manager and unitholders of Cache. The ninth AGM, which was convened on 22 April 2019, was well-attended by over 430 unitholders and unitholder proxies. The AGM provided a good platform for the Board of Directors and senior management of the Manager to interact and actively engage retail investors in their enquiries and discussions about Cache. The voting for all the AGM resolutions was conducted via electronic polls and all resolutions were duly passed.

The ninth AGM, which was convened on 22 April 2019, was well-attended by over 430 unitholders and unitholder proxies.

9th Annual General Meeting of Cache Logistics Trust.

The AGM provided a good platform for the Board of Directors and senior management of the Manager to interact and actively engage retail investors.

COVERAGE BY EQUITY RESEARCH HOUSES

There are currently 5 equity research houses which provide equity research coverage on Cache. They are:

1. CGS-CIMB Research Pte. Ltd.
2. DBS Vickers Securities
3. Maybank Kim Eng Securities
4. OCBC Investment Research
5. RHB Research Institute Singapore

UNITHOLDER ENQUIRIES

For more information on Cache, please contact the Manager via:

MS CASSANDRA SEET
Manager, Investor Relations
ARA Trust Management (Cache) Limited
Tel: (65) 6512 5161
Email: cache-enquiry@ara-group.com

Cache is well-positioned for future sustainable growth, leveraging on the combined strengths of ARA and LOGOS as well as strong fundamentals built over the years.

EVOLVING –
Sustaining Long-term Value

CACHE LOGISTICS TRUST

2010
Listed on SGX

2011
Acquired
Changi Districentre 3, Kim Heng Warehouse, Air Market Logistics Centre, and **Jinshan Chemical Warehouse**

2012
Acquired
Pan Asia Logistics Centre and **Pandan Logistics Centre**

2013
Acquired
Precise Two
(currently known as Cache Gul LogisCentre)

2014
Reached Agreement with **DHL on build-to-suit ("BTS") facility at Tampines Logistics** and commenced development (completed in July 2015)

2015
Execution of **Portfolio Rebalancing & Growth Strategy**

Entered
Australian market with acquisition of six logistics warehouses

Divested
Kim Heng Warehouse

2016
Stabilised Australia Acquisitions

Strong operating performance despite a downward market trend

2018
Acquired 9 logistics warehouse portfolio in Australia

Divested 40 Alps Ave and Jinshan Chemical Warehouse

ORGANIC GROWTH

INORGANIC GROWTH

2017
Divested Changi Districentre 3

Acquired Spotlight warehouse in Melbourne

Successfully completed first Rights Issue which lead to financing of future growth by acquisitions in 2018

2019
Acquired 182-198 Maidstone, Altona, Victoria, Australia

ARA and LOGOS announce strategic transaction to establish a **best-in-class logistics real estate development and investment management partnership**

OPERATIONS AND FINANCIAL REVIEW

PORTFOLIO OVERVIEW

As at 31 December 2019, Cache's portfolio comprised 27 logistics warehouse properties measuring over 9.0 million square feet strategically located in established logistics clusters across Singapore and Australia.

Cache's portfolio serves a broad spectrum of end-users from diverse industry sectors ranging from industrial/consumer goods to e-commerce and cold storage.

Cache's properties in Singapore are located in major logistics clusters such as the Airport Logistics Park of Singapore ("**ALPS**"), Changi International LogisPark and the new Tampines LogisPark, which are near to the airport, as well as the Penjuru, Pandan and Gul Way areas, enjoying proximity to the sea ports and at least half of the container yards in Singapore.

In Australia, Cache owns and manages a portfolio of 17 logistics warehouses which are well-located in established industrial precincts in the major trade and distribution cities of Melbourne, Sydney, Brisbane and Adelaide.

	As at 31 December 2019	As at 31 December 2018	As at 31 December 2017[1]
Number of Properties	27 Properties 10 in Singapore 17 in Australia	26 Properties 10 in Singapore 16 in Australia	19 Properties 11 in Singapore 7 in Australia 1 in China, Shanghai
Portfolio Value	S$1,255.9 million	S$1,269.0 million	$1,206.9 million
Gross Floor Area ("**GFA**")	9.03 million square feet	8.63 million square feet	7.55 million square feet
Average Building Age	15.5	14.2	12.2
Number of Tenants	72	66	41
Tenant Trade Sector	100% Logistics and Warehousing	100% Logistics and Warehousing	100% Logistics and Warehousing
Portfolio Committed Occupancy	95.3%	95.0%	96.6%
Property Features	8 properties – Ramp-up 2 properties – Cargo Lift 17 properties – Single Storey	8 properties – Ramp-up 2 properties – Cargo Lift 16 properties – Single Storey	9 properties – Ramp-up 2 properties – Cargo Lift 8 properties – Single Storey

Note:
1 Includes 40 Alps Ave, Singapore (Hi-Speed Logistics Centre) which was divested on 18 May 2018.

PORTFOLIO REBALANCING & GROWTH STRATEGY - ACQUISITION OF 182-198 MAIDSTONE STREET, ALTONA, VICTORIA, AUSTRALIA

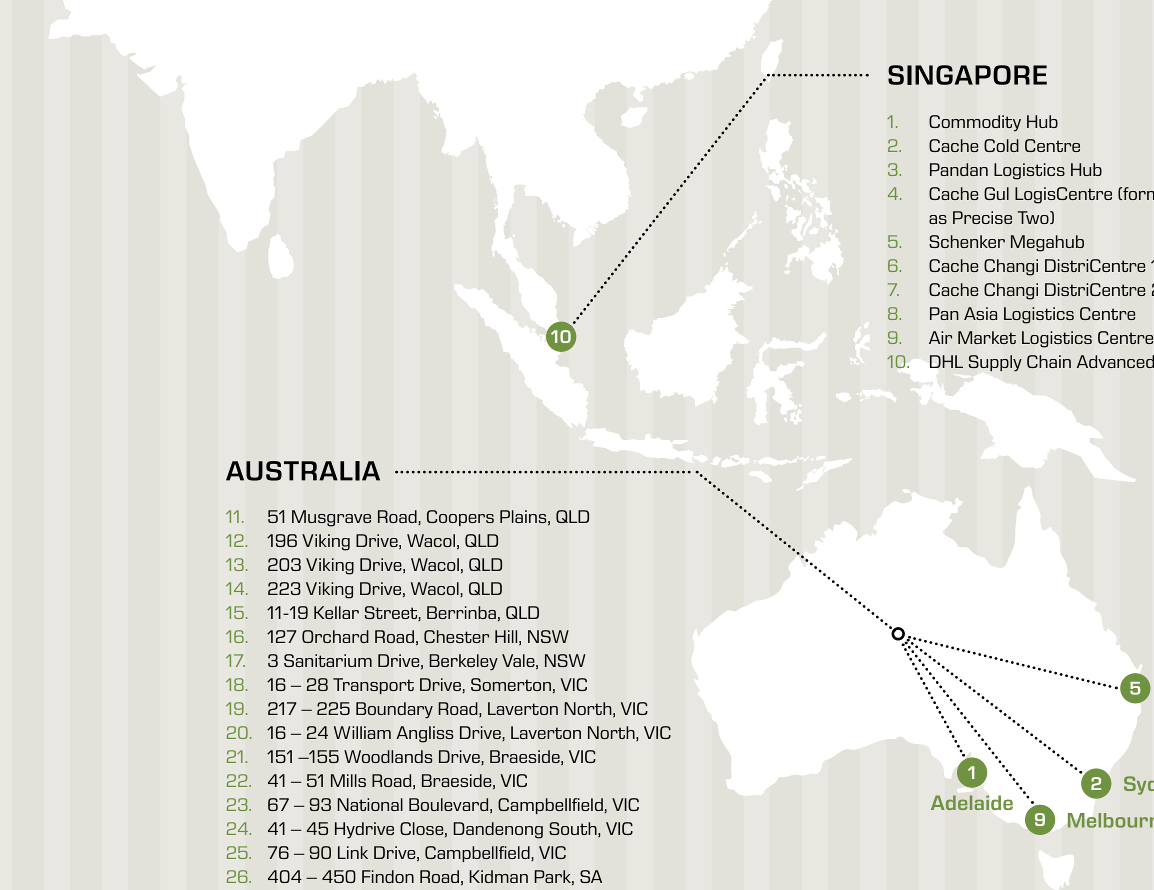
On 29 April 2019, Cache completed the acquisition of a property in Altona, Victoria, Australia for A$41.2 million from AGIT Investment Pty Ltd. The property was valued at A$41.2 million as at 15 January 2019, carried out using the capitalisation and discounted cash flow approaches. The single-storey logistics warehouse and office facility is located within the established industrial suburb of Altona, which enjoys close connectivity to main arterial roadways, the Port of Melbourne and the central business district ("**CBD**") of Melbourne. The Altona suburb is slated to greatly benefit from a reduced travelling time and increased demand from users of the Port of Melbourne upon completion of the ongoing West Gate Tunnel Project.

This acquisition includes a lease structure of 3.25% fixed annual rental escalation and not only provides additional income, but also the benefit of organic income growth over time. It also contributes to a longer WALE and increases Cache's base of diversified clients.

Cache first entered Australia in 2015 with the acquisition of six high-quality logistics warehouses in the major trade and distribution cities of Melbourne, Sydney, Brisbane and Adelaide. It further acquired a logistics warehouse in Laverton North, Victoria, Australia in March 2017 and a nine-property portfolio in Australia in February 2018. With the acquisition of the warehouse and office facility in Altona, Victoria in April 2019, Cache has expanded its Australia portfolio to a total of 17 properties. Cache's Portfolio Rebalancing and Growth Strategy continues to seek out opportunities to enhance the portfolio earnings and sustainability through the acquisition of value-adding assets, prudent asset and capital recycling, seeking longer WALEs, geographical diversification and lowering tenant concentration risk.

Australia continues to remain an attractive investment destination with sound fundamentals and favourable demand-supply dynamics. The properties have a freehold land tenure and enjoy longer WALEs, providing a good balance to Cache's predominantly Singapore-based portfolio. The Australia portfolio also provides the benefits of income and geographical diversification.

As at 31 December 2019, the Australia portfolio made up 41.4% of portfolio NLA and 32.2% of portfolio valuation.



SINGAPORE

1. Commodity Hub
2. Cache Cold Centre
3. Pandan Logistics Hub
4. Cache Gul LogisCentre (formerly known as Precise Two)
5. Schenker Megahub
6. Cache Changi DistriCentre 1
7. Cache Changi DistriCentre 2
8. Pan Asia Logistics Centre
9. Air Market Logistics Centre
10. DHL Supply Chain Advanced Regional Centre

AUSTRALIA

11. 51 Musgrave Road, Coopers Plains, QLD
12. 196 Viking Drive, Wacol, QLD
13. 203 Viking Drive, Wacol, QLD
14. 223 Viking Drive, Wacol, QLD
15. 11-19 Kellar Street, Berrinba, QLD
16. 127 Orchard Road, Chester Hill, NSW
17. 3 Sanitarium Drive, Berkeley Vale, NSW
18. 16 – 28 Transport Drive, Somerton, VIC
19. 217 – 225 Boundary Road, Laverton North, VIC
20. 16 – 24 William Angliss Drive, Laverton North, VIC
21. 151 –155 Woodlands Drive, Braeside, VIC
22. 41 – 51 Mills Road, Braeside, VIC
23. 67 – 93 National Boulevard, Campbellfield, VIC
24. 41 – 45 Hydrive Close, Dandenong South, VIC
25. 76 – 90 Link Drive, Campbellfield, VIC
26. 404 – 450 Findon Road, Kidman Park, SA
27. 182 – 198 Maidstone Street, Altona, VIC

OPERATIONS AND FINANCIAL REVIEW

PROPERTY VALUATION

As at 31 December 2019, Cache's portfolio was valued at S$1,255.9 million, including the acquisition of 182 – 198 Maidstone Street, Altona, Victoria, Australia in April 2019.

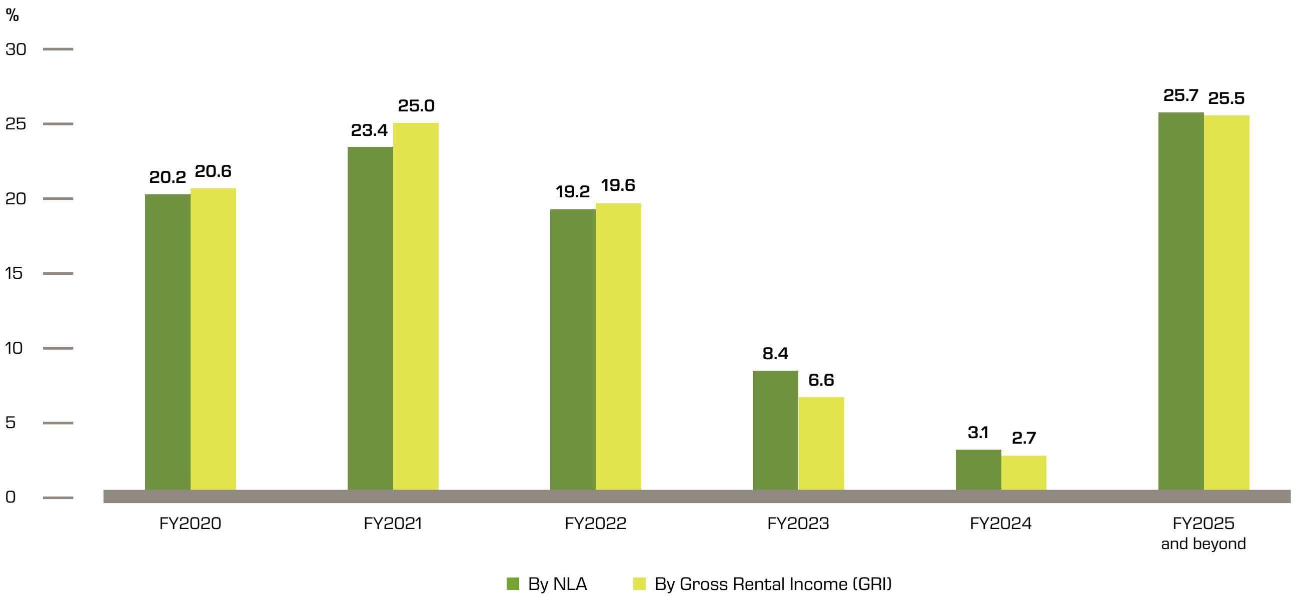
Singapore portfolio valuation was lower by 6% on a y-o-y basis at S$851.3 million mainly due to the valuer's assumptions in relation to lower market rent and rental growth, as well as inherent shorter land lease tenure.[1]

Conversely, Australia portfolio valuation, excluding 182 - 198 Maidstone, Altona, Victoria, Australia, on a like-for-like basis, increased by 2.6% y-o-y in Australian dollar terms, and up by 1.0% y-o-y in Singapore dollar terms due to a weaker AUD as at 31 December 2019. 51 Musgrave Road, 404 - 405 Findon Road, 76 - 90 Link Drive, 16 - 24 William Angliss Drive and 182 - 198 Maidstone Street also experienced a decrease in value due to shorter tenant lease tenures and lower market rental rate assumptions.[2]

WELL-STAGGERED AND STABLE LEASE STRUCTURE AND EXPIRY PROFILE

Cache's quality portfolio is underpinned by a relatively long WALE and a well-staggered lease expiry profile with attractive annual step-up rents. The leases due over the next two years in FY2020 and FY2021 account for approximately 20.6% and 25.0% of Cache's Gross Rental Income ("**GRI**") respectively. More than half of all leases are committed till 2022 and beyond. The portfolio lease expiry profile from FY2020 to FY2025 and beyond, and the lease expiry by property in FY2020 are presented below.

Portfolio Lease Expiry Profile



	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025 and beyond	Total
Number of leases expiring	20	23	20	8	5	12	89
Total NLA of expiring leases (square feet)	1,688,943	1,950,524	1,598,966	703,678	259,042	2,139,330	8,340,484

Notes:

1 The Singapore properties experienced a drop in valuation from FY2018 to FY2019. Please see pages 107 – 111 for further details on the properties which had a diminution in valuations.

2 Comparison for 182 – 198 Maidstone Street, Altona, Victoria, Australia acquired in April 2019 was based on its purchase consideration at an exchange rate of S$1.00 = A$0.9640.

The table below provides the lease expiries in FY2020 (as at 31 December 2019):

Property	Number of leases expiring	Area of expiring leases (sq ft)	Area of expiring leases as % of the property's leased area	Expiring leases as % of the property's GRI
Commodity Hub	6	763,809	37.3%	37.6%
Cache Cold Centre	7	117,076	41.5%	45.0%
Cache Changi DistriCentre 1	2	30,199	8.8%	8.7%
Cache Changi DistriCentre 2	1	3,074	5.0%	4.8%
Pandan Logistics Hub	2	62,133	25.7%	22.5%
404 – 450 Findon Road, Kidman Park	1	632,869	100.0%	100.0%
11 – 19 Kellar Street, Berrinba	1	79,783	100.0%	100.0%
Portfolio Total	20	1,688,943	20.2%	20.6%

As at 31 December 2019, the WALE of Cache's portfolio stood at 3.0 years by both NLA and GRI. The WALE of new leases, based on the date of commencement of the leases, was 3.6 years, and these leases account for approximately 18.2% of the total leases by GRI.

	Singapore	Australia	Portfolio
WALE by NLA (years)	2.7	3.3	3.0
WALE by GRI (years)	2.9	3.3	3.0

PROACTIVE PORTFOLIO MANAGEMENT

Cache maintained a strong portfolio committed occupancy of 95.3% as at 31 December 2019 on the back of a robust lease management strategy. The Singapore portfolio's committed occupancy of 94.2% is significantly higher than the Singapore industrial warehouse average occupancy rate of approximately 88.0% in the final quarter of 2019. The strong portfolio committed occupancy rate achieved in 2019, against the backdrop of a soft market environment, demonstrates the quality of Cache's portfolio and the asset management strategy of staying proactive and relevant to the market needs.

	Singapore	Australia	Portfolio
Portfolio Committed Occupancy (%)	94.2	96.9	95.3

LEASES SECURED IN FY2019

A total of 23 leases were secured in FY2019, totalling approximately 1,468,979 square feet or 16.8% of Cache's total NLA. This included approximately 260,500 square feet of renewals and 1,208,500 square feet of new leases signed during the year. The low tenant retention rate in 2019 was largely attributable to the non-renewal of the master lease at Cache Gul LogisCentre (formerly known as Precise Two) and leases with CWT at Commodity Hub, some of which have been converted to direct tenancies with end-users. Almost all of these spaces have since been leased out to new tenants.

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Property	Number of leases secured	Total area of secured leases (sq ft)
Commodity Hub	7	732,387
Cache Cold Centre	4	101,083
Cache Changi DistriCentre 1	2	58,494
Pandan Logistics Hub	2	58,430
Cache Gul LogisCentre	4	226,588
51 Musgrave Road, Coopers Plains, Queensland, Australia	2	78,975
41 – 51 Mills Road, Braeside, Victoria, Australia	2	213,022
Total	**23**	**1,468,979**

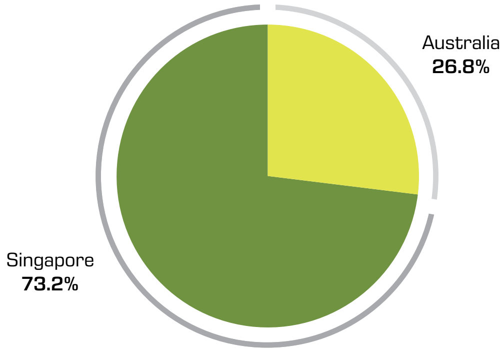
INCOME AND GEOGRAPHICAL DIVERSIFICATION

Approximately 26.8% of FY2019 Gross Revenue was derived from properties located outside of Singapore as at 31 December 2019.

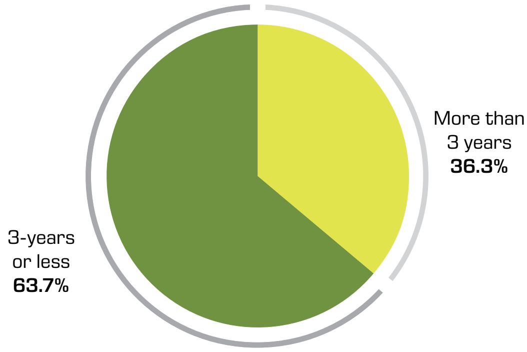
The current single-tenant (previously referred to as master lease) agreements in Singapore comprise triple-net and single-net lease structures. For the Australia portfolio, the single-tenant leases come with built-in annual rental escalations of between 2.5% and 4.0% or tied to yearly percentage change in the local Consumer Price Index.

Multi-tenant properties contributed 72.1% of FY2019 GRI while single-tenant properties contributed to the remaining 27.9%.

Geographical/Income Diversification
(by Gross Revenue)



Lease Terms
(by Gross Rental Income)



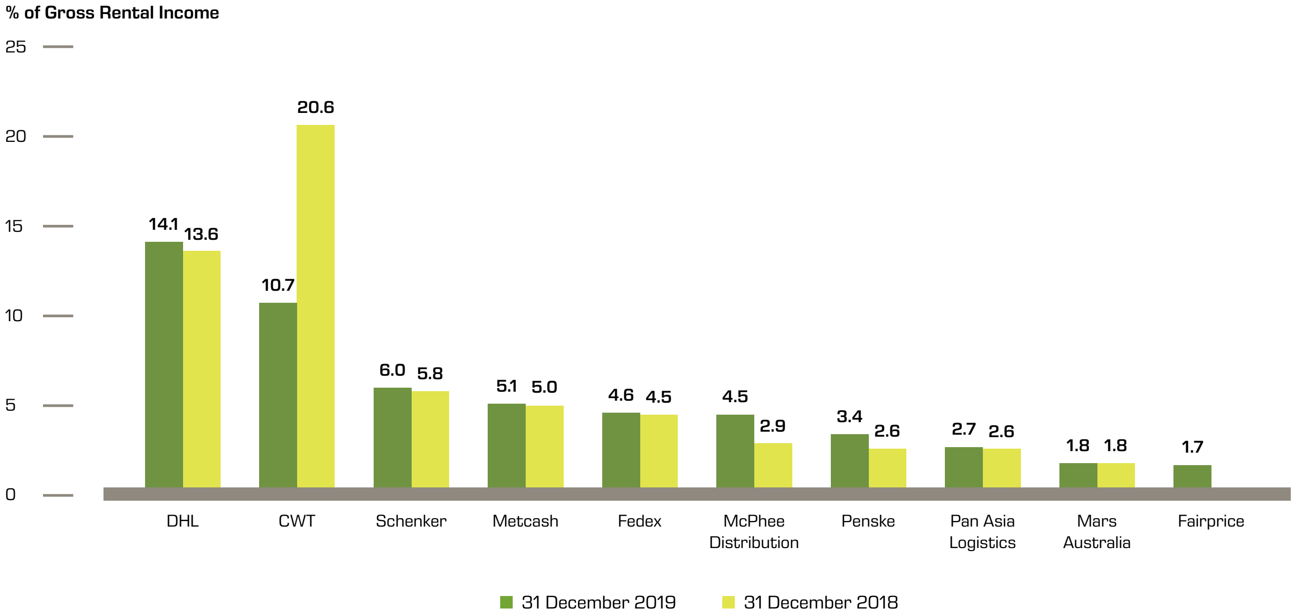
HIGH QUALITY AND DIVERSIFIED TENANT/ END-USERS

Cache's diversified and high-quality tenant and end-user base spans across various industry/trade sectors such as industrial and consumer goods, food and cold storage, materials, engineering and construction, healthcare, automotive, aerospace and e-Commerce. The diverse customer base underpins its cash flows and the stability of its operational performance. This diversification across trade sectors also enables Cache to mitigate its concentration risk from any single tenant.

	Industry/ Trade Sectors	% of NLA	% of Gross Rental Income
1	Industrial & Consumer Goods	75.6	74.2
2	Food and Cold Storage	13.0	14.2
3	Healthcare/ Pharmaceuticals	1.2	1.6
4	Aerospace	2.1	1.8
5	Automotive	2.6	2.6
6	Information Technology	1.1	1.4
7	Materials, Engineering, Construction	0.2	0.3
8	e-Commerce	3.0	2.1
9	Others	1.2	1.8

The rental obligations of its tenants, which are supported by security deposits in the form of cash or bank/corporate guarantees, averaged 3.4 months in FY2019.

Top 10 Tenants
(by Gross Rental Income)

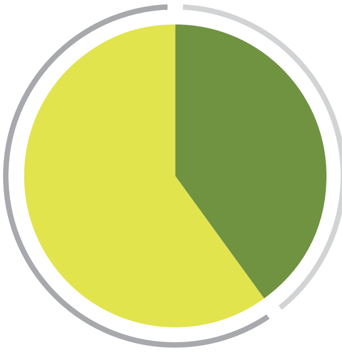


OPERATIONS AND FINANCIAL REVIEW

FREEHOLD/ LEASEHOLD ASSETS

Properties located on freehold land accounted for approximately 40.0% of the portfolio GFA. The weighted average unexpired land lease tenure as at 31 December 2019 was 54.4 years[(1)]. Excluding freehold land, the weighted average unexpired lease term for underlying leasehold land (by GFA) was approximately 24.6 years.

Freehold/ Leasehold Properties
(by GFA)



No.	Property Name/ Address	Property Feature	Acquisition Date	Valuation (S$ million)[(2)]	GFA (sq ft)	FY2019 Gross Revenue (S$ million)	FY2018 Gross Revenue (S$ million)
1	Commodity Hub 24 Penjuru Road	Ramp-up	12 April 2010	277.4	2,295,927	29.6	33.6
2	Cache Cold Centre 2 Fishery Port Road	Ramp-up	12 April 2010	124.7	344, 681	11.1	11.0
3	Schenker Megahub 51 Alps Avenue	Ramp-up	12 April 2010	81.2	439,956	6.5	6.5
4	Cache Changi DistriCentre 1 5 Changi South Lane	Ramp-up	12 April 2010	93.6	364,361	7.8	8.2
5	Cache Changi DistriCentre 2 3 Changi South Street 3	Cargo lift	12 April 2010	15.5	111,359	1.2	0.6
6	Air Market Logistics Centre 22 Loyang Lane	Cargo lift	19 August 2011	11.2	67,564	1.0	1.0
7	Pan Asia Logistics Centre 21 Changi North Way	Ramp-up	30 April 2012	34.4	196,990	3.5	3.2
8	Pandan Logistics Hub 49 Pandan Road	Ramp-up	3 July 2012	37.0	329,112	4.1	4.9
9	Cache Gul LogisCentre (formerly Precise Two) 15 Gul Way	Ramp-up	1 April 2013	27.1	284,384	2.6	5.4
10	DHL Supply Chain Advanced Regional Centre 1 Greenwich Drive	Ramp-up	8 July 2015[(3)]	149.2	989,260	15.8	16.1
	10 properties in Singapore			**S$851.3**	**5,423,594**	**83.2**	**91.9**[(4)]

Notes:
(1) For purpose of presentation, freehold properties are computed using a 99-year leasehold tenure.
(2) Independent valuations as at 31 December 2019 were undertaken by Edmund Tie & Co. (SEA) and CBRE Valuations Pty Limited, which includes the valuation of 182-198 Maidstone, Altona, VIC, AUS acquired in April 2019. The exchange rate used is A$1.00 = S$0.9445.
(3) Temporary Occupation Permit (T.O.P.) date.
(4) This includes Gross Revenue attributable to Hi-Speed Logistics Centre which was divested on 18 May 2018.

No.	Property Name/ Address	Property Feature	Acquisition Date	Valuation (A$ million)[(2)]	GFA (sq ft)	FY2019 Gross Revenue (S$ million)	FY2018 Gross Revenue (S$ million)
11	127 Orchard Road, Chester Hill, New South Wales	Single-storey	27 February 2015	51.0	261,242	3.2	3.4
12	16-28 Transport Drive, Somerton, Victoria	Single-storey	27 February 2015	30.0	229,047	2.2	2.1
13	51 Musgrave Road, Coopers Plains, Queensland	Single-storey	27 February 2015	8.4	102,172	0.5	0.5
14	203 Viking Drive, Wacol, Queensland	Single-storey	23 October 2015	27.8	143,839	2.2	2.3
15	223 Viking Drive, Wacol, Queensland	Single-storey	4 December 2015	11.5	67,555	0.9	0.9
16	404-450 Findon Road, Kidman Park, South Australia	Single-storey	18 December 2015	47.5	632,869	6.1	6.5
17	217 – 225 Boundary Road, Laverton Road, Laverton North, Victoria	Single-storey	22 March 2017	25.0	223,062	1.8	1.9
18	11-19 Kellar Street, Berrinba, Queensland	Single-storey	15 February 2018	12.2	79,783	0.9	0.8
19	3 Sanitarium Drive, Berkeley Vale, New South Wale	Single-storey	15 February 2018	37.0	298,830	2.0	1.9
20	67-93 National Boulevard, Campbellfield, Victoria	Single-storey	15 February 2018	30.25	243,350	1.7	1.5
21	41-51 Mills Road, Braeside, Victoria	Single-storey	15 February 2018	33.5	349,217	2.4	2.0
22	41-45 Hydrive Close, Dandenong, Victoria	Single-storey	15 February 2018	12.4	93,858	0.9	0.8
23	76-90 Link Drive, Campbellfield, Victoria	Single-storey	15 February 2018	12.4	112,384	0.7	0.7
24	196 Viking Drive, Wacol, Queensland	Single-storey	15 February 2018	15.2	61,452	1.1	1.0
25	16-24 William Angliss Drive, Laverton North, Victoria	Single-storey	15 February 2018	17.25	175,714	1.3	1.2
26	151-155 Woodlands Drive, Braeside, Victoria	Single-storey	15 February 2018	17.0	119,203	1.2	1.1
27	182 – 198 Maidstone, Altona, Victoria[(5)]	Single-storey	29 April 2019	40.0	408,020	1.3	–
	17 properties in Australia			**A$428.4**	**3,601,597**	**30.4**	**28.6[(6)]**
	27 properties in total[(7)]			**S$1,255.9**	**9,025,191**	**113.6**	**121.5[(6)]**

Notes:
(5) Completed acquisition on 29 April 2019.
(6) Excludes 182 – 198 Maidstone, Altona, Victoria which was acquired on 29 April 2019.
(7) Cache has a 100% interest in all its investment properties.

OPERATIONS AND FINANCIAL REVIEW

FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS

Financial Year Ended 31 December	FY2019 S$'000	FY2018 S$'000	Change %
Gross Revenue	113,555	121,540	(6.6)
Property Expenses	(27,711)	(30,616)	(9.5)
Net Property Income	**85,844**	**90,924**	**(5.6)**
Distributable Income	**59,770**	**63,409**	**(5.7)**
- From Operations	*58,042*	*62,241*	*(6.7)*
- From Capital	*1,728*	*1,168*	*47.9*
DPU (in Singapore cents)	**5.523**	**5.903**	**(6.4)**
- From Operations	*5.363*	*5.794*	*(7.4)*
- From Capital	*0.160*	*0.109*	*46.8*

For the financial year ended 31 December 2019 ("**FY2019**"), Cache achieved gross revenue of S$113.6 million. The lower revenue was mainly attributable to: (i) conversion of Commodity Hub and Cache Gul LogisCentre from a master lease to a multi-tenancy structure; (ii) transitory vacancy downtime between leases; (iii) lower signing rents for leases as compared to the previous leases; (iv) absence of rental contribution from 40 Alps Ave and Jinshan Chemical Warehouse divested in 2018; and (v) weaker Australian dollar. These were partially offset by additional rental contribution from 182 – 198 Maidstone, Altona, Australia which was acquired in April 2019 and the full year contribution from the nine-property Australia portfolio acquired in February 2018.

NPI decreased by 5.6% to S$85.8 million as compared to last year. The decrease was mainly due to the lower gross revenue contribution by the Singapore portfolio which was partially offset by the exclusion of land rent from property expenses following the adoption of FRS 116 effective 1 January 2019.

Property expenses for the year ended 31 December 2019 totalled S$27.7 million, 9.5% lower as compared to S$30.9 million in FY2018. The drop in property expenses was mainly due to the exclusion of the S$5.8 million land rent from property expenses following the adoption of FRS 116.

In FY2019, net financing costs stood at S$21.5 million, 16.8% higher than the previous financial year. The increase in net financing costs was mainly attributable to interest expense on lease liabilities recognised as a result of the adoption of FRS 116. Excluding the FRS 116 adjustments, finance costs would have been S$18.5 million, a marginal increase of S$0.1 million or 0.7% compared to last year.

FY2019 Distributable Income was S$59.8 million, a decrease of S$3.6 million, or 5.7% lower than FY2018, mainly attributable to the lower performance of the Singapore portfolio at Commodity Hub, Cache Gul LogisCentre, Pandan Logistics Hub and the absence of rental contribution from the divestment of 40 Alps Ave and Jinshan Chemical Warehouse. Consequently, DPU fell by 6.4% to 5.523 cents.

Cache currently distributes 100% of its taxable and tax-exempt income.

BALANCE SHEET

	FY2019 S$'000	FY2018 S$'000
Investment Properties	1,333,939	1,269,026
Total Assets	**1,358,664**	**1,309,694**
Debt, at amortised cost	(509,839)	(470,180)
Total Liabilities	**(617,704)**	**(494,990)**
Net Assets Attributable to Unitholders	639,413	713,157
Net Assets Attributable to Perpetual Securities Holders	101,547	101,547
NAV per unit	**0.59**(1)	**0.66**(2)

Notes:
(1) Based on 1,085,818,549 Units.
(2) Based on 1,077,881,375 Units.

TOTAL ASSETS AND NET ASSET VALUE

As at 31 December 2019, the total assets of Cache increased by 3.7%, or S$49.0 million, to S$1.36 billion. The increase was mainly due to the recognition of S$78.0 million right-of-use ("**ROU**") assets in relation to the portfolio of land leases with JTC, in accordance with FRS 116 which is effective 1 January 2019 and an increase in investment properties due to the acquisition of 182 – 198 Maidstone Street, Altona, Victoria, Australia in April 2019. This was partially offset by a decrease in the valuation of the investment properties which were valued at S$1,255.9 million as at 31 December 2019 (31 December 2018: S$1,269.0 million).

Net assets attributable to Unitholders fell by 10.3% to S$639.4 million as at 31 December 2019 (31 December 2018: S$713.2 million) mainly due to lower year-end valuation of the Singapore portfolio of the investment properties and the impact of a weaker Australian dollar. The NAV of Cache was $0.59 per Unit as at 31 December 2019.

OVERVIEW

The Manager continues to adopt a disciplined and prudent approach towards managing its capital structure as well as to ensure sufficient financial flexibility to facilitate access to capital resources at a competitive cost. The Manager proactively manages Cache's hedging profile, debt maturity profile, funding needs and cash flows.

FUNDING SOURCES

Cache has access to diversified sources of funding, including debt capital markets, equity capital markets and bilateral bank loan facilities. The Manager maintains strong, diversified banking relationships with reputable banks in various markets where it has a presence. This allows Cache to have the ability and flexibility to access different capital resources efficiently.

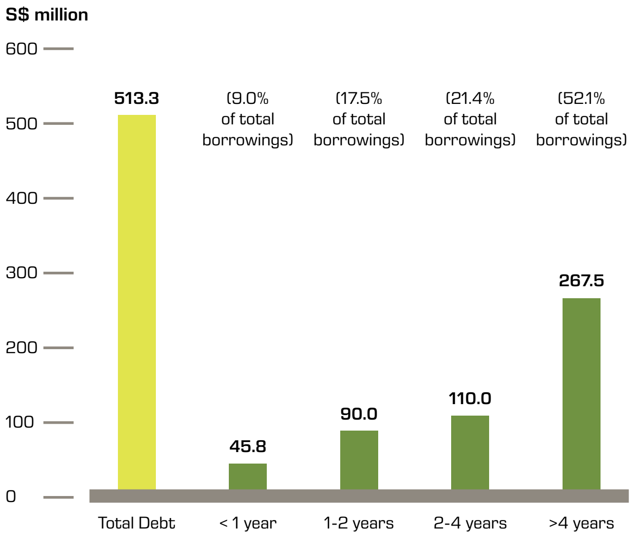
Cache's total debt stood at S$513.3 million as at 31 December 2019, comprising S$467.5 million in unsecured bank borrowings and A$48.5 million (S$45.8 million) in secured bank borrowings. Approximately A$48.5 million (S$45.8 million) that was due for maturity has been refinanced successfully in February 2020 into a secured term and revolving facilities of up to A$155 million. In 4Q FY2019, the Group also repaid the 4-year A$29.3 million secured term loan using proceeds drawn down from the committed S$65.0 million Revolving Credit Facility ("**RCF**"). Meanwhile, an additional uncommitted short-term borrowings of S$20.0 million was also secured during the year.

Cache's weighted average debt to maturity remains well-staggered at 3.3 years as at 31 December 2019.

	Type	Capacity (S$ million)	Amount Utilised (S$ million)	% Utilised
RCF	Unsecured	65.0	47.6	73.2%
Bank Borrowings	Secured	45.8	45.8	100%
Bank Borrowings	Unsecured	420.0	419.9	100%

DEBT MATURITY PROFILE AS AT 31 DECEMBER 2019

Maturity Date	S$'000	% of Total Borrowings
Due in 2020	45,808	9.0
Due in 2021	90,000	17.5
Due in 2022	–	–
Due in 2023	110,000	21.4
Due in 2024	267,500	52.1
	513,308	**100.0%**



OPERATIONS AND FINANCIAL REVIEW

AGGREGATE LEVERAGE

As at 31 December 2019, the aggregate leverage ratio was 40.1% (31 December 2018: 36.2%) and the interest cover ratio remained healthy at 3.8 times (31 December 2018: 3.9 times). The weighted average debt maturity was 3.3 years as at 31 December 2019 (31 December 2018: 3.9 years).

HEDGING PROFILE

Cache continues to maintain a relatively strong hedging profile to mitigate the impact of interest rate fluctuations on its distribution income. Approximately 66.8% of Cache's total borrowings has been hedged into fixed rates as at 31 December 2019. 71.5% of the Singapore-dollar borrowings and 50.0% of the onshore Australian-dollar borrowings were hedged into fixed rates with an average term of 3.0 years. The fair value of these derivative financial instruments was 1.0% (31 December 2018: 0.60%) of the net assets of the Group.

Cache addresses its foreign currency exposure for its assets and liabilities in other currencies by borrowing in the same currency to provide a natural currency hedge. About 84.1% of Cache's distributable income has been hedged into or was derived in Singapore dollars, representing minimal exposure to foreign currency risk. As at 31 December 2019, the Australian-dollar borrowings amounted to approximately 11.3% of the Australia portfolio value. Cache will continue to monitor the foreign exchange and interest rate markets to minimise foreign currency and interest rate risks.

CORPORATE LIQUIDITY AND CAPITAL RESOURCES

Financial Year Ended 31 December	FY2019 (S$ million)	FY2018 (S$ million)
Financial Resources and Liquidity		
Total borrowings[(1)]	513.3	474.7
Undrawn RCF	17.4	65.0
Cash and cash equivalents	15.3	33.3
Total available undrawn RCF and cash	32.7	98.3
Weighted average debt maturity	**3.3 years**	**3.9 years**
Aggregate Leverage Ratio	**40.1%**	**36.2%**
Average All-in Cost of Financing	**3.84%**	**3.71%**
Interest Cover Ratio	**3.8 times**	**3.9 times**

Note:
(1) Outstanding interest-bearing borrowings exclude unamortised loan transaction costs.

RISK MANAGEMENT

The Manager recognises that effective and proactive risk management is an important part of Cache's business strategy. The Board and Audit Committee ("**AC**") are responsible for ensuring that the Manager establishes robust risk management policies and procedures to safeguard Cache's assets and address its strategic enterprise, operational, financial and compliance risks.

Cache's enterprise risk management framework (the "**ERM Framework**") is adapted from The Committee of Sponsoring Organisations of the Treadway Commission (the "**COSO Model**"). The COSO Model is designed to provide reasonable assurance on safeguarding of assets, maintenance of reliable and proper accounting records, compliance with relevant legislations and against material misstatement of losses.

The Manager applies the ERM Framework as a structured process in making risk based strategies and decisions across respective functions; identifying potential issues and events that may affect Cache; managing risks to an acceptable level and within risk appetite as approved by the Board and AC; and providing assurance to the Board that the system of risk management and internal controls are adequate and effective in mitigating the identified risks.

In its ERM Framework, key risks and mitigating controls are identified and monitored in the risk profile and reviewed by the Manager and the AC on a regular basis. The risk profile highlights the changes in risk assessment, quantitative and qualitative factors affecting the inherent risk levels and effectiveness of mitigating controls supporting the residual risks, within the risk appetite or tolerance approved by the Board. In addition, the internal auditors perform a review of the risk profile as part of the internal audit plan approved by the AC, providing additional assurance to the AC on the adequacy and effectiveness of the internal control system.

KEY RISKS & MITIGATING ACTIONS IN FY2019

OPERATIONAL RISK:

Cache strictly adheres to a set of agreed Standard Operating Procedures ("**SOPs**") to identify, monitor and manage operational risks. The SOPs are reviewed periodically to ensure relevance and effectiveness of its operational activities. In addition, compliance is reinforced by staff training and regular checks by the internal auditors.

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 professionally managed and properly insured in accordance with current industry practices. Compliance is further reinforced by staff training and regular audit. The outsourced Information Technology ("**IT**") team from the Manager's parent company ARA has in place a disaster recovery plan which is reviewed and tested periodically.

LEASING RISK:

The Manager employs a good mix of leasing strategies including proactively engaging tenants; spreading out the portfolio lease expiry profile; achieving a diversified tenant base to reduce concentration risk; engaging industry marketing experts to assist in leasing; working closing with its property managers to address lease expiries and providing custom-made real estate logistics solutions to existing and prospective tenants.

STRATEGIC RISK:

Each new investment opportunity is subject to a rigorous, disciplined and thorough evaluation process based on an extensive set of investment criteria including, but not limited to, alignment with Cache's investment mandate, asset quality, market valuation, yield accretion, expected returns, professional third-party due diligence, tenant's credit standing, future growth potential and sustainability of asset performance, taking into account the existing economic and financial market conditions.

Asset enhancement, development and/or redevelopment initiatives are initiated when necessary to ensure that Cache's properties remain relevant and competitive. In managing development risks, the Manager has in place robust tender assessment and selection process as well as regular project control meetings to monitor and track development milestones and project budgets.

RISK MANAGEMENT

FINANCIAL RELATED RISKS:

The Manager maintains an efficient use of cash and debt facilities to ensure sufficient liquidity to finance its operations and meet its financial obligations, working capital and capital expenditure commitments. The Manager ensures that funding sources are diversified and maturity profile of borrowings is well spread. Borrowings are refinanced early, where possible, to reduce refinancing risk and lengthen debt maturity. The Manager also adheres closely to the bank covenants in loan agreements and the property fund guidelines in the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the "**MAS**").

Interest rate risk is managed on an ongoing basis, primarily by way of interest rate swaps, with the objective of limiting Cache's exposure to adverse movements in interest rates.

Foreign exchange risks are managed for assets and liabilities in other currencies by means of borrowing in the same currency to provide a natural hedge, considering cost, tax and other applicable considerations. To mitigate foreign exchange risks, a significant portion of the net earnings received from its overseas portfolio are hedged with forward contracts and secured in Singapore-dollar terms.

Credit risk is mitigated by conducting rigorous due diligence and periodic tenant credit assessments. For new leases, credit evaluation is performed and, on an ongoing basis, tenant credit and arrears are closely monitored by the Manager. Credit risk is further mitigated through the upfront collection of security deposits from tenants of up to 12 months' rental.

COMPLIANCE RISK:

Cache is subject to applicable laws and regulations of the various jurisdictions in which it operates, including the Listing Manual of the Singapore Exchange Securities Trading Limited, the Code of Corporate Governance, the Code on Collective Investment Schemes issued by the MAS and tax rulings issued by the Inland Revenue Authority of Singapore. The Manager, being a Capital Market Services Licence holder, is required to comply with the conditions of the Capital Markets Services Licence for REIT Management issued by the MAS under the Securities and Futures Act. Any changes to these regulations may affect Cache's operations. Cache has put in place policies and procedures with the necessary checklists to facilitate compliance with the applicable laws and regulations. The Manager works closely with external legal professionals and internal compliance support from the ARA on legal and regulatory matters. The Manager stays well informed of the latest developments in the relevant laws and regulations through training and attending relevant seminars.

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, personal development and training opportunities to enhance staff progression and retention in a conducive workplace.

Please also refer to Principle 9 of the Corporate Governance report for further information.

SINGAPORE INDUSTRIAL PROPERTY MARKET REVIEW

WAREHOUSE MARKET OVERVIEW

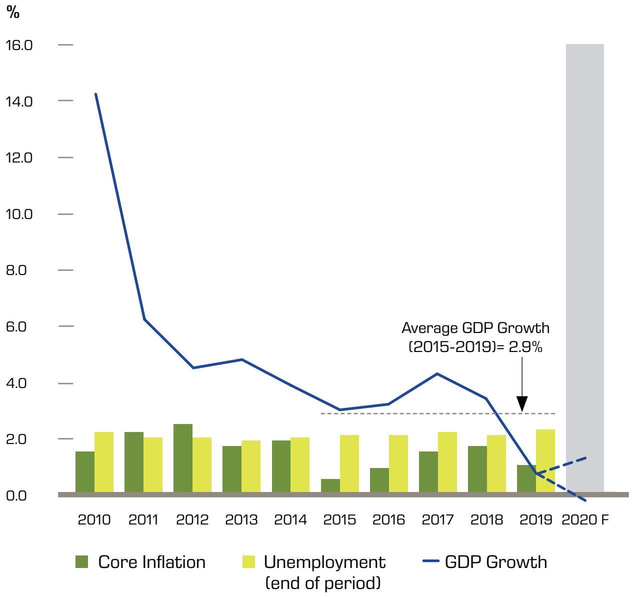
Edmund Tie & Company (SEA) Pte Ltd was appointed by HSBC Institutional Trust Services (Singapore) Limited ("**HSBCITS**") as trustee of Cache Logistics Trust ("**CLT**") to conduct an independent market report for the Singapore's Private industrial market. The review includes the economic overview and analysis of the supply, demand, and rental trends of warehouse markets.

1 ECONOMIC OVERVIEW

GROSS DOMESTIC PRODUCT GROWTH FURTHER DECLINED TO 0.7% IN 2019

Singapore's Gross Domestic Product ("**GDP**") grew by 0.7% annually in 2019, a notable decline from 3.4% annual growth in 2018. On a quarter-on-quarter basis, GDP grew by 1.0% in Q4 2019, performing slightly better than the previous two quarters — 0.7% in Q3 2019 and 0.2% in Q2 2019. Unemployment rate remained low at 2.3% in 2019, a slight increase from 2.1% in 2018 (Figure 1).

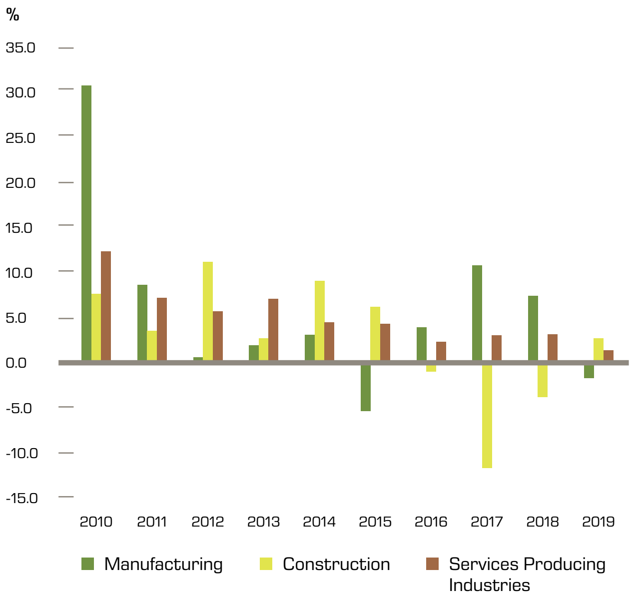
Figure 1: GDP Growth, Core Inflation[1] and Unemployment



F refers to forecast.
Source: Department of Statistics Singapore (DOS), Ministry of Trade and Industry (MTI) and EDMUND TIE

In 2019, the manufacturing sector faced headwinds from a weakened global economy amid the US-China trade conflict and geopolitical tensions in the Middle East. The slowdown in production for the electronics, chemicals and precision engineering clusters was reflected in the GDP growth breakdown for manufacturing as it reversed to -1.4% annually in 2019 from 7.0% in 2018 (Figure 2). Services producing industries experienced a decline in growth rate from 3.4% in 2018 to 1.1% in 2019, with support mainly from the Finance & Insurance and Information & Communications sectors. Conversely, the construction industry attained a growth rate of 2.8% in 2019, a reversal from the -3.5% negative growth in 2018 as construction demand from the public sector improved.

Figure 2: GDP Growth By Industry (y-o-y Change)



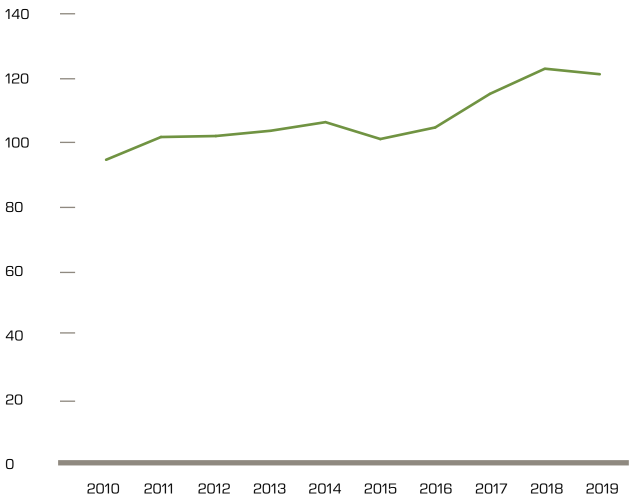
Source: DOS, EDMUND TIE

The Index of Industrial Production ("**IIP**") reversed to -1.4% year-on-year ("**y-o-y**") growth in 2019 from 7.0% y-o-y in 2018, indicating a moderated decline in overall manufacturing output (Figure 3). The decline broke the steady IIP growth trajectory since 2016 which has reflected industrial production expansion from the Industry 4.0 initiatives. The Biomedical manufacturing cluster performed the best as it grew 10.7% y-o-y, followed by General Manufacturing which grew 1.5% y-o-y.

Note:
1 Core inflation defined by the Monetary of Singapore is a measure that excludes the components of "Accommodation" and "Private Road Transport".

SINGAPORE INDUSTRIAL PROPERTY MARKET REVIEW

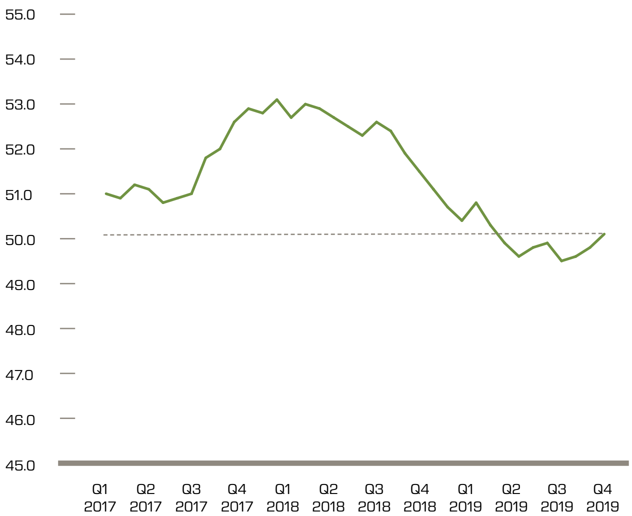
Figure 3: Index of Industrial Production



Source: DOS, EDMUND TIE

The Purchasing Manager Index[2] ("**PMI**") posted a generally lower rate of expansion in 2019, decreasing slightly from 51.1 in Q4 2018 to 50.1 in Q4 2019 (Figure 4). Notably, the PMI dipped below 50.0 in Q2 2019 and Q3 2019 at 49.6 and 49.5 respectively, an indication of negative growth for the manufacturing sector. Subsequently, the PMI bottomed-out and rebounded in Q4 2019.

Figure 4: Purchasing Manager's Index (2017 to 2019)



Source: Singapore Institute of Purchasing and Materials Management, EDMUND TIE

ECONOMIC OUTLOOK

The subdued growth (0.7%) of Singapore's GDP in 2019 reflected the repercussions of the prolonged trade tensions between the United States and China and downturn of the global electronics trade cycle. Nonetheless, the bottoming out of the PMI in 2019 has portrayed a tentative reduction in market uncertainties resulting from the positive developments between the United States and China in late 2019, which has eventually led to the signing of the "Phase One" trade deal in January 2020. The trade deal signals a reprieve of the trade conflict between both major economies and renewed trade optimism.

There has been signs of stability in regional markets and major economies. Domestically, sectors such as construction, information & communications, finance & insurance, and education, health & social services are projected to continue to post steady growth. Notwithstanding, global issues such as post-Brexit repercussions, Middle East geopolitical uncertainties and the Hong Kong protests continue to persist.

According to MTI's press release on 17 February 2020, Singapore's GDP growth forecast is expected to come in between -0.5% to 1.5% in 2020. However, concerns on the spread of the novel coronavirus, or COVID-19 that started from Wuhan city in China has affected travel mobility and business activities in travel, hospitality and retail sectors since the Chinese New Year holidays. Resumption of production in manufacturing and construction sectors in China and Singapore has been disrupted from on-site work restrictions imposed on the labour force from China, in a bid to contain the spread of COVID-19. The extent and length of the virus outbreak, if prolonged, could impact the economic growth prospects in China, Singapore and possibly whole of Asia for this year.

2 GOVERNMENT PLANS AND POLICIES

CONNECTED LOGISTICS INNOVATION PLATFORM TO ENHANCE SINGAPORE'S POSITION AS A GLOBAL LOGISTICS HUB

Aligning with the Singapore Logistics Association's aim to improve the rate of digitalization in the logistics sector, the Connected Logistics Innovation Platform ("**CLIP**") was created through a collaboration between the Economic Development Board and international service provider DHL Express. The CLIP initiative sets up an innovation network which leverages on Singapore providers, academia and local talent to explore new logistics solutions and pilot projects in Singapore. As part of the CLIP initiative, the projects are implemented on DHL's global network of 220 countries and territories, which will in turn enhance the skills of its workforce and reinforce Singapore's 'Smart Nation' initiative.

Note:
2 A reading above 50 indicates that the manufacturing economy is expanding.

THE SINGAPORE GOVERNMENT CONTINUES INVESTMENTS TO BOOST DIGITAL ECONOMY

The Infocomm Media Development Authority ("**IMDA**") has begun to facilitate the roll out of 5G mobile networks[3]. By end-2022, a full-fledged 5G standalone capability is expected to cover at least half of Singapore, giving a boost to the digital economy as well as reinforcing the country's position as a key trading and connectivity hub globally. With a 5G ecosystem, there will be more opportunities for businesses to innovate and create commercial solutions (for example, autonomous vehicle mobility and delivery systems, maximizing benefits for both businesses and consumers).

DIGITAL INDUSTRY SINGAPORE OFFICE TO SUPPORT TECHNOLOGICAL GROWTH

The newly set up government office, Digital Industry of Singapore ("**DISG**"), aims to support and capitalize on the growth of Singapore's technology sector. This includes securing talent, market access, building digital capabilities and internationalizing businesses. The office is formed under the Ministry of Communications and Information by the joint participation of three statutory boards[4] and will be the first stop for enterprises seeking assistance on matters related to the digital industry, through public-private partnership models. As one of the first projects, DISG worked with tech firm Grab to establish their new headquarters and research centre at One-North.

ACCELERATED INITIATIVE FOR ARTIFICIAL INTELLIGENCE

As more companies explore new ways to deploy Artificial Intelligence ("**AI**") solutions to increase competitiveness, the Intellectual Property Office of Singapore ("**IPOS**") launched the Accelerated Initiative for Artificial Intelligence[5] to expedite patent applications in AI. For instance, the scheme has granted Alibaba Group an AI patent within three months, compared to an average of two to four years. As AI is identified as one of the key catalysts and drivers for Singapore's transformation to a digital economy, the faster application process allows innovative industrial companies to accelerate their go-to-market strategy and drive enterprise growth.

STABILISATION AND SUPPORT PACKAGE

A S$4.0 billion Stabilisation and Support Package was introduced in the Budget 2020 to provide assurance and support to workers and enterprises in view of the economic uncertainty as well as the spread of the COVID-19. Sectors such as manufacturing that are directly affected by COVID-19 spread will be provided with additional support to retain and retrain workers.

3 WAREHOUSE PROPERTY MARKET[6]

3.1 EXISTING STOCK AND SUPPLY[7]

In 2019, total stock of warehouses increased by 2.8% y-o-y from 10.7 million sqm in 2018 to 11.0 million sqm. The 301,000 sqm increase in NLA was below the average 10-year annual net supply of 411,000 sqm.

Warehouse completions continued to include large-scale logistics warehouses with automation capabilities in the warehouse stock footprint. Major completions include Blue Hub (43,100 sqm) by Bollore Logistics and Radha Exports Building (30,300 sqm).

The development of Blue Hub comes from an investment partnership between Bollore Logistics and LVMH who will be a long-term tenant. This development is equipped with fully integrated automation solutions that will improve storage flexibility, productivity and efficiency.

Notes:
3 The Call for Proposal for 5G Spectrum Allocation was launched in October 2019.
4 Economic Development Board, Enterprise Singapore and the Infocomm Media Development Authority.
5 The initiative will be launched for a period of two years and it will be limited to the first 50 applications filed.
6 Both private and public warehouses.
7 All existing supply and demand figures are in terms of estimated NLA unless otherwise stated.

SINGAPORE INDUSTRIAL PROPERTY MARKET REVIEW

TABLE 1: SELECTED WAREHOUSE COMPLETIONS (2019)

Development	Location	Developer	Estimated NLA (sqm)
Q1 2019			
Blue Hub	10 Sunview Road	Bollore Logistics Singapore Pte Ltd	43,100
Q2 2019			
Additions/Alteration to warehouse development	8 Tuas Avenue 5	Sumitomo Warehouse (Singapore) Pte Ltd	8,800
Q3 2019			
Radha Exports Building	118 Pioneer Road	Radha Exports Pte Ltd	30,300
Single-user warehouse development	20 Alps Avenue	Schenker Singapore (Pte) Ltd	44,200
Q4 2019			
Single-user warehouse development	15 Tuas View Circuit	Veolia ES Singapore Industrial Pte Ltd	11,500

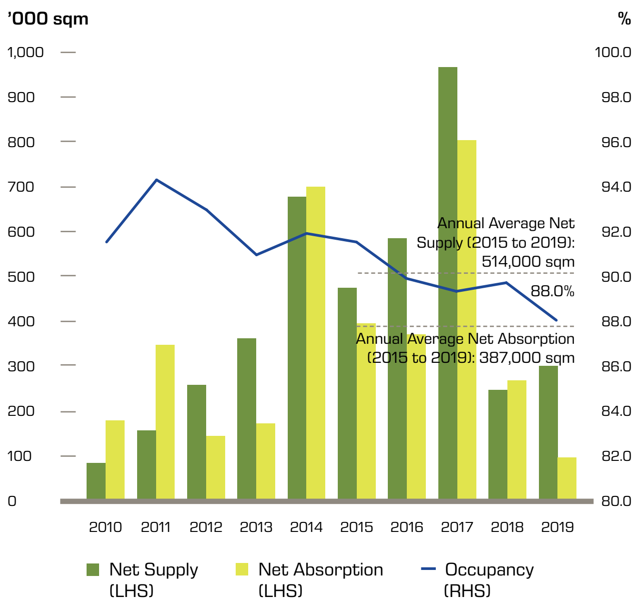
Source: JTC Corporation (JTC), EDMUND TIE

3.2 DEMAND AND OCCUPANCY

As technological advancement brings about higher consumer expectations, logistics companies continue to seek out suitable warehouse space that allows them to integrate Internet-of-Things solutions to improve productivity and enhance connections between industrialists and consumers. For instance, Amazon Singapore increased its warehouse space in Mapletree Logistics Hub to support its growing retail operations in Singapore. However, the prolonged global trade tensions have led to the constraint in the movement of goods and the resultant demand for warehouse space. According to the Maritime and Port Authority of Singapore, growth of container throughput slowed to 1.6% y-o-y in 2019, compared with the higher 8.7% y-o-y growth in 2018.

Supply of new warehouses in 2019 remained subdued after the 2017 supply spike of 963,000 sqm due to the completions of some large logistics facilities in Jalan Buroh and Tuas. While net supply of warehouses increased by 21.9% y-o-y from 247,000 sqm in 2018 to 301,000 sqm in 2019, net absorption for warehouses did not catch up with the new supply in 2019 as it fell by 63.4% y-o-y from 268,000 sqm in 2018 to 98,000 sqm in 2019. Subsequently, occupancy declined y-o-y by 1.5 percentage points to 88.0% in 2019 (Figure 5). The lower occupancy rates were partially attributed to decline in demand for older warehouses with their lack of new specifications, such as energy capacity required by advanced logistical technologies.

Figure 5: Net Supply, Net Absorption and Occupancy (Warehouse)



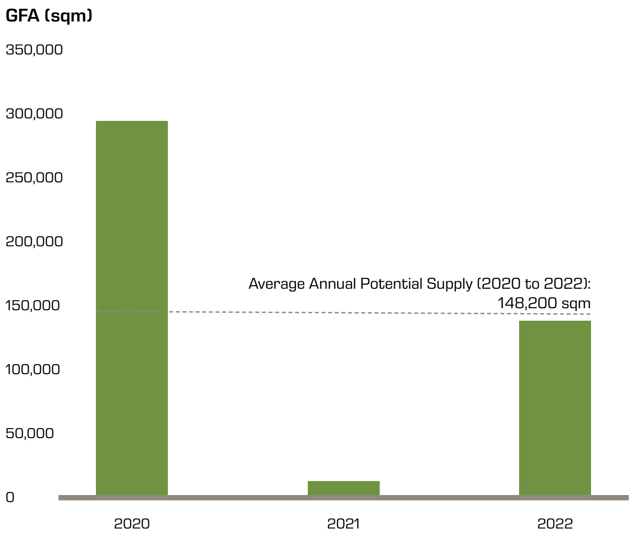
Source: JTC, EDMUND TIE

3.3 POTENTIAL SUPPLY

According to JTC, from 2020 to beyond 2022, around 746,000 sqm GFA of warehouse space will be in the pipeline. More than half of the pipeline (444,500 sqm GFA) is estimated to be completed between 2020 and 2022, averaging 148,200 sqm of GFA per year and yielding around 127,400 sqm in NLA annually (Figure 6). This is significantly lower as compared to the average annual net supply for the last five years (514,000 sqm NLA).

Three major warehouse developments are expected to complete between 2020 and 2022. This includes JTC Logistics Hub @ Gul Circle[8] (134,300 sqm GFA), a next-generation innovative logistics ramp-up warehouse facility and a 87,500 sqm (GFA) warehouse development located on Jurong Island, to be built by SH Cogent Logistics Pte Ltd, a wholly owned subsidiary of COSCO (Table 2).

Figure 6: Estimated Potential Supply for Major Warehouse Projects



Source: JTC, EDMUND TIE

TABLE 2: MAJOR WAREHOUSE SPACE IN THE PIPELINE (MORE THAN 30,000 SQM)

Estimated Year of Completion	Development/ Developer	Location	Uncompleted GFA (sqm)
2020	S H Cogent Logistics Pte Ltd	Tembusu Crescent	87,500
2020	JTC Corporation	Gul Circle	134,300
2022	LOGOS SE Asia Pte Ltd	Tuas South Avenue 14	99,800

Source: JTC, EDMUND TIE

H1 2020 INDUSTRIAL GOVERNMENT LAND SALES

The Industrial Government Land Sales ("**IGLS**") programme launched for the first half of 2020 comprises three sites on the Confirmed List and five sites on the Reserve List, totalling 7.11 ha. Two of the sites in the Confirmed List and three of the sites in the Reserve List are new sites on the IGLS programme. The Confirmed and Reserve Lists will potentially yield some 43,200 sqm and 88,000 sqm of GFA to the total pipeline supply respectively. The lower total site area (compared with 9.98 ha in 2H 2019) and limited number of sites in the Confirmed List reflected a more cautious supply stance by the government in consideration of the modest outlook for the industrial sector in 2020.

All land plots for H2 2020 IGLS are zoned Business 2 (B2) and have site areas smaller than 15,000 sqm (1.5 ha) with leasehold tenure of mostly 20 years (Table 3). The short tenures provide land rejuvenation flexibility in response to new market demand.

Note:

8 The innovative logistics facility will allow co-location of empty container depots, warehouses and a heavy vehicle park to improve the operational efficiency and productivity for logistics companies.

SINGAPORE INDUSTRIAL PROPERTY MARKET REVIEW

TABLE 3: INDUSTRIAL GOVERNMENT LAND SALES LAUNCHED FOR H1 2020[9]

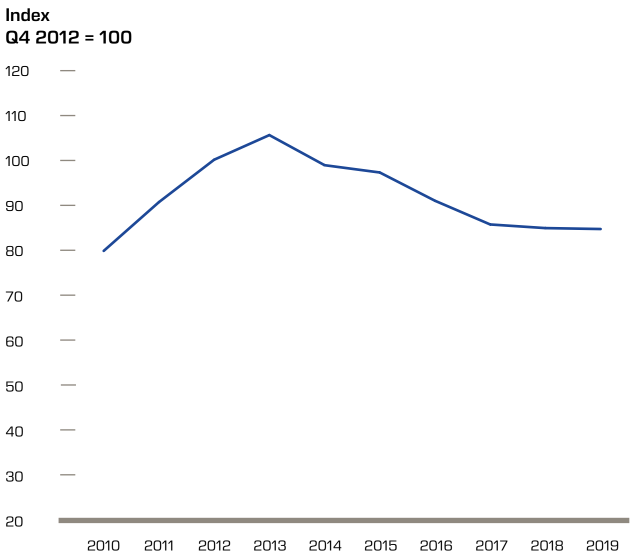
Location	Zoning	Site Area (Ha)	Gross Plot Ratio	Tenure (Years)	Estimated Available Date**
Confirmed List of Industrial Sites					
Plot 1, Jalan Papan	B2	1.23	1.4	20	February 2020
Plot 2, Tampines North Drive 3*		0.48	2.5		May 2020
Plot 3, Gambas Avenue/Sembawang		0.70	2.0		June 2020
Reserve List of Industrial Sites					
Plot 4, Kaki Bukit Road 5*	B2	2.02	2.5	30	Available
Plot 20, Tuas South Link 3		0.44	1.4	20	January 2020
160 Gul Circle		0.40	1.4		February 2020
Gul Avenue		0.60	1.4		March 2020
Plot 2, Jalan Papan*		1.24	1.4		April 2020

Source: JTC, EDMUND TIE
*Previously listed in 2019.
** Refers to the estimated date when the detailed conditions of sale will be made available and applications can be submitted

3.4 RENTS

In 2019, the JTC warehouse rental index[10] continued to decline as overall occupancy rate declined from a high of 92.9% in 2012 and remained below 90% since 2016. Notably, the rental index showed signs of bottoming as the rate of decline slowed to 0.2% y-o-y in 2019 (0.9% decline in 2018), decreasing from 85.0 in 2018 to 84.8 in 2019. This is likely supported by the higher rents commanded by newer up-to-date logistics warehouses.

Figure 7: Warehouse Rental Index



Source: JTC, EDMUND TIE

3.5 PRICES

Logistics warehouse transactions appeared muted in 2019 with only two major transactions, reflecting cautious sentiments from investors amidst the weaker performance of the manufacturing sector.

The larger transaction was a joint-venture between third-party logistics company Poh Tiong Choon Logistics (PTCL) and ESR-REIT. They acquired Poh Tiong Choon Logistics Hub, located at 48 Pandan Road, for S$210.4 million (S$3,720 per sqm NLA). The transaction was a sale and leaseback to PTCL. The second warehouse transaction was a sale-and-leaseback agreement via a put and call option for SGRE Banyan to purchase a ramp-up warehouse facility from LTH Logistics (a subsidiary of Vibrant Group) located on Jurong Island (121 Banyan Drive), for an estimated S$210.4 million (S$2,576 per sqm NLA). After the execution of the agreement, the ramp-up warehouse facility will be leased back to LTH Logistics (vendor).

Notes:
9 As of 30 January 2019.
10 The warehouse rental index comprises island-wide transactions of private warehouses.

TABLE 4: MAJOR WAREHOUSE INVESTMENT TRANSACTIONS (2019)

Period	Location (Name of Development)	Leasehold Tenure	Buyer	Estimated NLA (sqm)	Transacted Price (S$ millions)	Unit Price (S$ per sqm NLA)
Q1	121 Banyan Drive	60 years LH from 2011	SGRE Banyan	56,557	210.4	3,720
Q3	Poh Tiong Choon Logistics Hub (48 Pandan Road)	24 years remaining from 2019	PTC Logistics Hub LLP	87,361	225.0	2,576

Note: Prices for the properties above does not include upfront land premium for the balance leases
Source: JTC, EDMUND TIE

3.6 OUTLOOK

As more traditional warehouses were revamped to support more advanced supply chain management systems, the growth of e-commerce players such as Amazon Prime, Shopee, Taobao, in the region supported demand for the logistics distribution centres. With the Government's support for the sector to digitalise, more logistics companies are expected to innovate and adopt new technologies for e.g. artificial intelligence and predictive analytics, to transform their business and become more competitive. New initiatives such as the CLIP will drive more companies to harness the benefits of Internet-of-Things, machine learning, artificial intelligence, blockchain and automation.

The signing of the "Phase One" trade between the United States and China marked an effort to mitigate trade tensions while the global electronics cycle showed signs of bottoming out. Cognisant of the slower demand for warehouses, we expect modest rental growth for warehouses of between -1% to 2% in 2020. Meanwhile, as logistics companies search for suitable industrial spaces for their business activities, logistics and distribution centres with modern infrastructures and high specifications are likely to command higher rents over older warehouses.

AUSTRALIA INDUSTRIAL PROPERTY MARKET REVIEW

1 MACRO-ECONOMIC OVERVIEW AND CURRENT TREND

Australia has experienced long-term economic growth – recording 28 consecutive years of positive economic activity - making it a popular destination for offshore property investment.

Gross Domestic Product ("**GDP**") over the year to Sep-19 of 1.7% was recorded by the Australian Bureau of Statistics, below the 10-year annual average of 2.6%[1]. Slowing growth is mainly owing to weak household consumption growth and a reduction in housing activity and business investment. Drought conditions have also led to a decline in the farm sector output and rural exports have thus fallen.

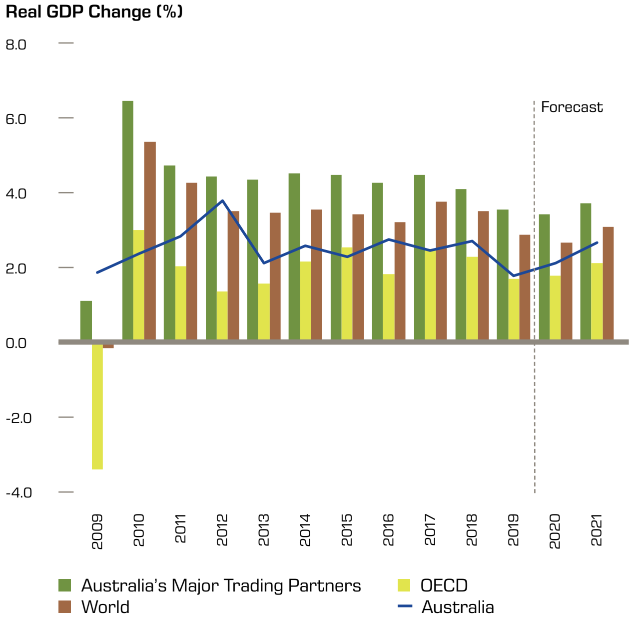
Nevertheless, Deloitte Access Economics forecasts an estimate growth rate of 2.1% for 2020, before increasing in 2021 to 2.7%.

The growth trend is further enhanced by the following factors:

- Strong population growth rate, which has led governments to increase public infrastructure spending, as well as increased demand for consumer goods.
- Pick-up in mining activity since the first half of 2019, and resource export volumes have increased.
- The emerging online retail market, in turn, driving strong industrial tenant demand – particularly from retail and logistics, and transport related users.
- Stable and transparent financial system and real estate market, and
- Inflow of foreign capital with an increase allocation to real estate.

Australia's economic growth has been fostered by low interest rates and the depreciation of the exchange rate since 2013, therefore fostering higher export volumes. Higher export prices, coupled with a decline in import values, further increased Australia's trade surplus (4% of GDP in the June quarter of 2019 – which marks the highest level since 1959).

Real GDP Growth Trend and Forecast, 2009 to 2021



Source: Deloitte Access Economics, JLL Research

2 MACRO-ECONOMIC OUTLOOK

Australia's economic growth is forecast to be underpinned by low interest rates, recent tax cuts, upswing in housing surprises across some markets, infrastructure expenditure, and population growth. This is despite uncertainties around consumption growth, rural exports due to the drought, and global growth.

Slowing economic growth is reflected in a loss of momentum in the labour market. The unemployment rate has slowly risen, while jobs growth has remained subdued. The spare capacity in the labour market has kept a lid on wages growth and consumer spending, which is likely to continue in the short/medium-term.

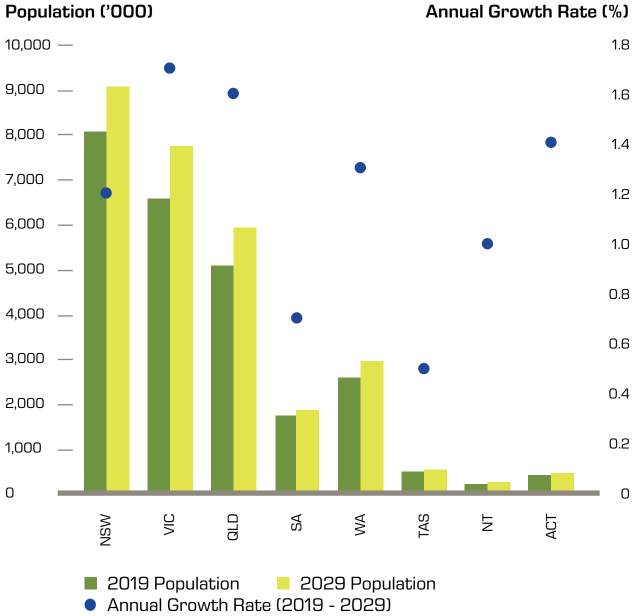
Falling construction activity will also become a drag upon the market in the short/medium-term. Nevertheless, low interest rates will continue to encourage investment and support underlying demand.

According to the Reserve Bank of Australia ("**RBA**"):

- GDP growth is forecast to be above 2.5% between 2020 and 2021.
- Unemployment rate is forecast to trend marginally downwards from 5.2% towards 5.0% by 2021.
- Underlying inflation is expected to increase from 1.6% to 2.0% by the end of 2021.

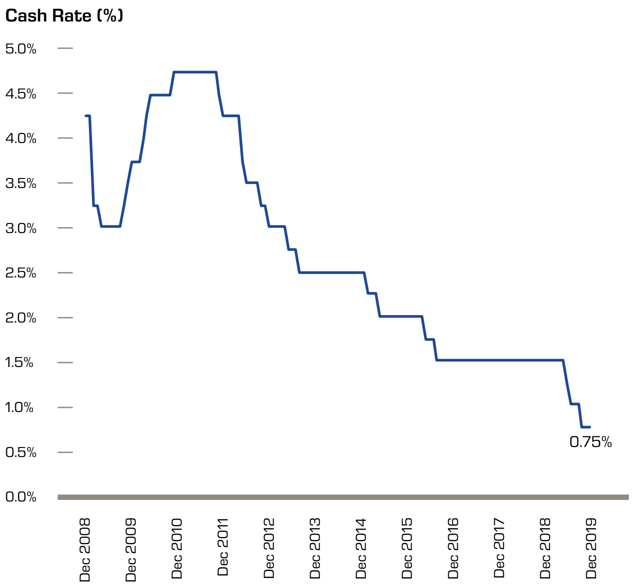
Note:
1 Source: Australian Bureau of Statistics

Population Growth by State



Source: Deloitte Access Economics, JLL Research

RBA Cash Rate



Source: Reserve Bank of Australia, JLL Research

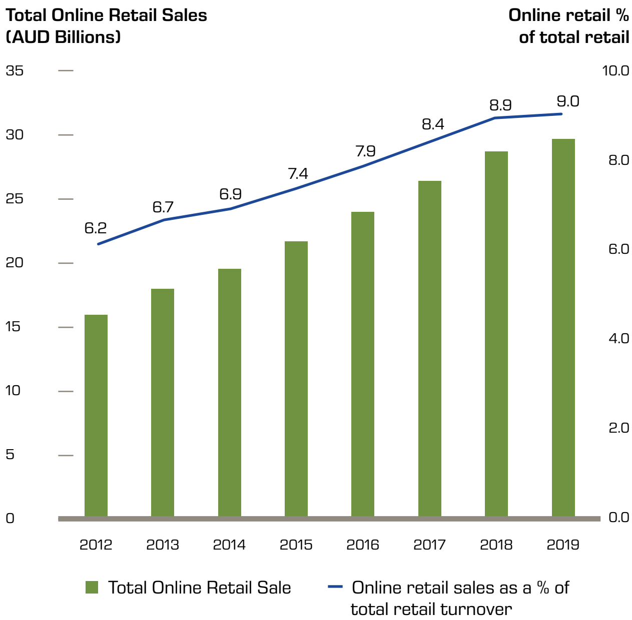
3 INDUSTRIAL AND LOGISTICS SECTOR PERFORMANCE AND TRENDS

The reliance and need for logistics space is at an all-time high, driven by the advancements in eCommerce, food and grocery, pharmaceuticals (fuelled by an aging population), and supply chain outsourcing (third-party logistics).

Output from the transport and storage sectors has grown 0.3% over 2019 and is projected to increase at an annual average rate of 2.5% to 2028[2], driven by solid growth in the demand for goods, on the back of strong projected population growth.

The expansion in eCommerce penetration rates is also benefitting the industrial sector. According to the latest online retail release by National Australia Bank ("**NAB**"), there has been continued growth in the online retail trade sector over 2019. This has raised the share of online retail sales to total retail trade to 9.0% (or A$30.9 billion).

Australia e-Commerce Growth



To note: as at September 2019
Source: NAB, ABS, JLL Research

Note:
2 Source: Deloitte Access Economics

AUSTRALIA INDUSTRIAL PROPERTY MARKET REVIEW

Increased usage of transport and logistics services in Australia (particularly third-party logistics) has not only meant enormous growth in the amount of industrial floorspace, but also significant investment in more sophisticated and automated warehousing facilities. Technology such as automated systems and robotics are being implemented in a growing number of distribution centres. These factors are expected to drive demand for modern distribution centres.

Occupier demand for industrial stock has trended higher since 2014. The level of gross industrial floorspace take-up in 2019 was in line with the 10-year annual average of 2.1 million sqm. Take-up levels across the country continue to be attributed by new entrants and business expansion, rather than a pure operation relocation. The transport/logistics and retail sectors combined have accounted for around 60% of the total take-up of industrial floorspace in Australia.

4 NATIONAL MARKET TREND

Industrial property has emerged as a mature, institutional grade investment sector, and plays a vital role in a diversified portfolio. The Australian industrial sector remains one of the most sought-after sectors, by both domestic, regional and global capital sources, as it is underpinned by stable long-term factors.

Multiple capital sources competed for assets in 2019 with strong activity from domestic and offshore groups.

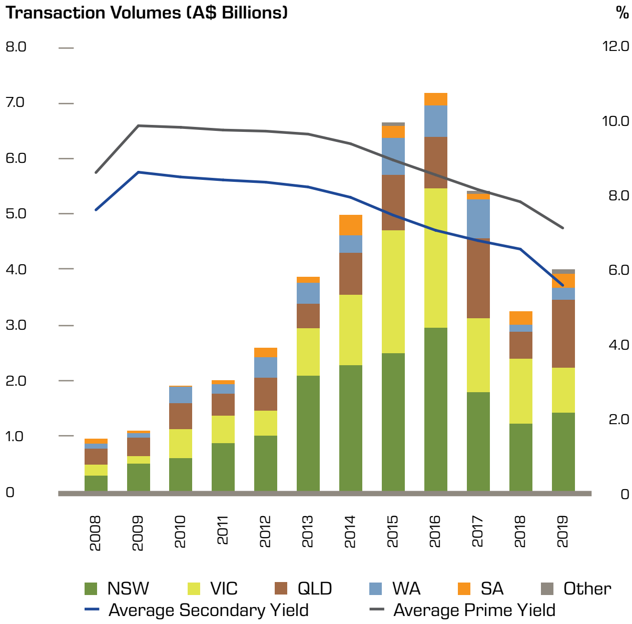
In 2019, approximately A$4.0 billion in investment sales occurred nationally (for sales A$10 million and over). The Eastern Seaboard experienced the highest volume of industrial activity with industrial sales in these markets representing approximately 86% of total national sales in 2019.

Strong demand, coupled with the limited supply of stock have led to the appreciation in land, rent and capital values, and downward pressure on transaction yields. National average prime (6.05%) and secondary (7.19%) yields have compressed by 25 basis points ("**bps**") and 22bps, respectively, over 2019.

The share of acquisitions made by offshore investors in 2019 represented approximately 22% (or A$0.9 billion) of total sales volumes, which was slightly below the share recorded in 2018 (28%), however above the 2018 sale volume figure of A$0.5 billion. Offshore investors have continued to be sourced mainly from Hong Kong, USA, and Singapore with a number of these investors participating in capital raising by domestic fund managers.

Australia is a key contributor to the global industrial investment story. With respect to the share of total industrial sales volume to GDP, we estimate that Australia ranks within the top five global industrial transaction volumes, with cross-border investors valuing the economic performance, stability, and transparency of our market - a proxy for the Asia growth story and Australia's strong population growth.

Australian Industrial Investment Sale Volumes by State, 2009 to 2019



To note: Reflects investment sales AUD 10 million and greater
Source: JLL Research

One of the challenges for investment into the Australian industrial sector is the limited scale of the investable universe. Investor demand is unprecedented, however the availability of investment grade stock is low. Competition for assets and a greater understanding on the quality and security of income have resulted in investors lowering their return expectations from the sector.

There was, and will continue to be, limited opportunity to purchase assets in 2020 – particularly assets of 'scale' – in excess of A$10 million.

TOP INVESTMENT SALE TRANSACTIONS 2019

Site	State	Sale Price (A$)	Sale Date	Site Area (sqm)	Building Area (sqm)	Initial Yield (%)	Vendor	Purchaser
61 Huntingwood Drive	NSW	397.8 million	4Q19	164,400	67,444	4.52	KKR	Charter Hall
*National Cold Chain Logistics Portfolio (5 assets)	QLD, WA, SA	345.0 million	4Q19	212,839	91,035	5.38	Blackstone	Lineage Logistics
*Arnott's Biscuits to Portfolio (2 assets)	QLD, SA	236.2	4Q19	119,200	68,378	5.93	KKR	Centuria Property
Crestmead Distribution Centre	QLD	183.6	3Q19	210,300	89,254	5.15	Blackstone	Charter Hall
Coles Distribution Centre	QLD	134.2	2Q19	155,300	54,245	5.62	Frasers	DWS

*Portfolio Sale
Source: JLL Research

5 KEY DEMAND DRIVERS

Asian capital (particularly from Singapore) continues to be active in Australia as the Australian market offers a liquid, stable and strong return performance trend, low interest rates, a weakening Australian dollar, and robust growth mainly supported by infrastructure expenditure and population growth. Furthermore, several core gateway markets within the Asian region face limited availability of industrial stock which further makes Australia an attractive investment destination.

Occupier demand for industrial stock remains strong, and vacancy is at a historic low.

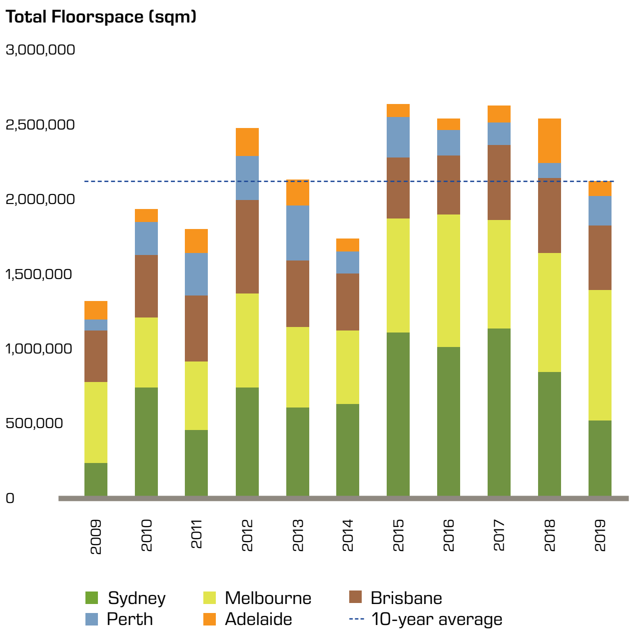
The three-year annual average of gross take-up of industrial floorspace for the major Australian markets are as follows:

- Sydney, 834,520 sqm
- Melbourne, 794,840 sqm
- Brisbane, 485,160 sqm
- Adelaide, 166,510 sqm
- Perth, 144,700 sqm

Underpinning the long run stability of the industrial sector is the non-discretionary retail sector (also known as consumer staples), which includes food, beverages, drugs, and medical supplies. In Australia, the annual growth in non-discretionary retail has been increasing, recording year-on-year ("**y-o-y**") growth of 3.9%.

On the other hand, the rate of growth in discretionary retail trade turnover over past few years has been slowing and now recording y-o-y growth levels below the non-discretionary retail category, at 2.2%. This is still however at positive levels. The discretionary goods segment is most likely to be supplied via e-retailing given the consumer convenience and cost and this will translate into incremental demand in the logistics sector. Therefore, playing a supporting role in industrial growth.

National Industrial Gross Take-Up by City



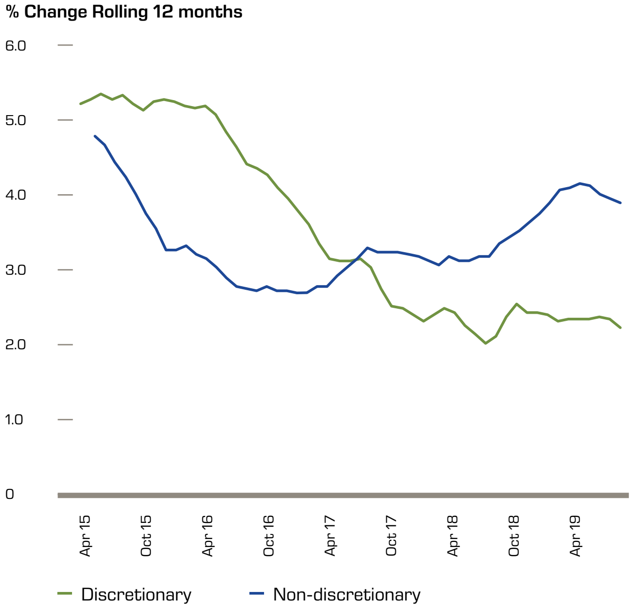
To note: as at 4Q19
Source: JLL Research

AUSTRALIA INDUSTRIAL PROPERTY MARKET REVIEW

The stability in the demand for consumer staples, which is relatively demand inelastic (i.e. demand is minimally influenced by the state of the economy) is, and will continue to be, the major driver in demand for industrial and logistics space. The high consumption of consumer staple goods impacts a range of property space requirements, including transport distribution, warehousing and logistics, cold storage, high-tech innovation and development (particularly for food and pharmaceutical products), as well as manufacturing.

The throughput of consumer staple goods in Australia will grow due to strong domestic population growth and, more importantly, through global demand influences – particularly within the Asia-Pacific region.

Australia Discretionary vs. Non-discretionary Retail Spend



Source: ABS, JLL Research

Global factors also play a significant role with respect to demand for industrial space. Australia's trade activity continues to be strong - fuelled by the 11 free trade agreements.

The imports of goods have been steadily on the rise since 2016; however, Australia has been exporting more and is in a trade surplus. Export growth has mainly been contributed by a depreciating Australian dollar.

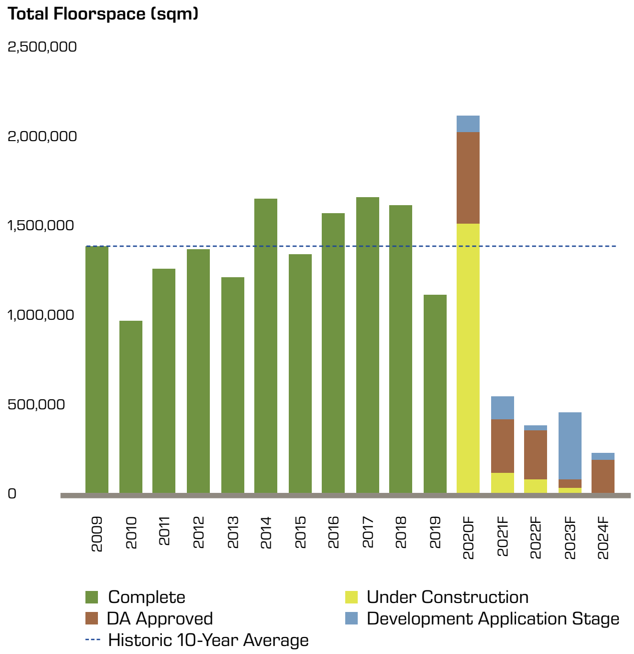
Over the past 20 years the Asian region has risen in importance with respect to Australia's trade activity (both export and import related). Australia's top export and import partner is China, with the direction of trade totalling just over A$ 220 billion in 2019 according to the International Monetary Fund.

The Asia-Pacific region's evolving economic and demographic factors include; leading global economic growth, rapid urbanisation, and a growing middle-class population. These factors combined will positively influence the demand for Australia's exports, particularly within Australia's food sector.

A record high level of infrastructure investment is underway in Australia. This is supported by the 2019-20 Federal Budget, which announced a record $100 billion in transport infrastructure in roads, rail and airports over the coming decade. New transport infrastructure will continue to support the logistics sector. Industrial property has followed infrastructure, and the strong pipeline of projects will see this trend continue.

JLL are forecasting an average of 1.1 million sqm of industrial space per annum (p.a.) projected to come online between 2020 and 2023. This is below the five-year historic annual average of 1.4 million sqm, indicating that quality assets are in demand and in short supply.

National Industrial Development Supply Pipeline



To note: as at 4Q19
Source: JLL Research

6 DEVELOPMENT SUPPLY

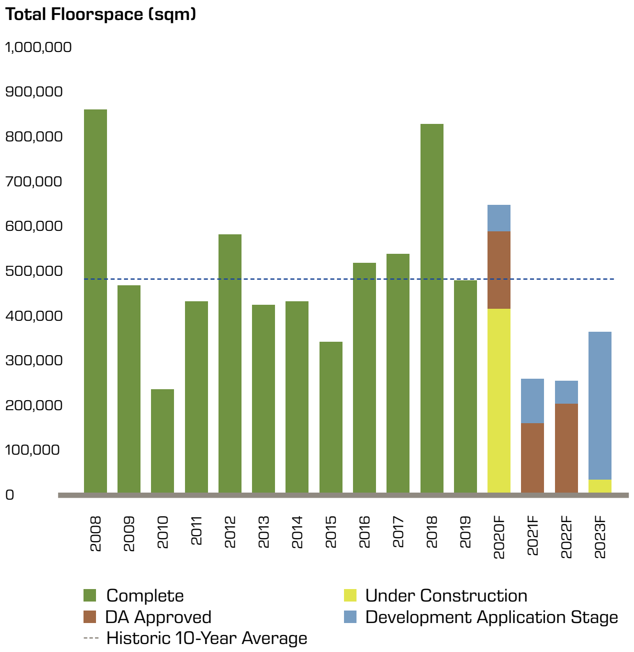
SYDNEY

A total of 476,540 sqm of industrial floorspace was delivered in 2019, in line with the 10-year annual average. Looking ahead, the total supply expected to be delivered in 2020 is 35% higher than 2020 and totals around 644,100 sqm.

Around 64% of the supply to be delivered in 2020 is currently under construction, and a further 26% of the floorspace have development approval.

Due to the strong demand and confidence in Sydney's industrial market, over 268,900 sqm of speculative developments are under construction and due to complete by the end of 2020.

Sydney Industrial Supply Pipeline



To note: as at 4Q19
Source: JLL Research

MELBOURNE

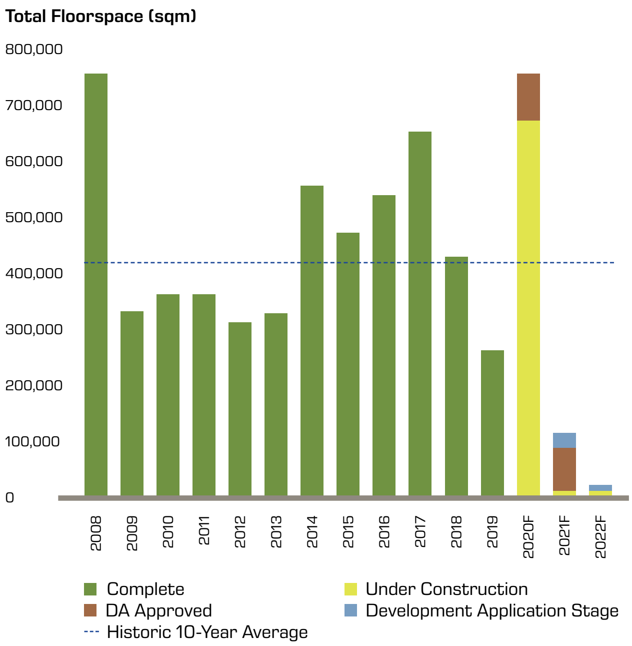
A total of 260,760 sqm of industrial floorspace was delivered in 2019, the lowest level recorded over the past decade.

The outlook over the next 12 months is positive. There is currently 770,600 sqm of developments under construction and due to complete by 4Q 2020. There is an additional 120,400 sqm of supply with plans approved, which is due to complete by the end of 2020.

Most of the forward pipeline of supply for the next 12 months is located in the West (54%). The South East and North precincts account for the remaining 19% and 27%, respectively.

Of the 770,600 sqm of developments under construction and due for completion in 2020, 443,800 sqm (58%) of the floorspace has been pre committed. The remaining speculative floorspace (326,778 sqm) includes 12 projects. The largest of these facilities is Charter Hall's development of the Midwest Logistics Hub in Melbourne's West.

Melbourne Industrial Supply Pipeline



To note: as at 4Q19
Source: JLL Research

AUSTRALIA INDUSTRIAL PROPERTY MARKET REVIEW

BRISBANE

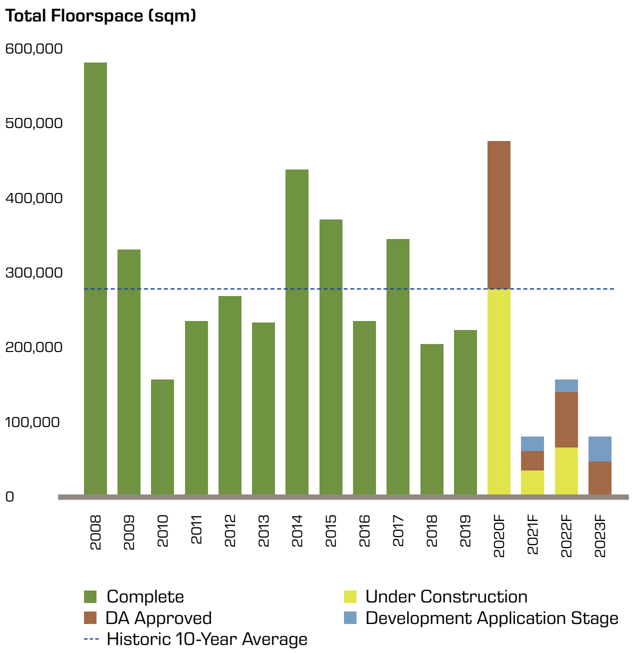
A total of 220,670 sqm of industrial floorspace was delivered in 2019, which was below the 10-year annual average of 274,700 sqm.

The supply pipeline remains steady, with 23 projects currently under construction, totaling 375,792 sqm. Of this stock, 74% is expected to complete throughout 2020.

Much of the supply expected to be delivered in 2020 will be in the Southern Precinct, contributing to 79% of stock additions, followed by the Trade Coast (20%) and Northern Precinct (1%).

The heightened level of supply in the Southern precinct is being driven by land supply, proximity to major transport infrastructure and level of pre commitments.

Brisbane Industrial Supply Pipeline



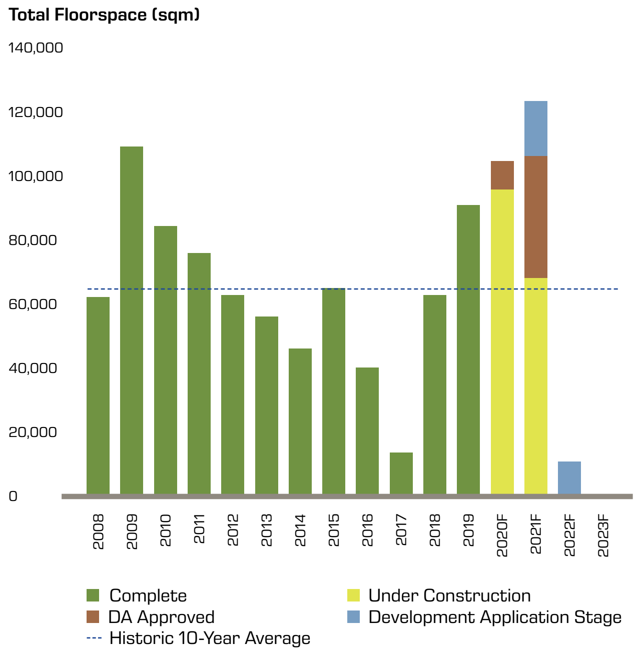
To note: as at 4Q19
Source: JLL Research

ADELAIDE

A total of 90,810 sqm of industrial floorspace was delivered in 2019, approximately 46% above the level recorded in the previous year.

The total supply forecast for 2020 is around 104,820 sqm – above the 10-year annual average of 63,940 sqm - with around 90% of this floorspace already under construction.

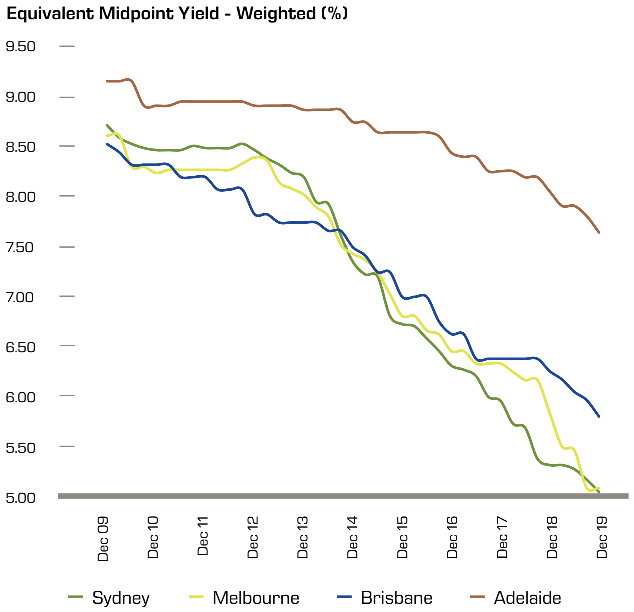
Adelaide Industrial Supply Pipeline



To note: as at 4Q19
Source: JLL Research

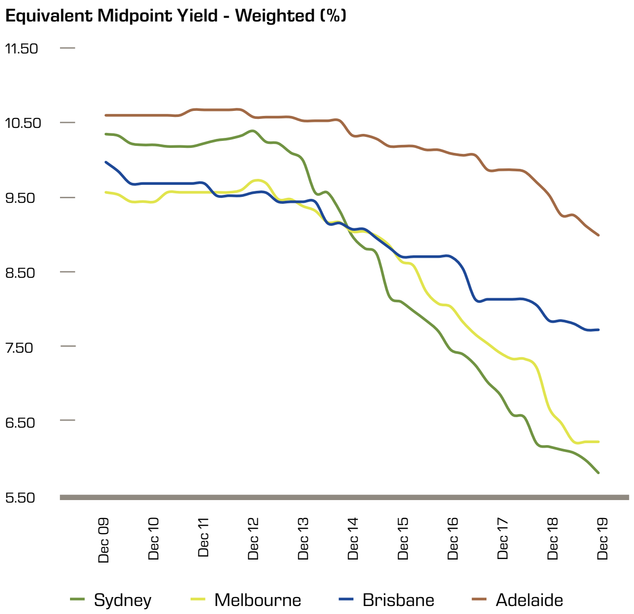
7 RENTS, CAPITAL VALUES, YIELDS AND TRENDS

Prime Average Yields by City



To note: as at 4Q19
Source: JLL Research

Secondary Average Yields by City



To note: as at 4Q19
Source: JLL Research

SYDNEY

Yields and Capital Values

Land values across Sydney have continued their upwards trend in 2019, fueled by ongoing investment in infrastructure and a dwindling supply of serviced land. Robust capital growth is attracting private and institutional investment interest from both onshore and offshore investors.

The average growth in land values across the Sydney market in 2019 has been approximately 7%. While this is below the five-year annual average of 30%, it still sits on par with the ten-year average (7.0%). Annual growth rates over the next twelve months are projected to remain robust, as the construction of major infrastructure projects continue to progress whilst serviced industrial zoned land supply is further depleted.

With a diminishing availability of stock and rising land values, average yields across the Sydney markets have continued to trend downward since 2013. Prime and secondary midpoint yields currently average 5.04% and 5.79%, respectively.

Leasing

Demand fell below the 10-year annual average in 2019, totaling 521,600sqm of gross take-up for the year - the lowest annual total recorded in Sydney since 2011. Leasing activity was more heavily weighted towards existing assets (67%), with pre-leasing deals only accounting for 20% of gross take-up – well below the 10-year average for the Sydney market, where it has accounted for 36% of gross take-up. The remaining activity was in design and construct projects, which accounted for 13% of gross take-up.

The Transport, Postal and Warehousing sector continues to dominate demand in the Sydney industrial market, accounting for 41% of gross take-up over the 2019.

As eCommerce continues to grow, the Retail Trade sector has contributed to the demand for industrial space in Sydney. Between 2016 and 2019, the sector accounted for an average of 19% of annual demand, significantly higher than the average of 14% over 2011-2015. Online retailing demand has also positively affected gross take-up in the Wholesale and Transport, Postal & Warehousing sectors. Gross take-up from these three sectors has averaged 631,400 sqm p.a. since 2015, above the 10 year average of 492,200 sqm p.a.

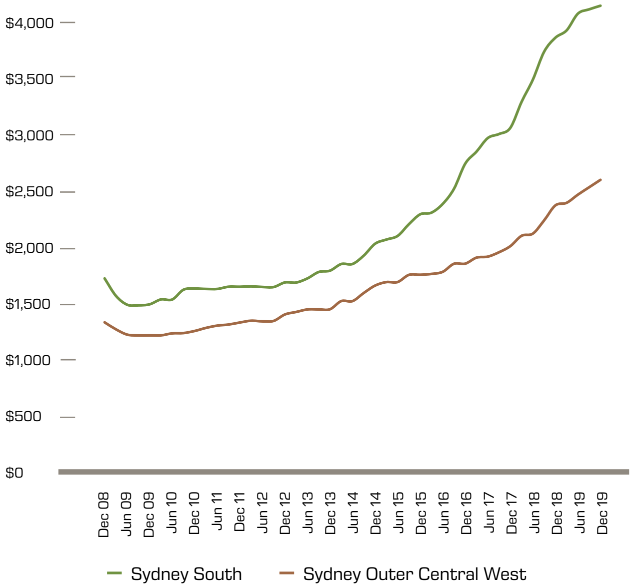
The strongest rental growth in prime grade assets over 2019 was recorded for the South Sydney (4.4%), North Sydney (3.9%) and Outer Central West (1.7%) precincts. The Inner West (1.3%) and Outer North West (1.2%) precincts recorded steady growth.

Rent rises with the South Sydney (4.9%) Precinct for secondary grade stock was also strong, due to the high demand and lack of available stock, coupled with depletion of industrial land.

AUSTRALIA INDUSTRIAL PROPERTY MARKET REVIEW

Sydney Prime Capital Values, by Precinct

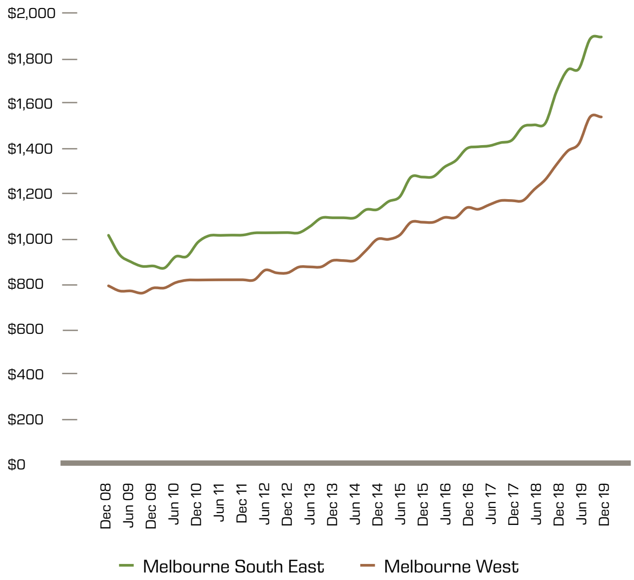
Capital Value AUD/sqm



Source: JLL Research

Melbourne Prime Capital Values, by Precinct

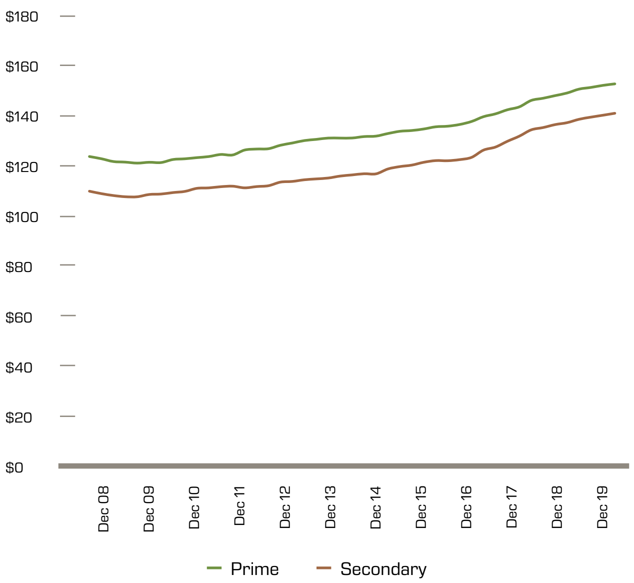
Capital Value AUD/sqm



Source: JLL Research

Sydney Average Rents

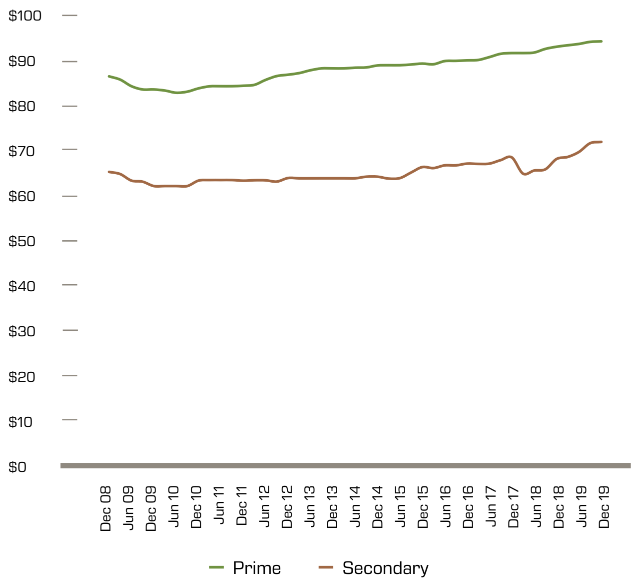
Rent AUD/sqm



Source: JLL Research

Melbourne Average Rents

Rent AUD/sqm



Source: JLL Research

MELBOURNE

Yields and Capital Values

Melbourne is Australia's largest industrial market, attracting onshore and offshore investor interest. The limited opportunities in the market and continued demand from offshore and onshore capital has led to higher capital values and yields tightening across all asset classes.

Average yields for both prime and secondary grade assets across the Melbourne sub-markets over 2019 have compressed 75 bps to 5.08% and 46 bps to 6.21%, respectively.

Capital values over 2019 have recorded the strongest growth within the West (A$1,542/sqm) and South East (A$ 1,897/sqm) precincts of around 15%.

Increased infrastructure spending has impacted property values positively. Projects such as the widening of the Tullamarine Freeway, Monash Freeway and the West Gate Tunnel project have assisted transportation and logistics businesses throughout metropolitan Melbourne by alleviating congestion and improving road efficiency.

Leasing

Over the last 12 months leasing activity has been strong in Melbourne, with approximately 787,200 sqm of gross take-up recorded – the highest annual total JLL has recorded for this market. This was recorded across 56 leases, with an average lease size of 15,600 sqm.

The majority of gross take-up was recorded in the West (57%) and North (25%). The Transport, Postal and Warehousing sector continues to record the strongest leasing volumes across the Melbourne industrial market, accounting for 34% of gross take-up over 2019. Meanwhile, the Retail Trade and Manufacturing sectors accounted for 30% and 24% respectively.

The annual rental growth in the South East Precinct (4.4%), was the strongest in Melbourne in 2019. This rental growth was driven by high levels of occupier demand, along with the diminishing volume of developable land to meet this supply. Secondary rents recorded strong growth across the North (7.7%), South East (6.0%) and the West (3.8%) in 2019. The notable growth in demand for secondary assets can be attributed to the low availability of prime assets, with occupiers having to consider secondary grade options to occupy.

BRISBANE

Yields and Capital Values

Several prime assets brought to market in 2019 resulted in further yield compression, bringing the prime yield range to 5.25%-6.25%. This is the tightest prime yield range recorded in Brisbane's industrial market since JLL began tracking the market. The average prime yield range (of all tracked precincts) between Brisbane and Sydney now sits at 75 bps, and 48 bps for Melbourne. Secondary yields have remained relatively steady at a range of 7.00% - 8.50%.

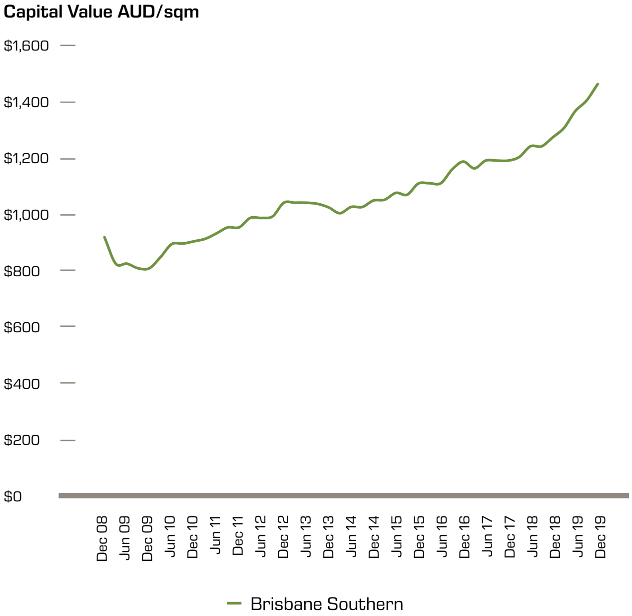
Capital values have increased by 12% over the past 12 months. This is the strongest annual growth rate recorded since 2007.

Leasing

Leasing activity in 2019 was relatively subdued, with gross annual take-up totalling 437,230 sqm across 46 deals. This is slightly below the 10-year annual average of 448,560 sqm.

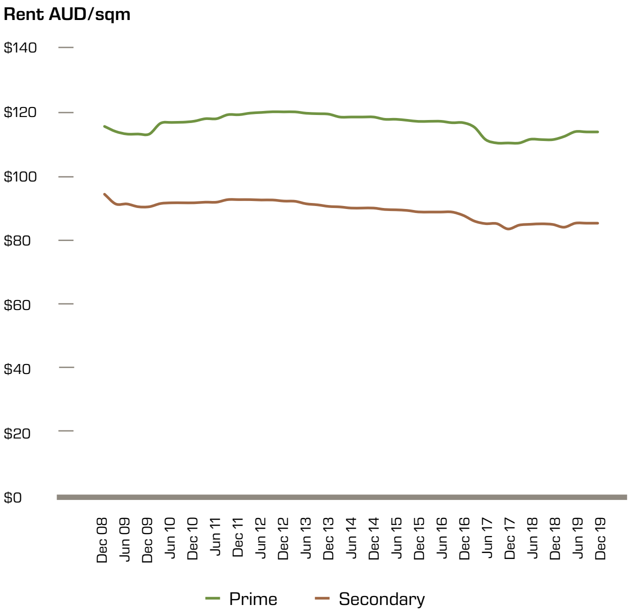
Leasing of existing properties comprised the majority of leasing transactions over 2019, accounting for 65% of take-up. Pre-lease deals accounted for 32% and design and construct accounted for the remaining 3%.

Brisbane Prime Capital Values, by Precinct



Source: JLL Research

Brisbane Average Rents



Source: JLL Research

Over the last 12 months, demand has been driven by the Transport, Postal and Warehouse sector (33%), attributed to several expansionary moves and new market entrants, many of which already have a presence in Sydney and Melbourne. Retail Trade (24%) has also made a strong contribution to demand over 2019.

AUSTRALIA INDUSTRIAL PROPERTY MARKET REVIEW

Prime net existing rents have increased slightly over 2019 among all tracked precincts. The Northern Precinct saw the strongest growth (4.4% p.a.), followed by the Southern Precinct (1.9% p.a.) and Trade Coast (0.7% p.a.).

Incentives remain high as developers continue to compete for leasing commitments. The average prime incentive held steady at 15%.

ADELAIDE

Yields and Capital Values

The Adelaide industrial market continues to offer higher yields relative to most other eastern seaboard markets. Prime and secondary yields currently average 7.63% and 8.98%, respectively (as at December 2019).

Prime and secondary grade assets experienced improved demand for the overall Adelaide market which led to marginal yield compression and increased prime capital values. There is scope for further yield compression for prime grade assets over the next 12 months given the deepening buyer pool for Adelaide industrial assets competing for a limited number of potential investment assets.

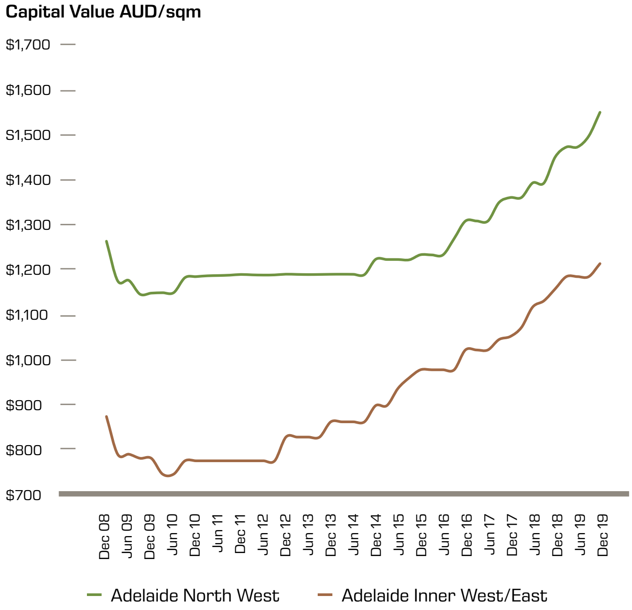
Leasing

Current industrial occupier demand in Adelaide has cooled significantly from the historical highs of 2018 (337,000 sqm), with just 89,000 sqm of gross take-up across 10 deals. Gross take-up was dominated by pre-lease activity which accounted for 56% of leasing transactions in 2019. The remaining deals were split evenly between existing properties (14%), owner-occupier (15%) and design and construct (15%) deals.

Moderate rental growth of 2.0% is forecasted for 2020 before increasing to a growth rate of 2.5% p.a. between 2021 and 2022.

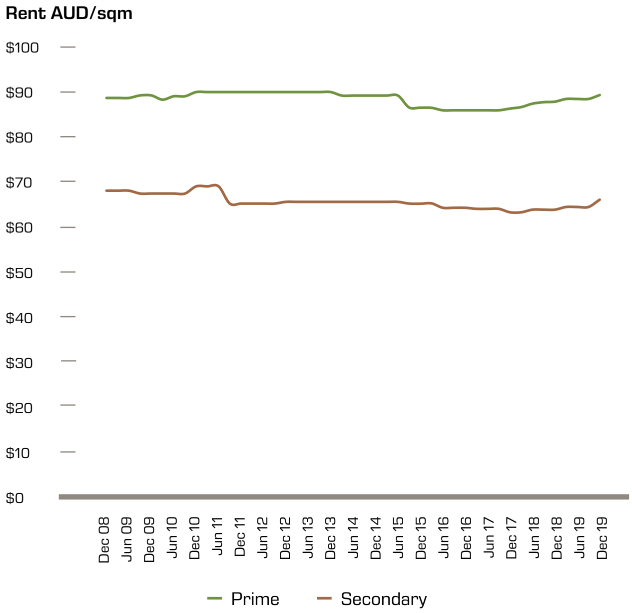
With connectivity to the major road infrastructure project, the North-South Corridor, as well as proximity to major Defence precincts, the strongest rental growth outlook is in the Outer North and North West precincts.

Adelaide Prime Capital Values, by Precinct



Source: JLL Research

Adelaide Average Rents



To note: excludes Outer South Precinct
Source: JLL Research

8 OUTLOOK

SYDNEY

The industrial sector will continue to attract interest given the significant infrastructure development resulting in land value uplift. A constrained supply of serviced land will limit the amount of development activity post 2020, resulting in upward pressure on land values.

The positive sentiment evident in the market, due to supportive economic conditions and demand for industrial assets, will result in steady rental growth to continue for both prime and secondary grade assets.

With the entrance of large overseas retailers into the Australian market, demand from the retail and transport sectors are expected to grow, in turn continuing to drive industrial floorspace take-up across the Sydney market.

In the investment market, opportunities for core stock is expected to improve into 2020, with some groups looking to take advantage of record low investment yields. It is expected that the share of offshore buyers will remain at similar levels (around 25%) as greater strategic joint venture partnerships continue to be formed between local and offshore groups.

It is anticipated that yields will remain relatively unchanged in both asset classes, across all Sydney in 2020.

MELBOURNE

With the fastest growing population in Australia, strong economic growth, record levels of infrastructure investment and a diversified economic base, conditions are supportive for further value uplift and strong tenant demand in 2020. Positive rental growth is expected within the South East and West precincts, albeit at a more normalized rate than those recorded in the last several years.

Activity in the North precinct in 2020 is expected to be driven by demand from logistics, specialised manufacturing and food/beverage industries.

The investment market is anticipated to remain strong, with the trend of sale and leasebacks activities to continue.

There is scope for further yield compression in both prime and secondary grade assets in 2020.

BRISBANE

In line with the broader trend, Queensland's economy continued to slow over 2019. Going forward, the three main drivers of the economy will be population growth (both interstate and overseas migration), infrastructure investment and strong export earnings.

The positives for the economy going forward remains the competitive Australian dollar (which is bringing in record trade surpluses) and low interest rates (RBA cash rate is now at 0.75%). These conditions are expected to keep investment volumes robust.

Industrial assets with strong underlying leasing covenants will be highly sought after as investor demand remains robust. The limited availability of acquisition options will continue to drive competition for assets. Due to strong investment appetite, capital values are forecasted to increase in 2020 by 5.5% y-o-y.

Moreover, State infrastructure developments, such as the Cross River Rail and the Queen's Wharf redevelopment, will continue to boost industrial works within the region over the coming years. The development of the second airport runway will boost freight activities throughout the Trade Coast precinct, as well as increase demand and land values.

ADELAIDE

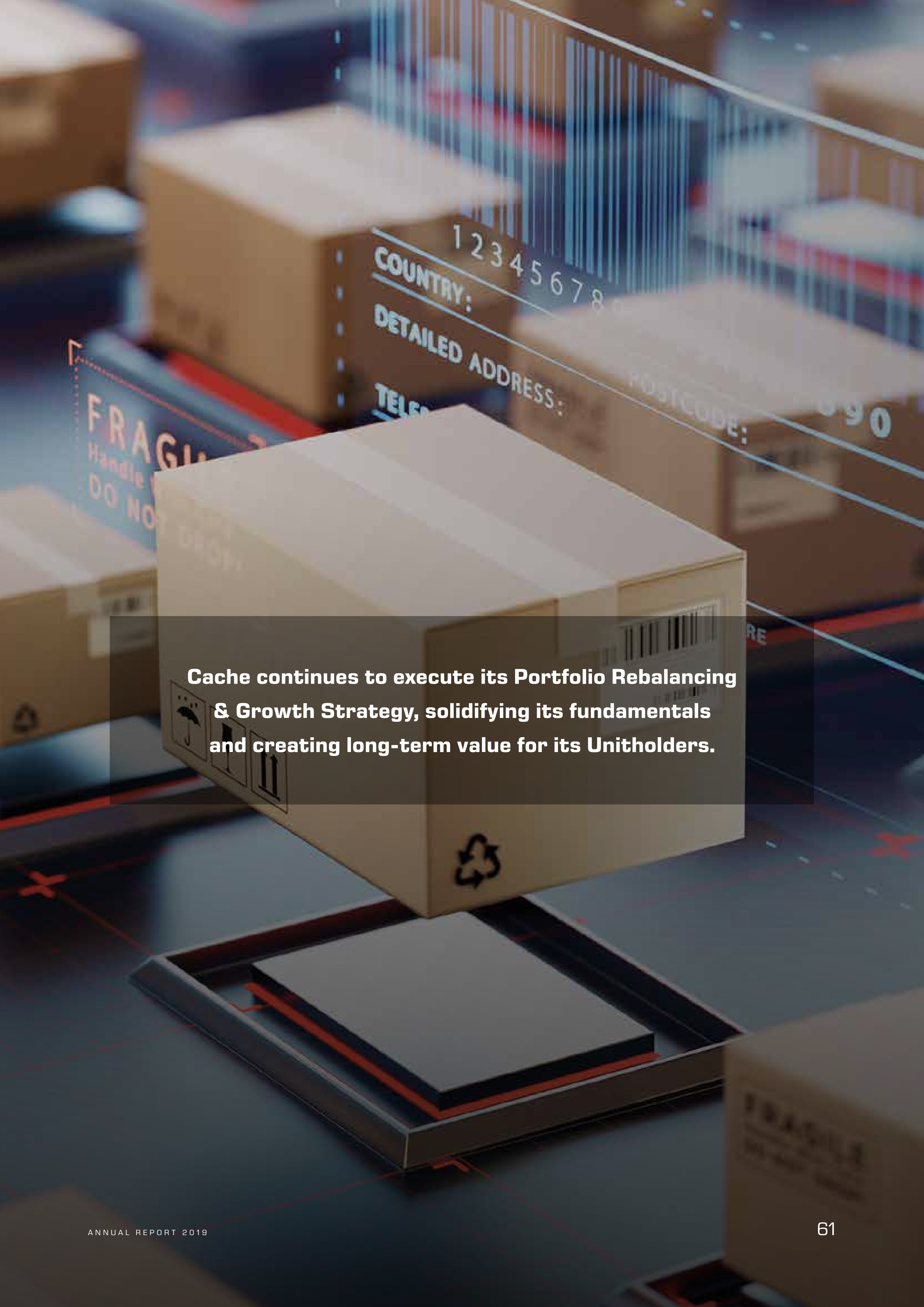
Business sentiment is positive, with the significant industrial sectors of defence, high-tech manufacturing, and the food and beverage industry expected to be key drivers of occupier demand over the medium term. However, softening domestic consumer demand and negative export growth (by AUD value) is a downside risk to the transport and warehousing sector.

The business cost benefit of improved warehouse efficiency is expected to be a key driver of future pre-lease and design & construction (D&C) demand. With very limited opportunity to secure existing modern warehouse space in Adelaide, occupiers looking to expand or upgrade existing accommodation are expected to explore new build options.

Occupier demand has moderated in the last year but is expected to translate into improved income levels for property owners. A moderate rental growth of 2.0% is forecasted for 2020 before increasing to 2.5% growth p.a. between 2021 and 2022.

The North West and North East precincts are expected to remain the most desirable location for industrial occupiers over the short term. The North West precinct, with connectivity to major road infrastructure and accessibility to Port Adelaide and the shipbuilding precinct, has accounted for 61% of all gross take-up over the last five years from 2015 to 2019. However, occupier demand has already begun to outstrip availability of development land, which will lead to increased occupier activity in the Outer North precinct.

GROWING –
Maintaining A High-Quality Portfolio Through **STRATEGICALLY** Located Properties



Cache continues to execute its Portfolio Rebalancing & Growth Strategy, solidifying its fundamentals and creating long-term value for its Unitholders.

WAREHOUSE PROFILES

1. COMMODITY HUB

24 Penjuru Road, Singapore

Commodity Hub is one of the largest warehouses in Singapore and Southeast Asia. The property comprises approximately 2.3 million square feet 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 and a ceiling height of up to 10 metres allow users greater efficiencies in the movement and storage of goods. Commodity Hub is located within the Penjuru/Pandan area in Jurong Industrial Estate, a key logistics cluster in 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 kilometres from the city centre.

PROPERTY DETAILS	
Valuation	S$277.4 million
Valuation Date	31 December 2019
Purchase Consideration	S$323.0 million
Acquisition Date	12 April 2010
Property Type	Ramp-up logistics warehouse with ancillary office facilities
Leasehold Title Expiry	29 years from 19 August 2006
Land Area	918,407 square feet
Gross Floor Area	2,295,927 square feet
Net Lettable Area	2,195,076 square feet
Maximum Plot Ratio	2.50
Current Plot Ratio	2.50
Lease Type	Multi-tenant
Occupancy	93%

2. CACHE COLD CENTRE

2 Fishery Port Road, Singapore

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 shelters to allow for a continuous cold chain process. The use of multi-temperature control also allows for the temperature of each warehouse unit to be set independently to accommodate different end-user temperature requirements. The property is located in a food zone within Jurong Industrial Estate. Due to the time and temperature sensitive nature of the cold storage business, it is strategically located near to the 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 kilometres from the city centre.

PROPERTY DETAILS	
Valuation	S$124.7 million
Valuation Date	31 December 2019
Purchase Consideration	S$122.0 million
Acquisition Date	12 April 2010
Property Type	Ramp-up logistics warehouse with ancillary office facilities
Leasehold Title Expiry	30+30 years from 20 December 2005
Land Area	254,904 square feet
Gross Floor Area	344,681 square feet
Net Lettable Area	290,674 square feet
Maximum Plot Ratio	2.50
Current Plot Ratio	1.35
Lease Type	Multi-tenant
Occupancy	85%

3. SCHENKER MEGAHUB

51 Alps Avenue, Singapore

Schenker Megahub is the largest freight and logistics property located at the 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, the anchor end-user. It is well served by major roads such as Loyang Ave and Changi Coast Road, and is approximately 25 kilometres from the city centre. It also enjoys close proximity to Changi North/South Industrial Estates and Changi Business Park.

PROPERTY DETAILS	
Valuation	S$81.2 million
Valuation Date	31 December 2019
Purchase Consideration	S$99.0 million
Acquisition Date	12 April 2010
Property Type	Ramp-up logistics warehouse with ancillary office facilities
Leasehold Title Expiry	30+30 years from 1 June 2005
Land Area	220,145 square feet
Gross Floor Area	439,956 square feet
Net Lettable Area	439,956 square feet
Maximum Plot Ratio	2.00
Current Plot Ratio	2.00
Lease Type	Single-tenant
Occupancy	100%

4. CACHE CHANGI DISTRICENTRE 1

5 Changi South Lane, Singapore

Cache Changi DistriCentre 1 comprises a six-storey ramp-up warehouse with ancillary office space and 53 loading/unloading bays with dock-levellers. Its location is ideal for international logistics specialists such as Federal Express (Singapore) Pte Ltd, the anchor tenant, because of its easy access to major expressways such as Tampines Expressway, East Coast Parkway and Pan-Island Expressway. The property is located approximately 14 kilometres from the city centre and enjoys close proximity to the airport, Changi Business Park and Singapore Expo Convention & Exhibition Centre.

PROPERTY DETAILS	
Valuation	S$93.6 million
Valuation Date	31 December 2019
Purchase Consideration	S$82.0 million
Acquisition Date	12 April 2010
Property Type	Ramp-up logistics warehouse with ancillary office facilities
Leasehold Title Expiry	30+30 years from 16 August 2005
Land Area	145,745 square feet
Gross Floor Area	364,361 square feet
Net Lettable Area	347,194 square feet
Maximum Plot Ratio	2.50
Current Plot Ratio	2.50
Lease Type	Multi-tenant
Occupancy	99%

WAREHOUSE PROFILES

5. CACHE CHANGI DISTRICENTRE 2

3 Changi South Street 3, Singapore

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 the East Coast Parkway and Pan-Island Expressway, and is approximately 16 kilometres from the city centre. It also enjoys close proximity to the airport, Changi Business Park and Singapore Expo Convention & Exhibition Centre.

PROPERTY DETAILS	
Valuation	S$15.5 million
Valuation Date	31 December 2019
Purchase Consideration	S$17.7 million
Acquisition Date	12 April 2010
Property Type	Cargo-lift logistics warehouse (partly air-conditioned) with ancillary office facilities
Leasehold Title Expiry	30+30 years from 16 February 1996
Land Area	65,767 square feet
Gross Floor Area	111,359 square feet
Net Lettable Area	89,494 square feet
Maximum Plot Ratio	2.00
Current Plot Ratio	1.69
Lease Type	Multi-tenant
Occupancy	69%

6. 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 Loyang Industrial Estate and is well served by major expressways/roads such as the Pan-Island Expressway, Tampines Expressway and East Coast Parkway, and is approximately 20 kilometres from the city centre.

PROPERTY DETAILS	
Valuation	S$11.2 million
Valuation Date	31 December 2019
Purchase Consideration	S$13.0 million
Acquisition Date	19 August 2011
Property Type	Cargo-lift logistics warehouse with ancillary office facilities
Leasehold Title Expiry	30+16 years from 1 February 2007
Land Area	50,754 square feet
Gross Floor Area	67,564 square feet
Net Lettable Area	67,564 square feet
Maximum Plot Ratio	2.50
Current Plot Ratio	1.33
Lease Type	Single-tenant
Occupancy	100%

7. 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, East Coast Parkway and Pan-Island Expressway, and is approximately 18 kilometres 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$34.4 million
Valuation Date	31 December 2019
Purchase Consideration	S$35.2 million
Acquisition Date	30 April 2012
Property Type	Ramp-up logistics warehouse with ancillary office facilities
Leasehold Title Expiry	30 years from 1 June 2010
Land Area	123,119 square feet
Gross Floor Area	196,990 square feet
Net Lettable Area	196,990 square feet
Maximum plot ratio	1.60
Current plot ratio	1.60
Lease Type	Single-tenant
Occupancy	100%

8. 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, has loading/unloading bays with a total of 25 dock-levellers. Strategically located in the Pandan/Penjuru area within 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 kilometres from the city centre.

PROPERTY DETAILS	
Valuation	S$37.0 million
Valuation Date	31 December 2019
Purchase Consideration	S$66.0 million
Acquisition Date	3 July 2012
Property Type	Ramp-up logistics warehouse with ancillary office facilities
Leasehold Title Expiry	30 years from 1 October 2009
Land Area	133,680 square feet
Gross Floor Area	329,112 square feet
Net Lettable Area	303,410 square feet
Maximum Plot Ratio	2.50
Current Plot Ratio	2.46
Lease Type	Multi-tenant
Occupancy	76%

WAREHOUSE PROFILES

9. CACHE GUL LOGISCENTRE

15 Gul Way, Singapore

Cache Gul LogisCentre (formerly known as 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 Jurong Industrial Estate and is well served by major expressways/roads such as the Ayer Rajah Expressway and Pan-Island Expressway, and is approximately 24 kilometres from the city centre.

PROPERTY DETAILS	
Valuation	S$27.1 million
Valuation Date	31 December 2019
Purchase Consideration	S$55.2 million
Acquisition Date	1 April 2013
Property Type	Ramp-up logistics warehouse with ancillary office facilities
Leasehold Title Expiry	30 years from 1 October 2003
Land Area	203,272 square feet
Gross Floor Area	284,384 square feet
Net Lettable Area	273,616 square feet
Maximum plot ratio	1.40
Current plot ratio	1.40
Lease Type	Multi-tenant
Occupancy	100%

10. DHL SUPPLY CHAIN ADVANCED REGIONAL CENTRE

1 Greenwich Drive, Singapore

DHL Supply Chain Advanced Regional Centre is a modern state-of-the-art logistics warehouse which comprises one block of three-storey ramp-up warehouse with a four-storey ancillary office (Block 1) and another block with a two-storey ramp-up warehouse (Block 2). It was a Build-to-Suit development completed in July 2015 for DHL Supply Chain Singapore Pte Ltd with a 10-year lease term that includes options to renew until the end of the land lease tenure. Strategically located in the eastern region of Singapore within the new logistics estate of Tampines LogisPark, it is easily accessible via major expressways including 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$149.2 million
Valuation Date	31 December 2019
Completion Date	8 July 2015
Property Type	Ramp-up logistics warehouse with ancillary office facilities
Leasehold Title Expiry	30 years from 16 June 2014
Land Area	638,424 square feet
Gross Floor Area	989,260 square feet
Net Lettable Area	928,108 square feet
Maximum Plot Ratio	1.55
Current Plot Ratio	1.55
Lease Type	Multi-tenant
Occupancy	100%

11. 127 ORCHARD ROAD

127 Orchard Road, Chester Hill,
New South Wales, Australia

The single-storey warehouse facility is located in an established industrial precinct approximately 25 kilometres west of the Sydney CBD and 10 kilometres 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 of up to 12 metres, full drive through access and a centrally located breezeway.

PROPERTY DETAILS	
Valuation	S$48.2 million (A$51.0 million)
Valuation Date	31 December 2019
Purchase Consideration	S$38.8 million (A$37.0 million)
Acquisition Date	27 February 2015
Property Type	Single-storey logistics warehouse distribution facility with ancillary office facilities
Leasehold Title Expiry	Freehold
Land Area	414,952 square feet
Gross Floor Area	261,242 square feet
Net Lettable Area	261,242 square feet
Maximum plot ratio	–
Current plot ratio	0.63
Lease Type	Single-tenant
Occupancy	100%

12. 16 - 28 TRANSPORT DRIVE

16 - 28 Transport Drive, Somerton,
Victoria, Australia

The single-storey warehouse facility is located within an established industrial estate about 25 kilometres north of Melbourne CBD and approximately 10 kilometres (radial) east of Melbourne Airport and enjoys close proximity to the Hume Highway, which provides access to the arterial road network and the CBD. The property comprises two large warehouse facilities, an office component, canopy covered dock and loading facilities, hardstand and four concrete ingress and egress crossovers.

PROPERTY DETAILS	
Valuation	S$28.3 million (A$30.0 million)
Valuation Date	31 December 2019
Purchase Consideration	S$23.4 million (A$22.3 million)
Acquisition Date	27 February 2015
Property Type	Single-storey logistics warehouse with ancillary office space
Leasehold Title Expiry	Freehold
Land Area	492,776 square feet
Gross Floor Area	229,047 square feet
Net Lettable Area	229,047 square feet
Maximum plot ratio	–
Current plot ratio	0.46
Lease Type	Single-tenant
Occupancy	100%

WAREHOUSE PROFILES

13. 51 MUSGRAVE ROAD

51 Musgrave Road, Coopers Plains, Queensland, Australia

The single-storey warehouse is located at a well-established industrial precinct located approximately 13 kilometres south of Brisbane CBD with good access to the Ipswich Motorway. Two of the freestanding buildings have undergone recent building improvements and provides for travelling gantry cranes and nominal office accommodation. Other improvements include concrete hardstand and two crossovers for ingress and egress. The property is designed with a configuration for multiple users and is suitable for transport and logistics businesses.

PROPERTY DETAILS	
Valuation	S$7.9 million (A$8.4 million)
Valuation Date	31 December 2019
Purchase Consideration	S$11.2 million (A$10.7 million)
Acquisition Date	27 February 2015
Property Type	Single-storey logistics warehouse
Leasehold Title Expiry	Freehold
Land Area	171,793 square feet
Gross Floor Area	102,172 square feet
Net Lettable Area	102,172 square feet
Maximum plot ratio	–
Current plot ratio	0.59
Lease Type	Multi-tenant
Occupancy	86%

14. 203 VIKING DRIVE

203 Viking Drive, Wacol, Queensland, Australia

The single-storey warehouse is well located within the established industrial suburb of Wacol, approximately 18 kilometres (radial) south west of the Brisbane CBD. Apart from its easy access to Brisbane's arterial road network, it is also near to the Ipswich and Logan Motorways with public transit readily available for both train and bus services. The modern warehouse provides a clearance of between 9.2 and 11.2 metres for efficient racking storage capacity, with multiple container height roller doors. Other amenities include a 10-metre-wide awning abutting a well-lit hardstand and a single crossover for ingress and egress.

PROPERTY DETAILS	
Valuation	S$26.3 million (A$27.8 million)
Valuation Date	31 December 2019
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
Leasehold Title Expiry	Freehold
Land Area	241,544 square feet
Gross Floor Area	143,839 square feet
Net Lettable Area	143,839 square feet
Maximum plot ratio	–
Current plot ratio	0.6
Lease Type	Single-tenant
Occupancy	100%

15. 223 VIKING DRIVE

223 Viking Drive, Wacol,
Queensland, Australia

Adjacent to 203 Viking Drive, this single-storey warehouse with a refurbished free-standing office building benefits from similar proximity, transportation and network benefits of the neighbouring asset. The facility boasts good vehicular circulation with concrete driveways and a large gravel sealed hardstand of approximately 0.8 hectares which is conducive for heavy vehicle manoeuvring.

PROPERTY DETAILS	
Valuation	S$10.9 million (A$11.5 million)
Valuation Date	31 December 2019
Purchase Consideration	S$9.6 million (A$9.575 million)
Acquisition Date	4 December 2015
Property Type	Single-storey logistics warehouse with hardstand and two-storey office building
Leasehold Title Expiry	Freehold
Land Area	244,989 square feet
Gross Floor Area	67,555 square feet
Net Lettable Area	67,555 square feet
Maximum plot ratio	–
Current plot ratio	0.28
Lease Type	Single-tenant
Occupancy	100%

16. 404 - 450 FINDON ROAD

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

This large warehouse distribution facility is well located within two kilometres of Adelaide Airport and six kilometres (radial) from Adelaide CBD. The facility offers a range of uses comprising large-scale ambient warehouses, cold storage, hardstand, offices, a canteen, and a workshop. There is also an undeveloped land lot that can be utilised for future development or expansion.

PROPERTY DETAILS	
Valuation	S$44.9 million (A$47.5 million)
Valuation Date	31 December 2019
Purchase Consideration	S$57.4 million (A$57.3 million)
Acquisition Date	18 December 2015
Property Type	Large warehouse facility with chiller, freezer and ambient warehouses and ancillary components such as offices and a canteen
Leasehold Title Expiry	Freehold
Land Area	1,282,746 square feet
Gross Floor Area	632,869 square feet
Net Lettable Area	632,869 square feet
Maximum plot ratio	–
Current plot ratio	0.49
Lease Type	Single-tenant
Occupancy	100%

WAREHOUSE PROFILES

17. 217 – 225 BOUNDARY ROAD

217 – 225 Boundary Road, Laverton North, Victoria, Australia

The single-storey warehouse is well located within the established industrial suburb of Laverton North, approximately 20 kilometres west of Melbourne CBD. The warehouse benefits from close proximity to major freeways connecting directly to the Port of Melbourne and the national freeway network. The warehouse is of portal steel frame construction with concrete slab flooring, concrete panel dado walls with metal cladding above with a high clearance ceiling, recessed loading docks, an internal driveway system, concrete hardstand and three crossovers for ingress and egress. The Laverton North industrial precinct has developed significantly over the past ten years as a prime transport and logistics hub occupied by major third-party logistics providers, retail and wholesale distribution centres, and transportation companies.

PROPERTY DETAILS	
Valuation	S$23.6 million (A$25.0 million)
Valuation Date	31 December 2019
Purchase Consideration	S$24.2 million (A$22.25 million)
Acquisition Date	22 March 2017
Property Type	Single-storey warehouse with ancillary office space
Leasehold Title Expiry	Freehold
Land Area	390,195 square feet
Gross Floor Area	223,062 square feet
Net Lettable Area	223,062 square feet
Maximum Plot Ratio	–
Current Plot Ratio	0.57
Lease Type	Single-tenant
Occupancy	100%

18. 11-19 KELLAR STREET

11-19 Kellar Street, Berrinba, Queensland, Australia

Located approximately 28 kilometres south from the Brisbane CBD within the Berrinba Industrial Estate, the single-storey warehouse enjoys close proximity to main arterial roads including the Logan Motorway (M2), Mount Lindsay Highway and Browns Plains Road. The property is well located with both frontage and access to Kellar Street and Wayne Goss Drive. The property comprises a modern industrial facility constructed in 2008, including a two-level office and warehouse providing clear span accommodation with a minimum internal clearance height of 10.5 metres. The warehouse is accessible via multiple on grade, recessed access points and is fully sprinklered. The site includes a 750 sqm canopy and three concrete crossovers for ingress and egress.

PROPERTY DETAILS	
Valuation	S$11.5 million (A$12.2 million)
Valuation Date	31 December 2019
Purchase Consideration	S$12.8 million (A$12.2 million)
Acquisition Date	15 February 2018
Property Type	Single-storey warehouse with ancillary office space
Leasehold Title Expiry	Freehold
Land Area	179,866 square feet
Gross Floor Area	79,783 square feet
Net Lettable Area	79,783 square feet
Maximum Plot Ratio	–
Current Plot Ratio	0.44
Lease Type	Single-tenant
Occupancy	100%

19. 3 SANITARIUM DRIVE

3 Sanitarium Drive, Berkeley Vale,
New South Wales, Australia

Located approximately 86 kilometres north of the Sydney CBD, and in close proximity to the Pacific Motorway (M1) (Sydney – Newcastle Freeway), the property comprises three interconnected buildings connected by an enclosed cross-dock loading area. The warehouse components are fully sprinklered and provide variable internal clearances of between 8.6 and 12.1 metres. The site also includes an ancillary office and extensive hardstand areas.

PROPERTY DETAILS	
Valuation	S$34.9 million (A$37.0 million)
Valuation Date	31 December 2019
Purchase Consideration	S$35.6 million (A$34.0 million)
Acquisition Date	15 February 2018
Property Type	Single-storey warehouse with ancillary office space
Leasehold Title Expiry	Freehold
Land Area	699,122 square feet
Gross Floor Area	298,830 square feet
Net Lettable Area	298,830 square feet
Maximum Plot Ratio	–
Current Plot Ratio	0.43
Lease Type	Single-tenant
Occupancy	100%

20. 67-93 NATIONAL BOULEVARD

67-93 National Boulevard,
Campbellfield, Victoria, Australia

Located approximately 23 kilometres north of the Melbourne CBD, the location is well regarded as an industrial precinct with good access to main arterial thoroughfares including the Western Ring Road, Hume Highway and Sydney Road and close proximity to Melbourne Airport. The property comprises a modern industrial facility, constructed in 2007, with 2 freestanding office warehouse buildings. The two single-storey warehouse facilities are fully sprinklered with high internal clearance of approx. 7.5 to 10.0 metres and include concrete hardstands and six crossovers for ingress and egress.

PROPERTY DETAILS	
Valuation	S$28.6 million (A$30.25million)
Valuation Date	31 December 2019
Purchase Consideration	S$29.2 million (A$27.9 million)
Acquisition Date	15 February 2018
Property Type	Single-storey warehouse with ancillary office space
Leasehold Title Expiry	Freehold
Land Area	546,144 square feet
Gross Floor Area	243,350 square feet
Net Lettable Area	243,350 square feet
Maximum Plot Ratio	–
Current Plot Ratio	0.45
Lease Type	Multi-tenant
Occupancy	100%

WAREHOUSE PROFILES

21. 41-51 MILLS ROAD

41-51 Mills Road, Braeside,
Victoria, Australia

Located within a well-regarded industrial precinct in Braeside approximately 27 kilometres south east of the Melbourne CBD, the single-storey warehouse enjoys close proximity to main arterial roads including the Eastlink (M3) motorway, Monash Freeway (M1) and Springvale and Lower Dandenong Roads with dual street access from Mills Road. The property comprises a single level office, fully sprinklered warehouse of steel frame construction with clearance height of up to 7.4 metres and four loading area canopies on the eastern elevation.

PROPERTY DETAILS	
Valuation	S$31.6 million (A$33.5 million)
Valuation Date	31 December 2019
Purchase Consideration	S$30.8 million (A$29.4 million)
Acquisition Date	15 February 2018
Property Type	Single-storey warehouse with ancillary office space
Leasehold Title Expiry	Freehold
Land Area	570,492 square feet
Gross Floor Area	349,217 square feet
Net Lettable Area	349,217 square feet
Maximum Plot Ratio	–
Current Plot Ratio	0.61
Lease Type	Multi-tenant
Occupancy	100%

22. 41-45 HYDRIVE CLOSE

41-45 Hydrive Close, Dandenong South,
Victoria, Australia

Located approximately 44 kilometres south east from the Melbourne CBD and approximately 5 kilometres south of the Dandenong City Centre, the single-storey warehouse enjoys close proximity to main arterial roadways including the South Gippsland Highway and Eastlink (M3) motorway. The property comprises a freestanding two-level office building and cross-dock warehouse distribution centre of portal steel frame construction, concrete slab flooring, and metal deck cladding with drive around access. Additional improvements include concrete paved hardstand of approximately 5,200 sqm, a single crossover for ingress and egress and paved car parking.

PROPERTY DETAILS	
Valuation	S$11.7 million (A$12.4 million)
Valuation Date	31 December 2019
Purchase Consideration	S$12.5 million (A$11.9 million)
Acquisition Date	15 February 2018
Property Type	Single-storey warehouse with ancillary office space
Leasehold Title Expiry	Freehold
Land Area	322,597 square feet
Gross Floor Area	93,858 square feet
Net Lettable Area	93,858 square feet
Maximum Plot Ratio	–
Current Plot Ratio	0.29
Lease Type	Single-tenant
Occupancy	100%

23. 76-90 LINK DRIVE

76-90 Link Drive, Campbellfield,
Victoria, Australia

The asset is located approximately 23 kilometres north of the Melbourne CBD in a well-regarded industrial precinct with good access to main arterial thoroughfares including the Western Ring Road (M80), Hume Highway (the main arterial connection between Sydney and Melbourne) and Sydney Road and Melbourne Airport. The property is made up of two separately partitioned warehouses, each with an office component and serviced by a central loading dock. Additional improvements include concrete hardstand and five crossovers for ingress and egress.

PROPERTY DETAILS	
Valuation	S$11.7 million (A$12.4 million)
Valuation Date	31 December 2019
Purchase Consideration	S$13.2 million (A$12.6 million)
Acquisition Date	15 February 2018
Property Type	Single-storey warehouse with ancillary office space
Leasehold Title Expiry	Freehold
Land Area	230,350 square feet
Gross Floor Area	112,384 square feet
Net Lettable Area	112,384 square feet
Maximum Plot Ratio	–
Current Plot Ratio	0.49
Lease Type	Single-tenant
Occupancy	100%

24. 196 VIKING DRIVE

196 Viking Drive, Wacol,
Queensland, Australia

The site is located within the established industrial suburb of Wacol, approximately 22 kilometres south west by road from the Brisbane CBD with close proximity to the Ipswich Motorway, Logan Motorway and Centenary Highway. The property comprises a detached two-level office component with a fully sprinklered modern single-storey warehouse with high clearance of approx. 9.0 metres, 11 roller shutter doors and gantry cranes. The facility also accommodates 3,025 sqm of sealed bitumen and 7,700 sqm of concrete hardstand.

PROPERTY DETAILS	
Valuation	S$14.4 million (A$15.2 million)
Valuation Date	31 December 2019
Purchase Consideration	S$15.6 million (A$14.9 million)
Acquisition Date	15 February 2018
Property Type	Single-storey warehouse with ancillary office space
Leasehold Title Expiry	Freehold
Land Area	372,004 square feet
Gross Floor Area	61,452 square feet
Net Lettable Area	61,452 square feet
Maximum Plot Ratio	–
Current Plot Ratio	0.17
Lease Type	Single-tenant
Occupancy	100%

WAREHOUSE PROFILES

25. 16-24 WILLIAM ANGLISS DRIVE

16-24 William Angliss Drive,
Laverton North, Victoria, Australia

The property is located in the west Victorian industrial suburb of Laverton North approximately 22 kilometres from the Melbourne CBD with close proximity to the Western Ring Road (M80) and Princes Freeway (M1). Constructed in 2001, the facility comprises two warehouses with ancillary offices and each have separate hardstand areas and driveway access points from William Angliss Drive. Additional site improvements include five crossovers for ingress and egress and paved car parking.

PROPERTY DETAILS	
Valuation	S$16.3 million (A$17.25 million)
Valuation Date	31 December 2019
Purchase Consideration	S$19.6 million (A$18.7 million)
Acquisition Date	15 February 2018
Property Type	Single-storey warehouse with ancillary office space
Leasehold Title Expiry	Freehold
Land Area	344,448 square feet
Gross Floor Area	175,714 square feet
Net Lettable Area	175,714 square feet
Maximum Plot Ratio	–
Current Plot Ratio	0.51
Lease Type	Multi-tenant
Occupancy	100%

26. 151-155 WOODLANDS DRIVE

151-155 Woodlands Drive,
Braeside, Victoria, Australia

Located in the south eastern industrial precinct within the suburb of Braeside approximately 28 kilometres from the Melbourne CBD, this single-storey warehouse enjoys close proximity to main arterial roads including the Eastlink (M3) motorway and the Monash Freeway (M1). The warehouse is fully sprinklered, includes a canopy, 11 roller shutter doors and has an internal clearance height of 9.0 – 11.0 metres. Additional improvements include a concrete hardstand and a single crossover for ingress and egress.

PROPERTY DETAILS	
Valuation	S$16.1 million (A$17.0 million)
Valuation Date	31 December 2019
Purchase Consideration	S$16.8 million (A$16.0 million)
Acquisition Date	15 February 2018
Property Type	Single-storey warehouse with ancillary office space
Leasehold Title Expiry	Freehold
Land Area	263,718 square feet
Gross Floor Area	119,203 square feet
Net Lettable Area	119,203 square feet
Maximum Plot Ratio	–
Current Plot Ratio	0.45
Lease Type	Single-tenant
Occupancy	100%

27. 182 – 198 MAIDSTONE STREET

182 – 198 Maidstone Street, Altona,
Victoria, Australia

Strategically located within the highly sought-after industrial and logistics precinct of Altona, this warehouse is efficiently connected to main arterial roadways, the Port of Melbourne and the central business district of Melbourne. Upon completion of the ongoing West Gate Tunnel Project, it is expected that the warehouse's users will be accorded a shorter travel time, and increased tenant demand from users of the Port of Melbourne. The freehold property enjoys good logistics warehouse specifications, including a warehouse ceiling height clearance of 8.5 to 11 metres and a super-sized canopy of 6,601 sqm which provides for a truck drive-through capability and all-weather access.

PROPERTY DETAILS	
Valuation	S$37.8 million (A$40.0 million)
Valuation Date	31 December 2019
Purchase Consideration	S$39.7 million (A$41.2 million)
Acquisition Date	29 April 2019
Property Type	Single-storey warehouse with ancillary office space
Leasehold Title Expiry	Freehold
Land Area	893,627 square feet
Gross Floor Area	408,020 square feet
Net Lettable Area	408,020 square feet
Maximum Plot Ratio	–
Current Plot Ratio	0.46
Lease Type	Multi-tenant
Occupancy	76%

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE REPORT

Cache Logistics Trust ("**Cache**") is a Real Estate Investment Trust ("**REIT**") listed on the Main Board of Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 12 April 2010. Cache is managed by ARA Trust Management (Cache) Limited (as manager of Cache, the "**Manager**"). The Manager is a subsidiary of ARA Asset Management Limited ("**ARA**").

Cache was constituted by a deed of trust dated 11 February 2010 (as amended by a first supplemental deed dated 18 March 2010, a second supplemental deed dated 29 September 2014, a first amending and restating deed dated 13 April 2016 and a fourth supplemental deed dated 31 May 2018) (the "**Trust Deed**") entered into between the Manager, and HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Cache (the "**Trustee**").

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

The Manager is fully committed to sound corporate governance policies and practices and adheres to high standards of conduct in line with the recommendations of the Code of Corporate Governance 2018 (the "**2018 CG Code**") and the Listing Manual of the SGX-ST (the "**Listing Manual**") as well as other applicable rules and regulations.

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

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

Other functions and responsibilities of the Manager include:

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

2. preparing an annual budget proposal including the net income forecast, property expenditure, capital expenditure, and providing explanations for major variances from the previous year's forecasts, written commentaries on key issues and any relevant assumptions;

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

4. ensuring compliance with the principles and provisions of the 2018 CG Code and other applicable laws, rules and regulations including the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), the Securities and Futures (Licensing and Conduct of Business) Regulations (the "**SF(LCB)R**"), the Listing Manual, the Code on Collective Investment Schemes issued by the MAS (the "**CIS Code**"), Appendix 6 of the CIS Code (the "**Property Funds Appendix**"), the Singapore Code on Takeovers and Mergers, the Trust Deed, the relevant MAS Notices and Guidelines and any tax rulings and all relevant contracts;

5. managing communications with Unitholders; and

6. oversight of the property management services provided by the property managers.

This Corporate Governance Report (this "**Report**") describes the Manager's corporate governance framework and practices. The Manager is committed to complying with the principles and provisions of the 2018 CG Code. There are deviations from the provisions of the 2018 CG Code, such as in respect of the formation of a nominating committee and a remuneration committee, the disclosure of remuneration, and the implementation of absentia voting at general meetings of Unitholders. Explanations for such deviations as well as how the practices adopted by the Manager are consistent with the intent of the relevant principles have been provided within this Report.

(A) BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The composition of the board of directors of the Manager (the "**Directors**", and the board of Directors, the "**Board**") as at 31 December 2019 is as follows:

Mr Lim How Teck	Chairman and Non-Executive Director
Mr Chia Nam Toon	Non-Executive Director
Mr Lim Lee Meng	Lead Independent Non-Executive Director and Chairman of the Audit Committee
Mr Lim Kong Puay	Independent Non-Executive Director
Mr Oh Eng Lock	Independent Non-Executive Director

The Board is entrusted with responsibility for the overall management of the Manager and its corporate governance, to establish goals for the management team of the Manager (the "**Management**"), hold the Management accountable for performance and monitor the achievement of these goals. All Directors are fiduciaries who act objectively in the best interests of Cache. The Board sets an appropriate tone from the top and the desired organisational culture and ensures proper accountability.

The Board is also responsible for the strategic business direction and risk management of Cache. All Board members participate in matters relating to corporate governance, business operations and risks, financial performance and the nomination and appointment of Directors. The Board has established a framework for the management of the Manager and Cache and the framework comprises a system of robust internal controls, risk management processes and clear policies and procedures and sets out the code of conduct and ethics of Cache. The Board also reviews the sustainability issues relevant to its business environment and stakeholders. Where a Director is conflicted in a matter, he or she will recuse himself or herself from the deliberations and abstain from voting on the matter.

The Board has adopted a set of prudent internal controls to safeguard Unitholders' interests and Cache's assets. A set of internal guidelines setting out the level of authorisation and financial authority limits for operating and capital expenditure, capital management, leasing and other corporate matters facilitates operational efficiency, with oversight by the Board. Apart from matters stated below that specifically require approval from the Board, the Board approves transactions which exceed established threshold limits, and delegates its authority for transactions below those limits to the relevant Board Committee, where appropriate.

Matters that are specifically reserved for the Board's decision and approval include:

- corporate strategies and policies of Cache;
- financial restructuring;
- any material acquisitions and disposals;
- annual budget;
- release of quarterly and full year results;
- audited financial statements;
- issue of new Cache's units ("**Units**");
- income distributions and other returns to Unitholders; and
- Interested Person Transactions (i.e. as defined below) of a material nature.

BOARD COMMITTEE

The Board is supported by its Board Committee, in particular, the audit committee (the "**Audit Committee**"), to assist the Board in discharging its responsibilities and enhancing its corporate governance framework. The Board has delegated specific responsibilities to the Audit Committee and its composition, terms of reference and a summary of its activities are further described in this Report.

The Board accepts that while the Board Committee has the authority to examine particular issues in its specific area, the Board Committee shall report to the Board with its decision(s) and/or recommendation(s) and the ultimate responsibility on all matters lies with the Board.

<u>Board Meetings</u>

The Board meets regularly to review the Manager's key activities. Board meetings are held once every quarter (or more often if necessary). Where necessary, additional meetings would be held to address significant transactions or issues requiring the Board's attention. The Constitution of the Manager allows Directors to convene meetings via teleconferencing, video conferencing or other similar means of communication.

Prior to Board meetings and on an on-going basis, Management provides complete, adequate and timely information to the Board on Cache's affairs and issues that require the Board's decision. Explanatory background information relating to matters brought before the Board includes quarterly results announcements, budgets and documents related to the operational and financial performance of Cache.

Board meetings for the year are scheduled in advance to facilitate the Directors' administrative arrangements and commitments. Board papers are generally circulated at least three (3) days in advance of each meeting and include background explanatory information for the Directors to prepare for the meeting and make informed decisions. Information provided to the Board include financial results, market and business developments, and business and operational information. Management also highlights key risk issues for discussion and confers with the Audit Committee and the Board regularly.

The CEO keeps all Board members abreast of key developments and material transactions affecting Cache so that the Board is kept fully aware of its affairs, business, financial environment and risks faced by Cache and the Manager. All Directors have separate, independent and unrestricted access to Management, the Company Secretary, the Internal Auditors and the External Auditors (each as defined herein), as well as other external advisers (where necessary), at all times and at the Manager's expense (where applicable).

If a Director is unable to attend the Board meetings, he or she would review the Board papers and advise the Chairman or the chairman of the Board Committee of his or her views on the matters to be discussed and conveyed to other Directors at the meetings. Where appropriate, Management will be requested to attend meetings of the Board and the Board Committee in order to provide their input and insight into the matters being discussed, and to respond to any queries that the Directors may have.

In addition, Directors may request for briefings and discussions with Management on any aspect of Cache's operations and may request for any additional reports and documents requiring the Board's attention. When circumstances require, Board members may exchange views outside the formal environment of Board meetings.

The Company Secretary and/or her authorised designate(s) attend(s) all Board meetings and assist(s) the Board in ensuring that Board procedures and all other rules and regulations applicable to the Manager are complied with. The Company Secretary advises the Board on governance matters and works with the Chairman to ensure that information flows within the Board and the Board Committee and between Management and the Directors. The Company Secretary will also assist with professional development and training for Directors when required to do so. The appointment and the removal of the Company Secretary shall be reviewed and decided by the Board.

The Manager has in place procedures to enable Directors, whether as a group or individually, to obtain independent professional advice as and when necessary, in furtherance of their duties, at the Manager's expense. The appointment of such independent professional advisors is subject to approval by the Board.

Four Board meetings were held during the financial year ended 31 December 2019 ("**FY2019**"). The attendance of the Directors at Board meetings and Audit Committee meetings, as well as the frequency of such meetings, are set out below.

Directors' Attendance at Board and Audit Committee Meetings in FY2019

	Board Meetings		Audit Committee Meetings	
Directors	**Participation**	**Attendance / Number of Meetings**	**Participation**	**Attendance / Number of Meetings**
Mr Lim How Teck	Chairman	4/4	NA	–
Mr Chia Nam Toon	Member	3/4	NA	–
Mr Lim Lee Meng	Member	4/4	Chairman	4/4
Mr Lim Kong Puay	Member	4/4	Member	4/4
Mr Oh Eng Lock	Member	4/4	Member	4/4

Professional Development

Changes to regulations, policies and accounting standards are monitored closely. Where the changes have an important impact on Cache and its disclosure obligations, the Directors are briefed on such changes either during a Board meeting, at specially convened sessions by the External Auditors, lawyers and professionals or via circulation of Board papers. Relevant regulatory updates and news releases issued by the SGX-ST, the MAS and the Accounting and Corporate Regulatory Authority will also be circulated to the Board for information.

The Directors receive regular training and are able to participate in conferences, seminars or any training programme in connection with their duties such as those conducted by the Singapore Institute of Directors, SGX-ST and REIT Association of Singapore ("**REITAS**"). A list of training courses and seminars which might be of interest is sent to the Directors for their consideration. The costs of arranging and funding the training of the Directors will be borne by the Manager. The Manager notes the requirements under the 2018 CG Code and Listing Manual on the training requirements for directors with no prior experience on listed companies. Mr Oh Eng Lock was appointed as an Independent Non-Executive Director with effect from 15 March 2019. Mr Oh Eng Lock has prior experience acting as a director of a listed company.

Nevertheless, as part of the training programme arranged for Directors during the year, they were invited to attend the "What you need to know as an Independent Director of a REIT manager" seminar conducted by REITAS.

All approved Directors are given formal appointment letters explaining the terms of their appointment as well as their duties and obligations. An induction programme is arranged for new Directors to be briefed on the business activities of Cache and its strategic directions and policies.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

The Board currently comprises five members: two Non-Executive Directors and three Independent Non-Executive Directors. Non-Executive Directors make up the entire Board. Each Director is a well-respected individual from the corporate industry and/or industry circles with diverse experience and network.

The Chairman of the Board is Mr Lim How Teck.

The composition of the Board is determined using the following principles:

1. the Chairman of the Board should be a Non-Executive Director;

2. the Board should comprise Directors with a broad range of commercial experience including expertise in fund management and the property industry; and

3. at least half the Board should comprise Independent Directors.

The Board seeks to refresh its membership and welcomed Mr Oh Eng Lock as Independent Non-Executive Director in FY2019. The appointment of new Directors allows the Board to refresh itself in an orderly and progressive manner, in line with its Board diversity policy and in compliance with the applicable regulatory requirements.

<u>Independence Composition</u>

The Independent Non-Executive Directors exercise objective judgement on Cache's affairs and are independent from Management. The independence of each Independent Director is reviewed upon appointment and thereafter annually by the Board through the annual independence declaration. The declaration makes reference to the guidelines set out in the 2018 CG Code and other applicable laws and regulations.

The assessment of a Director's independence takes into account, among others, the enhanced independence requirements and the definition of "Independent Director" as set out in the SF(LCB)R. An Independent Director is one who: (i) is independent in conduct, character and judgement, and has no relationship with the Manager, its related corporations, its shareholders who hold 5.0% or more of the voting shares (the "**Substantial Shareholders**"), or Unitholders who hold 5.0% or more of the Units (the "**Substantial Unitholders**") in issue, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independence business judgement, in the best interests of the Unitholders; (ii) is independent from any management and business relationship with the Manager and Cache and from every Substantial Shareholder of the Manager and any Substantial Unitholder; (iii) is not a Substantial Shareholder of the Manager or a Substantial Unitholder; (iv) has not served on the Board for a continuous period of nine years or longer; and (v) is not employed or has been employed by the Manager or Cache or any of their related corporations in the current or any of the past three financial years and does not have an immediate family member who is employed or has been employed by the Manager or Cache or any of their related corporations in the current or any of the past three financial years and whose remuneration is or was determined by the Board.

Each Independent Non-Executive Director has declared whether there were any relationships or any instances that would otherwise deem him not to be independent. None of the Independent Non-Executive Directors has served for a continuous period of nine years or longer on the Board. The independence declarations have been duly reviewed by the Board. On the basis of the declarations of independence provided, the Board has determined that these Independent Non-Executive Directors are independent as defined under the relevant regulations. Each of the Independent Non-Executive Directors has recused himself from reviewing his own independence.

All Non-Executive Directors contribute to the Board process by monitoring and reviewing Management's performance against their goals and objectives. Their views and opinions provide alternative perspectives to Cache's business and enable the Board to make informed and balanced decisions. Non-Executive Directors constructively provide inputs and enable the Board to interact and work with Management to establish strategies.

When reviewing Management's proposals or decisions, the Non-Executive Directors provide their objective judgement on business activities and transactions involving conflicts of interest and other complexities. The Non-Executive Directors and/or Independent Non-Executive Directors meet without presence of the Management on a needs-basis, as led by the Independent

Directors, and provide updates to the Board where necessary.

The composition of the Board is reviewed regularly to ensure that the Board has the appropriate mix of industry expertise and experience. In particular, the Board's diversity policy strives to ensure that the Board as a whole has the requisite background, and diverse experience and knowledge in business, accounting and finance and management skills critical to Cache's businesses. 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.

A healthy exchange of ideas and views between the Board and Management during regular meetings and updates enhances the management of Cache. This, together with a clear separation of roles between the Chairman and the Chief Executive Officer ("**CEO**"), establishes a healthy and professional relationship between the Board and Management.

In FY2019, the Board determined that its current composition of Independent Directors has made up a majority of the Board, which is in line with the 2018 CG Code, as the Chairman is a Non-Independent Director. In addition, the Board continuously reviews its composition to enhance its independence, by taking into consideration the following factors:

(i) there are three Independent Non-Executive Directors and two Non-Executive Directors, out of a total of five members. Independent Non-Executive Directors make up 60% of the Board and Non-Executive Directors make up 100% of the Board;

(ii) there is a newly appointed Independent Non-Executive Director in March 2019, who brings fresh independent perspective to the Board;

(iii) the Independent Non-Executive Directors have been assessed based on the independence criteria which include (a) length of service not more than nine years, (b) independence from management and business relationships with the Manager and Cache, (c) independence from Substantial Shareholders of the Manager and Substantial Unitholders, and (d) other factors described in Principle 4 of this Report;

(iv) a Lead Independent Director has been appointed given that the Chairman is a Non-Independent Director. The Lead Independent Director serves in a lead capacity to co-ordinate the activities of the non-executive members in circumstances where it is inappropriate for the Chairman to direct and address matters relating to Cache and its Unitholders; and

(v) interested Director(s) are required to abstain from voting when passing Board resolutions and the quorum for such matter must comprise a majority of Independent Non-Executive Directors, excluding such interested Director(s).

Based on the above assessment, the Board is of the view that the current composition of Directors, as a group, provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity and that the current Board size is appropriate, taking into consideration the nature and scope of the Cache's operations. In addition, prior approval of the MAS is required for appointment of any Board member or the CEO. The Board will continue to review its composition to ensure that it adheres to the requirements under Principle 2.

Profiles of the Directors and other relevant information are set out on pages 16 to 19 of this Annual Report. There were no Alternate Directors in FY2019.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The roles of Chairman and CEO are separate and held by Mr Lim How Teck and Mr Daniel Cerf respectively. The Chairman and the CEO are not immediate family members. The separation of responsibilities between the Chairman and the CEO facilitates effective oversight and a clear segregation of duties and accountability. This ensures an appropriate balance of power, increased accountability and greater capacity for sound decision making.

The Chairman leads the Board and ensures that its members work together with Management in a constructive manner to address strategies, business operations and enterprise issues. The Chairman also ensures that there is effective communication with Unitholders and promotes a culture of openness and a high standard of corporate governance. The CEO has full executive responsibilities over the business direction and day-to-day operational decisions in relation to the management of Cache, in accordance with the objectives established by the Board. The CEO is a licensed representative approved by the MAS and is resident in Singapore.

Separately, a Lead Independent Director, Mr Lim Lee Meng is available to Unitholders when they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate. The Lead Independent Director also coordinates meeting with other Independent

Directors as and when required, without the presence of Management and provides feedback to the Chairman.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The Board has not established a nominating committee (as required under Provision 4.1) as the Board, taking into account the activities of Cache and its current Board composition, considers that the objectives of a nominating committee, as required under Principle 4, are currently achieved by the Board, consistent with the intent under Principle 4 of the 2018 CG Code. Therefore, a separate committee, comprising at least three Directors (including the Lead Independent Director), a majority of whom, including the committee chairman are independent, is not necessary (as required under Provisions 4.1 and 4.2). The Board has assessed its independence element under Principle 2 and is of the view that it can effectively perform the role of a nominating committee.

The Board performs the various functions of the nominating committee, including:

- tabling nominations for appointment and re-appointment to the Board and taking into account the succession plan and framework for the Chairman, the CEO and key management personnel;
- reviewing the structure, size, and composition of the Board;
- reviewing the overall performance and progress of the Board, the Audit Committee and the Directors;
- reviewing the independence of Board members; and
- reviewing the training and professional development of the Board and the Directors.

The Board believes that it can achieve orderly succession and renewal through continuously reviewing the appropriate composition of the Board. This is evident in the changes to the Board composition, as described under Principle 1 above.

<u>Process for Appointment of New Directors</u>

When reviewing and recommending the appointment and re-appointment of new Directors, the Board takes into consideration the current Board's size and mix, and the principles outlined in the subsequent part of this Report. The Board has put in place a process for shortlisting, evaluating and nominating candidates for appointment as Directors. The selection and appointment of candidates is evaluated through taking into account various factors including the current and mid-term needs and goals of Cache, as well as the relevant background of the candidates and their potential contributions. Candidates may be put forward or sought through contacts and recommendations by the Directors or through external referrals where applicable.

<u>Criteria for Appointment and Re-appointment of Directors</u>

The Board reviews each candidate's experience and ability to contribute to the guidance of the Manager in its management of Cache, including attributes such as complementary experience, time commitment, financial literacy, reputation and whether he or she is a fit and proper person in accordance with the Guidelines on Fit and Proper Criteria issued by MAS (which require the candidate to be competent, honest, to have integrity and be financially sound). The Board also determines whether its members as a whole have the skills, knowledge and experience required to achieve the objectives of Cache.

The Board unanimously approves the appointment of new Directors via Board resolution upon assessing the candidates' profiles and credentials. Once appointed, the Board ensures that new Directors are aware of their duties and obligations. For re-appointment of Directors, the Board assesses the relevant Directors' performance as disclosed under Principle 5 below and these directors shall be re-elected at the Annual General Meeting of the Manager. The Board seeks to refresh its membership progressively, taking into account the balance of skills and experience, tenure and diversity, as well as benchmarking within the industry, as appropriate. No Board member is involved in any decisions relating to his or her own appointment or reappointment.

<u>Review of Director's Independence</u>

The Board itself undertakes the role of determining the independence status of the Directors (as required under Provision 4.4) which was described under Principle 2 above. The independence of each Director is reviewed prior to the appointment and thereafter, annually with reference to the principles and provisions set out in the 2018 CG Code and applicable laws and regulations.

In FY2019, the Board has reviewed the Directors' independence declarations and determined that Mr Lim Lee Meng, Mr Lim Kong Puay and Mr Oh Eng Lock are independent and are free from any of the relationships stated in the 2018 CG Code, the Listing Manual and the SF(LCB)R. The Board has also, prior to the appointment of Mr Oh Eng Lock, received his declaration and has reviewed and determined that Mr Oh Eng Lock is considered to be independent and free from any of the relationships stated in the above relevant regulations.

Annual Review of Directors' Time Commitments

Although the Directors have other listed company board representations and principal commitments (as set out below on page 94), the Board has determined that each individual Director has devoted sufficient time and attention to his or her role as a Director and to the affairs of the Manager (as required under Provision 4.5) and this is being assessed as part of the Director's performance as disclosed in Principle 5 below. In FY2019, the Directors attended Board meetings, had given feedback and participated constructively when discussing the activities of Cache. The Board has also procured written confirmations from the Directors stating that they are able to carry out their duties as Directors of the Manager and they would address any competing time commitments that may arise, despite their multiple Board representations. The Board is of the view that such external appointments do not hinder the Directors from carrying out their duties.

The Manager is of the view that its practice is consistent with Principle 4 of the 2018 CG Code as the Board can effectively perform the role of the Nominating Committee as a whole.

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The Board believes that performance of the whole Board, the Audit Committee, the Chairman and individual Directors are assessed and reflected in their proper guidance, diligent oversight, able leadership and support that they lend to Management. The Board takes the lead to steer Cache in the appropriate direction under both favourable and challenging market conditions. Ultimately, the interests of Cache are safeguarded and reflected in the maximisation of Unitholders' value in the long-term performance of Cache.

As part of the Manager's commitment towards good corporate governance, the Board has implemented a structured process in assessing the performance of the Board as a whole and for its Board Committee and Directors (as required under Provision 5.1). This process is facilitated by the Company Secretary as an external facilitator and it encompasses the use of confidential questionnaire, laying out the performance criteria determined by the Board. This criteria includes an evaluation of the Board's oversight over the performance of Cache, the size and composition of the Board, overall governance and risk framework, Board meeting participation, access to information, as well as standards of individual Director's conduct, independence and performance, and the upkeep of their professional development. The results are aggregated and presented during the board meetings for overall analysis, and where necessary, follow up actions are taken to enhance the effectiveness of the Board in discharging its duties and responsibilities.

For FY2019, based on the assessment of the Board and individual Director's performance, the Board is satisfied with the result and therefore approves the re-election of the Directors at the Annual General Meeting of the Manager. The Board has also taken on feedback and will arrange an annual discussion amongst its members without the presence of Management.

The Manager is of the view that its practice is consistent with Principle 5 of the 2018 CG Code as the Board can effectively undertake a formal assessment of its effectiveness as a whole and that of its Board Committee and individual Directors.

(B) REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES AND LEVEL AND MIX OF REMUNERATION

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

The Board has assessed its independence element under Principle 2 and is of the view that the current composition of Directors provides sufficient strong independence to perform the role of a remuneration committee. Accordingly, the Board has considered that a separate remuneration committee, comprising at least three Directors and all members to be Non-Executive Directors, the majority of whom, including the committee chairman are independent, would not be necessary (as required under Provisions 6.1 and 6.2).

The Board has assessed the remuneration policies and practices of ARA, in lieu of reviewing specific remuneration packages for key management personnel (as required under Provisions 6.1 and 6.3). As a result, the Board has deemed such remuneration policies and practices to be fair and appropriate for Cache. Accordingly, the Manager has adopted the remuneration policies and practices of ARA, which has an established framework for the remuneration, compensation, benefits and succession planning for the Directors and key management executives of the Manager.

The Manager is of the view that its practice is consistent with Principle 6 of the 2018 CG Code as the Board can effectively perform the role of the Remuneration Committee as a whole.

Remuneration Framework
The Manager advocates a performance-based remuneration framework. In adopting the remuneration policies and practices of ARA, the Manager ensures that such remuneration policies take into account achieving the long-term success of Cache, which:

- comprise a variable component of key performance indicators ("**KPIs**") that are tied to the financial performance of Cache and individuals' performance related to the organisational goals, aligning with the interests of the Unitholders;
- comprise a fixed pay component that is benchmarked against the market to maintain competitiveness; and
- attract and retain talented staff for the long term, while considering the prevailing market conditions within the industry.

Link Between Pay and Performance
A comprehensive and structured performance assessment is carried out annually for the CEO and key management executives of the Manager. At the start of the year, KPIs for the CEO and key management executives are discussed and agreed upon to ensure that such indicators are specific, measurable, result-oriented and time-bound. The KPIs could be on financial and non-financial metrics such as performance related to distribution per unit, net asset value and net property income. These KPIs serve to link the rewards to an individual's and Cache's performance and deliver overall Unitholders' value. 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 KPIs. The overall assessment is based on a rating scale, where the variable year-end bonus for the CEO and key management executives are determined.

In addition to the base salary and a variable year-end bonus, designated key management executives of the REIT Manager participate in a Performance Based Bonus Scheme (the "**Scheme**"). Under the Scheme, designated key management executives of the Manager may be entitled to a pool of incentive payments based on certain performance indicators linked to the growth of Cache and optimising the returns to Unitholders. The incentive payments are paid in cash and allocated amongst the designated key management executives based on various factors and conditions, including seniority, length of service, performance and contributions.

The remuneration of CEO and key management executives is not linked to the gross revenue of Cache. As and when required, the Board will have access to independent remuneration consultants but did not engage any during FY2019 .

In FY2019, there were no termination, retirement and post-employment benefits granted to Directors, the CEO and key management executives.

DISCLOSURE ON REMUNERATION
Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The remuneration of the Non-Executive Directors for FY2019 comprises entirely Directors' fees paid entirely in cash and the details of the Non-Executive Directors' remuneration are set out below:

Name of Director	Salary (S$)	Bonus (S$)	Directors' Fees (S$)	Others (S$)	Total (S$)
Mr Lim How Teck	–	–	90,000	–	90,000
Mr Lim Lee Meng	–	–	81,000	–	81,000
Mr Lim Kong Puay	–	–	65,000	–	65,000
Mr Oh Eng Lock	–	–	52,000	–	52,000
Mr Chia Nam Toon	–	–	–	–	–
Mr Lim Ah Doo[1]	–	–	17,233	–	17,233
Ms Stefanie Yuen Thio[1]	–	–	13,178	–	13,178

Note:
1 Resigned on 15 March 2019

Directors' fees are established annually based on the Directors' responsibilities on the Board and the Audit Committee. The Board believes that the remuneration for Directors is appropriate to attract, retain and motivate the Directors and is also appropriate to the level of contribution and takes into account the industry practices and norms for Directors to provide stewardship of the Board, while being commensurate with their efforts, responsibilities and time spent. Each Director is paid a fixed fee, and no Director is involved in deciding his or her own remuneration. The framework for determining the Directors' fees is shown in the table below:

Mainboard	
Chairman	S$90,000 per annum
Members	S$45,000 per annum
Audit Committee	
Chairman	S$40,000 per annum
Members	S$20,000 per annum

The Manager is cognisant of the requirement to disclose (i) the remuneration of the CEO and each individual Director on a named basis; (ii) the remuneration of at least the top five key management executives (who are not also Directors or the CEO), on a named basis, in bands of S$250,000; (iii) the aggregate remuneration of its CEO and top five key management executives (who are not also Directors or the CEO); and (iv) any other forms of remuneration and other payments and miscellaneous staff benefits paid to key management executives (who are not also Directors or the CEO) (as required under Provisions 8.1 and 8.3). The Board has assessed and elected not to disclose the above remuneration for the following reasons:

- the 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 key management executives (who are not also Directors or the CEO) so as to minimise potential staff movement which would cause undue disruptions to the management team of Cache;
- it is important that the Manager retains its competent and committed staff to ensure the stability and continuity of business and operations of Cache;
- due to the confidentiality and sensitivity of staff remuneration matters, the Manager is of the view that such disclosures could be prejudicial to the interests of Unitholders. Conversely, the Manager is of the view that such non-disclosure will not be prejudicial to the interests of Unitholders as the information provided regarding the Manager's remuneration policies is sufficient to enable Unitholders to understand the link between remuneration paid to the CEO and the top five key management executives (who are not also Directors or the CEO) and their performance; and
- there is no misalignment between the remuneration of the CEO and key management executives and the interests of the Unitholders as their remuneration is paid out from the fees the Manager receives from Cache, rather than borne by Cache.

The Manager is accordingly of the view that its practice is consistent with Principle 8 of the 2018 CG Code as a whole.

There are no employees of the Manager who are Substantial Shareholders of the Manager; Substantial Unitholders; or immediate family members of a Director, the CEO, a Substantial Shareholder of the Manager or a Substantial Unitholder; whose remuneration exceeds S$100,000 during the year.

The key management executives were remunerated wholly in cash in FY2019.

(C) ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Effective risk management is a fundamental part of Cache's business strategy. Recognising and managing risks is central to the business and serves to protect Unitholders' interests and Cache's assets. Cache operates within the overall guidelines and specific parameters set by the Board. Each transaction is comprehensively analysed to understand the risks involved and appropriate controls and measures are put in place before the Manager proceeds with the execution.

Key risks, process owners, risk factors, mitigating actions and risk indicators are continuously identified, assessed and monitored by Management as part of Cache's Enterprise Risk Management Framework (the "**ERM Framework**") and documented in the risk profile maintained by the Manager and reviewed quarterly by the Audit Committee and the Board. As a result, the Board determines the nature and extent of such risks identified in achieving Cache's strategic objectives and value creation.

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

Risk Management Committee

A separate risk management committee (the "**Risk Management Committee**") was established to assist the Audit Committee in assessing the adequacy of internal controls. The Risk Management Committee comprises the CEO, Head of Finance and the Head of ARA Group Risk Management & Internal Audit Division ("**GRM & IA**"). GRM & IA is a corporate division of ARA, the holding company of the Manager.

The Risk Management Committee meets regularly to review the risk profile of Cache. The Risk Management Committee, which is headed by the CEO, reports to the Audit Committee on overall risk management matters during the quarterly Audit Committee meetings.

The Risk Management Committee identifies the material risks that Cache faces, including strategic, operational, financial, compliance and information technology risks, and sets out the appropriate mitigating actions and monitoring mechanisms to respond to these risks and changes in the external business environment. The risk profile highlights the changes in risk assessment, quantitative and qualitative factors affecting the inherent risk levels and effectiveness of mitigating controls supporting the residual risks within the risk appetite approved by the Board.

The CEO and his management team are primarily responsible for maintaining the internal controls and risk management systems. Risks are proactively identified and addressed. The ownership of these risks lies with the respective departmental heads with stewardship residing with the Board. The Internal Auditors conduct reviews of the adequacy and effectiveness of the risk profiles and material internal controls, addressing financial, operational, compliance and information technology controls, as part of the 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. Any material non-compliance or improvements identified for the risk management processes is reported to the Audit Committee. The Audit Committee and the Board review the adequacy and effectiveness of Cache's risk management and internal control systems.

Role of Board and Audit Committee

The Audit Committee and the Board believe that the internal controls, including financial, operational, compliance and information technology controls, risk management systems and sustainability measures put in place to manage the risks are adequate and effective and the residual risks are acceptable.

For the financial year in review, the Board has received written assurances from the CEO and the Head of Finance that (a) 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 (b) Cache's risk management and internal control systems are adequate and effective.

In addition, an Internal Assessment Checklist (the "**1207(10) Checklist**") which captures the requirements under Rule 1207(10) of the Listing Manual had been used by Management as a guide to assess the adequacy of internal controls. The 1207(10) Checklist covers the areas of risk management, internal audit, internal controls, information technology, fraud assessment, external audit and compliance. The completed 1207(10) Checklist is reviewed by the Audit Committee, in conjunction with the reports submitted by the Internal Auditors and the External Auditors, as well as the letters of undertaking from the CEO and the Head of Finance of the Manager to give assurance on the state of internal controls.

For FY2019, the Board is satisfied with the adequacy and effectiveness of Cache's internal controls (including financial, operational, compliance and information technology controls) and risk management systems, taking into account the nature, scale and complexity of the Manager's operations. The Board arrived at this assessment based on the ERM Framework established, the 1207(10) Checklist and the reviews conducted by the Internal Auditors and the External Auditors, together with the Management's confirmation on the adequacy and effectiveness of the internal controls. The Audit Committee has concurred with the Board's assessment. In addition, the Audit Committee has reviewed and is satisfied with the adequacy of resources and qualifications of the Manager's key management executives who are performing accounting, financial reporting and compliance roles.

Cache has maintained proper records of the discussions and decisions of the Board and the Audit Committee.

Whistle Blowing Policy

Pursuant to the Whistle-Blowing Programme which has been put in place, the Audit Committee reviews arrangements by which staff of the Manager or any other persons may, in confidence, raise their concerns to the Audit Committee about possible improprieties in matters of financial reporting or such other matters in a responsible and effective manner.

The objective of the Whistle-Blowing Programme, as approved by the Audit Committee, is to ensure that arrangements are in place for independent investigation of such concerns and allow appropriate follow-up actions to be taken.

The Audit Committee is guided by the Whistle-Blowing Programme 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.

Details of the Whistle-Blowing Programme and arrangements are posted on Cache's website. The website provides a feedback channel for any complainant to raise possible improprieties directly to the Audit Committee (with such complaints copied to the Head of ARA GRM & IA) to facilitate an independent investigation of any matter raised and allow appropriate follow-up action as required. The Whistle-Blowing Policy and Code of Conduct, amongst other policies, are circulated to all new incoming staff and also covered as part of the staff's annual declaration of compliance.

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

The Board has established an Audit Committee to assist the Board in discharging its corporate governance responsibilities. The Audit Committee's role is to assist the Board in ensuring the integrity of the financial reporting and that sound internal controls are put in place. In adhering to best practices of corporate governance, all members of the Audit Committee (including the Audit Committee Chairman) are Independent Non-Executive Directors.

The Audit Committee currently comprises three Independent Non-Executive Directors, namely:

- Mr Lim Lee Meng (Chairman)(1)
- Mr Lim Kong Puay (Member)
- Mr Oh Eng Lock (Member)(2)

Notes:
(1) Member appointed as Chairman on 15 March 2019
(2) Appointed on 15 March 2019

Mr Oh Eng Lock was appointed as an Independent Director and a member of the Audit Committee following the resignations of Mr Lim Ah Doo and Ms Stefanie Yuen Thio, who have reached their tenure of nine years on 15 March 2019.

The members of the Audit Committee bring with them professional expertise and experience in the financial, business management and consultancy fields. The Board is of the view that the Audit Committee Chairman and members are appropriately qualified, with the necessary accounting and financial management expertise and experience to discharge their responsibilities. Mr Lim Lee Meng was a former senior partner of an international accounting firm and he was previously on the boards of several Singapore-listed REITs. Mr Lim Kong Puay is a senior corporate executive in the electricity and utilities sector. Mr Oh Eng Lock has extensive experience in the banking and financial sector and was formerly the CEO and an Executive Director of a listed company.

In compliance with the 2018 CG Code, the Audit Committee does not comprise any former partner or director of the incumbent External Auditors, within the previous two years or hold any financial interest in the auditing firm.

Four Audit Committee meetings were held during FY2019.

The Audit Committee is guided by its written terms of reference which defines its duties and scope of authority. Specifically, the duties of the Audit Committee include:

1. reviewing the annual audit plan, including the nature and scope of the internal and external audits before the commencement of these audits;
2. reviewing at least annually, the adequacy and effectiveness of the internal audit process and Cache's system of risk management and internal controls, including financial, operational, compliance and information technology controls;
3. reviewing external and internal audit reports to ensure that where deficiencies in internal controls have been identified, appropriate and prompt remedial action is taken by the Management;
4. reviewing the adequacy, effectiveness, independence, scope and results of the Internal Auditors;
5. reviewing the monitoring procedures put in place to ensure compliance with applicable legislation, the Listing Manual and the Property Funds Appendix;
6. reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of Cache and any announcements relating to Cache's financial performance;
7. reviewing the assurance from the CEO and the Head of Finance on the financial records and financial statements;
8. reviewing the Whistle-Blowing Policy and arrangements by which staff of the Manager and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters;
9. reviewing and discussing with the External Auditors, any suspected fraud or irregularity, or suspected infringement of any applicable law, rules or regulations, which has or is likely to have a material impact on Cache's operating results or financial position and Management's response;
10. reviewing the adequacy, effectiveness, independence, scope and results of the External Auditors;

11. making recommendations to the Board on (i) the proposed appointment and removal of the External Auditors and (ii) reviewing the proposed fees for the External Auditors and authorising the Manager to fix the remuneration and terms of engagement of the External Auditors for the financial year; and

12. reviewing the monitoring procedures established to regulate Interested Party Transactions and Conflict of Interests (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**"). This includes the requirement to ensure transactions undertaken are on normal commercial terms and not prejudicial to the interests of the Unitholders and that the property manager, as an interested person, is in compliance with the property management agreement.

The Audit Committee has the authority to investigate any matters within its terms of reference. It is entitled to full access and co-operation from Management and has discretion to invite any Director or any key management executive of the Manager to attend its meetings. The Audit Committee has full access to resources and is provided with regular updates from external professionals to keep abreast of changes in accounting and regulatory standards.

In FY2019, the Audit Committee had met with the Internal Auditors and the External Auditors without the presence of Management. The Internal Auditors and the External Auditors may request the Audit Committee to meet if they consider a meeting necessary. Both the Internal Auditors and the External Auditors have confirmed that they had full access and had received the co-operation and support of Management, with no restrictions place on the scope of their audits.

The Audit Committee had reviewed and approved the Internal Auditors' and the External Auditors' audit plans to ensure that they were sufficiently comprehensive in scope and address the internal controls of Cache. All audit findings and recommendations by the Internal Auditors and the External Auditors were forwarded to the Audit Committee for discussions at the meetings. The Audit Committee discussed with Management and the External Auditors on significant financial reporting matters, in particular the key audit matter associated with valuation of investment properties. The Audit Committee concurs with the conclusion of the Management and the External Auditors on the key audit matter.

During FY2019, the Audit Committee performed an independent review of the quarterly and full yearly financial statements of Cache. In the process, the Audit Committee reviewed the key areas of management judgement applied for adequate provisioning and disclosure, accounting policies, key audit matters and any significant changes made which have a material impact on the financials. The External Auditors also presented their salient features memorandum to the Audit Committee, covering the audit focus areas, key audit matters findings, quality and independence.

In connection with the ERM Framework under risk management, the Audit Committee had reviewed the approach taken in identifying and assessing risks and internal controls in the risk profile documented and maintained by Management.

The Audit Committee had also conducted a review of all non-audit services provided by KPMG LLP, the external auditors of Cache (the "**External Auditors**"), and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the External Auditors. The aggregate amount of audit and non-audit fees paid/payable to the External Auditors for FY2019 is disclosed on page 170 of this Annual Report.

The Audit Committee is satisfied that the resources and experience of the audit partner of KPMG LLP and her team are adequate to meet their audit obligations, given the size, nature, operations and complexity of Cache and its subsidiaries. The Audit Committee had assessed the performance of the External Auditors based on factors such as performance and quality of their audit and independence. The External Auditors had also confirmed their independence in writing to the Audit Committee.

The Audit Committee, with the concurrence of the Board, has recommended the re-appointment of KPMG LLP as the external auditors of Cache at the forthcoming Annual General Meeting ("**AGM**"). The Manager, on behalf of Cache, confirms that it has complied with the requirements of Rules 712 and 716 of the Listing Manual in respect of the suitability of the auditing firms of Cache and its significant associated companies and subsidiaries.

The Audit Committee had reviewed the Whistle-Blowing Policy which provides the mechanisms by which employees and other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The Audit Committee is satisfied that these arrangements are in place for concerns to be raised and investigated independently, and for appropriate follow-up actions to be taken.

On a quarterly basis, Management reports details of the Interested Person Transactions to the Audit Committee. All Interested Person Transactions together with the Register of Interested Person Transactions had been reviewed by the Audit Committee.

Internal Audit Function
The Manager maintains a robust system of internal controls and risk management framework to safeguard Cache's assets and Unitholders' interests and to provide reasonable assurance against misstatement of loss, ensure maintenance of reliable and proper accounting records and compliance with relevant legislation.

For FY2019, the internal audit function of the Manager was outsourced to Deloitte & Touche Enterprise Risk Services Pte. Ltd., a member firm of Deloitte Touche Tohmatsu Limited (the "**Internal Auditors**"). The Internal Auditors are independent of Management and report directly to the Audit Committee on audit matters and to Management on administrative matters.

The Audit Committee is satisfied that the Internal Auditors had met the standards set by internationally recognised professional bodies including the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The Audit Committee has assessed the adequacy of the Internal Auditors and is of the view that the Internal Auditors had the relevant qualifications, appropriate standing within the Manager and adequate resources to perform their functions effectively. The Internal Auditors had also maintained their independence from the activities that they audit and had unfettered access to all Cache's documents, records, properties and personnel, including the Audit Committee. The Audit Committee approves the appointment, removal, evaluation and fees of the Internal Auditors, and conducts an assessment of the Internal Auditors' performance during re-appointments.

The Internal Auditors conduct audits to evaluate the effectiveness of the risk management and internal control systems in Cache, which include financial, operational, compliance controls and information technology. The internal audit plan adopts a risk-based approach covering all business of Cache and support functions of the Manager and property managers. The audit assignments cover the design and operating effectiveness of the internal controls, as well as, compliance with the stated policies and procedures. Any material non-compliance or lapses in internal controls together with corrective measures are reported to the Audit Committee. The Internal Auditors also report to the Audit Committee on the status of the corrective or improvement measures undertaken by Management.

In addition to the work performed by the Internal Auditors, the External Auditors also performed tests of certain controls that are relevant to the preparation of Cache's financial statements, and they report any significant deficiencies of such internal controls to the Audit Committee.

Pursuant to Rule 1207(10C) of the Listing Manual, the Audit Committee had assessed and is satisfied with the adequacy, effectiveness, independence, scope and results of the Internal Auditors.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Manager upholds a strong culture of continuous disclosure and transparent communication with Unitholders and the investing community. In the spirit of the disclosure requirements under the Listing Manual, the Manager is committed to actively engaging and keeping all Unitholders and stakeholders informed on the performance and changes in Cache's business, which would materially affect the price of the Units, on a timely basis. The Manager's Investor Relations and Disclosure Policy promotes regular, effective and fair communication through timely and full disclosure of material information by way of public releases or announcements on the SGX-ST via SGXNET, and on Cache's website (www.Cache-reit.com).

Cache's website provides Unitholders with comprehensive information required to make well-informed investment decisions. Information on Cache's business strategies and Directors' profiles can be accessed from the website. The website also features a (1) "Newsroom" link which shows current and past announcements, financial results and annual reports; (2) "Investors" link which shows Cache's distribution history, historical stock price and research coverage and (3) "Contact Us" link which includes email alerts and contact details. The Whistle Blowing Policy is also published under the "Corporate

Governance" link. As part of the Investor Relations and Disclosure Policy, the Manager has a dedicated Investor Relations Manager who facilitates communication with Unitholders, institutional investors, analysts and media representatives. Unitholders can post their queries and feedback to the dedicated investor relations contact via email or phone.

Unitholders are notified in advance of the date of release of Cache's financial results through an announcement via SGXNET. The Manager conducts regular briefings for analysts and media representatives, which generally coincide with the release of Cache's half-yearly and full year results. During these briefings, Management will present Cache's most recent performance. In line with the Manager's objective of transparent communication, briefing materials are also simultaneously released on the SGX-ST via SGXNET and also made available on Cache's website.

In FY2019, Management provided institutional investors and analysts with publicly available information through group presentations, one-on-one meetings and conference calls. Management strives to maintain regular dialogue with retail investors and keep them updated on developments through participations in seminars and symposiums, timely announcements on SGXNET, Cache's website and the general media, in order to ensure a level playing field.

Unitholders are informed of meetings through notices accompanied by Annual Reports or circulars sent to them. All Unitholders are entitled to receive the annual reports at least 14 days prior to the AGM. The Manager ensures that Unitholders are able to participate effectively and vote at the general meeting of Unitholders (the "**Unitholders' meetings**"). In this regard, the Unitholders' meetings are generally held in central locations which are easily accessible by public transportation. Unitholders are invited at such meetings to put forth any questions they may have on the resolutions to be debated and decided upon. If any Unitholder is unable to attend, he or she is allowed to appoint in advance up to two proxies to vote on his/her behalf at the meeting through proxy forms sent to the Unitholder. The Manager has not implemented absentia voting methods such as voting via email or fax (as required under Provision 11.4) due to security, integrity and other pertinent considerations. The Manager is of the view that its practice is consistent with Principle 11 of the 2018 CG Code as Unitholders have opportunities to communicate their views on matters affecting Cache even when they are not in attendance at general meetings. Unitholders may appoint proxies to attend, speak and vote, on their behalf, at general meetings. At the Unitholders' 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 of AGM.

The Directors, Audit Committee, Management and the External Auditors will be in attendance at these meetings to address questions raised by Unitholders. All Directors attended the general meeting held in FY2019.

Voting at general meetings is conducted by way of electronic poll voting for all the Unitholders/proxies present at the meeting for all resolutions proposed at the general meeting. Unitholders/proxies will be briefed on the procedures involved in conducting a poll. This allows all Unitholders present or represented at the meetings to vote on a one-unit-one-vote basis. An independent scrutineer is appointed to validate the vote tabulation procedures. The voting results of all votes cast for or against each resolution is then screened at the meeting with respective percentages and these details are announced through SGXNET after the meeting.

The Company Secretary prepares the minutes of Unitholders' meetings, which incorporate comments or queries from Unitholders and the corresponding responses from the Board and Management. The minutes will be publicly available on Cache's website after the general meeting.

Cache's current distribution policy is to distribute quarterly, at least 90% of its annual distributable income.

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

In keeping with its commitments to good corporate governance, the Manager has put in place a Sustainable Reporting Framework, which is published on Cache's website. In the report, the Manager focuses on Cache's Economic, Social, and Governance ("**ESG**") impacts and its progress towards the goal of sustainable management of its real estate portfolio. The Board has set a strategic direction in ensuring good corporate governance, prudent financial management, fair employment practices and efficient utilisation of resources. The Manager believes in the importance of integrating sustainability into its business strategies and operations in achieving sustainable economic growth and delivering long-term Unitholder value.

The Manager has identified the following as their key stakeholders: Unitholders, Investors, Tenants, Third Party Service Providers, Community, Employees, Government Agencies, Industry Organisations and Associations. For FY2019, the Manager's strategy is to ensure active engagement and frequent communication with the relevant stakeholders through the various engagement channels including meetings, forums and dialogues, general meetings and announcements, investor conferences, tenant engagement events, and employee satisfaction surveys. The area of focus is to understand the stakeholders' concerns and issues which are of relevance to the material ESG factors.

The Manager is committed to upholding Cache's sustainability practices and creating value for its stakeholders.

Stakeholders can access Cache's Sustainability Report on Cache's website under the "Newsroom" link.

(F) ADDITIONAL INFORMATION

EXEMPTIONS IN THE LISTING MANUAL

The Manager notes the exemptions under Practice Note 4.2 of the Listing Manual, which provides that Rules 210(5)(d)(iii), 210(5)(e) and 720(5) do not apply to a REIT as long as the REIT continues to comply with the relevant provisions under the SFA and the regulations and notices made thereunder which substantively addresses the requirements under these rules (the "SFA Provisions"). Under the SFA Provisions, the Manager must act in the best interest of all Unitholders as a whole and give priority to their interests over the Manager's own interests and the interests of the shareholders of the Manager in the event of a conflict. The SFA Provisions also stipulate the requirements for the composition of the board, circumstances where Directors' appointment shall be endorsed by Unitholders, establishment of an Audit Committee, and criteria in which a Director of the Manager is considered independent. In this regard the Manager has complied with all the relevant SFA Provisions for FY2019.

DEALINGS IN UNITS

The Manager has adopted the ARA Dealing in Securities Policy to guide its Directors, key management executives and employees (collectively referred to as the "**Manager's personnel**") in respect of dealings in Units.

This policy encourages the Manager's personnel to hold Units (i.e. not to deal for short-term considerations), and prohibits them from dealing in such Units:

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

The Manager's personnel are also prohibited from communicating price-sensitive information to any persons and to avoid, and be seen to avoid, actual or potential conflict between personal interest and duty to the Unitholders. The Manager confirms that its Directors, key management executives and employees have adhered to the policy for dealing in the Units for FY2019.

The Manager makes announcements on the SGX-ST in respect of any changes to its unitholding interest in Cache within one business day. The Manager will not deal in Units during the period commencing two weeks and one month before the public announcement of Cache's quarterly and full year results respectively and (where applicable) any property valuations and ending on the date of announcement of the said information. The Manager confirms that it has complied with Rule 1207(19) of the Listing Manual.

Effective from 13 March 2020, Cache has announced the change from its quarterly reporting to half yearly, having fulfilled the requirements under the Listing Manual. In addition, Cache shall continue to announce and distribute dividends quarterly without being accompanied by its financial statements announcement for the relevant period.

In lieu of the first and third financial quarters' detailed financial result announcements via SGXNET, the Manager shall prepare a set of investors' presentation slides which include assets/portfolio performance and highly summarized financial information relevant to the quarter's distribution ("**Investors Slides**"). These slides would be published at Cache's website as well as announced via SGXNET.

In view of such changes, the ARA Dealing in Securities Policy has been updated to reflect that the "black-out" period is defined as two weeks prior to the quarterly release of Investors Slides (in relation to the first and third financial quarters) and one month before the date of announcement of half year and full year results and (where applicable) any property valuations.

DEALING WITH CONFLICTS OF INTEREST

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

1. the Manager shall be a dedicated manager to Cache and will not manage any other REIT which invests in the same type of properties as Cache;

2. all management personnel will be employed and will work exclusively for the Manager and will not hold other executive positions in other firms;

3. all resolutions in writing of the Directors in relation to matters concerning Cache must be approved by a majority of the Directors, including at least one Independent Non-Executive Director;

4. at least half of the Board shall comprise Independent Non-Executive Directors;

5. in respect of matters in which a Director or his associates have an interest, direct or indirect, the interested Director will abstain from voting. In such matters, the quorum must comprise a majority of the Independent Non-Executive Directors and must exclude such interested Director;

6. in respect of matters in which ARA and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by ARA and/or its subsidiaries to the Board to represent their interests will abstain from voting. In such matters, the quorum must comprise a majority of the Independent Non-Executive Directors and must exclude nominee Directors of ARA and/or its subsidiaries; and

7. 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 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.

DEALING WITH INTERESTED PERSON TRANSACTIONS

Review Procedures for Interested Person Transactions

The Manager has established internal control procedures to ensure that all Interested Person Transactions will be undertaken on an arm's length basis and on normal commercial terms and are not prejudicial to the interests of Cache and its Unitholders. As a general rule, the Manager must demonstrate to the Audit Committee that such transactions satisfy the foregoing criteria, which may entail obtaining (where practicable) quotations from independent parties not related to the Manager, or obtaining one or more valuations from independent professional valuers (in accordance with the Property Funds Appendix).

The Manager maintains a register to record all Interested Person Transactions which are entered into by Cache and the basis thereof, including any quotations from unrelated parties as well as independent valuations obtained for the purposes of such Interested Person Transactions. The Manager incorporates into its internal audit plan a review of all Interested Person Transactions entered into by Cache.

In addition, the following procedures will be undertaken:

1. 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 latest audited net tangible assets will be subject to review by the Audit Committee at regular intervals;

2. 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 latest audited 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 are consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the Manager. The Manager will, in compliance with Rule 905 of the Listing Manual, announce any Interested Person Transaction if such

transaction, either individually 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; and

3. 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. Further, under the Listing Manual and the Property Funds Appendix, such transactions would have to be approved by the Unitholders at a meeting of Unitholders.

Where matters concerning Cache relate to transactions entered into or to be entered into by the Trustee with an interested person, the Trustee is required to consider the terms of such transactions to satisfy itself that such transactions are conducted on an arm's length basis, are on normal commercial terms, are not prejudicial to the interest 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.

Further, the Trustee has the ultimate discretion under the Trust Deed to decide whether or not to enter into a transaction involving an interested person. If the Trustee is to enter into any agreement with an interested person, the Trustee will review the terms of such agreement to ensure compliance with the requirements relating to Interested Person Transactions in the Listing Manual and the Property Funds Appendix (in each case, 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 REITs.

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 (each equal to or exceeding S$100,000 in value) 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 and Internal Control Procedures
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 are under normal commercial terms and are not prejudicial to Unitholders. Where an interested person is engaged as property management agent or marketing agent for the Trust's properties, the Audit Committee will satisfy itself at least once every two (2) to five (5) years, that the Manager has (i) periodically reviewed the compliance of the agent with the terms of the agreement; and (ii) taken remedial actions where necessary and has documented the reasons for its conclusion. In FY2019, the Internal Auditors have performed such a review on Cache Property Management Pte. Ltd., a related corporation of the Manager, and reported that there was no material non-compliance with terms of the property management agreement.

The Manager maintains a register to record all Interested Person Transactions (and the bases, including any quotations from unrelated parties and the independent valuations obtained to support such bases), which are entered into by Cache. The Manager will incorporate 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 to ascertain that the guidelines and procedures established to monitor Interested Person Transactions have been complied with. In addition, the Trustee will also have the right to review such audit reports to ascertain that the Property Funds Appendix and the Listing Manual have been complied with. The Audit Committee will periodically review all Interested Person Transactions to ensure compliance with the Manager's internal control procedures and with the relevant provisions of the Property Funds Appendix and the Listing Manual. The review will include the examination of the nature of the transaction and the 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 required to abstain from participating in the review and approval process in relation to that transaction.

The Manager will disclose in Cache's annual reports the aggregate value of Interested Person Transactions conducted during the relevant financial year.

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

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

NAME OF DIRECTOR	APPOINTMENT	DATE OF INITIAL APPOINTMENT / LAST RE-ELECTION	PRINCIPAL COMMITMENT	DIRECTORSHIPS IN LISTED COMPANIES (AS AT 31 DECEMBER 2019)	PAST DIRECTORSHIPS IN LISTED COMPANIES HELD OVER THE PRECEDING THREE YEARS
Lim How Teck	Chairman and Non-Executive Director	18 March 2010 / 22 April 2019	–	Raffles Education Corporation Limited	ARA Asset Management Limited Swissco Holdings Limited Rickmers Trust Management Pte. Ltd. (trustee-manager of Rickmers Maritime) NauticaAWT Limited
Chia Nam Toon	Non-Executive Director	2 July 2018 / 22 April 2019	Assistant Group CEO, APF II (Logistics Real Estate) & Special Projects of ARA	Nil	Ascendas Funds Management (S) Limited
Lim Kong Puay	Independent Non-Executive Director	1 January 2016 / 23 April 2018	Senior Advisor of Tuas Power Generation Pte Ltd	Nil	Nil
Lim Lee Meng	Lead Independent Non-Executive Director and Chairman of the Audit Committee	1 January 2016 / 22 April 2019	Executive Director of LeeMeng Capital Pte. Ltd.	Teckwah Industrial Corporation Ltd Tye Soon Limited	ARA Asset Management Fortune Limited (trustee-manager of Fortune REIT)
Oh Eng Lock	Independent Non- Executive Director	15 March 2019 / 22 April 2019	–	Nil	BreadTalk Group Limited
Stephen George Hawkins	Non-Executive Director	5 March 2020	Managing Director of LOGOS SE Asia Pte. Ltd.	Nil	Nil

FINANCIAL STATEMENTS

REPORT OF THE TRUSTEE

HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of Cache Logistics Trust (the "Trust") and its subsidiaries (the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "Units"). In accordance with the Securities and Futures Act, Chapter 289, of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of ARA Trust Management (Cache) Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 11 February 2010 (as amended by a first supplemental deed dated 18 March 2010, a second supplemental deed dated 29 September 2014, a first amending and restating deed dated 13 April 2016 and a fourth supplemental deed dated 31 May 2018) (collectively, 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 102 to 179 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

Authorised signatory

Singapore
9 March 2020

STATEMENT BY THE MANAGER

In the opinion of the directors of ARA Trust Management (Cache) Limited (the "Manager"), the accompanying financial statements of Cache Logistics Trust (the "Trust") and its subsidiaries (the "Group") set out on pages 102 to 179 comprising the consolidated statement of financial position and consolidated portfolio statement of the Group and the statement of financial position and portfolio statement of the Trust as at 31 December 2019, the consolidated statement of total return, consolidated distribution statement, consolidated statement of movements in unitholders' funds and consolidated statement of cash flows of the Group and the statement of total return, distribution statement and statement of movements in unitholders' funds of the Trust for the year then ended, and notes to the financial statements are drawn up so as to present fairly, in all material respects, the financial position and the portfolio holdings of the Group and the Trust as at 31 December 2019, 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 Group and the Trust will be able to meet their financial obligations as and when they materialise.

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

Chia Nam Toon
Director

Singapore
9 March 2020

INDEPENDENT AUDITORS' REPORT

UNITHOLDERS OF CACHE LOGISTICS TRUST
(Constituted in the Republic of Singapore pursuant to the trust deed dated 11 February 2010 (as amended by a first supplemental deed dated 18 March 2010, a second supplemental deed dated 29 September 2014, a first amending and restating deed dated 13 April 2016 and a fourth supplemental deed dated 31 May 2018))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Cache Logistics Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position and consolidated portfolio statement of the Group and the statement of financial position and portfolio statement of the Trust as at 31 December 2019, the consolidated statement of total return, consolidated distribution statement, consolidated statement of movements in unitholders' funds and consolidated statement of cash flows of the Group and the statement of total return, distribution statement and statement of movements in unitholders' funds of the Trust for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 102 to 179.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, portfolio statement, statement of total return, distribution statement and statement of movement in unitholders' funds of the Trust present fairly, in all material respects, the consolidated financial position and the portfolio holdings of the Group and the financial position and the portfolio holdings of the Trust as at 31 December 2019 and the consolidated total return, consolidated distributable income, consolidated movements in unitholders' funds and consolidated cash flows of the Group and the total return, distributable income and movements in unitholders' funds of the Trust for the year then ended on that date in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* ("RAP 7") issued by the Institute of Singapore Chartered Accountants.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the '*Auditor's responsibilities for the audit of the financial statements'* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties
(Refer to Note 4 to the financial statements)

Risk:

As at 31 December 2019, the Group has twenty-seven (2018: twenty-six) properties (collectively "investment properties"). These investment properties are stated at their fair values which amounted to approximately $1.33 billion (2018: $1.27 billion).

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

The valuation of investment properties requires significant judgement in the determination of valuation methodologies and in deciding on the assumptions to be used. These valuations are highly sensitive to the key assumptions made, which may be subject to estimation uncertainties.

How the matter was addressed in our audit:

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

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

We reviewed the appropriateness of the valuation methodologies adopted and the reasonableness of the assumptions and estimates made. We challenged the appropriateness of these assumptions used, and also benchmarked them against other market comparables where applicable. In respect of any assumptions falling outside the expected range, we have carried out further procedures and, where necessary, held further discussions with the valuers to understand the effects of additional factors that were taken into account in the valuations.

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

Our findings:

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

In determining the fair values of the Group's investment properties, the valuers have adopted the Capitalisation Approach and the Discounted Cash Flow Analysis method. The reported fair value for each investment property is derived based on the average of the two approaches. These valuation methodologies used are in line with generally accepted market practices. The key assumptions and estimates applied, including the risks of estimation uncertainty, are appropriately disclosed in the financial statements.

Other information

ARA Trust Management (Cache) Limited, the manager of the Trust (the "Manager"), is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of RAP 7 issued by the Institute of Singapore Chartered Accountants, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Group or to cease operations of the Group, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Lim Jek.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
9 March 2020

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Note	Group 2019 $'000	Group 2018 $'000	Trust 2019 $'000	Trust 2018 $'000
Non-current assets					
Investment properties	4	1,333,939	1,269,026	929,315	905,800
Plant and equipment	5	788	1,274	788	1,274
Subsidiaries	6	–	–	187,786	168,445
Trade and other receivables	7	262	–	161,765	–
		1,334,989	1,270,300	1,279,654	1,075,519
Current assets					
Trade and other receivables	7	8,206	5,914	33,281	156,752
Derivative assets	11	210	142	210	142
Cash and cash equivalents	8	15,259	33,338	8,907	10,795
		23,675	39,394	42,398	167,689
Total assets		1,358,664	1,309,694	1,322,052	1,243,208
Current liabilities					
Trade and other payables	9	18,474	14,889	14,617	11,255
Interest-bearing borrowings	10	113,277	28,098	67,500	–
Amount due to subsidiaries		–	–	41	–
Provision	12	–	664	–	664
Derivative liabilities	11	126	117	–	94
Lease liabilities	21	3,190	–	3,190	–
		135,067	43,768	85,348	12,013
Non-current liabilities					
Trade and other payables	9	3,734	4,215	3,734	4,215
Interest-bearing borrowings	10	396,562	442,082	396,562	395,635
Derivative liabilities	11	7,516	4,925	7,516	4,768
Lease liabilities	21	74,825	–	74,825	–
		482,637	451,222	482,637	404,618
Total liabilities		617,704	494,990	567,985	416,631
Net assets		740,960	814,704	754,067	826,577
Represented by:					
Unitholders' funds		639,413	713,157	652,520	725,030
Perpetual securities holders' funds	13	101,547	101,547	101,547	101,547
		740,960	814,704	754,067	826,577
Units in issue and to be issued ('000)	14	1,085,819	1,077,881	1,085,819	1,077,881
Net asset value per Unit ($)	23	0.59	0.66	0.60	0.67

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

STATEMENTS OF TOTAL RETURN

YEAR ENDED 31 DECEMBER 2019

	Note	Group 2019 $'000	Group 2018 $'000	Trust 2019 $'000	Trust 2018 $'000
Gross revenue	16	113,555	121,540	83,190	91,947
Property expenses	17	(27,711)	(30,616)	(22,250)	(26,105)
Net property income		85,844	90,924	60,940	65,842
Dividend income		–	–	18,662	12,675
Other income		25	–	25	–
Finance income		146	150	6,483	6,386
Finance expenses		(21,638)	(18,555)	(18,988)	(15,523)
Net financing costs	18	(21,492)	(18,405)	(12,505)	(9,137)
Manager's fees	19	(7,777)	(8,138)	(7,777)	(8,138)
Trustee fees		(557)	(598)	(396)	(406)
Valuation fees		(113)	(121)	(35)	(46)
Other trust expenses	20	(4,555)	(13,467)	(3,535)	(12,778)
		(13,002)	(22,324)	(11,743)	(21,368)
Net income		51,375	50,195	55,379	48,012
Gain on disposal of investment property		–	2,735	–	2,735
Gain/(loss) on disposal of a subsidiary		–	118	–	(632)
Net change in fair value of investment properties	4	(57,312)	(21,770)	(62,741)	(18,090)
Net change in fair value of financial derivatives		304	943	304	943
Total return for the year before tax and distribution		(5,633)	32,221	(7,058)	32,968
Tax expense	22	(2,025)	(2,532)	(2,025)	(1,633)
Total return for the year after tax, before distribution		(7,658)	29,689	(9,083)	31,335
Total return for the year after tax, before distribution, attributable to:					
Unitholders of the Trust and perpetual securities holders		(7,658)	29,689	(9,083)	31,335
Earnings per Unit (cents)	24				
Basic		(1.22)	2.30	(1.35)	2.45
Diluted		(1.21)	2.29	(1.34)	2.44

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

DISTRIBUTION STATEMENTS

YEAR ENDED 31 DECEMBER 2019

	Note	Group 2019 $'000	Group 2018 $'000	Trust 2019 $'000	Trust 2018 $'000
Amount available for distribution to Unitholders at beginning of year		16,191	17,092	16,191	17,092
Total return for the year after tax, before distribution		(7,658)	29,689	(9,083)	31,335
Less: Amount reserved for distribution to perpetual securities holders		(5,500)	(5,033)	(5,500)	(5,033)
Net tax and other distribution adjustments	A	46,089	18,577	72,625	35,939
Taxable income		32,931	43,233	58,042	62,241
Tax-exempt income		25,111	19,008	–	–
Capital distribution		1,728	1,168	1,728	1,168
Income available for distribution		75,961	80,501	75,961	80,501
Distributions made during the year:					
Distribution of 1.597 cents per Unit for the period from 1 October 2017 to 31 December 2017		–	(17,079)	–	(17,079)
Distribution of 1.507 cents per Unit for the period from 1 January 2018 to 31 March 2018		–	(16,145)	–	(16,145)
Distribution of 1.419 cents per Unit for the period from 1 April 2018 to 30 June 2018		–	(15,228)	–	(15,228)
Distribution of 1.475 cents per Unit for the period from 1 July 2018 to 30 September 2018		–	(15,858)	–	(15,858)
Distribution of 1.502 cents per Unit for the period from 1 October 2018 to 31 December 2018		(16,178)	–	(16,178)	–
Distribution of 1.513 cents per Unit for the period from 1 January 2019 to 31 March 2019		(16,333)	–	(16,333)	–
Distribution of 1.321 cents per Unit for the period from 1 April 2019 to 30 June 2019		(14,283)	–	(14,283)	–
Distribution of 1.313 cents per Unit for the period from 1 July 2019 to 30 September 2019		(14,213)	–	(14,213)	–
Total distributions made during the year		(61,007)	(64,310)	(61,007)	(64,310)
Amount available for distribution to Unitholders at end of the year		14,954	16,191	14,954	16,191
Distribution per Unit (cents)	24	5.523	5.903	5.523	5.903

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

DISTRIBUTION STATEMENTS

YEAR ENDED 31 DECEMBER 2019

	Group		Trust	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
<u>Note A</u>				
Net tax and other distribution adjustments comprise:				
Manager's fees paid/payable in Units	5,833	6,103	5,833	6,103
Trustee fees	395	406	395	406
Amortisation/write-off of transaction costs	927	1,533	927	1,533
Commitment fee	128	245	128	245
Gain on disposal of investment property	–	(2,735)	–	(2,735)
(Gain)/loss on disposal of a subsidiary	–	(118)	–	632
Land rent	(6,028)	–	(6,028)	–
Interest expense on lease liabilities	2,956	–	2,956	–
Net change in fair value of investment properties	57,312	21,770	62,741	18,090
Net change in fair value of financial derivatives	(304)	(943)	(304)	(943)
Depreciation	490	616	490	616
Net foreign exchange loss	2,589	11,599	2,589	11,599
51 Alps Avenue compensation amount [1]	2,503	(817)	2,503	(817)
Net profit from subsidiaries	(21,106)	(20,291)	–	–
Other items	394	1,209	395	1,210
Net tax and other distribution adjustments	46,089	18,577	72,625	35,939

(1) The amount retained (net of relevant expenses) relates to the compensation received for the shortfall in rental, compared to market rent and the recovery of legal costs incurred in the legal proceedings in respect of 51 Alps Avenue, Singapore. The amount retained (net of relevant expenses), attributable to the rental period from 1 September 2016 to 31 March 2019 was distributed during the year ended 31 December 2019.

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

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

YEAR ENDED 31 DECEMBER 2019

	Note	Group 2019 $'000	Group 2018 $'000	Trust 2019 $'000	Trust 2018 $'000
Unitholders' funds					
Balance at the beginning of year		713,157	765,668	725,030	760,987
Total return for the year after tax, before distribution		(7,658)	29,689	(9,083)	31,335
Less: Amount reserved for distribution to perpetual securities holders		(5,500)	(5,033)	(5,500)	(5,033)
Effective portion of changes in fair value of cash flow hedge		(2,693)	(3,969)	(2,753)	(4,053)
Foreign currency translation reserve					
Translation differences from financial statements of foreign entities		(2,719)	(14,256)	–	–
Net loss recognised directly in Unitholders' funds		(5,412)	(18,225)	(2,753)	(4,053)
Disposal of a subsidiary		–	(736)	–	–
Unitholders' transactions					
Units issued:					
– Manager's base fees paid in Units		3,724	3,843	3,724	3,843
Units to be issued:					
– Manager's base fees payable in Units		1,211	1,238	1,211	1,238
– Manager's performance fees payable in Units		898	1,023	898	1,023
Distributions to Unitholders		(61,007)	(64,310)	(61,007)	(64,310)
Net decrease in net assets resulting from Unitholders' transactions		(55,174)	(58,206)	(55,174)	(58,206)
Balance at the end of year		639,413	713,157	652,520	725,030
Perpetual securities holders' funds					
Balance at the beginning of year		101,547	–	101,547	–
Issue of perpetual securities		–	100,000	–	100,000
Issue costs		–	(759)	–	(759)
Amount reserved for distribution to perpetual securities holders		5,500	5,033	5,500	5,033
Distribution to perpetual securities holders		(5,500)	(2,727)	(5,500)	(2,727)
Balance at the end of year	13	101,547	101,547	101,547	101,547

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

PORTFOLIO STATEMENTS

AS AT 31 DECEMBER 2019

Group				Committed occupancy rate as at		Carrying values as at		% of net assets attributable to Unitholders as at	
Description of property	**Type**	**Lease term for underlying land**	**Location**	**31 December 2019 %**	**31 December 2018 %**	**31 December 2019 $'000**	**31 December 2018 $'000**	**31 December 2019 %**	**31 December 2018 %**
Singapore									
Commodity Hub	Logistics	29 years wef 19 August 2006	24 Penjuru Road, Singapore	93	86	277,400	307,300	43.5	43.1
Cache Cold Centre	Logistics	30 years wef 20 December 2005[1]	2 Fishery Port Road, Singapore	85	91	124,700	130,200	19.6	18.3
Schenker Megahub	Logistics	30 years wef 1 June 2005[1]	51 Alps Avenue, Singapore	100	100	81,200	82,600	12.8	11.6
Cache Changi DistriCentre 1	Logistics	30 years wef 16 August 2005[1]	5 Changi South Lane, Singapore	99	100	93,600	95,800	14.6	13.4
Cache Changi DistriCentre 2	Logistics	30 years wef 16 February 1996[1]	3 Changi South Street 3, Singapore	69	66	15,500	15,900	2.4	2.2
Air Market Logistics Centre	Logistics	30 years wef 1 February 2007[2]	22 Loyang Lane, Singapore	100	100	11,200	11,400	1.8	1.6
Pan Asia Logistics Centre	Logistics	30 years wef 1 June 2010	21 Changi North Way, Singapore	100	100	34,400	34,600	5.4	4.9
Pandan Logistics Hub	Logistics	30 years wef 1 October 2009	49 Pandan Road, Singapore	76	92	37,000	43,300	5.8	6.1
Cache Gul LogisCentre[3]	Logistics	30 years wef 1 October 2003	15 Gul Way, Singapore	100	100	27,100	33,400	4.2	4.7
Balance carried forward						702,100	754,500	110.1	105.9

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

PORTFOLIO STATEMENTS

AS AT 31 DECEMBER 2019

Group (continued)				Committed occupancy rate as at		Carrying values as at		% of net assets attributable to Unitholders as at	
Description of property	**Type**	**Lease term for underlying land**	**Location**	**31 December 2019 %**	**31 December 2018 %**	**31 December 2019 $'000**	**31 December 2018 $'000**	**31 December 2019 %**	**31 December 2018 %**
Singapore (continued)									
Balance brought forward						702,100	754,500	110.1	105.9
DHL Supply Chain Advanced Regional Centre	Logistics	30 years wef 16 June 2014	1 Greenwich Drive, Tampines LogisPark, Singapore	100	100	149,200	151,300	23.3	21.2
Australia									
127 Orchard Road, Chester Hill, New South Wales, Australia	Logistics	Freehold	127 Orchard Road, Chester Hill, New South Wales, Australia	100	100	48,169	42,476	7.5	6.0
16-28 Transport Drive, Somerton, Victoria, Australia	Logistics	Freehold	16 – 28 Transport Drive, Somerton, Victoria, Australia	100	100	28,335	24,477	4.4	3.4
51 Musgrave Road, Coopers Plains, Queensland, Australia	Logistics	Freehold	51 Musgrave Road, Coopers Plains, Queensland, Australia	86	92	7,934	8,063	1.2	1.1
203 Viking Drive, Wacol, Queensland, Australia	Logistics	Freehold	203 Viking Drive, Wacol, Queensland, Australia	100	100	26,257	27,837	4.1	3.9
223 Viking Drive, Wacol, Queensland, Australia	Logistics	Freehold	223 Viking Drive, Wacol, Queensland, Australia	100	100	10,862	11,039	1.7	1.5
404-450 Findon Road, Kidman Park, South Australia, Australia	Logistics	Freehold	404-450 Findon Road, Kidman Park, South Australia, Australia	100	100	44,864	56,634	7.0	7.9
217-225 Boundary Road, Laverton North, Victoria, Australia	Logistics	Freehold	217-225 Boundary Road, Laverton North, Victoria, Australia	100	100	23,612	21,886	3.7	3.1
182-198 Maidstone Street, Altona, Victoria, Australia	Logistics	Freehold	182-198 Maidstone Street, Altona, Victoria, Australia	76	–	37,780	–	5.9	–
11-19 Kellar Street, Berrinba, Queensland, Australia	Logistics	Freehold	11-19 Kellar Street, Berrinba, Queensland, Australia	100	100	11,523	11,567	1.8	1.6
Balance carried forward						1,090,636	1,109,779	170.7	155.6

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

PORTFOLIO STATEMENTS

AS AT 31 DECEMBER 2019

Group (continued)				Committed occupancy rate as at		Carrying values as at		% of net assets attributable to Unitholders as at	
Description of property	**Type**	**Lease term for underlying land**	**Location**	**31 December 2019 %**	**31 December 2018 %**	**31 December 2019 $'000**	**31 December 2018 $'000**	**31 December 2019 %**	**31 December 2018 %**
Australia (continued)									
Balance brought forward						1,090,636	1,109,779	170.7	155.6
3 Sanitarium Drive, Berkeley Vale, New South Wales, Australia	Logistics	Freehold	3 Sanitarium Drive, Berkeley Vale, New South Wales, Australia	100	100	34,946	32,637	5.5	4.6
67-93 National Boulevard, Campbellfield, Victoria, Australia	Logistics	Freehold	67-93 National Boulevard, Campbellfield, Victoria, Australia	100	100	28,571	26,877	4.5	3.8
41-51 Mills Road, Braeside, Victoria, Australia	Logistics	Freehold	41-51 Mills Road, Braeside, Victoria, Australia	100	95	31,641	28,317	4.9	4.0
41-45 Hydrive Close, Dandenong, Victoria, Australia	Logistics	Freehold	41-45 Hydrive Close, Dandenong, Victoria, Australia	100	100	11,712	11,423	1.8	1.6
76-90 Link Drive, Campbellfield, Victoria, Australia	Logistics	Freehold	76-90 Link Drive, Campbellfield, Victoria, Australia	100	100	11,712	12,095	1.8	1.7
196 Viking Drive, Wacol, Queensland, Australia	Logistics	Freehold	196 Viking Drive, Wacol, Queensland, Australia	100	100	14,356	14,590	2.2	2.0
16-24 William Angliss Drive, Laverton North, Victoria, Australia	Logistics	Freehold	16-24 William Angliss Drive, Laverton North, Victoria, Australia	100	100	16,293	17,950	2.5	2.5
151-155 Woodlands Drive, Braeside, Victoria, Australia	Logistics	Freehold	151-155 Woodlands Drive, Braeside, Victoria, Australia	100	100	16,057	15,358	2.5	2.1
Investment properties - Fair value						1,255,924	1,269,026	196.4	177.9
Investment properties - Right-of-use assets						78,015	–	12.2	–
Total investment properties						1,333,939	1,269,026	208.6	177.9
Other assets and liabilities (net)						(592,979)	(454,322)	(92.7)	(63.7)
Net assets of the Group						740,960	814,704	115.9	114.2
Perpetual securities holders' funds						(101,547)	(101,547)	(15.9)	(14.2)
Net assets attributable to Unitholders						639,413	713,157	100.0	100.0

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

PORTFOLIO STATEMENTS

AS AT 31 DECEMBER 2019

Trust				Committed occupancy rate as at		Carrying values as at		% of net assets attributable to Unitholders as at	
Description of property	Type	Lease term for underlying land	Location	31 December 2019 %	31 December 2018 %	31 December 2019 $'000	31 December 2018 $'000	31 December 2019 %	31 December 2018 %
Singapore									
Commodity Hub	Logistics	29 years wef 19 August 2006	24 Penjuru Road, Singapore	93	86	277,400	307,300	42.5	42.4
Cache Cold Centre	Logistics	30 years wef 20 December 2005[1]	2 Fishery Port Road, Singapore	85	91	124,700	130,200	19.1	18.0
Schenker Megahub	Logistics	30 years wef 1 June 2005[1]	51 Alps Avenue, Singapore	100	100	81,200	82,600	12.4	11.4
Cache Changi DistriCentre 1	Logistics	30 years wef 16 August 2005[1]	5 Changi South Lane, Singapore	99	100	93,600	95,800	14.3	13.2
Cache Changi DistriCentre 2	Logistics	30 years wef 16 February 1996[1]	3 Changi South Street 3, Singapore	69	66	15,500	15,900	2.4	2.2
Air Market Logistics Centre	Logistics	30 years wef 1 February 2007[2]	22 Loyang Lane, Singapore	100	100	11,200	11,400	1.7	1.5
Pan Asia Logistics Centre	Logistics	30 years wef 1 June 2010	21 Changi North Way, Singapore	100	100	34,400	34,600	5.3	4.8
Balance carried forward						638,000	677,800	97.7	93.5

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

Trust (continued)				Committed occupancy rate as at		Carrying values as at		% of net assets attributable to Unitholders as at	
Description of property	Type	Lease term for underlying land	Location	31 December 2019 %	31 December 2018 %	31 December 2019 $'000	31 December 2018 $'000	31 December 2019 %	31 December 2018 %
Singapore (continued)									
Balance brought forward						638,000	677,800	97.7	93.5
Pandan Logistics Hub	Logistics	30 years wef 1 October 2009	49 Pandan Road, Singapore	76	92	37,000	43,300	5.7	6.0
Cache Gul LogisCentre[3]	Logistics	30 years wef 1 October 2003	15 Gul Way, Singapore	100	100	27,100	33,400	4.2	4.6
DHL Supply Chain Advanced Regional Centre	Logistics	30 years wef 16 June 2014	1 Greenwich Drive, Tampines LogisPark, Singapore	100	100	149,200	151,300	22.9	20.8
Investment properties – Fair value						851,300	905,800	130.5	124.9
Investment properties - Right-of-use assets						78,015	–	12.0	–
Total investment properties						929,315	905,800	142.5	124.9
Other assets and liabilities (net)						(175,248)	(79,223)	(26.9)	(10.9)
Net assets of the Trust						754,067	826,577	115.6	114.0
Perpetual securities holders' funds						(101,547)	(101,547)	(15.6)	(14.0)
Net assets attributable to Unitholders						652,520	725,030	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) Formerly known as Precise Two.

Note:

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

The carrying amounts of the investment properties as at 31 December 2019 are based on the independent valuations undertaken by Edmund Tie & Company (SEA) Pte Ltd and CBRE Valuations Pty Limited. (2018: Edmund Tie & Company (SEA) Pte Ltd, CIVAS (VIC) Pty Limited and m3property (Vic) Pty 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 qualifications and recent experience in the location and category of the properties being valued. The valuations were based on the capitalisation approach and discounted cash flow analysis method.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2019

	Note	2019 $'000	2018 $'000
Cash flows from operating activities			
Total return after taxation before distribution		(7,658)	29,689
Adjustments for:			
Net change in fair value of investment properties		57,312	21,770
Net change in fair value of financial derivatives		(304)	(943)
Manager's fees paid/payable in Units	A	5,833	6,103
Depreciation of plant and equipment		490	771
Net financing costs		21,492	18,405
Foreign exchange loss		2,504	11,168
Tax expense		2,025	2,532
Gain on disposal of investment property		–	(2,735)
Gain on disposal of a subsidiary		–	(118)
		81,694	86,642
Changes in:			
– Trade and other receivables		(1,766)	(3,483)
– Trade and other payables		2,855	812
– Provision		(664)	(716)
Cash generated from operations		82,119	83,255
Tax paid		(2,420)	(2,784)
Net cash from operating activities		79,699	80,471
Cash flows from investing activities			
Interest received		145	150
Capital expenditure on investment properties		(8,435)	(5,062)
Acquisition of investment properties		(39,498)	–
Purchase of plant and equipment		(4)	(527)
Acquisition of subsidiaries, net of cash acquired	27(a)	–	(193,834)
Disposal of a subsidiary, net of cash disposed of	27(b)	–	16,243
Proceeds from disposal of investment property*		–	72,782
Net cash used in investing activities		(47,792)	(110,248)
Cash flows from financing activities			
Perpetual securities		–	100,000
Issue cost of perpetual securities		–	(759)
Interest paid		(17,656)	(14,764)
Transaction costs paid		–	(4,177)
Proceeds from borrowings		84,700	310,000
Repayment of borrowings		(45,800)	(274,444)
Interest paid on lease liabilities		(2,956)	–
Payment of lease liabilities		(3,073)	–
Distributions to Unitholders		(61,007)	(64,310)
Distributions to perpetual securities holders		(5,500)	(2,727)
Net cash (used in)/from financing activities		(51,292)	48,819
Net (decrease)/increase in cash and cash equivalents		(19,385)	19,042
Cash and cash equivalents at 1 January		33,338	14,969
Effect of exchange rate fluctuations on cash held		1,306	(673)
Cash and cash equivalents at 31 December		15,259	33,338

* Net of transaction costs paid of $1,018,000 in 2018.

A Significant non-cash transactions

The total Manager's fees paid/payable in Units for the year ended 31 December 2019 amounted to approximately $5,833,000 (2018: $6,103,000). This comprises 7,937,174 (2018: 8,180,967) Units, of which 4,964,095 (2018: 4,953,072) Units were issued during the year and another 2,973,079 (2018: 3,227,895) Units will be issued to the Manager by the Trust subsequent to the reporting date.

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

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 9 March 2020.

1 GENERAL

Cache Logistics Trust (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 11 February 2010 (as amended by a first supplemental deed dated 18 March 2010, a second supplemental deed dated 29 September 2014, a first amending and restating deed dated 13 April 2016 and a fourth supplemental deed dated 31 May 2018) (collectively the "Trust Deed") entered into between ARA 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 financial statements of the Group as at and for the year ended 31 December 2019 comprise the Trust and its subsidiaries (together referred to as the "Group and individually as "Group entities").

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

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

1.1 Property Manager's fees

Cache Property Management Pte. Ltd. (the "Property Manager") is entitled under the property management agreements to the following management fees:

For Singapore and China Properties:

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

For Australia Properties:

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

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

1 GENERAL (CONTINUED)

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 determine). The Manager has in year ended 31 December 2019 elected to receive 75% (2018: 75%) of the manager's fees in the form of Units, and 25% (2018: 25%) in cash.

1.3 Trustee fees

Under the Trust Deed, the Trustee fee is presently charged at 0.03% (2018: 0.03%) per annum of the value of all the assets of the Trust (the "Deposited Property"), subject to a minimum of $15,000 (2018: $15,000) per month, excluding out-of-pocket expenses and GST. The maximum fee is 0.25% (2018: 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 A$6,250 to A$37,000 (2018: A$6,250 to A$37,000) per annum.

1.4 Acquisition fees

Pursuant to the Trust Deed, the Manager is entitled to receive an acquisition fee of 1.0% 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 determine). In the event that the acquisition is from an interested party, the fee shall be paid in Units. Such Units shall not be sold within one year from the date of their issuance.

1.5 Divestment fees

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

This is the first set of the Group's annual financial statements in which FRS 116 *Leases* has been applied. The related changes to significant accounting policies are described in Note 2.5.

2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis, except as otherwise described in the notes 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 have been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the 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 assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets within the next financial year is included in the following note:

- Note 4 – Investment properties

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.

2 BASIS OF PREPARATION (CONTINUED)

2.4 Use of estimates and judgements (continued)

Measurement of fair values (continued)

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

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

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

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

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

Further information about the assumptions made in measuring fair values is included in Notes 4, 10, 11 and 15.

2.5 Changes in accounting policies

New standards and amendments

The Group has applied the following FRS, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 January 2019:

- FRS 116 *Leases*
- FRS INT 123 *Uncertainty over Income Tax Treatments*
- *Long-term Interests in Associates and Joint Ventures* (Amendments to FRS 28)
- *Prepayment Features with Negative Compensation* (Amendments to FRS 109)
- *Previously Held Interest in a Joint Operation* (Amendments to FRS 103 and 111)
- *Income Tax Consequences of Payments on Financial Instruments Classified as Equity* (Amendments to FRS 12)
- *Borrowing Costs Eligible for Capitalisation* (Amendments to FRS 23)
- *Plan Amendment, Curtailment or Settlement* (Amendments to FRS 19)
- *Interest Rate Benchmark Reform* (Amendments to FRS 109 and FRS 107)

2 BASIS OF PREPARATION (CONTINUED)

2.5 Changes in accounting policies (continued)

New standards and amendments (continued)

Other than FRS 116 *Leases* and Amendments to FRS 109 and FRS 107 *Interest Rate Benchmark Reform*, the application of the other amendments to standards and interpretations does not have a material effect on the financial statements.

FRS 116 *Leases*

The Group applied FRS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised directly in Unitholders' Funds at 1 January 2019. The Group has applied the practical expedient to recognise amounts of right-of-use (ROU) assets equal to their lease liabilities at 1 January 2019. Accordingly, the comparative information presented for 2018 is not restated – i.e. it is presented, as previously reported, under FRS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in FRS 116 have not generally been applied to comparative information.

Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under INT FRS 104 *Determining whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in FRS 116.

On transition to FRS 116, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied FRS 116 only to contracts that were previously identified as leases. Contracts that were not identified as leases under FRS 17 and INT FRS 104 were not reassessed for whether there is a lease under FRS 116. Therefore, the definition of a lease under FRS 116 was applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee

As a lessee, the Group leases land from JTC Corporation in respect of certain properties. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under FRS 116, the Group recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet. On transition to FRS 116, the right-of-use assets related to these leases are presented within investment properties (see Note 4).

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

2 BASIS OF PREPARATION (CONTINUED)

2.5 Changes in accounting policies (continued)

FRS 116 *Leases* *(continued)*

Leases classified as operating leases under FRS 17

Previously, the Group classified property leases as operating leases under FRS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the respective lessee entities incremental borrowing rates applicable to the leases as at 1 January 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. The Group applied this approach to all its leases.

The Group used a number of practical expedients when applying FRS 116 to leases previously classified as operating leases under FRS 17. In particular, the Group:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets (e.g. IT equipment);
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

As a lessor

The Group leases out its investment properties, including own property and right-of-use assets. The Group has classified these leases as operating leases.

The Group is not required to make any adjustments on transition to FRS 116 for leases in which it acts as a lessor.

Impact on financial statements

*Impact on transition**

On transition to FRS 116, the Group recognised additional right-of-use assets, including investment property, and additional lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below.

2 BASIS OF PREPARATION (CONTINUED)

2.5 Changes in accounting policies (continued)

Impact on financial statements (continued)

Impact on transition (continued)*

	1 January 2019 $'000
Right-of-use assets – investment properties	81,029
Lease liabilities	81,029

* For the details of accounting policies under FRS 116 and FRS 17, see note 3.11.

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted-average rate applied is 3.71%.

	1 January 2019 $'000
Operating lease commitments at 31 December 2018	114,339
Discounted using the incremental borrowing rate at 1 January 2019	(33,310)
Lease liabilities recognised at 1 January 2019	81,029

***Interest Rate Benchmark Reform* (Amendments to FRS 109 and FRS 107)**

The Group applied the interest rate benchmark reform amendments retrospectively to hedging relationship that existed at 1 January 2019 or were designated thereafter and that are directly affected by interest rate benchmark reform. These amendments also apply to the gain or loss recognised in the statements of movements in Unitholders' funds that existed at 1 January 2019. The details of the accounting policies are disclosed in Note 3.5(vi) and Note 15 for related disclosures about the risks and hedge accounting.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 2.5, which addresses changes in accounting policies.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

(ii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in the statement of total return. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iii) 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.

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

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. 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 translation are generally recognised in the statement of total return. However, foreign currency differences arising from the translation of qualifying cash flow hedges to the extent that the hedges are effective are recognised in other comprehensive income ("OCI").

(ii) Foreign operations

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Investment properties

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

Investment properties are accounted for as non-current assets except if they meet the conditions to be classified as held for sale.

These properties are measured at cost on initial recognition and subsequently at fair value thereafter with any change therein recognised in the statement of total return. 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.

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

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

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

Investment properties that are expected to be recovered primarily through divestment rather than through continuing use, are classified as held for sale and accounted for as current assets. These investment properties are measured at fair value and any increase or decrease on revaluation is credited or charged directly to the statement of total return as a net change in fair value of investment properties. Upon disposal, the resulting gain or loss recognised in the statement of total return is the difference between net disposal proceeds and the carrying amount of the property.

3.4 Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are measured 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 the Manager.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Plant and equipment (continued)

(ii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation on plant and equipment is recognised as an expense in the statement of total return and calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives.

Depreciation is recognised from the date that the plant and equipment are installed and are ready for use.

The estimated useful lives for the current and comparative years are as follows:

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

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

(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 recognised in the statement of total return.

3.5 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments (continued)

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt investments at FVOCI

A debt investment is measured at fair value through other comprehensive income ("FVOCI") if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets at FVTPL *(continued)*

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to the Manager. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether the Manager's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Manager;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets at FVTPL *(continued)*

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (continued)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of total return.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of total return. Any gain or loss on derecognition is recognised in the statement of total return.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of total return. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the statement of total return.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Non-derivative financial assets: Subsequent measurement and gains and losses (continued)

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of total return unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to the statement of total return.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of total return. Directly attributable transaction costs are recognised in the statement of total return as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of total return.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the statement of total return.

(iv) Offsetting

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 set off to the amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments (continued)

(v) 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 of Units in the Trust are deducted directly against Unitholders' funds.

(vi) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in the statement of total return as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of total return.

The Group designates certain derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

The Group early adopted the amendments to recognition and measurement principles of FRS 109, FRS 39 and FRS 107 issued in December 2019 in relation to the project on interest rate benchmark reform. The related disclosures for the comparative period are made under FRS 109, FRS 39 and FRS 107 before the amendments.

Specific policies applicable from 1 January 2019 for hedges directly affected by Interbank Offered Rate ("IBOR") reform

A fundamental review and reform of major interest rate benchmarks is being undertaken globally. The Group has exposure to IBORs on its financial instruments that will be replaced or reformed as part of this market-wide initiative. There is uncertainty as to the timing and the methods of transition for replacing existing benchmark IBORs with alternative rates.

On initial designation of the hedging relationship, the Group formally documents the relationship between the hedging instruments and hedged items, including the risk management objective and strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both on inception of the hedging relationship and 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 during the period for which the hedge is designated. For the purpose of evaluating whether the hedging relationship is expected to be highly effective (i.e. prospective effectiveness assessment), the Group assumes that the benchmark interest rate is not altered as a result of IBOR reform.

The Group will cease to apply the amendments to its prospective effectiveness assessment of the hedging relationship when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the hedged item or hedging instrument, or when the hedging relationship is discontinued.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments (continued)

(vi) Derivative financial instruments and hedge accounting (continued)

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in hedging reserve in Unitholders' Funds. The effective portion of changes in the fair value of the derivative that is recognised in hedging reserve is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statement of total return.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to the statement of total return in the same period or periods during which the hedged expected future cash flows affect total return.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in Unitholders' Funds until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to the statement of total return in the same period or periods as the hedged expected future cash flows affect total return.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to the statement of total return.

(vii) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits with financial institutions which are subject to an insignificant risk of changes in value.

3.6 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on its financial assets measured at amortised cost.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Impairment (continued)

(i) Non-derivative financial assets (continued)

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

- the financial asset is more than 90 days past due.

The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Impairment (continued)

(i) Non-derivative financial assets (continued)

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Impairment (continued)

(ii) Non-financial assets (continued)

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

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

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

3.7 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.8 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 Expenses

(i) Property expenses

Property expenses comprise property management fees and lease management fees (using the applicable formula stipulated in Note 1.1), 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Expenses (continued)

(iii) Trustee fees

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

(iv) Foreign currency gains and losses

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either net foreign exchange gain or net foreign exchange loss and recognised within 'other trust expenses' on the statement of total return depending on whether foreign currency movements are in a net gain or net loss position.

3.10 Finance income and expenses

Finance income comprises interest income. Finance expenses include interest expense on borrowings, lease liabilities, derivative financial instruments, commitment fees and amortisation of transaction costs incurred on borrowings.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the statement of total return using the effective interest method.

3.11 Leases

The Group has applied FRS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under FRS 17 and INT FRS 104. The details of accounting policies under FRS 17 and INT FRS 104 are disclosed separately.

Policy applicable from 1 January 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in FRS 116.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Leases (continued)

Policy applicable from 1 January 2019 (continued)

(i) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

For right-of-use assets that meet the definition of investment property, the Group applies the fair value model in FRS 40 *Investment Property* to these assets with any change therein recognised in the statement of total return.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments; and
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Leases (continued)

Policy applicable from 1 January 2019 (continued)

(i) As a lessee (continued)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of total return if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'plant and equipment' and lease liabilities in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies FRS 115 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in FRS 109 to the net investment in the lease (see Note 3.6(i)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received from investment properties under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from FRS 116.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Leases (continued)

Policy applicable before 1 January 2019

For contracts entered into before 1 January 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and

- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:

  – the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;

  – the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or

  – facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

(i) As a lessee

In the comparative period, as a lessee the Group classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in the statement of total return on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

(ii) As a lessor

When the Group acted as a lessor, it determined at lease inception whether each lease was a finance lease or an operating lease.

To classify each lease, the Group made an overall assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset. If this was the case, then the lease was a finance lease; if not, then it was an operating lease. As part of this assessment, the Group considered certain indicators such as whether the lease was for the major part of the economic life of the asset.

Rental income from investment properties is recognised on a straight-line basis over the term of the lease.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Income 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 the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax assets and liabilities are offset only if certain criteria are met.

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

- temporary differences on the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit or loss; and

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

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 carrying amount of the investment property is presumed to be recovered through sale, and the Group has not rebutted this presumption. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainly related to income taxes, if any.

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

Deferred tax assets are recognised for unused tax losses, unused 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. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. 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; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Income tax (continued)

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

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

(i) where the beneficial owners are individuals (whether resident or non-resident) who receive such distribution as investment income (excluding income received through a partnership or from the carrying on of a trade, business, or profession) 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 Qualifying 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 December 2025 as announced in the Singapore Budget 2019, unless the concession is extended; or

(iii) where the beneficial owners are Qualifying non-resident funds, the Trustee and the Manager will deduct Singapore income tax at the reduced rate of 10% for distributions made during the period from 1 July 2019 to 31 December 2025.

A Qualifying Unitholder is a Unitholder who is:

- a Singapore-incorporated company which is a tax resident in Singapore;
- a body of persons, other than a company or a partnership, registered or constituted in Singapore (for example, a town council, a statutory board, a registered charity, a registered co-operative society, a registered trade union, a management corporation, a club, and a trade and industry association);
- a Singapore branch of a foreign company;
- an international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act (Cap 145);
- an agent bank or Supplementary Retirement Scheme ("SRS") operators acting as a nominee for individuals who have purchased Units within the CPF Investment Scheme ("CPFIS") or the SRS respectively and the distributions received from the Trust are returned to CPF accounts; or
- a real estate investment trust exchange-traded fund ("REIT ETF") which have been accorded the tax transparency treatment.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Income tax (continued)

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.

A qualifying non-resident fund is a fund that qualifies for tax exemption under section 13CA, 13X or 13Y of the Income Tax Act that is not a resident in Singapore and:

- does not have any permanent establishment in Singapore (other than the fund manager in Singapore); or
- carries on any operation in Singapore through a permanent establishment in Singapore (other than the fund manager in Singapore), but the funds used to acquire the units in the REIT are not obtained from that operation in Singapore.

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

3.13 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 of the Trust and the weighted-average number of Units outstanding for the effects of all dilutive potential Units.

3.14 Perpetual securities

The perpetual securities may be redeemed at the option of Cache. Distributions to the perpetual securities holders will be payable semi-annually in arrears on a discretionary basis and will be non-cumulative. Accordingly, the perpetual securities are classified as equity. The expenses relating to the issue of the perpetual securities are deducted against the proceeds from the issue.

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 Executive Officer of the Manager, who is the Group's chief operating decision maker, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. Segment results that are reported to the Chief Executive Officer of the Manager include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 New standards and interpretations not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2019 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new FRSs, interpretations and amendments to FRSs are not expected to have a significant impact on the Group's consolidated financial statements and the Trust's statement of financial position.

- *Amendments to References to Conceptual Framework in FRS Standards*
- *Definition of a Business* (Amendments to FRS 103)
- *Definition of Material* (Amendments to FRS 1 and FRS 8)
- FRS 117 *Insurance Contracts*

4 INVESTMENT PROPERTIES

	2019 $'000	**2018 $'000**
Group		
At 1 January	1,269,026	1,206,913
Recognition of right-of-use assets on initial application of FRS 116	81,029	–
Adjusted balance at 1 January 2019	1,350,055	1,206,913
Acquisition of an investment property (1)	39,498	–
Acquisition of subsidiaries (2)	–	193,323
Disposal of a subsidiary (3)	–	(15,437)
Disposal of an investment property (4)	–	(68,667)
Reclassified from plant and equipment	–	85
Capital expenditure capitalised	8,435	5,062
Straight-line effective rent adjustment	(137)	2,725
Effect of movement in exchange rates	(6,659)	(33,208)
Remeasurement of lease liability due to revised lease payments	59	–
	1,391,251	1,290,796
Changes in fair values during the year (5)	(57,312)	(21,770)
At 31 December	1,333,939	1,269,026

4 INVESTMENT PROPERTIES (CONTINUED)

	2019 $'000	2018 $'000
Trust		
At 1 January	905,800	986,400
Recognition of right-of-use assets on initial application of FRS 116	81,029	–
Adjusted balance at 1 January 2019	986,829	986,400
Disposal of an investment property (4)	–	(68,667)
Reclassified from plant and equipment	–	85
Capital expenditure capitalised	5,300	4,168
Straight-line effective rent adjustment	(132)	1,904
Remeasurement of lease liability due to revised lease payments	59	–
	992,056	923,890
Changes in fair values during the year (6)	(62,741)	(18,090)
At 31 December	929,315	905,800

(1) Includes an acquisition fee paid to the Manager of $396,000.
(2) Includes an acquisition fee paid to the Manager of $1,843,000.
(3) Includes a divestment fee paid to the Manager of $86,000.
(4) Includes a divestment fee paid to the Manager of $369,000.
(5) Represents changes in fair values on investment properties of $54.2 million (2018: $21.8 million) and changes in fair values on right-of-use assets of $3.1 million (2018: nil).
(6) Represents changes in fair values on investment properties of $59.6 million (2018: $18.1 million) and changes in fair values on right-of-use assets of $3.1 million (2018: nil).

Security

As at the reporting date, certain investment properties have been pledged as security for loan facilities granted by financial institutions to the Group (see Note 10). The aggregate carrying amount of the pledged investment properties are as follows:

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Investment properties	110,695	159,487	–	–

Measurement of fair value

The fair value of investment properties was determined by an external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

In determining the fair value of investment properties, the independent external 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 used are reflective of current market conditions.

4 INVESTMENT PROPERTIES (CONTINUED)

Measurement of fair value (continued)

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 method in arriving at the valuation as at each reporting date.

The capitalisation approach capitalises an income stream into a present value using a single-year capitalisation rate. The income stream used is adjusted for market rentals currently being achieved for comparable investment properties and recent leasing transactions. The discounted cash flow analysis 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 analysis method requires the valuers to assume a rental growth rate indicative of market and the selection of a target rate of return consistent with current market requirements.

The fair value measurement for investment properties based on the inputs to the valuation techniques used is categorised as a Level 3 fair value in the fair value hierarchy.

	Level 3 **$'000**
Group	
2019	
Investment properties	1,255,924
2018	
Investment properties	1,269,026
Trust	
2019	
Investment properties	851,300
2018	
Investment properties	905,800

4 INVESTMENT PROPERTIES (CONTINUED)

Measurement of fair value (continued)

	2019 $'000
Group	
Fair value of investment properties (based on valuation reports)	1,255,924
Add: Carrying amount of lease liabilities	78,015
Carrying amount of investment properties	1,333,939
Trust	
Fair value of investment properties (based on valuation reports)	851,300
Add: Carrying amount of lease liabilities	78,015
Carrying amount of investment properties	929,315

The following table shows the significant unobservable inputs used in the valuation models:

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 of 5.75% to 8.00% (2018: 6.25% to 7.50%) • Discount rates of 6.75% to 8.50% (2018: 6.75% to 8.25%) • Capitalisation rates of 5.50% to 7.75% (2018: 6.00% to 7.25%) **Trust** • Terminal yield rates of 6.25% to 6.75% (2018: 6.25% to 6.75%) • Discount rates of 8.00% (2018: 8.00%) • Capitalisation rates of 6.00% to 6.50% (2018: 6.00% to 6.50%)	The estimated fair values would increase/(decrease) if: • the terminal yield rates were lower/(higher); • the discount rates were lower/(higher); or • the capitalisation rates were lower/(higher).

5 PLANT AND EQUIPMENT

	Fixtures and fittings $'000	Plant, machinery and improvements $'000	Office equipment $'000	Total $'000
Group				
Cost				
At 1 January 2018	13	4,942	37	4,992
Additions	1	517	9	527
Disposal of subsidiary	(3)	(1,068)	–	(1,071)
Reclassified to investment properties	–	(277)	–	(277)
Effect of movement in exchange rates	–	(21)	–	(21)
At 31 December 2018	11	4,093	46	4,150
Additions	–	–	4	4
At 31 December 2019	11	4,093	50	4,154
Accumulated depreciation				
At 1 January 2018	5	2,690	29	2,724
Depreciation	3	763	5	771
Disposal of subsidiary	(3)	(409)	–	(412)
Reclassified to investment properties	–	(192)	–	(192)
Effect of movement in exchange rates	–	(15)	–	(15)
At 31 December 2018	5	2,837	34	2,876
Depreciation	2	482	6	490
At 31 December 2019	7	3,319	40	3,366
Carrying amounts				
At 1 January 2018	8	2,252	8	2,268
At 31 December 2018	6	1,256	12	1,274
At 31 December 2019	4	774	10	788

5 PLANT AND EQUIPMENT (CONTINUED)

	Fixtures and fittings $'000	Plant, machinery and improvements $'000	Office equipment $'000	Total $'000
Trust				
Cost				
At 1 January 2018	11	4,370	35	4,416
Additions	–	–	11	11
Reclassified to investment properties	–	(277)	–	(277)
At 31 December 2018	11	4,093	46	4,150
Additions	–	–	4	4
At 31 December 2019	11	4,093	50	4,154
Accumulated depreciation				
At 1 January 2018	3	2,420	29	2,452
Depreciation	2	609	5	616
Disposals	–	(192)	–	(192)
At 31 December 2018	5	2,837	34	2,876
Depreciation	2	482	6	490
At 31 December 2019	7	3,319	40	3,366
Carrying amounts				
At 1 January 2018	8	1,950	6	1,964
At 31 December 2018	6	1,256	12	1,274
At 31 December 2019	4	774	10	788

6 SUBSIDIARIES

	Trust	
	2019 $'000	**2018 $'000**
Equity investments, at cost	189,166	169,825
Advances to a subsidiary	3,420	3,420
	192,586	173,245
Less: Accumulated impairment losses	(4,800)	(4,800)
	187,786	168,445

The advances to a subsidiary are unsecured, interest-free and have no fixed terms of repayment. The settlement of these advances is neither planned nor likely to occur in the foreseeable future and hence are classified as non-current.

6 SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Ownership interest	
		2019	2018
		%	%
Details of the subsidiaries directly held by the Trust are set out below:			
Cache-MTN Pte Ltd [5]	Singapore	–	100
Cache (Australia) Pte Ltd [1]	Singapore	100	100
Cache Singapore One Pte Ltd [1]	Singapore	100	100
The Trust Company (Australia) Limited ATF Cache Logistics Trust Australia [3]	Australia	100	100
Details of subsidiaries held by Cache Singapore One Pte Ltd are set out below:			
CWT Cayman (Jinshan) Limited [2]	The Cayman Islands	100	100
CWT Jinshan (Hong Kong) Limited [4]	Hong Kong	100	100
Details of subsidiaries held by The Trust Company (Australia) Limited ATF Cache Logistics Trust Australia are set out below:			
The Trust Company Limited ATF Chester Hill (NSW) Trust [3]	Australia	100	100
The Trust Company Limited ATF Somerton (VIC) Trust [3]	Australia	100	100
The Trust Company Limited ATF Coopers Plains (QLD) Trust [3]	Australia	100	100
The Trust Company Limited ATF Wacol (QLD) Trust [3]	Australia	100	100
The Trust Company Limited ATF Wacol 2 (QLD) Trust [3]	Australia	100	100
The Trust Company Limited ATF Kidman Park (SA) Trust [3]	Australia	100	100
The Trust Company Limited ATF Laverton (VIC) Trust [3]	Australia	100	100
The Trust Company Limited ATF Altona Trust [3]	Australia	100	–
The Trust Company Limited as trustee for ESIP Trust [3]	Australia	100	100

6 SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Country of incorporation	Ownership interest 2019 %	Ownership interest 2018 %
Details of subsidiaries held by The Trust Company Limited as trustee for ESIP Trust are set out below:			
Perpetual Corporate Trust Limited as trustee for Berrinba Trust (3)	Australia	100	100
Perpetual Corporate Trust Limited as trustee for Berkeley Trust (3)	Australia	100	100
Perpetual Corporate Trust Limited as trustee for Campbellfield Trust (3)	Australia	100	100
Perpetual Corporate Trust Limited as trustee for Braeside Trust (3)	Australia	100	100
Perpetual Corporate Trust Limited as trustee for Hydrive Trust (3)	Australia	100	100
Perpetual Corporate Trust Limited as trustee for Link Drive Trust (3)	Australia	100	100
Perpetual Corporate Trust Limited as trustee for Wacol Trust (3)	Australia	100	100
Perpetual Corporate Trust Limited as trustee for Westlink Trust (3)	Australia	100	100
Perpetual Corporate Trust Limited as trustee for Woodlands Trust (3)	Australia	100	100

(1) Audited by KPMG LLP, Singapore
(2) Not required to be audited by the laws of the country of incorporation
(3) For consolidation purposes, this entity is audited by other member firms of KPMG International
(4) Audited by other member firms of KPMG International
(5) Liquidated during 2019

7 TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Current				
Trade receivables	2,165	1,893	1,486	1,547
Other receivables	1,898	1,124	589	700
Deposits	711	605	711	605
Amounts due from subsidiaries (non-trade)	–	–	27,715	152,041
	4,774	3,622	30,501	154,893
Prepayments	3,432	2,292	2,780	1,859
	8,206	5,914	33,281	156,752
Non-current				
Amount due from subsidiaries (non-trade)	–	–	161,765	–
Other receivables	262	–	–	–
	262	–	161,765	–

As at 31 December 2019, included in amounts due from subsidiaries (non-trade) are loans to a subsidiary amounting to $161,765,000 (2018: $140,404,000) which are unsecured, interest-bearing ranging from 3.6% to 4.7% (2018: 4.4% to 4.7%) per annum and repayable on demand. The settlement of these loans is neither planned nor likely to occur within the next twelve months from the reporting date and hence are classified as non-current. The remaining amounts are unsecured, interest-free and repayable on demand.

The Group and the Trust's exposure to credit and currency risk for trade and other receivables is disclosed in Note 15.

8 CASH AND CASH EQUIVALENTS

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Cash at bank	15,259	33,338	8,907	10,795

9 TRADE AND OTHER PAYABLES

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Current				
Trade payables	3,564	2,054	3,404	1,289
Interest payable	2,927	2,930	2,741	2,676
Security deposits	1,420	901	1,420	901
Income received in advance	2,431	1,310	1,453	1,208
Accrued operating expenses	8,132	7,694	5,599	5,181
	18,474	14,889	14,617	11,255
Non-current				
Security deposits	2,926	2,202	2,926	2,202
Income received in advance	808	2,013	808	2,013
	3,734	4,215	3,734	4,215
	22,208	19,104	18,351	15,470

The exposure of the Group and the Trust to liquidity and currency risks relating to trade and other payables is disclosed in Note 15.

10 INTEREST-BEARING BORROWINGS

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Secured borrowings	45,808	74,680	–	–
Less: Unamortised transaction costs	(31)	(135)	–	–
	45,777	74,545	–	–
Unsecured borrowings	467,500	400,000	467,500	400,000
Less: Unamortised transaction costs	(3,438)	(4,365)	(3,438)	(4,365)
	464,062	395,635	464,062	395,635
Maturity of borrowings				
Within 1 year	113,277	28,098	67,500	–
After 1 year but within 5 years	396,562	245,318	396,562	198,871
More than 5 years	–	196,764	–	196,764
	509,839	470,180	464,062	395,635

10 INTEREST-BEARING BORROWINGS (CONTINUED)

Terms and debt repayment schedule

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

	Currency	Nominal interest rate	Year of maturity	Face value $'000	Carrying amount $'000
Group					
2019					
Uncommitted short-term credit facility (2)	SGD	SOR* + Margin	2020	19,900	19,900
Credit facilities (2)	SGD	SOR* + Margin	2020	47,600	46,956
Term loan facility (1)	AUD	BBSY# + Margin	2020	33,057	33,050
Term loan facility (1)	AUD	BBSY# + Margin	2020	12,751	12,727
Term loan facility (2)	SGD	SOR* + Margin	2021	90,000	89,702
Term loan facility (2)	SGD	SOR* + Margin	2023	110,000	109,487
Term loan facility (2)	SGD	SOR* + Margin	2024	200,000	198,017
				513,308	509,839
2018					
Term loan facility (1)	AUD	BBSY# + Margin	2019	28,125	28,098
Term loan facility (1)	AUD	BBSY# + Margin	2020	33,596	33,542
Term loan facility (1)	AUD	BBSY# + Margin	2020	12,959	12,905
Term loan facility (2)	SGD	SOR* + Margin	2021	90,000	89,549
Term loan facility (2)	SGD	SOR* + Margin	2023	110,000	109,322
Term loan facility (2)	SGD	SOR* + Margin	2024	200,000	196,764
				474,680	470,180
Trust					
2019					
Uncommitted short-term credit facility (2)	SGD	SOR* + Margin	2020	19,900	19,900
Credit facilities (2)	SGD	SOR* + Margin	2020	47,600	46,956
Term loan facility (2)	SGD	SOR* + Margin	2021	90,000	89,702
Term loan facility (2)	SGD	SOR* + Margin	2023	110,000	109,487
Term loan facility (2)	SGD	SOR* + Margin	2024	200,000	198,017
				467,500	464,062
2018					
Term loan facility (2)	SGD	SOR* + Margin	2021	90,000	89,549
Term loan facility (2)	SGD	SOR* + Margin	2023	110,000	109,322
Term loan facility (2)	SGD	SOR* + Margin	2024	200,000	196,764
				400,000	395,635

* Swap Offer Rate
\# Bank Bill Swap Rate
(1) Secured term loan facilities – The facilities are secured by way of a legal mortgage and charges over 4 (2018: 5) Australia properties.
(2) Unsecured term loan facilities

10 INTEREST-BEARING BORROWINGS (CONTINUED)

Terms and debt repayment schedule (continued)

The following are the expected contractual undiscounted cash inflows/(outflows) of financial liabilities and derivative financial instruments, including estimated interest payments and excluding the impact of netting agreements, and trade and other payables:

	Carrying amount $'000	Contractual cash flows $'000	<— Cash flows — Within 1 year $'000	Within 2 to 5 years $'000	—> More than 5 years $'000
Group					
2019					
Non-derivative financial liabilities					
Floating rate term loans	509,839	(555,023)	(126,340)	(428,683)	–
Trade and other payables ^	18,969	(18,969)	(16,043)	(2,926)	–
Lease liabilities	78,015	(108,390)	(6,031)	(24,122)	(78,237)
	606,823	(682,382)	(148,414)	(455,731)	(78,237)
Derivative financial instruments					
Interest rate swaps used for hedging	(7,642)				
– Inflow	–	16,359	5,335	11,024	–
– Outflow	–	(24,020)	(8,594)	(15,426)	–
	(7,642)	(7,661)	(3,259)	(4,402)	–
Forward foreign exchange contracts	210				
– Inflow	–	14,295	14,295	–	–
– Outflow	–	(14,073)	(14,073)	–	–
	210	222	222	–	–
2018					
Non-derivative financial liabilities					
Floating rate term loans	470,180	(537,360)	(49,880)	(283,842)	(203,638)
Trade and other payables ^	15,781	(15,781)	(13,579)	(2,202)	–
	485,961	(553,141)	(63,459)	(286,044)	(203,638)
Derivative financial instruments					
Interest rate swaps used for hedging	(4,948)				
– Inflow	–	18,606	5,962	12,166	478
– Outflow	–	(24,959)	(7,762)	(16,529)	(668)
	(4,948)	(6,353)	(1,800)	(4,363)	(190)
Interest rate swaps at fair value through statement of total return	(94)				
– Inflow	–	958	958	–	–
– Outflow	–	(1,107)	(1,107)	–	–
	(94)	(149)	(149)	–	–
Forward foreign exchange contracts	142				
– Inflow	–	2,649	2,649	–	–
– Outflow	–	(2,496)	(2,496)	–	–
	142	153	153	–	–

^ Excludes income received in advance

10 INTEREST-BEARING BORROWINGS (CONTINUED)

Terms and debt repayment schedule (continued)

	Carrying amount $'000	Contractual cash flows $'000	Cash flows: Within 1 year $'000	Cash flows: Within 2 to 5 years $'000	Cash flows: More than 5 years $'000
Trust					
2019					
Non-derivative financial liabilities					
Floating rate term loans	464,062	(528,724)	(80,141)	(448,583)	–
Trade and other payables ^	16,090	(16,090)	(13,164)	(2,926)	–
Lease liabilities	78,015	(108,390)	(6,031)	(24,122)	(78,237)
	558,167	(653,204)	(99,336)	(475,631)	(78,237)
Derivative financial instruments					
Interest rate swaps used for hedging	(7,516)				
– Inflow	–	16,299	5,275	11,024	–
– Outflow	–	(23,823)	(8,397)	(15,426)	–
	(7,516)	(7,524)	(3,122)	(4,402)	–
Forward foreign exchange contracts	210				
– Inflow	–	14,295	14,295	–	–
– Outflow	–	(14,073)	(14,073)	–	–
	210	222	222	–	–
2018					
Non-derivative financial liabilities					
Floating rate term loans	395,635	(459,386)	(13,571)	(242,177)	(203,638)
Trade and other payables ^	12,249	(12,249)	(10,047)	(2,202)	–
	407,884	(471,635)	(23,618)	(244,379)	(203,638)
Derivative financial instruments					
Interest rate swaps used for hedging	(4,768)				
– Inflow	–	17,705	5,218	12,009	478
– Outflow	–	(23,873)	(6,876)	(16,329)	(668)
	(4,768)	(6,168)	(1,658)	(4,320)	(190)
Interest rate swaps at fair value through statement of total return	(94)				
– Inflow	–	958	958	–	–
– Outflow	–	(1,107)	(1,107)	–	–
	(94)	(149)	(149)	–	–
Forward foreign exchange contracts	142				
– Inflow	–	2,649	2,649	–	–
– Outflow	–	(2,496)	(2,496)	–	–
	142	153	153	–	–

^ Excludes income received in advance

10 INTEREST-BEARING BORROWINGS (CONTINUED)

Terms and debt repayment schedule (continued)

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

The interest payments on floating rate term loans in the table above reflects market forward interest rates at the period end and these amounts may change as market interest rates changes.

The exposure of the Group and the Trust to currency, liquidity and interest rate risks that relates to interest-bearing borrowings is disclosed in Note 15.

Measurement of fair values

The carrying amounts of interest-bearing borrowings which are all re-priceable within 1 to 3 months from the reporting date approximate their corresponding fair values.

Reconciliation of movements of liabilities to cash flows arising from financing activities

Reconciliation of movements of liabilities to cash flows arising from financing activities are as follows:

	Liabilities			Derivatives liabilities held to hedge borrowings	Derivatives liabilities at fair value through statement of total return	Total
	Interest-bearing borrowings $'000	Interest payable $'000	Lease liabilities $'000	Interest rate swaps used for hedging-liabilities $'000	Interest rate swaps at fair value through statement of total return $'000	$'000
Group						
Adjusted Balance at 1 January 2019	470,180	2,930	81,029	4,948	94	559,181
Changes from financing cash flows						
Proceeds from borrowings	84,700	–	–	–	–	84,700
Repayment of borrowings	(45,800)	–	–	–	–	(45,800)
Interest paid	–	(17,656)	(2,956)	–	–	(20,612)
Payment of lease liabilities	–	–	(3,073)	–	–	(3,073)
Total changes from financing cash flows	38,900	(17,656)	(6,029)	–	–	15,215

10 INTEREST-BEARING BORROWINGS (CONTINUED)

Reconciliation of movements of liabilities to cash flows arising from financing activities (continued)

	Liabilities			Derivatives liabilities held to hedge borrowings	Derivatives liabilities at fair value through statement of total return	Total
	Interest-bearing borrowings $'000	Interest payable $'000	Lease liabilities $'000	Interest rate swaps used for hedging-liabilities $'000	Interest rate swaps at fair value through statement of total return $'000	$'000
Group (continued)						
The effect of changes in foreign exchange rates	(270)	–	–	–	–	(270)
Changes in fair value	–	–	–	2,694	(304)	2,390
Other changes						
Liability-related						
Amortisation/write-off of transaction costs	1,029	–	–	–	–	1,029
Interest expense – bank loans	–	15,906	–	–	–	15,906
Interest expense – interest rate swaps	–	1,617	–	–	–	1,617
Commitment fee	–	128	–	–	–	128
Remeasurement of lease liabilities due to revised lease payment	–	–	59	–	–	59
Interest expense – lease liabilities	–	–	2,956	–	–	2,956
Others	–	2	–	–	–	2
Total liability-related other changes	1,029	17,653	3,015	–	–	21,697
Balance at 31 December 2019	509,839	2,927	78,015	7,642	(210)	598,213

10 INTEREST-BEARING BORROWINGS (CONTINUED)

Reconciliation of movements of liabilities to cash flows arising from financing activities (continued)

	Liabilities			Derivatives liabilities held to hedge borrowings	Derivatives liabilities at fair value through statement of total return	Total
	Interest-bearing borrowings $'000	Interest payable $'000	Lease liabilities $'000	Interest rate swaps used for hedging-liabilities $'000	Interest rate swaps at fair value through statement of total return $'000	$'000
Group						
Balance at 1 January 2018	444,663	791	–	985	1,037	447,476
Changes from financing cash flows						
Proceeds from borrowings	310,000	–	–	–	–	310,000
Repayment of borrowings	(274,444)	–	–	–	–	(274,444)
Transaction costs paid	(4,177)	–	–	–	–	(4,177)
Interest paid	–	(14,764)	–	–	–	(14,764)
Total changes from financing cash flows	31,379	(14,764)	–	–	–	16,615
The effect of changes in foreign exchange rates	(7,514)	–	–	–	–	(7,514)
Changes in fair value	–	–	–	3,963	(943)	3,020
Other changes						
Liability-related						
Amortisation/write-off of transaction costs	1,652	–	–	–	–	1,652
Interest expense – bank loans	–	15,041	–	–	–	15,041
Interest expense – interest rate swaps	–	1,605	–	–	–	1,605
Commitment fee	–	245	–	–	–	245
Others	–	12	–	–	–	12
Total liability-related other changes	1,652	16,903	–	–	–	18,555
Balance at 31 December 2018	470,180	2,930	–	4,948	94	478,152

11 DERIVATIVE ASSETS/(LIABILITIES)

	Group		Trust	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Current assets				
Forward foreign exchange contracts	210	142	210	142
Non-current liabilities				
Interest rate swaps used for hedging	(7,516)	(4,925)	(7,516)	(4,768)
Current liabilities				
Interest rate swaps:				
– used for hedging	(126)	(23)	–	–
– at fair value through statement of total return	–	(94)	–	(94)
	(7,432)	(4,900)	(7,306)	(4,720)

Interest rate swaps

The Group uses interest rate swaps to manage its exposure to interest rate movements on its floating rate interest-bearing term loans by swapping the interest expense on a proportion of the term loans from floating rates to fixed rates.

The Group manages its exposure to changes in interest rates on its floating rate borrowings by entering into interest rate swaps with a total notional amount of $324,904,000 (2018: $356,890,000) to provide fixed rate funding for terms of 3 to 5 years (2018: 3 to 5 years) at interest rate ranging from 1.82% to 2.55% (2018: 1.90% to 2.55%) per annum.

During the years ended 31 December 2019 and 31 December 2018, hedge accounting was discontinued in respect of certain interest rate swaps as they no longer met the criteria for hedge accounting. The changes in the fair value of these interest rate swaps were recognised immediately in the statement of total return.

Forward foreign exchange contracts

The Group manages its exposure to foreign currency movements on net income denominated in Australian dollars ("A$") from its investments in Australia by using forward foreign exchange contracts.

As at 31 December 2019, forward exchange contracts with an aggregate notional amount of A$14,900,000 (2018: A$2,600,000) with maturity of less than one year (2018: less than one year) were outstanding.

Master netting or similar agreements

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 2019 and at 31 December 2018, the Group's derivative financial assets and liabilities do not have any balances that are eligible for offsetting under the enforceable master netting arrangements.

11 DERIVATIVE ASSETS/(LIABILITIES) (CONTINUED)

Measurement of fair value

The fair values of financial derivatives are based on broker quotes at the reporting date and are categorised within Level 2 of the fair value hierarchy.

12 PROVISION

	Group and Trust	
	2019 $'000	2018 $'000
At beginning of year	664	–
Provision made	–	1,380
Provision utilised	(639)	(716)
Provision reversed	(25)	–
At end of year	–	664

The provision of the Group and Trust relates to top-up payments to be made by the Trust to a third party for any shortfall of guaranteed rental income amount in respect of the divestment of Hi-Speed Logistics Centre. Pursuant to the terms of the deed of income support agreement entered into, the Trust provided income support on Hi-Speed Logistics Centre for 1 year from 18 May 2018, of up to $1,380,000.

13 PERPETUAL SECURITIES

On 1 February 2018, the Trust issued $100.0 million perpetual securities under the $1.0 billion Multicurrency Debt Issuance Programme established by the Trust. The key terms and conditions of the perpetual securities are as follows:

- the perpetual securities will confer a right to receive distribution payments at a rate of 5.5% per annum with the first distribution rate reset falling on 1 February 2023 and subsequent resets occurring every five years thereafter;

- the distributions are payable semi-annually in arrears on a discretionary basis and are non-cumulative; and

- the perpetual securities will constitute direct, unsecured and subordinated obligations of the Trust and rank *pari passu* and without any preference among themselves and with any Parity Obligations (as defined in the conditions) of the Trust.

The perpetual securities may be redeemed at the option of the Trust. Distributions to the perpetual securities holders will be payable semi-annually in arrears on a discretionary basis and will be non-cumulative. Accordingly, the perpetual securities are classified as equity. The expenses relating to the issue of the perpetual securities are deducted against the proceeds from the issue.

The perpetual securities are classified as equity instruments and recorded within the Group's and Trust's statement of movements in Unitholders' Funds. As at 31 December 2019, the $101.5 million (2018: $101.5 million) presented in the statement of financial position represents the carrying value of the $100.0 million (2018: $100.0 million) perpetual securities issued, net of issue costs and includes the total return attributable to the perpetual securities holders from the last distribution date.

14 UNITS IN ISSUE AND TO BE ISSUED

	Group and Trust 2019 Number of Units '000	Group and Trust 2018 Number of Units '000
Units in issue:		
At the beginning of year	1,077,881	1,069,700
Units issued:		
– Manager's base fees paid in Units	4,965	4,953
Units to be issued:		
– Manager's base fees payable in Units	1,707	1,768
– Manager's performance fees payable in Units	1,266	1,460
Total issued and to be issued Units at the end of year	1,085,819	1,077,881

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

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

The Unitholders cannot give any directions to the Manager or the Trustee (whether at a meeting of Unitholders or otherwise) if it would require the Trustee or the Manager to do or omit doing anything which may result in:

- the Trust ceasing to comply with the Listing Manual issued by the SGX-ST or the Property Funds Appendix; or
- the exercise of any discretion expressly conferred on the Trustee or the Manager by the Trust Deed or the determination of any matter for which the agreement of either or both the Trustee and the Manager is required under the Trust Deed.

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

15 FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Group has exposure to the following risks arising 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 Group'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 carrying amounts of the following financial assets represent the Group's and Trust's maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Group		Trust	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Advances to a subsidiary	–	–	3,420	3,420
Amounts due from subsidiaries (non-trade)	–	–	189,480	152,041
Trade and other receivables*	4,774	3,622	2,786	2,852
Derivative assets	210	142	210	142
Cash and cash equivalents	15,259	33,338	8,907	10,795
	20,243	37,102	204,803	169,250

* Excludes prepayments

15 FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (continued)

Amount due from subsidiaries

The Trust has non-trade receivables from its subsidiaries of $189,480,000 (2018: $152,041,000) at 31 December 2019. These balances are amounts lent to subsidiaries to satisfy their funding requirements. Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default, these balances are considered to have low credit risk. Therefore, impairment on these balances has been measured on the 12-month expected credit loss basis and the amount of the allowance is immaterial.

Trade receivables

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 following table provides information amount the exposure to credit risk for trade receivables at the reporting date:

	2019		2018	
	Gross carrying amount $'000	**Loss allowance $'000**	**Gross carrying amount $'000**	**Loss allowance $'000**
Group				
Not past due	1,758	–	1,730	–
Past due 31 – 60 days	266	–	97	–
Past due 61 – 90 days	137	–	3	–
More than 90 days past due	4	–	63	–
	2,165	–	1,893	–
Trust				
Not past due	1,478	–	1,513	–
Past due 31 – 60 days	3	–	2	–
Past due 61 – 90 days	1	–	–	–
More than 90 days past due	4	–	32	–
	1,486	–	1,547	–

Trade receivables comprise mainly rental receivables. Generally, the tenants have provided security deposits amounting to 1-12 months rental in the form of a bankers' guarantee or cash. Based on historical default rates, the Manager believes that no impairment loss allowance is necessary in respect of trade receivables as these receivables mainly arose from tenants that have good credit standing with the Group and the Group holds sufficient security deposits as collateral and hence, ECL is not material.

Other receivables and Deposits

Impairment on other receivables and deposits has been measured on the 12-month expected loss basis which reflect the low credit risk of the exposures. The amount of the allowance on these balances is insignificant.

Cash and cash equivalents

Cash and cash equivalents are placed with financial institutions which are regulated. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risks based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

15 FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (continued)

Derivatives assets

Transactions involving derivative financial instruments are entered only with bank counterparties that are regulated.

Liquidity risk

Liquidity risk refer to the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

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 CIS Code issued by the MAS concerning limits on total borrowings.

As at 31 December 2019, the Group had committed and undrawn facilities comprising $17.4 million (2018: $65.0 million) from revolving credit facilities with a panel of banks.

The Trust established a $1.0 billion Multicurrency Debt Issuance Programme (the "Debt Issuance Programme") in 2017. Under the Debt Issuance Programme, the Trust may from time to time issue notes and/or perpetual securities in series or tranches. As at 31 December 2019, $100.0 million (2018: $100.0 million) perpetual securities were issued under the Debt Issuance Programme.

The Group has bank loans which contain certain covenants. Any breach of covenants may require the Group to repay the loans earlier than indicated in Note 10.

Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Group's total return or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk, utilising interest rate and currency hedging strategies where appropriate.

Currency risk

At the reporting date, the Group's and Trust's exposure to currency risk was as follows:

	2019	2018	
	AUD $'000	USD $'000	AUD $'000
Group			
Cash and cash equivalents	4,883	11,875	4,412
Net statement of financial position exposure	4,883	11,875	4,412

15 FINANCIAL INSTRUMENTS (CONTINUED)

Market risk *(continued)*

Currency risk (continued)

	2019 AUD $'000	2018 AUD $'000
Trust		
Cash and cash equivalents	4,883	4,412
Amounts due from subsidiaries	189,438	140,404
Net statement of financial position exposure	194,321	144,816

A 10% strengthening of the Singapore Dollar against the following currencies would increase/(decrease) 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.

	Total return	
	2019 $'000	2018 $'000
Group		
USD	–	(1,188)
AUD	(488)	(441)
Trust		
AUD	(19,432)	(14,482)

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 10).

15 FINANCIAL INSTRUMENTS (CONTINUED)

Market risk *(continued)*

Interest rate risk (continued)

Profile

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	Group Nominal amount		Trust Nominal amount	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Variable rate instruments				
Financial assets	15,259	33,338	8,907	10,795
Financial liabilities	(513,308)	(474,680)	(467,500)	(400,000)
Effect of interest rate swaps	342,904	356,890	320,000	319,550
	(155,145)	(84,452)	(138,593)	(69,655)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at FVTPL, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, in respect of the fixed rate instruments, a change in interest rates at the reporting date would not affect total return.

Cash flow sensitivity analysis for variable rate instruments

A change of 25 (2018: 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 $'000	**25 bp decrease $'000**	**25 bp increase $'000**	**25 bp decrease $'000**
Group				
2019				
Financial assets	38	(38)	–	–
Financial liabilities	(426)	426	556	125
Cash flow sensitivity (net)	(388)	388	556	125
2018				
Financial assets	83	(83)	–	–
Financial liabilities	(288)	214	482	126
Cash flow sensitivity (net)	(205)	131	482	126

15 FINANCIAL INSTRUMENTS (CONTINUED)

Market risk *(continued)*

Interest rate risk (continued)

Cash flow sensitivity analysis for variable rate instruments (continued)

	Total return		Unitholders' fund	
	25 bp increase $'000	25 bp decrease $'000	25 bp increase $'000	25 bp decrease $'000
Trust				
2019				
Financial assets	22	(22)	–	–
Financial liabilities	(369)	369	553	151
Cash flow sensitivity (net)	(347)	347	553	151
2018				
Financial assets	27	(27)	–	–
Financial liabilities	(194)	120	513	205
Cash flow sensitivity (net)	(167)	93	513	205

Capital management

The primary objective of the Group's capital management is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise Unitholder's value. In order to maintain or achieve an optimal capital structure, the Group will endeavour to employ an appropriate mix of debt and equity in financing acquisitions and assets enhancements, and utilise interest rate and currency hedging strategies where appropriate. The Manager reviews this policy on a continuous basis.

The Property Funds Appendix of the CIS Code stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 45.0% (2018: 45.0%) of the fund's Deposited Property.

As at 31 December 2019, the Group's Aggregate Leverage ratio was 40.1% (2018: 36.2%) and was compliance with the Aggregate Leverage limit of 45.0% (2018: 45.0%).

15 FINANCIAL INSTRUMENTS (CONTINUED)

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 as follows. 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. Further, for the current year, the fair value disclosure of lease liabilities is also not required.

	Carrying amount					Fair value			
	Fair value – hedging instruments $'000	**Mandatorily at FVTPL $'000**	**Financial asset at amortised cost $'000**	**Other financial liabilities $'000**	**Total $'000**	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Group									
31 December 2019									
Financial assets measured at fair value									
Forward foreign exchange contracts	–	210	–	–	210	–	210	–	210
Financial assets not measured at fair value									
Trade and other receivables ^	–	–	4,774	–	4,774				
Cash and cash equivalents	–	–	15,259	–	15,259				
	–	–	20,033	–	20,033				
Financial liabilities measured at fair value									
Interest rate swaps used for hedging	(7,642)	–	–	–	(7,642)	–	(7,642)	–	(7,642)
Financial liabilities not measured at fair value									
Trade and other payables (non-current)	–	–	–	(2,926)	(2,926)	–	–	(2,632)	(2,632)
Trade and other payables (current) ^^	–	–	–	(16,043)	(16,043)				
Interest-bearing borrowings	–	–	–	(509,839)	(509,839)				
Lease liabilities	–	–	–	(78,015)	(78,015)				
	–	–	–	(606,823)	(606,823)				

^ Excludes prepayments
^^ Exclude income received in advance

15 FINANCIAL INSTRUMENTS (CONTINUED)

***Accounting classifications and fair values** (continued)*

	Carrying amount					Fair value			
	Fair value – hedging instruments $'000	Mandatorily at FVTPL $'000	Financial assets at amortised cost $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group									
31 December 2018									
Financial assets measured at fair value									
Forward foreign exchange contracts	–	142	–	–	142	–	142	–	142
Financial assets not measured at fair value									
Trade and other receivables ^	–	–	3,622	–	3,622				
Cash and cash equivalents	–	–	33,338	–	33,338				
	–	–	36,960	–	36,960				
Financial liabilities measured at fair value									
Interest rate swaps at fair value through statement of total return	–	(94)	–	–	(94)	–	(94)	–	(94)
Interest rate swaps used for hedging	(4,948)	–	–	–	(4,948)	–	(4,948)	–	(4,948)
	(4,948)	(94)	–	–	(5,042)				
Financial liabilities not measured at fair value									
Trade and other payables (non-current)	–	–	–	(2,202)	(2,202)	–	–	(2,018)	(2,018)
Trade and other payables (current) ^^	–	–	–	(13,579)	(13,579)				
Interest-bearing borrowings	–	–	–	(470,180)	(470,180)				
	–	–	–	(485,961)	(485,961)				

^ Excludes prepayments
^^ Exclude income received in advance

15 FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classifications and fair values *(continued)*

	Carrying amount					Fair value			
	Fair value – hedging instruments $'000	Mandatorily at FVTPL $'000	Financial asset at amortised cost $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Trust									
31 December 2019									
Financial assets measured at fair value									
Forward foreign exchange contracts	–	210	–	–	210	–	210	–	210
Financial assets not measured at fair value									
Advances to a subsidiary	–	–	3,420	–	3,420				
Trade and other receivables ^	–	–	192,266	–	192,266				
Cash and cash equivalents	–	–	8,907	–	8,907				
	–	–	204,593	–	204,593				
Financial liabilities measured at fair value									
Interest rate swaps used for hedging	(7,516)	–	–	–	(7,516)	–	(7,516)	–	(7,516)
Financial liabilities not measured at fair value									
Trade and other payables (non-current)	–	–	–	(2,926)	(2,926)	–	–	(2,632)	(2,632)
Trade and other payables (current) ^^	–	–	–	(13,164)	(13,164)				
Interest-bearing borrowings	–	–	–	(464,062)	(464,062)				
Lease liabilities	–	–	–	(78,015)	(78,015)				
	–	–	–	(558,167)	(558,167)				

^ Excludes prepayments
^^ Exclude income received in advance

15 FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classifications and fair values *(continued)*

	Carrying amount					Fair value			
	Fair value – hedging instruments $'000	Mandatorily at FVTPL $'000	Financial assets at amortised cost $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Trust									
31 December 2018									
Financial assets measured at fair value									
Forward foreign exchange contracts	–	142	–	–	142	–	142	–	142
Financial assets not measured at fair value									
Advances to a subsidiary	–	–	3,420	–	3,420				
Trade and other receivables ^	–	–	154,893	–	154,893				
Cash and cash equivalents	–	–	10,795	–	10,795				
	–	–	169,108	–	169,108				
Financial liabilities measured at fair value									
Interest rate swaps at fair value through statement of total return	–	(94)	–	–	(94)	–	(94)	–	(94)
Interest rate swaps used for hedging	(4,768)	–	–	–	(4,768)	–	(4,768)	–	(4,768)
	(4,768)	(94)	–	–	(4,862)				
Financial liabilities not measured at fair value									
Trade and other payables (non-current)	–	–	–	(2,202)	(2,202)	–	–	(2,018)	(2,018)
Trade and other payables (current) ^^	–	–	–	(10,047)	(10,047)				
Interest-bearing borrowings	–	–	–	(395,635)	(395,635)				
	–	–	–	(407,884)	(407,884)				

^ Excludes prepayments
^^ Exclude income received in advance

15 FINANCIAL INSTRUMENTS (CONTINUED)

Determination of fair value

Financial instruments not measured at fair value

The following table shows the valuation technique and the significant unobservable inputs used in the determination of fair value of the Level 3 financial instruments not measured at fair value:

Financial instrument	Valuation technique
Other financial liabilities*	Discounted cash flows**

* Other financial liabilities include trade and other payables, and exclude interest-bearing borrowings and lease liabilities.
** 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 their relative short period to maturity.

Transfers between levels of the fair value hierarchy

During the years ended 31 December 2019 and 31 December 2018, there were no transfers between the levels of the fair value hierarchy.

16 GROSS REVENUE

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Rental income	99,186	108,921	73,655	83,606
Other operating income	14,369	12,619	9,535	8,341
	113,555	121,540	83,190	91,947

17 PROPERTY EXPENSES

	Note	Group 2019 $'000	Group 2018 $'000	Trust 2019 $'000	Trust 2018 $'000
Property and lease management fees (including reimbursable expenses) paid/payable to the Property Manager		4,391	4,680	3,924	4,431
Other fees paid/payable to the Property Manager		1,012	1,573	974	1,533
Depreciation of plant and equipment	5	490	771	490	616
Utilities		5,801	5,025	5,079	4,452
Property tax		7,353	6,243	7,353	6,243
Land tax		2,936	2,428	–	–
Land rent*	21	–	5,354	–	5,354
Others		5,728	4,542	4,430	3,476
		27,711	30,616	22,250	26,105

* Land rent has been replaced with net change in fair value of investment properties and interest expense on lease liabilities under the principles of FRS 116 *Leases* with effect from 1 January 2019.

18 NET FINANCING COSTS

	Group 2019 $'000	Group 2018 $'000	Trust 2019 $'000	Trust 2018 $'000
Interest income:				
– bank deposits	146	150	35	53
– intercompany loan	–	–	6,448	6,333
Finance income	146	150	6,483	6,386
Interest expense:				
– bank loans	(15,906)	(15,041)	(13,679)	(12,314)
– interest rate swaps	(1,617)	(1,605)	(1,296)	(1,430)
– lease liabilities	(2,956)	–	(2,956)	–
Commitment fee	(128)	(245)	(128)	(245)
Amortisation/write-off of transaction costs	(1,029)	(1,652)	(927)	(1,533)
Others	(2)	(12)	(2)	(1)
Finance expenses	(21,638)	(18,555)	(18,988)	(15,523)
Net financing costs	(21,492)	(18,405)	(12,505)	(9,137)

19 MANAGER'S FEES

	Group and Trust	
	2019	**2018**
	$'000	**$'000**
Manager's base fees	6,580	6,774
Manager's performance fees	1,197	1,364
	7,777	8,138

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 2019 amounting to approximately $5,833,000 (2018: $6,103,000). This comprises 7,937,174 (2018: 8,180,967) Units, of which 4,964,095 (2018: 4,953,072) Units were issued during the year ended 31 December 2019 and another 2,973,079 (2018: 3,227,895) Units will be issued to the Manager by the Trust subsequent to the reporting date.

20 OTHER TRUST EXPENSES

Included in other trust expenses are:

	Group		Trust	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Audit fees paid/payable to:				
– auditors of the Trust	231	224	223	207
– other auditors	137	188	–	–
Non-audit fees paid/payable to:				
– auditors of the Trust	101	83	101	83
– other auditors	135	135	–	–
Net foreign exchange loss	2,504	11,168	2,416	11,533

21 LEASES

Leases as lessee (FRS 116)

The Group leases land in respect of certain properties from JTC corporation. The leases typically range from 29 to 30 years, with an option to renew the lease after that date. 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. Previously, these leases were classified as operating leases under FRS 17.

Information about leases for which the Group and the Trust is a lessee is presented below.

Right-of-use assets

Right-of-use assets related to leased properties that meet the definition of investment property are presented within investment properties (see Note 4).

21 LEASES (CONTINUED)

Amounts recognised in the statement of total return

	Note	Group $'000
2019 – Leases under FRS 116		
Interest expense on lease liabilities	18	2,956
2018 – Operating leases under FRS 17		
Land rent	17	5,354

Amounts recognised in statement of cash flows

	2019 $'000
Total cash outflow for leases	3,073

Extension options

Some of the land leases with JTC contain an extension option for a further term on the same terms and conditions with that of the first term of the land lease, provided that JTC determines that there is no existing breach or non-observance of any terms and conditions of the land lease obligation prior to the expiry of the first term of the land lease.

Leases as lessor

The Group leases out its investment properties (see Note 4). All leases are classified as operating leases from a lessor perspective.

Operating lease

The Group leases out its investment properties. Investment properties are held for use by tenants under operating leases. Generally, the leases contain an initial non-cancellable period of between 3 to 10 years and subsequent renewals are negotiated with the lessee to reflect market rentals. None of the leases contain contingent rental arrangements. The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date and excluding prevailing market rent adjustments.

	Group $'000	Trust $'000
2019 – Operating leases under FRS 116		
Less than 1 year	92,027	69,504
1 to 2 years	73,542	53,595
2 to 3 years	52,475	36,743
3 to 4 years	34,593	21,759
4 to 5 years	28,665	20,348
More than 5 years	32,358	19,220
Total lease receivables	313,660	221,169
2018 – Operating leases under FRS 17		
Within 1 year	94,144	68,816
After 1 year but within 5 years	198,199	129,696
After 5 years	55,307	35,996
Total lease receivables	347,650	234,508

22 TAX EXPENSE

	Group 2019 $'000	Group 2018 $'000	Trust 2019 $'000	Trust 2018 $'000
Current tax expense				
Current year	–	107	–	–
Withholding tax	2,025	2,802	2,025	1,633
	2,025	2,909	2,025	1,633
Deferred tax expense				
Origination and reversal of temporary differences – investment property	–	(377)	–	–
Tax expense	2,025	2,532	2,025	1,633

Reconciliation of effective tax rate

	Group 2019 $'000	Group 2018 $'000	Trust 2019 $'000	Trust 2018 $'000
Total return for the year before tax	(5,633)	32,221	(7,058)	32,968
Tax using the Singapore tax rate of 17% (2018: 17%)	(958)	5,478	(1,200)	5,605
Effect of tax rates in foreign jurisdictions	–	(22)	–	–
Non-tax deductible items	17,241	11,292	15,652	8,593
Non-taxable income	(6,100)	(5,675)	(4,269)	(3,232)
Derecognition of deferred tax provided by a subsidiary upon disposal	–	(377)	–	–
Tax transparency	(10,183)	(10,966)	(10,183)	(10,966)
Withholding tax	2,025	2,802	2,025	1,633
	2,025	2,532	2,025	1,633

23 NET ASSET VALUE PER UNIT

	Note	Group 2019	Group 2018	Trust 2019	Trust 2018
Net asset value per Unit ($)		0.59	0.66	0.60	0.67
Net asset value per Unit is based on:					
Net assets attributable to Unitholders ($'000)		639,413	713,157	652,520	725,030
Total Units issued and to be issued at 31 December ('000)	14	1,085,819	1,077,881	1,085,819	1,077,881

24 EARNINGS AND DISTRIBUTION PER UNIT

(a) Basic earnings per Unit

Basic earnings per Unit is based on:

	Group	
	2019	**2018**
	$'000	**$'000**
Total return for the year after tax attributable to Unitholders of the Trust and perpetual securities holders	(7,658)	29,689
Less: Amount reserved for distribution to perpetual securities holders	(5,500)	(5,033)
Total return for the year after tax, attributable to Unitholders of the Trust	(13,158)	24,656

	Number of Units '000	**Number of Units '000**
Issued Units at the beginning of year	1,077,881	1,069,700
Effect of creation of new Units:		
– issued as payment of Manager's base fees	2,507	2,469
– to be issued as payment of Manager's base and performance fees payable in Units	8	9
Weighted average number of issued and issuable Units at the end of year	1,080,396	1,072,178

(b) Diluted earnings per Unit

The calculation of diluted earnings per Unit for the Group was based on the total return for the year attributable to Unitholders and a weighted average number of Units outstanding adjusted for the effects of all dilutive potential Units.

	Group	
	2019	**2018**
	Number of Units '000	**Number of Units '000**
Weighted average number of Units used in calculation of basic earnings per Unit	1,080,396	1,072,178
Weighted average number of unissued Units from Manager's base and performance fees	5,423	5,703
Weighted average number of Units outstanding used in calculation of diluted earnings per Unit	1,085,819	1,077,881

(c) Distribution per Unit

The distribution per Unit relates to the distributions in respect of the relevant financial year. The distribution for the last quarter of the financial year will be paid subsequent to the reporting date (see Note 30).

25 OPERATING SEGMENTS

The Manager considers the business from a geographical segment perspective. Geographically, the Manager manages and monitors the business by 2 countries: Singapore and Australia (2018: 3 countries: Singapore, Australia and China). With the divestment of the Group's property in China during the year ended 31 December 2018, the Group has 2 operating segments for the year ended 31 December 2019.

All geographical locations are in the business of investing in logistics warehouse properties, which is the only business segment of the Group.

The Manager assesses the performance of the geographical segments based on a measure of Net Property Income ("NPI"). Interest income and finance expenses are not allocated to the segments as certain treasury activities are centrally managed by the Group.

The segment information provided to the Manager for the reportable segments are as follows:

	Singapore $'000	Australia $'000	Total $'000
2019			
Gross revenue	83,190	30,365	113,555
Property expenses	(22,250)	(5,461)	(27,711)
Net property income	60,940	24,904	85,844
Net change in fair value of investment properties	(62,741)	5,429	(57,312)
Net change in fair value of financial derivatives	304	–	304
Unallocated amounts:			
– Other income			25
– Interest income			146
– Borrowing costs			(21,638)
– Unallocated costs *			(13,002)
Total return for the year before tax			(5,633)
Tax expense	(2,025)	–	(2,025)
Total return for the year after tax			(7,658)
Assets and liabilities			
Segment assets			
– Investment properties	929,315	404,624	1,333,939
– Others	10,588	9,250	19,838
	939,903	413,874	1,353,777
Unallocated assets **			4,887
Consolidated total assets			1,358,664
Segment liabilities	567,986	239,185	807,171
Unallocated liabilities			(189,467)
Consolidated total liabilities			617,704

25 OPERATING SEGMENTS (CONTINUED)

	Singapore $'000	Australia $'000	China $'000	Total $'000
2018				
Gross revenue	91,947	28,634	959	121,540
Property expenses	(26,105)	(4,329)	(182)	(30,616)
Net property income	65,842	24,305	777	90,924
Net change in fair value of investment properties	(18,090)	(3,680)	–	(21,770)
Net change in fair value of financial derivatives	943	–	–	943
Net gain on disposal of investment property/ subsidiary				2,853
Unallocated amounts:				
– Interest income				150
– Borrowing costs				(18,555)
– Unallocated costs *				(22,324)
Total return for the year before tax				32,221
Tax expense	(1,633)	–	(899)	(2,532)
Total return for the year after tax				29,689
Assets and liabilities				
Segment assets				
– Investment properties	905,800	363,226	–	1,269,026
– Others	12,509	7,434	–	19,943
	918,309	370,660	–	1,288,969
Unallocated assets **				20,725
Consolidated total assets				1,309,694
Segment liabilities	416,630	77,963	–	494,593
Unallocated liabilities				397
Consolidated total liabilities				494,990

* Unallocated costs include Manager's fees, Trustee fees and other trust expenses.
** Unallocated assets include cash and cash equivalents and other receivables.

26 COMMITMENTS

	Group and Trust 2019 $'000	2018 $'000
Capital expenditure contracted but not provided for	3,226	815

27 ACQUISITION/DISPOSAL OF SUBSIDIARIES, NET OF CASH ACQUIRED/DISPOSED OF

(a) Acquisition of subsidiaries

On 15 February 2018, the Group acquired 100% effective interests in the following subsidiaries from third parties:

- Perpetual Corporate Trust Limited as trustee for Berrinba Trust
- Perpetual Corporate Trust Limited as trustee for Berkeley Trust
- Perpetual Corporate Trust Limited as trustee for Campbellfield Trust
- Perpetual Corporate Trust Limited as trustee for Braeside Trust
- Perpetual Corporate Trust Limited as trustee for Link Drive Trust
- Perpetual Corporate Trust Limited as trustee for Hydrive Trust
- Perpetual Corporate Trust Limited as trustee for Wacol Trust
- Perpetual Corporate Trust Limited as trustee for Westlink Trust
- Perpetual Corporate Trust Limited as trustee for Woodlands Trust

The cash flows and net assets and liabilities of subsidiaries acquired are provided below:

	Recognised values on acquisition 2018 $'000
Investment properties (including acquisition costs)	193,323
Trade and other receivables	1,217
Trade and other payables	(706)
Net identifiable assets and liabilities acquired	193,834
Purchase consideration	193,834
Net cash outflow on acquisition of investment properties	193,834

27 ACQUISITION/DISPOSAL OF SUBSIDIARIES, NET OF CASH ACQUIRED/DISPOSED OF (CONTINUED)

(b) Disposal of a subsidiary

On 31 December 2018, the Group disposed 100% of its ownership interest in a subsidiary, CWT Warehousing Transportation (Shanghai) Development Co., Ltd.

The cash flows and net assets and liabilities of subsidiary disposed of are provided below:

	Group 2018 $'000
Investment properties	15,437
Plant and equipment	659
Trade and other receivables	47
Trade and other payables	(27)
Cash and cash equivalents	509
Net assets disposed	16,625
Realisation of reserves	98
Gain on disposal of subsidiary	118
Sale consideration	16,841
Receivables from vendor	(89)
Cash of subsidiary disposed	(509)
Net cash inflow from disposal of a subsidiary	16,243

28 SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in mainly financial and operating decisions, or vice-versa or where the Group and the party are subject to common significant influence. Related parties may be individuals or other entities. The Manager and the Property Manager are indirect subsidiaries of a significant Unitholder of the Trust.

In the normal course of operations of the Group, Manager's fees and Trustee's fees were paid or are payable to the Manager and Trustee respectively.

28 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

Other than the transactions disclosed elsewhere in the financial statements, there were the following significant related party transactions:

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Property and lease management fees (including reimbursable expenses) paid/payable to the Property Manager	(3,924)	(4,680)	(3,924)	(4,431)
Other fees paid/payable to the Property Manager [1]	(1,012)	(1,573)	(974)	(1,533)
Property and lease management fees (including reimbursable expenses) paid/payable to the APM Australia (ARA) Pty Ltd	(468)	–	–	–
Rental income received/receivable from a sponsor and its related corporations	–	15,809	–	15,364
Acquisition/divestment fees paid to the Manager	(396)	(2,298)	(396)	(2,298)
Investment management fees paid/ payable to a related corporation of ARA Asset Management Limited	(205)	(188)	–	–

(1) Marketing commissions and service fees for property tax savings

29 FINANCIAL RATIOS

	Group	
	2019 %	2018 %
Expenses to weighted average net assets [1]		
– including performance component of Manager's fees	1.6	2.7
– excluding performance component of Manager's fees	1.5	2.5
Portfolio turnover rate [2]	–	2.1

(1) The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group, excluding property expenses, interest expenses and 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.

30 SUBSEQUENT EVENTS

On 23 January 2020, the Manager declared a distribution of 1.376 cents per Unit in respect of the period from 1 October 2019 to 31 December 2019 to be paid on 27 February 2020.

On 7 February 2020, the Group has entered into a facility agreement with Australia and New Zealand Banking Group Limited pursuant to which it has secured a 5-year, AUD 155.0 million facility which comprises a AUD 140.0 million term loan facility and a AUD 15.0 million revolving credit facility to refinance the Group's existing Australian dollar facilities amounting to AUD 48.5 million as well as to repay certain Singapore dollar loans amounting to $84.0 million.

The Group has been closely monitoring the 2019 Novel Coronavirus ("Covid-19") outbreak since early 2020, given the disruptions and uncertainty that it has on near-term global economic prospects. The Manager has assessed the inherent risk of the outbreak and has put in place mitigating measures including those directed by the respective authorities. In addition, the Group has increased communication with the Group's tenants to determine its exposure to the market weaknesses. As at the date of this report, the situation is fast evolving, it remains premature to ascertain the impact of Covid-19 to the Group in the medium-to-longer term. The Manager will continue assessing the situation and take precautionary measures to deal with the implications of Covid-19 in accordance with guidelines provided by the authorities in the respective countries that the Group operates in and will take the necessary actions to ensure the long term sustainability of the Group.

STATISTICS OF UNITHOLDINGS

ISSUED AND FULLY PAID UP UNITS

As at 9 March 2020

Dates	Events	No of units	Price[1]	Amount (S$)
25 April 2019	Asset Management Fees	1,688,008	0.7299	1,232,077
25 July 2019	Asset Management Fees	1,568,977	0.7904	1,240,119
29 October 2019	Asset Management Fees	1,707,110	0.7334	1,251,994
23 January 2020	Asset Management Fees	2,973,079	0.7092	2,108,508

Note:

(1) Based on the volume weighted average traded price for a unit for all trades done on the SGX-ST in the ordinary course of trading on the SGX-ST for the last 10 business days of the relevant period in which the base fee accrues and in the case of the performance fee, the last 10 business days of relevant financial year.

There were 1,085,818,549 Units (Voting Rights: One Vote per Unit) outstanding as at 9 March 2020.

There is only one class of Units.

The market capitalisation was S$694.9 million based on a closing unit price of S$0.64 on 9 March 2020.

RANGE OF UNITHOLDINGS

As at 9 March 2020

Size of Unitholdings	No. of Unitholders	% of Unitholders	No. of Units	% of Units
1 – 99	29	0.26	1,026	0.00
100 – 1,000	584	5.30	508,090	0.05
1,001 – 10,000	4,738	43.02	27,460,202	2.53
10,001 – 1,000,000	5,619	51.01	302,650,109	27.87
1,000,001 AND ABOVE	45	0.41	755,199,122	69.55
Total	11,015	100.00	1,085,818,549	100.00

STATISTICS OF UNITHOLDINGS
ISSUED AND FULLY PAID UP UNITS

20 LARGEST UNITHOLDERS

As at 9 March 2020

No.	Name of Unitholder	No. of Units	% of Units
1	DBS NOMINEES (PRIVATE) LIMITED	213,289,129	19.64
2	CITIBANK NOMINEES SINGAPORE PTE LTD	162,441,508	14.96
3	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	118,136,845	10.88
4	RAFFLES NOMINEES (PTE.) LIMITED	42,625,812	3.93
5	DBSN SERVICES PTE. LTD.	37,304,681	3.44
6	HSBC (SINGAPORE) NOMINEES PTE LTD	27,957,645	2.57
7	NTUC FAIRPRICE CO-OPERATIVE LTD	24,072,000	2.22
8	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	14,946,276	1.38
9	OCBC SECURITIES PRIVATE LIMITED	8,483,175	0.78
10	MAYBANK KIM ENG SECURITIES PTE. LTD.	8,159,836	0.75
11	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	7,336,773	0.68
12	PHILLIP SECURITIES PTE LTD	7,250,207	0.67
13	KGI SECURITIES (SINGAPORE) PTE. LTD	6,852,568	0.63
14	ABN AMRO CLEARING BANK N.V.	6,736,117	0.62
15	UOB KAY HIAN PRIVATE LIMITED	6,474,716	0.60
16	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	5,654,763	0.52
17	KO WOON HONG	5,059,000	0.47
18	DB NOMINEES (SINGAPORE) PTE LTD	5,010,507	0.46
19	TEO YEW HWA	4,292,300	0.40
20	IFAST FINANCIAL PTE. LTD.	3,398,500	0.31
	TOTAL	**715,482,358**	**65.91**

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 9 March 2020, approximately 89.3% of the Units in Cache are held in public hands.

STATISTICS OF UNITHOLDINGS ISSUED AND FULLY PAID UP UNITS

SUBSTANTIAL UNITHOLDERS
As at 9 March 2020

Name	Number of Units Direct	Number of Units Deemed	% of Units
LOGOS Units No. 1 Ltd	111,656,105	–	10.283
LOGOS China Investments Limited[1]	–	111,656,105	10.283
ARA Logistics Venture I Limited[2]	–	111,656,105	10.283
ARA Logistics Partners Limited[2]	–	111,656,105	10.283
ARA Logistics (Holdings) Pte. Ltd.[2]	–	111,656,105	10.283
Athena Logistics Holding Ltd[3]	–	111,656,105	10.283
ARA Asset Management Limited[4]	–	111,656,105	10.283
ARA Investment (Cayman) Limited[5]	–	111,656,105	10.283
ARA Asset Management Holdings Pte Ltd[6]	–	111,656,105	10.283
Straits Equities Holdings (One) Pte. Ltd.[7]	–	111,656,105	10.283
The Straits Trading Company Limited[7]	–	111,656,105	10.283
The Cairns Pte. Ltd.[8]	–	111,656,105	10.283
Raffles Investments Private Limited[8]	–	111,656,105	10.283
Tecity Pte. Ltd[8]	–	111,656,105	10.283
Aequitas Pte. Ltd.[8]	–	111,656,105	10.283
Tan Chin Tuan Pte. Ltd.[8]	–	111,656,105	10.283
Dr Tan Kheng Lian[8]	–	111,656,105	10.283
Alexandrite Gem Holdings Limited[9]	–	111,656,105	10.283
WP Global LLC[9]	–	111,656,105	10.283
Warburg Pincus Partners II, LP.[9]	–	111,656,105	10.283
Warburg Pincus Partners GP LLC[9]	–	111,656,105	10.283
Warburg Pincus & Co.[9]	–	111,656,105	10.283
AVICT Dragon Holdings Limited[10]	–	111,656,105	10.283
AVICT Phoenix Holdings Limited[10]	–	111,656,105	10.283
AVIC Trust Co., Ltd.[10]	–	111,656,105	10.283
China Aviation Investment Holdings Co., Ltd.[10]	–	111,656,105	10.283
AVIC Capital Co. Ltd[10]	–	111,656,105	10.283
Aviation Industry Corporation of China[10]	–	111,656,105	10.283

Notes:

(1) As LOGOS China Investments Limited ("**LOGOS China**") holds the entire issued share capital of LOGOS Units No. 1 Ltd, it is therefore treated as having an interest in the Units held by LOGOS Units No. 1 Ltd.

(2) LOGOS Units No. 1 Ltd is a subsidiary of LOGO China, which is in turn a subsidiary of ARA Logistics Venture I Limited. ARA Logistics Venture I Limited is a subsidiary of ARA Logistics Partners Limited which is in turn a subsidiary of ARA Logistics (Holdings) Pte. Ltd.. Accordingly, each of ARA Logistics Venture I Limited, ARA Logistics Partners Limited and ARA Logistics (Holdings) Pte. Ltd. are deemed to be interested in the Units held by LOGOS Units No. 1 Ltd.

(3) As a result of restructuring of the ARA Group's interest in the Units, a new entity, ARA Logistics Venture I Limited, has also become interested in the Units (and as Athena Logistics Holding Ltd, wholly-owned by Warburg Pincus LLC, a New York limited liability company, and/or certain of its affliates, holds more than 20% of the issued share capital of ARA Logistics Venture I Limited, it is accordingly also deemed interested in the Units).

(4) ARA Asset Management Limited holds 100% of the shares of ARA Logistics (Holdings) Pte. Ltd..

(5) ARA Investment (Cayman) Limited holds 100% of the shares of ARA Asset Management Limited.

(6) ARA Asset Management Holdings Pte. Ltd. holds 100% of the shares of ARA Investment (Cayman) Limited.

(7) The Straits Trading Company Limited ("**STC**"), through its wholly-owned subsidiary, Straits Equities Holdings (One) Pte. Ltd., holds more than 20% of the voting rights in ARA Asset Management Holdings Pte. Ltd.. Accordingly, STC and Straits Equities Holdings (One) Pte. Ltd. are therefore deemed to be interested in the Units held by ARA Asset Management Holdings Pte. Ltd..

(8) STC, through its wholly-owned subsidiary, Straits Equities Holdings (One) Pte. Ltd., holds more than 20% of the voting rights in ARA Asset Management Holdings Pte. Ltd.. The Cairns Pte. Ltd. ("**Cairns**") holds more than 50% of the voting rights of STC. Each of Raffles Investments Private Limited ("**Raffles**"), Tecity Pte. Ltd. ("**Tecity**") and Tan Chin Tuan Pte. Ltd. ("**TCT**") holds not less than 20% of the voting rights of Cairns. Aequitas Pte. Ltd. ("**Aequitas**") holds more than 50% of the voting rights of Raffles. Dr Tan Kheng Lian holds more than 50% of the voting rights of TCT. By virtue of this, each of Cairns, Raffles, Tecity, TCT, Aequitas and Dr Tan Kheng Lian has a deemed interest in the Units held by LOGOS Units No. 1 Ltd.

(9) Alexandrite Gem Holdings Limited ("**AGHL**") holds more than 20% of the voting rights of ARA Asset Management Holdings Pte. Ltd.. Accordingly, AGHL, through ARA Asset Management Holdings Pte. Ltd., is deemed interested in all the Units which ARA Asset Management Holdings Pte. Ltd. is deemed interested in. AGHL is wholly-owned by certain private equity funds which are limited partnerships (the "**Funds**") managed by Warburg Pincus LLC, a New York limited liability company. Warburg Pincus XII, L.P., a Delaware limited partnership ("**WP XII GP**"), and Warburg Pincus China GP, L.P, a Delaware limited partnership. ("**WPC GP**"), are the general partners of the Funds. WP Global LLC, a Delaware limited liability company ("**WP Global**"), is the general partner of each of WP XII GP and WPC GP. Warburg Pincus Partners II, L.P., a Delaware limited partnership ("**WPP II**") is the managing member of WP Global. Warburg Pincus Partners GP LLC, a Delaware limited liability company ("**WPP GP LLC**"), is the general partner of WPP II. Warburg Pincus & Co., a New York general partnership ("**WP**"), is the managing member of WPP GP LLC. By virtue of this, each of WP Global, WPP II, WPP GP LLC and WP has a deemed interest in all the Units which ARA Asset Management Holdings Pte. Ltd. is deemed interested in.

(10) AVICT Dragon Holdings Limited ("**AVICT Dragon**") holds more than 20% of the voting rights of ARA Asset Management Holdings Pte. Ltd.. AVICT Phoenix Holdings Limited ("**AVICT Phoenix**") holds more than 50% of the voting rights of AVICT Dragon. AVIC Trust Co., Ltd. ("**AVIC Trust**") holds more than 50% of the voting rights of AVICT Phoenix. China Aviation Investment Holdings Co., Ltd. ("**China Aviation**") holds more than 50% of the voting rights of AVIC Trust. AVIC Capital Co., Ltd ("**AVIC Capital**") holds more than 50% of the voting rights of China Aviation. Aviation Industry Corporation of China ("**AVIC**") holds more than 20%. of the voting rights of AVIC Capital. AVIC is wholly-owned by the Central State-Owned Assets Supervision and Administration Commission of the People's Republic of China. By virtue of this, each of AVICT Dragon, AVICT Phoenix, AVIC Trust, China Aviation, AVIC Capital and AVIC has a deemed interest in all the Units which ARA Asset Management Holdings Pte. Ltd. is deemed to be interested in.

UNITHOLDINGS OF DIRECTORS OF THE MANAGER

As at 21 January 2020

	Number of Units	
Directors	**Direct**	**Deemed**
Lim How Teck	1,600,000	–
Chia Nam Toon	–	–
Lim Kong Puay	–	–
Lim Lee Meng	–	–
Oh Eng Lock	23,600	–

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 as follows:

NAME OF INTERESTED PERSON	NATURE OF RELATIONSHIP	AGGREGATE VALUE OF ALL INTERESTED PERSON TRANSACTIONS DURING THE FINANCIAL YEAR UNDER REVIEW (EXCLUDING TRANSACTIONS LESS THAN $100,000 AND TRANSACTIONS CONDUCTED UNDER UNITHOLDERS' MANDATE PURSUANT TO RULE 920)	AGGREGATE VALUE OF ALL INTERESTED PERSON TRANSACTIONS CONDUCTED UNDER UNITHOLDERS' MANDATE PURSUANT TO RULE 920 (EXCLUDING TRANSACTIONS LESS THAN $100,000)
ARA Trust Management (Cache) Limited	Manager of Cache (the "**Manager**")		
– Manager's fees[(1)]		7,777	–
– Acquisition fee		396	–
ARA & Its Associates			
– Investment management fee	Associate of controlling shareholder of the Manager	623	–
– Property management fee	Associate of controlling shareholder of the Manager	3,924	–
– Other fees paid/payable to property manager[(2)]		1,012	–
HSBC Institutional Trust Services (Singapore) Limited			
– Trustee's fees	Trustee of Cache	396	–

Notes:

(1) The Manager has opted to receive 75% of the Manager's fees in Units for the year ended 31 December 2019. Crystallisation of the Performance Fee, which may be payable in the form of Units or in the form of cash out of the Deposited Property, is made no more frequent than once every Financial Year. Excludes all property manager's fees.

(2) Marketing commissions and service fees for property tax savings.

FEES PAYABLE TO THE MANAGER

The Manager is committed to delivering value to the stakeholders of Cache Logistics Trust, in addition to its key responsibilities in managing and maintaining the long term interests of all Unitholders.

The Manager is entitled to the following fees for the management of Cache Logistics Trust, which cover an extensive scope of functions including but not limited to asset management (including asset enhancements), financing, investment management, marketing and investor relations:

(1) a Base Fee of 0.5% per annum of the value of the properties of Cache Logistics Trust (as defined under Clause 15.1.1 of the Trust Deed). Pursuant to Clause 15.1.4 of the Trust Deed, the Base Fee is paid monthly or quarterly, in arrears, in the form of cash and/or Units, as the Manager may elect. The Base Fee which is based on a fixed percentage of the value of assets of the Trust, commensurates with the complexity and efforts required of the Manager in managing the Trust; and

(2) a performance fee equal to 1.5% per annum of the Net Property Income of Cache Logistics Trust or any special purpose vehicles for each financial year (as defined under Clause 15.1.2 in the Trust Deed). The performance fee is paid in the form of cash and/or Units, as the Manager may elect. The performance fee methodology is reflective of the alignment of interests between the Manager and the Unitholders in incentivising the Manager to drive higher income yields for Cache Logistics Trust. The Manager is incentivised to review the growth potential of the assets in the portfolio, and improve the long-term performance of such assets on a sustainable basis (as opposed to taking excessive short-term risks) through proactive management including undertaking effective leasing strategies and asset enhancement/repositioning initiatives and achieving cost efficiencies.

In accordance with the Code on Collective Investment Schemes dated 1 January 2016 ("**CIS Code**"), crystallisation of the Performance Fee should be no more frequent than once a year. Therefore, with effect from FY2016, the Performance Fee payable in the form of Units and/or cash will be paid on an annual basis in arrears, subsequent to the end of the applicable financial year.

In addition, the Manager is entitled to an acquisition fee[1] which is paid in the form of cash or Units as the Manager may elect after the completion of an acquisition. The Manager is also entitled to a divestment fee[1] which is paid in cash after the completion of a divestment. Details of the fee structure of the acquisition fee and divestment fee are set out in Note 1 to the Financial Statements herein (and Clauses 15.2.1(i) and (ii) of the Trust Deed). The acquisition fee and divestment fee payable to the Manager are to recognise the Manager's efforts in actively seeking potential opportunities to acquire new properties and/or unlocking the underlying value of existing properties within its asset portfolio through divestments to optimise returns to Unitholders. The Manager provides these services over and above the provision of ongoing management services with an aim to generate long term benefits for the Unitholders.

Note:

(1) In the case of an interested party transaction, the fee is paid in the form of Units at the prevailing market price and such Units should not be sold within one year from their date of issuance as stipulated in the CIS Code.

PERCENTAGE OF TOTAL OPERATING EXPENSES TO NET ASSETS

	S$'000
Total operating expenses(1)	43,981
Net Assets	740,960
Percentage of total operating expenses to Net Assets	5.9%

The total operating expenses incurred by Cache amounted to approximately S$44.0 million, equivalent to 5.9% of Cache's net assets as at 31 December 2019.

(1) Including all fees and charges paid to the Trustee, Manager and related parties and land rent paid that was excluded from the property expenses due to the adoption of FRS 116 *Leases* effective 1 January 2019.

SUBSCRIPTION OF UNITS IN CACHE

As at 31 December 2019, an aggregate of 1,082,845,470 Units were in issue. On 23 January 2020, Cache issued 1,706,974 Units to the Manager in satisfaction of its base management fees for the period from 1 October 2019 to 31 December 2019 and 1,266,105 Units in satisfaction of its performance management fees for the full year ended 31 December 2019.

NON-DEAL ROAD SHOW

There was no non-deal roadshow expenses incurred during the year ended 31 December 2019 (2018: S$5,027).

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NOTIFICATION & REQUEST FORM

CACHE LOGISTICS TRUST

(Constituted in the Republic of Singapore pursuant
to a Trust Deed dated 11 February 2010 as amended and restated)

8 April 2020

Dear Unitholder

Cache Logistics Trust Annual Report 2019

We are pleased to inform you that we have published the Annual Report 2019 (the "**Annual Report**") on our corporate website at http://cache.listedcompany.com/ar.html. To access the Annual Report please click on "Download Annual Report" or "View Flipbook Format" under "Annual Report 2019".

We hope that you will join us in our ongoing efforts to reduce costs, increase operational efficiency and reduce our carbon footprint by adopting electronic communications. However, if you still wish to receive a printed copy of the Annual Report, please kindly complete the Request Form below and return it to us no later than 11 May 2020.

Yours faithfully,
For and on behalf of
ARA Trust Management (Cache) Limited
(Company registration no. 200919331H)
as Manager of Cache Logistics Trust

Daniel Cerf
Chief Executive Officer

REQUEST FORM

To: ARA Trust Management (Cache) Limited (Manager of Cache Logistics Trust)
5 Temasek Boulevard, Suntec Tower Five,
#12-01, Singapore 038985

Please tick the box below if you wish to receive a printed copy of the Annual Report. We regret to inform you that we would not be able to process an incomplete or incorrectly completed form.

☐ I/ We wish to receive a printed copy of the Annual Report.

Name(s)ofUnitholder(s):____

☐ CDP Securities Account Number: | 1 | 6 | 8 | 1 | – | | | | | – | | | | |

☐ CPFIS Account

Address: ____

____

Signature(s): ________________________ Date: ________________________

Note: By completing, signing and returning the Request Form, a Unitholder acknowledges and consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and/or its agents and/or service providers for the purpose of processing and administrating the request, and in order for the Manager and the Trustee and/or its agents and/or service providers to comply with any applicable laws, listing rules, regulations and/or guidelines.

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LOGISTICS TRUST

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C/O ARA TRUST MANAGEMENT (CACHE) LIMITED
MANAGER OF CACHE LOGISTICS TRUST
5 TEMASEK BOULEVARD #12-01
SUNTEC TOWER FIVE
SINGAPORE 038985

Glue all sides firmly. Stapling & spot sealing is disallowed.

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3rd fold here

CACHE
LOGISTICS TRUST

ARA LOGOS

MANAGED BY
ARA Trust Management (Cache) Limited

5 Temasek Boulevard, #12-01
Suntec Tower Five, Singapore 038985
Tel: (65) 6835 9232
Fax: (65) 6835 9672

www.cache-reit.com

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