

## IMPORTANT NOTICE

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**Confirmation of Your Representation:** In order to be eligible to view the attached information memorandum or make an investment decision with respect to the securities, investors must not be a U.S. person (as defined in Regulation S under the Securities Act (as defined below)). The attached information memorandum is being sent at your request and by accepting this e-mail and accessing the attached information memorandum, you shall be deemed to have represented to us (1) that you are not resident in the United States ("U.S.") nor a U.S. person, as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") nor are you acting on behalf of a U.S. person, the e-mail address that you gave us and to which this e-mail has been delivered is not located in the U.S. and, to the extent you purchase the securities described in the attached information memorandum, you will be doing so pursuant to Regulation S under the Securities Act, and (2) that you consent to delivery of the attached information memorandum and any amendments or supplements thereto by electronic transmission. By accepting this e-mail and accessing the attached information memorandum, if you are an investor in Singapore, you (A) represent and warrant that you are either an institutional investor as defined under Section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), a relevant person as defined under Section 275(2) of the SFA or a person to whom an offer, as referred to in Section 275(1A) of the SFA, is being made and (B) agree to be bound by the limitations and restrictions described therein.

The attached information memorandum has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Cache Logistics Trust ("**Cache**")), ARA-CWT Trust Management (Cache) Limited (in its capacity as manager of Cache), Cache, DBS Bank Ltd. or any person who controls any of them nor any of their respective directors, officers, employees, agents, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the information memorandum distributed to you in electronic format and the hard copy version. A hard copy version will be provided to you upon request.

**Restrictions:** The attached information memorandum is being furnished in connection with an offering of securities exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described therein.

***NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.***

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Cache), ARA-CWT Trust Management (Cache) Limited (in its capacity as manager of Cache), Cache or DBS Bank Ltd. to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (as defined in Regulation S under the Securities Act).

The attached information memorandum or any materials relating to the offering of securities do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering of securities be made by a licensed broker or dealer and the dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering of securities shall be deemed to be made by the dealers or such affiliate on behalf of HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Cache), ARA-CWT Trust Management (Cache) Limited (in its capacity as manager of Cache) and Cache in such jurisdiction. The attached information memorandum may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

You are reminded that you have accessed the attached information memorandum on the basis that you are a person into whose possession the attached information memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this information memorandum, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to subscribe for or purchase any of the securities described therein.**

**Actions that You May Not Take:** If you receive the attached information memorandum by e-mail, you should not reply by e-mail, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

**YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED INFORMATION MEMORANDUM, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH INFORMATION MEMORANDUM IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED INFORMATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.**



## CACHE LOGISTICS TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 11 February 2010 (as amended and restated))

Managed by

**ARA-CWT TRUST MANAGEMENT (CACHE) LIMITED**

(UEN/Company Registration No. 200919331H)

**S\$1,000,000,000**

### **Multicurrency Debt Issuance Programme (the "Programme")**

This Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of notes (the "Notes") and perpetual securities (the "Perpetual Securities") and, together with the Notes, the "Securities") to be issued from time to time by HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Cache Logistics Trust ("Cache")) (the "Issuer") pursuant to the Programme may not be circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or (in the case of such corporation) where the transfer arises from an offer referred to in section 276(3)(i)(B) of the SFA or (in the case of such trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Application has been made to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for permission to deal in and quotation for any Securities that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the Official List of the SGX-ST. Such permission will be granted when such Securities have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of any Securities on the SGX-ST is not to be taken as an indication of the merits of the Issuer, Cache, the Manager (as defined herein), their respective subsidiaries (if any), their respective associated companies (if any), their respective joint venture companies (if any), the Programme or such Securities. Unlisted Securities may also be issued under the Programme. The relevant Pricing Supplement (as defined herein) in respect of any Series (as defined herein) will specify whether or not such Securities will be listed, and if so, which exchange(s) the Securities are to be listed on.

The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Securities may include Bearer Securities (as defined herein) that are subject to U.S. tax law requirements. Subject to certain exceptions, the Securities may not be offered, sold, or, in the case of Bearer Securities, delivered within the United States.

An investment in Securities issued under the Programme involves certain risks. For a discussion of some of these risks see the section "Risk Factors".

Arranger



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## NOTICE

DBS Bank Ltd. (the “**Arranger**”) has been authorised by HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Cache Logistics Trust (“**Cache**”)) (the “**Issuer**”) to arrange the Programme described herein. Under the Programme, the Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time issue the Securities denominated in Singapore dollars and/or any other currencies.

This Information Memorandum contains information with regard to the Issuer, Cache, the Manager (as defined herein), their respective subsidiaries (if any), their respective associated companies (if any), their respective joint venture companies (if any), the Programme and the Securities. The Issuer confirms that this Information Memorandum contains all information relating to itself (in its personal capacity as well as in its capacity as trustee of Cache), the Manager, Cache and the subsidiaries, associated companies (if any) and joint venture companies of the Issuer (in its capacity as trustee of Cache) and the assets of Cache (the “**Cache Sections**”) which is material in the context of the Programme or the issue and offering of the Securities, that all the information contained in the Cache Sections is true and accurate in all material respects, that the opinions, expectations and intentions expressed in the Cache Sections have been carefully considered, are based on all relevant considerations and facts existing at the date of this Information Memorandum and are fairly, reasonably and honestly held by the Issuer and that there are no other facts relating to the Cache Sections the omission of which in the context of the Programme and the issue and offering of the Securities would make any such information or expressions of opinion, expectation or intention misleading in any material respect. The Manager confirms that this Information Memorandum contains all information (other than those relating to HSBCIT) which is material in the context of the Programme or the issue and offering of the Securities, that the information contained in this Information Memorandum (other than those relating to HSBCIT) is true and accurate in all material respects, that the opinions, expectations and intentions expressed in this Information Memorandum have been carefully considered, are based on all relevant considerations and facts existing at the date of this Information Memorandum and are fairly, reasonably and honestly held by the Manager, and that there are no other facts (other than those relating to HSBCIT) the omission of which in the context of the Programme or the issue and offering of the Securities would make any such information or expressions of opinion, expectation or intention misleading in any material respect.

Notes may be issued in Series (as defined herein) having one or more issue dates and the same maturity date, and on identical terms (including as to listing) except (in the case of Notes other than variable rate notes (as described under the section “Summary of the Programme”)) for the issue dates, issue prices and/or the dates of the first payment of interest, or (in the case of variable rate notes) for the issue prices and rates of interest. Each Series may be issued in one or more Tranches (as defined herein) on the same or different issue dates. The Notes will be issued in bearer or registered form and may be listed on a stock exchange. The Notes will initially be represented by either a Temporary Global Security (as defined herein) in bearer form or a Permanent Global Security (as defined herein) in bearer form or a registered Global Certificate (as defined herein) which will be deposited on the issue date with or registered in the name of, or in the name of a nominee of either The Central Depository (Pte) Limited (“**CDP**”) or a common depositary (the “**Common Depositary**”) for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, S.A. (“**Clearstream, Luxembourg**”) or otherwise delivered as agreed between the Issuer and the relevant Dealer(s) (as defined herein). Subject to compliance with all relevant laws, regulations and directives, the Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s) and may be subject to redemption or purchase in whole or in part. The Notes may bear interest at a fixed, floating, variable or hybrid rate or may not bear interest or may be such other notes as may be agreed between the Issuer and the relevant Dealer(s). The Notes will be repayable at par, at a specified amount above or below par or at an amount determined by reference to a

formula, in each case with terms as specified in the Pricing Supplement (as defined herein) issued in relation to the applicable series or tranche of Notes. Details applicable to each Series or Tranche of Notes will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

Perpetual Securities may be issued in Series having one or more issue dates, and on identical terms (including as to listing) except for the issue dates, issue prices and/or the dates of the first payment of distribution. Each Series may be issued in one or more Tranches on the same or different issue dates. The Perpetual Securities will be issued in bearer form or registered form and may be listed on a stock exchange. The Perpetual Securities will initially be represented by either a Temporary Global Security in bearer form or a Permanent Global Security in bearer form or a registered Global Certificate which will be deposited on the issue date with or registered in the name of, or in the name of a nominee of, either CDP or the Common Depositary or otherwise delivered as agreed between the Issuer and the relevant Dealer(s). Subject to compliance with all relevant laws, regulations and directives, the Perpetual Securities may be subject to redemption or purchase in whole or in part. The Perpetual Securities may confer a right to receive distributions at a fixed or floating rate. Details applicable to each Series or Tranche of Perpetual Securities will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

The maximum aggregate principal amount of the Securities to be issued, when added to the aggregate principal amount of all Securities outstanding (as defined in the Trust Deed referred to below) shall be S\$1,000,000,000 (or its equivalent in any other currencies) or such higher amount as may be increased pursuant to the terms and upon the conditions set out in the Programme Agreement (as defined herein).

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Manager, the Arranger or any of the Dealers. Save as expressly stated in this Information Memorandum, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Issuer, Cache, the Manager, their respective subsidiaries (if any), associated companies (if any) or joint venture companies (if any). The delivery of this Information Memorandum at any time does not imply that the information contained in it is correct at any time subsequent to this date. Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme may be used for the purpose of, or constitutes an offer of, or solicitation or invitation by or on behalf of the Issuer, the Manager, the Arranger or any of the Dealers to subscribe for or purchase, the Securities in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. The distribution and publication of this Information Memorandum or any such other document or information and the offer of the Securities in certain jurisdictions may be restricted by law. Persons who distribute or publish this Information Memorandum or any such other document or information or into whose possession this Information Memorandum or any such other document or information comes are required to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations.

The Securities have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and include Securities in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Securities may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder).

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme shall be deemed to constitute an offer of, or an invitation by or on behalf of the Issuer, the Manager, the Arranger or any of the Dealers to subscribe for or purchase any of the Securities.

This Information Memorandum and any other documents or materials in relation to the issue, offering or sale of the Securities have been prepared solely for the purpose of the initial sale by the relevant Dealers of the Securities from time to time to be issued pursuant to the Programme. This Information Memorandum and such other documents or materials are made available to the recipients thereof solely on the basis that they are persons falling within the ambit of Section 274 and/or Section 275 of the SFA (as defined herein) and may not be relied upon by any person other than persons to whom the Securities are sold or with whom they are placed by the relevant Dealers as aforesaid or for any other purpose. Recipients of this Information Memorandum shall not reissue, circulate or distribute this Information Memorandum or any part thereof in any manner whatsoever.

Neither the delivery of this Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale of the Securities shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the prospects, results of operations or general affairs of the Issuer, Cache, the Manager, their respective subsidiaries (if any), associated companies (if any) or joint venture companies (if any) or in the information or any statement of fact herein since the date hereof or the date on which this Information Memorandum has been most recently amended or supplemented.

The Arranger and the Dealers have not independently verified the information contained in this Information Memorandum. None of the Arranger, any of the Dealers or any of their respective officers or employees is making any representation or warranty expressed or implied as to the merits of the Securities or the subscription for, purchase or acquisition thereof, the creditworthiness or financial condition or otherwise of the Issuer, Cache, the Manager or their respective subsidiaries (if any), associated companies (if any) or joint venture companies (if any). Further, neither the Arranger nor any of the Dealers makes any representation or warranty as to the Issuer, Cache, the Manager, their respective subsidiaries (if any), associated companies (if any) or joint venture companies (if any) as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provisions of the SFA) and the documents which are incorporated by reference in, and form part of, this Information Memorandum.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the issue of the Securities is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Manager, the Arranger or any of the Dealers that any recipient of this Information Memorandum or such other document or information (or such part thereof) should subscribe for or purchase any of the Securities or as to the merits of the Securities or the subscription for, purchase or acquisition thereof. A prospective purchaser shall make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and the creditworthiness of the Issuer, Cache, the Manager, their respective subsidiaries (if any), associated companies (if any) and joint venture companies (if any), and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition and affairs and its appraisal of the creditworthiness of the Issuer, Cache, the Manager and their respective subsidiaries (if any), associated companies (if any) and joint venture companies (if any). Accordingly, notwithstanding anything herein, none of the Arranger, any of the Dealers or any of their respective officers, employees or agents shall be held responsible for any loss or damage suffered or incurred by the recipients of this Information Memorandum or such other document or information (or such part thereof) as a

result of or arising from anything expressly or implicitly contained in or referred to in this Information Memorandum or such other document or information (or such part thereof) and the same shall not constitute a ground for rescission of any purchase or acquisition of any of the Securities by a recipient of this Information Memorandum or such other document or information (or such part thereof).

To the fullest extent permitted by law, none of the Arranger or any of the Dealers accept any responsibility for the contents of this Information Memorandum or for any other statement, made or purported to be made by the Arranger or any of the Dealers or on its behalf in connection with the Issuer and its subsidiaries (the “**Group**”) or the issue and offering of the Securities. The Arranger and each Dealer accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise have in respect of this Information Memorandum or any such statement.

In connection with the issue of any series of Securities, one or more Dealers named as stabilising manager(s) (the “**Stabilising Manager(s)**”) (or persons acting on behalf of any Stabilising Manager) in the relevant Pricing Supplement may over-allot Securities or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin at any time, on or after the date on which adequate public disclosure of the terms of the offer of the relevant series of Securities is made and, if begun, may be ended or discontinued at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant series of Securities and 60 days after the date of the allotment of the relevant series of Securities. Any stabilisation action will be in accordance with the law.

**The following documents publicly announced, published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, this Information Memorandum: (1) any annual reports, audited consolidated accounts and/or unaudited financial statements of the Issuer, Cache and its subsidiaries, its associated companies (if any) and its joint venture companies (if any), and (2) any supplement or amendment to this Information Memorandum issued by the Issuer. This Information Memorandum is to be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any Series or Tranche of Securities, any Pricing Supplement in respect of such Series or Tranche. Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum. Copies of all documents deemed incorporated by reference herein are available for inspection at the respective specified office of the Issuing and Paying Agent (as defined herein) during normal business hours.**

Any purchase or acquisition of the Securities is in all respects conditional on the satisfaction of certain conditions set out in the Programme Agreement and the issue of the Securities by the Issuer pursuant to the Programme Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Securities or pursuant to this Information Memorandum shall (without any liability or responsibility on the part of the Issuer, the Manager, the Arranger or any of the Dealers) lapse and cease to have any effect if (for any other reason whatsoever) the Securities are not issued by the Issuer pursuant to the Programme Agreement.

The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Securities set out under the section “Subscription, Purchase and Distribution” on pages 208 to 210 of this Information Memorandum.

**Any person(s) who is/are invited to purchase or subscribe for the Securities or to whom this Information Memorandum is sent shall not make any offer or sale, directly or indirectly, of any Securities or distribute or cause to be distributed any document or other material in connection therewith in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.**

**It is recommended that persons proposing to subscribe for or purchase any of the Securities consult their own legal and other advisers before purchasing or acquiring the Securities. Such persons are also advised to consult their own tax advisers concerning the tax consequences of the acquisition, ownership or disposal of the Securities.**

## FORWARD-LOOKING STATEMENTS

All statements contained in this Information Memorandum that are not statements of historical fact constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms such as “expect”, “believe”, “plan”, “intend”, “estimate”, “anticipate”, “project”, “aim”, “seek”, “may”, “will”, “would”, “should” and “could” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the expected financial position, business strategy, plans and prospects of the Issuer, Cache, the Manager and/or the Group (including statements as to the Issuer’s, Cache’s, the Manager’s and/or the Group’s revenue, profitability, prospects, future plans, future operations and performance and other matters discussed in this Information Memorandum regarding matters that are not historical facts and including the financial forecasts, profit projections, statements as to the expansion plans of the Issuer, Cache, the Manager and/or the Group, expected growth in the Issuer, Cache, the Manager and/or the Group and other related matters), if any, are forward-looking statements and accordingly, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Issuer, Cache, the Manager and/or the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, among others:

- changes in general political, social and economic conditions;
- changes in currency exchange and interest rates;
- demographic changes;
- changes in competitive conditions; and
- other factors beyond the control of the Group.

Some of these factors are discussed in greater detail in this Information Memorandum, in particular, but not limited to, discussion under the section “Risk Factors”.

Given the risks and uncertainties that may cause the actual future results, performance or achievements of the Issuer, Cache, the Manager and/or the Group to be materially different from the results, performance or achievements expected, expressed or implied by the financial forecasts, profit projections and forward-looking statements in this Information Memorandum, undue reliance must not be placed on those forecasts, projections and other statements. The Issuer, the Manager, the Arranger and the Dealers do not represent or warrant that the actual future results, performance or achievements of the Issuer, Cache, the Manager and/or the Group will be as discussed in those statements.

Neither the delivery of this Information Memorandum nor the issue of any Securities by the Issuer shall under any circumstances constitute a continuing representation or create any suggestion or implication that there has been no change in the affairs of the Issuer, Cache, the Manager, their respective subsidiaries, associated companies (if any), joint venture companies (if any) or any statement of fact or information contained in this Information Memorandum since the date of this Information Memorandum or the date on which this Information Memorandum has been most recently amended or supplemented.

Further, the Issuer, the Manager, the Arranger and the Dealers disclaim any responsibility, and undertake no obligation, to update or revise any forward-looking statements contained herein to reflect any changes in the expectations with respect thereto after the date of this Information Memorandum or to reflect any change in events, conditions or circumstances on which any such statements are based.

## DEFINITIONS

The following definitions have, where appropriate, been used in this Information Memorandum:

- “Agency Agreement”** : The Agency Agreement dated 30 November 2017 between (1) the Issuer, as issuer, (2) The Bank of New York Mellon, Singapore Branch, as CDP issuing and paying agent, CDP transfer agent and CDP registrar, (3) The Bank of New York Mellon, London Branch, as non-CDP issuing and paying agent and calculation agent, (4) The Bank of New York Mellon SA/NV, Luxembourg Branch, as non-CDP transfer agent and non-CDP registrar, and (5) the Trustee, as trustee, as amended, restated and supplemented from time to time
- “ALPS”** : Airport Logistics Park of Singapore
- “ARA”** : ARA Asset Management Limited
- “Arranger”** : DBS Bank Ltd.
- “Bearer Securities”** : Securities in bearer form
- “Business Day”** : In respect of each Security, (i) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and CDP, as applicable, are operating, (ii) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the relevant Paying Agent’s specified office and (iii) (if a payment is to be made on that day) (1) (i) (in the case of Securities denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore, (2) (ii) (in the case of Securities denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euros, (3) (iii) (in the case of Securities denominated in Renminbi) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets settle payments in Renminbi and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the Offshore Renminbi Centre and/or (4) (in the case of Securities denominated in a currency other than Singapore dollars, Euros and Renminbi) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency
- “Cache”** : Cache Logistics Trust established in Singapore as a collective investment scheme and constituted by the Cache Trust Deed

<b>“Cache Trust Deed”</b>	: The deed of trust constituting Cache dated 11 February 2010 made between (1) the Manager, as manager, and (2) the Cache Trustee, as trustee (as amended, varied and/or supplemented by (i) a first supplemental trust deed dated 18 March 2010, (ii) a second supplemental trust deed dated 29 September 2014 and (iii) a first amending and restating deed dated 13 April 2016, in each case, made between the same parties) and as amended, modified or supplemented from time to time
<b>“Cache Trustee”</b>	: HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Cache)
<b>“Calculation Agent”</b>	: The Bank of New York Mellon, London Branch, or its successors in that capacity
<b>“CBD”</b>	: Central business district
<b>“CDP” or “Depository”</b>	: The Central Depository (Pte) Limited
<b>“CDP Issuing and Paying Agent”</b>	: The Bank of New York Mellon, Singapore Branch, or its successors in that capacity
<b>“CDP Registrar”</b>	: The Bank of New York Mellon, Singapore Branch, or its successors in that capacity
<b>“CDP Transfer Agent”</b>	: The Bank of New York Mellon, Singapore Branch, or its successors in that capacity
<b>“Certificate”</b>	: A registered certificate representing one or more Registered Securities of the same Series and, save as provided in the terms and conditions of the Notes or the terms and conditions of the Perpetual Securities, comprising the entire holding by a holder of Registered Securities of that Series
<b>“CIS Code”</b>	: The Code on Collective Investment Schemes issued by the MAS, as amended or modified from time to time
<b>“Common Depository”</b>	: In relation to a Series of the Securities, a depository common to Euroclear and Clearstream, Luxembourg
<b>“Companies Act”</b>	: The Companies Act, Chapter 50 of Singapore, as amended, re-enacted or modified from time to time

<b>“Conditions”</b>	<p>: In relation to the Notes of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part III of Schedule 1 to the Trust Deed, as modified, with respect to any Notes represented by a Global Security or a Global Certificate, by the provisions of such Global Security or, as the case may be, Global Certificate, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Notes of such Series and shall be endorsed on the Definitive Securities or, as the case may be, Certificates subject to amendment and completion as referred to in the first paragraph appearing after the heading “Terms and Conditions of the Notes” as set out in Part III of Schedule 1 to the Trust Deed, and any reference to a particular numbered Condition shall be construed accordingly; and</p> <p>in relation to the Perpetual Securities of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part III of Schedule 5 to the Trust Deed, as modified, with respect to any Perpetual Securities represented by a Global Security or a Global Certificate, by the provisions of such Global Security or, as the case may be, Global Certificate, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Perpetual Securities of such Series and shall be endorsed on the Definitive Securities or, as the case may be, Certificates, subject to amendment and completion as referred to in the first paragraph appearing after the heading “Terms and Conditions of the Perpetual Securities” as set out in Part III of Schedule 5 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly</p>
<b>“Couponholders”</b>	: The holders of the Coupons
<b>“Coupons”</b>	: The bearer coupons appertaining to an interest or distribution bearing Bearer Security
<b>“CWT” or the “Sponsor”</b>	: CWT Limited
<b>“Dealers”</b>	: Persons appointed as dealers under the Programme
<b>“Definitive Security”</b>	: A definitive Bearer Security having, where appropriate, Coupons and/or a Talon attached on issue
<b>“Deposited Property”</b>	: All the assets of Cache, including the Properties and all the authorised investments of Cache for the time being held or deemed to be held upon the trusts of the Cache Trust Deed

<b>“Directors”</b>	: The directors (including alternate directors, if any) of the Issuer as at the date of this Information Memorandum
<b>“Extraordinary Resolution”</b>	: A resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority of at least 75 per cent. of the votes cast
<b>“FTZ”</b>	: Free trade zone
<b>“FY”</b>	: Financial year ended 31 December
<b>“GFA”</b>	: Gross floor area
<b>“Global Certificate”</b>	: A Certificate representing Registered Securities of one or more Tranches of the same Series that are registered in the name of, or in the name of a nominee of, (i) CDP, (ii) Common Depositary and/or (iii) any other clearing system
<b>“Global Security”</b>	: A global Security representing Bearer Securities of one or more Tranches of the same Series, being a Temporary Global Security and/or, as the context may require, a Permanent Global Security, in each case without Coupons or a Talon
<b>“Group”</b>	: Cache and its subsidiaries
<b>“HSBCIT”</b>	: HSBC Institutional Trust Services (Singapore) Limited
<b>“IRAS”</b>	: Inland Revenue Authority of Singapore
<b>“Issuer”</b>	: HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Cache)
<b>“Issuing and Paying Agent”</b>	: The CDP Issuing and Paying Agent, the Non-CDP Issuing and Paying Agent or such other or further institutions as may from time to time be appointed by the Issuer as issuing and paying agent for the Securities and the Coupons
<b>“ITA”</b>	: Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time
<b>“JTC”</b>	: Jurong Town Corporation
<b>“km”</b>	: Kilometre
<b>“Latest Practicable Date”</b>	: 27 November 2017
<b>“Manager”</b>	: ARA-CWT Trust Management (Cache) Limited
<b>“MAS”</b>	: Monetary Authority of Singapore
<b>“MTI”</b>	: Ministry of Trade and Industry
<b>“NAV”</b>	: Net asset value

<b>“NLA”</b>	: Net lettable area
<b>“Non-CDP Issuing and Paying Agent”</b>	: The Bank of New York Mellon, London Branch, or its successors in that capacity
<b>“Non-CDP Registrar”</b>	: The Bank of New York Mellon SA/NV, Luxembourg Branch, or its successors in that capacity
<b>“Non-CDP Transfer Agent”</b>	: The Bank of New York Mellon SA/NV, Luxembourg Branch, or its successors in that capacity
<b>“Noteholders”</b>	: The holders of the Notes
<b>“Notes”</b>	: The multicurrency medium term notes of the Issuer to be issued by the Issuer under the Programme pursuant to the Programme Agreement and constituted by the Trust Deed (and shall, where the context so admits, include the Global Securities, Global Certificates, Definitive Securities and Certificates)
<b>“NPI”</b>	: Net property income
<b>“Offshore Renminbi Centre”</b>	: The offshore Renminbi centre(s) specified as such in the applicable Pricing Supplement
<b>“Paying Agents”</b>	: The CDP Issuing and Paying Agent and the Non-CDP Issuing and Paying Agent, each other Issuing and Paying Agent and such further or other paying agent as may be appointed from time to time under the Agency Agreement
<b>“Permanent Global Security”</b>	: A Global Security representing Bearer Securities of one or more Tranches of the same Series, either on issue or upon exchange of interests in a Temporary Global Security
<b>“Perpetual Securities”</b>	: The perpetual securities to be issued by the Issuer under the Programme (and shall, where the context so admits, include the Global Securities, the Definitive Securities and any related Coupons and Talons, the Global Certificates and the Certificates)
<b>“Perpetual Securityholders”</b>	: The holders of the Perpetual Securities
<b>“Pricing Supplement”</b>	: In relation to a Tranche or Series of Securities, a pricing supplement, to be read in conjunction with this Information Memorandum, specifying the relevant issue details in relation to such Tranche or Series of Securities, as the case may be
<b>“Programme”</b>	: The S\$1,000,000,000 Multicurrency Debt Issuance Programme of the Issuer established by the Issuer pursuant to the Programme Agreement

<b>“Programme Agreement”</b>	: The Programme Agreement dated 30 November 2017 made between (1) the Issuer, as issuer, (2) the Manager, as manager, (3) DBS Bank Ltd., as arranger, and (4) DBS Bank Ltd., as dealer, as amended, varied or supplemented from time to time
<b>“Properties”</b>	: Cache’s 19 logistics warehouse properties which are strategically located in established logistics clusters in Singapore ((i) CWT Commodity Hub, (ii) Cache Cold Centre, (iii) Pandan Logistics Hub, (iv) Precise Two, (v) Schenker Megahub, (vi) Hi-Speed Logistics Centre, (vii) Cache Changi Districentre 1, (viii) Cache Changi Districentre 2, (ix) Pan Asia Logistics Centre, (x) Air Market Logistics Centre and (xi) DHL Supply Chain Advanced Regional Centre), Australia ((i) 127 Orchard Road, Chester Hill, NSW, (ii) 404-450 Findon Road, Kidman Park, SA, (iii) 51 Musgrave Road, Coopers Plains, QLD, (iv) 203 Viking Drive, Wacol, QLD, (v) 223 Viking Driver, Wacol, QLD, (vi) 16-28 Transport Drive, Somerton, VIC, (vii) 217-225 Boundary Road, Laverton North, VIC) and China (Jinshan Chemical Warehouse) and “Property” means each of them
<b>“Property Funds Appendix”</b>	: Appendix 6 to the CIS Code issued by the MAS in relation to real estate investment trusts
<b>“Property Manager”</b>	: Cache Property Management Pte. Ltd.
<b>“Property Portfolio”</b>	: The portfolio of Properties
<b>“Registered Securities”</b>	: Securities in registered form
<b>“Securities”</b>	: The Notes and the Perpetual Securities
<b>“Securities Act”</b>	: Securities Act of 1933 of the United States, as amended
<b>“Securityholders”</b>	: The Noteholders and the Perpetual Securityholders
<b>“Senior Perpetual Securities”</b>	: Perpetual Securities which are specified to rank as senior obligations of the Issuer pursuant to Condition 3(a) of the Perpetual Securities
<b>“Series”</b>	: (1) (in relation to Securities other than variable rate notes) a Tranche, together with any further Tranche or Tranches, which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of (in the case of Notes other than variable rate notes) interest or (in the case of Perpetual Securities) distribution and (2) (in relation to variable rate notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest

<b>“SFA”</b>	: Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
<b>“SGX-ST”</b>	: Singapore Exchange Securities Trading Limited
<b>“Sq ft”</b>	: Square feet
<b>“Sq m”</b>	: Square metre
<b>“Subordinated Perpetual Securities”</b>	: Perpetual Securities which are expressed in the applicable Pricing Supplement to rank as subordinated obligations of the Issuer pursuant to Condition 3(b) of the Perpetual Securities
<b>“subsidiary”</b>	<p>: Any company which is for the time being, a subsidiary (within the meaning of Section 5 of the Companies Act, Chapter 50 of Singapore) and, in relation to Cache, means any company, corporation, trust, fund or other entity (whether or not a body corporate):</p> <p>(i) which is controlled, directly or indirectly, by Cache; or</p> <p>(ii) more than half the interests of which is beneficially owned, directly or indirectly, by the Cache Trustee; or</p> <p>(iii) which is a subsidiary of any company, corporation, trust, fund or other entity (whether or not a body corporate) to which paragraph (i) or (ii) above applies,</p> <p>and for these purposes, any company, corporation, trust, fund or other entity (whether or not a body corporate) shall be treated as being controlled by Cache if Cache (whether through its trustee or otherwise) is able to direct its affairs and/or to control the composition of its board of directors or equivalent body</p>
<b>“Talons”</b>	: Talons for further Coupons
<b>“TARGET System”</b>	: The Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto
<b>“Temporary Global Security”</b>	: A Global Security representing Bearer Securities of one or more Tranches of the same Series on issue
<b>“Tranche”</b>	: Securities which are identical in all respects (including as to listing)

<b>“triple-net”</b>	: A lease whereby the lessee pays for rent and the following property-related expenses: (i) land rent, (ii) property tax and (iii) insurance, day-to-day maintenance including cleaning, security, utilities, servicing of lifts and other mechanical and electrical (“ <b>M&amp;E</b> ”) items. The landlord pays for any structural repairs and replacement of structural parts of the buildings in the property and replacement of M&E items
<b>“Trust Deed”</b>	: The Trust Deed dated 30 November 2017 made between (1) the Issuer, as issuer, and (2) the Trustee, as trustee, as amended, varied or supplemented from time to time
<b>“Trustee”</b>	: The Bank of New York Mellon, Singapore Branch
<b>“Unit”</b>	: An undivided interest in Cache as provided for in the Cache Trust Deed
<b>“United States” or “U.S.”</b>	: United States of America
<b>“Unitholder(s)”</b>	: The registered holder(s) for the time being of a Unit including persons so registered as joint holders, except where the registered holder is CDP, the term “Unitholder” shall, in relation to Units registered in the name of CDP, mean, where the context requires, the depositor whose securities account with CDP is credited with Units
<b>“US\$”</b>	: United States dollars
<b>“S\$” and “cents”</b>	: Singapore dollars and cents respectively
<b>“%”</b>	: Per cent

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Information Memorandum shall be a reference to Singapore time unless otherwise stated. Any reference in this Information Memorandum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the SFA or any statutory modification thereof and used in this Information Memorandum shall, where applicable, have the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

## **CORPORATE INFORMATION**

### **HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Cache)**

Registered Office : 21 Collyer Quay  
#13-02 HSBC Building  
Singapore 049320

### **ARA-CWT Trust Management (Cache) Limited**

Board of Directors : Lim How Teck  
Lim Hwee Chiang John  
Lim Ah Doo  
Stefanie Yuen Thio  
Liao Chung Lik  
Lim Lee Meng  
Lim Kong Puay  
Jimmy Yim Wing Kuen  
Moses K. Song (Alternate Director to Lim Hwee Chiang John)

Company Secretaries : Sharon Yeoh  
Chiang Wai Ming

Registered Office : 6 Temasek Boulevard  
#16-02  
Suntec Tower Four  
Singapore 038986

Auditors for Cache : KPMG LLP  
16 Raffles Quay  
#22-00 Hong Leong Building  
Singapore 048581

Arranger of the Programme : DBS Bank Ltd.  
12 Marina Boulevard, Level 42  
Marina Bay Financial Centre Tower 3  
Singapore 018982

Legal Advisers to the Arranger : Allen & Gledhill LLP  
One Marina Boulevard #28-00  
Singapore 018989

Legal Advisers to the Manager : WongPartnership LLP  
12 Marina Boulevard, Level 28  
Marina Bay Financial Centre Tower 3  
Singapore 018982

Legal Advisers to the Cache Trustee : Shook Lin & Bok LLP  
1 Robinson Road  
#18-00 AIA Tower  
Singapore 048542

Legal Advisers to the Trustee, the CDP Issuing and Paying Agent, the Non-CDP Issuing and Paying Agent, the Calculation Agent, the CDP Registrar, the Non-CDP Registrar, the CDP Transfer Agent and the Non-CDP Transfer Agent	: Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
CDP Issuing and Paying Agent, CDP Registrar and CDP Transfer Agent	: The Bank of New York Mellon, Singapore Branch One Temasek Avenue #02-01 Millenia Tower Singapore 039192
Non-CDP Issuing and Paying Agent and Calculation Agent	: The Bank of New York Mellon, London Branch One Canada Square London E14 5AL United Kingdom
Non-CDP Registrar and Non-CDP Transfer Agent	: The Bank of New York Mellon SA/NV, Luxembourg Branch Vertigo Building-Polaris 2-4, rue Eugène Ruppert L-2453 Luxembourg
Trustee for the Securityholders	: The Bank of New York Mellon, Singapore Branch One Temasek Avenue #02-01 Millenia Tower Singapore 039192

## SUMMARY OF THE PROGRAMME

The following summary is derived from, and should be read in conjunction with, the full text of this Information Memorandum (and any relevant supplement to this Information Memorandum), the Trust Deed, the Agency Agreement and the relevant Pricing Supplement.

Issuer	: HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Cache).
Arranger	: DBS Bank Ltd.
Dealer	: DBS Bank Ltd. and/or such other Dealers as may be appointed by the Issuer in accordance with the Programme Agreement.
Trustee	: The Bank of New York Mellon, Singapore Branch.
CDP Issuing and Paying Agent, CDP Transfer Agent and CDP Registrar	: The Bank of New York Mellon, Singapore Branch.
Non-CDP Issuing and Paying Agent and Calculation Agent	: The Bank of New York Mellon, London Branch.
Non-CDP Transfer Agent and Non-CDP Registrar	: The Bank of New York Mellon SA/NV, Luxembourg Branch.
Description	: Multicurrency Debt Issuance Programme.
Programme Size	: The maximum aggregate principal amount of the Securities to be issued, when added to the aggregate principal amount of all Securities outstanding at any time shall be S\$1,000,000,000 (or its equivalent in other currencies) or such higher amount as may be increased pursuant to the terms of the Programme Agreement.

## **NOTES**

Currency	: Subject to compliance with all relevant laws, regulations and directives, the Notes may be issued in Singapore dollars or any other currency agreed between the Issuer and the relevant Dealer(s).
Method of Issue	: The Notes may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
Issue Price	: The Notes may be issued at par or at a discount, or premium, to par.

Maturities	: Subject to compliance with all relevant laws, regulations and directives, the Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer.
Mandatory Redemption	: Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face.
Interest Basis	: The Notes may bear interest at fixed, floating, variable or hybrid rates or such other rates as may be agreed between the Issuer and the relevant Dealer(s) or may not bear interest.
Fixed Rate Notes	: Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified dates and at maturity.
Floating Rate Notes	<p>: Floating Rate Notes which are denominated in Singapore dollars will bear interest to be determined separately for each Series (in the case of Notes which are denominated in Singapore dollars) by reference to S\$ SIBOR or S\$ SWAP RATE (in the case of Notes which are denominated in US dollars) by reference to LIBOR (or in any other case) such other benchmark as may be agreed between the Issuer and the relevant Dealer(s), as adjusted for any applicable margin. Interest periods in relation to the Floating Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.</p> <p>Floating Rate Notes which are denominated in other currencies will bear interest to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s).</p>
Variable Rate Notes	: Variable Rate Notes will bear interest at a variable rate determined in accordance with the terms and conditions of the Notes. Interest periods in relation to the Variable Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.

- Hybrid Notes : Hybrid Notes will bear interest, during the fixed rate period to be agreed between the Issuer and the relevant Dealer(s), at a fixed rate of interest which will be payable in arrear on specified dates and, during the floating rate period to be agreed between the Issuer and the relevant Dealer(s), at the rate of interest to be determined by reference to (in the case of Notes which are denominated in Singapore dollars) S\$ SIBOR or S\$ SWAP RATE (in the case of Notes which are denominated in US dollars) LIBOR (or in any other case) such other benchmark as may be agreed between the Issuer and the relevant Dealer(s), as adjusted for any applicable margin (provided that if the Hybrid Notes are denominated in a currency other than Singapore dollars or US dollars, such Hybrid Notes will bear interest to be determined separately by reference to such benchmark as may be agreed between the Issuer and the relevant Dealer(s)), in each case payable at the end of each interest period to be agreed between the Issuer and the relevant Dealer(s).
- Zero Coupon Notes : Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in the case of late payment.
- Form and Denomination of Notes : The Notes will be issued in bearer form or registered form and in such denominations as may be agreed between the Issuer and the relevant Dealer(s). Each Tranche or Series of bearer Notes may initially be represented by a Temporary Global Security or a Permanent Global Security. Each Temporary Global Security may be deposited on the relevant issue date with CDP, the Common Depositary and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Security or definitive Notes (as indicated in the applicable Pricing Supplement). Each Permanent Global Security may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for definitive Notes upon the terms therein. Each Tranche or Series of registered Notes will initially be represented by a Global Certificate. Each Global Certificate may be registered in the name of, or in the name of a nominee of CDP, a Common Depositary and/or any other agreed clearing system. Each Global Certificate may be exchanged, upon request as described therein, in whole (but not in part) for Certificates upon the terms therein. Save as provided in the terms and conditions of the Notes, a Certificate shall be issued in respect of each Noteholder's entire holding of registered Notes of one Series.

Custody of the Notes	: Notes which are to be cleared through CDP are required to be kept with CDP as authorised depository. Notes which are cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with the Common Depositary.
Status of the Notes	: The Notes and Coupons of all Series will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> , without any preference or priority among themselves, and rank <i>pari passu</i> with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.
Optional Redemption and Purchase	: If so provided on the face of the Note and the relevant Pricing Supplement, the Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes. Further, if so provided on the face of the Note and the relevant Pricing Supplement, the Notes may be purchased by the Issuer (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes.
Redemption for Taxation Reasons	: If so provided on the face of the Note and the relevant Pricing Supplement, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 of the Notes, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Redemption upon Termination of Cache	: The Notes shall be redeemed in the event that Cache is terminated in accordance with the provisions of the Cache Trust Deed.
Redemption upon Cessation or Suspension of Trading of Units	: In the event that (i) the units of Cache cease to be traded on the SGX-ST or (ii) trading in the units of Cache on the SGX-ST is suspended for a continuous period of more than 10 market days, the Issuer shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date falling 45 days after (in the case of (i)) the date of cessation of trading or (in the case of (ii)) the business day immediately following the expiry of such continuous period of 10 market days.
Negative Pledge	<p>: The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes or Coupons remains outstanding, the Issuer will not, and will ensure that none of its subsidiaries will, create or permit to subsist, any mortgage, charge, lien, pledge or other form of encumbrance or security interest upon the whole or any part of its present or future undertakings, assets or revenues (including any uncalled capital) to secure any Capital Market Indebtedness, or to secure any guarantee or indemnity in respect of any Capital Market Indebtedness, without at the same time or prior thereto according to the Notes and the Coupons the same security as is created or subsisting to secure any such Capital Market Indebtedness, guarantee or indemnity or such other security as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.</p> <p><b>“Capital Market Indebtedness”</b> means any present or future indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other debt securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market.</p>
Financial Covenants	: The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes or the Coupons remain(s) outstanding, the Issuer will, at all times, ensure that the ratio of Consolidated Total Borrowings to Consolidated Deposited Property is not in breach of the Aggregate Leverage limit as construed in accordance with the Property Funds Appendix.

## Non-Disposal Covenant

: The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it shall not, and will ensure that none of the Principal Subsidiaries of Cache will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets nor any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under Clause 7.3 of the Trust Deed, is substantial in relation to the assets of the Group taken as a whole or the disposal of which (either alone or so aggregated) is likely to have a material adverse effect on the Issuer or Cache. The following disposals shall not be taken into account under Clause 7.3 of the Trust Deed:

- (i) any disposal in the ordinary course of business on an arm's length basis and on normal commercial terms;
- (ii) any disposal of assets which are obsolete, excess or no longer required for the purpose of Cache's business, in each case, on an arm's length basis and on normal commercial terms;
- (iii) any payment of cash as consideration for the acquisition of any asset on an arm's length basis and on normal commercial terms;
- (iv) any disposal in connection with the transfer of any of the Group's assets to another member of the Group;
- (v) any disposal in connection with the transfer of any of the Group's assets to a joint venture company on normal commercial terms and on an arm's length basis;
- (vi) any exchange of assets for other assets which are similar or superior as to type and value;
- (vii) any disposal of financial assets as shown in the most recent audited or, as the case may be, unaudited consolidated financial statements of the Group on normal commercial terms and on an arm's length basis; and
- (viii) any disposal which the Trustee or the Noteholders by way of Extraordinary Resolution shall have agreed shall not be taken into account.

For the purposes of Clause 7.3 of the Trust Deed, a disposal which is “**substantial**” in relation to the assets of the Group taken as a whole means the disposal of assets which (individually or in the aggregate) amount to at least 20 per cent. of the Value of the assets of the Group and “**Value**” means (in relation to assets which are real property) the fair market value of such assets as stated in the latest valuation report prepared by a professional independent valuer and (in any other case) the value of such assets as determined in accordance with the Cache Trust Deed.

- Events of Default : See Condition 10 of the Notes.
- Taxation : All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see the section on “Taxation” herein.
- Listing : Each Series of the Notes may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained.
- Board Lot Size : The Notes will be traded in a minimum board lot size of not less than S\$200,000 (or its equivalent in other currencies) for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.
- Selling Restrictions : For a description of certain restrictions on offers, sales and deliveries of Notes and the distribution of offering material relating to the Notes, please see the section on “Subscription, Purchase and Distribution” herein. Further restrictions may apply in connection with any particular Series or Tranche of Notes.
- Governing Law and Jurisdiction : The Programme and any Notes issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.

The courts of Singapore are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Coupons or Talons may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

## **PERPETUAL SECURITIES**

Currency	: Subject to compliance with all relevant laws, regulations and directives, the Perpetual Securities may be issued in Singapore dollars or any other currency agreed between the Issuer and the relevant Dealer(s).
Method of Issue	: The Perpetual Securities may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
Issue Price	: The Perpetual Securities may be issued at par or at a discount, or premium, to par.
No Fixed Maturity	: The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall only have the right (but not the obligation) to redeem or purchase them in accordance with the provisions of the terms and conditions of the Perpetual Securities.
Distribution Basis	: The Perpetual Securities may confer a right to receive distribution at fixed or floating rates.
Fixed Rate Perpetual Securities	: Fixed Rate Perpetual Securities will confer a right to receive distribution at a fixed rate which will be payable in arrear on specified dates. If so provided on the face of the Fixed Rate Perpetual Securities, the distribution rate may be reset on such dates and bases as may be set out in the applicable Pricing Supplement.
Floating Rate Perpetual Securities	<p>: Floating Rate Perpetual Securities (in the case of Perpetual Securities which are denominated in Singapore dollars) will confer a right to receive distribution at a rate to be determined separately for each Series by reference to S\$ SIBOR or S\$ SWAP RATE (in the case of Perpetual Securities which are denominated in US dollars) will confer a right to receive distribution at a rate to be determined separately for each Series by reference to LIBOR (or in any other case) such other benchmark as may be agreed between the Issuer and the relevant Dealer(s), as adjusted for any applicable margin.</p> <p>Floating Rate Perpetual Securities which are denominated in other currencies will confer a right to receive distribution to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s).</p>

Distribution periods in relation to the Floating Rate Perpetual Securities will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.

#### Distribution Discretion

- : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date (as defined in the Conditions of the Perpetual Securities) by giving notice (an “**Optional Payment Notice**”) to the Trustee and the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14 of the Perpetual Securities) not more than 15 nor less than five business days (or such other notice period as may be specified on the face of the Perpetual Security and the relevant Pricing Supplement) prior to a scheduled Distribution Payment Date.

If a Dividend Pusher is set out thereon, the Issuer may not elect to defer any distribution if during the Reference Period (as specified in the applicable Pricing Supplement) ending on the day before that scheduled Distribution Payment Date, either or both of the following (each such event a “**Compulsory Distribution Payment Event**”) have occurred during the relevant Reference Period:

- (i) a dividend, distribution or other payment has been declared or paid on or in respect of any of the Issuer’s Junior Obligations (as defined in the terms and conditions of the Perpetual Securities) or (except on a *pro rata* basis) any of the Issuer’s Specified Parity Obligations (as defined in the terms and conditions of the Perpetual Securities); or
- (ii) any of the Issuer’s Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or (except on a *pro rata* basis) any of the Issuer’s Specified Parity Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group or (2) as a result of the exchange or conversion of Specified Parity Obligations of the Issuer for the Junior Obligations of the Issuer and/or as otherwise specified in the applicable Pricing Supplement.

For the purposes of this section:

- (i) **“Junior Obligation”** means (1) in respect of Perpetual Securities which are Senior Perpetual Securities, any class of equity capital in Cache and any other instrument or security issued, entered into or guaranteed by the Issuer (including without limitation any preferred units or subordinated perpetual securities) that ranks or is expressed to rank, by its terms or by operation of law, junior to all unsecured obligations of the Issuer from time to time outstanding and (2) in respect of Perpetual Securities which are Subordinated Perpetual Securities, any class of equity capital in Cache and any other instrument or security issued, entered into or guaranteed by the Issuer, other than any instrument or security (including without limitation any preferred units) ranking in priority in payment and in all other respects to the ordinary units of Cache; and
- (ii) **“Specified Parity Obligation”** means any instrument or security (including without limitation any preferred units) issued, entered into or guaranteed by the Issuer (1) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Perpetual Securities and (2) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof (which excludes, for the avoidance of doubt (A) any payment due to be made in respect of debt owing to any (I) trade creditors and/or (II) service providers and professionals, (B) any payment due to be made in respect of credit facilities granted by banks and other financial institutions, and (C) any prepayment or redemption prior to the due date of maturity of any senior instrument or security at the option of the Issuer or, as the case may be, the issuer thereof).

Non-Cumulative Deferral  
and Cumulative Deferral

- : If Non-Cumulative Deferral is so provided on the face of the Perpetual Security and the relevant Pricing Supplement, any distribution deferred pursuant to Condition 4(IV) of the Perpetual Securities is non-cumulative and will not accrue interest. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Issuer may, at its sole discretion, and at any time, elect to pay an amount up to the amount of distribution which is unpaid (**“Optional Distribution”**)

(in whole or in part) by complying with the notice requirements in Condition 4(IV)(e) of the Perpetual Securities. There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to Condition 4(IV) of the Perpetual Securities. Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the holders of all outstanding Perpetual Securities and the Coupons related to them on a *pro rata* basis.

If Cumulative Deferral is so provided on the face of the Perpetual Security and the relevant Pricing Supplement, any distribution deferred pursuant to Condition 4(IV) of the Perpetual Securities shall constitute “**Arrears of Distribution**”. The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4(IV)(a) of the Perpetual Securities) further defer any Arrears of Distribution by complying with the notice requirement applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to Condition 4(IV) of the Perpetual Securities except that Condition 4(IV)(c) of the Perpetual Securities shall be complied with until all outstanding Arrears of Distribution have been paid in full.

If Additional Distribution is so provided on the face of the Perpetual Security and the relevant Pricing Supplement, each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Perpetual Securities at the Distribution Rate or Rate of Distribution (as the case may be) and the amount of such interest (the “**Additional Distribution Amount**”) with respect to Arrears of Distribution shall be due and payable pursuant to Condition 4 of the Perpetual Securities and shall be calculated by applying the applicable Distribution Rate or Rate of Distribution (as the case may be) to the amount of the Arrears of Distribution and otherwise mutatis mutandis as provided in the provisions of Condition 4 of the Perpetual Securities. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

Restrictions in the case of  
Non-Payment

: If Dividend Stopper is so provided on the face of the Perpetual Security and the relevant Pricing Supplement and on any Distribution Payment Date, payments of all distribution scheduled to be made on such date are not made in full by reason of Condition 4(IV)) of the Perpetual Securities, the Issuer shall not and shall procure that none of the subsidiaries of Cache shall:

- (i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations; or
- (ii) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group or (2) as a result of the exchange or conversion of Specified Parity Obligations of the Issuer for the Junior Obligations of the Issuer, unless and until (A) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the Issuer has satisfied in full all outstanding Arrears of Distribution, (B) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (C) the Issuer is permitted to do so (or to procure or permit the subsidiaries of Cache to do so) by an Extraordinary Resolution of the Perpetual Securityholders and/or as otherwise specified in the applicable Pricing Supplement.

Form and Denomination of Perpetual Securities	: The Perpetual Securities will be issued in bearer form or registered form and in such denominations as may be agreed between the Issuer and the relevant Dealer(s). Each Tranche or Series of bearer Perpetual Securities may initially be represented by a Temporary Global Security or a Permanent Global Security. Each Temporary Global Security may be deposited on the relevant issue date with CDP, a Common Depositary and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Security or definitive Perpetual Securities (as indicated in the applicable Pricing Supplement). Each Permanent Global Security may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for definitive Perpetual Securities upon the terms therein. Each Tranche or Series of registered Perpetual Securities will initially be represented by a Global Certificate. Each Global Certificate may be registered in the name of, or in the name of a nominee of CDP, a Common Depositary and/or any other agreed clearing system. Each Global Certificate may be exchanged, upon request as described therein, in whole (but not in part) for Certificates upon the terms therein. A Certificate shall be issued in respect of each Perpetual Securityholder's entire holding of registered Perpetual Securities of one Series.
Custody of the Perpetual Securities	: Perpetual Securities which are to be cleared through CDP are required to be kept with CDP as authorised depository. Perpetual Securities which are to be cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with the Common Depositary.
Status of the Senior Perpetual Securities	: The Senior Perpetual Securities and Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> , without any preference or priority among themselves, and <i>pari passu</i> with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.
Status of the Subordinated Perpetual Securities	: The Subordinated Perpetual Securities and Coupons relating to them constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> , without any preference or priority among themselves, and <i>pari passu</i> with any Parity Obligations of the Issuer.

For the purposes of this section, “**Parity Obligations**” means any instrument or security (including without limitation any preference units in Cache) issued, entered into or guaranteed by the Issuer (1) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with a Cache Notional Preferred Unit (as defined below) and (2) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof.

Subordination of the  
Subordinated Perpetual  
Securities

- : Subject to the insolvency laws of Singapore and other applicable laws, in the event of the Winding-Up (as defined in Condition 9(a) of the Perpetual Securities) of Cache, there shall be payable by the Issuer in respect of each Subordinated Perpetual Security (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to such Perpetual Securityholder if, on the day prior to the commencement of the Winding-Up of Cache, and thereafter, such Perpetual Securityholder were the holder of one of a class of preferred units in the capital of Cache (and if more than one class of preferred units is outstanding, the most junior ranking class of such preferred units) (the “**Cache Notional Preferred Units**”) having an equal right to return of assets in the Winding-Up of Cache and so ranking *pari passu* with the holders of that class or classes of preferred units (if any) which have a preferential right to return of assets in the Winding-Up of Cache, and so rank ahead of the holders of Junior Obligations of the Issuer but junior to the claims of all other present and future creditors of the Issuer (other than Parity Obligations of the Issuer), on the assumption that the amount that such Perpetual Securityholder was entitled to receive in respect of each Cache Notional Preferred Unit on a return of assets in such Winding-Up of Cache were an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Subordinated Perpetual Security together with distributions accrued and unpaid since the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) and any unpaid Optional Distributions in respect of which the Issuer has given notice to the Perpetual Securityholders in accordance with the Conditions of the Perpetual Securities.

- No set-off in relation to Subordinated Perpetual Securities
- : Subject to applicable law, no holder of Subordinated Perpetual Securities or any Coupons relating to them may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them and each holder of Subordinated Perpetual Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Perpetual Securities or Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Perpetual Securities or any Coupons relating to them by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them is discharged by set-off, such holder of Subordinated Perpetual Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of Cache's Winding-Up, the liquidator or, as appropriate, administrator of Cache) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of Cache) and accordingly any such discharge shall be deemed not to have taken place.
- Redemption at the Option of the Issuer
- : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may, on giving irrevocable notice to the Perpetual Securityholders falling within the Issuer's Redemption Option Period shown on the face thereof, redeem all or, if so provided, some of the Perpetual Securities at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Perpetual Securities shall be at their Redemption Amount, together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount) to (but excluding) the date fixed for redemption.
- Redemption for Taxation Reasons
- : The Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount, (together with distribution (including any

Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:

- (i) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) that confirms that:
  - (1) the Perpetual Securities will not be regarded as “debt securities” for the purposes of Section 43N(4) of the ITA and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; and/or
  - (2) the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for “qualifying debt securities” under the ITA; or
- (ii) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 of the Perpetual Securities, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due.

Redemption for Accounting Reasons

- : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days’ notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together

with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, on such Distribution Payment Date or any time prior to or after that Distribution Payment Date, as a result of any changes or amendments to Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council, as amended from time to time (the “**SFRS**”) or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of Cache (the “**Relevant Accounting Standards**”), the Perpetual Securities will not or will no longer be recorded as “equity” of Cache pursuant to the Relevant Accounting Standards.

- Redemption for Tax Deductibility : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days’ notice to the Perpetual Securityholders and the Trustee (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to the date fixed for redemption), if:
- (i) the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:
    - (1) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective on or after the Issue Date;
    - (2) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective on or after the Issue Date; or
    - (3) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is announced on or after the Issue Date,

distribution (including any Arrears of Distribution and any Additional Distribution Amount) by the Issuer are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, regarded as sums “payable by way of interest upon any money borrowed” for the purposes of Section 14(1)(a) of the ITA for Singapore income tax purposes; or

- (ii) the Issuer receives a ruling from the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as sums “payable by way of interest upon any money borrowed” for the purposes of Section 14(1)(a) of the ITA.

Redemption in the case of  
Minimal Outstanding Amount

- : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days’ notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

Redemption upon Cessation or  
Suspension of Trading of Units

- : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, in the event that (i) the units of Cache cease to be traded on the SGX-ST or (ii) trading in the units of Cache on the SGX-ST is suspended for a continuous period of more than 10 market days, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on the date on which distribution is due to be paid on such Perpetual Securities or, if earlier, the date falling 45 days after (in the case of (i)) the date of cessation of trading or (in the case of (ii)) the business day immediately following the expiry of such continuous period of 10 market days at their Redemption Amount (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption).

Redemption upon Regulatory  
Event

: If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may, at its option, redeem the Perpetual Securities in whole, but not in part, at any time at their principal amount, together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) accrued from the immediately preceding Distribution Payment Date to (but excluding) the date fixed for redemption, on the Issuer giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders and the Trustee (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately prior to the giving of such notice that as a result of any change in, or amendment to, the Property Funds Appendix, or any change in the application or official interpretation of the Property Funds Appendix, the Perpetual Securities count or will count towards the Aggregate Leverage under the Property Funds Appendix, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Perpetual Securities will count towards the Aggregate Leverage.

Redemption upon Ratings  
Event

: If so provided on the face of the Perpetual Security and the Relevant Pricing Supplement, the Issuer may, at its option, redeem the Perpetual Securities in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, on such Distribution Payment Date or any time after that Distribution Payment Date, an amendment, clarification or change has occurred or will occur in the equity credit criteria, guidelines or methodology of any Rating Agency (as defined in the Trust Deed) requested from time to time by the Issuer to grant an equity classification to the Perpetual Securities and in each case, any of their respective successors to the rating business thereof, which amendment, clarification or change results in a lower equity credit for the Perpetual Securities than the equity credit assigned on the Issue Date or, if equity credit is not assigned on the Issue Date, at the date when equity credit is assigned for the first time.

Limited right to institute proceedings in relation to Perpetual Securities	: Notwithstanding any of the provisions in Condition 9 of the Perpetual Securities, the right to institute proceedings for the bankruptcy, termination, winding-up, liquidation, receivership, administration or similar proceedings (the <b>“Winding-Up”</b> ) in respect of Cache is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4(IV) of the Perpetual Securities.
Proceedings for Winding-Up	: If (i) a final and effective order is made or an effective resolution is passed for the Winding-Up of Cache or (ii) the Issuer fails to pay the principal of or any distributions on any of the Perpetual Securities when due and such failure continues for a period of seven business days after the due date (together, the <b>“Enforcement Events”</b> ), the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may (but is not obliged to), subject to the provisions of Condition 9(d) of the Perpetual Securities, institute proceedings for the Winding-Up of Cache and/or prove in the Winding-Up of Cache and/or claim in the liquidation of Cache for such payment.
Taxation	: All payments in respect of the Perpetual Securities and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Perpetual Securityholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see the section on “Singapore Taxation” herein.
Listing	: Each Series of the Perpetual Securities may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained.
Board Lot Size	: The Perpetual Securities will be traded in a minimum board lot size of not less than S\$200,000 (or its equivalent in other currencies) for so long as the Perpetual Securities are listed on the SGX-ST and the rules of the SGX-ST so require.

Selling Restrictions : For a description of certain restrictions on offers, sales and deliveries of Perpetual Securities and the distribution of offering material relating to the Perpetual Securities, please see the section on “Subscription, Purchase and Distribution” herein. Further restrictions may apply in connection with any particular Series or Tranche of Perpetual Securities.

Governing Law and Jurisdiction : The Perpetual Securities, the Coupons and the Talons are governed by, and construed in accordance with, the laws of Singapore.

The courts of Singapore are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Perpetual Securities, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Perpetual Securities, Coupons or Talons may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

## RISK FACTORS

Prior to making an investment or divestment decision, prospective investors or existing holders of the Securities should carefully consider, amongst other things, all the information set forth in this Information Memorandum including any documents incorporated by reference herein and the risk factors set out below.

The risk factors set out below do not purport to be complete or comprehensive of all the risk factors that may be involved in the business, assets, financial condition, results of operations, performance or prospects of the Issuer, Cache, the Manager and/or the Group or any of their respective properties or any decision to purchase, own or dispose of the Securities. Additional risk factors which the Issuer is currently unaware of may also impair its business, assets, financial condition, results of operations, performance or prospects. If any of the following risk factors develops into actual events, the business, assets, financial condition, performance or prospects of the Issuer, Cache, the Manager and/or the Group could be materially and adversely affected. In such cases, the ability of the Issuer to comply with its respective obligations under the Trust Deed and the Securities may be adversely affected and the investors may lose all or part of their investments in the Securities.

### Limitations of this Information Memorandum

***This Information Memorandum does not purport to nor does it contain all information that a prospective investor in or existing holder of the Securities may require in investigating the Group, prior to making an investment or divestment decision in relation to the Securities issued under the Programme***

Neither this Information Memorandum nor any document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the Securities (or any part thereof) is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Manager, the Arranger, any of the Dealers or the Trustee that any recipient of this Information Memorandum or any such other document or information (or such part thereof) should subscribe for or purchase or sell any of the Securities.

This Information Memorandum is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Securities only after it has determined that such investment is suitable for its investment objectives. Determining whether an investment in the Securities is suitable is a prospective investor's responsibility, even if the investor has received information to assist it in making such a determination. Each person receiving this Information Memorandum acknowledges that such person has not relied on the Issuer, the Manager, their respective subsidiaries (if any), associated companies (if any) and/or joint venture companies (if any), the Arranger, any of the Dealers, the Trustee or any person affiliated with each of them in connection with its investigation of the accuracy or completeness of the information contained therein or any additional information considered by it to be necessary in connection with its investment or divestment decision. Any recipient of this Information Memorandum contemplating subscribing for or purchasing or selling the Securities should determine for itself the relevance of the information contained in this Information Memorandum and any such other document or information (or any part thereof) and its investment or divestment should be, and shall be deemed to be, based solely on its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer, Cache, the Manager and/or the Group, the terms and conditions of the Securities and any other factors relevant to its decision, including the merits and risks involved. A prospective investor should consult with its legal, tax and financial advisers prior to deciding to make an investment in the Securities.

This Information Memorandum contains forward-looking statements. These forward-looking statements are based on a number of assumptions which are subject to uncertainties and contingencies, many of which are outside the Issuer's control. The forward-looking information in this Information Memorandum may prove inaccurate. Please see the section entitled "Forward-looking Statements" on page 6 of this Information Memorandum.

## **RISKS RELATING TO THE ISSUER'S AND THE GROUP'S BUSINESS, FINANCIAL CONDITION AND/OR RESULTS OF OPERATIONS**

### **RISKS RELATING TO THE PROPERTIES**

#### ***Cache is exposed to economic and real estate market conditions (including increased competition in the real estate market or logistics properties market)***

Of the number of Properties, more than half are located in Singapore, approximately one third in Australia, and one Property in the People's Republic of China. As a result, Cache's gross revenue and results of operations primarily depend on the performance of the Singapore and Australian economies and therefore a decline in the Singapore and/or Australian economy could adversely affect Cache's results of operations and future growth. The performance of Cache may also be adversely affected by a number of local real estate market conditions, such as the competitiveness of competing logistics properties or an oversupply of logistics properties or reduced demand for logistics properties. The occurrence of any such adverse events may adversely affect the financial condition of Cache, which may in turn affect the Issuer's ability to fulfil its payment obligations under the Securities.

Cache's investment strategy involves a higher level of risk as compared to other types of trusts that have a more diverse range of permitted investments. This concentration of investments in a portfolio of logistics real estate assets may cause Cache to be susceptible to a downturn in the logistics real estate market in Singapore, Australia and/or the People's Republic of China. A downturn in the logistics real estate market may lead to a decline in the rental income in the Properties and/or a decline in the capital value of such Properties, either of which will have an adverse impact on the results of operations and the financial condition of Cache, and this may in turn affect the Issuer's ability to fulfil its payment obligations under the Securities.

In addition, while the Properties are located largely in Singapore and Australia, Cache's future acquisitions may be located elsewhere in the Asia-Pacific region, which exposes Cache to economic and real estate market conditions and changes in fiscal policies in such countries. Furthermore, real estate laws differ from country to country and Cache's businesses in these countries may not always enjoy the same level of legal rights or protection that it is afforded in Singapore and Australia. More stringent or onerous real estate laws may be adopted in the future in the countries where Cache may operate its business, and that may restrict Cache's ability to operate its business. The risk profile of Cache may therefore encompass the risks involved in each of the countries or businesses that Cache operates. The business, financial condition, performance or prospects of Cache may be adversely affected by any of such risks. Adverse economic and/or property and property-related developments in the countries where Cache operates its business may also have a material adverse effect on performance of Cache.

***Planned amenities and transportation infrastructure near the Properties may be closed, relocated, terminated, delayed or not completed***

There is no assurance that amenities, transportation infrastructure and public transport services near the Properties will not be closed, relocated, terminated, delayed or completed. If such an event were to occur, it will adversely impact the accessibility of the Properties, the attractiveness of the Properties to tenants and the occupancy rates of the Properties, which will adversely affect the NPI and in turn consequently affect Cache's financial condition and results of operations.

***Cache relies on third parties to provide various services***

Cache engages and relies on third-party contractors to carry out its asset enhancement works, in addition to providing various services in connection with the day-to-day operation of the Properties, Cache is exposed to the risk that a third-party contractor may cause a delay in project completion or incur costs in excess of project estimates. This may in turn result in excess costs which may have to be borne by Cache in order to complete the project in a timely manner.

Major third-party contractors may experience financial or other difficulties which may affect their ability to carry out construction or related works, thus increasing the risk of delays in the completion of projects, or the inability to continue with the project. This may result in additional costs to Cache as Cache will need to engage other third-party contractors to complete the remaining works.

There can also be no assurance that the services rendered by the third-party contractors will always be satisfactory, be adequately covered by insurances or match Cache's targeted quality levels. All of these factors could adversely affect Cache's business, financial condition and results of operations.

***Cache's assets might be adversely affected if the Manager, the Property Manager, the master lessees and/or the tenants do not provide adequate management and maintenance services***

Should the Manager, the Property Manager, the master lessees and/or the tenants fail to provide adequate management and maintenance services, the value of Cache's assets might be adversely affected and this may result in a loss of tenants, which in turn affects the NPI of Cache. This may in turn have an adverse effect on the financial condition, business, results of operations and cash flow of Cache and the Issuer's ability to make payments under the Securities.

***Cache may be affected by the introduction of new or revised legislation, regulations, guidelines or directions affecting REITs***

Cache may be affected by the introduction of new or revised legislation, regulations, guidelines or directions affecting REITs in the jurisdictions in which it operates. There is no assurance that MAS or any other relevant authority will not introduce new legislation, regulations, guidelines or directions which would adversely affect REITs generally or Cache specifically. Changes in legislation, regulations or government policies may increase the cost of compliance with such laws, regulations or policies and may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance.

***The Properties may be affected by contamination and other environmental issues and potential liability for environmental problems could result in unanticipated costs***

The Properties may from time to time be affected by contamination or other environmental issues which may not have been previously identified and/or rectified. The Properties may contain, or their operations may utilise certain material, processes or installations which are regulated pursuant to various environmental laws, including those relating to air pollution control, water pollution control, waste disposal and noise pollution control, or may require environmental permits from regulatory authorities. These laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of the hazardous substances. This raises a number of risks including:

- the risk of prosecution by relevant authorities;
- the requirement for unbudgeted additional expenditure to remedy such issues;
- the adverse impact on the business operations and financial position of tenants arising from the above, affecting their ability to trade and to meet their obligations and which in turn affect the rental income of Cache; and
- the liability for the costs of removal or remediation of such substances, which could be substantial.

There can be no assurance that potential environmental liability do not exist or will not arise in the future. The presence of contamination or hazardous substances on the Properties could adversely affect Cache's ability to lease or sell such Properties or to borrow using these Properties as collateral, and Cache may be required to incur unbudgeted capital expenditure to remedy the issues, which could have a material adverse effect on Cache's business, financial condition, results of operations, and prospects. This may in turn affect the Issuer's ability to fulfil its payment obligations under the Securities.

***Cache may suffer material losses in excess of insurance proceeds***

The Properties face the risk of suffering physical damage caused by fire or natural disaster or other causes, as well as potential public liability claims, including claims arising from the operations of the Properties and loss of rent from the inability to use such Properties, resulting in losses which may not be fully compensated by insurance proceeds.

In addition, certain types of risks (such as war risk, terrorist acts and losses caused by the outbreak of contagious diseases, contamination or other environmental breaches) may be uninsurable or the cost of insurance may be prohibitive when compared to the risk. Currently, Cache's insurance policies for the Properties do not cover acts of war, contamination or other environmental breaches.

Should an uninsured loss or a loss in excess of insured limits occur, Cache could be required to pay compensation and/or lose capital invested in the affected property as well as anticipated future revenue from that property. Cache will also be liable for any debt or other financial obligation related to that property. No assurance can be given that material losses in excess of insurance proceeds will not occur.

In addition, should Cache fail to put in place or maintain adequate insurance in relation to the Properties and its potential liabilities to third parties, Cache may be exposed to various liabilities and losses to the extent that such assets and liabilities are not adequately insured.

***Renovation or redevelopment works or physical damage to the Properties may disrupt the operations of the Properties and collection of rental income, or otherwise, may result in an adverse impact on the financial condition of Cache***

The quality and design of the Properties have a direct influence over the demand for space in, and the rental rates of, the Properties. The Properties may need to undergo renovation or redevelopment works from time to time to retain their competitiveness and may also require unforeseen *ad hoc* maintenance or repairs in respect of faults or problems that may develop from time to time over structural defects or other parts of buildings or because of new planning laws, regulations or building codes. The costs of maintaining logistics properties and the risk of unforeseen maintenance or repair requirements tend to increase over time as the building ages. In addition, some of the older Properties may be required to undergo regularisation exercises to comply with updated building codes. The business and operations of the Properties may suffer some disruption and it may not be possible to collect the full rate of, or, as the case may be, any rental income on space affected by such renovation, rectification, redevelopment works, maintenance of repairs. This may adversely affect the financial condition of Cache, and in turn affect the Issuer's ability to fulfil its payment obligations under the Securities.

In addition, physical damage to the Properties resulting from fire or other causes may lead to a significant disruption to the business and operation of the Properties and, together with the foregoing, may cause significant losses of rental income and result in an adverse impact on the financial condition and results of operations of Cache and its ability to make distributions. This may in turn affect the Issuer's ability to fulfil its payment obligations under the Securities.

***Significant capital expenditure may be required periodically beyond the Manager's current estimate and Cache may not be able to secure funding***

The Properties and properties to be acquired by Cache may require periodic capital expenditure beyond the Manager's current estimate for refurbishment, renovation and improvements in order to remain competitive. Cache may not be able to fund capital improvements solely from cash provided from its operating activities and Cache may not be able to obtain additional equity or debt financing or be able to obtain such financing on favourable terms.

***Cache may be involved in boundary disputes and there may be encroachment by, or affecting, the Properties***

Cache may be involved in boundary disputes which may cause difficulties in future dispositions of the land or unexpected costs or losses including, but not limited to, the loss of part of the land area or liability for damages arising in relation to such Properties. Some of the Properties may be encroaching on, or being encroached upon by, the adjoining properties. Such encroachment by, or affecting, the Properties may restrict the use of the land or lead to claims from neighbours. This may adversely affect Cache's rental income and cause additional expense to be incurred by Cache in the removal of the encroachment or reinstatement of the affected land. These risks may have an adverse effect on Cache's financial condition and results of operations, which may in turn affect the Issuer's ability to fulfil its payment obligations under the Securities.

***The due diligence exercise on buildings and equipment prior to their acquisition may not have identified all material defects, breaches of laws and regulations and other deficiencies***

The Manager believes that reasonable due diligence investigations with respect to the Properties have been conducted prior to their acquisitions. However, there is no assurance that the Properties will not have defects or deficiencies requiring repair or maintenance

(including design, construction or other latent property or equipment defects in the Properties, which may require additional capital expenditure, special repair or maintenance expenses). Such undisclosed defects or deficiencies may require significant capital expenditures or obligations to third parties and involve significant and unpredictable patterns and levels of expenditure which may have a material adverse effect on Cache's earnings and cash flows. This may in turn affect the Issuer's ability to fulfil its payment obligations under the Securities.

The experts' reports that the Manager relies upon as part of its due diligence investigations of the Properties may be subject to inaccuracies and deficiencies. This may be because certain building defects and deficiencies are difficult or impossible to ascertain due to limitations inherent in the scope of the inspections, the technologies or techniques used and other factors.

Some of the Properties may be in breach of laws and regulations or fail to comply with certain regulatory requirements. Cache may incur financial or other obligations in relation to such breaches or non-compliance, and this may in turn affect the Issuer's ability to fulfil its payment obligations under the Securities.

The representations, warranties and indemnities granted in favour of Cache by the vendors of the Properties during their acquisitions are subject to limitations as to their scope and as to the amount and timing of claims which can be made. There is no assurance that Cache would be entitled to be reimbursed under such representations, warranties and indemnities for any losses or liabilities suffered or incurred by it as a result of its acquisition of these Properties, and this may in turn affect the Issuer's ability to fulfil its payment obligations under the Securities.

***The Properties may face increased competition from other properties***

The Properties are located in areas that have other competing properties and new properties may be developed which may compete with the Properties. Whenever similar properties in the vicinity of the Properties are developed or substantially upgraded and refurbished, the attractiveness of such properties may be affected. The Properties will also compete with properties that may be developed in the future. The development of such properties may adversely affect the demand and rental rates for the Properties and consequently the financial condition and results of Cache. This may in turn affect the availability of cash flows and the Issuer's ability to fulfil its payment obligations under the Securities.

The income from, and market value of, the Properties will be largely dependent on the ability of the Properties to compete against other properties for tenants. If the competing properties are more successful in attracting and retaining tenants or similar properties in their vicinity are substantially upgraded and refurbished, this may in turn affect the availability of cash flows and the Issuer's ability to fulfil its payment obligations under the Securities.

***The appraisals of the Properties are based on various assumptions and the price at which Cache is able to sell a Property in future may be different from the initial acquisition value of such Property***

The consideration paid by Cache is based on the acquisition values of the Properties. There can be no assurance that the assumptions relied on are accurate measures of the market, and the values of the Properties may be evaluated inaccurately. The Independent Valuers may have included a subjective determination of certain factors relating to the Properties such as their relative market positions, financial and competitive strengths, and physical condition and, accordingly, the property valuation (which affects the NAV per Unit) may be subjective.

General property prices, including that of logistics properties, are subject to the volatilities of the property market and the appraised value of any of the Properties does not guarantee a sale price at that value at present or in the future. The price at which Cache may sell a Property may be lower than its purchase price.

In addition, Cache is required to measure investment properties at fair value at each balance sheet date and any change in the fair value of the investment properties is recognised in the statements of total return. Changes in fair value may have an adverse effect on Cache's financial results for the financial year if there is a significant decrease in the valuation of Cache's investment properties which results in revaluation losses that are recognised in its statements of total return.

***The loss of major tenants could directly or indirectly reduce the cash flow of Cache***

Cache is directly dependent upon the major tenants of its Properties for the revenue from such Properties. Cache is therefore subject to the risk of default on rental payments and negotiation of reduced rent by the major tenants. It is also subject to the risk of non-renewal, non-replacement or early termination of the underlying leases in the event that these major tenants become bankrupt or insolvent, suffer a downturn in business, prematurely terminate their leases, do not renew their leases at expiry, or reduce their leased space in the Properties. The business of major tenants may be adversely affected by external factors such as acts of God, terrorist attacks, riots, civil commotions, widespread communicable diseases or other events beyond the control of the Manager in Singapore or in other countries where the major tenants may have business dealings in. In the event that the leases are terminated, there is no guarantee that replacement tenants may be found in a timely manner and on satisfactory terms, if at all. The loss of one or more of the major tenants of the Properties, particularly those who qualify for JTC's anchor tenant status, could result in periods of vacancy which could adversely affect Cache's income. In addition, the amount of rent and the terms of new leases entered into with replacement tenants or renewal leases entered into with current tenants may be less favourable than the existing leases. This would adversely affect Cache's operating results and its ability to generate revenue, which may in turn affect the Issuer's ability to fulfil its payment obligations under the Securities.

***The President of the Republic of Singapore may, as lessor, compulsorily acquire by law or re-enter the Properties if there is a breach of terms and conditions of the State lease***

In relation to Properties which are held under a registered State lease issued by the President of the Republic of Singapore as lessor, such State lease contains terms and conditions commonly found in State leases in Singapore, including the President of the Republic of Singapore's right as lessor to re-enter the Properties and terminate the lease (without compensation) in the event the lessee fails to observe or perform the terms and conditions of the relevant State lease.

Compliance with the terms of such leases may restrict Cache's ability to respond to changing real estate market conditions, re-let a Property to different tenants or perform asset enhancements. In addition, any current or future breaches of its land leases may require rectification. These restrictions may have an adverse effect on Cache's financial condition and results of operations, which may in turn affect the ability of the Issuer to fulfil its payment obligations under the Securities.

***Cache will hold the Properties on land leases from JTC, and these leases contain certain provisions that may have an adverse effect on financial condition and results of operations of Cache***

In relation to the Properties which are held on land leases from JTC, each of which contains a clause that requires the Issuer to surrender free of cost to the Singapore Government portions of the respective Properties that may be required in the future for certain public uses, such as roads, drainage and other public improvements. There have been previous instances in which lessees of land from JTC have been required to surrender portions of their land to the Singapore Government for roads, without compensation, pursuant to similar provisions in the relevant land leases. If Cache is required to surrender a portion of one of the Properties to the Singapore Government, it may have an adverse impact on the gross revenue and the value of the Properties.

Properties which are held on leases from JTC are subject to terms and conditions ordinarily found in building agreements or agreements for leases entered into or leases granted by JTC such as provisions requiring the lessee:

- to pay a yearly rent to JTC;
- not to use or permit the Property to be used otherwise than for such purposes as approved by JTC; and
- not to demise, assign, mortgage, let, sublet or underlet or grant a licence or part with or share the possession or occupation of the whole or part of the Property without first obtaining JTC's prior written consent.

Compliance with the terms of such leases may restrict Cache's ability to respond to changing real estate market conditions, re-let a Property to different tenants or perform asset enhancements. In addition, any current or future breaches of its land leases may require rectification. These restrictions may have an adverse effect on Cache's financial condition and results of operations, which may in turn affect the ability of the Issuer to fulfil its payment obligations under the Securities.

***JTC has announced that all new leases from JTC as well as transfers of JTC properties by owners should give JTC the right to buy the relevant property should the owner decide to sell the property in the future***

In order to facilitate overall land use planning and development needs in Singapore, JTC has announced that all new leases from JTC as well as transfers/assignments and lease renewals of JTC properties by owners should give JTC the right to buy the relevant property should the owner decide to sell the property in the future (excluding sale and lease-back transactions and mortgagee sales). According to the announcement, the reason behind this policy is that land in Singapore is scarce and the constant rejuvenation of land use is essential to optimise land use in Singapore. This policy may have an impact on Cache's ability to acquire properties to be leased under JTC or to dispose of its properties which are held under JTC leases.

***Cache may not be able to extend the terms of the underlying land leases of certain of the Properties which contain options to renew***

The underlying leases of certain of the Properties contain a covenant by the relevant lessor thereof to grant a further term following the expiry of the current lease term subject to the satisfaction of certain conditions, such as there being no breach of any terms and conditions of the underlying leases and certain fixed investment criteria in respect of these Properties being fulfilled. While Cache had, where applicable, required the vendors, at the time of the acquisition of such Properties, to provide written confirmation from the relevant head lessor

(namely JTC) that the pertinent fixed investment criteria had been fulfilled, there can be no assurance that such conditions for extension have been or will be satisfied or that Cache's tenants, while in occupation of the premises, have not been or will not be in breach of the terms and conditions of the underlying leases or that any such breach has been or will be rectified in time, or at all.

If Cache, for whatever reason, is not able to extend the lease term of the underlying leases of any of such Properties, Cache may have to surrender such Property to its lessor upon expiry of the original lease term. The value of the Properties may be substantially reduced upon such surrender. Any potential income expected after the expiry of the original lease term will not be realised. In addition, Cache may be required to incur substantial amounts of money to reinstate a Property to a state and condition acceptable to the relevant lessor.

## **RISKS RELATING TO CACHE'S OPERATIONS**

***Difficult conditions in the global credit and capital markets and the economy generally have had, and may continue to have, an adverse effect on the business, financial condition and results of operations of Cache***

The global credit markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries. There remains a concern that the debt crisis in Europe as well as the uncertainty surrounding the monetary policy of the United States of America ("U.S.") Federal Reserve will impinge upon the health of the global financial system.

In addition, there is uncertainty arising from the referendum held by the United Kingdom on 23 June 2016 in which a majority voted for the exit of the United Kingdom from the European Union following the results of the referendum held on 23 June 2016 and the invocation of Article 50 of the Lisbon Treaty relating to withdrawal on 29 March 2017 by the Government of the United Kingdom ("**Brexit**"). Negotiations surrounding Brexit are expected to affect the future terms of the United Kingdom's relationship with the European Union, including the terms of trade between the United Kingdom and the European Union. The effects of Brexit will depend on any agreements the United Kingdom makes to retain access to European Union markets, either during a transitional period or more permanently. Brexit could adversely affect European or worldwide economic or market conditions and could contribute to instability in global financial and foreign exchange markets, including volatility in the value of the euro.

Such events could adversely affect Cache insofar as they result in:

- a negative impact on the ability of the tenants of Cache to pay their rents in a timely manner or continuing their leases, thus reducing Cache's cash flow;
- an increase in counterparty risk; and
- an increased likelihood that one or more of Cache's banking syndicate or insurers may be unable to honour their commitments to Cache.

Uncertainties in the global economy may have an impact on Singapore's economy.

The MTI reported that Singapore's economy grew by 4.6% on a year-on-year basis in the third quarter of 2017<sup>1</sup>. Singapore's economic growth indirectly affects demand for logistics properties and there can be no assurance that economic and market conditions may not adversely affect the business, financial condition and results of operations of Cache.

***The amount Cache may borrow is limited, which may affect the operations of Cache***

Under Appendix 6 of the Code of Collective Investment Schemes issued by the Authority (the "**Property Funds Appendix**"), Cache is permitted to borrow up to 45.0% of the value of the Deposited Property at the time the borrowing is incurred, taking into account deferred payments (including deferred payments for assets whether to be settled in cash or in Units).

Cache may, from time to time, require further debt financing to achieve its investment strategies. In the event that Cache decides to incur additional borrowings in the future, it may be unable to obtain such additional borrowing if to do so would breach the prescribed borrowing limits, and this may, *inter alia*, result in Cache:

- being unable to fund capital expenditure requirements, refurbishments, renovation and improvements, AEs and development works in relation to Cache's existing asset portfolio or in relation to Cache's acquisitions to expand its portfolio;
- being unable to fund working capital requirements which may further constrain Cache's operational flexibility; and
- facing cash flow shortages which may have an adverse impact on Cache's ability to satisfy its obligations in respect of the Securities.

In addition, should there be a decline in the value of the Deposited Property which causes the borrowing limit to be exceeded, Cache will not be able to make further borrowings.

***There is no assurance that credit ratings given to Cache (if any) by any rating agency will be maintained or that such ratings will not be reviewed, downgraded, suspended or withdrawn in the future***

Where credit ratings are assigned to Cache by a rating agency, such ratings are based solely on the views of that rating agency. Future events could have a negative impact on the ratings of Cache and prospective investors should be aware that there is no assurance that the ratings given will continue or that the ratings would not be reviewed, downgraded, suspended or withdrawn as a result of future events or based on the judgment of the relevant rating agency. A downgrade or withdrawal of the credit ratings assigned by a rating agency may have a negative impact on the market value of the Securities and lead to Cache being unable to obtain future credit on terms which are as favourable as those of its existing borrowings, resulting in loans at higher interest rates.

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<sup>1</sup> **Source:** The MTI's press release on 13 October 2017 which are both available on the website of the MTI at <http://www.mti.gov.sg>. The MTI has not provided its consent, for purposes of Section 249 (read with Sections 302 and 305B) of the SFA, to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 (both read with Sections 302 and 305B) of the SFA. While the Manager has taken reasonable actions to ensure that the information from the relevant report published by the MTI is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, the Manager, the Arranger and the Dealer(s) or any other party have not conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.

### ***Cache may face risks associated with debt financing and the debt facilities***

As at 30 September 2017, Cache had gross borrowings of S\$548.7 million with an aggregate leverage of 43.6%. As announced on 16 October 2017, Cache repaid S\$99.9 million of its existing borrowings and the aggregate leverage was subsequently reduced to 35.7%. Cache is subject to risks associated with debt financing, including the risk that its cash flow will be insufficient to meet the required payments of principal and interest under such financing, and therefore to make distributions to Unitholders.

As a result, Cache may not be able to meet all of its obligations to repay any future borrowings through its cash flows from operations. Cache may be required to repay maturing debt with funds from additional debt or equity financing or both. There is no assurance that such financing will be available on acceptable terms or at all.

If Cache defaults under such debt facilities, the lenders may be able to declare a default and initiate enforcement proceedings in respect of any security provided, and/or call upon any guarantees provided.

If Cache's Property is mortgaged, such Property could be foreclosed by the lender or the lender could require a forced sale of the Property with a consequent loss of income and asset value to Cache. There is no assurance that the lender will be able to realise the original purchase price or the current market value of such Properties if they are divested under any enforcement action in the future. If the Manager wishes to dispose of any of the Properties, it would (for so long as such Properties are mortgaged) require the approval of the lender. The need for such approval may restrict Cache's ability to freely dispose of the Properties as there is no assurance that the approval would be obtained in time or at all.

Cache's borrowings are also subject to covenants, representations and warranties in favour of the lenders, relating to, among other things, Cache, the Manager, the Issuer and the Properties. Certain of these borrowings also require Cache to indemnify the lenders in relation to any breach of such covenants, representations and warranties. In the event that the lenders, or any party entitled to enforce the covenants, representations, warranties and indemnities make a claim in respect of any of them, the assets of Cache may be used to satisfy such a claim and this could have a material adverse effect on Cache.

Cache is also subject to the risk that its existing borrowings may have their repayment accelerated or be terminated by the lenders upon the occurrence of certain events. Even if Cache is able to refinance part of such existing debt, it remains subject to the risk that the terms of such refinancing will not be as favourable as the terms of its existing debt. Cache may also be subject to the risk that the terms of any refinancing undertaken will be less favourable than the terms of the original borrowings and subject to certain covenants in connection with any future borrowings that may limit or otherwise adversely affect its operations. Such covenants may also restrict Cache's ability to acquire future properties or undertake other capital expenditures or may require it to set aside funds for maintenance or repayment of security deposits.

In addition to the risks set out above, Cache's level of borrowings also represents a higher level of aggregate leverage as compared to certain other types of unit trusts, such as non-specialised collective investment schemes which invest in equities and/or fixed income instruments. If prevailing interest rates or other factors at the time of refinancing (such as the possible reluctance of lenders to make commercial property loans in relation to logistics properties) result in higher interest rates upon refinancing its debt, the interest expense relating to such refinanced indebtedness would increase, thereby adversely affecting Cache's cash flow and the ability of Cache to make timely interest payments or otherwise comply with applicable debt covenants, and this may in turn affect the Issuer's ability to fulfil its payment obligations under the Securities.

Additionally, a proportion of Cache's expected cash flow may be required to be dedicated to the payment of interest on its borrowings, thereby reducing the funds available to Cache for use in its general business operations. Such indebtedness may also restrict Cache's ability to obtain additional financing for capital expenditure, acquisitions or general corporate purposes and may cause it to be vulnerable in the event of a general economic downturn.

***Cache may be unable to comply with the terms and conditions of tax rulings and tax exemptions obtained, or such tax rulings or tax exemptions may be revoked or amended***

Cache has obtained various tax rulings and tax exemptions from the Inland Revenue Authority of Singapore (the "IRAS") and the Singapore Ministry of Finance (the "MOF"), including the tax transparency ruling and exemptions on foreign sourced income received in Singapore in respect of its overseas Properties. These tax rulings and tax exemptions are subject to stipulated terms and conditions based on the facts presented to the IRAS and the MOF at the time of such applications and include the requirement that Cache distribute at least 90.0% of its taxable income. There can be no assurance that Cache will be able to comply with these terms and conditions on an ongoing basis or ensure that the facts presented to the IRAS or the MOF do not change over time. There can also be no assurance that the IRAS or the MOF will not review, amend or revoke the tax rulings and the tax exemptions, either in whole or in part, either arising from a change in the tax laws or their interpretations or a change in policy. Non-compliance with the terms and conditions imposed on Cache by the IRAS and the MOF may affect Cache's tax transparent status, its ability to distribute its taxable income free of tax deduction at source and may also cause Cache to pay income tax on its taxable income which may result in Cache facing liquidity constraints.

***If the capital markets services licence (the "CMS Licence") of the Manager is cancelled or not renewed, or if the authorisation of Cache as a collective investment scheme under Section 286 of the SFA is suspended, revoked, or withdrawn, the operations of Cache will be adversely affected***

The CMS Licence issued to the Manager is subject to conditions. If the Manager fails to satisfy or comply with these conditions, the CMS Licence of the Manager may be cancelled or not renewed by the Authority. The operations of Cache will be adversely affected as the Manager would no longer be able to act as the manager of Cache. Cache will need to expend time and resources searching for a replacement manager. This could adversely affect the operations of Cache and also the Issuer's ability to fulfil its payment obligations under the Securities. Cache was authorised as a collective investment scheme on 31 March 2010 and must comply with the requirements under the SFA and the Property Funds Appendix. In the event that the authorisation of Cache is suspended, revoked or withdrawn, this could adversely affect the operations of Cache, and in turn the Issuer's ability to fulfil its payment obligations under the Securities.

***The Manager may not be able to successfully implement its investment strategy for Cache and acquisitions may not yield the returns expected, resulting in disruptions to Cache's business and straining of management resources***

There is no assurance that the Manager will be able to implement its investment strategy successfully or that it will be able to expand Cache's portfolio at any specified rate or to any specified size. The Manager may not be able to make acquisitions or investments on favourable terms or within a desired time frame.

Further, Cache's external growth strategy and its asset selection process may not be successful and may not provide positive returns. Acquisitions of properties may also cause disruptions to Cache's operations and divert management's attention away from day-to-day operations.

Cache faces active competition in acquiring suitable properties and may not be able to make new property acquisitions under its acquisition growth strategy. Cache relies on external sources of funding to expand its portfolio, and there is no assurance that such funding will be available on favourable terms, or at all. Even if Cache were able to successfully acquire property or investments, there is no assurance that Cache will achieve its intended return on such acquisitions or investments.

Since the amount of borrowings that Cache can incur to finance acquisitions is limited by the Property Funds Appendix and various financial and restrictive covenants in Cache's loan facilities, such acquisitions are likely to be largely dependent on Cache's ability to raise equity capital.

Potential vendors may view the prolonged time frame and lack of certainty associated with the raising of equity capital to fund any such purchase, negatively. They may prefer other potential purchasers.

There may be significant competition for attractive investment opportunities from other property investors, including other REITs, commercial property development companies and private investment funds. There is no assurance that Cache will be able to compete effectively against such entities. This is particularly so for the acquisition of properties in Singapore, where the stamp duty concession previously enjoyed by REITs has been removed with effect from 31 March 2015. The removal of such concession means that REITs could experience an increase in their acquisition costs and a reduction in their level of competitiveness against other property development companies. There is therefore no assurance that Cache's investment strategy can be successfully implemented as increased competition may adversely affect its ability to acquire properties.

Cache's failure to effectively compete against its competitors and the diversion of management's attention from the operations may in turn adversely affect the ability of the Issuer to fulfil its payment obligations under the Securities.

***The Manager's strategy to initiate asset enhancement on some of Cache's Properties and to develop Build-to-Suit properties from time to time may not materialise***

The Manager may from time to time initiate asset enhancement on some of the Properties held by Cache at the request of existing or pre-committed tenants or to attract new tenants. Additionally, the Manager may from time to time invest in the development of Build-To-Suit properties, which will be constructed to the specifications requested by prospective or pre-committed tenants.

There is no assurance that such plans will materialise, or in the event that they do materialise and are completed, that they will be able to achieve their desired results or will not incur significant costs. These projects may be subject to delays in completion or cost overruns beyond project estimates due to several factors, including disputes with contractors and suppliers, industrial accidents, work stoppages arising from accidents at the worksite and shortage of labour, equipment and construction materials. The proposed asset enhancement initiatives ("AEIs") and Build-to-Suits are also subject to Cache obtaining the approvals of the relevant authorities. Furthermore, the Manager may not be able to carry out the proposed AEIs or Build-to-Suits within a desired timeframe, and any benefit or return which may arise from such AEIs or Build-to-Suits may be reduced or lost. Despite the significant costs that may have been incurred by Cache in the course of such asset enhancement and/or development works, such properties may still be unable to attract new tenants or retain existing tenants and pre-committed tenants may default on their pre-commitment obligations. This may adversely affect the financial condition of Cache, which may in turn affect the Issuer's ability to fulfil its payment obligations under the Securities.

***Payment of management fees in cash by Cache to the Manager may have an adverse effect on the cash flow of Cache and its ability to fulfil its payment obligations under the Securities***

The Manager is entitled to management fees which shall be paid to the Manager in the form of cash and/or Units (as the Manager may elect prior to each such payment) out of the Deposited Property and in such proportion as may be determined by the Manager.

If Cache is required to pay a large amount of management fees in cash, Cache's cash flow, financial condition and results of operations as well as its ability to fulfil its payment obligations under the Securities may be adversely affected. The price of the Securities may be materially and adversely affected as a result.

***Cache depends on certain key personnel and the loss of any key personnel may adversely affect its operations***

Cache's performance depends, in part, upon the continued service and performance of the executive officers of the Manager. These key personnel may leave the employment of the Manager or compete with it and Cache. If any of these persons were to leave, the Manager will accordingly spend time searching for a replacement and the duties which such executive officers are responsible for may be affected without suitable and timely replacement. The loss of any of these individuals could have a material adverse effect on Cache's financial condition, the results of its operations and the ability of the Issuer to fulfil its payment obligations under the Securities.

***Cache is subject to interest rate and currency exchange fluctuations and may engage in hedging transactions, which can limit gains and increase exposure to losses***

Cache maintains part of its debts on a floating rate basis. Consequently, the interest cost to Cache for the floating interest rate debts will be subject to fluctuations in interest rates.

Cache has entered and may in future enter into hedging transactions to protect itself from the effects of interest rate and currency exchange fluctuations on floating rate debt and also to protect its portfolio from interest rate and prepayment fluctuations. However, its hedging policy may not adequately cover Cache's exposure to such fluctuations. Hedging transactions may include entering into interest rate hedging instruments, purchasing or selling futures contracts, purchasing put and call options or entering into forward agreements. Hedging activities may not have the desired beneficial impact on the operations or financial condition of Cache.

Interest rate hedging could fail to protect Cache or could adversely affect Cache because among others:

- available interest rate hedging may not correspond directly with the interest rate risk for which protection is sought;
- the party owing money in the hedging transaction may default on its obligation to pay;
- the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs Cache's ability to sell or assign its side of the hedging transaction; and
- the value of the derivatives used for hedging may be adjusted from time to time in accordance with accounting rules to reflect changes in fair value. Downward adjustments would reduce the NAV of Cache.

Hedging involves risks and transaction costs, which may reduce overall returns. These costs increase as the period covered by the hedging increases and during periods of rising and volatile interest rates. These costs will also limit the amount of cash available for the Issuer to fulfil payment obligations under the Securities. As a result, Cache's operations or financial condition could potentially be adversely affected by interest rate fluctuations.

***The outbreak of an infectious disease or any other serious public health concerns in Asia and elsewhere could adversely impact the business, financial condition and results of operations of Cache***

Several countries in Asia, have suffered from outbreaks of communicable diseases such as Influenza A (H1N1-2009), severe acute respiratory syndrome ("SARS"), Middle East respiratory syndrome ("MERS"), Zika virus and avian flu. The outbreak of infectious diseases such as MERS, Influenza A (H1N1-2009), avian flu, Zika virus or SARS in Asia and elsewhere, together with any resulting restrictions on travel and/or imposition of quarantines, could have a negative impact on the economy and business activities in Asia and could thereby adversely impact the revenues and results of Cache.

***Occurrence of any acts of God, adverse political developments, war and terrorist attacks may adversely and materially affect the business and operations of the Properties***

Acts of God, such as natural disasters, are beyond the control of Cache or the Manager. Such acts of God, adverse political developments, war, terrorist attacks, severe weather conditions and natural disasters such as earthquakes and floods may affect the operations of the Properties. These events may cause substantial structural and physical damage to the Properties, resulting in expenses to repair the damage caused and may also cause disruptions, materially and adversely affect the economy, infrastructure and livelihood of the local population. Cache's business and income available for distribution may be adversely affected should such acts of God occur. There is no assurance that any acts of God, adverse political developments, any war, terrorist attack or other hostilities in any part of the world, potential, threatened or otherwise, will not, directly or indirectly, have an adverse effect on the operations of the Properties, on the financial condition of Cache, and hence the Issuer's ability to fulfil its payment obligations under the Securities.

***There may be potential conflicts of interest among Cache, the Manager, the Property Manager, the tenants, CWT and ARA***

The Manager is 60.0% owned by ARA and 40.0% owned by CWT as at the Latest Practicable Date. CWT and its subsidiaries and/or associates are engaged in, and/or may engage in, among others, investment in, and the development, management and operation of, logistics properties which may compete with the Properties and cause downward pressure on rental rates.

ARA is a real estate fund management company, which manages other property funds, including two listed REITs and a number of private property funds in Singapore and Asia-Pacific.

CWT may in the future, sponsor, manage or invest in other REITs or other vehicles which may also compete directly with Cache.

Further, the Property Manager is 60.0% owned by CWT and 40.0% owned by ARA. There can be no assurance that the Property Manager will not favour other properties which it manages or operates over those owned by Cache or that conflicts of interest would not arise and/or be adequately

resolved. This could lead to lower occupancy rates and/or lower revenue for Cache's properties, which may in turn result in a material adverse effect on Cache's gross revenue and this may indirectly affect the Issuer's ability to fulfil its payment obligations under the Securities.

***The change of shareholders of CWT, which holds 40% of the Manager and 60% of the Property Manager, may have a material adverse effect on Cache***

CWT holds 40% of the Manager, 60% of the Property Manager and 4.1% of the issued Units as at the Latest Practicable Date. Until recently, C&P Holdings Pte Ltd ("**C&P**") held 31.9% of the shares of CWT and was a controlling shareholder of the Manager. C&P and its subsidiaries and/or associates are engaged in and/or may engage in, among others, investment in, and the development, management and operation of logistics properties.

CWT and C&P granted Cache a right of first refusal ("**ROFR**") at the time of the initial public offering of Cache that was subject to a condition that the entity granting the ROFR continues to be a controlling shareholder of the Manager.

On 7 September 2017, CWT announced that a wholly-owned subsidiary of HNA Holding Group Co. Limited ("**HK ListCo**") will make a voluntary conditional offer for all the issued and paid-up ordinary shares in CWT. On 21 September 2017, HK ListCo made a voluntary unconditional offer for all the issued and paid-up ordinary shares in CWT. Pursuant to the said offer, HK ListCo's aggregate shareholding (comprising (i) CWT shares owned, controlled or agreed to be acquired and (ii) valid acceptances to the said offer which were not less than 90% of the total issued CWT shares (other than those already held by HK ListCo, its related corporations or their respective nominees as at 21 September 2017 and excluding CWT treasury shares)) amounted to approximately 98.10% of the total issued CWT shares. On 9 November 2017, CWT announced that HK ListCo would be exercising its right of compulsory acquisition under Section 215(1) of the Companies Act (Chapter 50 of Singapore) to acquire all the CWT shares of the dissenting and non-assenting shareholders.

Once the transfer of CWT shares is completed, C&P would no longer be a controlling shareholder of the Manager. Accordingly, Cache would no longer have a ROFR over the potential pipeline of assets from C&P. In addition, it is uncertain what other impact the change in the shareholders of CWT would have on Cache.

***Cache faces certain risks in connection with the acquisition of properties from CWT, its subsidiaries and/or its related corporations***

Cache may acquire properties from CWT or parties related to CWT. There is no assurance that:

- the negotiations with respect to the acquisition of such properties;
- the terms of acquisition of such properties;
- the acquisition values of such properties; and/or
- the other terms and conditions relating to the purchase of such properties (in particular, the representations, warranties and/or indemnities),

will not be adverse to Cache.

***There is no assurance that Cache will be able to leverage on CWT's experience in the operation of the Properties or ARA's experience in the management of REITs***

In the event that CWT decides to transfer or dispose of its Units or its shares in the Manager or ARA decides to transfer or dispose of its shares in the Manager, Cache may no longer be able to leverage on:

- CWT's experience in the ownership and operation of logistics properties;
- ARA's experience in the management of REITs; or
- CWT's and ARA's financial strength, market reach and network of contacts to further its growth.

In such event, Cache may not be able to benefit from the range of corporate services which are available to owners of properties managed by CWT. This may have a material and adverse impact on Cache's results of operations and financial condition which may consequently affect the Issuer's ability to fulfil its payment obligations under the Securities.

***Cache's investment strategy may entail a higher level of risk as compared to other types of unit trusts that have a more diverse range of investments***

Cache's principal strategy of investing, directly or indirectly, in real estate will subject Cache to risks inherent in concentrating in real estate. The level of risk could be higher as compared to other types of unit trusts that have a more diverse range of investments in other sectors.

A concentration of investments in real estate exposes Cache to the risk of a downturn in the real estate market in the jurisdictions in which Cache conducts its business. Such downturns may lead to a decline in occupancy for properties or real estate-related assets in Cache's portfolio. This will affect Cache's rental income from the Properties, and/or a decline in the capital value of Cache's portfolio, which will have an adverse impact on the results of operations and the financial condition of Cache, and this may in turn affect the Issuer's ability to fulfil its payment obligations under the Securities.

Cache may not be able to control or exercise any influence over entities in which it has minority interests. Cache may, in the course of acquisitions, acquire minority interests in real estate-related investment entities. There is no assurance that Cache will be able to control such entities or exercise any influence over the assets of such entities or their distributions to Cache. Such entities may develop objectives which are different from those of Cache and may not be able to make any distribution. The management of such entities may make decisions which could adversely affect the operations of Cache and the Issuer's ability to fulfil its payment obligations under the Securities.

***Cache may be involved in legal and other proceedings from time to time***

Cache may be involved from time to time in disputes with various parties such as tenants, contractors, sub-contractors, consultants, suppliers, construction companies, purchasers and other partners involved in the asset enhancement, operation and purchase of the properties held by Cache. These disputes may lead to legal and other proceedings, and may cause Cache to suffer additional costs and delays. In the event that such proceedings are resolved in favour of other parties against Cache, there may be an adverse impact on Cache's financial condition and results of operations. Additionally, Cache may have disputes with regulatory bodies in the course of its operations and may be subject to administrative proceedings and unfavourable

orders, directives or decrees. This may in turn result in financial losses and delays in the completion of works and/or the construction of properties. Should any of the above circumstances develop into actual events, the Issuer's ability to fulfil its payment obligations under the Securities may be adversely affected.

## **RISKS RELATING TO INVESTING IN REAL ESTATE**

### ***CWT Commodity Hub makes up a substantial portion of the gross revenue of Cache***

CWT Commodity Hub contributed 27.5% of the total gross revenue for the year ending 2016. Any circumstance which adversely affects the operations or business of CWT Commodity Hub or its competitiveness, such as physical damage, may adversely affect the ability of the master lessee or tenants, as the case may be, of CWT Commodity Hub to pay their rent. This will adversely affect the financial condition and results of operations of Cache.

### ***Cache does not have any direct contractual relationship with the clients or end-users of the master lessees or single tenants and its ability to take over the Services Agreements (as defined below) may be limited***

Cache does not have any direct contractual relationship with the clients or end-users of the master lessees or single tenants within a building. In the event of a default by any of the master lessees, or single tenants, the Issuer does not have the contractual right to take over the services agreements entered into between the master lessees or single tenants and their relevant service end-users for the provision of certain services and premises in the Properties ("**Services Agreements**"), unlike the sub-lease agreements.

In addition, as Cache is a REIT, it is restricted in its ability to actively undertake business operations. Therefore, even if the end-users are agreeable to Cache taking over the Services Agreements, Cache will not be able to take over the Services Agreements as this would require Cache to actively undertake business operations. In such an instance, if Cache is unable to find a suitable replacement master lessee, single tenant or service provider, as the case may be, in a timely manner or at all, to provide the necessary services to the end-users, this may have a material effect on the financial condition and results of operations of Cache and may in turn affect the Issuer's ability to fulfil its payment obligations under the Securities.

### ***Cache may be adversely affected by the illiquidity of real estate investments***

Cache's investment strategy involves a higher level of risk as compared to a portfolio which has a more diverse range of investments. Real estate investments are relatively illiquid. Such illiquidity may affect Cache's ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, real estate market or other conditions. Cache may be unable to sell its assets on short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets in order to ensure a quick sale. Cache may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to the illiquid nature of real estate assets. These factors could have an adverse effect on Cache's financial condition and results of operations, which may in turn affect the Issuer's ability to fulfil its payment obligations under the Securities.

### ***Cache's properties or any part of them may be acquired compulsorily***

The Land Acquisition Act, Chapter 152 of Singapore (the "**Land Acquisition Act**") gives the Singapore Government the power to acquire any land in Singapore:

- for any public purpose;

- where the acquisition is of public benefit or of public utility or in the public interest; or
- for any residential, commercial or industrial purposes.

In the event that any of Cache's Properties are acquired compulsorily, the compensation to be awarded would be:

- the market value of the Property (as prescribed by the Land Acquisition Act, hereinafter referred to as the "**Market Value**") as at the date of the publication in the Government Gazette of the notification of the likely acquisition of the land (provided that within six months from the date of publication, a declaration of intention to acquire is made by publication in the Government Gazette); or
- the Market Value of the Property as at the date of publication in the Government Gazette of the declaration of intention to acquire.

Accordingly, if the actual market value of a Property (or part thereof) which is acquired by the Singapore Government is greater than the Market Value referred to above, the compensation paid in respect of the Property would be less than its actual market value. In such cases, compulsory acquisitions would have an adverse effect on the revenue and financial condition of Cache.

The laws of other countries in which the Properties are located may also provide for a right by the governments of these countries to compulsorily acquire any land or property with no compensation to the owners or with compensation which is below market value. Such compulsory acquisitions would have an adverse effect on the revenue of Cache and the value of such properties.

***The sub-tenancies in respect of the Properties with existing sub-tenants may not have been properly approved by or notified to JTC or other head lessors***

Cache's anchor tenants may sub-let parts of the Properties to third parties. Some of such sub-tenancies in respect of these Properties may not have been approved by or notified to, JTC under the relevant JTC lease or any other head lessor. Where approval is necessary and has been obtained, the terms of the approval may not reflect the actual terms of the relevant sub-tenancy (for example, in relation to the duration and term of the sub-tenancy or the permitted use under such sub-tenancy). This may constitute a breach of the relevant JTC lease or lease with any head lessor which may give rise, *inter alia*, to a right of re-entry by the head lessor.

JTC has tightened its subletting policy applicable to third-party facility providers. With effect from 1 October 2015, with a grace period till 31 December 2017, JTC requires at least 70% of the GFA to be occupied by approved anchor tenant(s) with a minimum requirement of 1,000 sqm per anchor tenant and a minimum occupation period of 3 years per term. In view of the aforementioned change, there may be a potential risk of the sub-tenancies in respect of the Properties with existing anchor tenant(s) and/or sub-tenants not being in compliance.

Any breach of JTC leases or any other head lease or non-compliance with JTC sub-letting policies could result in significant financial loss and adversely affect Cache's financial condition and results of operations. This may in turn affect the Issuer's ability to fulfil its payment obligations under the Securities.

***The Properties may be subject to increases in operating and other expenses***

Cache's net income could be adversely affected if direct expenses and other operating expenses increase (save for such expenses which Cache is not responsible for pursuant to the triple-net lease arrangements) without a corresponding increase in revenue. Factors which could lead to an increase in expenses include the following:

- increases in property tax assessments and other statutory charges;
- changes in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;
- changes in direct or indirect tax policies;
- increases in sub-contracted service costs;
- increases in agent commission expenses for procuring new tenants;
- increases in labour costs;
- increases in amount of maintenance and sinking fund contributions payable to the management corporations of its properties;
- increases in repair and maintenance costs;
- increases in the rate of inflation;
- costs arising from litigation claims;
- defects affecting, or environmental pollution in connection with, Cache's Properties which need to be rectified, leading to unforeseen capital expenditure;
- increases in insurance premium; and
- increases in cost of utilities.

***The gross revenue earned from, and the value of, Cache's Properties may be adversely affected by a number of factors***

The gross revenue earned from, and the value of, Cache's Properties may be adversely affected by a number of factors, including:

- the Property Manager's ability to collect rent from the lessees on a timely basis or at all;
- the amount and extent to which Cache is required to grant rental rebates to the lessees;
- defects or damage affecting Cache's Properties which could affect the operations of lessees resulting in the inability of such lessees to make timely payments of rent;
- the lessees or sub-lessees ability to comply with the terms of their leases or sub-leases;
- the lessees requesting waiver of interest on late payment of rent;
- the lessees seeking the protection of bankruptcy laws which could result in delays in the receipt of rent payments, inability to collect rental income, or delays in the termination of the lease, or which could hinder or delay the re-letting of the space in question or the sale of the relevant Property;

- the local and international economic climate and real estate market conditions (such as oversupply of, or reduced demand for space, compulsory acquisitions or release of land by the governments of those jurisdictions in which Cache operates, changes in market rental rates and increases in operating expenses for Cache's Properties);
- master lessees and/or single tenants may not renew their respective master lease(s);
- vacancies following the expiry or termination of leases that lead to reduced occupancy rates;
- new tenancies are agreed being less favourable than those under current tenancies;
- the Manager's ability to provide adequate management and maintenance or to purchase or put in place adequate insurance;
- competition for users from other logistics properties;
- changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes and government charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance. Rights related to the Properties may also be restricted by legislative actions, such as revisions to the laws relating to building standards or town planning laws, or the enactment of new laws related to condemnation and redevelopment; and
- acts of God, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases, natural disasters and other events beyond the control of the Manager.

## **RISKS RELATING TO THE SECURITIES**

### ***The Securities may not be a suitable investment for all investors***

Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Securities, the merits and risks of investing in the relevant Securities and the information contained or incorporated by reference in this Information Memorandum or any applicable amendment or supplement to this Information Memorandum;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including Securities with principal, distribution or interest payable in one or more currencies, or where the currency for principal, distribution or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Securities and be familiar with the behaviour of any relevant indices and financial markets;

- (v) understand thoroughly the nature of all those risks before making a decision to invest in the Securities; and
- (vi) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Securities are complex financial instruments and such instruments may be purchased as a way to reduce risks or enhance yield with an understood, measured and appropriate addition of risks to their overall portfolios. A potential investor should not invest in Securities which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of such Securities and the impact this investment will have on the potential investor's overall investment portfolio.

#### ***Limited liquidity of the Securities issued under the Programme***

There can be no assurance regarding the future development of the market for the Securities issued under the Programme, the ability of the Securityholders, or the price at which the Securityholders may be able to sell their Securities.

Securities may have no established trading market when issued and such a market may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Securities that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Securities generally would have a more limited secondary market and more price volatility than conventional debt securities. Liquidity may have a severely adverse effect on the market value of Securities.

Although the issue of additional Securities may increase the liquidity of the Securities, there can be no assurance that the price of such Securities will not be adversely affected by the issue in the market of such additional Securities.

#### ***Fluctuation of the market value of the Securities issued under the Programme***

Trading prices of the Securities are influenced by numerous factors, including the operating results, the financial condition and/or the future prospects of the Issuer, Cache and/or its subsidiaries (if any), its associated companies (if any) and/or its joint venture companies (if any), the market for similar securities, political, economic, financial and any other factors that can affect the capital markets, the industry, the Issuer, Cache and/or its subsidiaries, its associated companies (if any) and/or its joint venture companies (if any) generally. Adverse economic developments, in Singapore as well as countries in which the Issuer, its subsidiaries, its associated companies (if any) and/or its joint venture companies (if any) operate or have business dealings, could have a material adverse effect on the operating results, the financial condition and/or the future prospects of the Issuer, Cache and its subsidiaries (if any), its associated companies (if any) and/or its joint venture companies (if any). Further, recent global financial turmoil has resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial conditions could have a material adverse effect on worldwide financial markets or may adversely affect the market price of any Series or Tranche of Securities.

***Interest rate risk***

Securityholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in note and/or perpetual security prices, resulting in a capital loss for the Securityholders. However, the Securityholders may reinvest the interest or distribution payments at higher prevailing interest rates. Conversely, when interest rates fall, note and/or perpetual security prices may rise. The Securityholders may enjoy a capital gain but interest or distribution payments received may be reinvested at lower prevailing interest rates.

***Inflation risk***

Securityholders may suffer erosion on the return of their investments due to inflation. Securityholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Securities. An unexpected increase in inflation could reduce the actual returns.

***Currency risk associated with Securities denominated in foreign currencies.***

Cache's revenue is generally denominated in Singapore dollars and the majority of Cache's operating expenses are generally incurred in Singapore dollars as well. As the Securities can be denominated in currencies other than Singapore dollars, Cache may be affected by fluctuations between the Singapore dollar and such foreign currencies in meeting the payment obligations under such Securities and there is no assurance that Cache may be able to fully hedge the currency risks associated with such Securities denominated in foreign currencies.

***Securities may be issued at a substantial discount or premium***

The market value of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

***Modification***

The terms and conditions of the Securities contain provisions for calling meetings of Securityholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Securityholders including Securityholders who did not attend and vote at the relevant meeting and Securityholders who voted in a manner contrary to the majority.

The terms and conditions of the Securities also provide that the Trustee may agree, without the consent of the Securityholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the other Issue Documents (as defined in the Trust Deed) which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system in which the Securities may be held and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents which is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders. Any such modification, authorisation or waiver shall be binding on the

Securityholders and the Couponholders and, unless the Trustee otherwise agrees in writing, such modification, authorisation or waiver shall be notified by or on behalf of the Issuer to the Securityholders as soon as practicable (and in any event within 14 days of such modification, authorisation or waiver) in accordance with the terms and conditions of the Securities.

***The Securities may be represented by Global Securities or Global Certificates and holders of a beneficial interest in a Global Security or Global Certificate must rely on the procedures of the relevant Clearing System (as defined below)***

Securities issued under the Programme may be represented by one or more Global Securities or Global Certificates. Such Global Securities or Global Certificates will be deposited with or registered in the name of, or in the name of a nominee of, a Common Depositary, or lodged with CDP (each of Euroclear, Clearstream, Luxembourg and CDP and/or such other clearing system, a “**Clearing System**”). Except in the circumstances described in the relevant Global Security or Global Certificate, investors will not be entitled to receive Definitive Securities or Certificates. The relevant Clearing System will maintain records of their accountholders in relation to the Global Securities and Global Certificates. While the Securities are represented by one or more Global Securities or Global Certificates, investors will be able to trade their beneficial interests only through the relevant Clearing System.

While the Securities are represented by one or more Global Securities or Global Certificates, the Issuer will discharge its payment obligations under the Securities by making payments to the Common Depositary or, as the case may be, to CDP, for distribution to their accountholders or, as the case may be, to the Issuing and Paying Agent for distribution to the holders as appearing in the records of the relevant Clearing System. A holder of a beneficial interest in a Global Security or Global Certificate must rely on the procedures of the relevant Clearing System to receive payments under the relevant Securities. The Issuer bears no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Securities or Global Certificates.

Holders of beneficial interests in the Global Securities and Global Certificates will not have a direct right to vote in respect of the relevant Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System to appoint appropriate proxies.

***Changes in market interest rates may adversely affect the value of fixed rate Securities***

Investment in fixed rate Securities involves the risk that subsequent changes in market interest rates may adversely affect the value of fixed rate Securities.

***Exchange rate risks and exchange controls may result in Securityholders receiving less interest, distributions and/or principal than expected***

The Issuer will pay principal and interest or distributions on the Securities in the currency specified. This presents certain risks relating to currency conversions if Securityholders’ financial activities are denominated principally in a currency or currency unit (the “**Investor’s Currency**”) other than the currency in which the Securities are denominated. These include the risk that exchange rates may significantly change (including changes due to devaluation of the currency in which the Securities are denominated or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the currency in which the Securities are denominated would decrease (a) the Investor’s Currency equivalent yield on the Securities, (b) the Investor’s Currency equivalent value of the principal payable on the Securities, if any, and (c) the Investor’s Currency equivalent market value of the Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Securityholders may receive less principal, interest and/or distributions than expected, or no principal, interest and/or distributions at all.

***Legal risk factors may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Securities are legal investments for it, (2) the Securities can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

***The regulation and reform of “benchmark” rates of interest and indices may adversely affect the value of Securities linked to or referencing such “benchmarks”***

Interest rates and indices which are deemed to be or used as “benchmarks”, are the subject of recent international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Security linked to or referencing such a benchmark.

More broadly, any of the international reforms or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. For example, the sustainability of the London interbank offered rate (“**LIBOR**”) has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including as a result of regulatory reforms) for market participants to continue contributing to such benchmarks. On 27 July 2017, the United Kingdom Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the “**FCA Announcement**”). The FCA Announcement indicated that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions, or result in other consequences, in respect of any Securities linked to such benchmark. Such factors may have the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to the benchmark; (ii) trigger changes in the rules or methodologies used in the benchmark or (iii) lead to the disappearance of the “benchmark”. Any of the above changes or any other consequential changes as a result of international reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Securities linked to or referencing a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by any international reforms in making any investment decision with respect to any Security linked to or referencing a benchmark.

***The Securities are not secured***

The Securities and Coupons relating to them constitute direct, unconditional, unsubordinated (except in the case of Subordinated Perpetual Securities) and unsecured obligations of the Issuer. Accordingly, on a winding-up or termination of Cache at any time prior to maturity of any Securities, the Securityholders will not have recourse to any specific assets of Cache or any

of its subsidiaries (if any), its associated companies (if any) and/or its joint venture companies (if any) as security for outstanding payment or other obligations under the Securities and/or Coupons owed to the Securityholders. There can be no assurance that there would be sufficient value in the assets of the Issuer, after meeting all claims ranking ahead of the Securities, to discharge all outstanding payment and other obligations under the Securities and/or Coupons, as the case may be, owed to the Securityholders.

***Enforcement against the Issuer is subject to limitations***

Securityholders should note that the Securities are issued by the Issuer and not Cache, as the latter is not a legal entity. Securityholders should note that under the terms of the Securities, Securityholders shall only have recourse to the assets of or held on trust for Cache over which HSBCIT, in its capacity as trustee of Cache, has recourse and not to any personal or other assets of HSBCIT or any assets held by HSBCIT as trustee of any other trust. Furthermore, Securityholders do not have direct access to the assets of Cache but may only have recourse to such assets through the Issuer and if necessary seek to subrogate the Issuer's right of indemnity out of the assets of Cache, and accordingly, any claim of the Securityholders to such assets is derivative in nature. A Securityholder's right of subrogation could be limited by the Issuer's right of indemnity under the Cache Trust Deed. Securityholders should also note that such right of indemnity of the Issuer may be limited or lost by virtue of fraud, gross negligence or wilful default of the Issuer or breach of any provisions of the Cache Trust Deed or breach of trust by the Issuer.

***The value of the Securities could be adversely affected by a change in Singapore law or administrative practice***

The terms and conditions of the Securities are based on Singapore law in effect as at the date of this Information Memorandum. No assurance can be given as to the impact of any possible judicial decision or change to Singapore law or administrative practice after the date of this Information Memorandum and any such change could materially adversely impact the value of any Securities affected by it.

***Performance of contractual obligations by the Issuer is dependent on other parties***

The ability of the Issuer to make payments in respect of the Securities may depend upon the due performance by the other parties to the Programme Agreement, the Trust Deed and the Agency Agreement of their obligations thereunder including the performance by the Manager, the Trustee, the Paying Agents and/or the Calculation Agent of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer of its obligations to make payments in respect of the Securities, the Issuer may not, in such circumstance, be able to fulfill its obligations to the Securityholders and Couponholders.

***Securityholders should be aware that Definitive Securities and Certificates which have a denomination that is not an integral multiple of the minimum Denomination Amount may be illiquid and difficult to trade***

In relation to any issue of Securities which have a denomination consisting of a minimum Denomination Amount (as defined in the Conditions) plus a higher integral multiple of another smaller amount, it is possible that the Securities may be traded in amounts in excess of the minimum Denomination Amount that are not integral multiples of such minimum Denomination Amount. In such a case a Securityholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Denomination Amount will not receive a Definitive Security or Certificate in respect of such holding (should definitive Securities or Certificates be printed) and would need to purchase a principal amount of Securities such that it holds an amount equal to one or more Denomination Amounts. If definitive Securities or Certificates are issued, holders should be aware that definitive Securities or Certificates which have a

denomination that is not an integral multiple of the minimum Denomination Amount may be illiquid and difficult to trade. Definitive Securities will in no circumstances be issued to any person holding Securities in an amount lower than the minimum denomination and such Securities will be cancelled and holders will have no rights against the Issuer (including rights to receive principal or interest or distribution or to vote or attend meetings of Securityholders) in respect of such Securities.

***The Trustee may request Securityholders to provide an indemnity and/or security and/or pre-funding to its satisfaction***

In certain circumstances (including, without limitation, pursuant to Condition 11 of the Notes and Condition 9 of the Perpetual Securities, as the case may be), the Trustee may request Securityholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes action on behalf of Securityholders. The Trustee shall not be obliged to take any such action if not first indemnified, secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken.

The Trustee may not be able to take action, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Securityholders to take such action directly.

**RISKS RELATING TO THE NOTES**

***Singapore taxation risk***

The Notes to be issued from time to time under the Programme during the period from the date of this Information Memorandum to 31 December 2018 are intended to be “qualifying debt securities” for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described in the section “Singapore Taxation”.

However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws be amended or revoked at any time.

***The Notes may be subject to optional redemption by the Issuer***

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

## **RISKS RELATING TO THE PERPETUAL SECURITIES**

### ***Perpetual Securities may be issued for which investors have no right to require redemption***

The Perpetual Securities have no fixed final maturity date. Perpetual Securityholders have no right to require the Issuer to redeem Perpetual Securities at any time, and an investor who acquires Perpetual Securities may only dispose of such Perpetual Securities by sale. Perpetual Securityholders who wish to sell their Perpetual Securities may be unable to do so at a price at or above the amount they have paid for them, or at all. Therefore, holders of Perpetual Securities should be aware that they may be required to bear the financial risks of an investment in Perpetual Securities for an indefinite period of time.

### ***If specified in the relevant Pricing Supplement, Perpetual Securityholders may not receive distribution payments if the Issuer elects not to pay all or a part of a distribution under the terms and conditions of the Perpetual Securities***

If Optional Payment is specified in the relevant Pricing Supplement, the Issuer may, at its sole discretion and subject to certain conditions, elect not to pay any scheduled distribution on the Perpetual Securities in whole or in part for any period of time. The Issuer is not subject to any limit as to the number of times or the amount with respect to which the Issuer can elect not to pay distributions under the Perpetual Securities. While the Issuer may, at its sole discretion, and at any time, elect to pay an Optional Distribution, being an optional amount equal to the amount of distribution which is unpaid in whole or in part, there is no assurance that the Issuer will do so, and distributions which are not paid in whole or in part may remain unpaid for an indefinite period of time. Any non-payment of a distribution in whole or in part shall not constitute a default for any purpose. Any election by the Issuer not to pay a distribution in whole or in part, will likely have an adverse effect on the market price of the Perpetual Securities. In addition, as a result of the potential non-cumulative distribution feature of the Perpetual Securities and the Issuer's ability to elect not to pay a distribution in whole or in part, the market price of the Perpetual Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such election not to pay and may be more sensitive generally to adverse changes in the Group's financial condition.

### ***Perpetual Securityholders may not receive distribution payments if the Issuer elects to defer distribution payments***

If Distribution Deferral is specified in the relevant Pricing Supplement, the Issuer may, at its sole discretion, elect to defer any scheduled Distribution on the Perpetual Securities for any period of time. The Issuer may be subject to certain restrictions in relation to the payment of dividends on its junior obligations and the redemption and repurchase of its junior obligations until a redemption of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full, an optional distribution equal to the amount of a distribution payable with respect to the most recent distribution payment date that was unpaid in full or in part, has been paid in full or the Issuer is permitted to do so by an Extraordinary Resolution of the Perpetual Securityholders. The Issuer is not subject to any limits as to the number of times distributions can be deferred pursuant to the Conditions of the Perpetual Securities subject to compliance with the foregoing restrictions. Investors should be aware that the interests of the Issuer may be different from the interests of the Securityholders.

***If specified in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the Issuer's option at date(s) specified in the relevant Pricing Supplement or on the occurrence of certain other events***

The Perpetual Securities have no fixed final redemption date. If specified in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer on certain date(s) specified in the relevant Pricing Supplement at their principal amount (or such other redemption amount stated in the relevant Pricing Supplement) together with all outstanding Arrears of Distribution, Additional Distribution Amounts and distribution accrued to (but excluding) the date fixed for redemption. In addition, if specified in the relevant Pricing Supplement, the Issuer may, at its option, redeem the Perpetual Securities in whole, but not in part, on any Distribution Payment Date, or any time after such Distribution Payment Date, upon the occurrence of certain other events. See the section "Terms and Conditions of the Perpetual Securities — Redemption and Purchase".

The date on which the Issuer elects to redeem the Perpetual Securities may not accord with the preference of individual Perpetual Securityholders. This may be disadvantageous to Perpetual Securityholders in light of market conditions or the individual circumstances of the holder of Perpetual Securities. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Perpetual Securities.

***There are limited remedies for default under the Perpetual Securities***

Any scheduled distribution will not be due if the Issuer elects not to pay all or a part of that distribution pursuant to the terms and conditions of the Perpetual Securities. Notwithstanding any of the provisions relating to non-payment defaults, the right to institute Winding-Up (as defined in Condition 9(a) of the Perpetual Securities) proceedings in respect of Cache is limited to circumstances where payment has become due and the Issuer fails to make the payment when due and such failure continues for a period of seven business days. The only remedy against the Issuer available to the Trustee or, where the Trustee has failed to proceed against the Issuer as provided in the terms and conditions of the Perpetual Securities, to any Perpetual Securityholder for recovery of amounts in respect of the Perpetual Securities following the occurrence of a payment default after any sum becomes due in respect of the Perpetual Securities will be instituting proceedings for the Winding-Up and/or proving in such Winding-Up and/or claiming in the liquidation of Cache in respect of any payment obligations of the Issuer and Cache arising from the Perpetual Securities.

***The Issuer may raise or redeem other capital which affects the price of the Perpetual Securities***

The Issuer may raise additional capital through the issue of other securities or other means. There is no restriction, contractual or otherwise, on the amount of securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Perpetual Securities. Similarly, subject to compliance with the terms and conditions of the Perpetual Securities, the Issuer may redeem securities that rank junior to, *pari passu* with, or senior to the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities may reduce the amount (if any) recoverable by holders of Perpetual Securities on a Winding-Up of the Cache, and may increase the likelihood of a deferral of distribution under the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities might also have an adverse impact on the trading price of the Perpetual Securities and/or the ability of holders of Perpetual Securities to sell their Perpetual Securities.

### ***The Subordinated Perpetual Securities are subordinated obligations***

The Subordinated Perpetual Securities will constitute unsecured and subordinated obligations of the Issuer. Subject to the insolvency laws of Singapore and other applicable laws, in the event of the Winding-Up of Cache, there shall be payable by the Issuer in respect of each Subordinated Perpetual Security (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to such Perpetual Securityholder if, on the day prior to the commencement of the Winding-Up of Cache, and thereafter, such Perpetual Securityholder were the holder of one of a class of preferred units in the capital of Cache (and if more than one class of preferred units is outstanding, the most junior ranking class of such preferred units) (the “**Cache Notional Preferred Units**”) having an equal right to return of assets in the Winding-Up of Cache and so ranking *pari passu* with the holders of that class or classes of preferred units (if any) which have a preferential right to return of assets in the Winding-Up of Cache, and so rank ahead of the holders of Junior Obligations of the Issuer but junior to the claims of all other present and future creditors of the Issuer (other than Parity Obligations of the Issuer), on the assumption that the amount that such Perpetual Securityholder was entitled to receive in respect of each Cache Notional Preferred Unit on a return of assets in such Winding-Up of Cache were an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Subordinated Perpetual Security together with distributions accrued and unpaid since the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) and any unpaid Optional Distributions (as defined in Condition 4(IV)(c) of the Perpetual Securities) in respect of which the Issuer has given notice to the Perpetual Securityholders in accordance with the Conditions of the Perpetual Securities. In the event of a shortfall of funds or a Winding-Up of Cache, there is a real risk that an investor in the Subordinated Perpetual Securities will lose all or some of its investment and will not receive a full return of the principal amount or any unpaid or accrued distributions.

In addition, subject to the limit on the aggregate principal amount of Securities that can be issued under the Programme (which can be amended from time to time by the Issuer without the consent of the Securityholders), there is no restriction on the amount of unsubordinated securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Subordinated Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by holders of Subordinated Perpetual Securities on a Winding-Up of Cache and/or may increase the likelihood of a non-payment of distribution under the Subordinated Perpetual Securities.

### ***Any future change in the accounting treatment of the Subordinated Perpetual Securities may entitle the Issuer to redeem such Securities***

Any changes or amendments to the Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council (as amended from time to time, the “**SFRS**”) or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of Cache which results in the Perpetual Securities not being regarded as “equity” of Cache will allow the Issuer to redeem such Perpetual Securities if so provided in the relevant Pricing Supplement.

The date on which the Issuer elects to redeem the Perpetual Securities may not accord with the preference of individual Perpetual Securityholders. This may be disadvantageous to Perpetual Securityholders in light of market conditions or the individual circumstances of the Perpetual Securityholder. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Perpetual Securities.

### ***Tax treatment of the Perpetual Securities is unclear***

It is not clear whether any particular tranche of the Perpetual Securities (the **“Relevant Tranche of the Perpetual Securities”**) will be regarded as “debt securities” by the IRAS for the purposes of the ITA and whether the tax exemptions or tax concessions available for qualifying debt securities under the qualifying debt securities scheme (as set out in the section “Singapore Taxation” of this Information Memorandum) would apply to the Relevant Tranche of the Perpetual Securities.

If the Relevant Tranche of the Perpetual Securities is not regarded as “debt securities” for the purposes of the ITA and holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to Perpetual Securityholders may differ. In addition, in the event that the IRAS does not regard the Relevant Tranche of the Perpetual Securities issued by the Issuer as “debt securities” for Singapore income tax purposes, payments in respect of the Relevant Tranche of the Perpetual Securities (including, without limitation, the distributions, Optional Distributions, Arrears of Distribution and Additional Distribution Amounts) may be subject to Singapore income tax in the same manner as distributions on ordinary units of Cache, and the Issuer may be obliged (in certain circumstances) to withhold or deduct tax at the prevailing rate (currently 10.0% or 17.0%) under Section 45G of the ITA on such payments. In that event, the Issuer will not pay any additional amounts in respect of any such withholding or deduction from such payments in respect of the Relevant Tranche of the Perpetual Securities in connection therewith for or on account of any such taxes or duties. Perpetual Securityholders are thus advised to consult their own professional advisers regarding the tax treatment of payments made to them under the Relevant Tranche of Perpetual Securities (including, without limitation, the distributions, Optional Distributions, Arrears of Distribution and Additional Distribution Amounts) including the risk of such payments being subject to Singapore withholding tax.

For further details of the tax treatment of Perpetual Securities, see the section “Singapore Taxation” of this Information Memorandum.

### **RISKS RELATED TO RMB-DENOMINATED SECURITIES**

Securities denominated in RMB (**“RMB Securities”**) may be issued under the Programme. RMB Securities contain particular risks for potential investors.

#### ***RMB is not freely convertible; there are significant restrictions on remittance of RMB into and outside the PRC***

RMB is not freely convertible at present. The PRC government continues to regulate conversion between RMB and foreign currencies. In 2011, the PRC government issued certain new rules imposing significant restrictions to the remittance of RMB into and out of the PRC, including, among other things, restrictions on the remittance of RMB into the PRC by way of direct investments or loans. On 25 February 2011, the Ministry of Commerce promulgated the Circular on Issues Concerning Foreign Investment Management under which prior written consent from the Ministry of Commerce (Foreign Investment Department) (**“MOC”**) is required for certain circumstances relating to foreign investors making investments with RMB funds. On 3 June 2011, the People’s Bank of China (the **“PBOC”**) issued the Circular on Clarifications of Relevant Issues Concerning Cross-Border Renminbi Affairs under which approval from the PBOC is required in addition to approval from the MOC for certain circumstances relating to foreign investors making investments with RMB funds.

As these regulations and rules are relatively new, there is some uncertainty regarding their interpretation and enforcement. Moreover, there is no assurance that the PRC government will continue to gradually liberalise the control over cross-border remittances of RMB funds in the future or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of RMB funds into or out of the PRC. Each investor should consult its own advisors to obtain a more detailed explanation of how the PRC regulations and rules may affect their investment decisions.

***There is only limited availability of RMB outside the PRC, which may affect the liquidity of RMB Securities and the Issuer's ability to source RMB outside the PRC to service such RMB Securities***

As a result of the restrictions by the PRC government on cross-border RMB fund flows, the availability of RMB outside of the PRC is limited and subject to certain deposit restrictions.

Although it is expected that the offshore RMB market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC rules and regulations will not be promulgated or amended in the future which will have the effect of restricting availability of RMB offshore. The limited availability of RMB outside the PRC may affect the liquidity of RMB Securities. To the extent the Issuer is required to source RMB in the offshore market to service its RMB Securities, there is no assurance that the Issuer will be able to source such RMB on satisfactory terms, if at all. If RMB is not available in certain circumstances as described under the Notes, the Issuer can make payments under the Notes in a currency other than RMB.

***Investment in RMB Securities is subject to exchange rate risks***

The value of RMB against the US dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and other factors. All payments of interest and principal will be made with respect to RMB Securities in RMB. If an investor measures its investment returns by reference to a currency other than RMB, an investment in the RMB Securities entails foreign exchange related risks, including possible significant changes in the value of RMB relative to the currency by reference to which an investor measures its investment returns. Depreciation of the RMB against such currency could cause a decrease in the effective yield of the RMB Securities below their stated coupon rates and could result in a loss when the return on the RMB Securities is translated into such currency. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in RMB Securities.

***Payments in respect of RMB Securities will only be made to investors in the manner specified in such RMB Securities***

All payments to investors in respect of RMB Securities will be made solely (i) when RMB Securities are represented by global certificates, by transfer to a RMB bank account maintained in Singapore in accordance with prevailing CDP rules, or (ii) when RMB Securities are in definitive form, by transfer to a RMB bank account maintained in Singapore in accordance with prevailing rules and regulations. In the event that a holder of RMB Securities fails to maintain a valid RMB account with a bank in Singapore and accordingly, payments are unsuccessful, it is possible that such amounts may be settled in a currency other than RMB. The Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by check or draft or by transfer to a bank account in the PRC).

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in definitive form issued in exchange for the Global Security(ies) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Notes and in the relevant Pricing Supplement.*

The Notes are constituted by a Trust Deed (as amended, restated or supplemented from time to time, the **“Trust Deed”**) dated 30 November 2017 made between (1) HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Cache Logistics Trust (**“Cache”**)) (in such capacity, the **“Issuer”**) and (2) The Bank of New York Mellon, Singapore Branch (the **“Trustee”**, which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Noteholders (as defined below), and (where applicable) the Notes are issued with the benefit of a deed of covenant (as amended, varied or supplemented from time to time, the **“Deed of Covenant”**) dated 30 November 2017 executed by the Issuer, relating to the Notes cleared or to be cleared through the CDP System (as defined in the Trust Deed) (**“CDP Notes”**). These terms and conditions (the **“Conditions”**) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. The Issuer has entered into an Agency Agreement (as amended, restated or supplemented from time to time, the **“Agency Agreement”**) dated 30 November 2017 made between (1) the Issuer, as issuer, (2) The Bank of New York Mellon, Singapore Branch, as issuing and paying agent (in such capacity, the **“Issuing and Paying Agent”**), transfer agent in respect of CDP Notes (in such capacity, the **“CDP Transfer Agent”**) and registrar in respect of CDP Notes (in such capacity, the **“CDP Registrar”**), (3) The Bank of New York Mellon, London Branch, as paying agent in respect of Notes cleared or to be cleared through Euroclear (as defined below) and/or Clearstream, Luxembourg (as defined below) (**“Non-CDP Notes”**) (in such capacity, the **“Non-CDP Paying Agent”** and, together with the Issuing and Paying Agent and any other paying agents that may be appointed, the **“Paying Agents”**) and as calculation agent (in such capacity, the **“Calculation Agent”**), (4) The Bank of New York Mellon SA/NV, Luxembourg Branch, as transfer agent in respect of Non-CDP Notes (in such capacity, the **“Non-CDP Transfer Agent”** and, together with the CDP Transfer Agent and any other transfer agents that may be appointed, the **“Transfer Agents”**) and registrar in respect of Non-CDP Notes (in such capacity, the **“Non-CDP Registrar”**, and together with the CDP Registrar, the **“Registrars”**), and (5) the Trustee, as trustee for the Noteholders. The Noteholders and the holders (the **“Couponholders”**) of the coupons (the **“Coupons”**) appertaining to the interest-bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the **“Talons”**) are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the Deed of Covenant.

For the purposes of these Conditions, all references to (a) the Issuing and Paying Agent shall, in the case of a Series (as defined below) of Non-CDP Notes, be deemed to be a reference to the Non-CDP Paying Agent, (b) the Registrar shall, in the case of a Series of CDP Notes, be deemed to be a reference to the CDP Registrar and, in the case of a Series of Non-CDP Notes, be deemed to be a reference to the Non- CDP Registrar and (c) the Transfer Agent shall, in

the case of a Series of CDP Notes, be deemed to be a reference to the CDP Transfer Agent and, in the case of a Series of Non-CDP Notes, be deemed to be a reference to the Non-CDP Transfer Agent, and (unless the context otherwise requires) all such references shall be construed accordingly.

Copies of the Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the respective offices of the Paying Agents for the time being.

## **1. Form, Denomination and Title**

### **(a) Form and Denomination**

- (i) The Notes of the Series of which this Note forms part (in these Conditions, the “**Notes**”) are issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”), in each case in the Denomination Amount shown hereon. In the case of Registered Notes, such Notes are in the Denomination Amount shown hereon, which may include a minimum denomination and higher integral multiples of a smaller amount, in each case, as specified in the applicable Pricing Supplement
- (ii) This Note is a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Hybrid Note or a Zero Coupon Note (depending upon the Interest Basis shown on its face).
- (iii) Bearer Notes are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Notes that do not bear interest in which case references to interest (other than in relation to default interest referred to in Condition 7(h)) in these Conditions are not applicable.
- (iv) Registered Notes are represented by registered certificates (“Certificates”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

### **(b) Title**

- (i) Title to the Bearer Notes and the Coupons and, where applicable, Talons appertaining thereto shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”).
- (ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof, trust, interest therein or any writing thereon made by anyone, and no person shall be liable for so treating the holder.
- (iii) For so long as any of the Notes is represented by a Global Security (as defined below) or, as the case may be, a Global Certificate (as defined below), and such Global Security or Global Certificate is held by a common depository for Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking S.A. (“**Clearstream, Luxembourg**”) and/or The Central Depository (Pte) Limited (the “**Depository**”) and/or any other clearing system, each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system as the holder of a particular principal amount of such Notes (in which

regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save for manifest error) shall be treated by the Issuer, the Paying Agents, the Transfer Agents, the Registrars, the Calculation Agent all other agents of the Issuer and the Trustee as the holder of such principal amount of Notes other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts in respect of the Notes, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Paying Agents, the Transfer Agents, the Registrars, the Calculation Agent, all other agents of the Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions shall be construed accordingly). Notes which are represented by the Global Security or, as the case may be, the Global Certificate and held by Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system.

- (iv) In these Conditions, “**Global Security**” means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing each Series, “**Global Certificate**” means the relevant Global Certificate representing each Series that is registered in the name of, or in the name of a nominee of, (1) a common depository for Euroclear and/or Clearstream, Luxembourg, (2) the Depository and/or (3) any other clearing system, “**Noteholder**” means (subject to Condition 1(b)(iii) above) the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be) and “**holder**” (in relation to a Note, Coupon or Talon) means (subject to Condition 1(b)(iii) above) the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be), “**Series**” means (A) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (aa) expressed to be consolidated and forming a single series and (bb) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (B) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest and “**Tranche**” means Notes which are identical in all respects (including as to listing).
- (v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

## 2. No Exchange of Notes and Transfers of Registered Notes

- (a) **No Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Denomination Amount may not be exchanged for Bearer Notes of another Denomination Amount. Bearer Notes may not be exchanged for Registered Notes.
- (b) **Transfer of Registered Notes:** Subject to Conditions 2(e) and 2(f) below, one or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing

such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or such other Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Registered Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar, the Transfer Agents and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request. For the avoidance of doubt, a Registered Note may be registered only in the name of, and transferred only to, a named person or persons. No transfer of a Registered Note will be valid unless and until entered on the Register.

- (c) **Exercise of Options or Partial Redemption or Purchase in Respect of Registered Notes:** In the case of an exercise of the Issuer's or Noteholders' option in respect of, or a partial redemption or purchase of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed or purchased. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within five business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which banks are open for business in the place of the specified office of the Registrar or the other relevant Transfer Agent (as the case may be).
- (e) **Transfers Free of Charge:** Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption (as applicable) shall be effected without charge by or on behalf of the Issuer, the Registrar or the other Transfer

Agents, but upon payment by the Noteholder of any tax or other governmental charges that may be imposed in relation to it (or the giving by the Noteholder of such indemnity and/or security and/or prefunding as the Registrar or the other relevant Transfer Agent may require) in respect of tax or charges.

- (f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (ii) after any such Note has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(b)(ii)).

### 3. Status

The Notes and Coupons of all Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

### 4. Negative Pledge, Financial Covenants and Non-Disposal Covenant

#### (a) Negative Pledge

The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes or Coupons remains outstanding, the Issuer will not, and will ensure that none of its subsidiaries will, create or permit to subsist, any mortgage, charge, lien, pledge or other form of encumbrance or security interest upon the whole or any part of its present or future undertakings, assets or revenues (including any uncalled capital) to secure any Capital Market Indebtedness, or to secure any guarantee or indemnity in respect of any Capital Market Indebtedness, without at the same time or prior thereto according to the Notes and the Coupons the same security as is created or subsisting to secure any such Capital Market Indebtedness, guarantee or indemnity or such other security as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

For the purposes of this Condition 4(a), “**Capital Market Indebtedness**” means any present or future indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other debt securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market.

#### (b) Financial Covenants

The Issuer has further covenanted with the Trustee in the Trust Deed that so long as any of the Notes or the Coupons remain(s) outstanding, the Issuer will, at all times, ensure that the ratio of Consolidated Total Borrowings to Consolidated Deposited Property is not in breach of the Aggregate Leverage limit as construed in accordance with the Property Funds Appendix.

For the purposes of this Condition 4(b):

- (i) “**Aggregate Leverage limit**” means the limit set out in paragraph 9.2 of the Property Funds Appendix (or such other equivalent or substitute provision as may be set out in the Property Funds Appendix from time to time);

- (ii) **“CIS Code”** means the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (**“MAS”**) (as revised or amended from time to time);
- (iii) **“Consolidated Deposited Property”** means the total assets of the Group based on the audited and unaudited consolidated financial statements of the Group calculated and interpreted in accordance with the recommendations of RAP, having regard to the Property Funds Appendix;
- (iv) **“Consolidated Total Borrowings”** means the aggregate of total borrowings and deferred payments (including deferred payments for assets to be settled in cash or in units issued by Cache) of the Group required by the Property Funds Appendix to be taken into account for the purpose of computing its Aggregate Leverage limit;
- (v) **“Property Funds Appendix”** means Appendix 6 of the CIS Code issued by the MAS in relation to real estate investment trusts, as the same may be modified, amended, supplemented, revised or replaced from time to time; and
- (vi) **“RAP”** means the recommended accounting practices on financial statements of authorised unit trusts in Recommended Accounting Practice 7 — Reporting Framework for Unit Trusts issued by the Institute of Singapore Chartered Accountants, as the same may be modified, amended, supplemented, revised or replaced from time to time.

**(c) Non-Disposal Covenant**

The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it shall not, and will ensure that none of the Principal Subsidiaries of Cache will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets nor any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under Clause 7.3 of the Trust Deed, is substantial in relation to the assets of the Group taken as a whole or the disposal of which (either alone or so aggregated) is likely to have a material adverse effect on the Issuer or Cache. The following disposals shall not be taken into account under Clause 7.3 of the Trust Deed:

- (i) any disposal in the ordinary course of business on an arm’s length basis and on normal commercial terms;
- (ii) any disposal of assets which are obsolete, excess or no longer required for the purpose of Cache’s business, in each case, on an arm’s length basis and on normal commercial terms;
- (iii) any payment of cash as consideration for the acquisition of any asset on an arm’s length basis and on normal commercial terms;
- (iv) any disposal in connection with the transfer of any of the Group’s assets to another member of the Group;
- (v) any disposal in connection with the transfer of any of the Group’s assets to a joint venture company on normal commercial terms and on an arm’s length basis;
- (vi) any exchange of assets for other assets which are similar or superior as to type and value;

- (vii) any disposal of financial assets as shown in the most recent audited or, as the case may be, unaudited consolidated financial statements of the Group on normal commercial terms and on an arm's length basis; and
- (viii) any disposal which the Trustee or the Noteholders by way of Extraordinary Resolution shall have agreed shall not be taken into account.

For the purposes of this Condition 4(c), a disposal which is “**substantial**” in relation to the assets of the Group taken as a whole means the disposal of assets which (individually or in the aggregate) amount to at least 20 per cent. of the Value of the assets of the Group and “**Value**” means (in relation to assets which are real property) the fair market value of such assets as stated in the latest valuation report prepared by a professional independent valuer and (in any other case) the value of such assets as determined in accordance with the Cache Trust Deed.

#### **(d) Financial Statements**

The Issuer has further covenanted with the Trustee in the Trust Deed that so long as any of the Notes or Coupons remains outstanding it will send to the Trustee (i) as soon as available and in any event within 150 days after the end of each of the financial years of Cache (beginning with the current one), a copy in English of the annual report (if any) and consolidated audited accounts of Cache and the Group as at the end of and for that financial year, together with copies of the related reports and approvals referred to in Clause 15.11.1 of the Trust Deed, (ii) (if and for so long as it is required to prepare such results under the SGX-ST listing rules) as soon as available and in any event within 90 days after the end of the first six months of each of the financial years of Cache (beginning with the current one), a copy (whether physical or electronic) in English of the consolidated unaudited accounts of Cache and the Group as at the end of and for that six-month period and (iii) (if and for so long as it is required to prepare such results under the SGX-ST listing rules) as soon as available and in any event within 45 days after the end of each financial quarter of Cache, a copy (whether physical or electronic) in English of the consolidated unaudited accounts of Cache and the Group (if any) as at the end of and for that financial quarter.

### **5. Interest and Other Calculations**

#### **(I) Interest on Fixed Rate Notes**

##### **(a) Interest Rate and Accrual**

Each Fixed Rate Note bears interest on its principal amount outstanding from the Interest Commencement Date (as defined in Condition 5(II)(d)) in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of such Note in each year and on the Maturity Date shown on the face of such Note if that date does not fall on an Interest Payment Date.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date (and if the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the Interest Commencement Date, as the case may be) to the Maturity Date will amount to the Final Broken Amount shown on the face of the Note.

Interest will cease to accrue on each Fixed Rate Note from the due date for redemption thereof unless, upon due presentation thereof and subject to the provisions of the Trust Deed, payment of the Redemption Amount shown on the face of the Note is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(I) and the Agency Agreement to the Relevant Date (as defined in Condition 8).

**(b) Calculations**

In the case of a Fixed Rate Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Note. The amount of interest payable per Calculation Amount (as defined in Condition 5(II)(d)) for any Fixed Rate Interest Period in respect of any Fixed Rate Note shall be calculated by multiplying the product of the Interest Rate and the Calculation Amount, by the Day Count Fraction shown on the face of the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency (with halves rounded up).

In these Conditions, “**Fixed Rate Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

**(II) Interest on Floating Rate Notes or Variable Rate Notes**

**(a) Interest Payment Dates**

Each Floating Rate Note or Variable Rate Note bears interest on its principal amount outstanding from the Interest Commencement Date in respect thereof and as shown on the face of such Note, and such interest will be payable in arrear on each interest payment date (“**Interest Payment Date**”). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period (as defined below) on the face of the Note (the “**Specified Number of Months**”) after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest Commencement Date, as the case may be), provided that the Agreed Yield (as defined in Condition 5(II)(c)) in respect of any Variable Rate Note for any Interest Period relating to that Variable Rate Note shall be payable on the first day of that Interest Period. If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed

to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an “**Interest Period**”.

Interest will cease to accrue on each Floating Rate Note or Variable Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(II) and the Agency Agreement to the Relevant Date.

**(b) Rate of Interest - Floating Rate Notes**

- (i) Each Floating Rate Note bears interest at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Note, being (in the case of Notes which are denominated in Singapore dollars) SIBOR (in which case such Note will be a SIBOR Note), Swap Rate (in which case such Note will be a Swap Rate Note) or (in the case of Notes which are denominated in US dollars) LIBOR (in which case the Note will be a LIBOR Note) or in any other case (or in the case of Notes which are denominated in a currency other than Singapore dollars or US dollars) such other Benchmark as is set out on the face of such Note.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Note. The “**Spread**” is the percentage rate per annum specified on the face of such Note as being applicable to the rate of interest for such Note. The rate of interest so calculated shall be subject to Condition 5(V)(a) below.

The rate of interest payable in respect of a Floating Rate Note from time to time is referred to in these Conditions as the “**Rate of Interest**”.

- (ii) The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined by the Calculation Agent on the basis of the following provisions:

(1) in the case of Floating Rate Notes which are SIBOR Notes:

- (A) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page under the column headed “SGD SIBOR” (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page (as defined below) as may be provided hereon) and as adjusted by the Spread (if any);

- (B) if on any Interest Determination Date, no such rate appears on the Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page (or such other replacement page as aforesaid) or if the Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ABS SIBOR FIX - SIBOR AND SWAP OFFER RATES - RATES AT 11:00 HRS SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page as may be provided hereon) and as adjusted by the Spread (if any);
- (C) if on any Interest Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed "SGD SIBOR" (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to four decimal places) of such offered quotations and as adjusted by the Spread (if any), as determined by the Calculation Agent;
- (D) if on any Interest Determination Date, two but not all the Reference Banks provide the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (C) above on the basis of the quotations of those Reference Banks providing such quotations;
- (E) if on any Interest Determination Date, one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any); and
- (F) if the Calculation Agent is unable to determine the Rate of Interest for an Interest Period in accordance with paragraphs (b)(ii)(1)(A) to (b)(ii)(1)(E) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which paragraph (b)(ii)(1)(A), (b)(ii)(1)(B), (b)(ii)(1)(C), (b)(ii)(1)(D) or (b)(ii)(1)(E) above shall have applied;

- (2) in the case of Floating Rate Notes which are Swap Rate Notes:
- (A) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period as being the rate which appears on the Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page under the column headed “SGD Swap Offer” (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period and as adjusted by the Spread (if any);
  - (B) if on any Interest Determination Date no such rate is quoted on the Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page (or such other replacement page as aforesaid) or the Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period as being the rate which appears on the Reuters Screen ABSFIX1 Page under the caption “SGD SOR rates as of 11:00 hrs London Time” and under the column headed “SGD SOR” (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period and as adjusted by the Spread (if any);
  - (C) if on any Interest Determination Date, no such rate is quoted on Reuters Screen ABSFIX1 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFIX1 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Interest for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to four decimal places)) for a period equal to the duration of such Interest Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as may be agreed between the Calculation Agent and the Issuer and as adjusted by the Spread (if any);
  - (D) if on any Interest Determination Date, the Calculation Agent is otherwise unable to determine the Rate of Interest under paragraphs (b)(ii)(2)(A) and (b)(ii)(2)(B) above or if no agreement on the relevant authority is reached between the Calculation Agent and the Issuer under paragraph (b)(ii)(2)(C) above, the Rate of Interest shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about 11.00 a.m. (Singapore time) on the first business day following such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements

imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Interest Determination Date and as adjusted by the Spread (if any); and

- (E) if the Calculation Agent is unable to determine the Rate of Interest for an Interest Period in accordance with paragraphs (b)(ii)(2)(A) to (b)(ii)(2)(D) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which paragraph (b)(ii)(2)(A), (b)(ii)(2)(B), (b)(ii)(2)(C) or (b)(ii)(2)(D) above shall have applied;

- (3) in the case of Floating Rate Notes which are LIBOR Notes:

- (A) in the case of Floating Rate Notes which are LIBOR Notes:

- (A) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period as being the offered rate for deposits in US dollars for a period equal to the duration of such Interest Period which appears on the Bloomberg ICE LIBOR Page under the caption headed "London-Interbank Offered Rate — ICE Benchmark Administration Fixing for US Dollar" (or such replacement page thereof for the purpose of displaying LIBOR) and as adjusted by the Spread (if any);
    - (B) if on any Interest Determination Date, no such rate appears on the Bloomberg Screen ICE LIBOR Page (or such other replacement page as aforesaid) or if the Bloomberg ICE LIBOR Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent shall, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period as being the offered rate for deposits in US dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen LIBOR1 Page under the caption "ICE BENCHMARK ADMINISTRATION INTEREST SETTLEMENT RATES — RATES AT 11:00 LONDON TIME" and under the column headed "USD" (or such replacement page thereof for the purpose of displaying the LIBOR or such other Screen Page as may be provided hereon);
    - (C) if on any Interest Determination Date, no such rate appears on the Reuters Screen LIBOR1 Page under the column headed "USD" (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided hereon)

or if the Reuters Screen LIBOR1 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will:

- (aa) request the principal London offices of each of the Reference Banks in the London interbank market to provide the Calculation Agent with a quotation of the rate at which deposits in US dollars are offered by it in the London interbank market at approximately the Relevant Time on the Interest Determination Date to prime banks in the London interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to four decimal places) of such offered quotations and as adjusted by the Spread (if any), as determined by the Calculation Agent; and
  - (bb) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean (rounded up, if necessary, as aforesaid) of the rates quoted by major banks in New York City, selected by the Calculation Agent after consultation with the Issuer, at approximately the Relevant Time on such Interest Determination Date for loans in US dollars to leading banks for a period equal to or comparable to the relevant Interest Period and in an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period plus the Spread (if any), as determined by the Calculation Agent; and
- (D) if the Calculation Agent is unable to determine the Rate of Interest for an Interest Period in accordance with paragraphs (b)(ii)(3)(A) to (b)(ii)(3)(C) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which paragraph (b)(ii)(3)(A), (b)(ii)(3)(B) or (b)(ii)(3)(C) above shall have applied; and
- (4) in the case of Floating Rate Notes which are not SIBOR Notes, Swap Rate Notes or LIBOR Notes or which are denominated in a currency other than Singapore dollars or US dollars, the Calculation Agent will determine the Rate of Interest in respect of any Interest Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period as follows:
- (A) if the Primary Source (as defined below) for the Floating Rate Notes is a Screen Page, subject as provided below, the Rate of Interest in respect of such Interest Period shall be:
    - (aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

(bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date,

and as adjusted by the Spread (if any);

- (B) if the Primary Source for the Floating Rate Notes is Reference Banks or if paragraph (b)(ii)(4)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if paragraph (b)(ii)(4)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Interest Determination Date and as adjusted by the Spread (if any);
- (C) if paragraph (b)(ii)(4)(B) applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date; and
- (D) if the Calculation Agent is unable to determine the Rate of Interest for an Interest Period in accordance with paragraphs (b)(ii)(4)(A) to (b)(ii)(4)(C) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which paragraph (b)(ii)(4)(A), (b)(ii)(4)(B) or (b)(ii)(4)(C) above shall have applied.

(iii) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.

(iv) For the avoidance of doubt, in the event that the Rate of Interest as determined in accordance with the foregoing in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

**(c) Rate of Interest - Variable Rate Notes**

- (i) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (c). The interest payable in respect of a Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the “**Agreed Yield**” and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the “**Rate of Interest**”.

- (ii) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period shall, subject as referred to in paragraph (c)(iv) below, be determined as follows:
- (1) not earlier than 9.00 a.m. (Singapore time) on the ninth business day nor later than 3.00 p.m. (Singapore time) on the third business day prior to the commencement of each Interest Period, the Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:
    - (A) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;
    - (B) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Interest Amount (as defined below) for such Variable Rate Note for such Interest Period shall be zero); and
    - (C) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an “**Agreed Rate**”) and, in the event of the Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and
  - (2) if the Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the third business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (1) above, the Rate of Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.
- (iii) The Issuer has undertaken to the Issuing and Paying Agent and the Calculation Agent that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined but not later than 10.30 a.m. (Singapore time) on the next following business day:
- (1) notify or cause the Relevant Dealer to notify the Issuing and Paying Agent and the Calculation Agent of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and
  - (2) cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the Issuing and Paying Agent to the relevant Noteholder at its request.
- (iv) For the purposes of sub-paragraph (ii) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note(s) shall be the rate (the “**Fall Back Rate**”) determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable Rate Notes which are denominated in Singapore

dollars) SIBOR (in which case such Variable Rate Note(s) will be SIBOR Note(s)), Swap Rate (in which case such Variable Rate Note(s) will be Swap Rate Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Variable Rate Note(s).

Such rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Variable Rate Note. The “**Spread**” is the percentage rate per annum specified on the face of such Variable Rate Note as being applicable to the rate of interest for such Variable Rate Note. The rate of interest so calculated shall be subject to Condition 5(V)(a) below.

The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Calculation Agent in accordance with the provisions of Condition 5(II)(b)(ii) above (*mutatis mutandis*) and references therein to “**Rate of Interest**” shall mean “**Fall Back Rate**”.

- (v) If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Interest Amount for such Variable Rate Note for such Interest Period on the last day of such Interest Period.
- (vi) For the avoidance of doubt, in the event that the Rate of Interest as determined in accordance with the foregoing in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(d) **Definitions**

As used in these Conditions:

“**Benchmark**” means the rate specified as such in the applicable Pricing Supplement;

“**business day**” means, in respect of each Note, (i) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (ii) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the relevant Paying Agent’s specified office and (iii) (if a payment is to be made on that day):

- (1) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore;
- (2) (in the case of Notes denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euros;
- (3) (in the case of Notes denominated in Renminbi) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets settle payments in Renminbi and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the Offshore Renminbi Centre; and/or

- (4) (in the case of Notes denominated in a currency other than Singapore dollars, Euros and Renminbi) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency;

**“Calculation Amount”** means the amount specified as such on the face of any Note, or if no such amount is so specified, the Denomination Amount of such Note as shown on the face thereof;

**“Day Count Fraction”** means, in respect of the calculation of an amount of interest in accordance with Condition 5:

- (i) if “Actual/Actual ” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period divided by 365 (or, if any portion of that Fixed Rate Interest Period or, as the case may be, Interest Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/360” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 360;
- (iii) if “Actual/365 (Fixed)” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 365; and
- (iv) if “30/360” is specified in the applicable Pricing Supplement, the number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period divided by 30, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

**“Y1”** is the year, expressed as a number, in which the first day of the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

**“Y2”** is the year, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

**“M1”** is the calendar month, expressed as a number, in which the first day of the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

**“M2”** is the calendar month, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

**“D1”** is the first calendar day, expressed as a number, of the Fixed Rate Interest Period or, as the case may be, the Interest Period, unless such number would be 31, in which case D1 will be 30; and

**“D2”** is the calendar day, expressed as a number, immediately following the last day included in the Fixed Rate Interest Period or, as the case may be, the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

**“Euro”** means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

**“Interest Commencement Date”** means the Issue Date or such other date as may be specified as the Interest Commencement Date on the face of such Note;

**“Interest Determination Date”** means, in respect of any Interest Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Note;

**“Issue Date”** means the date specified as such in the applicable Pricing Supplement;

**“Offshore Renminbi Centre”** means the offshore Renminbi centre(s) specified as such in the applicable Pricing Supplement;

**“Primary Source”** means the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Bloomberg agency or the Reuters Monitor Money Rates Service (**“Reuters”**)) agreed to by the Calculation Agent;

**“Reference Banks”** means the institutions specified as such in the applicable Pricing Supplement or, if none, three major banks selected by the Calculation Agent in the interbank market that is most closely connected with the Benchmark;

**“Relevant Currency”** means the currency in which the Notes are denominated;

**“Relevant Dealer”** means, in respect of any Variable Rate Note, the Dealer party to the Programme Agreement (as defined in the Trust Deed) specified in the Pricing Supplement with whom the Issuer has concluded or is negotiating an agreement for the issue of such Variable Rate Note pursuant to the Programme Agreement;

**“Relevant Financial Centre”** means, in the case of interest to be determined on an Interest Determination Date with respect to any Floating Rate Note or Variable Rate Note, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

**“Relevant Rate”** means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Interest Period;

**“Relevant Time”** means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

**“Renminbi”** means the lawful currency of the People’s Republic of China;

**“Screen Page”** means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Bloomberg agency and Reuters) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

**“TARGET System”** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

### **(III) Interest on Hybrid Notes**

#### **(a) Interest Rate and Accrual**

Each Hybrid Note bears interest on its principal amount outstanding from the Interest Commencement Date in respect thereof and as shown on the face of such Note.

#### **(b) Fixed Rate Period**

- (i) In respect of the Fixed Rate Period shown on the face of such Note, each Hybrid Note bears interest on its principal amount outstanding from the first day of the Fixed Rate Period at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of the Note in each year and on the last day of the Fixed Rate Period if that date does not fall on an Interest Payment Date.
- (ii) The first payment of interest will be made on the Interest Payment Date next following the first day of the Fixed Rate Period (and if the first day of the Fixed Rate Period is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the last day of the Fixed Rate Period falls before the date on which the first payment of interest would otherwise be due. If the last day of the Fixed Rate Period is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the first day of the Fixed Rate Period, as the case may be) to the last day of the Fixed Rate Period will amount to the Final Broken Amount shown on the face of the Note.
- (iii) Where the due date of redemption of any Hybrid Note falls within the Fixed Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal (or the Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(III) and the Agency Agreement to the Relevant Date.

- (iv) In the case of a Hybrid Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Note during the Fixed Rate Period.

(c) **Floating Rate Period**

- (i) In respect of the Floating Rate Period shown on the face of such Note, each Hybrid Note bears interest on its principal amount outstanding from the first day of the Floating Rate Period, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the first day of the Floating Rate Period (and which corresponds numerically with such preceding Interest Payment Date or the first day of the Floating Rate Period, as the case may be). If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.
- (ii) The period beginning on (and including) the first day of the Floating Rate Period and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an "**Interest Period**".
- (iii) Where the due date of redemption of any Hybrid Note falls within the Floating Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation thereof, payment of principal (or the Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(III) and the Agency Agreement to the Relevant Date.
- (iv) The provisions of Condition 5(II)(b) shall apply to each Hybrid Note during the Floating Rate Period as though references therein to Floating Rate Notes are references to Hybrid Notes.

#### **(IV) Zero Coupon Notes**

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 6(h)). As from the Maturity Date, the rate of interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as determined in accordance with Condition 6(h)).

#### **(V) Calculations**

##### **(a) Determination of Rate of Interest and Calculation of Interest Amounts**

The Calculation Agent will, as soon as practicable after the Relevant Time on each Interest Determination Date determine the Rate of Interest and calculate the amount of interest payable (the “**Interest Amounts**”) in respect of each Calculation Amount of the relevant Floating Rate Notes, Variable Rate Notes or (where applicable) Hybrid Notes for the relevant Interest Period. The amount of interest payable per Calculation Amount in respect of any Floating Rate Note, Variable Rate Note or (where applicable) Hybrid Note shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties and the Noteholders.

##### **(b) Notification**

The Calculation Agent will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Issuing and Paying Agent, the Trustee and the Issuer not later than four business days after the Interest Determination Date. In the case of Floating Rate Notes, if so required by the Issuer, the Calculation Agent will also cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Noteholders in accordance with Condition 16 as soon as possible after their determination. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period by reason of any Interest Payment Date not being a business day. If the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes become due and payable under Condition 10, the Rate of Interest and Interest Amounts payable in respect of the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest and Interest Amounts need to be made unless the Trustee requires otherwise.

##### **(c) Determination or Calculation by the Trustee**

If the Calculation Agent does not at any material time determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, the Trustee shall do so. In doing so, the Trustee shall apply the provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

**(d) Calculation Agent and Reference Banks**

The Issuer will procure that, so long as any Floating Rate Note, Variable Rate Note or Hybrid Note remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Note, Variable Rate Note, Hybrid Note or Zero Coupon Note remains outstanding, there shall at all times be a Calculation Agent. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts, the Issuer shall appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Calculation Agent may not resign from its duties without a successor having been appointed as aforesaid.

**6. Redemption and Purchase**

**(a) Final Redemption**

Unless previously redeemed or purchased and cancelled as provided below, this Note will be redeemed at its Redemption Amount on the Maturity Date shown on its face (if this Note is shown on its face to be a Fixed Rate Note, Hybrid Note (during the Fixed Rate Period) or Zero Coupon Note) or on the Interest Payment Date falling in the Redemption Month shown on its face (if this Note is shown on its face to be a Floating Rate Note, Variable Rate Note or Hybrid Note (during the Floating Rate Period)).

**(b) Purchase at the Option of the Issuer**

If so provided hereon, the Issuer shall have the option to purchase all or any of the Fixed Rate Notes, Floating Rate Notes, Variable Rate Notes or Hybrid Notes at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Noteholders shall be bound to sell such Notes to the Issuer accordingly. To exercise such option, the Issuer shall give irrevocable notice to the Noteholders within the Issuer's Purchase Option Period shown on the face hereof. Such Notes may be held, resold or surrendered to the Issuing and Paying Agent or, as the case may be, the Registrar for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

In the case of a purchase of some only of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be purchased, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange (as defined in the Trust Deed), the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any purchase of such Notes.

**(c) Purchase at the Option of the Noteholders**

- (i) Each Noteholder shall have the option to have all or any of his Variable Rate Notes purchased by the Issuer at their Redemption Amount on any Interest Payment Date and the Issuer will purchase such Variable Rate Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) such Variable Rate Notes to be purchased (together with all unmatured Coupons and unexchanged

Talons, if any) with the Issuing and Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Variable Rate Note(s) to be purchased with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent, any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' VRN Purchase Option Period shown on the face of such Note. Any Variable Rate Notes or Certificates representing such Variable Rate Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Variable Rate Notes may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Variable Rate Note (together with all unmatured Coupons and unexchanged Talons, if any) to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Variable Rate Notes to the Registrar. The Variable Rate Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

- (ii) If so provided hereon, each Noteholder shall have the option to have all or any of his Fixed Rate Notes, Floating Rate Notes or Hybrid Notes purchased by the Issuer at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Issuer will purchase such Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) such Note to be purchased (together with all unmatured Coupons and unexchanged Talons, if any) with the Issuing and Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) to be purchased with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent, any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' Purchase Option Period shown on the face hereof. Any Notes or Certificates so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Notes may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering such Note (together with all unmatured Coupons and unexchanged Talons, if any) to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

**(d) Redemption at the Option of the Issuer**

If so provided hereon, the Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Notes at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount, together with interest accrued to (but excluding) the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes,

shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of such Notes.

**(e) Redemption at the Option of the Noteholders**

If so provided hereon, the Issuer shall, at the option of the holder of any Note, redeem such Note on the date or dates so provided at its Redemption Amount, together with interest accrued to (but excluding) the date fixed for redemption. To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons, if any) with the Issuing and Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar, any Transfer Agent or the Issuer (as applicable) within the Noteholders' Redemption Option Period shown on the face hereof. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

**(f) Redemption for Taxation Reasons**

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 6(h) below) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Issuing and Paying Agent a certificate signed by two duly authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal, tax or any other professional advisers of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change, amendment, interpretation or pronouncement.

**(g) Purchases**

The Issuer and/or any of the respective related corporations of the Issuer and Cache may at any time purchase Notes at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons, if any, relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives.

Notes so purchased, while held by or on behalf of the Issuer and/or any of the respective related corporations of the Issuer and Cache may be surrendered by the purchaser through the Issuer to, in the case of Bearer Notes, the Issuing and Paying Agent and, in the case of Registered Notes, the Registrar for cancellation or may at the option of the Issuer and/or relevant related corporations be held or resold.

For the purposes of these Conditions, “**directive**” includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

#### **(h) Early Redemption of Zero Coupon Notes**

- (i) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or formula, upon redemption of such Note pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 10, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 5(IV).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown on the face of the Note.

#### **(i) Redemption upon Termination of Cache**

In the event that Cache is terminated in accordance with the provisions of the Cache Trust Deed (as defined in the Trust Deed), the Issuer shall redeem all (and not some only) of the Notes at their Redemption Amount together with interest accrued to the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date of termination of Cache.

The Issuer shall forthwith notify the Trustee, the Agents and the Noteholders of the termination of Cache.

**(j) Redemption upon Cessation or Suspension of Trading of Units of Cache**

In the event that (i) the units of Cache cease to be traded on the SGX-ST or (ii) trading in the units of Cache on the SGX-ST is suspended for a continuous period of more than 10 market days, the Issuer shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date falling 45 days after the Effective Date. To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with the Issuing and Paying Agent, or any other paying agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or the Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent, any other paying agent, the Registrar or the Transfer Agent (as applicable), no later than 15 days prior to the date fixed for redemption. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

For the purposes of this Condition 6(j):

- (1) “**Effective Date**” means (in the case of (i) above) the date of cessation of trading or (in the case of (ii) above) the business day immediately following the expiry of such continuous period of 10 market days; and
- (2) “**market day**” means a day on which the SGX-ST is open for securities trading.

**(k) Cancellation**

All Notes purchased by or on behalf of the Issuer and/or any of the respective related corporations of the Issuer and Cache may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons, if any, to the Issuing and Paying Agent at its specified office and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons, if any, attached thereto or surrendered therewith). Any Notes or Certificates so surrendered for cancellation may not be reissued or resold.

**7. Payments**

**(a) Principal and Interest in respect of Bearer Notes**

Payments of principal and interest (which shall include the Redemption Amount and the Early Redemption Amount) in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes or Coupons, as the case may be, at the specified office of any Paying Agent by (i) (in the case of payments in a currency other than Euro or Renminbi) transfer to an account maintained by the holder in that currency with a bank in the principal financial centre for that currency or, at the option of the relevant Paying Agent, by a cheque drawn in the currency in which payment is due, (ii) (in the case of payments in Euro) by transfer to a Euro account (or any other account to which Euro may be credited or transferred) or, at the option of the relevant Paying Agent, a Euro cheque or (iii) (in the case of payments in Renminbi) transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in the Offshore Renminbi Centre which processes payments in Renminbi in the Offshore Renminbi Centre.

**(b) Principal and Interest in respect of Registered Notes**

- (i) Payments of principal in respect of Registered Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 7(b)(ii).
- (ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Registered Note shall be made by (1) (in the case of payments in a currency other than Euro or Renminbi) transfer to an account (details of which appear on the Register) maintained by the holder in that currency in which payment is due with a bank in the principal financial centre for that currency or, at the option of the relevant Paying Agent, by a cheque drawn in the currency in which payment is due on and mailed to the Noteholder (or to the first named of joint Noteholders) at its address appearing in the Register, (2) (in the case of payments in Euro) by transfer to a Euro account (or any other account to which Euro may be credited or transferred) or, at the option of the relevant Paying Agent, by a Euro cheque or (3) (in the case of payments in Renminbi) transfer to the Renminbi account maintained by the Noteholder with a bank in the Offshore Renminbi Centre which processes payments in Renminbi in the Offshore Renminbi Centre. Upon application by the Noteholder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest (other than in the case of payments in Renminbi) may be made by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency.

**(c) Payments subject to law etc.**

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

**(d) Appointment of Agents**

The Issuing and Paying Agent, the Non-CDP Paying Agent, the Calculation Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar and the Non-CDP Registrar initially appointed by the Issuer and their specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, the Non-CDP Paying Agent, any other Paying Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, any Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Calculation Agent and to appoint additional or other Paying Agents, Transfer Agents, Registrars and Calculation Agents; provided that it will at all times maintain (i) an Issuing and Paying Agent having a specified office in Singapore and (in the case of Non-CDP Notes) a Non-CDP Paying Agent, as the case may be, (ii) a Transfer Agent in relation to Registered Notes, (iii) a Registrar in relation to Registered Notes and (iv) a Calculation Agent where the Conditions so require.

Notice of any such change in appointment or any change of any specified office will be given to the Noteholders within the period specified in the Agency Agreement in accordance with Condition 16.

The Agency Agreement may be amended by the Issuer, the Issuing and Paying Agent, the Non-CDP Paying Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee, without the consent of any Noteholder for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the Issuing and Paying Agent, the Non-CDP Paying Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee may mutually deem necessary or desirable and which does not, in the opinion of the Issuer, the Issuing and Paying Agent, the Non-CDP Paying Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee, adversely affect the interests of the holders of the Notes or the Coupons. Any such modification shall be binding on the Noteholders and the Couponholders and, unless otherwise agreed by the Trustee, the Issuer shall cause such modification to be notified to the Noteholders and the Couponholders as soon as practicable and in any event within 14 days of the modification in accordance with Condition 16.

**(e) Unmatured Coupons and Unexchanged Talons**

- (i) Bearer Notes which comprise Fixed Rate Notes and Hybrid Notes should be surrendered for payment together with all unexpired Coupons (if any) relating to such Notes (and, in the case of Hybrid Notes, relating to interest payable during the Fixed Rate Period), failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of three years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
- (ii) Subject to the provisions of the relevant Pricing Supplement upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note, unexpired Coupons relating to such Note (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexpired Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all unexpired Coupons, and where any Bearer Note is presented for redemption without any unexpired Talon relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption of such Note shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate.

**(f) Talons**

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in exchange for a further Coupon sheet (but excluding any Coupons that may have become void pursuant to Condition 9) (and if necessary another Talon for a further Coupon sheet).

**(g) Non-business days**

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further interest or other payment in respect of any such delay.

**(h) Default Interest**

If on or after the due date for payment of any sum in respect of the Notes, payment of all or any part of such sum is not made against due presentation of the Notes or, as the case may be, the Coupons, the Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Noteholders or, as the case may be, Couponholders (as well after as before judgment) at a rate per annum determined by the Issuing and Paying Agent to be equal to two per cent. per annum above (in the case of a Fixed Rate Note or a Hybrid Note during the Fixed Rate Period) the Interest Rate applicable to such Note, (in the case of a Floating Rate Note or a Hybrid Note during the Floating Rate Period) the Rate of Interest applicable to such Note or (in the case of a Variable Rate Note) the variable rate by which the Agreed Yield applicable to such Note is determined or, as the case may be, the Rate of Interest applicable to such Note, or in the case of a Zero Coupon Note, as provided for in the relevant Pricing Supplement. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Issuing and Paying Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this paragraph shall be calculated on the Day Count Fraction shown on the face of the Note and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the Issuer.

**8. Taxation**

All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

- (a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore);

- (b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or
- (c) by or on behalf of a holder who would be able to lawfully avoid (but has not so avoided) such withholding or deduction by complying or procuring compliance with any statutory requirements or by making or procuring the making of a declaration or any other statement including, but not limited to, a declaration of residence or non-residence, but fails to do so.

For the avoidance of doubt, neither the Issuer nor any other person shall be required to pay any additional amounts or otherwise indemnify a holder for any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the United States Internal Revenue Code (the “**Code**”) as amended or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement).

As used in these Conditions, “**Relevant Date**” in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Noteholders in accordance with Condition 16 that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 6, “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 and any reference to “**principal**” and/or “**premium**” and/or “**Redemption Amounts**” and/or “**interest**” and/or “**Early Redemption Amounts**” shall be deemed to include any additional amounts which may be payable under these Conditions.

## 9. Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within three years from the appropriate Relevant Date for payment.

## 10. Events of Default

If any of the following events (“**Events of Default**”) occurs the Trustee at its discretion may (but is not obliged to), and if so requested by holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, in each case, subject to it being indemnified and/or secured and/or pre-funded to its satisfaction give notice in writing to the Issuer that the Notes are immediately repayable, whereupon the Redemption Amount of such Notes or (in the case of Zero Coupon Notes) the Early Redemption Amount of such Notes together with accrued interest to the date of payment shall become immediately due and payable:

- (a) the Issuer does not pay any principal or any interest payable by it under any of the Notes at the place at and in the currency in which it is expressed to be payable when due and such default continues for three business days after the due date;

- (b) the Issuer does not perform or comply with any one or more of its obligations (other than the payment obligation of the Issuer referred to in paragraph (a)) under any of the Issue Documents (as defined in the Trust Deed) or any of the Notes and if that default is capable of remedy, it is not remedied within 30 days of the Trustee giving written notice to the Issuer requiring the same to be remedied;
- (c) any representation, warranty or statement by the Issuer in any of the Issue Documents or any of the Notes or in any document delivered under any of the Issue Documents or any of the Notes is not complied with in any respect or is or proves to have been incorrect in any respect when made or deemed repeated and if the circumstances giving rise to such non-compliance or incorrectness is capable of remedy, it is not remedied within 30 days of the Trustee giving written notice to the Issuer requiring the same to be remedied;
- (d)
  - (i) any other indebtedness of the Issuer, Cache or any of its Principal Subsidiaries in respect of borrowed moneys is or is declared to be or is capable of being rendered due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (however described) or is not paid when due within any originally applicable grace period in any agreement in relation to that indebtedness; or
  - (ii) the Issuer, Cache or any of its Principal Subsidiaries fails to pay when properly called upon to do so any guarantee of indebtedness for borrowed moneys,

provided however that no Event of Default will occur under paragraph (d)(i) or (d)(ii) above if the aggregate amount of indebtedness for borrowed moneys or guarantee of indebtedness for borrowed moneys falling within paragraphs (d)(i) and d(ii) above is less than S\$40,000,000 (or its equivalent in any other currency or currencies);
- (e) the Issuer, Cache or any of the Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or any material part of (or all or a material part of a particular type of) its indebtedness, begins negotiations or takes any other step with a view to the deferral, rescheduling or other readjustment of all or any material part of (or all or a material part of a particular type of) its indebtedness (or of any part which it will otherwise be unable to pay when due), applies for a moratorium in respect of or affecting all or any material part of its indebtedness, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors or a moratorium is agreed, effected or declared or otherwise arises by operation of law in respect of or affecting all or any material part of (or all or a material part of a particular type of) the indebtedness or (pursuant to an order of court that is issued in connection with a compromise or arrangement proposed or intended to be proposed between the Issuer, any of the subsidiaries of the Issuer, Cache or any of the Principal Subsidiaries and its creditors or any class of those creditors) property of the Issuer, Cache or any of the Principal Subsidiaries;
- (f) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any material part of the property, assets or revenues of the Issuer or any of the Principal Subsidiaries and is not discharged or stayed within 30 days;
- (g) any security on or over the whole or any material part of the property or assets of the Issuer, Cache or any of the Principal Subsidiaries becomes enforceable;

- (h) any application is made, meeting is convened, court order is made, resolution is passed or any other procedure or proceeding is taken for the winding-up or dissolution of the Issuer, Cache or any of its Principal Subsidiaries or for the appointment of a liquidator (including a provisional liquidator), receiver, manager, judicial manager, trustee, administrator, agent or similar officer of the Issuer, Cache or any of its Principal Subsidiaries or over the whole or any material part of the property or assets of the Issuer, Cache or any of its Principal Subsidiaries (except for the purpose of a reconstruction, amalgamation, merger, consolidation or reorganisation of the Issuer, Cache or such Principal Subsidiary (i) which is made on solvent terms, (ii)(1) (in the case where the Issuer is a party to, or a subject of, the reconstruction, amalgamation, merger, consolidation or reorganisation) where the Issuer is the surviving entity, or (2) (in the case where the Issuer is not a party to, or a subject of, the reconstruction, amalgamation, merger, consolidation or reorganisation) where such Principal Subsidiary is the surviving entity and (iii) which is not reasonably likely to have a material adverse effect (as defined in the Trust Deed) on the Issuer);
- (i) the Issuer, Cache or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or any material part of its business or (save as permitted under Clause 7.3 of the Trust Deed) disposes or threatens to dispose of the whole or any part of its property or assets (except for the purpose of a reconstruction, amalgamation, merger, consolidation or reorganisation of the Issuer, Cache or such Principal Subsidiary (i) which is made on solvent terms, (ii)(1) (in the case where the Issuer is a party to, or a subject of, the reconstruction, amalgamation, merger, consolidation or reorganisation) where the Issuer is the surviving entity, or (2) (in the case where the Issuer is not a party to, or a subject of, the reconstruction, amalgamation, merger, consolidation or reorganisation) where such Principal Subsidiary is the surviving entity and (iii) which is not reasonably likely to have a material adverse effect on the Issuer);
- (j) any step is taken by any governmental authority with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or any material part of the assets of the Issuer, Cache or any of its Principal Subsidiaries;
- (k) any action, condition or thing (including the obtaining of any necessary consent) at any time required to be taken, fulfilled or done for any of the purposes stated in Clause 15.6 of the Trust Deed is not taken, fulfilled or done, or any such consent ceases to be in full force and effect without modification or any condition in or relating to any such consent is not complied with (unless that consent or condition is no longer required or applicable);
- (l) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Issue Documents or any of the Notes;
- (m) any of the Issue Documents or any of the Notes ceases for any reason (or is claimed by the Issuer not) to be the legal and valid obligations of the Issuer, binding upon it in accordance with its terms;
- (n) any litigation, arbitration or administrative proceeding (other than those of a frivolous or vexatious nature which are discharged within 30 days of its commencement) against the Issuer, Cache or any of its Principal Subsidiaries is current or pending (i) to restrain the exercise of any of the rights and/or the performance or enforcement of or compliance with any of the obligations of the Issuer under any of the Issue Documents or any of the Notes or (ii) which has or is likely to have a material adverse effect on the Issuer or Cache;

- (o) if (i)(1) the Cache Trustee (as defined in the Trust Deed) resigns or is removed; (2) an order is made for the winding-up of the Cache Trustee (other than the amalgamation, reconstruction or reorganisation of the Cache Trustee) or a receiver, judicial manager, administrator, agent or similar officer of the Cache Trustee is appointed; and/or (3) there is a declaration, imposition or promulgation in Singapore or in any relevant jurisdiction of a moratorium, any form of exchange control or any law, directive or regulation of any agency or the amalgamation, reconstruction or reorganisation of the Cache Trustee which prevents or restricts the ability of the Issuer to perform its obligations under any of the Issue Documents or any of the Notes and (ii) the replacement or substitute trustee of Cache is not appointed in accordance with the terms of the Cache Trust Deed;
- (p) the Cache Manager (as defined in the Trust Deed) is removed pursuant to the terms of the Cache Trust Deed, and the replacement or substitute manager is not appointed in accordance with the terms of the Cache Trust Deed;
- (q) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in paragraph (e), (f), (g), (h), (i) or (j);
- (r) the Issuer or any of the Principal Subsidiaries of Cache is declared by the Minister of Finance to be a declared company under the provisions of Part IX of the Companies Act, Chapter 50 of Singapore; and
- (s) the Cache Trustee loses its right to be indemnified out of the assets of Cache in respect of all liabilities, claims, demands and actions under or in connection with any of the Issue Documents or the Notes.

In these Conditions,

- (A) **“Principal Subsidiaries”** means any Subsidiary of Cache whose total assets, as shown by the accounts of such Subsidiary, based upon which the latest audited consolidated accounts of the Group have been prepared, is at least 20 per cent. of the total assets of the Group as shown by such audited consolidated accounts, provided that if any such Subsidiary (the **“transferor”**) shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another Subsidiary or Cache (the **“transferee”**) then:
  - (aa) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is Cache) shall thereupon become a Principal Subsidiary; and
  - (bb) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is Cache) shall thereupon become a Principal Subsidiary.

Any Subsidiary which becomes a Principal Subsidiary by virtue of (aa) above or which remains or becomes a Principal Subsidiary by virtue of (bb) above shall continue to be a Principal Subsidiary until the date of issue of the first audited consolidated accounts of the Group prepared as at a date later than the date of the relevant transfer which show the total assets of the relevant Subsidiary as shown by the accounts of such Subsidiary, based upon which such audited consolidated accounts have been prepared, to be less than 20 per cent. of the total assets of the Group, as shown by such audited consolidated accounts. A report by the Auditors (as

defined in the Trust Deed), who shall also be responsible for producing any financial statements required for the above purposes, that in their opinion a Subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive; and

(B) “**Subsidiary**” or “**subsidiary**” has the meaning ascribed to it in the Trust Deed.

## **11. Enforcement of Rights**

At any time after an Event of Default has occurred (which has not been waived) or after the Notes shall have become due and payable pursuant to Condition 10, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce repayment of the Notes, together with accrued interest, and/or to enforce the provisions of the Issue Documents but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding not less than 25 per cent. in principal amount of the Notes outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing.

## **12. Meeting of Noteholders and Modifications**

The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes of such Series (including these Conditions insofar as the same may apply to such Notes) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Noteholders holding not less than one-tenth of the principal amount of the Notes of any Series for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Noteholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any Interest Amount in respect of the Notes, (d) to vary any method of, or basis for, calculating the Redemption Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount, (e) to vary the currency or currencies of payment or denomination of the Notes, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (g) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Noteholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the other Issue Documents which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of Singapore

law or is required by Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system in which the Notes may be held and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, unless the Trustee otherwise agrees in writing, such modification, authorisation or waiver shall be notified by or on behalf of the Issuer to the Noteholders as soon as practicable (and in any event within 14 days of such modification, authorisation or waiver) in accordance with Condition 16.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

### **13. Replacement of Notes, Certificates, Coupons and Talons**

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Paying Agent or, as the case may be, Transfer Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 16, on payment by the claimant of the costs, expenses and duties incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note, Certificate, Coupon or Talon) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

### **14. Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding notes of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other notes issued pursuant to this Condition 14 and forming a single series with the Notes. Any further notes forming a single series with the outstanding notes of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes of other series where the Trustee so decides.

### **15. Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce

repayment unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee or any corporation related to it to enter into business transactions with the Issuer or any of the respective related corporations or affiliates of the Issuer and Cache without accounting to the Noteholders or Couponholders for any profit resulting from such transactions.

Each Noteholder and Couponholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Noteholder and Couponholder shall not rely on the Trustee in respect thereof.

## **16. Notices**

Notices to the holders of Registered Notes shall be valid if mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or Sunday) after the date of mailing. Notwithstanding the foregoing, notices to the holders will be valid if (a) published in a daily newspaper in the English language of general circulation in Singapore (it is expected that such publication will be made in *The Business Times*) or (b) an announcement is made through the internet-based submission system operated by the SGX-ST (or, if the holders of any Series of Notes can be identified, notices to such holders will also be valid if they are given to each of such holders). Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper or internet-based submission system as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Notes in accordance with this Condition 16.

So long as the Notes are represented by a Global Security or a Global Certificate and such Global Security or Global Certificate is held in its entirety on behalf of Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system, there may be substituted for such publication in such newspapers or announcement through the internet-based submission system operated by the SGX-ST the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg, (subject to the agreement of the Depository) the Depository and/or such other clearing system for communication by it to the Noteholders, except that if the Notes are listed on the SGX-ST and the rules of such exchange so require, notice will in any event be published in accordance with the first paragraph above. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system.

Notices to be given by any Noteholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Issuing and Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Certificates). Whilst the Notes are represented by a Global Security or a Global Certificate, such notice may be given by any Noteholder to the Issuing and Paying Agent or, as the case may be, the Registrar through Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system in such manner as the Issuing and Paying Agent or, as the case may be, the Registrar and Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system may approve for this purpose.

Notwithstanding the other provisions of this Condition, in any case where the identities and addresses of all the Noteholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

## **17. Contracts (Rights of Third Parties) Act**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore .

## **18. Acknowledgment**

### **(a) Acknowledgement**

Notwithstanding any provision to the contrary in the Trust Deed, the Notes and the Coupons, the Trustee, the Noteholders and the Couponholders agree and acknowledge that HSBC Institutional Trust Services (Singapore) Limited (“**HSBCIT**”) has entered into the Trust Deed only in its capacity as trustee of Cache and not in its personal capacity and all references to the Issuer in the Trust Deed, the Notes and the Coupons shall be construed accordingly. Accordingly, notwithstanding any provision to the contrary in the Trust Deed, the Notes and the Coupons, HSBCIT has assumed all obligations under the Trust Deed, the Notes and the Coupons in its capacity as trustee of Cache and not in its personal capacity and any liability of or indemnity, covenant, undertaking, representation and/or warranty given by the Issuer under the Trust Deed, the Notes and the Coupons is given by HSBCIT only in its capacity as trustee of Cache and not in its personal capacity and any power and right conferred on any receiver, attorney, agent and/or delegate under the Trust Deed, the Notes and the Coupons is limited to the assets of or held on trust for Cache over which HSBCIT, in its capacity as trustee of Cache, has recourse and shall not extend to any personal or other assets of HSBCIT or any assets held by HSBCIT as trustee of any other trust (other than Cache). Any obligation, matter, act, action or thing required to be done, performed or undertaken by the Issuer under the Trust Deed, the Notes and the Coupons shall only be in connection with matters relating to Cache (and shall not extend to the obligations of HSBCIT in respect of any other trust or real estate investment trust of which it is a trustee). The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Noteholders and the Couponholders under law or equity whether in connection with any negligence, fraud or breach of trust of the Issuer or otherwise.

### **(b) Corporate Obligations**

Notwithstanding any provision to the contrary in the Trust Deed, the Notes and the Coupons, it is hereby agreed that the Issuer’s obligations under the Trust Deed, the Notes and the Coupons will be solely the corporate obligations of the Issuer and there shall be no recourse against the shareholders, directors, officers or employees of HSBCIT for any claims, losses, damages, liabilities or other obligations whatsoever in connection with any of the transactions contemplated by the provisions of the Trust Deed, the Notes and the Coupons. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Noteholders and the Couponholders under law or equity whether in connection with any negligence, fraud or breach of trust of the Issuer or otherwise.

### **(c) Proceedings**

For the avoidance of doubt, any legal action or proceedings commenced against the Issuer whether in Singapore or elsewhere pursuant to the Trust Deed, the Notes and the Coupons shall be brought against HSBCIT in its capacity as trustee of Cache and not in its personal capacity. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Noteholders and the Couponholders under law or equity whether in connection with any negligence, fraud or breach of trust of the Issuer or otherwise.

### **(d) Applicability**

This Condition 18 shall survive the termination or rescission of the Trust Deed and the Notes. The provisions of this Condition 18 shall also apply, *mutatis mutandis*, to any notice, certificate or other document which the Issuer may issue under or pursuant to the Trust Deed and the Notes, as if expressly set out therein.

## **19. Governing Law and Jurisdiction**

- (a) Governing Law:** The Trust Deed, the Notes, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of Singapore.
- (b) Jurisdiction:** The courts of Singapore are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, the Notes, the Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, the Notes, the Coupons or the Talons may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

## TERMS AND CONDITIONS OF THE PERPETUAL SECURITIES

*The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Perpetual Securities in definitive form issued in exchange for the Global Security(ies) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Perpetual Securities. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Perpetual Securities or on the Certificates relating to such Registered Perpetual Securities. References in the Conditions to “**Perpetual Securities**” are to the Perpetual Securities of one Series only, not to all Perpetual Securities that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Perpetual Securities and in the relevant Pricing Supplement.*

The Perpetual Securities are constituted by a Trust Deed (as amended, restated or supplemented from time to time, the “**Trust Deed**”) dated 30 November 2017 made between (1) HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Cache Logistics Trust (“**Cache**”)) (in such capacity, the “**Issuer**”) and (2) The Bank of New York Mellon, Singapore Branch (the “**Trustee**”, which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Perpetual Securityholders (as defined below), and (where applicable) the Perpetual Securities are issued with the benefit of a deed of covenant (as amended, varied or supplemented from time to time, the “**Deed of Covenant**”) dated 30 November 2017 executed by the Issuer relating to the Perpetual Securities cleared or to be cleared through the CDP System (as defined in the Trust Deed) (“**CDP Perpetual Securities**”). These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Perpetual Securities, Certificates, Coupons and Talons referred to below. The Issuer has entered into an Agency Agreement (as amended, restated or supplemented from time to time, the “**Agency Agreement**”) dated 30 November 2017 made between (1) the Issuer, as issuer, (2) The Bank of New York Mellon, Singapore Branch, as issuing and paying agent (in such capacity, the “**Issuing and Paying Agent**”, transfer agent in respect of CDP Perpetual Securities (in such capacity, the “**CDP Transfer Agent**”) and registrar in respect of CDP Perpetual Securities (in such capacity, the “**CDP Registrar**”), (3) The Bank of New York Mellon, London Branch, as paying agent in respect of Perpetual Securities cleared or to be cleared through Euroclear (as defined below) and/or Clearstream, Luxembourg (as defined below) (“**Non-CDP Perpetual Securities**”) (in such capacity, the “**Non-CDP Paying Agent**” and, together with the Issuing and Paying Agent and any other paying agents that may be appointed, the “**Paying Agents**”) and as calculation agent (in such capacity, the “**Calculation Agent**”), (4) The Bank of New York Mellon SA/NV, Luxembourg Branch, as transfer agent in respect of Non-CDP Perpetual Securities (in such capacity, the “**Non-CDP Transfer Agent**” and, together with the CDP Transfer Agent and any other transfer agents that may be appointed, the “**Transfer Agents**”) and registrar in respect of Non-CDP Perpetual Securities (in such capacity, the “**Non-CDP Registrar**”, and together with the CDP Registrar, the “**Registrars**”) and (5) the Trustee, as trustee for the Perpetual Securityholders. The Perpetual Securityholders and the holders (the “**Couponholders**”) of the distribution coupons (the “**Coupons**”) appertaining to the Perpetual Securities in bearer form and, where applicable in the case of such Perpetual Securities, talons for further Coupons (the “**Talons**”) are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the Deed of Covenant.

For the purposes of these Conditions, all references to (a) the Issuing and Paying Agent shall, in the case of a Series (as defined below) of Non-CDP Perpetual Securities, be deemed to be a reference to the Non-CDP Paying Agent, (b) the Registrar shall, in the case of a Series of CDP Perpetual Securities, be deemed to be a reference to the CDP Registrar and, in the case of a Series of Non-CDP Perpetual Securities, be deemed to be a reference to the Non-CDP Registrar, and (c) the Transfer Agent shall, in the case of a Series of CDP Perpetual Securities, be deemed to be a reference to the CDP Transfer Agent and, in the case of a Series of Non-CDP Perpetual Securities, be deemed to be a reference to the Non-CDP Transfer Agent, and (unless the context otherwise requires) all such references shall be construed accordingly.

Copies of the Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the respective offices of the Paying Agents for the time being.

## **1. Form, Denomination and Title**

### **(a) Form and Denomination**

- (i) The Perpetual Securities of the Series of which this Perpetual Security forms part (in these Conditions, the “**Perpetual Securities**”) are issued in bearer form (“**Bearer Perpetual Securities**”) or in registered form (“**Registered Perpetual Securities**”), in each case in the Denomination Amount shown hereon. In the case of Registered Perpetual Securities, such Perpetual Securities are in the Denomination Amount shown hereon, which may include a minimum denomination and higher integral multiples of a smaller amount, in each case, as specified in the applicable Pricing Supplement.
- (ii) This Perpetual Security is a Fixed Rate Perpetual Security or a Floating Rate Perpetual Security (depending upon the Distribution Basis shown on its face).
- (iii) Bearer Perpetual Securities are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached.
- (iv) Registered Perpetual Securities are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Perpetual Securities by the same holder.

### **(b) Title**

- (i) Title to the Bearer Perpetual Securities and the Coupons and, where applicable, Talons appertaining thereto shall pass by delivery. Title to the Registered Perpetual Securities shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”).
- (ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Perpetual Security, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Perpetual Security, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof, trust, interest therein and for all other purposes, whether or not such Perpetual Security, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

- (iii) For so long as any of the Perpetual Securities is represented by a Global Security (as defined below) or, as the case may be, a Global Certificate (as defined below) and such Global Security or Global Certificate is held by a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or The Central Depository (Pte) Limited (the "**Depository**") and/or any other clearing system, each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system as the holder of a particular principal amount of such Perpetual Securities (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg and/or the Depository as to the principal amount of such Perpetual Securities standing to the account of any person shall be conclusive and binding for all purposes save for manifest error) shall be treated by the Issuer, the Paying Agents, the Transfer Agents, the Registrars, the Calculation Agent and all other agents of the Issuer and the Trustee as the holder of such principal amount of Perpetual Securities other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts in respect of the Perpetual Securities, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Paying Agents, the Transfer Agents, the Registrar, the Calculation Agent, all other agents of the Issuer and the Trustee as the holder of such Perpetual Securities in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expressions "**Perpetual Securityholder**" and "**holder of Perpetual Securities**" and related expressions shall be construed accordingly). Perpetual Securities which are represented by the Global Security or, as the case may be, the Global Certificate and held by Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system.
- (iv) In these Conditions, "**Global Security**" means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing each Series, "**Global Certificate**" means the relevant Global Certificate representing each Series that is registered in the name of, or in the name of a nominee of, (1) a common depositary for Euroclear and/or Clearstream, Luxembourg, (2) the Depository and/or (3) any other clearing system, "**Perpetual Securityholder**" means (subject to Condition 1(b)(iii) above) the bearer of any Bearer Perpetual Security or the person in whose name a Registered Perpetual Security is registered (as the case may be) and "**holder**" (in relation to a Perpetual Security, Coupon or Talon) means (subject to Condition 1(b)(iii) above) the bearer of any Bearer Perpetual Security, Coupon or Talon or the person in whose name a Registered Perpetual Security is registered (as the case may be), "**Series**" means a Tranche, together with any further Tranche or Tranches, which are (A) expressed to be consolidated and forming a single series and (B) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of distribution and "**Tranche**" means Perpetual Securities which are identical in all respects (including as to listing).
- (v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

## **2. No Exchange of Perpetual Securities and Transfers of Registered Perpetual Securities**

- (a) **No Exchange of Perpetual Securities:** Registered Perpetual Securities may not be exchanged for Bearer Perpetual Securities. Bearer Perpetual Securities of one Denomination Amount may not be exchanged for Bearer Perpetual Securities of another Denomination Amount. Bearer Perpetual Securities may not be exchanged for Registered Perpetual Securities.
- (b) **Transfer of Registered Perpetual Securities:** Subject to Conditions 2(e) and 2(f) below, one or more Registered Perpetual Securities may be transferred upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Perpetual Securities to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or such other Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Perpetual Securities represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Registered Perpetual Securities and entries on the Register will be made subject to the detailed regulations concerning transfers of Registered Perpetual Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar, the Transfer Agent and the Trustee. A copy of the current regulations will be made available by the Registrar to any Perpetual Securityholder upon request. For the avoidance of doubt, a Registered Perpetual Security may be registered only in the name of, and transferred only to, a named person or persons. No transfer of a Registered Perpetual Security will be valid unless and until entered on the Register.
- (c) **Exercise of Options or Partial Redemption or Purchase in Respect of Registered Perpetual Securities:** In the case of an exercise of the Issuer's option in respect of, or a partial redemption or purchase of, a holding of Registered Perpetual Securities represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed or purchased. In the case of a partial exercise of an option resulting in Registered Perpetual Securities of the same holding having different terms, separate Certificates shall be issued in respect of those Perpetual Securities of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Perpetual Securities to a person who is already a holder of Registered Perpetual Securities, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within five business days of receipt of the form of transfer and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method

of delivery and/or such insurance as it may specify. In this Condition 2(d), “**business day**” means a day (other than a Saturday, Sunday or gazetted public holiday) on which banks are open for business in the place of the specified office of the Registrar or the other relevant Transfer Agent (as the case may be).

- (e) **Transfers Free of Charge:** Transfers of Perpetual Securities and Certificates on registration, transfer, exercise of an option or partial redemption (as applicable) shall be effected without charge by or on behalf of the Issuer, the Registrar or the other Transfer Agents, but upon payment by the Perpetual Securityholder of any tax or other governmental charges that may be imposed in relation to it (or the giving by the Perpetual Securityholder of such indemnity and/or security and/or prefunding as the Registrar or the other relevant Transfer Agent may require) in respect of tax or charges.
- (f) **Closed Periods:** No Perpetual Securityholder may require the transfer of a Registered Perpetual Security to be registered (i) during the period of 15 days prior to any date on which the Perpetual Securities may be called for redemption by the Issuer at its option pursuant to Condition 5(b), (ii) after any such Perpetual Security has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 6(b)(ii)).

### 3. Status and Delivery of Financial Statements

- (a) **Senior Perpetual Securities:** This Condition 3(a) applies to Perpetual Securities that are Senior Perpetual Securities (being the Perpetual Securities that specify their status as senior in the applicable Pricing Supplement). The Senior Perpetual Securities and Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.
- (b) **Subordinated Perpetual Securities:** This Condition 3(b) applies to Perpetual Securities that are Subordinated Perpetual Securities (being the Perpetual Securities that specify their status as subordinated in the applicable Pricing Supplement).

#### (i) Status of Subordinated Perpetual Securities

The Subordinated Perpetual Securities and Coupons relating to them constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations of the Issuer. The rights and claims of the Perpetual Securityholders and Couponholders in respect of the Subordinated Perpetual Securities are subordinated as provided in this Condition 3(b).

In these Conditions, “**Parity Obligation**” means any instrument or security (including without limitation any preference units in Cache) issued, entered into or guaranteed by the Issuer (1) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with a Cache Notional Preferred Unit (as defined below) and (2) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof.

#### (ii) Ranking of claims on winding-up

Subject to the insolvency laws of Singapore and other applicable laws, in the event of the Winding-Up (as defined in Condition 9(a)) of Cache, there shall be payable by

the Issuer in respect of each Subordinated Perpetual Security (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to such Perpetual Securityholder if, on the day prior to the commencement of the Winding-Up of Cache, and thereafter, such Perpetual Securityholder were the holder of one of a class of preferred units in the capital of Cache (and if more than one class of preferred units is outstanding, the most junior ranking class of such preferred units) (the “**Cache Notional Preferred Units**”) having an equal right to return of assets in the Winding-Up of Cache and so ranking *pari passu* with the holders of that class or classes of preferred units (if any) which have a preferential right to return of assets in the Winding-Up of Cache, and so rank ahead of the holders of Junior Obligations (as defined in Condition 4(IV)(a)) of the Issuer but junior to the claims of all other present and future creditors of the Issuer (other than Parity Obligations of the Issuer), on the assumption that the amount that such Perpetual Securityholder was entitled to receive in respect of each Cache Notional Preferred Unit on a return of assets in such Winding-Up of Cache were an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Subordinated Perpetual Security together with distributions accrued and unpaid since the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) and any unpaid Optional Distributions (as defined in Condition 4(IV)(c)) in respect of which the Issuer has given notice to the Perpetual Securityholders in accordance with these Conditions.

(iii) **No set-off**

Subject to applicable law, no holder of Subordinated Perpetual Securities or any Coupons relating to them may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them, and each holder of Subordinated Perpetual Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Perpetual Securities or Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Perpetual Securities or any Coupons relating to them by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them is discharged by set-off, such holder of Subordinated Perpetual Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of Cache’s Winding-Up, the liquidator or, as appropriate, administrator of Cache) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of Cache) and accordingly any such discharge shall be deemed not to have taken place.

- (c) **Financial Statements:** The Issuer has further covenanted with the Trustee in the Trust Deed that so long as any of the Perpetual Securities or Coupons remains outstanding it will send to the Trustee (i) as soon as available and in any event within 150 days after the end of each of the financial years of Cache (beginning with the current one), a copy in English of the annual report (if any) and consolidated audited accounts of Cache and the Group as at the end of and for that financial year, together with copies of the related reports and approvals referred to in Clause 15.11.1 of the Trust Deed, (ii) (if and for so long as it is required to prepare such results under the SGX-ST listing rules) as soon as available and in any event within 90 days after the end of the first six months of each of the financial years of Cache (beginning with the current one), a copy (whether physical or electronic) in English of the consolidated unaudited accounts of Cache and the Group as at the end of and for that six-month period and (iii) (if and for so long as it is required

to prepare such results under the SGX-ST listing rules) as soon as available and in any event within 45 days after the end of each financial quarter of Cache, a copy (whether physical or electronic) in English of the consolidated unaudited accounts of Cache and the Group (if any) as at the end of and for that financial quarter.

#### **4. Distribution and other Calculations**

##### **(I) Distribution on Fixed Rate Perpetual Securities**

###### **(a) Distribution Rate and Accrual**

Each Fixed Rate Perpetual Security confers a right to receive distribution on its principal amount outstanding from the Distribution Commencement Date (as defined in Condition 4(II)(c)) in respect thereof and as shown on the face of such Perpetual Security at the rate per annum (expressed as a percentage) equal to the Distribution Rate shown on the face of such Perpetual Security payable in arrear on each Distribution Payment Date or Distribution Payment Dates shown on the face of such Perpetual Security in each year.

The first payment of distribution will be made on the Distribution Payment Date next following the Distribution Commencement Date (and if the Distribution Commencement Date is not a Distribution Payment Date, will amount to the Initial Broken Amount shown on the face of such Perpetual Security).

Distribution will cease to accrue on each Fixed Rate Perpetual Security from the due date for redemption unless, upon due presentation thereof and subject to the provisions of the Trust Deed, payment of the Redemption Amount shown on the face of the Perpetual Security is improperly withheld or refused, in which event distribution at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(I) and the Agency Agreement to the Relevant Date (as defined in Condition 7).

###### **(b) Distribution Rate**

The Distribution Rate applicable to each Fixed Rate Perpetual Security shall be:

- (i) (if no Reset Date is specified in the applicable Pricing Supplement),
  - (1) if no Step-Up Margin is specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security; or
  - (2) if a Step-Up Margin is specified in the applicable Pricing Supplement, (A) for the period from (and including) the Distribution Commencement Date to (but excluding) the Step-Up Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security and (B) for the period from (and including) the Step-Up Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security plus the Step-Up Margin (as specified in the applicable Pricing Supplement); and
- (ii) (if a Reset Date is specified in the applicable Pricing Supplement), (1) for the period from (and including) the Distribution Commencement Date to (but excluding) the First Reset Date specified in the applicable Pricing Supplement,

the rate shown on the face of such Perpetual Security and (2) for the period from (and including) the First Reset Date and each Reset Date (as shown in the applicable Pricing Supplement) falling thereafter to (but excluding) the immediately following Reset Date, the Reset Distribution Rate,

Provided always that if a Cessation or Suspension of Trading Event (as defined in Condition 5(g)) is specified on the face of such Perpetual Security and a Cessation or Suspension of Trading Event Margin is specified in the applicable Pricing Supplement, in the event that a Cessation or Suspension of Trading Event has occurred, so long as the Issuer has not already redeemed the Perpetual Securities in accordance with Condition 5(g), the then prevailing Distribution Rate shall be increased by the Cessation or Suspension of Trading Event Margin with effect from (and including) the Distribution Payment Date immediately following the date on which the Cessation or Suspension of Trading Event occurred (or, if the Cessation or Suspension of Trading Event occurs on or after the date which is two business days prior to the immediately following Distribution Payment Date, the next following Distribution Payment Date).

For the purposes of these Conditions:

**“Comparable Period”** means the period specified as such in the applicable Pricing Supplement;

**“Comparable US Treasury Issue”** means the US Treasury security selected by the Calculation Agent as having a maturity of Comparable Period that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities with a maturity of Comparable Period;

**“Reset Distribution Rate”** means (in the case of Fixed Rate Perpetual Securities which are denominated in Singapore dollars) the Swap Offer Rate, (in the case of Fixed Rate Perpetual Securities which are denominated in US dollars) the US Treasury Rate or such other Relevant Rate to be specified in the applicable Pricing Supplement with respect to the relevant Reset Date plus the Initial Spread (as specified in the applicable Pricing Supplement) plus the Step-Up Margin (if applicable, as specified in the applicable Pricing Supplement) plus the Cessation or Suspension of Trading Event Margin (if applicable, as specified in the applicable Pricing Supplement) as contemplated in the proviso to Condition 4(l)(b) above;

**“Swap Offer Rate”** means:

- (aa) the rate per annum (expressed as a percentage) notified by the Calculation Agent to the Issuer equal to the swap offer rate published by the Association of Banks in Singapore (or such other equivalent body) for a period equal to the duration of the Reset Period specified in the applicable Pricing Supplement on the second business day prior to the relevant Reset Date (the **“Reset Determination Date”**);
- (bb) if on the Reset Determination Date, there is no swap offer rate published by the Association of Banks in Singapore (or such other equivalent body), the Calculation Agent will determine the swap offer rate for such Reset Period (determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates (excluding the highest and the lowest rates) which appears on Page TPIS on the monitor of the Bloomberg Agency under the caption “Tullett Prebon — Rates — Interest Rate Swaps — Asia Pac — SGD” and the column headed “Ask” (or if the Calculation Agent determines that such page has ceased to be the

commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Calculation Agent after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on each of the five consecutive business days prior to and ending on the Reset Determination Date);

- (cc) if on the Reset Determination Date, rates are not available on Page TPIS on the monitor of the Bloomberg Agency under the caption “Tullett Prebon — Rates — Interest Rate Swaps — Asia Pac — SGD” and the column headed “Ask” (or if the Calculation Agent determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Calculation Agent after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on one or more of the said five consecutive business days, the swap offer rate will be the rate per annum notified by the Calculation Agent to the Issuer equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates which are available in such five-consecutive-business-day period or, if only one rate is available in such five-consecutive-business-day period, such rate; and
- (dd) if on the Reset Determination Date, no rate is available on Page TPIS on the monitor of the Bloomberg Agency under the caption “Tullett Prebon — Rates — Interest Rate Swaps — Asia Pac — SGD” and the column headed “Ask” (or if the Calculation Agent determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Calculation Agent after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business in such five-consecutive-business-day period, the Calculation Agent will request the principal Singapore offices of the Reference Banks to provide the Calculation Agent with quotation(s) of their swap offer rates for a period equivalent to the duration of the Reset Period at the close of business on the Reset Determination Date. The swap offer rate for such Reset Period shall be the arithmetic mean (rounded up, if necessary, to four decimal places) of such offered quotations, as determined by the Calculation Agent or, if only one of the Reference Banks provides the Calculation Agent with such quotation, such rate quoted by that Reference Bank,

provided that, in each case, in the event the Swap Offer Rate is less than zero, the Swap Offer Rate shall be equal to zero per cent. per annum; and

**“US Treasury Rate”** means:

- (aa) the rate per annum (expressed as a percentage) notified by the Calculation Agent to the Issuer equal to the yield, under the heading that represents the average for the week immediately prior to the Reset Determination Date appearing in the most recently published statistical release designated “H.15(519)” or any successor publication that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded US Treasury securities adjusted to constant maturity under the caption “Treasury constant maturities” for the maturity corresponding to the Comparable US Treasury Issue for a period equal to the duration of the Reset Period specified in the applicable Pricing Supplement; or

(bb) if during the week preceding the Reset Determination Date, such release (or any successor release) is not published or does not contain such yields, the Calculation Agent will determine the rate for such Reset Period (determined by the Calculation Agent to be the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable US Treasury Issue, calculated using a price for the Comparable US Treasury Issue (expressed as a percentage of its nominal amount) equal to the price for the Comparable US Treasury Issue for the Reset Determination Date),

provided that, in each case, in the event the US Treasury Rate is less than zero, the US Treasury Rate shall be equal to zero per cent. per annum.

**(c) Calculation of Distribution Rate or Reset Distribution Rate**

The Calculation Agent will, on the second business day prior to each Fixed Rate Determination Date, determine the applicable Reset Distribution Rate or (if a Cessation or Suspension of Trading Event has occurred) the applicable Distribution Rate payable in respect of each Perpetual Security. The determination of any rate, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

In these Conditions, “**Fixed Rate Determination Date**” means each Step-Up Date, each Reset Date or (if a Cessation or Suspension of Trading Event has occurred) the Distribution Payment Date immediately following the date on which the Cessation or Suspension of Trading Event occurred (or, if the Cessation or Suspension of Trading Event occurs on or after the date which is two business days prior to the immediately following Distribution Payment Date, the next following Distribution Payment Date).

**(d) Publication of Relevant Distribution Rate or Reset Distribution Rate**

The Calculation Agent will cause (if a Step-Up Margin is specified in the applicable Pricing Supplement) the applicable Distribution Rate, the applicable Reset Distribution Rate or (if a Cessation or Suspension of Trading Event has occurred) the applicable Distribution Rate determined by it to be notified to the Issuing and Paying Agent, the Trustee, the Registrar and the Issuer not later than four business days after its determination. The Issuer shall also cause notice of the then applicable Reset Distribution Rate or (if a Cessation or Suspension of Trading Event has occurred) the applicable Distribution Rate to be notified to the Perpetual Securityholders in accordance with Condition 14 as soon as possible after determination thereof. All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Issuing and Paying Agent, the other Paying Agents, the Registrar, the Transfer Agent, the Trustee and the Perpetual Securityholders and (except as provided in the Agency Agreement) no liability to any such person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

**(e) Determination or Calculation by Trustee**

If the Calculation Agent does not at any material time determine or calculate the applicable Distribution Rate or the applicable Reset Distribution Rate (as the case may be), the Trustee shall do so. In doing so, the Trustee shall apply the provisions of this Condition 4(I), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

**(f) Calculations**

In the case of a Fixed Rate Perpetual Security, distribution in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Perpetual Security. The amount of distribution payable per Calculation Amount (as defined in Condition 4(II)(c)) for any Fixed Rate Distribution Period in respect of any Fixed Rate Perpetual Security shall be calculated by multiplying the product of the Distribution Rate or Reset Distribution Rate and the Calculation Amount, by the Day Count Fraction shown on the Perpetual Security and rounding the resultant figure to the nearest sub-unit of the Relevant Currency (with halves rounded up).

In these Conditions, “**Fixed Rate Distribution Period**” means the period beginning on (and including) the Distribution Commencement Date and ending on (but excluding) the first Distribution Payment Date and each successive period beginning on (and including) a Distribution Payment Date and ending on (but excluding) the next succeeding Distribution Payment Date.

**(II) Distribution on Floating Rate Perpetual Securities**

**(a) Distribution Payment Dates**

Each Floating Rate Perpetual Security confers a right to receive distribution on its principal amount outstanding from the Distribution Commencement Date in respect thereof and as shown on the face of such Perpetual Security, and such distribution will be payable in arrear on each distribution payment date (“**Distribution Payment Date**”). Such Distribution Payment Date(s) is/are either shown hereon as Specified Distribution Payment Date(s) or, if no Specified Distribution Payment Date(s) is/are shown hereon, Distribution Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Distribution Period (as defined below) on the face of the Perpetual Security (the “**Specified Number of Months**”) after the preceding Distribution Payment Date or, in the case of the first Distribution Payment Date, after the Distribution Commencement Date (and which corresponds numerically with such preceding Distribution Payment Date or the Distribution Commencement Date, as the case may be). If any Distribution Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on (and including) the Distribution Commencement Date and ending on (but excluding) the first Distribution Payment Date and each successive period beginning on (and including) a Distribution Payment Date and ending on (but excluding) the next succeeding Distribution Payment Date is herein called a “**Distribution Period**”.

Distribution will cease to accrue on each Floating Rate Perpetual Security from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event distribution will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(II) and the Agency Agreement to the Relevant Date.

(b) **Rate of Distribution - Floating Rate Perpetual Securities**

- (i) Each Floating Rate Perpetual Security confers a right to receive distribution on its principal amount outstanding at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Perpetual Security, being (in the case of Perpetual Securities which are denominated in Singapore dollars) SIBOR (in which case such Perpetual Security will be a SIBOR Perpetual Security), Swap Rate (in which case such Perpetual Security will be a Swap Rate Perpetual Security) or (in the case of Perpetual Securities which are denominated in US dollars) LIBOR (in which case the Perpetual Security will be a LIBOR Perpetual Security) or in any other case (or in the case of Perpetual Securities which are denominated in a currency other than Singapore dollars or US dollars) such other Benchmark as is set out on the face of such Perpetual Security.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Perpetual Security. The “**Spread**” is the percentage rate per annum specified on the face of such Perpetual Security as being applicable to the rate of distribution for such Perpetual Security. The rate of distribution so calculated shall be subject to Condition 4(III)(a) below.

The rate of distribution payable in respect of a Floating Rate Perpetual Security from time to time is referred to in these Conditions as the “**Rate of Distribution**”.

- (ii) The Rate of Distribution payable from time to time in respect of each Floating Rate Perpetual Security will be determined by the Calculation Agent on the basis of the following provisions:
- (1) in the case of Floating Rate Perpetual Securities which are SIBOR Perpetual Securities:
- (A) the Calculation Agent will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Distribution Period which appears on the Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page under the column headed “SGD SIBOR” (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page (as defined below) as may be provided hereon) and as adjusted by the Spread (if any) and the Step-Up Spread (if any);
- (B) if on any Distribution Determination Date, if no such rate appears on the Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page (or such other replacement page as aforesaid) or if the Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page (or such other replacement page as aforesaid) is unavailable for any reason, the

Calculation Agent will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Distribution Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ABS SIBOR FIX - SIBOR AND SWAP OFFER RATES - RATES AT 11:00 HRS SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page as may be provided hereon) and as adjusted by the Spread (if any) and the Step-Up Spread (if any);

- (C) if on any Distribution Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed "SGD SIBOR" (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Distribution Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Distribution Period commencing on such Distribution Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Perpetual Securities. The Rate of Distribution for such Distribution Period shall be the arithmetic mean (rounded up, if necessary, to four decimal places) of such offered quotations and as adjusted by the Spread (if any) and the Step-Up Spread (if any), as determined by the Calculation Agent;
- (D) if on any Distribution Determination Date, two but not all the Reference Banks provide the Calculation Agent with such quotations, the Rate of Distribution for the relevant Distribution Period shall be determined in accordance with (C) above on the basis of the quotations of those Reference Banks providing such quotations;
- (E) if on any Distribution Determination Date, one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Distribution Determination Date and as adjusted by the Spread (if any) and the Step-Up Spread (if any); and
- (F) if the Calculation Agent is unable to determine the Rate of Distribution for a Distribution Period in accordance with paragraphs (b)(ii)(1)(A) to (b)(ii)(1)(E) above, the Rate of Distribution for such Distribution Period shall be the Rate of Distribution in effect for the last preceding Distribution Period to which paragraph (b)(ii)(1)(A), (b)(ii)(1)(B), (b)(ii)(1)(C), (b)(ii)(1)(D) or (b)(ii)(1)(E) above shall have applied;

- (2) in the case of Floating Rate Perpetual Securities which are Swap Rate Perpetual Securities:
- (A) the Calculation Agent will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period as being the rate which appears on the Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page under the column headed "SGD Swap Offer" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Distribution Determination Date and for a period equal to the duration of such Distribution Period and as adjusted by the Spread (if any) and the Step-Up Spread (if any);
  - (B) if on any Distribution Determination Date no such rate is quoted on the Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page (or such other replacement page as aforesaid) or the Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Interest for such Distribution Period as being the rate which appears on the Reuters Screen ABSFIX1 Page under the caption "SGD SOR rates as of 11:00hrs London Time" and under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Distribution Determination Date and for a period equal to the duration of such Distribution Period and as adjusted by the Spread (if any) and the Step-Up Spread (if any);
  - (C) if on any Distribution Determination Date, no such rate is quoted on Reuters Screen ABSFIX1 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFIX1 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Distribution for such Distribution Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to four decimal places)) for a period equal to the duration of such Distribution Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as may be agreed between the Calculation Agent and the Issuer and adjusted by the Spread (if any) and the Step-Up Spread (if any);
  - (D) if on any Distribution Determination Date the Calculation Agent is otherwise unable to determine the Rate of Distribution under paragraphs (b)(ii)(2)(A) and (b)(ii)(2)(B) above or if no agreement on the relevant authority is reached between the Calculation Agent and the Issuer under paragraph (b)(ii)(2)(C) above, the Rate of Distribution shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about 11.00 a.m. (Singapore time) on the first business day following such Distribution Determination Date as being their cost (including the cost occasioned

by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Distribution Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Perpetual Securities for such Distribution Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Distribution Determination Date and as adjusted by the Spread (if any) and the Step-Up Spread (if any); and

- (E) if the Calculation Agent is unable to determine the Rate of Distribution for a Distribution Period in accordance with paragraphs (b)(ii)(2)(A) to (b)(ii)(2)(D) above, the Rate of Distribution for such Distribution Period shall be the Rate of Distribution in effect for the last preceding Distribution Period to which paragraph (b)(ii)(2)(A), (b)(ii)(2)(B), (b)(ii)(2)(C), or (b)(ii)(2)(D) above shall have applied;
- (3) in the case of Floating Rate Perpetual Securities which are LIBOR Perpetual Securities:
- (A) the Calculation Agent will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period as being the offered rate for deposits in US dollars for a period equal to the duration of such Distribution Period which appears on the Bloomberg ICE LIBOR Page under the caption headed "London-Interbank Offered Rate — ICE Benchmark Administration Fixing for US Dollar" (or such replacement page thereof for the purpose of displaying LIBOR) and as adjusted by the Spread (if any) and the Step-Up Spread (if any);
  - (B) if on any Distribution Determination Date, no such rate appears on the Bloomberg Screen ICE LIBOR Page (or such other replacement page as aforesaid) or if the Bloomberg ICE LIBOR Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent shall, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period as being the offered rate for deposits in US dollars for a period equal to the duration of such Distribution Period which appears on the Reuters Screen LIBOR1 Page under the caption "ICE BENCHMARK ADMINISTRATION INTEREST SETTLEMENT RATES — RATES AT 11:00 LONDON TIME" and under the column headed "USD" (or such replacement page thereof for the purpose of displaying the LIBOR or such other Screen Page as may be provided hereon);
  - (C) if on any Distribution Determination Date, no such rate appears on the Reuters Screen LIBOR1 Page under the column headed "USD" (or such other replacement page thereof or if no rate appears on such

other Screen Page as may be provided hereon) or if the Reuters Screen LIBOR1 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will:

- (aa) request the principal London offices of each of the Reference Banks in the London interbank market to provide the Calculation Agent with a quotation of the rate at which deposits in US dollars are offered by it in the London interbank market at approximately the Relevant Time on the Distribution Determination Date to prime banks in the London interbank market for a period equivalent to the duration of such Distribution Period commencing on such Distribution Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Perpetual Securities. The Rate of Distribution for such Distribution Period shall be the arithmetic mean (rounded up, if necessary, to four decimal places) of such offered quotations and as adjusted by the Spread (if any) and the Step-Up Spread (if any), as determined by the Calculation Agent; and
- (bb) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean (rounded up, if necessary, as aforesaid) of the rates quoted by major banks in New York City, selected by the Calculation Agent, at approximately the Relevant Time on such Distribution Determination Date for loans in US dollars to leading banks for a period equal to or comparable to the relevant Distribution Period and in an amount equal to the aggregate principal amount of the relevant Floating Rate Perpetual Securities for such Distribution Period plus the Spread (if any) and the Step-Up Spread (if any), as determined by the Calculation Agent; and
- (D) if the Calculation Agent is unable to determine the Rate of Distribution for a Distribution Period in accordance with paragraphs (b)(ii)(3)(A) to (b)(ii)(3)(C) above, the Rate of Distribution for such Distribution Period shall be the Rate of Distribution in effect for the last preceding Distribution Period to which paragraph (b)(ii)(3)(A), (b)(ii)(3)(B) or (b)(ii)(3)(C) above shall have applied; and
- (4) in the case of Floating Rate Perpetual Securities which are not SIBOR Perpetual Securities, Swap Rate Perpetual Securities or LIBOR Perpetual Securities or which are denominated in a currency other than Singapore dollars or US dollars, the Calculation Agent will determine the Rate of Distribution in respect of any Distribution Period at or about the Relevant Time on the Distribution Determination Date in respect of such Distribution Period as follows:
  - (A) if the Primary Source (as defined below) for the Floating Rate Perpetual Securities is a Screen Page (as defined below), subject as provided below, the Rate of Distribution in respect of such Distribution Period shall be:
    - (aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

(bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Distribution Determination Date,

and as adjusted by the Spread (if any) and the Step-Up Spread (if any);

(B) if the Primary Source for the Floating Rate Perpetual Securities is Reference Banks or if paragraph (b)(ii)(4)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Distribution Determination Date or if paragraph (b)(ii)(4)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Distribution Determination Date, subject as provided below, the Rate of Distribution shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Distribution Determination Date and as adjusted by the Spread (if any) and the Step-Up Spread (if any);

(C) if paragraph (b)(ii)(3)(B) applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Distribution shall be the Rate of Distribution determined on the previous Distribution Determination Date; and

(D) if the Calculation Agent is unable to determine the Rate of Distribution for a Distribution Period in accordance with paragraphs (b)(ii)(4)(A) to (b)(ii)(4)(C) above, the Rate of Distribution for such Distribution Period shall be the Rate of Distribution in effect for the last preceding Distribution Period to which paragraph (b)(ii)(4)(A), (b)(ii)(4)(B) or (b)(ii)(4)(C) above shall have applied.

(iii) On the last day of each Distribution Period, the Issuer will pay distribution on each Floating Rate Perpetual Security to which such Distribution Period relates at the Rate of Distribution for such Distribution Period.

(iv) For the avoidance of doubt, in the event that the Rate of Distribution as determined in accordance with the foregoing in relation to any Distribution Period is less than zero, the Rate of Distribution in relation to such Distribution Period shall be equal to zero.

(c) **Definitions**

As used in these Conditions:

**“Benchmark”** means the rate specified as such in the applicable Pricing Supplement;

**“business day”** means, in respect of each Perpetual Security, (i) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg, the Depository and any other clearing system, as applicable, are

operating, (ii) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the relevant Paying Agent's specified office and (iii) (if a payment is to be made on that day):

- (1) (in the case of Perpetual Securities denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore;
- (2) (in the case of Perpetual Securities denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euros;
- (3) (in the case of Perpetual Securities denominated in Renminbi) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets settle payments in Renminbi and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the Offshore Renminbi Centre; and/or
- (4) (in the case of Perpetual Securities denominated in a currency other than Singapore dollars, Euros and Renminbi) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency;

**"Calculation Amount"** means the amount specified as such on the face of any Perpetual Security or, if no such amount is so specified, the Denomination Amount of such Perpetual Security as shown on the face thereof;

**"Day Count Fraction"** means, in respect of the calculation of an amount of distribution in accordance with Condition 4:

- (i) if "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period divided by 365 (or, if any portion of that Fixed Rate Distribution Period or, as the case may be, Distribution Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Fixed Rate Distribution Period or, as the case may be, Distribution Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Fixed Rate Distribution Period or, as the case may be, Distribution Period falling in a non-leap year divided by 365);
- (ii) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period in respect of which payment is being made divided by 360;
- (iii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period in respect of which payment is being made divided by 365; and

- (iv) if “30/360” is specified in the applicable Pricing Supplement, the number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period divided by 30, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Fixed Rate Distribution Period or, as the case may be, the Distribution Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Distribution Period or, as the case may be, the Distribution Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Fixed Rate Distribution Period or, as the case may be, the Distribution Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Distribution Period or, as the case may be, the Distribution Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Fixed Rate Distribution Period or, as the case may be, the Distribution Period, unless such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Fixed Rate Distribution Period or, as the case may be, the Distribution Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

“**Distribution Commencement Date**” means the Issue Date or such other date as may be specified as the Distribution Commencement Date on the face of such Perpetual Security;

“**Distribution Determination Date**” means, in respect of any Distribution Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Perpetual Security;

“**Euro**” means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

“**Issue Date**” means the date specified as such in the applicable Pricing Supplement;

“**Offshore Renminbi Centre**” means the offshore Renminbi centre(s) specified as such in the applicable Pricing Supplement;

“**Primary Source**” means the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Reuters Monitor Money Rates Service (“**Reuters**”)) agreed to by the Calculation Agent;

**“Reference Banks”** means the institutions specified as such in the applicable Pricing Supplement or, if none, three major banks selected by the Calculation Agent in the interbank market that is most closely connected with the Benchmark;

**“Relevant Currency”** means the currency in which the Perpetual Securities are denominated;

**“Relevant Financial Centre”** means, in the case of distribution to be determined on a Distribution Determination Date with respect to any Floating Rate Perpetual Security, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

**“Relevant Rate”** means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Distribution Period;

**“Relevant Time”** means, with respect to any Distribution Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

**“Renminbi”** means the lawful currency of the People’s Republic of China;

**“Screen Page”** means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

**“TARGET System”** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

### **(III) Calculations**

#### **(a) Determination of Rate of Distribution and Calculation of Distribution Amounts**

The Calculation Agent will, as soon as practicable after the Relevant Time on each Distribution Determination Date determine the Rate of Distribution and calculate the amount of distribution payable (the **“Distribution Amounts”**) in respect of each Calculation Amount of the relevant Floating Rate Perpetual Securities for the relevant Distribution Period. The amount of distribution payable per Calculation Amount in respect of any Floating Rate Perpetual Security shall be calculated by multiplying the product of the Rate of Distribution and the Calculation Amount, by the Day Count Fraction shown on the Perpetual Security and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties and the Perpetual Securityholders.

(b) **Notification**

The Calculation Agent will cause the Rate of Distribution and the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to the Issuing and Paying Agent, the Trustee and the Issuer not later than four business days after their determination. In the case of Floating Rate Perpetual Securities, the Issuer will also cause the Rate of Distribution and the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to Perpetual Securityholders in accordance with Condition 14 as soon as possible after their determination. The Distribution Amounts and the Distribution Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Distribution Period by reason of any Distribution Payment Date not being a business day. If an Enforcement Event occurs in relation to the Floating Rate Perpetual Securities, the Rate of Distribution and Distribution Amounts payable in respect of the Floating Rate Perpetual Securities shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Distribution and Distribution Amounts need to be made unless the Trustee requires otherwise.

(c) **Determination or Calculation by the Trustee**

If the Calculation Agent does not at any material time determine or calculate the Rate of Distribution for a Distribution Period or any Distribution Amount, the Trustee shall do so. In doing so, the Trustee shall apply the provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(d) **Calculation Agent and Reference Banks**

The Issuer will procure that, so long as any Floating Rate Perpetual Security remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Perpetual Security remains outstanding, there shall at all times be an Calculation Agent. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Distribution for any Distribution Period or to calculate the Distribution Amounts, the Issuer shall appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Calculation Agent may not resign from its duties without a successor having been appointed as aforesaid.

**(IV) Distribution Discretion**

(a) **Optional Payment**

If Optional Payment is set out hereon, the Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date by giving notice (an “**Optional Payment Notice**”) to the Trustee, the Issuing and Paying Agent, the Registrar and the Perpetual Securityholders (in accordance with Condition 14) not more than 15 nor less than five business days (or such other notice period as may be specified hereon) prior to a scheduled Distribution Payment Date.

If a Dividend Pusher is set out hereon, the Issuer may not elect to defer any distribution if during the Reference Period (as specified in the applicable Pricing Supplement) ending on the day before that scheduled Distribution Payment Date, either or both of the following (each such event a “**Compulsory Distribution Payment Event**”) have occurred:

- (i) a dividend, distribution or other payment has been declared or paid on or in respect of any of the Issuer’s Junior Obligations or (except on a *pro rata* basis) any of the Issuer’s Specified Parity Obligations; or
- (ii) any of the Issuer’s Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or (except on a *pro rata* basis) any of the Issuer’s Specified Parity Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group (as defined in the Trust Deed) or (2) as a result of the exchange or conversion of Specified Parity Obligations of the Issuer for the Junior Obligations of the Issuer and/or as otherwise specified in the applicable Pricing Supplement.

In these Conditions:

(A) “**Junior Obligation**” means:

- (aa) in respect of Perpetual Securities which are Senior Perpetual Securities, any class of equity capital in Cache and any other instrument or security issued, entered into or guaranteed by the Issuer (including without limitation any preferred units or subordinated perpetual securities) that ranks or is expressed to rank, by its terms or by operation of law, junior to all unsecured obligations of the Issuer from time to time outstanding; and
- (bb) in respect of Perpetual Securities which are Subordinated Perpetual Securities, any class of equity capital in Cache and any other instrument or security issued, entered into or guaranteed by the Issuer, other than any instrument or security (including without limitation any preferred units) ranking in priority in payment and in all other respects to the ordinary units of Cache; and

(B) “**Specified Parity Obligations**” means any instrument or security (including without limitation any preferred units) issued, entered into or guaranteed by the Issuer (aa) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Perpetual Securities and (bb) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof (which excludes, for the avoidance of doubt (1) any payment due to be made in respect of debt owing to any (i) trade creditors and/or (ii) service providers and professionals, (2) any payment due to be made in respect of credit facilities granted by banks and other financial institutions, and (3) any prepayment or redemption prior to the due date of maturity of any senior instrument or security at the option of the Issuer or, as the case may be, the issuer thereof).

If Dividend Pusher is set out hereon, each Optional Payment Notice shall be accompanied, in the case of the notice to the Trustee and the Issuing and Paying Agent, by a certificate signed by two duly authorised signatories of the Issuer confirming that no Compulsory Distribution Payment Event has occurred during the relevant Reference Period. Any such certificate shall be conclusive evidence that no Compulsory Distribution Payment Event has occurred during the relevant Reference Period and the Trustee and the Issuing and Paying Agent shall be entitled to rely without any obligation to verify the same and without liability to any Perpetual Securityholder or any other person on any Optional Payment Notice or any certificate as aforementioned. Each Optional Payment Notice shall be conclusive and binding on the Perpetual Securityholders.

(b) **No obligation to pay**

If Optional Payment is set out hereon and subject to Conditions 4(IV)(c) and 4(IV)(d), the Issuer shall have no obligation to pay any distribution on any Distribution Payment Date and any failure to pay a distribution in whole or in part shall not constitute a default of the Issuer in respect of the Perpetual Securities.

(c) **Non-Cumulative Deferral and Cumulative Deferral**

- (i) If Non-Cumulative Deferral is set out hereon, any distribution deferred pursuant to this Condition 4(IV) is non-cumulative and will not accrue interest. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Issuer may, at its sole discretion, and at any time, elect to pay an amount up to the amount of distribution which is unpaid ("**Optional Distribution**") (in whole or in part) by complying with the notice requirements in Condition 4(IV)(e). There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to this Condition 4(IV).

Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the holders of all outstanding Perpetual Securities and the Coupons related to them on a *pro rata* basis.

- (ii) If Cumulative Deferral is set out hereon, any distribution deferred pursuant to this Condition 4(IV) shall constitute "**Arrears of Distribution**". The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4(IV)(a)) further defer any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to this Condition 4(IV) except that this Condition 4(IV)(c) shall be complied with until all outstanding Arrears of Distribution have been paid in full.
- (iii) If Additional Distribution is set out hereon, each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Perpetual Securities at the Distribution Rate or Rate of Distribution (as the case may be) and the amount of such interest (the "**Additional Distribution Amount**") with respect to Arrears of Distribution shall be due and payable pursuant to this Condition 4 and shall be calculated by applying the applicable Distribution Rate or Rate of Distribution (as the case may be) to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Condition 4. The Additional Distribution Amount accrued up to

any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

**(d) Restrictions in the case of Non-Payment**

If Dividend Stopper is set out hereon and on any Distribution Payment Date, payments of all distributions scheduled to be made on such date are not made in full by reason of this Condition 4(IV), the Issuer shall not and shall procure that none of the subsidiaries of Cache shall:

- (i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations; or
- (ii) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group (as defined in the Trust Deed) or (2) as a result of the exchange or conversion of Specified Parity Obligations of the Issuer for the Junior Obligations of the Issuer, unless and until (A) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the Issuer has satisfied in full all outstanding Arrears of Distribution, (B) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (C) the Issuer is permitted to do so (or to procure or permit the subsidiaries of Cache to do so) by an Extraordinary Resolution (as defined in the Trust Deed) of the Perpetual Securityholders and/or as otherwise specified in the applicable Pricing Supplement.

**(e) Satisfaction of Optional Distribution or Arrears of Distribution**

The Issuer:

- (i) may, at its sole discretion, satisfy an Optional Distribution or Arrears of Distribution, as the case may be (in whole or in part) at any time by giving notice of such election to the Trustee and the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14) not more than 20 nor less than 10 business days (or such other notice period as may be specified hereon) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Optional Distribution or Arrears of Distribution on the payment date specified in such notice); and

- (ii) in any event shall satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earliest of:
  - (1) the date of redemption of the Perpetual Securities in accordance with the redemption events set out in Condition 5 (as applicable);
  - (2) the next Distribution Payment Date following the occurrence of a breach of Condition 4(IV)(d) or following the occurrence of a Compulsory Distribution Payment Event; and
  - (3) the date such amount becomes due under Condition 9 or on a Winding-Up of Cache.

Any partial payment of an Optional Distribution or Arrears of Distribution, as the case may be, by the Issuer shall be shared by the Perpetual Securityholders of all outstanding Perpetual Securities on a *pro-rata* basis.

**(f) No default**

Notwithstanding any other provision in these Conditions, the non-payment of any distribution payment in accordance with this Condition 4(IV) shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 9) on the part of the Issuer under the Perpetual Securities.

**5. Redemption and Purchase**

**(a) No Fixed Redemption Date**

The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 3 and without prejudice to Condition 9) only have the right (but not the obligation) to redeem or purchase them in accordance with the following provisions of this Condition 5.

**(b) Redemption at the Option of the Issuer**

If so provided hereon, the Issuer may, on giving irrevocable notice to the Perpetual Securityholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Perpetual Securities at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Perpetual Securities shall be at their Redemption Amount, together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount) to (but excluding) the date fixed for redemption.

All Perpetual Securities in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Perpetual Securities, the notice to Perpetual Securityholders shall also contain the certificate numbers of the Bearer Perpetual Securities or, in the case of Registered Perpetual Securities, shall specify the principal amount of Registered Perpetual Securities drawn and the holder(s) of such Registered Perpetual Securities, to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Perpetual Securities are listed on any Stock Exchange, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any notice of redemption of such Perpetual Securities.

**(c) Redemption for Taxation Reasons**

The Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount, (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:

- (i) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that:
  - (1) the Perpetual Securities will not be regarded as “debt securities” for the purposes of Section 43N(4) of the Income Tax Act, Chapter 134 of Singapore (“ITA”) and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; and/or
  - (2) the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for “qualifying debt securities” under the ITA; or
- (ii) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due.

Prior to the publication of any notice of redemption pursuant to this Condition 5(c), the Issuer shall deliver to the Trustee (i) a certificate signed by two duly authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) in the case of a notice of redemption pursuant to Condition 5(c)(ii), an opinion of independent legal, tax or any other professional advisers of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment to the laws (or any regulations, rulings, or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax.

**(d) Redemption for Accounting Reasons**

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption)

if, on such Distribution Payment Date or any time prior to or after that Distribution Payment Date, as a result of any changes or amendments to Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council, as amended from time to time (the “**SFRS**”) or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of Cache (the “**Relevant Accounting Standards**”), the Perpetual Securities will not or will no longer be recorded as “equity” of Cache pursuant to the Relevant Accounting Standards.

Prior to the publication of any notice of redemption pursuant to this Condition 5(d), the Issuer shall deliver to the Trustee:

- (i) a certificate, signed by two duly authorised signatories of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and
- (ii) an opinion of the Issuer’s independent auditors stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the Relevant Accounting Standards has taken effect or is due to take effect.

Upon the expiry of any such notice as is referred to in this Condition 5(d), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(d).

**(e) Redemption for Tax Deductibility**

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days’ notice to the Perpetual Securityholders and the Trustee (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:

- (i) the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:
  - (1) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective on or after the Issue Date;
  - (2) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective on or after the Issue Date; or
  - (3) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is announced before the Issue Date,

distributions (including any Arrears of Distribution and any Additional Distribution Amount) by the Issuer are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, regarded as sums “payable by way of interest upon any money borrowed” for the purpose of Section 14(1)(a) of the ITA for Singapore income tax purposes; or

- (ii) the Issuer receives a ruling from the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as sums “payable by way of interest upon any money borrowed” for the purpose of Section 14(1)(a) of the ITA.

Prior to the publication of any notice of redemption pursuant to this Condition 5(e), the Issuer shall deliver or procure that there is delivered to the Trustee:

- (A) a certificate, signed by two duly authorised signatories of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and
- (B) in the case of a notice of redemption pursuant to Condition 5(e)(i), an opinion of the Issuer’s independent tax or legal adviser of recognised standing stating that the circumstances referred to above prevail and the date on which the relevant change, amendment, interpretation or pronouncement has taken place or is due to take effect, or, in the case of a notice of redemption pursuant to Condition 5(e)(ii), the ruling from the Comptroller of Income Tax in Singapore (or other relevant authority) to such effect as stated in Condition 5(e)(ii).

Upon the expiry of any such notice as is referred to in this Condition 5(e), the Issuer shall be bound to redeem all the Perpetual Securities in accordance with this Condition 5(e).

**(f) Redemption in the case of Minimal Outstanding Amount**

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days’ notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

Upon expiry of any such notice as is referred to in this Condition 5(f), the Issuer shall be bound to redeem all the Perpetual Securities in accordance with this Condition 5(f).

**(g) Redemption upon Cessation or Suspension of Trading of Units**

If so provided hereon, in the event that (i) the units of Cache cease to be traded on the SGX-ST or (ii) trading in the units of Cache on the SGX-ST is suspended for a continuous period of more than 10 market days (each, a “**Cessation or Suspension of Trading Event**”), the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on the date on which distribution is due to be paid on such Perpetual Securities or, if earlier, the date falling 45 days after the Effective Date at their Redemption Amount (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption). The Issuer shall forthwith notify the Trustee, the Issuing and Paying Agent and the Perpetual Securityholders of such cessation or listing or trading and the proposed date of redemption of the Perpetual Securities.

For the purposes of this Condition 5(g):

- (1) **“Effective Date”** means (in the case of (i) above) the date of cessation of trading or (in the case of (ii) above) the business day immediately following the expiry of such continuous period of 10 market days; and
- (2) **“market day”** means a day on which the SGX-ST is open for securities trading.

**(h) Redemption upon a Regulatory Event**

If so provided hereon, the Issuer may, at its option, redeem the Perpetual Securities in whole, but not in part, at any time at their principal amount, together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) accrued from the immediately preceding Distribution Payment Date to (but excluding) the date fixed for redemption, on the Issuer giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders and the Trustee (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately prior to the giving of such notice that as a result of any change in, or amendment to, the Property Funds Appendix, or any change in the application or official interpretation of the Property Funds Appendix, the Perpetual Securities count or will count towards the Aggregate Leverage under the Property Funds Appendix (a **“Regulatory Event”**), provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Perpetual Securities will count towards the Aggregate Leverage.

Prior to the publication of any notice of redemption pursuant to this Condition 5(h), the Issuer shall deliver, or procure that there is delivered to the Trustee (with a copy to the Issuing and Paying Agent):

- (i) a certificate, signed by two duly authorised signatories of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and
- (ii) an opinion of the Issuer's independent legal adviser of recognised standing stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to, or change in application or interpretation of, the Property Funds Appendix, took, or is due to take, effect,

and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 5(h), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(h).

For the purposes of this Condition 5(h):

- (1) **“Aggregate Leverage”** means, as defined under the Property Funds Appendix, the total borrowings and deferred payments of a real estate investment trust, or such other definition as may from time to time be provided for under the Property Funds Appendix; and
- (2) **“Property Funds Appendix”** means Appendix 6 of the Code on Collective Investment Schemes, issued by the Monetary Authority of Singapore in relation to real estate investment trusts.

**(i) Redemption upon a Ratings Event**

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, on such Distribution Payment Date or any time after that Distribution Payment Date, an amendment, clarification or change has occurred or will occur in the equity credit criteria, guidelines or methodology of any Rating Agency (as defined in the Trust Deed) requested from time to time by the Issuer to grant an equity classification to the Perpetual Securities and in each case, any of their respective successors to the rating business thereof, which amendment, clarification or change results in a lower equity credit for the Perpetual Securities than the equity credit assigned on the Issue Date or, if equity credit is not assigned on the Issue Date, at the date when equity credit is assigned for the first time ("**Ratings Event**").

Prior to the publication of any notice of redemption pursuant to this Condition 5(i), the Issuer shall deliver, or procure to be delivered, to the Trustee (with a copy to the Issuing and Paying Agent) a certificate, signed by two duly authorised signatories of the Issuer, stating that the circumstances referred to above prevail and setting out the details of such circumstances, and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 5(i), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(i).

**(j) Purchases**

The Issuer and/or any of the respective related corporations of the Issuer and Cache may at any time purchase Perpetual Securities at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons, if any, relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives.

Perpetual Securities purchased by the Issuer and/or any of the respective related corporations of the Issuer and Cache may be surrendered by the purchaser through the Issuer to, in the case of Bearer Perpetual Securities, the Issuing and Paying Agent and, in the case of Registered Perpetual Securities, the Registrar for cancellation or may at the option of the Issuer and/or relevant related corporations be held or resold.

For the purposes of these Conditions, "**directive**" includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

**(k) Cancellation**

All Perpetual Securities purchased by or on behalf of the Issuer and/or any of the respective related corporations of the Issuer and Cache may be surrendered for cancellation, in the case of Bearer Perpetual Securities, by surrendering each such Perpetual Security together with all unmatured Coupons and all unexchanged Talons, if any, to the Issuing and Paying Agent at its specified office and, in the case of Registered Perpetual Securities, by surrendering the Certificate representing such Perpetual

Securities to the Registrar and, in each case, if so surrendered, shall, together with all Perpetual Securities redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons, if any, attached thereto or surrendered therewith). Any Perpetual Securities or Certificates so surrendered for cancellation may not be reissued or resold.

## **6. Payments**

### **(a) Principal and Distribution in respect of Bearer Perpetual Securities**

Payments of principal and distribution in respect of Bearer Perpetual Securities will, subject as mentioned below, be made against presentation and surrender of the relevant Perpetual Securities or Coupons, as the case may be, at the specified office of any Paying Agent by (i) (in the case of payments in a currency other than Euro or Renminbi) transfer to an account maintained by the holder in that currency with a bank in the principal financial centre for that currency or, at the option of the relevant Paying Agent, by a cheque drawn in the currency in which payment is due on, or, at the option of the payee, (ii) (in the case of payments in Euro) by transfer to a Euro account (or any other account to which Euro may be credited or transferred) or, at the option of the relevant Paying Agent, a Euro cheque or (iii) (in the case of payments in Renminbi) transfer to a Renminbi account maintained by or on behalf of the Perpetual Securityholder with a bank in the Offshore Renminbi Centre which processes payments in Renminbi in the Offshore Renminbi Centre.

### **(b) Principal and Distribution in respect of Registered Perpetual Securities**

- (i) Payments of principal in respect of Registered Perpetual Securities will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of the Registrar or any of the other Transfer Agents or of the Registrar and in the manner provided in Condition 6(b)(ii).
- (ii) Distribution on Registered Perpetual Securities shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of distribution on each Registered Perpetual Security shall be made by (i) (in the case of payments in a currency other than Euro or Renminbi) transfer to an account maintained by the holder in that currency with a bank in the principal financial centre for that currency or, at the option of the relevant Paying Agent, by a cheque drawn in the currency in which payment is due on and mailed to the Perpetual Securityholder (or the first name of joint Perpetual Securityholders) at its address appearing on the Register, (ii) (in the case of payments in Euro) by transfer to a Euro account (or any other account to which Euro may be credited or transferred) or, at the option of the relevant Paying Agent, by a Euro cheque or (iii) (in the case of payments in Renminbi) transfer to the Renminbi account maintained by the Perpetual Securityholder with a bank in the Offshore Renminbi Centre which processes payments in Renminbi in the Offshore Renminbi Centre. Upon application by the Perpetual Securityholder to the specified office of the Registrar or any other Transfer Agent before the Record Date, such payment of distribution (other than in the case of payments in Renminbi) may be made by transfer to an account maintained by the Perpetual Securityholder in that currency with, a bank in the principal financial centre for that currency.

**(c) Payments subject to law etc.**

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Perpetual Securityholders or Couponholders in respect of such payments.

**(d) Appointment of Agents**

The Issuing and Paying Agent, the Non-CDP Paying Agent, the Calculation Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar and the Non-CDP Registrar initially appointed by the Issuer and their specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, the Non-CDP Paying Agent, any other Paying Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, any other Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Calculation Agent and to appoint additional or other Paying Agents, Transfer Agents, Registrars and Calculation Agents, provided that it will at all times maintain (i) an Issuing and Paying Agent having a specified office in Singapore and (in the case of Non-CDP Perpetual Securities) a Non-CDP Paying Agent, as the case may be, (ii) a Transfer Agent in relation to Registered Perpetual Securities, (iii) a Registrar in relation to Registered Perpetual Securities and (iv) a Calculation Agent where the Conditions so require.

Notice of any such change in appointment or any change of any specified office will be given to the Perpetual Securityholders within the period specified in the Agency Agreement in accordance with Condition 14.

The Agency Agreement may be amended by the Issuer, the Issuing and Paying Agent, the Non-CDP Paying Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee, without the consent of any Perpetual Securityholder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the Issuing and Paying Agent, the Non-CDP Paying Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee may mutually deem necessary or desirable and which does not, in the opinion of the Issuer, the Issuing and Paying Agent, the Non-CDP Paying Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee, adversely affect the interests of the holders of the Perpetual Securities or the Coupons. Any such modification shall be binding on the Perpetual Securityholders and the Couponholders and, unless otherwise agreed by the Trustee, the Issuer shall cause such modification to be notified to the Perpetual Securityholders and the Couponholders as soon as practicable and in any event within 14 days of the modification in accordance with Condition 14.

**(e) Unmatured Coupons and unexchanged Talons**

- (i) Bearer Perpetual Securities which comprise Fixed Rate Perpetual Securities should be surrendered for payment together with all unmatured Coupons (if any) relating to such Perpetual Securities, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of

principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of three years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

- (ii) Subject to the provisions of the relevant Pricing Supplement, upon the due date for redemption of any Bearer Perpetual Security comprising a Floating Rate Perpetual Security, unmatured Coupons relating to such Perpetual Security (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Perpetual Security, any unexchanged Talon relating to such Perpetual Security (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Bearer Perpetual Security comprising a Floating Rate Perpetual Security is presented for redemption without all unmatured Coupons, and where any Bearer Perpetual Security is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption or repayment of any Perpetual Security is not a due date for payment of distribution, distribution accrued from the preceding due date for payment of distribution or the Distribution Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Perpetual Security or Certificate.

**(f) Talons**

On or after the Distribution Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Perpetual Security, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in exchange for a further Coupon sheet (but excluding any Coupons that may have become void pursuant to Condition 8)(and if necessary another Talon for a further Coupon sheet).

**(g) Non-business days**

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Perpetual Security or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further distribution or other payment in respect of any such delay.

**7. Taxation**

All payments in respect of the Perpetual Securities and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Perpetual Securityholders and the Couponholders of such amounts as

would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Perpetual Security or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

- (a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore otherwise than by reason only of the holding of such Perpetual Security or Coupon or the receipt of any sums due in respect of such Perpetual Security or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore);
- (b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or
- (c) by or on behalf of a holder who would be able to lawfully avoid (but has not so avoided) such withholding or deduction by complying or procuring compliance with any statutory requirements or by making or procuring the making of a declaration or any other statement including, but not limited to, a declaration of residence or non-residence, but fails to do so.

Where the Perpetual Securities are not recognised as debt securities for Singapore income tax purposes, all payments in respect of the Perpetual Securities and the Coupons by or on behalf of the Issuer may be subject to any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax in the same manner as distributions on ordinary units of Cache, and Cache may be obliged (in certain circumstances) to withhold or deduct tax at the prevailing rate (currently 10% or 17%) under Section 45G of the Income Tax Act, Chapter 134 of Singapore. In that event, the Issuer will not pay any additional amounts in respect of any such withholding or deduction from payments in respect of the Perpetual Securities and the Coupons for or on account of any such taxes or duties.

For the avoidance of doubt, neither the Issuer nor any other person shall be required to pay any additional amounts or otherwise indemnify a holder for any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the United States Internal Revenue Code (the “**Code**”) as amended or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement).

As used in these Conditions, “**Relevant Date**” in respect of any Perpetual Security or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Perpetual Securityholders in accordance with Condition 14 that, upon further presentation of the Perpetual Security (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to “**principal**” shall be deemed to include any premium payable in respect of the Perpetual Securities, all Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 5, “**distribution**” shall be deemed to include all

Distribution Amounts and all other amounts payable pursuant to Condition 4 and any reference to “**principal**” and/or “**premium**” and/or “**Redemption Amounts**” and/or “**distribution**” shall be deemed to include any additional amounts which may be payable under these Conditions.

## **8. Prescription**

Claims against the Issuer for payment in respect of the Perpetual Securities and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within three years from the appropriate Relevant Date for payment.

## **9. Non-payment**

### **(a) Non-payment when due**

Notwithstanding any of the provisions below in this Condition 9, the right to institute proceedings for the bankruptcy, termination, winding-up, liquidation, receivership, administration or similar proceedings (the “**Winding-Up**”) in respect of Cache is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4(IV). In addition, nothing in this Condition 9, including any restriction on commencing proceedings, shall in any way restrict or limit the rights of the Trustee or any of its directors, officers, employees or agents to claim from or to otherwise take any action against the Issuer in respect of any costs, charges, fees, expenses or liabilities incurred by such party pursuant to or in connection with the Perpetual Securities or the Trust Deed.

### **(b) Proceedings for Winding-Up**

If (i) a final and effective order is made or an effective resolution is passed for the Winding-Up of Cache or (ii) the Issuer fails to make payment in respect of the Perpetual Securities when due and such failure continues for a period of seven business days after the due date (together, the “**Enforcement Events**”), the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may (but is not obliged to), subject to the provisions of Condition 9(d), institute proceedings for the Winding-Up of Cache and/or prove in the Winding-Up of Cache and/or claim in the liquidation of Cache for such payment.

### **(c) Enforcement**

Without prejudice to Condition 9(b) but subject to the provisions of Condition 9(d), the Trustee may (but is not obliged to) without further notice to the Issuer institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Perpetual Securities or the Trust Deed, as the case may be, (other than any payment obligation of the Issuer under or arising from the Perpetual Securities, including, without limitation, payment of any principal or premium or satisfaction of any distributions (including any damages awarded for breach of any obligations)) provided that in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

### **(d) Entitlement of Trustee**

The Trustee shall not and shall not be obliged to take any of the actions referred to in Condition 9(b) or Condition 9(c) against the Issuer to enforce the terms of the Trust Deed or the Perpetual Securities unless (i) it shall have been so directed by an Extraordinary

Resolution of the Perpetual Securityholders or so requested in writing by Perpetual Securityholders holding not less than 25 per cent. in principal amount of the Perpetual Securities outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

**(e) Right of Perpetual Securityholders or Couponholders**

No Perpetual Securityholder or Couponholder shall be entitled to proceed directly against the Issuer or to institute proceedings for the winding-up or claim in the liquidation of Cache or to prove in such Winding-Up unless the Trustee, having become so bound to proceed or being able to prove in such Winding-Up or claim in such liquidation, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing, in which case the Perpetual Securityholder or Couponholder shall have only such rights against the Issuer and/or Cache as those which the Trustee is entitled to exercise as set out in this Condition 9.

**(f) Extent of Perpetual Securityholders' remedy**

No remedy against the Issuer, other than as referred to in this Condition 9, shall be available to the Trustee or the Perpetual Securityholders or Couponholders, whether for the recovery of amounts owing in respect of the Trust Deed or the Perpetual Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Trust Deed or the Perpetual Securities (as applicable).

**(g) Damages subject to Subordination**

If any court awards money, damages or other restitution for any default with respect to the performance by the Issuer of its obligation contained in the Trust Deed and the Perpetual Securities, the payment of such money, damages or other restitution shall be subject to the subordination provisions set out in these Conditions and in Clause 8.3 of the Trust Deed.

**10. Meeting of Perpetual Securityholders and Modifications**

The Trust Deed contains provisions for convening meetings of Perpetual Securityholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Perpetual Securities of such Series (including these Conditions insofar as the same may apply to such Perpetual Securities) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Perpetual Securityholders holding not less than one-tenth of the principal amount of the Perpetual Securities of any Series for the time being outstanding, and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Perpetual Securityholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Perpetual Securityholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of redemption of the Perpetual Securities or any date for payment of distribution or Distribution Amounts on the Perpetual Securities, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Perpetual Securities, (c) to reduce the rate or rates of distribution in respect of the Perpetual Securities or to vary the method or basis of calculating the rate or rates of distribution or the basis for calculating any Distribution Amount in respect of the Perpetual Securities, (d) to vary any method of, or basis for, calculating the Redemption Amount, (e) to vary the currency or currencies of payment or denomination of the Perpetual Securities, (f) to take

any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (g) to amend the subordination provisions of the Perpetual Securities or (h) to modify the provisions concerning the quorum required at any meeting of Perpetual Securityholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Perpetual Securityholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Perpetual Securityholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the other Issue Documents which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system in which the Perpetual Securities may be held and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed or any of the other Issue Documents, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents, which is in the opinion of the Trustee not materially prejudicial to the interests of the Perpetual Securityholders. Any such modification, authorisation or waiver shall be binding on the Perpetual Securityholders and the Couponholders and, unless the Trustee otherwise agrees in writing, such modification, authorisation or waiver shall be notified by or on behalf of the Issuer to the Perpetual Securityholders as soon as practicable (and in any event within 14 days of such modification, authorisation or waiver) in accordance with Condition 14.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Perpetual Securityholders as a class and shall not have regard to the consequences of such exercise for individual Perpetual Securityholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Perpetual Securities by the terms of the relevant Pricing Supplement in relation to such Series.

## **11. Replacement of Perpetual Securities, Certificates, Coupons and Talons**

If a Perpetual Security, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Perpetual Securities, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Paying Agent or, as the case may be, Transfer Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Perpetual Securityholders in accordance with Condition 14, on payment by the claimant of the costs, expenses and duties incurred in connection therewith and on such terms as to evidence, undertaking security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Perpetual Security, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Perpetual Security, Certificate, Coupon or Talon) and otherwise as the Issuer may require. Mutilated or defaced Perpetual Securities, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

## **12. Further Issues**

The Issuer may from time to time without the consent of the Perpetual Securityholders or Couponholders create and issue further perpetual securities either having the same terms and conditions as the Perpetual Securities in all respects (or in all respects except for the first payment of distribution on them) and so that such further issue shall be consolidated and form a single series with the outstanding perpetual securities of any series (including the Perpetual Securities) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Perpetual Securities include (unless the context requires otherwise) any other perpetual securities issued pursuant to this Condition 12 and forming a single series with the Perpetual Securities. Any further perpetual securities forming a single series with the outstanding perpetual securities of any series (including the Perpetual Securities) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Perpetual Securityholders and the holders of perpetual securities of other series where the Trustee so decides

## **13. Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee or any corporation related to it to enter into business transactions with the Issuer or any of the respective related corporations or affiliates of the Issuer and Cache without accounting to the Perpetual Securityholders or Couponholders for any profit resulting from such transactions.

Each Perpetual Securityholder and Couponholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Perpetual Securityholder and Couponholder shall not rely on the Trustee in respect thereof.

## **14. Notices**

Notices to the holders of Registered Perpetual Securities shall be valid if mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or Sunday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Perpetual Securities will be valid if (a) published in a daily newspaper in the English language of general circulation in Singapore (it is expected that such publication will be made in The Business Times) or (b) an announcement is made through the internet-based submission system operated by the SGX-ST (or, if the holders of any Series of Perpetual Securities can be identified, notices to such holders will also be valid if they are given to each of such holders). Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper or internet-based submission system as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Perpetual Securities in accordance with this Condition 14.

So long as the Perpetual Securities are represented by a Global Security or a Global Certificate and such Global Security or Global Certificate is held in its entirety on behalf of Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system, there may be substituted for such publication in such newspapers or announcement through the internet-based submission system operated by the SGX-ST

the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg, (subject to the agreement of the Depository) the Depository and/or such other clearing system for communication by it to the Perpetual Securityholders, except that if the Perpetual Securities are listed on the SGX-ST and the rules of such exchange so require, notice will in any event be published in accordance with the first paragraph above. Any such notice shall be deemed to have been given to the Perpetual Securityholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or the Depository.

Notices to be given by any Perpetual Securityholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relative Perpetual Security or Perpetual Securities, with the Issuing and Paying Agent (in the case of Bearer Perpetual Securities) or the Registrar (in the case of Certificates). Whilst the Perpetual Securities are represented by a Global Security or a Global Certificate, such notice may be given by any Perpetual Securityholder to the Issuing and Paying Agent or, as the case may be, the Registrar through Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system in such manner as the Issuing and Paying Agent or, as the case may be, the Registrar and Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system may approve for this purpose.

Notwithstanding the other provisions of this Condition, in any case where the identities and addresses of all the Perpetual Securityholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

## **15. Contracts (Rights of Third Parties) Act**

No person shall have any right to enforce any term or condition of the Perpetual Securities under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

## **16. Acknowledgement**

### **(a) Acknowledgement**

Notwithstanding any provision to the contrary in the Trust Deed, the Perpetual Securities and the Coupons, the Trustee, the Perpetual Securityholders and the Couponholders agree and acknowledge that HSBC Institutional Trust Services (Singapore) Limited (“**HSBCIT**”) has entered into the Trust Deed only in its capacity as trustee of Cache and not in its personal capacity and all references to the Issuer in the Trust Deed, the Perpetual Securities and the Coupons shall be construed accordingly. Accordingly, notwithstanding any provision to the contrary in the Trust Deed, the Perpetual Securities and the Coupons, HSBCIT has assumed all obligations under the Trust Deed, the Perpetual Securities and the Coupons in its capacity as trustee of Cache and not in its personal capacity and any liability of or indemnity, covenant, undertaking, representation and/or warranty given by the Issuer under the Trust Deed, the Perpetual Securities and the Coupons is given by HSBCIT only in its capacity as trustee of Cache and not in its personal capacity and any power and right conferred on any receiver, attorney, agent and/or delegate under the Trust Deed, the Perpetual Securities and the Coupons is limited to the assets of or held on trust for Cache over which HSBCIT, in its capacity as trustee of Cache, has recourse and shall not extend to any personal or other assets of HSBCIT or any assets held by HSBCIT as trustee of any other trust (other than Cache). Any obligation, matter, act, action or thing required to be done, performed or undertaken by the Issuer under the Trust Deed, the Perpetual Securities and the Coupons shall only be in connection with matters relating to Cache (and shall not extend to the obligations

of HSBCIT in respect of any other trust or real estate investment trust of which it is a trustee). The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Perpetual Securityholders and the Couponholders under law or equity whether in connection with any negligence, fraud or breach of trust of the Issuer or otherwise.

**(b) Corporate Obligations**

Notwithstanding any provision to the contrary in the Trust Deed, the Perpetual Securities and the Coupons, it is hereby agreed that the Issuer's obligations under the Trust Deed, the Perpetual Securities and the Coupons will be solely the corporate obligations of the Issuer and there shall be no recourse against the shareholders, directors, officers or employees of HSBCIT for any claims, losses, damages, liabilities or other obligations whatsoever in connection with any of the transactions contemplated by the provisions of the Trust Deed, the Perpetual Securities and the Coupons. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Perpetual Securityholders and the Couponholders under law or equity whether in connection with any negligence, fraud or breach of trust of the Issuer or otherwise.

**(c) Proceedings**

For the avoidance of doubt, any legal action or proceedings commenced against the Issuer whether in Singapore or elsewhere pursuant to the Trust Deed, the Perpetual Securities and the Coupons shall be brought against HSBCIT in its capacity as trustee of Cache and not in its personal capacity. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Perpetual Securityholders and the Couponholders under law or equity whether in connection with any negligence, fraud or breach of trust of the Issuer or otherwise.

**(d) Applicability**

This Condition 16 shall survive the termination or rescission of the Trust Deed and the Perpetual Securities. The provisions of this Condition 16 shall also apply, *mutatis mutandis*, to any notice, certificate or other document which the Issuer may issue under or pursuant to the Trust Deed and the Perpetual Securities, as if expressly set out therein.

**17. Governing Law**

**(a) Governing Law**

The Trust Deed, the Perpetual Securities, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of Singapore.

**(b) Jurisdiction**

The courts of Singapore are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, the Perpetual Securities, the Coupons or the Talons and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, the Perpetual Securities, the Coupons or the Talons may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

## CACHE LOGISTICS TRUST

### 1. HISTORY AND BACKGROUND

Cache is a Singapore-based REIT established principally to invest in income-producing real estate used for logistics purposes in Asia-Pacific<sup>1</sup>, as well as real estate-related assets in Asia-Pacific.

Cache was officially listed on the SGX-ST on 12 April 2010 (the “**Listing Date**”). As of the Latest Practicable Date, Cache has a market capitalisation of approximately S\$912.4 million. Since listing in FY2010, Cache has expanded into China (in FY2011) and Australia (in FY2015) through various acquisitions.

The property portfolio of Cache comprises 19 high-quality logistics warehouse properties located in established logistics clusters in Singapore, Australia and China which are well served by good transportation infrastructure. The portfolio has a total Gross Floor Area of approximately 7.5 million sq ft.<sup>2</sup> and an appraised value of approximately S\$1.2 billion as at 31 December 2016.

Cache is managed by ARA-CWT Trust Management (Cache) Limited (the “**Manager**”), a joint-venture REIT management company between ARA Asset Management Limited (“**ARA**”) and CWT Limited (“**CWT**”). The Manager is committed to providing Unitholders with regular and stable distributions, long-term growth in distribution per Unit and NAV per Unit, while maintaining an appropriate capital structure so as to provide a competitive investment return to Unitholders.

As at the Latest Practicable Date, CWT holds approximately 4.1% of the Units. CWT is a leading provider of integrated logistics and supply chain solutions, and operates across multiple markets and geographies, spanning 50 countries, supporting a diverse customer base around the globe. CWT is able to connect customers to around 200 direct ports and 1,600 inland destinations around the world through its network. CWT manages over 10 million sq ft of global warehouse space.

As at the Latest Practicable Date, ARA Real Estate Investors V Limited, an indirect wholly-owned subsidiary of ARA, holds approximately 3.4% of the Units. ARA is a leading real estate fund management group with total assets under management of approximately S\$35 billion as at 30 June 2017. It has an established track record of managing publicly-listed REITs in Singapore, Hong Kong, Malaysia and South Korea such as Suntec REIT (listed in Singapore), Fortune REIT (listed in Singapore and Hong Kong), Cache (listed in Singapore), Prosperity REIT (listed in Hong Kong) and AmFIRST REIT (listed in Malaysia). ARA has a diversified portfolio spanning the office, retail, industrial/office and logistics sectors.

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<sup>1</sup> For the purposes of Cache’s investment mandate, “Asia-Pacific” is defined as Singapore, Malaysia, Indonesia, Philippines, Thailand, Vietnam, China, India, Hong Kong, Macau, Taiwan, Japan, Korea, Australia and New Zealand.

<sup>2</sup> Includes the proposed divestment of Cache Changi Districentre 3 as at 31 December 2016. The legal completion was attained on 23 January 2017.

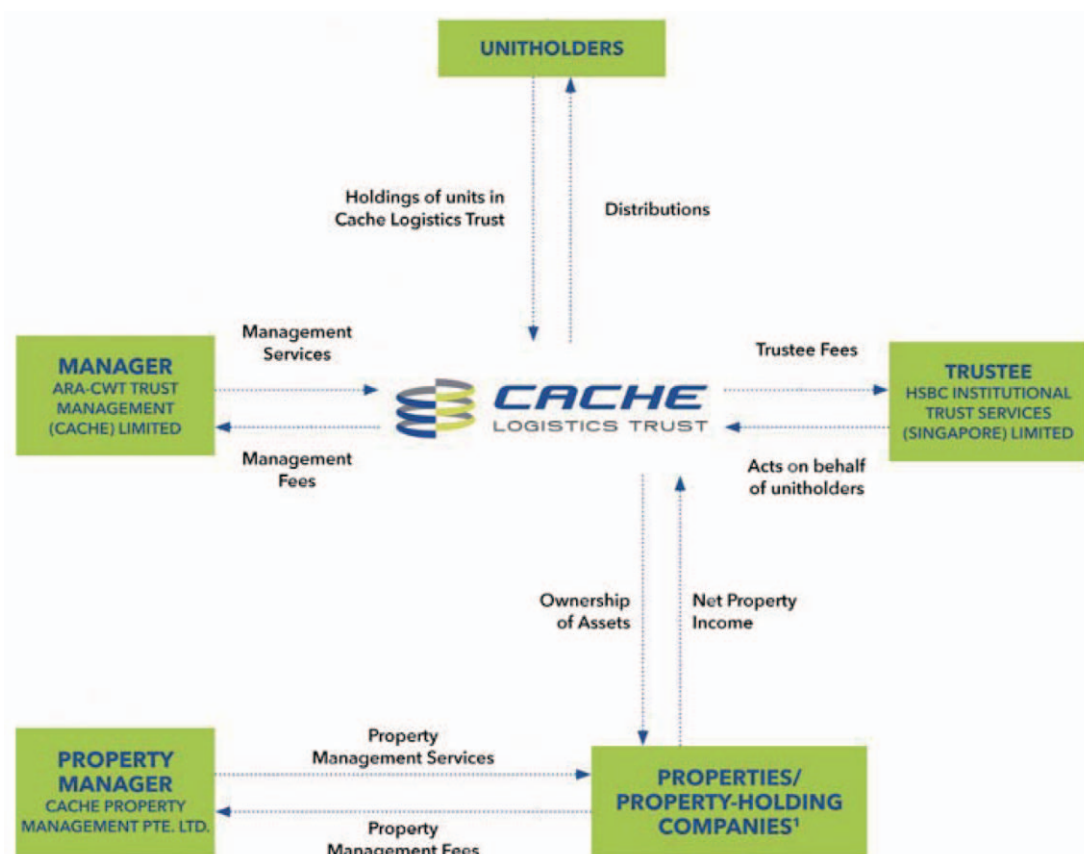
Cache was awarded the Gold Award at the Asia Pacific Best of the Breeds REITs Awards™ 2017 under the Industrial REITs category. This award recognises companies and managers with the highest standards and performance in the Asia Pacific REITs sector. Cache was also named the Bronze winner in 'Best Investor Relations (REITS & Business Trust category)' at the Singapore Corporate Awards 2016 for its outstanding efforts in investor relations and corporate disclosure.

## 2. STRUCTURE OF CACHE

The Manager has general powers of management over the assets of Cache. The Manager's main responsibility is to manage Cache's assets and liabilities for the benefit of Unitholders. The Manager sets the strategic direction of Cache and gives recommendations to the Cache Trustee on the acquisition, divestment and/or enhancement of assets of Cache in accordance with its stated investment policy. The Manager is 60% owned by ARA and 40% owned by CWT.

The Property Manager is responsible for providing property management, lease management, project management, marketing and administration of property tax services for the properties in Cache's portfolio. The Property Manager is 60% owned CWT and 40% owned by ARA.

The following diagram illustrates the relationship between Cache, the Manager, the Property Manager, the Cache Trustee and the Unitholders:



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

## 3. CACHE STRATEGIES

The Manager's key objectives are to achieve regular and stable distributions, long-term growth in distribution and NAV per Unit, while maintaining an appropriate capital structure.

To achieve these objectives, the Manager's strategy includes:

- **Acquisition Growth Strategy:** The Manager will pursue acquisition opportunities that provide attractive cash flows and yields relative to Cache's weighted average cost of capital, and opportunities for future income and capital growth.

#### ***Investment Criteria***

In evaluating these opportunities, the Manager will focus primarily on the following investment criteria:

- ***land lease tenure expiry profile:*** acquiring properties with longer underlying land lease tenure or freehold properties;
- ***location:*** targeting quality locations with convenient access to major transportation networks;
- ***occupancy and tenant characteristics:*** investing in properties with good quality existing tenants or with the potential for higher rentals or higher tenant retention rates, relative to comparable properties in their respective micro-markets, after taking into account the tenant credit quality, rental rates and occupancy trends to estimate rental income and occupancy rates going forward, impact of an acquisition on the entire portfolio's profile with respect to the specific tenant, the tenant's business sector and lease expiry and niche asset positioning (for example Cache Cold Centre) where specific supply is limited and the barriers to entry are high; and
- ***diversification:*** Singapore presently accounts for approximately 83% of the assets, with Australia and China accounting for the other 17% by portfolio valuation. Going forward, the strategy is to pursue opportunities in the Asia-Pacific region, particularly Australia, in order to enhance the geographical spread and tenant base. In assessing overseas acquisitions, the Manager will consider a number of factors, including related risks (sovereign risks, market risks and asset-specific risks), value-adding opportunities, building and facilities specifications.

#### ***Acquisition Process***

Leveraging on its Asian Pacific investment mandate, the Manager aims to pursue yield-accretive acquisitions. The Manager has put in place a rigorous process for the assessment of acquisition opportunities, incorporating:

- a research-driven investment approach focusing on, among other things, national macroeconomic outlook, analysis of the relevant real estate market and detailed asset analysis of the location, tenant profile, risks and asset enhancement opportunities;
- the completion of detailed physical, legal, tax and accounting due diligence prior to the completion of any acquisition to ensure all risks have been properly assessed;
- independent valuation(s) to support the purchase price; and
- detailed analysis of, among other things, the impact of a proposed acquisition on distribution and NAV per Unit and earnings growth prospects.

In assessing overseas acquisitions, the Manager will consider a number of additional factors in its acquisition criteria, including:

- ownership risks (e.g. form of land title, requirement for local partner);
- country risks (e.g. political stability, business environment, law and order);
- currency and tax risks (e.g. currency volatility and difference in tax regime);
- market risks (e.g. property price and rental yield volatility, industry regulation and infrastructure); and
- asset-specific risks (e.g. land tenure, tenant quality and building specifications).

***Right of First Refusal:***

The Sponsor has granted a first right of refusal (“**ROFR**”) to Cache, subject to certain conditions, which provide Cache with access to future acquisition opportunities of income-producing properties located in Asia-Pacific. As at 30 September 2017, 14 properties located in Singapore and Malaysia with an approximate 6.8 million sq ft in GFA are covered by the ROFR. Cache will position itself to take full advantage of these acquisition opportunities.

- **Active Asset Management Strategy:** The Manager will continue to work with the Master Lessees and tenants to mitigate re-leasing risks and to grow organically, thereby increasing the yield of the Properties. As and when applicable, the Manager, together with the Property Manager, intend to maximise returns by implementing the following pro-active asset management strategies through:
  - working closely with the master lessees and end-users to manage lease renewals;
  - improving occupancy and rental rates;
  - diversifying the tenant base across different industries;
  - maintaining high portfolio occupancy;
  - securing longer-term tenure with strong credit-worth end-users;
  - developing customised pro-active marketing plans for each applicable property;
  - rationalising operating costs;
  - tapping on CWT’s knowledge and network where necessary for real estate solutions for end-users;
  - formulating and implementing value-add enhancement initiatives to maintain healthy occupancy levels with a view to increasing overall revenue from the Properties; and
  - offering real estate solutions that meet the logistics requirements of government agencies and other bodies (both local and foreign).

- **Focused Development Strategy:** Within the limits and requirements of the Property Funds Appendix (which currently allows a REIT to commit no more than 25.0% of its deposited property to development and investment in uncompleted property developments), the Manager will prudently undertake development activity when appropriate opportunities arise, while mitigating development, construction, leasing and other financial and general risks.
- **Capital and Risk Management Strategy:** The Manager will endeavour to:
  - maintain a strong balance sheet;
  - optimise Cache's capital structure and cost of capital within borrowing limits;
  - diversify funding sources from both financial institutions and capital markets;
  - diversify Cache's debt expiry profile;
  - use a combination of debt and equity to fund future acquisitions and asset enhancement initiatives; and
  - implement an active interest rate management strategy such as utilising interest rate hedging strategies where appropriate.

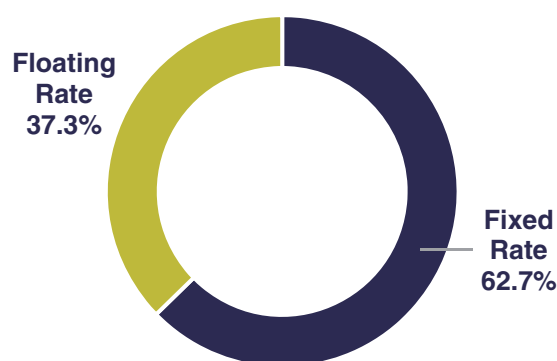
### ***Debt Strategy***

If and when a rating of Cache is obtained, Cache intends to utilise rated debt to raise competitive financing. The Property Funds Appendix allows Cache to borrow up to 45.0% of the value of Cache's Deposited Property.

As at 30 September 2017, Cache had borrowings of approximately S\$548.7 million with an Aggregate Leverage (as defined in the Property Funds Appendix) of 43.6%. On 16 October 2017, Cache repaid S\$99.9 million of its existing borrowings and the aggregate leverage was subsequently reduced to 35.7%. The weighted average debt maturity was 2.0 years and the interest cover ratio was 4.0 times. The Manager continues to maintain a prudent capital structure and sufficient financial flexibility in accessing capital resources at a competitive cost.

### ***Active interest rate management strategy***

Cache intends to adopt an active interest rate management policy to manage the risks associated with changes in interest rates on the facilities while also seeking to ensure that Cache's ongoing cost of debt capital remains competitive. As at 30 September 2017, 69.7% of S\$ borrowings and 50% of onshore A\$ borrowings are hedged into fixed rates.



### **Forex risk management strategy**

Cache adopts appropriate hedging strategies to minimise any risks associated with foreign exchange exposures arising from the cash flows, thereby ensuring predictable returns for the Unitholders when Cache makes an acquisition outside of Singapore. As at 30 September 2017, 94.1% of distributable income is hedged or derived in S\$.



- **Divestment Strategy:** The intention is to hold assets on a long-term basis. However, consideration will be given to divesting properties which have reached a stage that affords limited scope for income growth in order to reinvest sale proceeds towards better potential growth opportunities.
- **Portfolio Rebalancing and Growth Strategy:** In FY2015, Cache embarked on its Portfolio Rebalancing and Growth Strategy, focusing on investments in Australia which offer freehold assets, longer weighted average lease to expiry (“WALE”) and higher NPI Yield, while divesting lesser-performing assets. This is achieved through its portfolio rebalancing and growth strategy where the Manager divests properties within its existing portfolio to recycle capital into better-performing assets.

In FY2015, Cache divested Kim Heng Warehouse located at 4 Penjuru Lane, Singapore by surrendering the lease of Kim Heng Warehouse to JTC Corporation for a consideration sum of S\$9.7 million. The consideration sum represented a 9% premium over the original acquisition price of S\$8.9 million. On 23 January 2017, Cache divested Cache Changi Districentre 3 in Singapore and re-cycled the capital into the acquisition of 217-225 Boundary Road, Laverton North, Victoria, Australia on 22 March 2017.

## **4. COMPETITIVE STRENGTHS**

The Properties enjoy the competitive strengths set out below.

### **Diversified and resilient portfolio of good quality logistics facilities across the Asia-Pacific region**

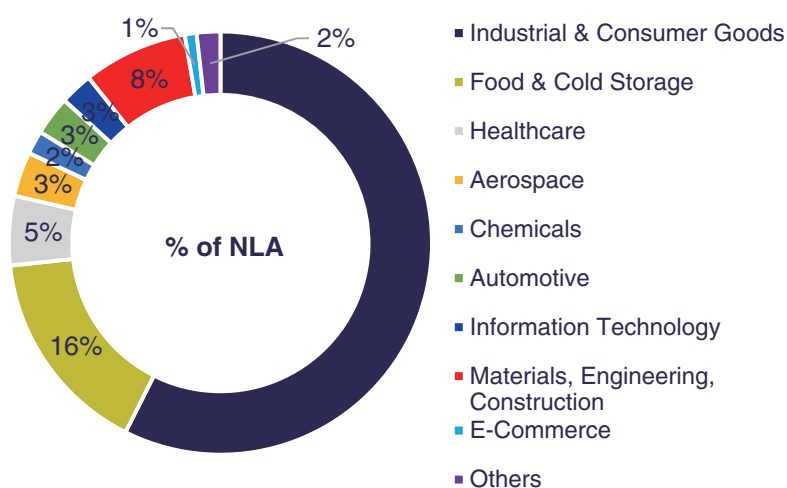
As at 30 September 2017, Cache has a geographically diversified portfolio of 19 high-quality logistics facilities across Singapore, Australia and China. Each of these markets contributed 82%, 17% and 1% respectively to 3Q 2017 Gross Revenue. Equipped with good quality building specifications and strategically located within or near major industrial areas, expressways, ports or airports, these properties are attractive to both existing and potential tenants.

Additionally, as of 30 September 2017, Cache has achieved a greater balance between multi-tenanted and single-user lease structures, each contributing 42% and 58% respectively to 3Q 2017 Gross Revenue. The diversity in geographic location of the properties and lease structures allows Cache to minimise risks associated with reliance on a single location, property or customer. This has provided stability to the income generated from the Properties as a whole.

**Portfolio stability with good customer mix and weighted average lease expiry (by NLA) of approximately 3.3 years**

Cache's quality portfolio is underpinned by a long WALE and the lease expiry profile is well staggered with no more than one-third of the portfolio due for expiry in any year. More than half of all leases by NLA are committed till FY2020 and beyond. A majority of the end-users and tenants of the Properties are multi-national companies at 79% of NLA. The Properties' end-users also come from diverse industry sectors, including industrial & consumer goods, food & cold storage, healthcare, aerospace, chemicals, automotive, information technology, materials, engineering and construction and e-commerce. The diversity in customer and end-user mix of the Properties allows Cache to minimise risks associated with reliance on a single customer group or industry.

**Portfolio Lease Expiry Profile as at 30 September 2017**



**By GFA, 97% of the Singapore Property Portfolio comprises modern ramp-up warehouses with the Australia and China portfolio consisting single storey direct loading access. Ramp-up warehouses have competitive operational and cost advantages in attracting users compared to conventional multi-storey warehouses, also known as “cargo-lift” warehouses**

A user of a ramp-up warehouse enjoys the following key benefits compared to a “cargo-lift” warehouse:

- direct vehicular access to all ramp-accessible warehouse units on all floors which results in improved operational efficiency (turnaround time) for users, as they are able to load and unload goods to and from the trucks directly in front of their warehouse unit, irrespective of which floor the unit is on;
- a wide ramp facilitates smooth movement within each warehouse and allows two container trucks to travel up and down the ramp simultaneously;
- enhanced specifications and improved capacity such as higher floor-to-ceiling height and wider column-grid spacing provide users greater flexibility and capacity in stacking of goods;
- absence of cargo lifts, other machinery and equipment translates into lower utilities, operating and maintenance expenses and replacement costs as well as lower manpower requirements;
- greater versatility and flexibility due to the ability to create versatile storage space allow ramp-up warehouses to target a broader range of end-users, and to partition each floor into smaller units without having to cater for floor plate inefficiencies and limitations arising from the presence of cargo lifts;
- allows uninterrupted warehousing operations under all weather conditions where loading bays are covered; and
- allows for the movement of bulky goods without the size constraints of cargo-lifts.

The above-mentioned benefits for ramp-up warehouse users also translate into the following benefits for ramp-up warehouse owners:

- potentially allows the equivalent of ground floor rents to be charged for every unit in the ramp-up warehouse. This is reflected in the rental premiums that upper-floor units at ramp-up warehouses are able to command relative to upper-floor units at cargo-lift warehouses in the same area;
- have historically enjoyed higher occupancy rates than the market average;
- ramp-up warehouses require large sites with appropriate dimensions relative to conventional warehouses. The shortage of such suitable sites in well-established locations places a natural barrier to competing new supply as demand and preference for ramp-up warehouses grow. In addition, ramp-up warehouses are more resilient and their rents are likely to recover faster than conventional multiple-user cargo-lift warehouse space when the economy improves and *vice versa* would be less adversely impacted during an economic downturn. Ramp-up warehouses are therefore more desirable in land-scarce countries like Singapore; and

- All of the Singapore Portfolio's warehouses (with the exception of Cache Changi Districentre 2 and Air Market Logistics Centre) provide ramp-up access.

**CWT Commodity Hub is one of the largest warehouses in Singapore and one of the largest in Southeast Asia with close to 2.3 million sq ft of GFA, which allows end-users to consolidate their warehouse space**

CWT Commodity Hub's size and scale provides for the following advantages:

- attracting demand from large warehouse users looking to consolidate their logistics activities within Singapore, or to use Singapore as a hub for Asian operations; and
- providing large floor plates for individual warehouse units, which allow users greater efficiencies in moving, consolidating and stacking their goods in one area.

In addition, CWT Commodity Hub is a licensed warehouse for the London Metal Exchange ("**LME**"), which increases demand for storage space from global commodities derivatives trading.

**The Properties are located in strategic locations in established logistics clusters, and in close proximity to major roads linking to air and sea transportation ports and city centres**

All of the Properties are strategically located in or in close proximity to air and seaports, major roads and key logistics areas and have the following competitive advantages:

- both Schenker Megahub and Hi-Speed Logistics Centre are located in ALPS, a 26-hectare FTZ adjacent to Singapore Changi Airport, the only logistics park in Singapore with FTZ status;
- CWT Community Hub, Cache Cold Centre and Pandan Logistics Hub are located in the Penjuru/Pandan area, which is a key logistics cluster. The Penjuru/Pandan area is superior to other locations in the Jurong vicinity as it allows for quicker loading and unloading of containers at warehouses, due to its close proximity to PSA Terminals, the main container terminal in Singapore, Jurong Port, Tuas checkpoint, and at least half of the container yards in Singapore. In addition, due to the critical mass of similar properties in the area, the Penjuru/Pandan area has taken on characteristics similar to a logistics park;
- Cache Changi Districentre 1 and Cache Changi Districentre 2 are located within the Changi International LogisPark (South), while Pan Asia Logistics Centre is located within the Changi International LogisPark (North), which are two of the most established logistics clusters in Singapore and are in close proximity to Singapore Changi Airport;
- 127 Orchard Road, Chester Hill is well connected to major motorways such as the Great Western Highway and M4 Motorway, and enjoys close proximity to three train stations;
- 16-28 Transport Drive, Somerton is located within an established industrial estate within proximity of the Melbourne CBD and Melbourne Airport;
- 404-450 Findon Road, Kidman Park is located in close proximity to the Adelaide CBD, the Adelaide Airport and major motorways;

- 203 and 223 Viking Drive, Wacol are both located within the established industrial precinct of Wacol and enjoy close proximity to major motorways and the Brisbane CBD;
- 51 Musgrave Road, Coopers Plains located at a well-established industrial precinct located approximately 13 km south of the Brisbane CBD; and
- 217-225 Boundary Road, Laverton North located within the established industrial suburb of Laverton North, approx. 18 km west of Melbourne CBD. The site enjoys close proximity to the main east-west link freeways including the Western Ring Road, West Gate and Princes Freeways and is supported by excellent local arterial road transport system.

The excellent infrastructure and arterial road networks connecting the logistics clusters where the Properties are located enhances their attractiveness to existing and potential new tenants.

### **There is strong and diverse demand for the Properties by underlying end-users**

The Properties enjoy strong demand from a diverse spectrum of end-users, as evidenced by the following:

- the Properties are substantially occupied by and contracted to end-users;
- diverse spread of end-users comprising domestic and international companies;
- diverse base of end-users comprising the trade sectors of industrial and consumer goods, commodities and chemical, food and cold storage, aerospace, life sciences/ healthcare, information technology, e-commerce, courier services and hospitality;
- enhanced stability for the Master Lessees and Cache, arising from having multinational corporations accounting for a substantial percentage of the GFA of the Properties;
- balanced lease expiry profile to reduce concentration risk of leases expiring in any one year;
- a relatively high tenant retention rate of 82.3% in FY2016; and
- a substantial percentage of the GFA of the Properties is occupied by direct counterparties of the Master Lessees being third party logistics service providers (“3PLs”)<sup>3</sup> and third party end-users.

**Cache Cold Centre is the first ramp-up cold storage warehouse and one of the largest cold storage facilities in Singapore. Cache Cold Centre is able to benefit from the increased market demand for the convenience of packaged frozen food**

Cache Cold Centre’s competitive strengths include:

- its design and specifications, which allow for an unbroken cold chain, the direct loading and unloading into the cold storage facility without the goods being exposed;
- the favourable demand and supply dynamics for cold storage facilities;

<sup>3</sup> Definition as provided by the Council of Supply Chain Management Professionals.

- the potential to leverage on the growth in demand for the convenience of frozen and packaged food due to changing lifestyles and the increasing popularity of supermarkets/hypermarkets over traditional wet markets in Singapore;
- the higher barriers to entry due to high initial set up costs; and
- its strategic location near Jurong Port which provides an advantage in storing frozen goods transported by sea.

**Schenker Megahub and Hi-Speed Logistics Centre are two of the only 11 properties located in the Airport Logistics Park of Singapore, the only logistics park in Singapore with free trade zone status. ALPS is adjacent to Singapore Changi Airport, and offers savings on duties and efficiency in customs clearance to logistics service providers and end-users located within the FTZ. In addition, Schenker Megahub is the largest freight and logistics property in ALPS sited on land area in excess of two hectares**

ALPS is a unique 26-hectare FTZ adjacent to Singapore Changi Airport, catering in particular to air cargo and fast moving goods, and is also the only logistics park in Singapore with FTZ status.

Properties in ALPS benefit from excellent connectivity to Singapore Changi Airport, and offer logistics service providers and end-users within the FTZ superior handling efficiencies and savings on duties, documentation time, customs clearance and transportation due to its status as a FTZ. In addition, Schenker Megahub is the largest freight and logistics property in ALPS, which allows it to cater to end-users with large space requirements in ALPS.

There is limited potential new competing supply at ALPS with only one unallocated plot remaining at ALPS.

**Cache Changi Districentre 1 is one of only two ramp-up warehouses within Changi International LogisPark (South), one of the most established logistics clusters in Singapore, with no additional potential supply expected due to the fact that all available land plots in the area are fully allocated.**

Cache Changi Districentre 1's location is ideal for international logistics specialists because of its easy access to major expressways such as the Tampines Expressway, the East Coast Parkway and the Pan-Island Expressway. The property is located approximately 14 km from the city centre and enjoys close proximity to Changi Airport, Changi Business Park and Singapore Expo.

## **5. PORTFOLIO STATISTICS AND DETAILS**

### **CERTAIN INFORMATION ON THE PROPERTIES**

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

Cache's portfolio serves a diverse group of multinational and local 3PLs. 3PLs are firms that provide multiple logistics services for use by customers. These services include transportation, warehousing, inventory management, packaging and freight forwarding.

## Singapore

In the eastern part of Singapore, Cache's properties are located in major logistics clusters near the international airport in the Airport Logistics Park of Singapore, Changi International LogisPark (South), Changi International LogisPark (North), Loyang Industrial Estate and the new Tampines LogisPark. The properties in the western part of Singapore are located in the Penjuru, Pandan and Gul Way areas. These locations enjoy close proximity to the Port Authority of Singapore Terminals, Jurong Port, Tuas checkpoints and at least half of the container yards in Singapore. These areas are considered superior to other locations in the Jurong vicinity as they allow for a faster turnaround time for logistics operators.

These properties are (i) CWT Commodity Hub, (ii) Cache Cold Centre, (iii) Pandan Logistics Hub, (iv) Precise Two, (v) Schenker Megahub, (vi) Hi-Speed Logistics Centre, (vii) Cache Changi Districentre 1, (viii) Cache Changi Districentre 2, (ix) Pan Asia Logistics Centre, (x) Air Market Logistics Centre and (xi) DHL Supply Chain Advanced Regional Centre.

Cache's Singapore portfolio makes up approximately 83% in portfolio value.

## Australia

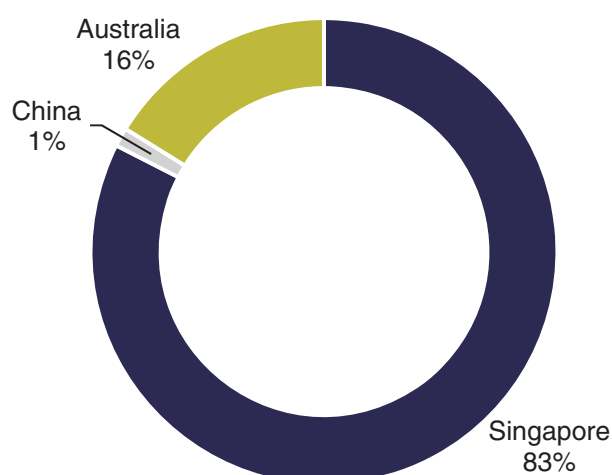
In FY2015, Cache acquired six quality, well-located logistics warehouses, leveraging on the major trade and distribution cities of Melbourne, Sydney, Brisbane and Adelaide. The six logistics warehouses in Australia are located in well-established industrial precincts in the major trade and distribution cities of Melbourne, Sydney, Brisbane and Adelaide.

In March 2017, Cache completed the acquisition of its 7th logistics warehouse in Laverton North, a suburb of Melbourne, for a purchase consideration of A\$22.25 million from Challenger Life CDI Nominees Pty Limited (as trustee for Challenger Diversified Property Trust).

Cache's Australian portfolio currently comprises the following properties: (i) 127 Orchard Road, Chester Hill, NSW, (ii) 404-450 Findon Road, Kidman Park, SA, (iii) 51 Musgrave Road, Coopers Plains, QLD, (iv) 203 Viking Drive, Wacol, QLD, (v) 223 Viking Drive, Wacol, QLD, (vi) 16-28 Transport Drive, Somerton, VIC, (vii) 217-225 Boundary Road, Laverton North, VIC.

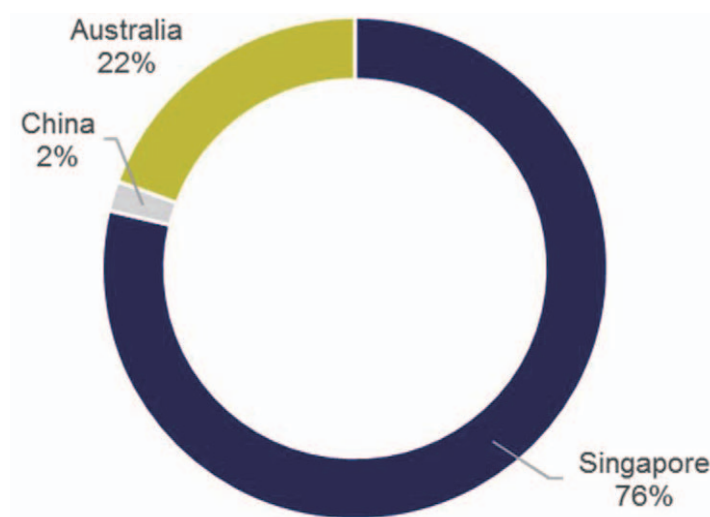
Cache's Australian portfolio makes up approximately 16% in portfolio value<sup>4</sup> and 22% in Gross Floor Area as at 30 September 2017.

## Portfolio Valuation



<sup>4</sup> Based on independent annual valuations as at 31 Dec 2016.

## Gross Floor Area



## China

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

## PORTFOLIO OVERVIEW

	As at 31 December 2014 <sup>(1)</sup>	As at 31 December 2015 <sup>(1)</sup>	As at 31 December 2016 <sup>(2)</sup>	As at 30 September 2017
Number of Properties	14 Properties comprising: 13 in Singapore 1 in Shanghai, China	19 Properties comprising: 12 in Singapore 6 in Australia 1 in Shanghai, China	19 Properties comprising: 12 in Singapore <sup>(2)</sup> 6 in Australia 1 in Shanghai, China	19 Properties comprising: 11 in Singapore 7 in Australia 1 in Shanghai, China
Portfolio Value	S\$1,120.2 million	S\$1,308.0 million	S\$1,236.4 million	S\$1,234.7 million <sup>(3)</sup>
Gross Floor Area	6,106,509 square feet	7,508,508 square feet	7,508,508 square feet	7,554,615 square feet
Average Building Age	6.8 years	10.0 years	11.0 years	12.0 years
Number of Tenants	11	36	38	40
Tenant Trade Sector	100% Logistics and Warehousing	100% Logistics and Warehousing	100% Logistics and Warehousing	100% Logistics and Warehousing
Portfolio Committed Occupancy	97.9%	94.9%	96.4%	97.3%
Property Features	10 properties – Ramp-up 2 properties – Cargo Lift 2 properties – Single Storey	10 properties – Ramp-up 2 properties – Cargo Lift 7 properties – Single Storey	10 properties – Ramp-up 2 properties – Cargo Lift 7 properties – Single Storey	9 properties – Ramp-up 2 properties – Cargo Lift 8 properties – Single Storey

### Notes:

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

- (2) Includes the proposed divestment of Cache Changi Districentre 3 as at 31 December 2016. The legal completion was attained on 23 January 2017.
- (3) Based on independent valuations as at 31 December 2016 and taking into account the divestment of Changi Districentre 3 on 23 January 2017 and the acquisition of Laverton North on 22 March 2017.

## **PORTFOLIO VALUATION**

The portfolio was valued at S\$1,236.4 million as at 31 December 2016, lower by S\$71.6 million or 5.5% over the total value of investment properties as at 31 December 2015. The downward revaluation was mainly attributable to lower appraised values in the Singapore portfolio valued at S\$1,044.0 million as at 31 December 2016.

## **PORTFOLIO OCCUPANCY**

Cache maintained a strong portfolio committed occupancy of 97.3% as at 30 September 2017, which compares favourably with the Singapore industrial warehouse average occupancy rate of approximately 87.5% in the third quarter of 2017. With a quality warehouse portfolio and proactive lease management, Cache continues to draw robust demand for logistics space from 3PLs and other logistics operators.

## **LEASE EXPIRY PROFILE**

Out of approximately 296,200<sup>1</sup> sq ft of leases due to expire in 2017, Cache has renewed approximately 222,100 sq ft of leases as at 30 September 2017. Additionally, Cache has secured forward renewals of approximately 16,000 sq ft for leases due to expire in 2018.

Cache's quality portfolio is underpinned by a long WALE and the lease expiry is well staggered with no more than one-third of the portfolio due for expiry in any year. Cache has a well-staggered lease expiry profile with more than half of all leases committed till 2020 and beyond.

## **CERTAIN INFORMATION ON THE MASTER LESSEES**

### **CWT**

The Master Lessee of CWT Commodity Hub and Pandan Logistics Hub is CWT. CWT is a leading provider of integrated logistics solutions and Singapore's largest home-grown logistics provider.

### **Metcash Trading Limited**

The Master Lessee of 404-450 Findon Road, Kidman Park, Adelaide, South Australia is Metcash Trading Limited ("**Metcash**"). Incorporated in 1935, Metcash is an ASX 100 public company with headquarters in Sydney. Its diverse business operations include servicing its customers in supermarkets, convenience stores as well as wholesale and retail hardware and automotive parts.

### **Western Star Trucks Australia Pty Ltd**

The Master Lessee of 223 Viking Drive and 203 Viking Drive in Wacol, Queensland, Australia is Western Star Trucks Australia Pty Ltd ("**WSTA**"), a subsidiary of Penske Automotive Group ("**PAG**") which is listed on the New York Stock Exchange. WSTA is the exclusive importer and distributor of commercial trucks and other vehicles in Australia.

<sup>1</sup> Excluding lease expiries at Cache Changi Districentre 3 which was divested in January 2017

## **Relationship between the Master Lessees and Cache**

Each of the Master Leases entered into between the Master Lessees (as opposed to a single-tenant in any one building) and the Cache Trustee is structured as triple-net leases.

Subject to certain limitations set out in the respective Master Leases, the Master Leases will have all the rights and liabilities vis-à-vis the end-user(s) (both new and existing) and will be responsible for all the ongoing property operating expenses relating to the respective properties.

At the time of entering into a Master Lease, the respective Master Lessee is required to pay an upfront security deposit in the form of cash or bank guarantees. Under the terms of the Master Lease Agreements, the Master Lessee is granted the option to renew the Master Lease, subject to certain conditions. The notice to renew the Master Lease must be given not later than three months before the expiry of the lease renewal confirmation date, being 15 months before the expiry of the initial lease term. The Master Lessee must enter into the renewed Master Lease Agreement on or before the lease renewal confirmation date.

## **Relationship between the Master Lessees and the end-users**

Each of the Master Lessees receives service fees (which may include components of a warehouse usage charge, a warehouse service fee and a maintenance fee) from the Service End-Users of each of the Properties for the provision of certain services and premises in the relevant Property pursuant to the terms of the Service Agreements that have been entered into between the Master Lessees and the Service End-Users. Service End-Users include industrial companies, third party logistics companies and other companies. The term of the Service Agreements entered into with the Service End-Users depends on factors such as the needs of the Service End-Users and market conditions.

At the time of entering into a Service Agreement, each of the Service End-Users is required to pay the Master Lessee a retention fee for due observance and performance of the relevant Service End-User's covenants and conditions of the Service Agreement. In the event that the Service End-User wrongfully terminates without cause the Service Agreement prematurely, such retention fee shall be forfeited in favour of the Master Lessee. In such event, unless otherwise agreed to by the Master Lessee, the Service End-User is required to pay the service fee for the remaining unexpired period of the Service Agreement.

The services provided by the Master Lessees to the Service End-Users include, amongst others, bundling, packaging, reverse logistics, transportation, inventory management, freight and use of space.

## **Rental escalation and pricing determinants**

The current agreements for single-tenanted properties in Singapore are structured with predominantly triple-net rental and built-in rental escalation of between 1% and 2% per annum over the lease term. For the Australian portfolio, the leases for single-tenanted properties are structured with built-in annual rental escalations of between 3% and 4%, or yearly percentage change in the local Consumer Price Index.

## DESCRIPTION OF PROPERTIES AS OF 31 DECEMBER 2016

### CWT COMMODITY HUB

#### Description

CWT Commodity Hub, which is located at 24 Penjuru Road, is the largest warehouse in Singapore and one of the largest in Southeast Asia. The property comprises approximately 2.3 million sq ft of GFA over five levels in two adjoining warehouse buildings served by a central vehicular ramp. The integrated warehouse complex includes ramp-up warehouses with mezzanine offices and office annex, as well as a 103,793 sq ft ancillary container yard. The average floor plate of 448,000 sq ft of GFA per storey allows users greater efficiencies in consolidating and stacking their goods in one area. The building boasts a ceiling height of up to 10 metres, allowing users greater efficiencies in the movement of goods.

Additionally, approximately 100,000 sq ft of GFA is licensed as LME approved warehouse space for metals. CWT Commodity Hub's status as an LME approved warehouse generates additional demand for storage space arising from global commodities derivatives trading.

CWT Commodity Hub is located within the Penjuru/Pandan area in the Jurong Industrial Estate, a key logistics cluster with close proximity to the sea ports. CWT Commodity Hub is well served by major arterial roads and transport networks such as the nearby Ayer Rajah Expressway/Pan Island Expressways/West Coast Highways and Jurong East Mass Rapid Transit ("MRT") station.

The master lease at CWT Commodity Hub with the Sponsor was renewed for three years to April 2018.

The table below sets out a summary of selected information on CWT Commodity Hub.

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

## CACHE COLD CENTRE

### Description

Formerly named “CWT Cold Centre”, Cache Cold Centre is located at 2 Fishery Port Road, and is the first ramp-up cold storage warehouse and one of the largest multi-temperature controlled logistics facilities in Singapore. The property comprises a two-storey ramp-up warehouse with mezzanine ancillary offices and has 35 loading/unloading bays with dock-levellers. The use of multi-temperature controls also allows for the temperature of each warehouse unit to be set independently.

Cache Cold Centre is built with reinforced concrete with post-tension floor slabs and structural steel roof constructed on a pile foundation, with a special insulation layer to enhance the efficiencies of its cold rooms. Each floor enjoys high clearance, minimal column interruption and 18 raised docks with dock-levellers. The ramp is designed so that multiple 40-foot container trucks can travel up and down the ramp at the same time.

The property is located in a food zone within Jurong Industrial Estate, Fishery Port. It is also well served by major expressways/roads such as Fishery Port Road, Jalan Buroh and Jurong Port Road with easy access via the AYE, and Jurong East MRT station, and is approximately 15km from the city centre. As a result, Cache Cold Centre enjoys a competitive advantage for the storage and distribution of frozen goods transported by sea.

The table below sets out a summary of selected information on Cache Cold Centre.

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

## SCHENKER MEGAHUB

### Description

Schenker Megahub, located at 51 Alps Avenue, is the largest freight and logistics property located at the ALPS, the free trade zone adjacent to Singapore Changi Airport. The property comprises an eight-storey ramp-up logistics facility with four levels of warehouse and ancillary offices, and 44 loading/unloading bays with dock-levellers. Built with temperature and humidity controlled facilities, the property was purpose-built for Schenker Singapore Pte. Ltd.

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

The table below sets out a summary of selected information on Schenker Megahub.

<b>Valuation</b>	S\$80.9 million
<b>Valuation Date</b>	31 December 2016
<b>Purchase Consideration</b>	S\$99.0 million
<b>Acquisition Date</b>	12 April 2010
<b>Property Type</b>	Ramp-up logistics warehouse with ancillary office facilities
<b>Leasehold Title Expiry</b>	30+30 years from 1 June 2005
<b>Land Area</b>	220,145 sq ft
<b>Gross Floor Area</b>	439,956 sq ft
<b>Net Lettable Area</b>	439,956 sq ft
<b>Maximum Plot Ratio</b>	2.00
<b>Current Plot Ratio</b>	2.00
<b>Lease Type</b>	Single Tenant
<b>Tenant</b>	Schenker Singapore Pte. Ltd.
<b>Occupancy</b>	100%

### ***Lease in relation to 51 Alps Avenue, Singapore 498783***

On 31 October 2017, Cache announced that a settlement had been reached in a dispute surrounding a legal case brought by Schenker Singapore Pte Ltd ("**Schenker**"), the end-user occupying 51 Alps Avenue, Singapore 498783 ("**51 Alps**") in May 2016.

The 31 October 2017 announcement indicated that the Manager, Cache Trustee, Schenker, C&P and C&P Holdings Pte Ltd agreed to an amicable resolution of the dispute and, subsequently, steps were taken by the parties to discontinue the legal proceedings. Additionally, the Cache Trustee and Schenker entered into a fresh lease agreement where Schenker is presently leasing 100% of the property for a period of 46-months commencing from 1 November 2017 till 31 August 2021.

## HI-SPEED LOGISTICS CENTRE

### Description

Hi-Speed Logistics Centre, which is located at 40 Alps Avenue, is a modern logistics facility comprising four levels of warehouse and ancillary office space with 20 loading/unloading bays with dock-levellers. The warehouse is vertically accessed via a combination of ramp and cargo lifts, and caters to end-users' need for heavy loading and high ceiling height.

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

The table below sets out a summary of selected information on Hi-Speed Logistics Centre.

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

## CACHE CHANGI DISTRICTCENTRE 1

### Description

Formerly named “C&P Changi Districtcentre”, Cache Changi Districtcentre 1 is located at 5 Changi South Lane and comprises a six-storey ramp-up warehouse with ancillary office space and has 53 loading/unloading bays with dock-levellers.

Cache Changi Districtcentre 1’s location is ideal for international logistics specialists such as TNT Express Worldwide (S) Pte. Ltd., the anchor tenant, because of its easy access to major expressways such as the Tampines Expressway, the East Coast Parkway and the Pan-Island Expressway. Cache Changi Districtcentre 1 is located approximately 14km from the city centre and enjoys close proximity to Changi Airport, Changi Business Park and Singapore Expo.

The table below sets out a summary of selected information on Cache Changi Districtcentre 1.

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

## DHL SUPPLY CHAIN ADVANCED REGIONAL CENTRE

### Description

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

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

The table below sets out a summary of selected information on DHL Supply Chain Advanced Regional Centre.

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

## PAN ASIA LOGISTICS CENTRE

### Description

Pan Asia Logistics Centre, located at 21 Changi North Way, is a four-storey ramp-up warehouse with ancillary office space. Completed in 2011, Pan Asia Logistics Centre has 16 loading/unloading bays with dock levelers.

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

The table below sets out a summary of selected information on Pan Asia Logistics Centre.

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

## PANDAN LOGISTICS HUB

### Description

Pandan Logistics Hub, located at 49 Pandan Road, is a five-story ramp-up warehouse with ancillary office space. The property, completed in 2011, provides a floor loading capacity of up to 50hN/m<sup>2</sup> on the ground floor and has loading/unloading bays with a total of 25 dock-levellers.

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

The table below sets out a summary of selected information on Pandan Logistics Hub.

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

## PRECISE TWO

### Description

Precise Two, located at 15 Gul Way, 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<sup>2</sup> on the ground floor and 35kN/m<sup>2</sup> on the second and third floors.

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

The table below sets out a summary of selected information on Precise Two.

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

## CACHE CHANGI DISTRICT CENTRE 2

### Description

Formerly named “C&P Changi District Centre 2”, Cache Changi District Centre 2 is located at 3 Changi South Street 3 and 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.

Cache Changi District Centre 2 is located within Changi International LogisPark (South), one of Singapore’s most established logistics clusters. It is well served by major expressways/roads such as East Coast Parkway and the Pan-Island Expressway, and is approximately 16 km from the city center. It also enjoys close proximity to Changi Airport, Changi Business Park and Singapore Expo.

The table below sets out a summary of selected information on Cache Changi District Centre 2.

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

## AIR MARKET LOGISTICS CENTRE

### Description

Air Market Logistics Centre, located at 22 Loyang Lane, is a five-storey warehouse comprising warehouse space and ancillary office space, and has six loading/unloading bays with dock-levellers.

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

The table below sets out a summary of selected information on Air Market Logistics Centre.

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

## 127 ORCHARD ROAD, CHESTER HILL

### Description

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

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

The table below sets out a summary of selected information on 127 Orchard Road, Chester Hill, New South Wales, Australia.

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

## 16-28 TRANSPORT DRIVE, SOMERTON

### Description

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

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

The table below sets out a summary of selected information on 16-28 Transport Drive, Somerton, Victoria, Australia.

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

## 51 MUSGRAVE ROAD, COOPERS PLAINS

### Description

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

The table below sets out a summary of selected information on 51 Musgrave Road, Coopers Plains, Queensland, Australia.

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

## 404-450 FINDON ROAD, KIDMAN PARK

### Description

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

The table below sets out a summary of selected information on 404-450 Findon Road, Kidman Park, Adelaide, South Australia, Australia.

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

## 203 VIKING DRIVE, WACOL

### Description

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

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

The table below sets out a summary of selected information on 203 Viking Drive, Wacol, Queensland, Australia.

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

## 223 VIKING DRIVE, WACOL

### Description

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

The table below sets out a summary of selected information on 223 Viking Drive, Wacol, Queensland, Australia.

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

## JINSHAN CHEMICAL WAREHOUSE

### Description

Jinshan Chemical Warehouse is located at 288 Gongchuang Road, Caojing Town, Jinshan District, Shanghai, China. Jinshan Chemical Warehouse comprises four blocks of single-storey dangerous goods warehouses with ancillary office space.

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

The table below sets out a summary of selected information on Jinshan Chemical Warehouse.

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

## 217-225 BOUNDARY ROAD, LAVERTON NORTH (ACQUIRED IN MARCH 2017)

### Description

The single-storey warehouse with ancillary office space is located within the established industrial suburb of Laverton North, Victoria, Australia, approximately 18km west of Melbourne CBD. The site enjoys close proximity to the main east-west link freeways including the Western Ring Road, West Gate and Princes Freeways, and is supported by an excellent local arterial road transport system. The Laverton North industrial precinct has developed significantly over the past 10 years as a prime transport and logistics hub occupied by major 3PLs, retail and wholesale distribution centres, and transportation companies. The area is slated to benefit from improvement works associated with the Western Distributor road network in the longer term as announced by the authorities.

The property enjoys good logistics warehouse specifications, including a warehouse ceiling height clearance of 9.3 metres, cross-dock features as well as 19 loading/unloading bays.

The table below sets out a summary of selected information on 217-225 Boundary Road, Laverton North, Victoria, Australia.

<b>Purchase Consideration</b>	S\$23.8 million (A\$22.25 million)
<b>Acquisition Date</b>	22 March 2017
<b>Property Type</b>	Single-storey logistics warehouse with ancillary office facilities
<b>Leasehold Title Expiry</b>	Freehold
<b>Land Area</b>	390,195 sq ft
<b>Gross Floor Area</b>	223,062 sq ft
<b>Net Lettable Area</b>	223,062 sq ft
<b>Current Plot Ratio</b>	0.57
<b>Lease Type</b>	Single Tenant
<b>Tenant</b>	Spotlight Pty Ltd
<b>Occupancy</b>	100%

## 6. THE MANAGER

The Manager was incorporated in Singapore under the Companies Act on 15 October 2009. It has a paid-up capital of S\$1.0 million and its registered office is 6 Temasek Boulevard, #16-02 Suntec Tower Four, Singapore 038986. The Manager is 60% owned by ARA and 40% owned by the Sponsor.

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

CWT is a leading provider of integrated logistics and supply chain solutions. The CWT group combines its logistics capabilities, global network and resources to add value for its customers. The CWT group also provides commodity marketing, financial and engineering services complementary to its core logistics business.

### Board of Directors

The Board of Directors of the Manager are:

<b>Name</b>	<b>Position</b>
Mr Lim How Teck	Chairman and Non-Executive Director
Mr Lim Hwee Chiang John	Non-Executive Director
Mr Lim Ah Doo	Lead Independent Non-Executive Director
Ms Stefanie Yuen Thio	Independent Non-Executive Director
Mr Liao Chung Lik	Non-Executive Director
Mr Lim Lee Meng	Independent Non-Executive Director
Mr Lim Kong Puay	Independent Non-Executive Director
Mr Jimmy Yim Wing Kuen	Non-Executive Director
Mr Moses K. Song	Alternate Director to Mr Lim Hwee Chiang John

### Experience and Expertise of the Board of Directors

Information on the business and working experience of the directors of the Manager is set out below:

#### **Mr Lim How Teck**

*Chairman and Non-Executive Director*

Mr Lim is the Chairman of the Manager. Mr Lim is also the chairman of Heliconia Capital Management Pte. Ltd., Swissco Holdings Ltd and NauticAWT Limited and an independent non-executive director of Rickmers Trust Management Pte Limited (trustee-manager of

Rickmers Maritime). Mr Lim is also a governor of the Foundation for Development Cooperation. He is also a board member of Mizuho Securities (Singapore) Private Limited, Greenship Offshore Manager Private Limited, Public Utilities Board and the Papua New Guinea Sustainable Development Program Company.

Currently, Mr Lim is the chairman of Redwood International Pte. Ltd., an investment and consultancy company. From 1979 to 2005, Mr Lim was with Neptune Orient Lines Ltd 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 Neptune Orient Lines Ltd. Prior to joining Neptune Orient Lines Ltd, he was with Plessey Singapore from 1976 to 1979, a multinational trading and manufacturing company and Coopers & Lybrand, an international accounting firm.

Mr Lim holds a Bachelor of Accountancy degree 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.

#### **Mr Lim Hwee Chiang John**

*Non-Executive Director*

Mr Lim is a Non-Executive Director of the Manager. He is also the group chief executive officer and executive director of ARA which holds a 60% interest in the Manager.

Mr Lim is the Group Chief Executive Officer and Director of ARA Asset Management Limited (“**ARA**”) since its establishment. He is a non-executive director of ARA Asset Management (Fortune) Limited, ARA Trust Management (Suntec) Limited, ARA Asset Management (Prosperity) Limited, ARA-CWT Trust Management (Cache) Limited and Hui Xian Asset Management Limited. Mr Lim is also the chairman of APM Property Management Pte. Ltd., Suntec Singapore International Convention & Exhibition Services Pte. Ltd. and the management council of The Management Corporation Strata Title Plan No. 2197 (Suntec City). In addition, Mr Lim is an independent director and the chairman of the remuneration committee of Singapore-listed Teckwah Industrial Corporation Limited, the chairman of the property management committee of the Singapore Chinese Chamber of Commerce & Industry, the managing director of Chinese Chamber Realty Private Limited and a director of the Financial Board of the Singapore Chinese Chamber of Commerce. He is also chairman of the Asia Pacific Real Estate Association (“**APREA**”) and the Consultative Committee to the Department of Real Estate, National University of Singapore.

Mr Lim has more than 30 years of experience in the real estate industry, and has received many notable corporate awards. These include the PERE Global Awards 2016 Industry Figure of the Year: Asia, Ernst & Young Entrepreneur Of the Year Singapore 2012, Ernst & Young Entrepreneur Of the Year — Financial Services 2012 and the Outstanding CEO of the Year 2011 at the Singapore Business Awards 2012. Mr Lim, along with the Board of Directors of ARA, is also a recipient of the prestigious Best Managed Board (Gold) Award at the Singapore Corporate Awards 2012. In 2017, he was conferred the Public Service Medal (PBM) by the President of Singapore in recognition of his contributions to the community.

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

**Mr Lim Ah Doo**

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

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

Mr Lim is also an independent non-executive director of GDS Holdings Limited and an independent non-executive director and chairman of the Audit Committee of GP Industries Limited. He is also an independent non-executive director and chairman of the board, and chairman of the Human Resources Compensation Committee and Governance and Nomination Committee of Olam International Limited. In addition, Mr Lim is an independent non-executive director and the chairman of the Board Risk Committee of Sembcorp Marine Limited, an independent non-executive director and member of the Audit Committee of Singapore Technologies Engineering Ltd, as well as an independent non-executive director of SM Investments Corporation.

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

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

Mr Lim holds a honours degree in engineering from the Queen Mary College, University of London and a Master in Business Administration degree from the Cranfield Institute of Technology.

**Ms Stefanie Yuen Thio**

*Independent Non-Executive Director*

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

She is also the joint managing director of TSMP Law Corporation and is the head of its corporate practice. She was admitted to the Singapore Bar in 1994 and her areas of expertise include mergers and acquisitions, equity capital markets, corporate transactions and regulatory advice. Her clients include logistics companies, REITs and

REIT managers. She is regularly named by legal journals as a leading practitioner in her areas of specialisation. Ms Thio has also been appointed by the Monetary Authority of Singapore to the Corporate Governance Council 2017 to review the Code of Corporate Governance.

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

**Mr Liao Chung Lik**

*Non-Executive Director*

Mr Liao is a Non-Executive Director of the Manager.

Mr Liao joined C & P in 1982. He is currently the Deputy Group Managing Director of the C & P Group. Mr Liao holds a Bachelor of Business Administration degree from the National University of Singapore.

**Mr Lim Lee Meng**

*Independent Non-Executive Director*

Mr Lim is an Independent Non-Executive Director and member 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 Institute of Singapore Chartered Accountants, an associate member of the Institute of Chartered Secretaries and Administrators and a fellow member of the Singapore Institute of Directors. He is also the chairman of the finance committee of Ang Mo Kio Town Council and the chairman of the school advisory committee of River Valley High School. Mr Lim is also the advisor to the Department of Commerce of the Jiangsu Province, China.

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

**Mr Lim Kong Puay**

*Independent Non-Executive Director*

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

Mr Lim has also been the president and chief executive officer of Tuas Power Generation Pte. Ltd. since 2004. Mr Lim has many years of experience in the liberalised electricity

market of Singapore in the generation, trading and retailing of electricity. He has also diversified the company business to new areas in providing utilities such as steam, tank storage, industrial water and waste water treatment to industrial customers in the Tuas area and on Jurong Island.

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

**Mr Jimmy Yim Wing Kuen**

*Non-Executive Director*

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

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

Mr Yim is a fellow of the Singapore Institute of Arbitrators, a regional arbitrator with the Singapore International Arbitration Centre and panel member of mediators for the Singapore Mediation Centre and the Financial Industry Dispute Resolution Centre Ltd of the Association of Banks in Singapore. He is recommended by name in the various professional journals and ranking agencies in the area of dispute resolution.

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

**Mr Moses K. Song**

*Alternate Director to Mr Lim Hwee Chiang John, a Non-Executive Director*

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

Prior to joining ARA, Mr Song was a principal and chief operating officer at Lubert-Adler Asia Advisors Pte. Ltd., the Asia investment platform of United States-based real estate private equity firm Lubert-Adler Partners, L.P., where he was responsible for North Asia investment opportunities. Prior to that, he was with Marathon Asset Management (Singapore) Pte. Ltd., as a managing director, responsible for real estate finance and investments in Asia. He was based in Hong Kong from 2004 to 2007 with Merrill Lynch (Asia Pacific) Ltd. as a director in the global commercial real estate group and Morgan Stanley Asia Ltd. as a vice-president of Morgan Stanley International Real Estate Funds.

Mr Song began his career as a corporate and real estate finance attorney in the United States. He moved to Asia in 2000 as a seconded attorney to Morgan Stanley International Real Estate Funds in Tokyo, Japan and was appointed general counsel of Morgan Stanley's real estate asset management platform in Korea in 2001.

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

## **Management**

The Executive Officers of the Manager are:

<b>Name</b>	<b>Position</b>
Mr Daniel Cerf	Chief Executive Officer
Mr Ho Jiann Ching	Director, Head of Investment
Mr Robert Wong	Director, Finance & Operations
Mr Ho Kin Leong	Director, Asset Management
Ms Judy Tan	Assistant Director, Investor Relations
Mr Donovan Ng	Assistant Finance Director

## **Experience and Expertise of the Executive Officers**

Information on the working experience of the executive officers of the Manager is set out below:

### **Mr Daniel Cerf**

*Chief Executive Officer*

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

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

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

**Mr Ho Jiann Ching***Director, Head of Investment*

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

Mr Ho has more than 20 years of experience in real estate investment, development, asset management and marketing. Before joining the Manager, Mr Ho was director of business development at Ayala International Holdings Limited and concurrently the head of transaction review for ARCH Asian Partners Fund, an Ayala-sponsored private equity real estate fund. In those roles, he was responsible for sourcing and transacting business opportunities in Singapore and Asia Pacific.

Prior to that, Mr Ho led a team of investment professionals at Sembawang Properties from 1996 to 2001 where he was responsible for initiating concepts and blueprints for residential and commercial development. Mr Ho began his career in 1993 with JTC Corporation where he was involved in land allocation of strategic foreign direct investment projects and supported land-use planning of industrial land.

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

**Mr Robert Wong***Director, Finance & Operations*

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

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

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

**Mr Ho Kin Leong***Director, Asset Management*

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

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

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

**Ms Judy Tan**

*Assistant Director, Investor Relations*

Ms Tan is responsible for maintaining timely and transparent communications with Cache's unitholders, investors, analysts and the media.

Ms Tan has over 11 years of working experience in the capital markets, including investor relations and risk management. Prior to joining the Manager, she was assistant vice president in the risk management & regulation group at Singapore Exchange Limited.

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

**Mr Donovan Ng**

*Assistant Finance Director*

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

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

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

**Roles and Responsibilities of the Manager**

The Manager has general powers of management over the assets of Cache. The Manager's main responsibility is to manage Cache's assets and liabilities for the benefit of Unitholders.

The Manager will set the strategic direction of Cache and give recommendations to the Cache Trustee on the acquisition, divestment and/or enhancement of assets of Cache in accordance with its stated investment strategy.

The Manager has covenanted in the Cache Trust Deed to use its best endeavours to:

- carry on and conduct its business in a proper and efficient manner;
- ensure that Cache's operations are carried on and conducted in a proper and efficient manner; and
- conduct all transactions with or for Cache at arm's length and on normal commercial terms.

The Manager will prepare property plans on a regular basis, which may contain proposals and forecasts on net income, capital expenditure, sales and valuations, explanations of major variances to previous forecasts, written commentary on key issues and any relevant assumptions. The purpose of these plans is to explain the performance of Cache's properties.

The Manager will also be responsible for ensuring compliance with the applicable provisions of the SFA and all other relevant legislation, the Listing Manual, the CIS Code (including the Property Funds Appendix), the Singapore Code on Take-overs and Mergers, the Cache Trust Deed, the Capital Markets Services Licence and any tax ruling and all relevant contracts. The Manager will be responsible for all regular communications with Unitholders.

The Manager may require the Cache Trustee to borrow on behalf of Cache (upon such terms and conditions as the Manager deems fit, including the charging or mortgaging of all or any part of Cache's Deposited Property) whenever the Manager considers, among others, that such borrowings are necessary or desirable in order to enable Cache to meet any liabilities or to finance the acquisition of any property. However, the Manager must not direct the Cache Trustee to incur a borrowing if to do so would mean that Cache's total borrowings and deferred payments exceed the limit stipulated by MAS based on the value of its Deposited Property at the time the borrowing is incurred, taking into account deferred payments (including deferred payments for assets whether to be settled in cash or in Units).

In the absence of fraud, gross negligence, wilful default or breach of the Cache Trust Deed by the Manager, it shall not incur any liability by reason of any error of law or any matter or thing done or suffered to be done or omitted to be done by it in good faith under the Cache Trust Deed. In addition, the Manager shall be entitled, for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as Manager, to have recourse to Cache's Deposited Property or any part thereof save where such action, cost, claim, damage, expense or demand is occasioned by the fraud, gross negligence, wilful default or breach of the Cache Trust Deed by the Manager.

The Manager may, in managing Cache and in carrying out and performing its duties and obligations under the Cache Trust Deed, with the written consent of the Cache Trustee, appoint such person to exercise any or all of its powers and discretions and to perform all or any of its obligations under the Cache Trust Deed, provided always that the Manager shall be liable for all acts and omissions of such persons as if such acts and omissions were its own.

### **The Manager's Fees**

The Manager is entitled under the Cache Trust Deed to the following management fees:

- a base fee at the rate of 0.5% per annum of the value of the Consolidated Assets (as defined in the Cache Trust Deed); and
- a performance fee equal to the rate of 1.5% per annum of the Net Property Income (as defined in the Cache Trust Deed) of Cache or the relevant Special Purpose Vehicles ("**SPVs**") for each financial year.

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).

From the IPO through 3Q 2017, the Manager has elected to receive 75.0% of its base fee and 75.0% of its performance fee in the form of Units, except that where the issue price of each Unit is at a discount of at least 20.0% to the NAV per Unit during such periods, the Manager has committed to receive the fees wholly in cash.

Any increase in the rate or any change in the structure of the Manager's management fees must be approved by an Extraordinary Resolution (as defined in the Cache Trust Deed) passed at a Unitholders' meeting duly convened and held in accordance with the provisions of the Cache Trust Deed. For the avoidance of doubt, the Manager's change in its election to receive cash or Units or a combination of cash and Units is not considered as a change in structure of the Manager's management fees.

The Manager is also entitled to:

- 1.0% of the acquisition price of real estate or real estate-related assets acquired directly or indirectly, through one or more SPVs, pro-rated if applicable to the proportion of Cache's interest. For the purposes of this acquisition fee, real estate-related assets include all classes and types of securities relating to real estate; and
- 0.5% of the sale price of real estate or real estate-related assets disposed, pro-rated if applicable to the proportion of Cache's interest. For the purposes of this disposal fee, real estate-related assets include all classes and types of securities relating to real estate.

In accordance with the Property Funds Appendix, where the Manager receives a percentage-based fee when Cache acquires real estate from an interested party, or disposes of real estate to an interested party, the acquisition or, as the case may be, the divestment fee should be in the form of Units issued at prevailing market prices, such Units not to be sold within one year from the date of issuance.

Any payment to third party agents or brokers in connection with the acquisition or divestment of any real estate of Cache shall be paid by the Manager to such persons out of the Deposited Property of Cache or the assets of the relevant SPV, and not out of the acquisition fee or the divestment fee received or to be received by the Manager.

The acquisition fee and divestment fee are payable to the Manager in the form of cash and/or Units (as the Manager may elect) at the then prevailing market price provided that in respect of any acquisition and sale or divestment of real estate assets from/to interested parties, such a fee should be in the form of Units issued by Cache at prevailing market price(s).

Any increase in the maximum permitted level of the Manager's acquisition fee or disposal fee must be approved by an Extraordinary Resolution (as defined in the Cache Trust Deed) passed at a Unitholders' meeting duly convened and held in accordance with the provisions of the Cache Trust Deed.

## **Retirement or removal of the Manager**

The Manager shall have the power to retire in favour of a corporation approved by the Cache Trustee to act as the manager of Cache.

Also, the Manager may be removed by notice given in writing by the Trustee if:

- the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Cache Trustee) or a receiver is appointed over its assets or a judicial manager is appointed in respect of the Manager;
- the Manager ceases to carry on business;
- the Manager fails or neglects after reasonable notice from the Cache Trustee to carry out or satisfy any material obligation imposed on the Manager by the Cache Trust Deed;
- the Unitholders by an Ordinary Resolution (as defined in the Cache Trust Deed) duly proposed and passed by Unitholders present and voting at a meeting of Unitholders convened in accordance with the Cache Trust Deed, with no Unitholder (including the Manager and its related parties) being disenfranchised, vote to remove the Manager;
- for good and sufficient reason, the Cache Trustee is of the opinion, and so states in writing, that a change of the Manager is desirable in the interests of the Unitholders; or
- MAS directs the Cache Trustee to remove the Manager.

Where the Manager is removed on the basis that a change of the Manager is desirable in the interests of the Unitholders, the Manager has a right under the Cache Trust Deed to refer the matter to arbitration. Any decision made pursuant to such arbitration proceedings is binding upon the Manager, the Cache Trustee and all Unitholders.

## **7. THE PROPERTY MANAGER**

Cache Property Management Pte. Ltd. has been appointed as property manager of the Properties. The Property Manager is 60% owned by the Sponsor and 40% owned by ARA, and was incorporated in Singapore under the Companies Act on 14 October 2009. Its registered office is located at 6 Temasek Boulevard #16-02 Suntec Tower Four, Singapore 038986.

The board of directors of the Property Manager is made up of individuals with a broad range of commercial experience, including expertise in property investment, development and management.

### **Property Management Reporting Structure**

The executive officers of the Property Manager are entrusted with the responsibility for its daily operations. The key executive officers of the Property Manager comprise the general manager, the senior property manager and the senior finance manager who report to the general manager.

## **Expertise and experience of Executive Officers of the Property Manager**

### **Mr Jimmy Chan**

*General Manager*

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

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

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

### **Mr David Wong**

*Senior Finance Manager*

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

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

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

## **8. THE CACHE TRUSTEE**

The trustee of Cache is HSBC Institutional Trust Services (Singapore) Limited. The Cache Trustee is a limited liability company incorporated in Singapore and holds a trust business licence under the Trust Companies Act, Chapter 336 of Singapore. It is approved to act as a trustee for authorised collective investment schemes under the SFA. As at the Latest Practicable Date, the Cache Trustee has a paid-up capital of S\$5,150,000. The Cache Trustee has a place of business in Singapore at 21, Collyer Quay, #13-02, HSBC Building, Singapore 049320.

### **Powers, Duties and Obligations of the Cache Trustee**

The Cache Trustee's powers, duties and obligations are set out in the Cache Trust Deed. The powers and duties of the Cache Trustee include:

- acting as trustee of Cache and, in such capacity, safeguarding the rights and interests of the Unitholders;

- holding the assets comprised in Cache on the trusts contained in the Cache Trust Deed for the benefit of the Unitholders; and
- exercising all the powers of a trustee and the powers that are incidental to the ownership of the assets comprised in Cache.

The Cache Trustee has covenanted in the Cache Trust Deed that it will exercise all due diligence and vigilance in carrying out its functions and duties as the trustee of Cache, and in safeguarding the rights and interests of Unitholders.

In the exercise of its powers, the Cache Trustee may (on the recommendation of the Manager) and subject to the provisions of the Cache Trust Deed, acquire or dispose of any real or personal property, borrow and encumber any asset.

The Cache Trustee may, subject to the provisions of the Cache Trust Deed, appoint and engage:

- a person or entity to exercise any of its powers or perform its obligations; and
- on the recommendation of the Manager, any real estate agents or managers, including an associate of the Manager, in relation to the management, development, leasing, purchase or sale of any of the assets of Cache

The Cache Trustee is responsible for protecting the rights and interests of the Unitholders. The Cache Trustee must carry out its functions and duties and comply with all the obligations imposed on it and set out in the Cache Trust Deed, the SFA, the CIS Code (including the Property Funds Appendix) as well as any tax ruling issued or to be issued by the Inland Revenue Authority of Singapore and/or Ministry of Finance of Singapore on the taxation of Cache and the Unitholders and all other relevant laws. It must retain assets comprised in Cache, or cause such assets to be retained in safe custody and cause accounts in respect of Cache to be audited. It can appoint valuers to value the assets of Cache.

HSBCITS is not personally liable to a Unitholder in connection with the office of the Cache Trustee except in respect of its own fraud, gross negligence, willful default, breach of trust or breach of the Cache Trust Deed. Any liability incurred and any indemnity to be given by the Cache Trustee shall be limited to the assets of Cache over which the Trustee has recourse, provided that the Trustee has acted without fraud, gross negligence, wilful default, breach of trust or breach of the Cache Trust Deed. The Cache Trust Deed contains certain indemnities in favour of the Trustee under which it will be indemnified out of the assets of Cache for liability arising in connection with certain acts or omissions. These indemnities are subject to all applicable laws.

### **Retirement and Replacement of the Cache Trustee**

The Cache Trustee may retire or be replaced under the following circumstances:

- the Cache Trustee shall not be entitled to retire voluntarily except upon the appointment of a new trustee (such appointment to be made in accordance with the provisions of the Cache Trust Deed).

- the Cache Trustee may be removed by notice in writing to the Cache Trustee by the Manager:
  - if the Cache Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Manager) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the Cache Trustee;
  - if the Cache Trustee ceases to carry on business;
  - if the Cache Trustee fails or neglects after reasonable notice from the Manager to carry out or satisfy any material obligation imposed on the Cache Trustee by the Cache Trust Deed;
  - if the Unitholders by a resolution proposed and duly passed as such by a majority consisting of 75.00 per cent. or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Cache Trust Deed (a Unitholders' Extraordinary Resolution), and of which at least 21 days' notice has been given to the Cache Trustee and the Manager, shall so decide; or
  - if MAS directs that the Cache Trustee be removed.

## SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following table sets out the Group's selected consolidated financial information as at and for the financial years ended 31 December 2014 ("FY2014"), 31 December 2015 ("FY2015"), 31 December 2016 ("FY2016") and the third financial quarters ended 30 September 2016 ("3Q 2016") and 30 September 2017 ("3Q 2017"). The selected consolidated financial data in the table below are derived from, and should be read in conjunction with, the Group's audited consolidated financial statements for FY2015 and FY2016, including the notes thereto, which appear in Appendices II and III of this Information Memorandum.

	CACHE LOGISTICS TRUST GROUP				
	3Q 2017	3Q 2016	FY2016	FY2015	FY2014
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Gross revenue</b>	<b>27,432</b>	<b>28,049</b>	<b>111,271</b>	<b>89,721</b>	<b>82,852</b>
Property expenses	(6,094)	(5,980)	(23,257)	(13,565)	(4,852)
<b>Net property income</b>	<b>21,338</b>	<b>22,069</b>	<b>88,014</b>	<b>76,156</b>	<b>78,000</b>
Other income	—	—	—	411	5
Net financing costs	(4,780)	(4,874)	(19,499)	(14,071)	(12,296)
Manager's base fee	(1,586)	(1,631)	(6,514)	(6,388)	(5,481)
Manager's performance fee	(320)	(331)	(1,320)	(1,142)	(1,170)
Trustee fees	(129)	(128)	(510)	(472)	(327)
Other trust expenses	(574)	(705)	(2,542)	(1,564)	(1,606)
Foreign exchange gain/(loss)	89	(201)	(73)	65	(7)
	<u>(7,300)</u>	<u>(7,870)</u>	<u>(30,458)</u>	<u>(23,161)</u>	<u>(20,882)</u>
<b>Net income</b>	<b>14,038</b>	<b>14,199</b>	<b>57,556</b>	<b>52,995</b>	<b>57,118</b>
Net change in fair value of investment properties	—	(36,100)	(80,744)	(64,714)	8,966
<b>Total return for the period/year before taxation and distribution</b>	<b>14,038</b>	<b>(21,901)</b>	<b>(23,188)</b>	<b>(11,719)</b>	<b>66,084</b>
Tax expense	(325)	(254)	(782)	(604)	(275)
<b>Total return for the period/year after taxation before distribution</b>	<b><u>13,713</u></b>	<b><u>(22,155)</u></b>	<b><u>(23,970)</u></b>	<b><u>(12,323)</u></b>	<b><u>65,809</u></b>
<b>Attributable to:</b>					
<b>Unitholders</b>	<b><u>13,713</u></b>	<b><u>(22,155)</u></b>	<b><u>(23,970)</u></b>	<b><u>(12,323)</u></b>	<b><u>65,809</u></b>

CACHE LOGISTICS TRUST GROUP				
	30 September	31 December	31 December	31 December
	2017	2016	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Investment properties	1,241,942	1,210,902	1,307,959	1,044,462
Investment property under development	—	—	—	75,700
Plant and equipment	2,410	3,116	3,049	1,840
Derivative assets	—	43	1,836	242
<b>Total non-current assets</b>	<b>1,244,352</b>	<b>1,214,061</b>	<b>1,312,844</b>	<b>1,122,244</b>
<b>Current assets</b>				
Trade and other receivables	4,907	5,411	4,975	3,455
Asset held for sale	—	25,273	—	—
Derivative assets	24	—	417	86
Cash and cash equivalents	8,792	13,561	8,054	11,275
<b>Total current assets</b>	<b>13,723</b>	<b>44,245</b>	<b>13,446</b>	<b>14,816</b>
<b>Total assets</b>	<b>1,258,075</b>	<b>1,258,306</b>	<b>1,326,290</b>	<b>1,137,060</b>
<b>Current liabilities</b>				
Trade and other payables	(11,684)	(13,855)	(14,269)	(20,501)
Interest bearing borrowings	(23,664)	(4,628)	(8,305)	(6,622)
Derivative liabilities	(93)	(20)	—	—
<b>Total current liabilities</b>	<b>(35,441)</b>	<b>(18,503)</b>	<b>(22,574)</b>	<b>(27,123)</b>
<b>Non-current liabilities</b>				
Trade and other payables	(1,283)	(2,102)	(1,627)	—
Interest bearing borrowings	(522,393)	(534,237)	(515,143)	(342,623)
Derivative liabilities	(2,763)	(1,962)	(120)	—
Deferred tax liabilities	(357)	(364)	(316)	(413)
<b>Total non-current liabilities</b>	<b>(526,796)</b>	<b>(538,665)</b>	<b>(517,206)</b>	<b>(343,036)</b>
<b>Total liabilities</b>	<b>(562,237)</b>	<b>(557,168)</b>	<b>(539,780)</b>	<b>(370,159)</b>
<b>Net assets</b>	<b>695,838</b>	<b>701,138</b>	<b>786,510</b>	<b>766,901</b>
<b>Represented by:</b>				
<b>Unitholders' funds</b>	<b>695,838</b>	<b>701,138</b>	<b>786,510</b>	<b>766,901</b>

### **Financial Review of 3Q 2017 versus 3Q 2016**

Gross revenue for 3Q 2017 was S\$27.4 million, a decrease of S\$0.6 million or 2.2% compared to 3Q 2016. The lower revenue was mainly due to the divestment of Cache Changi Districentre 3 and lower income received under protest for 51 Alps Ave. This was partially offset by higher rental contribution from DHL Supply Chain Advance Regional Centre, Cache Cold Centre and the Australian properties. NPI for 3Q 2017 was S\$21.3 million, a decrease of S\$0.7 million or 3.3% compared to 3Q 2016. The decrease in NPI was mainly due to lower revenue and higher property related expenses as a result of the conversion of certain properties from master leases to multi-tenancies, mainly attributable to 51 Alps Avenue and 40 Alps Avenue.

Net financing costs for 3Q 2017 were S\$4.8 million, 1.9% lower than 3Q 2016. All-in-financing cost averaged 3.46% for 3Q 2017 and the aggregate leverage for the Group stood at 43.6% as at 30 September 2017. On 16 October 2017, S\$99.9 million of the Singapore dollar facilities was repaid using proceeds from the Rights Issue, reducing aggregate leverage from 43.6% to 35.7%.

Distributable income in 3Q 2017 amounted to S\$16.4 million, 0.8% decrease from the corresponding period last year. The lower distribution was mainly due to lower income from operation.

#### ***Financial Review of FY2016 versus FY2015***

Gross revenue for FY2016 was S\$111.3 million, an increase of S\$21.6 million or 24.0% from S\$89.7 million in FY2015. The increase was mainly attributable to a full year revenue contribution from the Australian properties acquired in FY2015, and incremental rental revenue from DHL Supply Chain Advance Regional Centre, partly offset by lower income from 51 Alps Avenue in the fourth quarter ended 31 December 2016.

Property expenses totalled S\$23.3 million in FY2016, an increase of S\$9.7 million, or 71.4% from FY2015. The increase was mainly due to higher expenses from land rent, property tax, property maintenance, lease commissions and other expenses.

NPI increased from S\$76.2 million in FY2015 to S\$88.0 million in FY2016, an increase of S\$11.9 million or 15.6%, on the back of higher revenue.

Distribution for FY2016 was S\$69.3 million, an increase of S\$1.4 million or 2.0% from S\$68.0 million in FY2015. DPU fell by 9.1% from 8.500 cents in FY2015 to 7.725 cents in FY2016. The drop in DPU was mainly due to a lower capital distribution and a larger issued units base.

As at 31 December 2016, Cache Group's total assets of S\$1,258.3 million represented a decrease of S\$68.0 million or 5.1% from S\$1,326.3 million as at 31 December 2015. The decrease was primarily due to the downward revaluation in the Singapore portfolio, which was stated at S\$1,044.0 million as at 31 December 2016 (31 December 2015: S\$1,119.9 million).

#### ***Financial Review of FY2015 versus FY2014***

Gross revenue of S\$89.7 million in FY2015 was S\$6.8 million or 8.3% higher than S\$82.9 million in FY2014. The increase was mainly attributable to incremental rental income from the six Australian properties acquired during the year.

Property expenses for FY2015 totalled S\$13.6 million, an increase of S\$8.7 million from FY2014. The increase was due to the conversion of four properties from single-tenant master-leases to multi-tenancies, leading to Cache assuming a direct obligation for all property expenses, including land rent, property tax, maintenance and leasing expenses. In addition, property expenses were incurred for DHL Supply Chain Advance Regional Centre which received its temporary occupation permit in July 2015. Consequently, NPI fell by S\$1.8 million to S\$76.2 million, or a decrease of 2.4% year-on-year.

Distributable income for FY2015 was S\$68.0 million, an increase of S\$1.1 million or 1.6% higher than S\$66.9 million reported in FY2014. DPU for FY2015 was 8.500 cents, a marginal fall of 0.9% from the FY2014 DPU of 8.573 cents. The slight drop in DPU was due to a lower net income and an increase in the units base associated with the 2015 Private Placement launched on 3 November 2015.

As at 31 December 2015, the total assets of Cache Group were S\$1,326.3 million, a 16.6% increase from S\$1,137.1 million as at 31 December 2014. The increase of S\$189.2 million was attributable to an increase in the appraised value of the investment properties with the acquisition of six warehouses in Australia during the financial year. This was offset by a decrease in the valuation of some properties within the portfolio.

## **PURPOSE OF THE PROGRAMME AND USE OF PROCEEDS**

The net proceeds arising from the issue of the Securities under the Programme (after deducting issue expenses) will be used for general corporate purposes, including partially or wholly refinancing existing borrowings, financing investments, general working capital and capital expenditure requirements of Cache, its subsidiaries, its associated companies and/or its joint venture companies or such other purposes as may be specified in the relevant Pricing Supplement.

## CLEARING AND SETTLEMENT

### Clearing and Settlement under the Depository System

In respect of Securities which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities (“**Depository System**”) maintained by CDP. Securities that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Securities which are accepted for clearance by CDP, the entire issue of the Securities is to be held by CDP in the form of a global security or a global certificate for persons holding the Securities in securities accounts with CDP (“**Depositors**”). Delivery and transfer of Securities between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Although CDP encourages settlement on the third business day following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the Securities through the Depository System may only be effected through certain corporate depositors (“**Depository Agents**”) approved by CDP under the SFA to maintain securities sub-accounts and to hold the Securities in such securities sub-accounts for themselves and their clients. Accordingly, Securities for which trade settlement is to be effected through the Depository System must be held in securities sub-accounts with Depository Agents. Depositors holding the Securities in direct securities accounts with CDP, and who wish to trade Securities through the Depository System, must transfer the Securities to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payments of interest and distribution and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfers of interests in the Securities in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Issuing and Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

### Clearing and Settlement under Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems

of Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems which enables their respective participants to settle trades with one another. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to other financial institutions, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

A participant's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Payments of principal, interest or distributions with respect to book-entry interests in the Securities held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the relevant Paying Agent, to the cash accounts of the relevant Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

## SINGAPORE TAXATION

*The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the IRAS and MAS in force as at the date of this Information Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Securities or of any person acquiring, selling or otherwise dealing with the Securities or on any tax implications arising from the acquisition, sale or other dealings in respect of the Securities. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Securities are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Securities, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Arranger and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Securities.*

*In addition, the disclosure below is on the assumption that the IRAS regards each tranche of the Perpetual Securities as “debt securities” for the purposes of the ITA and that payments made under each tranche of the Perpetual Securities (including, without limitation, the distributions, Optional Distributions, Arrears of Distribution and Additional Distribution Amounts) will be regarded as interest payable on indebtedness and holders thereof may therefore enjoy the tax concessions and exemptions available for qualifying debt securities, provided that the other conditions for the qualifying debt securities scheme are satisfied. If any tranche of the Perpetual Securities is not regarded as “debt securities” for the purposes of the ITA, any distribution payment made under any tranche of the Perpetual Securities is not regarded as interest payable on indebtedness or holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of any tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of any tranche of the Perpetual Securities.*

### **1. Interest and Other Payments**

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0%. The applicable rate for non-resident individuals is currently 22.0%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0%. The rate of 15.0% may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (a) interest from debt securities derived on or after 1 January 2004;
- (b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- (c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

In addition, as the Programme as a whole is arranged by DBS Bank Ltd., which is a Financial Sector Incentive (Standard Tier) Company or Financial Sector Incentive (Capital Market) Company (as defined in the ITA) at such time, any tranche of the Securities (the “**Relevant Securities**”) issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2018 would be qualifying debt securities (“**QDS**”) for the purposes of the ITA, to which the following treatment shall apply:

- (i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require and the inclusion by the Issuer in all offering documents relating to the Relevant Securities of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Securities is derived by any person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Securities using the funds and profits of such person’s operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the “**Qualifying Income**”) from the Relevant Securities derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Securities are not obtained from such person’s operation through a permanent establishment in Singapore, are exempt from Singapore tax;

- (ii) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require), Qualifying Income from the Relevant Securities derived by any company or body of persons (as defined in the ITA), is subject to tax at a concessionary rate of 10.0% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and
- (iii) subject to:
  - (aa) the Issuer including in all offering documents relating to the Relevant Securities a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Securities is not exempt from tax shall include such income in a return of income made under the ITA; and
  - (bb) the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require,

payments of Qualifying Income derived from the Relevant Securities are not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

- (A) if during the primary launch of any tranche of Relevant Securities, the Relevant Securities of such tranche are issued to fewer than four persons and 50.0% or more of the issue of such Relevant Securities is beneficially held or funded, directly or indirectly, by related parties of the Issuer or the Manager, such Relevant Securities would not qualify as QDS; and
- (B) even though a particular tranche of Relevant Securities are QDS, if, at any time during the tenure of such tranche of Relevant Securities, 50.0% or more of such Relevant Securities which are outstanding during the life of their issue is beneficially held or funded, directly or indirectly, by related parties of the Issuer or the Manager, Qualifying Income derived from such Relevant Securities held by:
  - (I) any related party of the Issuer or the Manager; or
  - (II) any other person where the funds used by such person to acquire such Relevant Securities are obtained, directly or indirectly, from any related party of the Issuer or the Manager,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term “**related party**”, in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms “**prepayment fee**”, “**redemption premium**” and “**break cost**” are defined in the ITA as follows:

“prepayment fee”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities;

“redemption premium”, in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity; and

“break cost”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption.

References to “prepayment fee”, “redemption premium” and “break cost” in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from any of the Relevant Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Securities using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Relevant Securities is not exempt from tax is required to include such income in a return of income made under the ITA.

Under the Qualifying Debt Securities Plus Scheme (“**QDS Plus Scheme**”), subject to certain conditions having been fulfilled (including the furnishing by the issuer, or such other person as MAS may direct, to MAS of a return on debt securities in respect of the QDS in the prescribed format within such period as MAS may specify and such other particulars in connection with the QDS as MAS may require), income tax exemption is granted on Qualifying Income derived by any investor from QDS (excluding Singapore Government Securities) which:-

- (a) are issued during the period from 16 February 2008 to 31 December 2018;
- (b) have an original maturity of not less than 10 years;
- (c) cannot have their tenure shortened to less than 10 years from the date of their issue, except where:
  - (i) the shortening of the tenure is a result of any early termination pursuant to certain specified early termination clauses which the issuer included in any offering document for such QDS; and
  - (ii) the QDS do not contain any call, put, conversion, exchange or similar option that can be triggered at specified dates or at specified prices which have been priced into the value of the QDS at the time of their issue; and
- (d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

However, even if a particular tranche of the Relevant Securities are QDS which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of Relevant Securities, 50.0% or more of such Relevant Securities which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by related parties of the Issuer or the Manager, Qualifying Income from such Relevant Securities derived by:

- (i) any related party of the Issuer or the Manager; or
- (ii) any other person where the funds used by such person to acquire such Relevant Securities are obtained, directly or indirectly, from any related party of the Issuer or the Manager,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

## **2. Capital Gains**

Any gains considered to be in the nature of capital made from the sale of the Securities will not be taxable in Singapore. However, any gains derived by any person from the sale of the Securities which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Securities who apply or who are required to apply Singapore Financial Reporting Standard (“**FRS**”) 39 or FRS 109, may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Securities, irrespective of disposal, in accordance with FRS 39 or FRS 109. Please see the section below on “Adoption of FRS 39 and FRS 109 for Singapore Income Tax Purposes”.

## **3. Adoption of FRS 39 and FRS 109 for Singapore Income Tax Purposes**

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and “opt-out” provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued a circular entitled “Income Tax Implications Arising from the Adoption of FRS 39 — Financial Instruments: Recognition & Measurement”.

FRS 109 is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109, subject to certain exceptions. The IRAS has also issued a circular entitled “Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 — Financial Instruments”.

Holders of the Securities who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Securities.

## **4. Estate Duty**

Singapore estate duty has been abolished for all deaths occurring on or after 15 February 2008.

## SUBSCRIPTION, PURCHASE AND DISTRIBUTION

The Programme Agreement provides for Securities to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Issuer, the Manager and the relevant Dealer(s). The obligations of the Dealers under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer (acting as principal) will subscribe or procure subscribers for Securities from the Issuer pursuant to the Programme Agreement.

The Arranger, the Dealers or any of their respective affiliates may have performed certain banking and advisory services for the Issuer, the Manager, Cache and/or their respective affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer, the Manager, Cache and/or their respective affiliates in the ordinary course of the Issuer's, the Manager's, Cache's or their business. The Issuer may also from time to time agree with the relevant Dealer(s) that the Issuer may pay certain third party commissions (including, without limitation, rebates to private banks as specified in the applicable Pricing Supplement).

The Dealers and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Dealers may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer, the Manager, Cache or their respective subsidiaries, jointly controlled entities or associated companies from time to time. In the ordinary course of their various business activities, the Dealers and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Issuer, the Manager, Cache or their respective subsidiaries, jointly controlled entities or associated companies, including Securities issued under the Programme, may be entered into at the same time or proximate to offers and sales of Securities or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Securities. Securities issued under the Programme may be purchased by or be allocated to any Dealer or an affiliate for asset management and/or proprietary purposes but not with a view to distribution.

### United States

The Securities have not been and will not be registered under the Securities Act, and the Securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in transactions not subject to the registration requirements of Regulation S of the Securities Act ("**Regulation S**"). Terms used in this paragraph have the meaning given to them by Regulation S.

Bearer Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has agreed that, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Programme Agreement, it will not offer, sell or, in the case of Bearer Securities, deliver Securities, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Securities are a part, as determined and certified to the Issuing and Paying Agent by such Dealer (or, in the case of an identifiable tranche of Securities sold to or through more than one Dealer, by each of such Dealers with respect to Securities of an identifiable tranche purchased by or through it, in which case the Issuing and Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Securities during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Securities are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of any identifiable tranche of Securities within the United States by any dealer that is not participating in the offering of such tranche of Securities may violate the registration requirements of the Securities Act.

This Information Memorandum has been prepared by the Issuer for use in connection with the offer and sale of the Securities outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Securities, in whole or in part, for any reason. This Information Memorandum does not constitute an offer to any person in the United States. Distribution of this Information Memorandum by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

## **Hong Kong**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

## Singapore

Each Dealer has acknowledged that this Information Memorandum has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented and agreed that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or to any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

## General

The selling restrictions herein contained may be modified, varied or amended from time to time by notification from the Issuer to the Dealers and each Dealer has undertaken that it will at all times comply with all such selling restrictions.

Each Dealer understands that no action has been taken in any jurisdiction that would permit a public offering of any of the Securities, or possession or distribution of this Information Memorandum or any other document or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will comply with all applicable securities laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers Securities or any interest therein or rights in respect thereof or has in its possession or distributes this Information Memorandum, any other document or any Pricing Supplement. No Dealer will directly or indirectly offer, sell or deliver Securities or any interest therein or rights in respect thereof or distribute or publish any prospectus, circular, advertisement or other offering material (including, without limitation, this Information Memorandum) in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations, and all offers, sales and deliveries of Securities or any interest therein or rights in respect thereof by it will be made on the foregoing terms.

*Any person who may be in doubt as to the restrictions set out in the SFA or the laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers the Securities or any interest therein or rights in respect thereof and the consequences arising from a contravention thereof should consult his own professional advisers and should make his own inquiries as to the laws, regulations and directives in force or applicable in any particular jurisdiction at any relevant time.*

## GENERAL AND OTHER INFORMATION

## INFORMATION ON DIRECTORS

1. The name and position of each of the Directors of the Manager are set out below:

<b>Name</b>	<b>Position</b>
Lim How Teck	Chairman and Non-Executive Director
Lim Hwee Chiang John	Non-Executive Director
Lim Ah Doo	Lead Independent Non-Executive Director and Chairman of the Audit Committee
Stefanie Yuen Thio	Independent Non-Executive Director
Liao Chung Lik	Non-Executive Director
Lim Lee Meng	Independent Non-Executive Director
Lim Kong Puay	Independent Non-Executive Director
Jimmy Yim Wing Kuen	Non-Executive Director
Moses K. Song	Alternate Director to Lim Hwee Chiang John

2. No Director of the Manager is or was involved in any of the following events:
- (a) a petition under any bankruptcy laws filed in any jurisdiction against such person or any partnership in which he was a partner or any corporation of which he was a director or an executive officer;
  - (b) a conviction of any offence, other than a traffic offence, or judgment, including findings in relation to fraud, misrepresentation or dishonesty, given against him in any civil proceedings in Singapore or elsewhere, or being a named subject to any pending proceedings which may lead to such a conviction or judgment, or so far as such person is aware, any criminal investigation pending against him; or
  - (c) the subject of any order, judgment or ruling of any court of competent jurisdiction, tribunal or government body, permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

## SHARE CAPITAL

3. As at the Latest Practicable Date, there is only one class of units in Cache. The rights and privileges attached to the units of Cache are stated in the Cache Trust Deed.
4. Save as disclosed in paragraph 5 below, no units of Cache have been issued or are proposed to be issued, as fully or partly paid up, for cash or for a consideration other than cash, within the two years preceding the date of this Information Memorandum.

5. As at the Latest Practicable Date, there are 1,067,156,635 units of Cache in issue or which Cache has agreed to issue.

## **BORROWINGS**

6. Save as disclosed in Appendix III, the Group had as at 31 December 2016 no other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trading bills) or acceptance credits, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

## **WORKING CAPITAL**

7. The Directors of the Manager are of the opinion that, after taking into account the present banking facilities and the net proceeds of the issue of the Securities, Cache will have adequate working capital for its present requirements.

## **CHANGES IN ACCOUNTING POLICIES**

8. There has been no significant change in the accounting policies of the Issuer since its most recent audited consolidated financial statements for the financial year ended 31 December 2016.

## **LITIGATION**

9. There are no legal or arbitration proceedings pending or, to the best of the Manager's knowledge having made due and careful enquiries, threatened against the Issuer, the Manager, Cache or any of their respective subsidiaries the outcome of which have had or, if adversely determined, is reasonably likely to have during the 12 months prior to the date of this Information Memorandum a material adverse effect on the financial position of the Issuer, Cache or the Group.

## **MATERIAL ADVERSE CHANGE**

10. There has been no material adverse change in the financial condition or business of the Issuer, Cache or the Group since 31 December 2016.

## **CONSENT**

11. KPMG LLP has given and has not withdrawn its written consent to the issue of this Information Memorandum with the references herein to its name and, where applicable, reports in the form and context in which they appear in this Information Memorandum.

## **DOCUMENTS AVAILABLE FOR INSPECTION**

12. Copies of the following documents may be inspected at the principal place of business of the Manager in Singapore at 6 Temasek Boulevard, #16-02, Suntec Tower Four, Singapore 038986 during normal business hours for a period of six months from the date of this Information Memorandum:

- (a) the Constitution of the Issuer;
- (b) the Cache Trust Deed;

- (c) the Trust Deed;
- (d) the letter of consent referred to in paragraph 11 above; and
- (e) the audited consolidated accounts of Cache and its subsidiaries for the financial years ended 31 December 2015 and 31 December 2016 and the unaudited consolidated accounts of Cache and its subsidiaries for the financial period ended 30 September 2017.

#### **FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE**

13. The functions, rights and obligations of the Trustee are set out in the Trust Deed.

**AUDITED FINANCIAL STATEMENTS OF CACHE LOGISTICS TRUST FOR THE  
FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*The information in this Appendix II has been reproduced from the annual report of the Group for the financial year ended 31 December 2015 and has not been specifically prepared for inclusion in this Information Memorandum. Investors should read the consolidated financial data in conjunction with the related notes.*

## REPORT OF THE TRUSTEE

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

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

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

**Esther Fong**  
Senior Vice President, Trustee Services

29 February 2016

## STATEMENT BY THE MANAGER

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

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

**Lim Hwee Chiang John**  
Director

29 February 2016

## INDEPENDENT AUDITORS' REPORT

Unitholders of Cache Logistics Trust

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

### Report on the financial statements

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

### Manager's responsibility for the financial statements

ARA-CWT Trust Management (Cache) Limited, the Manager of the Trust (the 'Manager') is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager of the Trust, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

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

### KPMG LLP

Public Accountants and  
Chartered Accountants

### Singapore

29 February 2016

## STATEMENTS OF FINANCIAL POSITION

### AS AT 31 DECEMBER 2015

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

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

## STATEMENTS OF TOTAL RETURN

### FOR THE YEAR ENDED 31 DECEMBER 2015

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

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

## DISTRIBUTION STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2015

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

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

## STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

### FOR THE YEAR ENDED 31 DECEMBER 2015

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

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

## PORTFOLIO STATEMENT

### AS AT 31 DECEMBER 2015

#### GROUP

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

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

## PORTFOLIO STATEMENT (CONT'D)

### AS AT 31 DECEMBER 2015

#### GROUP (CONT'D)

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

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

## PORTFOLIO STATEMENT (CONT'D)

### AS AT 31 DECEMBER 2015

#### TRUST

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

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

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

<sup>(3)</sup> Development of the investment property commenced in April 2014 and obtained its Temporary Occupation Permit in July 2015.

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



## PORTFOLIO STATEMENT (CONT'D)

AS AT 31 DECEMBER 2015

**Note:**

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

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

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

## CONSOLIDATED STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 31 DECEMBER 2015

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

#### A Significant non-cash transactions

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

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

## NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 29 February 2016.

### 1 DOMICILE AND ACTIVITIES

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

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

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

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

#### 1.1 Property Manager's fees

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

For Singapore Properties:

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

For Australian Properties:

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

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

#### 1.2 Manager's fees

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 1 DOMICILE AND ACTIVITIES (cont'd)

#### 1.3 Trustee's fees

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

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

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

#### 1.4 Acquisition fees

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

#### 1.5 Divestment fees

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

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

#### 2.2 Basis of measurement

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

#### 2.3 Functional and presentation currency

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2 BASIS OF PREPARATION (cont'd)

#### 2.4 Use of estimates and judgements

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

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

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

#### Measurement of fair values

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

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

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

Significant valuation issues are reported to the Audit Committee.

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 3 SIGNIFICANT ACCOUNTING POLICIES

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

#### 3.1 Basis of consolidation

##### (i) Subsidiaries

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

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

##### (ii) Transactions eliminated on consolidation

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

##### (iii) Subsidiaries in the separate financial statements

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

#### 3.2 Foreign currency

##### (i) Foreign currency transactions

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

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

##### (ii) Foreign operations

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

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

#### 3.3 Investment properties

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.3 Investment properties (cont'd)

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

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

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

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

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

#### 3.4 Investment property under development

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

#### 3.5 Plant and equipment

##### (i) Measurement

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

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

##### (ii) Depreciation

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.5 Plant and equipment (cont'd)

##### (iii) Subsequent costs

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

##### (iv) Disposal

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

#### 3.6 Financial instruments

##### (i) Non-derivative financial assets

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

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

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when:

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

The Group's non-derivative financial assets comprise loans and receivables.

##### ***Loans and receivables***

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

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

##### (ii) Non-derivative financial liabilities

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.6 Financial instruments (cont'd)

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

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

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

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

##### (iii) Unitholders' funds

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

##### (iv) Derivative financial instruments, including hedge accounting

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

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

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

#### **Cash flow hedges**

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.6 Financial instruments (cont'd)

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

##### *Cash flow hedges (cont'd)*

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

##### *Derivatives that do not qualify for hedge accounting*

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

#### 3.7 Impairment

- (i) Non-derivative financial assets

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

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

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

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

- (ii) Non-financial assets

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.7 Impairment (cont'd)

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

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

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

#### 3.8 Revenue recognition

##### *Rental income from operating leases*

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

##### *Dividend income*

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

#### 3.9 Lease payments

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

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

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

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

- (a) the fulfilment of the arrangement is dependent on the use of a specific asset or assets; and
- (b) the arrangement contains a right to use the asset(s).

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.10 Expenses

##### (i) Property expenses

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

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

##### (ii) Manager's fees

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

##### (iii) Trustee's fees

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

#### 3.11 Finance income and expenses

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

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

#### 3.12 Tax

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.12 Tax (cont'd)

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

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

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

- (i) where the beneficial owners are individuals (whether resident or non-resident) who receive such distribution as investment income (excluding income received through a partnership) or Qualifying Unitholders, the Trustee and the Manager will make the distributions to such Unitholders without deducting any income tax; or
- (ii) where the beneficial owners are foreign non-individual Unitholders, the Trustee and the Manager will deduct Singapore income tax at the reduced rate of 10% for distributions made up to 31 March 2020, unless the concession is extended.

A Qualifying Unitholder is a Unitholder who is:

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.13 Distribution policy

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

#### 3.14 Earnings per Unit

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

#### 3.15 Segment reporting

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

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

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

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

- FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 *Revenue*, FRS 11 *Construction Contracts*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services*.
- FRS 109 replaces most of the existing guidance in FRS 39 Financial Instruments: Recognition and Measurement. It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements.

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 4 INVESTMENT PROPERTIES

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

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

#### Security

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

#### Measurement of fair value

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 4 INVESTMENT PROPERTIES (cont'd)

#### Measurement of fair value (cont'd)

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

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

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

Type	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<b>Group</b>		
Investment properties consisting of logistics warehouse properties for leasing.	<ul style="list-style-type: none"> <li>Terminal yield rates 6.50% to 8.50% (2014: 6.80% to 7.30%)</li> <li>Discount rates 7.50% to 11.00% (2014: 7.80% to 11.00%)</li> <li>Capitalisation rates 6.25% to 8.50% (2014: 6.50% to 7.00%)</li> <li>Market rental growth rates 0% to 3.25% (2014: 3.00%)</li> </ul>	<p>The estimated fair values would increase/(decrease) if:</p> <ul style="list-style-type: none"> <li>the terminal yield rates were lower/(higher);</li> <li>the discount rates were lower/(higher);</li> <li>the capitalisation rates were lower/(higher); or</li> <li>the market rental growth rates were higher/(lower).</li> </ul>
<b>Trust</b>		
	<ul style="list-style-type: none"> <li>Terminal yield rates 6.50% to 7.25% (2014: 6.80% to 7.30%)</li> <li>Discount rates 7.50% to 8.25% (2014: 7.80% to 8.30%)</li> <li>Capitalisation rates 6.25% to 7.00% (2014: 6.50% to 7.00%)</li> <li>Market rental growth rates 0% to 3.00% (2014: 3.00%)</li> </ul>	

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 4 INVESTMENT PROPERTIES (cont'd)

#### Measurement of fair value (cont'd)

Key unobservable inputs correspond to:

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

### 5 INVESTMENT PROPERTY UNDER DEVELOPMENT

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

<sup>(1)</sup> Includes borrowing costs capitalised of \$1,040,000 (2014: \$194,000).

<sup>(2)</sup> The property was reclassified to investment property when the Temporary Occupation Permit was obtained in July 2015.

#### Measurement of fair value

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 6 PLANT AND EQUIPMENT

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 7 INVESTMENTS IN SUBSIDIARIES

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

\* Less than \$1,000

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

Details of the subsidiaries are as follows:

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

<sup>(1)</sup> Audited by KPMG LLP, Singapore

<sup>(2)</sup> Not required to be audited by the laws of the country of incorporation

<sup>(3)</sup> Audited by other member firms of KPMG International

<sup>(4)</sup> Audited by other auditors

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 8 TRADE AND OTHER RECEIVABLES

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

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

### 9 CASH AND CASH EQUIVALENTS

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

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

### 10 TRADE AND OTHER PAYABLES

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 11 INTEREST-BEARING BORROWINGS

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

#### Terms and debt repayment schedule

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

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

\* Swap Offer Rate

# Bank Bill Swap Rate

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 11 INTEREST-BEARING BORROWINGS (cont'd)

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 11 INTEREST-BEARING BORROWINGS (cont'd)

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

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

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

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

<sup>(1)</sup> Secured term loan facilities and revolving credit facilities

The facilities are secured by:

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 11 INTEREST-BEARING BORROWINGS (cont'd)

<sup>(2)</sup> Secured term loan facilities.

The facilities are secured by way of a legal Mortgage and charges over 5 Australian properties.

<sup>(3)</sup> Secured term loan facilities.

The facility is secured by way of a Second Ranking legal Mortgage over 3 Australian properties.

<sup>(4)</sup> Unsecured term loan facilities.

#### Measurement of fair value

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

### 12 DERIVATIVE ASSETS/(LIABILITIES)

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

The Group uses interest rate swaps to manage its exposure to interest rate movements on its floating rate interest-bearing term loan by swapping the interest expense on a proportion of the term loan from floating rates to fixed rates.

The Group hedged its exposure to changes in interest rates on its variable rate borrowings by entering into interest rate swaps with the following notional contract amounts and maturity dates:

- (i) \$87,850,000 maturing in 2016;
- (ii) \$131,250,000 maturing in 2018;
- (iii) \$26,875,000 maturing in 2018;
- (iv) \$26,875,000 maturing in 2018;
- (v) \$29,550,000 maturing in 2019;
- (vi) A\$17,500,000 maturing in 2020; and
- (vii) A\$6,750,000 maturing in 2020.

The Group has designated the interest rate swaps as hedging instruments under the cash flow hedge model. Where the interest rate swap is an effective hedge in a cash flow hedge relationship, the change in fair value of the interest rate swap relating to the effective portion is recorded in Unitholders' funds. The ineffective portion of the fair value changes are taken to the statement of total return. During the year, the designated interest rate swaps were effective as cash flow hedges and the fair value change thereof has been recognised in Unitholders' funds. The fair value of these derivative financial instrument represents 0.27% (2014: 0.04%) of the net assets of the Group.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 12 DERIVATIVE ASSETS/(LIABILITIES) (cont'd)

#### Offsetting financial assets and financial liabilities

The Group's derivative transactions are entered into under International Swaps and Derivatives Association Master Agreements ("ISDA Master Agreements") with various bank counterparties. The derivative financial instruments presented above are not offset in the statement of financial position as the right of set-off of recognised amounts is enforceable only following the occurrence of a termination event as set out in such ISDA Master Agreements. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

As at 31 December 2015 and 31 December 2014, the Group's derivative financial assets and liabilities do not have any balances that are eligible for offsetting under the enforceable master netting arrangement.

#### Measurement of fair value

The fair value of interest rate swaps is based on broker quotes at the reporting date. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each swap and using market interest rates for similar instruments at the measurement date.

	Level 2
	\$'000
<b>Group and Trust</b>	
<b>31 December 2015</b>	
Interest rate swaps used for hedging	2,133
<b>31 December 2014</b>	
Interest rate swaps used for hedging	328

### 13 UNITS IN ISSUE

	Group and Trust	
	2015	2014
	'000	'000
<b>Units in issue:</b>		
At the beginning of the year	781,758	777,440
<b>Units issued:</b>		
– Issue of new units (private placement)	106,270	–
– Manager's fees paid in units	3,818	3,186
	891,846	780,626
<b>Units to be issued:</b>		
– Manager's fees payable in units	1,626	1,132
Total issued and to be issued units at the end of the year	893,472	781,758

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

- receive income and other distributions attributable to the Units held;
- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust and available for purposes of such distribution less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer to it of any assets (or part thereof) or of any estate or interest in any asset (or part thereof) of the Trust; and

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 13 UNITS IN ISSUE (cont'd)

- attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or one-tenth in number of the Unitholders, whichever is the lesser) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed.

The Unitholders cannot give any directions to the Manager or the Trustee (whether at a meeting of Unitholders or otherwise) if it would require the Trustee or the Manager to do or omit doing anything which may result in:

- the Trust ceasing to comply with the Listing Manual issued by the SGX-ST or the Property Funds Appendix; or
- the exercise of any discretion expressly conferred on the Trustee or the Manager by the Trust Deed or the determination of any matter for which the agreement of either or both the Trustee and the Manager is required under the Trust Deed.

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

### 14 FINANCIAL INSTRUMENTS

#### **Overview**

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Trust's management of capital. Further quantitative disclosures are included throughout these financial statements.

#### **Financial risk management objectives and policies**

Exposure to credit, interest rate and liquidity risks arise in the normal course of the Group's business. The Group has written policies and guidance which set out its overall business strategies and its general risk management philosophy.

#### **Credit risk**

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

The Manager has established credit limits for tenants and monitors their balances on an ongoing basis. Credit evaluations are performed by the Property Manager before lease agreements are entered into with tenants. The Group establishes an allowance for impairment, based on specific loss component that relates to individually significant exposures, that represents its estimate of incurred losses in respect of trade and other receivables.

The tenants have provided security deposits amounting to 3-12 months rental in the form of bankers' guarantee or cash. The maximum exposure to credit risk is represented by the carrying value of each financial asset, including derivative financial instruments, on the statement of financial position.

Cash and fixed deposits are placed with financial institutions which are regulated. Transactions involving derivative financial instruments are allowed only with counterparties that are credit worthy.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 14 FINANCIAL INSTRUMENTS (cont'd)

#### *Credit risk (cont'd)*

##### *Exposure to credit risk*

The carrying amount of the following assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Group		Trust	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Trade and other receivables	4,975	3,455	43,106	16,156
Derivative assets	2,253	328	2,253	328
Cash and cash equivalents	8,054	11,275	5,529	9,976
	15,282	15,058	50,888	26,460

#### *Liquidity risk*

The Manager monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. In addition, the Manager monitors and observes the Code of Collective Investment Schemes issued by the MAS concerning limits on total borrowings.

The Group has committed and undrawn facilities comprising \$56,000,000 (2014: \$74,192,000) from secured revolving credit facilities and \$Nil (2014: \$67,627,000) from secured term loan facilities with a panel of banks. In addition, the Group has a \$500 million MTN Programme established by Cache-MTN Pte Ltd, a wholly-owned subsidiary of the Trust.

The Group has secured bank loans which contain debt covenants. Any breach of covenants may require the Group to repay the loan earlier than indicated in note 11.

#### *Market risk*

Market risk is the risk that changes in market prices, such as interest rates will affect the Group's total return or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk, utilising interest rate and currency hedging strategies where appropriate.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 14 FINANCIAL INSTRUMENTS (cont'd)

#### Currency risk

At the reporting date, the exposure to currency risk is as follows:

	2015	2015	2014	2014
	RMB	AUD	RMB	AUD
	\$'000	\$'000	\$'000	\$'000
<b>Group</b>				
Investment properties	16,882	171,177	16,912	–
Cash and cash equivalents	1,134	2,592	1,299	–
Other receivables	69	565	1	–
Interest-bearing borrowings	–	(110,793)	–	–
Other payables	(155)	(1,338)	(124)	–
Derivative liabilities	–	(120)	–	–
Net statement of financial position exposure	17,929	62,084	18,088	–
<b>Trust</b>				
Cash and cash equivalents	–	1,284	–	–
Interest-bearing borrowings	–	(30,918)	–	–
Other payables	–	(160)	–	–
Amount due from subsidiaries	–	26,347	–	–
Net statement of financial position exposure	–	(3,447)	–	–

A 10% strengthening of the Singapore Dollar against the following currencies would increase/(decrease) Unitholders funds and total return (before any tax effect) by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group and Trust considered to be reasonably possible at the end of the reporting period. The analysis assumes all other variables, in particular interest rates, remain constant.

	Statement of total return		Unitholders' funds	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<b>Group</b>				
RMB	–	–	1,793	1,809
AUD	(344)	–	6,553	–
<b>Trust</b>				
RMB	–	–	–	–
AUD	(344)	–	–	–

A 10% weakening of the SGD against the above currencies would have had an equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

#### Interest rate risk

The Group's exposure to changes in interest rates relates primarily to interest-bearing borrowings. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates. The Group has entered into interest rate swaps to achieve an appropriate mix of fixed and floating exposures in respect of its interest-bearing borrowings (see note 12).

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 14 FINANCIAL INSTRUMENTS (cont'd)

#### Profile

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	Group Carrying amount		Trust Carrying amount	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<b>Variable rate instruments</b>				
Financial assets	8,054	11,275	5,529	9,976
Financial liabilities *	(200,954)	(136,081)	(145,626)	(136,081)
	(192,900)	(124,806)	(140,097)	(126,105)

\* net of effect of interest rate swaps

#### Cash flow sensitivity analysis for variable rate instruments

A change of 25 (2014: 25) basis points ("bp") in interest rate at the reporting date would increase/(decrease) total return and Unitholders' fund by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Total return		Unitholders' fund	
	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease
	\$'000	\$'000	\$'000	\$'000
<b>Group</b>				
<b>31 December 2015</b>				
Financial assets	20	(20)	–	–
Financial liabilities	(502)	502	184	(226)
Cash flow sensitivity (net)	(482)	482	184	(226)
<b>31 December 2014</b>				
Financial assets	28	(28)	–	–
Financial liabilities	(340)	340	1	(121)
Cash flow sensitivity (net)	(312)	312	1	(121)
<b>Trust</b>				
<b>31 December 2015</b>				
Financial assets	14	(14)	–	–
Financial liabilities	(364)	364	186	(199)
Cash flow sensitivity (net)	(350)	350	186	(199)
<b>31 December 2014</b>				
Financial assets	25	(25)	–	–
Financial liabilities	(340)	340	1	(121)
Cash flow sensitivity (net)	(315)	315	1	(121)

#### Hedging

Interest rate swaps, which are denominated in Singapore dollars and Australian dollars, have been entered into to achieve an appropriate mix of fixed and floating rate exposures within the Group's policy. As at 31 December 2015, the Group had interest rate swaps with an aggregated notional contract amount of \$327,500,000 (2014: \$219,100,000) (see note 12).

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 14 FINANCIAL INSTRUMENTS (cont'd)

#### Capital management

The primary objective of the Group's capital management is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise Unitholder's value. In order to maintain or achieve an optimal capital structure, the Group will endeavour to employ an appropriate mix of debt and equity in financing acquisitions and assets enhancements, and utilise interest rate and currency hedging strategies where appropriate. The Manager reviews this policy on a continuous basis.

The Property Funds Appendix stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 45.0% (2014: 35.0%) of the fund's deposited property.

At 31 December 2015, the Group's Aggregate Leverage ratio was 39.8% (2014: 31.2%). The Group and Trust are in compliance with the Aggregate Leverage limit of 45.0% during the financial year.

With effect from 1 January 2016, the Aggregate Leverage of a property fund should not exceed 45% of the fund's Deposited Property without requirement of credit rating and the option for a property fund to leverage up to 60% by obtaining a credit rating will be removed.

#### Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are set out below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amounts				Fair value			
	Fair value – hedging instruments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>								
<b>31 December 2015</b>								
<b>Financial assets measured at fair value</b>								
Derivative assets	2,253	–	–	2,253	–	2,253	–	2,253
<b>Financial assets not measured at fair value</b>								
Trade and other receivables ^	–	1,685	–	1,685				
Cash and cash equivalents	–	8,054	–	8,054				
	–	9,739	–	9,739				

^ Excludes prepayments

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 14 FINANCIAL INSTRUMENTS (cont'd)

#### Accounting classifications and fair values (cont'd)

	Carrying amounts				Fair value			
	Fair value – hedging instruments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>								
<b>31 December 2015</b>								
<b>Financial liabilities measured at fair value</b>								
Derivative liabilities	120	–	–	120	–	120	–	120
<b>Financial liabilities not measured at fair value</b>								
Trade and other payables (non-current)	–	–	1,627	1,627	–	–	1,506	1,506
Trade and other payables (current)	–	–	14,269	14,269				
Interest-bearing borrowings	–	–	523,448	523,448				
	–	–	539,344	539,344				
<b>31 December 2014</b>								
<b>Financial assets measured at fair value</b>								
Derivative assets	328	–	–	328	–	328	–	328
<b>Financial assets not measured at fair value</b>								
Trade and other receivables ^	–	3,350	–	3,350				
Cash and cash equivalents	–	11,275	–	11,275				
	–	14,625	–	14,625				
<b>Financial liabilities not measured at fair value</b>								
Trade and other payables	–	–	20,501	20,501				
Interest-bearing borrowings	–	–	349,245	349,245				
	–	–	369,746	369,746				

^ Excludes prepayments

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 14 FINANCIAL INSTRUMENTS (CONT'D)

#### Accounting classifications and fair values (cont'd)

	Carrying amounts				Fair value			
	Fair value – hedging instruments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

#### Trust

31 December 2015

#### Financial assets measured at fair value

Derivative assets	2,253	–	–	2,253	–	2,253	–	2,253
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#### Financial assets not measured at fair value

Trade and other receivables ^	–	40,405	–	40,405				
Cash and cash equivalents	–	5,529	–	5,529				
	–	45,934	–	45,934				

#### Financial liabilities not measured at fair value

Trade and other payables (non-current)	–	1,627	–	1,627	–	–	1,506	1,506
Trade and other payables (current)	–	12,897	–	12,897				
Interest-bearing borrowings	–	443,573	–	443,573				
	–	458,097	–	458,097				

^ Excludes prepayments

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 14 FINANCIAL INSTRUMENTS (cont'd)

#### Accounting classifications and fair values (cont'd)

	Carrying amounts				Fair value			
	Fair value – hedging instruments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Trust</b>								
<b>31 December 2014</b>								
<b>Financial assets measured at fair value</b>								
Derivative assets	328	–	–	328	–	328	–	328
<b>Financial assets not measured at fair value</b>								
Trade and other receivables	–	16,053	–	16,053				
Cash and cash equivalents	–	9,976	–	9,976				
	–	26,029	–	26,029				
<b>Financial liabilities not measured at fair value</b>								
Trade and other payables	–	–	20,322	20,322				
Interest-bearing borrowings	–	–	349,245	349,245				
	–	–	369,567	369,567				

#### Financial instruments not measured at fair value

The following table shows the valuation technique and the key unobservable inputs used in the determination of fair value of the Level 3 financial instruments not measured at fair value:

Financial instrument	Valuation technique	Significant unobservable inputs
Other financial liabilities*	Discounted cash flows**	Not applicable

\* Other financial liabilities include trade and other payables.

\*\* It is assumed that inputs considered as observable used in the valuation technique are significant to the fair value measurement.

#### Financial instruments for which fair value is equal to the carrying amount

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 15 GROSS REVENUE

	Group		Trust	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Gross revenue	89,721	82,852	82,671	81,677

Gross revenue includes net rental income (after rent rebates and provisions for rent free period), service charge, license fees and other reimbursables for multi-tenanted properties.

### 16 PROPERTY EXPENSES

	Group		Trust	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Property management fees (including reimbursables)	3,514	3,146	3,479	3,146
Other fees paid/payable to property manager	721	15	721	15
Depreciation of plant and equipment	647	224	611	200
Utilities	2,702	207	2,644	199
Property tax and land rent	3,969	663	3,818	663
Others	2,012	597	1,851	538
	13,565	4,852	13,124	4,761

### 17 NET FINANCING COSTS

	Group		Trust	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Bank deposits	60	161	40	161
Intercompany loan	–	–	622	–
<b>Finance income</b>	60	161	662	161
Interest expense:				
– bank loans	(12,691)	(7,754)	(11,377)	(7,754)
– interest rate swaps	(637)	(787)	(593)	(787)
Commitment fee	(197)	(312)	(197)	(312)
Amortisation of transaction costs	(1,634)	(1,662)	(1,576)	(1,662)
Transaction costs written-off	–	(2,134)	–	(2,134)
Others	(12)	(2)	(5)	(2)
Less:				
Borrowings costs capitalised in investment property under development	1,040	194	1,040	194
<b>Finance expenses</b>	(14,131)	(12,457)	(12,708)	(12,457)
<b>Net financing costs</b>	(14,071)	(12,296)	(12,046)	(12,296)

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 18 MANAGER'S FEES

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

### 19 OTHER TRUST EXPENSES

Included in other trust expenses are:

	Group		Trust	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Audit fees	256	210	196	190
Other professional fees paid to auditors	133	59	58	44
Valuation fees	90	33	58	33

### 20 INCOME TAX EXPENSE

	Group		Trust	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<b>Current taxation</b>				
Current year	147	183	–	–
Withholding tax	563	79	500	–
	710	262	500	–
<b>Deferred taxation</b>				
Origination of temporary differences – investment property	(106)	13	–	–
Income tax expense	604	275	500	–

#### Reconciliation of effective tax rate

	Group		Trust	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Total return before tax and distribution	(11,719)	66,084	(266)	65,619
Tax calculated using Singapore tax rate of 17% (2014: 17%)	(1,992)	11,234	(45)	11,155
Effect of tax rates in foreign jurisdiction	46	52	–	–
Non-tax deductible items	12,259	1,712	10,940	1,702
Non-taxable income	(53)	(1,560)	(676)	(1,615)
Tax transparency	(10,219)	(11,242)	(10,219)	(11,242)
Withholding tax	563	79	500	–
	604	275	500	–

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 21 EARNINGS PER UNIT

Basic earnings per Unit is based on:

	Group		Trust	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Total return after tax, before distribution	(12,323)	65,809	(766)	65,619

	Group and Trust	
	2015	2014
	Number of Units	Number of Units
Issued Units at beginning of year	781,758	777,440
Effect of creation of new Units:		
– issue of new Units (private placement)	14,266	–
– issued as payment of Manager's fees	1,867	1,619
– to be issued as payment of Manager's fees payable in Units	5	3
Weighted average number of issued and issuable Units at end of year	797,896	779,062

Diluted earnings per Unit is the same as the basic earnings per Unit as there were no dilutive instruments in issue during the year.

### 22 ISSUE EXPENSES

Issue expenses comprise professional, advisory and underwriting fees and other costs related to issuance of Units.

### 23 OPERATING SEGMENTS

Management considers the business from a geographic segment perspective. Geographically, management manages and monitors the business by 3 countries: Singapore, Australia and China. All geographical locations are in the business of investing in logistics properties, which is the only business segment of the Group.

Management assesses the performance of the geographic segments based on a measure of Net Property Income ("NPI"). Interest income and finance expenses are not allocated to the segments, as the certain treasury activities are centrally managed by the Group.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 23 OPERATING SEGMENTS (cont'd)

The segment information provided to the Management for the reportable segments for the year ended 31 December 2015 is as follows:

	Singapore	Australia	China	Total
	\$'000	\$'000	\$'000	\$'000
Gross revenue	82,671	5,874	1,176	89,721
Property expenses	(13,124)	(325)	(116)	(13,565)
<b>Net property income</b>	69,547	5,549	1,060	76,156
Net movement in the fair value of investment properties	(52,509)	(11,779)	(426)	(64,714)
Unallocated amounts:				
– Interest and other income				471
– Borrowing costs				(14,131)
– Unallocated costs *				(9,501)
<b>Total return for the year before tax</b>				(11,719)
Income tax	(500)	–	(104)	(604)
<b>Total return for the year after tax</b>				(12,323)
<b>Assets and liabilities</b>				
<u>Segment assets</u>				
– Investment properties	1,119,900	171,177	16,882	1,307,959
– Others	13,646	1,873	1,202	16,721
	1,133,546	173,050	18,084	1,324,680
Unallocated assets **				1,610
Consolidated total assets				1,326,290
Segment liabilities	427,101	81,172	471	508,744
Unallocated liabilities ***				31,036
Consolidated total liabilities				539,780

Comparative information for the year ended 31 December 2014 is not presented as the Group only had one operating segment, comprising logistics warehouses which are mainly located in Singapore. The logistics warehouse property in China did not meet any of the quantitative thresholds for determining reportable segments.

\* Unallocated costs include Manager's management fees, Trustee fees and other trust expenses.

\*\* Unallocated assets include cash and cash equivalents, and other receivables.

\*\*\* Unallocated liabilities include borrowings of A\$16 million and A\$14 million (Note 11).

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 24 COMMITMENTS

	Group		Trust	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000

(a) Capital commitments:

Capital expenditure contracted  
but not provided for

17	39,950	17	39,950
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(b) The Group leases out its investment properties. Non-cancellable operating lease rentals receivable are as follows:

	Group		Trust	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Within 1 year	99,156	56,556	85,214	55,472
After 1 year but within 5 years*	220,838	143,326	170,258	141,681
After 5 years*	125,906	83,209	86,408	83,209
	445,900	283,091	341,880	280,362

\* Excludes prevailing market rate adjustment

(c) The Trust is required to pay JTC Corporation annual land rent in respect of certain properties. The annual land rent payable is based on the market land rent in the relevant year of the lease term. However, the lease agreements limit any increase in the annual land rent from year to year to 5.5% of the annual land rent for the immediate preceding year. The land rent paid/payable to JTC Corporation amounted to \$8,298,000 (2014: \$6,134,000) in relation to 11 (2014: 11) properties for the year ended 31 December 2015 (including amounts that have been directly recharged to tenants).

### 25 SIGNIFICANT RELATED PARTY TRANSACTIONS

During the financial year, other than the transactions disclosed elsewhere in the financial statements, there were the following related party transactions:

	Group		Trust	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Property manager's fees and reimbursables paid/payable to the property manager	3,514	3,146	3,497	3,146
Other fees paid/payable to property manager <sup>(1)</sup>	721	15	721	15
Rental income received/receivable from a sponsor and its related corporations	56,415	70,067	55,240	68,891
Acquisition/Divestment fees paid to the Manager	1,744	–	1,744	–

<sup>(1)</sup> Marketing commissions and fees for property tax savings.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 26 FINANCIAL RATIOS

	Group	
	2015	2014
	%	%
Expenses to weighted average net assets <sup>1</sup>		
– including performance component of Manager's fees	1.2	1.1
– excluding performance component of Manager's fees	1.1	1.0
Portfolio turnover rate <sup>2</sup>	1.2	–

<sup>1</sup> The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group, excluding property expenses, interest expense and income tax expense.

<sup>2</sup> The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of daily average net asset value.

### 27 SUBSEQUENT EVENT

On 25 January 2016, the Manager declared a distribution of 1.174 cents per Unit in respect of the period from 13 November 2015 to 31 December 2015 to be paid on 29 February 2016.

**AUDITED FINANCIAL STATEMENTS OF CACHE LOGISTICS TRUST FOR THE  
FINANCIAL YEAR ENDED 31 DECEMBER 2016**

*The information in this Appendix III has been reproduced from the annual report of the Group for the financial year ended 31 December 2016 and has not been specifically prepared for inclusion in this Information Memorandum. Investors should read the consolidated financial data in conjunction with the related notes.*

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

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust during the period covered by these financial statements, set out on pages 107 to 163 in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

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

**Esther Fong**  
Senior Vice President, Trustee Services

1 March 2017

## STATEMENT BY THE MANAGER

In the opinion of the directors of ARA-CWT Trust Management (Cache) Limited (the "Manager"), the accompanying financial statements set out on pages 107 to 163 comprising the Statements of Financial Position, Statements of Total Return, Distribution Statements, Statements of Movements in Unitholders' Funds and Portfolio Statements of the Group and of the Trust, Statement of Cash Flows of the Group and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position and the portfolio holdings of Cache Logistics Trust (the "Trust") and its subsidiaries (the "Group") as at 31 December 2016, the total return, distributable income, movements in Unitholders' funds of the Group and the Trust and cash flows of the Group for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "*Reporting Framework for Unit Trusts*" issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Trust will be able to meet its financial obligations as and when they materialise.

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

**Lim Hwee Chiang John**  
Director

1 March 2017

### **Unitholders of Cache Logistics Trust**

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

## **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

### ***Opinion***

We have audited the financial statements of Cache Logistics Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position and consolidated portfolio statement of the Group and the statement of financial position and portfolio statement of the Trust as at 31 December 2016, the consolidated statement of total return, consolidated distribution statement, consolidated statement of movements in unitholders' funds and consolidated statement of cash flows of the Group and the statement of total return, distribution statement and statement of movements in unitholders' funds of the Trust for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 107 to 163.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of total return, distribution statement, portfolio statement and statement of movement in unitholders' funds of the Trust present fairly, in all material respects, the consolidated financial position and the portfolio holdings of the Group and the financial position and the portfolio holdings of the Trust as at 31 December 2016 and the consolidated total return, consolidated distributable income, consolidated movements in unitholders' funds and consolidated cash flows of the Group and the total return, distributable income and movements in unitholders' funds of the Trust for the year then ended on that date in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* ("RAP 7") issued by the Institute of Singapore Chartered Accountants.

### ***Basis for opinion***

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

### ***Key audit matters***

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

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

#### ***Risk:***

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

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

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

## INDEPENDENT AUDITORS' REPORT

### *How the matter was addressed in our audit:*

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

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

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

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

### *Our findings*

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

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

### *Other Information*

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

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

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

***Responsibilities of management and directors of the Manager for the financial statements***

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

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

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

***Auditors' responsibilities for the audit of the financial statements***

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

## INDEPENDENT AUDITORS' REPORT

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Lee Jee Cheng Philip.

### **KPMG LLP**

*Public Accountants and  
Chartered Accountants*

### **Singapore**

1 March 2017

As at 31 December 2016

## STATEMENTS OF FINANCIAL POSITION

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

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

## STATEMENTS OF TOTAL RETURN

For the year ended 31 December 2016

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

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

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

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

# STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

For the year ended 31 December 2016

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

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

As at 31 December 2016

## PORTFOLIO STATEMENTS

### GROUP

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

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

# **PORTFOLIO STATEMENTS**

As at 31 December 2016

## **GROUP (CONT'D)**

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

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

As at 31 December 2016

## PORTFOLIO STATEMENTS

### TRUST

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

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

# **PORTFOLIO STATEMENTS**

As at 31 December 2016

## **TRUST (CONT'D)**

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

### **Notes:**

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

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

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

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

**Note:**

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

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

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

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

# **CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended 31 December 2016

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

**A Significant non-cash transactions**

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

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

These notes form an integral part of the financial statements.

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

## **1 DOMICILE AND ACTIVITIES**

Cache Logistics Trust (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 11 February 2010 (as amended by a first supplemental deed dated 18 March 2010, a second supplemental deed dated 29 September 2014 and a first amending and restating deed dated 13 April 2016) (the "Trust Deed") entered into between ARA-CWT Trust Management (Cache) Limited, as manager of the Trust (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited, as Trustee of the Trust (the "Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust held by it or through its subsidiaries (collectively the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "Units").

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

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

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

### **1.1 Property Manager's fees**

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

For Singapore Properties:

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

For Australian Properties:

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

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

### **1.2 Manager's fees**

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

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

## NOTES TO THE FINANCIAL STATEMENTS

### 1 DOMICILE AND ACTIVITIES (CONT'D)

#### 1.2 Manager's fees (cont'd)

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

#### 1.3 Trustee's fees

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

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

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

#### 1.4 Acquisition fees

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

#### 1.5 Divestment fees

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

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

#### 2.2 Basis of measurement

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

## **2 BASIS OF PREPARATION (CONT'D)**

### **2.3 Functional and presentation currency**

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

### **2.4 Use of estimates and judgements**

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

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

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

#### **Measurement of fair values**

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

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

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

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

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

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

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

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

### **3 SIGNIFICANT ACCOUNTING POLICIES**

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

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

#### **3.1 Basis of consolidation**

(i) **Subsidiaries**

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

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

(ii) **Transactions eliminated on consolidation**

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

(iii) **Subsidiaries in the separate financial statements**

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

#### **3.2 Foreign currency**

(i) **Foreign currency transactions**

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

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

(ii) **Foreign operations**

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

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

### **3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### **3.3 Investment properties**

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

Investment properties are accounted for as non-current assets except if they meet the conditions to be classified as held-for-sale (see Note 3.5). These properties are initially recognised at cost, including transaction costs, and at fair value thereafter. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. Fair values of investment properties are determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers in the following events:

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

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

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

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

#### **3.4 Investment property under development**

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

#### **3.5 Asset held for sale**

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

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

### **3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### **3.6 Plant and equipment**

(i) Measurement

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

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

(ii) Depreciation

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

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

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

(iii) Subsequent costs

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

(iv) Disposal

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

#### **3.7 Financial instruments**

(i) Non-derivative financial assets

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

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

### **3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### **3.7 Financial instruments (cont'd)**

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

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

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

***Loans and receivables***

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

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

(ii) Non-derivative financial liabilities

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

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

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

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

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

(iii) Unitholders' funds

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

(iv) Derivative financial instruments, including hedge accounting

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

### **3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### **3.7 Financial instruments (cont'd)**

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

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

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

#### ***Cash flow hedges***

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

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

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

#### ***Derivatives that do not qualify for hedge accounting***

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

#### **3.8 Impairment**

- (i) Non-derivative financial assets

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

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

### **3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### **3.8 Impairment (cont'd)**

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

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

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

(ii) Non-financial assets

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

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

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

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

#### **3.9 Revenue**

##### ***Rental income from operating leases***

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

##### ***Dividend income***

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

### **3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### **3.10 Lease payments**

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

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

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

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

- (a) the fulfilment of the arrangement is dependent on the use of a specific asset or assets; and
- (b) the arrangement contains a right to use the asset(s).

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

#### **3.11 Expenses**

- (i) Property expenses

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

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

- (ii) Manager's fees

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

- (iii) Trustee's fees

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

#### **3.12 Finance income and expenses**

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

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

### **3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### **3.13 Tax**

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at each reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

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

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

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

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

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

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

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

### **3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### **3.13 Tax (cont'd)**

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

A Qualifying Unitholder is a Unitholder who is:

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

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

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

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

#### **3.14 Distribution policy**

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

#### **3.15 Earnings per Unit**

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

#### **3.16 Segment reporting**

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

### **3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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

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

##### **Applicable to 2017 financial statements**

###### **Revision to RAP 7**

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

##### **Applicable to 2018 financial statements**

###### **FRS 115 Revenue from Contracts with Customers**

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

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

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

###### **Potential impact on the financial statements**

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

###### **Transition**

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

##### **Applicable to 2018 financial statements**

###### **FRS 109 Financial Instruments**

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

### **3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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

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

##### **Potential impact on the financial statements**

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

##### **Classification and measurement**

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

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

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

##### **Impairment**

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

##### **Hedge accounting**

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

##### **Transition**

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

##### **Applicable to 2019 financial statements**

##### **FRS 116 Leases**

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

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

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

### 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.17 New standards, interpretations and revised recommended accounting practice not yet adopted (cont'd) *Potential impact on the financial statements*

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

### 4 INVESTMENT PROPERTIES AND ASSET HELD FOR SALE

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

**Notes:**

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

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

#### Asset held for sale

An investment property with a carrying value of \$25,273,000 (2015: \$Nil) as at 31 December 2016 has been reclassified as asset held for sale. This reclassification is required by FRS 105 *Non-Current Assets Held for Sale and Discontinued Operations* as the divestment is planned within the next 12 months from the reporting date. The divestment of the property was subsequently completed on 23 January 2017 for a gross sale consideration of \$25.5 million (before transaction costs of approximately \$0.2 million).

#### Securities

At 31 December 2016, certain investment properties have been pledged as securities for loan facilities granted by financial institutions to the Group (see note 11). The aggregate carrying amount of the securities are as follows:

	Group		Trust	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Investment properties	916,611	1,126,000	751,800	964,900

#### Measurement of fair value

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

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

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

	Level 3 \$'000
<b>Group</b>	
<b>2016</b>	
Investment properties (including asset held for sale)	1,236,175
<b>2015</b>	
Investment properties	1,307,959

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

##### Measurement of fair value (cont'd)

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

**Level 3  
\$'000**

##### Trust

##### 2016

Investment properties (including asset held for sale) 1,043,773

##### 2015

Investment properties 1,119,900

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

Type	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<b>Group</b>		
Investment properties consisting of logistics warehouse properties for leasing.	<ul style="list-style-type: none"> <li>Terminal yield rates 6.50% to 9.25% (2015: 6.50% to 8.50%)</li> <li>Discount rates 7.25% to 9.50% (2015: 7.50% to 11.00%)</li> <li>Capitalisation rates 6.25% to 9.00% (2015: 6.25% to 8.50%)</li> <li>Market rental growth rates 0.9% to 4.33% (2015: 0% to 3.25%)</li> </ul>	<p>The estimated fair values would increase/(decrease) if:</p> <ul style="list-style-type: none"> <li>the terminal yield rates were lower/(higher);</li> <li>the discount rates were lower/(higher);</li> <li>the capitalisation rates were lower/(higher); or</li> <li>the market rental growth rates were higher/(lower).</li> </ul>
	<b>Trust</b>	
	<ul style="list-style-type: none"> <li>Terminal yield rates 6.50% to 6.75% (2015: 6.50% to 7.25%)</li> <li>Discount rates 7.75% to 8.00% (2015: 7.50% to 8.25%)</li> <li>Capitalisation rates 6.25% to 6.50% (2015: 6.25% to 7.00%)</li> <li>Market rental growth rates 0.9% to 3.5% (2015: 0% to 3%)</li> </ul>	

Significant unobservable inputs correspond to:

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

## NOTES TO THE FINANCIAL STATEMENTS

### 5 INVESTMENT PROPERTY UNDER DEVELOPMENT

	Group and Trust	
	2016 \$'000	2015 \$'000
At 1 January	-	75,700
Construction cost and capital expenditure capitalised during the year <sup>(1)</sup>	-	64,089
Reclassified to investment property <sup>(2)</sup>	-	(139,789)
At 31 December	-	-

**Notes:**

<sup>(1)</sup> Includes borrowing costs capitalised in 2015 of \$1,040,000.

<sup>(2)</sup> The property was reclassified to investment property when the Temporary Occupation Permit was obtained in July 2015.

**Measurement of fair value**

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

**6 PLANT AND EQUIPMENT**

	<b>Fixtures and fittings \$'000</b>	<b>Plant, machinery and improvements \$'000</b>	<b>Office equipment \$'000</b>	<b>Total \$'000</b>
<b>Group</b>				
<b>Cost</b>				
At 1 January 2015	2	2,205	19	2,226
Additions	2	1,869	8	1,879
Disposals	-	(37)	-	(37)
Translation difference	-	3	-	3
At 31 December 2015	4	4,040	27	4,071
Additions	9	1,158	6	1,173
Reclassified to investment properties	-	(318)	-	(318)
Translation difference	-	(13)	-	(13)
At 31 December 2016	13	4,867	33	4,913
<b>Accumulated depreciation</b>				
At 1 January 2015	1	373	12	386
Disposals	-	(12)	-	(12)
Depreciation	1	642	5	648
At 31 December 2015	2	1,003	17	1,022
Depreciation	1	939	6	946
Reclassified to investment properties	-	(171)	-	(171)
At 31 December 2016	3	1,771	23	1,797
<b>Carrying amounts</b>				
At 1 January 2015	1	1,832	7	1,840
At 31 December 2015	2	3,037	10	3,049
At 31 December 2016	10	3,096	10	3,116

## NOTES TO THE FINANCIAL STATEMENTS

### 6 PLANT AND EQUIPMENT (CONT'D)

	Fixtures and fittings \$'000	Plant, machinery and improvements \$'000	Office equipment \$'000	Total \$'000
<b>Trust</b>				
<b>Cost</b>				
At 1 January 2015	-	2,068	17	2,085
Additions	2	1,704	8	1,714
Disposals	-	(38)	-	(38)
At 31 December 2015	2	3,734	25	3,761
Additions	9	987	6	1,002
Reclassified to investment properties	-	(318)	-	(318)
At 31 December 2016	11	4,403	31	4,445
<b>Accumulated depreciation</b>				
At 1 January 2015	-	343	13	356
Depreciation	-	606	4	610
Disposals	-	(12)	-	(12)
At 31 December 2015	-	937	17	954
Depreciation	1	845	6	852
Reclassified to investment properties	-	(171)	-	(171)
At 31 December 2016	1	1,611	23	1,635
<b>Carrying amounts</b>				
At 1 January 2015	-	1,725	4	1,729
At 31 December 2015	2	2,797	8	2,807
At 31 December 2016	10	2,792	8	2,810

## 7 INVESTMENTS IN SUBSIDIARIES

	Trust	
	2016 \$'000	2015 \$'000
Equity investments, at cost	74,062	74,062
Advances to a subsidiary	4,048	4,048
	78,110	78,110
Less: Accumulated impairment losses	(4,800)	-
	73,310	78,110

An investment in a subsidiary is considered impaired when its carrying amount exceeds its recoverable amount estimated based on the fair value of the underlying assets held by the subsidiary. During the year ended 31 December 2016, an impairment loss of \$4,800,000 (2015: \$Nil) was recognised due to a decline in the fair value of the underlying investment properties held by the subsidiaries of The Trust Company (Australia) Limited ATF Cache Logistics Trust Australia.

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

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Ownership interest	
		31 December 2016 %	31 December 2015 %

**Details of the subsidiaries directly held by the Trust are set out below:**

Cache-MTN Pte Ltd <sup>(1)^</sup>	Singapore	100	100
Cache (Australia) Pte Ltd <sup>(1)^</sup>	Singapore	100	100
Cache Singapore One Pte Ltd <sup>(1)^</sup>	Singapore	100	100
The Trust Company (Australia) Limited ATF Cache Logistics Trust Australia <sup>(2)^</sup>	Australia	100	100

**Details of subsidiaries held by The Trust Company (Australia) Limited ATF Cache Logistics Trust Australia are set out below:**

The Trust Company Limited ATF Chester Hill (NSW) Trust <sup>(3)^</sup>	Australia	100	100
The Trust Company Limited ATF Somerton (VIC) Trust <sup>(3)^</sup>	Australia	100	100
The Trust Company Limited ATF Coopers Plains (QLD) Trust <sup>(3)^</sup>	Australia	100	100
The Trust Company Limited ATF Wacol (QLD) Trust <sup>(3)^</sup>	Australia	100	100
The Trust Company Limited ATF Wacol 2 (QLD) Trust <sup>(3)^</sup>	Australia	100	100
The Trust Company Limited ATF Kidman Park (SA) Trust <sup>(3)^</sup>	Australia	100	100

## NOTES TO THE FINANCIAL STATEMENTS

### 7 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiaries	Country of incorporation	Ownership interest	
		31 December 2016 %	31 December 2015 %
<b>Details of subsidiaries held by the Cache Singapore One Pte Ltd are set out below:</b>			
CWT Cayman (Jinshan) Limited <sup>(2)^</sup>	The Cayman Islands	100	100
CWT Jinshan (Hong Kong) Limited <sup>(3)^</sup>	Hong Kong	100	100
CWT Warehousing Transportation (Shanghai) Development Co., Ltd. <sup>(4)^</sup>	China	100	100
<b>Details of subsidiaries held by the Cache (Australia) Pte Ltd are set out below:</b>			
Tanglewood Success Limited <sup>(2)^</sup>	British Virgin Islands	100	100
Cache Polar (Hong Kong) Limited <sup>(3)^</sup>	Hong Kong	-	100

**Notes:**

<sup>(1)</sup> Audited by KPMG LLP, Singapore

<sup>(2)</sup> Not required to be audited by the laws of the country of incorporation

<sup>(3)</sup> Audited by other member firms of KPMG International

<sup>(4)</sup> Audited by BDO China Shu Lun Pan Certified Public Accountants LLP

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

### 8 TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Trade receivables	1,474	428	1,189	428
Other receivables	621	645	400	600
Deposits	348	612	348	612
Amounts due from subsidiaries (non-trade)	-	-	38,776	38,765
	2,443	1,685	40,713	40,405
Prepayments	2,968	3,290	2,612	2,701
	5,411	4,975	43,325	43,106

Included in amounts due from subsidiaries are loans to a subsidiary of \$26,625,000 (2015: \$26,347,000) which are unsecured, interest-bearing at 6.5% (2015: 6.5%) per annum and repayable on demand. The remaining amounts are unsecured, interest-free and repayable on demand. There is no allowance for doubtful debts arising from the outstanding amounts due from subsidiaries.

## 9 CASH AND CASH EQUIVALENTS

	Group		Trust	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Cash at bank	13,561	8,054	10,562	5,529

The bank accounts in relation to the charged properties are assigned as security for credit facilities granted to the Group and the Trust (see note 11). As at 31 December 2016, the amounts standing in these accounts amounted to \$5,576,000 (2015: \$2,547,000) and \$5,165,000 (2015: \$1,800,000) for the Group and the Trust respectively.

## 10 TRADE AND OTHER PAYABLES

	Group		Trust	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Trade payables	1,889	3,674	1,681	3,418
Other payables	845	1,061	583	777
Security deposits	290	176	290	176
Income received in advance	474	-	339	-
Accrued operating expenses	7,929	6,930	6,656	6,098
Accrued construction costs	2,428	2,428	2,428	2,428
	13,855	14,269	11,977	12,897
<b>Non-current</b>				
Security deposits	2,102	1,627	2,102	1,627
	15,957	15,896	14,079	14,524

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

## 11 INTEREST-BEARING BORROWINGS

	Group		Trust	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Secured borrowings	435,848	511,878	354,617	431,495
Less: Unamortised transaction costs	(2,903)	(4,916)	(2,512)	(4,408)
	432,945	506,962	352,105	427,087
Unsecured borrowings	106,706	16,531	106,706	16,531
Less: Unamortised transaction costs	(786)	(45)	(786)	(45)
	105,920	16,486	105,920	16,486
<b>Maturity of borrowings</b>				
Within 1 year	4,628	8,305	4,628	8,305
After 1 year but within 5 years	534,237	515,143	453,397	435,268
	538,865	523,448	458,025	443,573

## NOTES TO THE FINANCIAL STATEMENTS

### 11 INTEREST-BEARING BORROWINGS (CONT'D)

#### Terms and debt repayment schedule

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

	Currency	Nominal interest rate	Year of maturity	Face value \$'000	Carrying amount \$'000
<b>Group</b>					
<b>2016</b>					
Revolving credit facility <sup>(1)</sup>	SGD	SOR* + Margin	2018	5,000	4,628
Term loan facility <sup>(1)</sup>	SGD	SOR* + Margin	2018	185,000	183,940
Term loan facility <sup>(3)</sup>	AUD	BBSY# + Margin	2018	14,617	14,600
Term loan facility <sup>(4)</sup>	AUD	BBSY# + Margin	2018	16,706	16,676
Term loan facility <sup>(1)</sup>	SGD	SOR* + Margin	2019	150,000	148,937
Term loan facility <sup>(2)</sup>	AUD	BBSY# + Margin	2019	30,592	30,501
Term loan facility <sup>(2)</sup>	AUD	BBSY# + Margin	2020	36,544	36,365
Term loan facility <sup>(2)</sup>	AUD	BBSY# + Margin	2020	14,095	13,974
Term loan facility <sup>(4)</sup>	SGD	SOR* + Margin	2021	90,000	89,244
				<u>542,554</u>	<u>538,865</u>
<b>2015</b>					
Term loan facility <sup>(1)</sup>	SGD	SOR* + Margin	2017	73,030	72,425
Revolving credit facility <sup>(1)</sup>	SGD	SOR* + Margin	2018	9,000	8,305
Term loan facility <sup>(1)</sup>	SGD	SOR* + Margin	2018	185,000	183,362
Term loan facility <sup>(3)</sup>	AUD	BBSY# + Margin	2018	14,465	14,432
Term loan facility <sup>(4)</sup>	AUD	BBSY# + Margin	2018	16,531	16,486
Term loan facility <sup>(1)</sup>	SGD	SOR* + Margin	2019	150,000	148,563
Term loan facility <sup>(2)</sup>	AUD	BBSY# + Margin	2019	36,162	35,926
Term loan facility <sup>(2)</sup>	AUD	BBSY# + Margin	2019	30,273	30,153
Term loan facility <sup>(2)</sup>	AUD	BBSY# + Margin	2020	13,948	13,796
				<u>528,409</u>	<u>523,448</u>
<b>Trust</b>					
<b>2016</b>					
Revolving credit facility <sup>(1)</sup>	SGD	SOR* + Margin	2018	5,000	4,628
Term loan facility <sup>(1)</sup>	SGD	SOR* + Margin	2018	185,000	183,940
Term loan facility <sup>(3)</sup>	AUD	BBSY# + Margin	2018	14,617	14,600
Term loan facility <sup>(4)</sup>	AUD	BBSY# + Margin	2018	16,706	16,676
Term loan facility <sup>(1)</sup>	SGD	SOR* + Margin	2019	150,000	148,937
Term loan facility <sup>(4)</sup>	SGD	SOR* + Margin	2021	90,000	89,244
				<u>461,323</u>	<u>458,025</u>
<b>2015</b>					
Term loan facility <sup>(1)</sup>	SGD	SOR* + Margin	2017	73,030	72,425
Revolving credit facility <sup>(1)</sup>	SGD	SOR* + Margin	2018	9,000	8,305
Term loan facility <sup>(1)</sup>	SGD	SOR* + Margin	2018	185,000	183,362
Term loan facility <sup>(3)</sup>	AUD	BBSY# + Margin	2018	14,465	14,432
Term loan facility <sup>(4)</sup>	AUD	BBSY# + Margin	2018	16,531	16,486
Term loan facility <sup>(1)</sup>	SGD	SOR* + Margin	2019	150,000	148,563
				<u>448,026</u>	<u>443,573</u>

\* Swap Offer Rate

# Bank Bill Swap Rate

## 11 INTEREST-BEARING BORROWINGS (CONT'D)

The following are the expected contractual undiscounted cash inflows/(outflows) of financial liabilities and derivative financial instruments, including estimated interest payments and excluding the impact of netting agreements, and trade and other payables:

	Carrying amount \$'000	Contractual cash flows \$'000	Cash flows	
			Within 1 year \$'000	Within 2 to 5 years \$'000
<b>Group</b>				
<b>2016</b>				
<b>Non-derivative financial liabilities</b>				
Revolving credit facility ^	4,628	(5,219)	(120)	(5,099)
Floating rate term loans ^	534,237	(592,430)	(19,001)	(573,429)
Trade and other payables ^^	15,483	(15,483)	(13,381)	(2,102)
	<u>554,348</u>	<u>(613,132)</u>	<u>(32,502)</u>	<u>(580,630)</u>
<b>Derivative financial instruments</b>				
Interest rate swaps used for hedging	(1,919)			
- Inflow ^	-	7,515	3,182	4,333
- Outflow	-	(11,977)	(5,442)	(6,535)
	<u>(1,919)</u>	<u>(4,462)</u>	<u>(2,260)</u>	<u>(2,202)</u>
Forward foreign exchange contracts	(20)			
- Inflow	-	827	827	-
- Outflow	-	(847)	(847)	-
	<u>(20)</u>	<u>(20)</u>	<u>(20)</u>	<u>-</u>

# NOTES TO THE FINANCIAL STATEMENTS

## 11 INTEREST-BEARING BORROWINGS (CONT'D)

	Carrying amount \$'000	Contractual cash flows \$'000	Cash flows	
			Within 1 year \$'000	Within 2 to 5 years \$'000
<b>Group</b>				
<b>2015</b>				
<b>Non-derivative financial liabilities</b>				
Revolving credit facility ^	8,305	(9,789)	(281)	(9,508)
Floating rate term loans ^	515,143	(598,010)	(23,366)	(574,644)
Trade and other payables	15,896	(15,896)	(14,269)	(1,627)
	<u>539,344</u>	<u>(623,695)</u>	<u>(37,916)</u>	<u>(585,779)</u>
<b>Derivative financial instruments</b>				
Interest rate swaps used for hedging	2,133			
- Inflow ^	-	18,244	5,575	12,669
- Outflow	-	(17,382)	(5,471)	(11,911)
	<u>2,133</u>	<u>862</u>	<u>104</u>	<u>758</u>
<b>Trust</b>				
<b>2016</b>				
<b>Non-derivative financial liabilities</b>				
Revolving credit facility ^	4,628	(5,219)	(120)	(5,099)
Floating rate term loans ^	453,397	(488,742)	(12,177)	(474,565)
Trade and other payables ^^	13,740	(13,740)	(11,638)	(2,102)
	<u>471,765</u>	<u>(507,701)</u>	<u>(23,935)</u>	<u>(481,766)</u>
<b>Derivative financial instruments</b>				
Interest rate swaps used for hedging	(1,713)			
- Inflow ^	-	5,999	2,715	3,284
- Outflow	-	(9,834)	(4,751)	(5,083)
	<u>(1,713)</u>	<u>(3,835)</u>	<u>(2,036)</u>	<u>(1,799)</u>
Forward foreign exchange contracts	(20)			
- Inflow	-	827	827	-
- Outflow	-	(847)	(847)	-
	<u>(20)</u>	<u>(20)</u>	<u>(20)</u>	<u>-</u>
<b>2015</b>				
<b>Non-derivative financial liabilities</b>				
Revolving credit facility ^	8,305	(9,790)	(282)	(9,508)
Floating rate term loans ^	435,268	(482,352)	(14,896)	(467,456)
Trade and other payables	14,524	(14,524)	(12,897)	(1,627)
	<u>458,096</u>	<u>(506,666)</u>	<u>(28,075)</u>	<u>(478,591)</u>

## 11 INTEREST-BEARING BORROWINGS (CONT'D)

	Carrying amount \$'000	Contractual cash flows \$'000	Cash flows	
			Within 1 year \$'000	Within 2 to 5 years \$'000
<b>Trust</b>				
<b>2015</b>				
<b>Derivative financial instruments</b>				
Interest rate swaps used for hedging	2,253			
- Inflow <sup>^</sup>	-	15,923	4,982	10,941
- Outflow	-	(14,617)	(4,780)	(9,837)
	2,253	1,306	202	1,104

**Notes:**

<sup>^</sup> For the purpose of the contractual cash flows calculation, SOR of 1.012% (2015: SOR of 1.701%) and BBSY of 1.770% (2015: 2.330%) were used.

<sup>^^</sup> Excludes income received in advance

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

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

**Notes:**

<sup>(1)</sup> Secured term loan facilities and revolving credit facilities

The facilities are secured by:

- A first mortgage on 6 (2015: 7) properties located in Singapore;
- A debenture creating fixed and floating charges over all assets in relation to the 6 (2015: 7) properties;
- An assignment of all leases, sale agreements, banker's guarantees and bank accounts in relation to the 6 (2015: 7) properties;
- An assignment of all insurance policies in relation to the 6 (2015: 7) properties; and
- An assignment of the Trust's rights in the corporate guarantees given in respect of certain properties.

## NOTES TO THE FINANCIAL STATEMENTS

### 11 INTEREST-BEARING BORROWINGS (CONT'D)

**Notes:**

(2) Secured term loan facilities

The facilities are secured by way of a legal mortgage and charges over 5 (2015: 5) Australian properties.

(3) Secured term loan facilities.

The facility is secured by way of a second ranking legal mortgage over 3 (2015: 3) Australian properties.

(4) Unsecured term loan facilities.

**Measurement of fair value**

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

### 12 DERIVATIVE ASSETS/(LIABILITIES)

	Group		Trust	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
<b>Non-current asset</b>				
Interest rate swaps	43	1,836	43	1,836
<b>Current asset</b>				
Interest rate swaps	-	417	-	417
<b>Current liability</b>				
Forward foreign exchange contracts	(20)	-	(20)	-
<b>Non-current liability</b>				
Interest rate swaps	(1,962)	(120)	(1,756)	-
Total derivative assets/(liabilities)	(1,939)	2,133	(1,733)	2,253

The Group uses interest rate swaps to manage its exposure to interest rate movements on its floating rate interest-bearing term loans by swapping the interest expense on a proportion of the term loans from floating rates to fixed rates.

As at the reporting date, the Group hedged its exposure to changes in interest rates on its variable rate borrowings by entering into interest rate swaps with the following notional contract amounts and maturity dates:

- (i) \$131,250,000 maturing in 2018;
- (ii) \$26,875,000 maturing in 2018;
- (iii) \$26,875,000 maturing in 2018;
- (iv) \$47,850,000 maturing in 2018;
- (v) \$29,550,000 maturing in 2019;
- (vi) \$40,000,000 maturing in 2019;
- (vii) A\$14,650,000 maturing in 2019;
- (viii) A\$17,500,000 maturing in 2020; and
- (ix) A\$6,750,000 maturing in 2020.

## 12 DERIVATIVE ASSETS/(LIABILITIES) (CONT'D)

The Group has designated the interest rate swaps as hedging instruments under the cash flow hedge model. Where the interest rate swap is an effective hedge in a cash flow hedge relationship, the change in fair value of the interest rate swap relating to the effective portion is recorded in Unitholders' funds. The ineffective portion of the fair value changes is taken to the statement of total return. During the year, the designated interest rate swaps were effective as cash flow hedges and the fair value change thereof has been recognised in Unitholders' funds. The fair value of these derivative financial instruments represents 0.28% (2015: 0.27%) of the net assets of the Group.

### **Offsetting financial assets and financial liabilities**

The Group's derivative transactions are entered into under International Swaps and Derivatives Association Master Agreements ("ISDA Master Agreements") with various bank counterparties. The derivative financial instruments presented above are not offset in the statement of financial position as the right of set-off of recognised amounts is enforceable only following the occurrence of a termination event as set out in such ISDA Master Agreements. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

As at 31 December 2016 and 31 December 2015, the Group's derivative financial assets and liabilities do not have any balances that are eligible for offsetting under the enforceable master netting arrangement.

### **Measurement of fair value**

The fair value of financial derivatives is based on broker quotes at the reporting date. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each derivative instrument and using market interest rates for similar instruments at the measurement date.

	<b>Level 2 \$'000</b>
<b>Group</b>	
<b>2016</b>	
Interest rate swaps used for hedging	(1,919)
Forward foreign exchange contracts	(20)
	<u>(1,939)</u>
<b>2015</b>	
Interest rate swaps used for hedging	<u>2,133</u>
<b>Trust</b>	
<b>2016</b>	
Interest rate swaps used for hedging	(1,713)
Forward foreign exchange contracts	(20)
	<u>(1,733)</u>
<b>2015</b>	
Interest rate swaps used for hedging	<u>2,253</u>

### 13 UNITS IN ISSUE

	<b>Group and Trust</b>	
	<b>2016 '000</b>	<b>2015 '000</b>
<b>Units in issue:</b>		
At the beginning of the year	893,472	781,758
<b>Units issued:</b>		
- Issue of new units (private placement)	-	106,270
- Manager's fees paid in Units	4,287	3,818
<b>Units to be issued:</b>		
- Manager's fees payable in Units	2,691	1,626
Total issued and to be issued Units at the end of the year	900,450	893,472

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

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

The Unitholders cannot give any directions to the Manager or the Trustee (whether at a meeting of Unitholders or otherwise) if it would require the Trustee or the Manager to do or omit doing anything which may result in:

- the Trust ceasing to comply with the Listing Manual issued by the SGX-ST or the Property Funds Appendix; or
- the exercise of any discretion expressly conferred on the Trustee or the Manager by the Trust Deed or the determination of any matter for which the agreement of either or both the Trustee and the Manager is required under the Trust Deed.

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

## 14 FINANCIAL INSTRUMENTS

### Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Trust's management of capital. Further quantitative disclosures are included throughout these financial statements.

### Financial risk management objectives and policies

Exposure to credit, interest rate and liquidity risks arise in the normal course of the Group's business. The Group has written policies and guidance which set out its overall business strategies and its general risk management philosophy.

### Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

The Manager has established credit limits for tenants and monitors their balances on an ongoing basis. Credit evaluations are performed by the Property Manager before lease agreements are entered into with tenants. The Group establishes an allowance for impairment, based on specific loss component that relates to individually significant exposures, that represents its estimate of incurred losses in respect of trade and other receivables.

The tenants have provided security deposits amounting to 3-12 months rental in the form of bankers' guarantee or cash. The maximum exposure to credit risk is represented by the carrying value of each financial asset, including derivative financial instruments, on the statement of financial position.

Cash and fixed deposits are placed with financial institutions which are regulated. Transactions involving derivative financial instruments are allowed only with counterparties that are credit worthy.

### Exposure to credit risk

The carrying amount of the following assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Group		Trust	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Trade and other receivables	5,411	4,975	43,325	43,106
Derivative assets	43	2,253	43	2,253
Cash and cash equivalents	13,561	8,054	10,562	5,529
	19,015	15,282	53,930	50,888

## 14 FINANCIAL INSTRUMENTS (CONT'D)

### *Liquidity risk*

The Manager monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. In addition, the Manager monitors and observes the Code of Collective Investment Schemes issued by the MAS concerning limits on total borrowings.

The Group has committed and undrawn facilities comprising \$60,000,000 (2015: \$56,000,000) from secured revolving credit facilities with a panel of banks. In addition, the Group has a \$500 million MTN Programme established by Cache-MTN Pte Ltd, a wholly-owned subsidiary of the Trust.

The Group has secured bank loans which contain debt covenants. Any breach of covenants may require the Group to repay the loans earlier than indicated in note 11. As at 31 December 2016, there were no breaches of covenants.

### *Market risk*

Market risk is the risk that changes in market prices, such as interest rates will affect the Group's total return or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk, utilising interest rate and currency hedging strategies where appropriate.

### *Currency risk*

At the reporting date, the Group's and Trust's exposure to currency risk was as follows:

	2016		2015	
	RMB \$'000	AUD \$'000	RMB \$'000	AUD \$'000
<b>Group</b>				
Investment properties	16,367	176,035	16,882	171,177
Cash and cash equivalents	1,166	3,495	1,134	2,592
Trade and other receivables	1	860	69	565
Interest-bearing borrowings	-	(112,116)	-	(110,793)
Trade and other payables	(85)	(1,904)	(155)	(1,338)
Derivative liabilities	-	(207)	-	(120)
Net statement of financial position exposure	17,449	66,163	17,930	62,083
<b>Trust</b>				
Cash and cash equivalents	-	1,756	-	1,284
Amounts due from subsidiaries	-	26,625	-	26,347
Interest-bearing borrowings	-	(31,276)	-	(30,918)
Other payables	-	(147)	-	(160)
Net statement of financial position exposure	-	(3,042)	-	(3,447)

A 10% strengthening of the Singapore Dollar against the following currencies would increase/(decrease) Unitholders funds and total return (before any tax effect) by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group and Trust considered to be reasonably possible at the end of the reporting period. The analysis assumes all other variables, in particular interest rates, remain constant.

## 14 FINANCIAL INSTRUMENTS (CONT'D)

### Currency risk (cont'd)

	Statement of total return		Unitholders' funds	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
<b>Group</b>				
RMB	-	-	1,745	1,793
AUD	(304)	(344)	6,920	6,553
<b>Trust</b>				
RMB	-	-	-	-
AUD	(304)	(344)	-	-

A 10 % weakening of the SGD against the above currencies would have had an equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

### Interest rate risk

The Group's exposure to changes in interest rates relates primarily to interest-bearing borrowings. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates. The Group has entered into interest rate swaps to achieve an appropriate mix of fixed and floating exposures in respect of its interest-bearing borrowings (see note 12).

### Profile

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	Group		Trust	
	Carrying amount		Carrying amount	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
<b>Variable rate instruments</b>				
Financial assets	13,561	8,054	10,562	5,529
Financial liabilities*	(199,539)	(200,954)	(158,923)	(145,626)
	(185,978)	(192,900)	(148,361)	(140,097)

### Note:

\* net of effect of interest rate swaps

### Cash flow sensitivity analysis for variable rate instruments

A change of 25 (2015: 25) basis points ("bp") in interest rate at the reporting date would increase/(decrease) total return and Unitholders' fund by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

## 14 FINANCIAL INSTRUMENTS (CONT'D)

### *Cash flow sensitivity analysis for variable rate instruments (cont'd)*

	Total return		Unitholders' fund	
	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease
	\$'000	\$'000	\$'000	\$'000
<b>Group</b>				
<b>2016</b>				
Financial assets	34	(34)	-	-
Financial liabilities	(499)	499	209	(215)
Cash flow sensitivity (net)	(429)	429	209	(215)
<b>2015</b>				
Financial assets	20	(20)	-	-
Financial liabilities	(502)	502	184	(226)
Cash flow sensitivity (net)	(482)	482	184	(226)
<b>Trust</b>				
<b>2016</b>				
Financial assets	26	(26)	-	-
Financial liabilities	(397)	397	188	(188)
Cash flow sensitivity (net)	(371)	371	188	(188)
<b>2015</b>				
Financial assets	14	(14)	-	-
Financial liabilities	(364)	364	186	(199)
Cash flow sensitivity (net)	(350)	350	186	(199)

### **Hedging**

Interest rate swaps, which are denominated in Singapore dollars and Australian dollars, have been entered into to achieve an appropriate mix of fixed and floating rate exposures within the Group's policy. As at 31 December 2016, the Group had interest rate swaps with an aggregated notional contract amount of \$343,015,490 (2015: \$327,500,000) (see note 12).

## 14 FINANCIAL INSTRUMENTS (CONT'D)

### Capital management

The primary objective of the Group's capital management is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise Unitholder's value. In order to maintain or achieve an optimal capital structure, the Group will endeavour to employ an appropriate mix of debt and equity in financing acquisitions and assets enhancements, and utilise interest rate and currency hedging strategies where appropriate. The Manager reviews this policy on a continuous basis.

The Property Funds Appendix of the CIS Code stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 45.0% (2015: 45.0%) of the fund's deposited property.

At 31 December 2016, the Group's Aggregate Leverage ratio was 43.1% (2015: 39.8%). The Group and Trust are in compliance with the Aggregate Leverage limit of 45.0% (2015: 45.0%) during the year.

With effect from 1 January 2016, the Aggregate Leverage of a property fund should not exceed 45% of the fund's Deposited Property without requirement of credit rating and the option for a property fund to leverage up to 60% by obtaining a credit rating was removed.

### Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are set out below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amounts				Fair value				
	Fair value - hedging instruments \$'000	Designated at fair value \$'000	Loans and receivables \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Group</b>									
<b>2016</b>									
<b>Financial assets measured at fair value</b>									
Derivative assets	43	-	-	-	43	-	43	-	43
<b>Financial assets not measured at fair value</b>									
Trade and other receivables ^	-	-	2,443	-	2,443				
Cash and cash equivalents	-	-	13,561	-	13,561				
		-	16,004		16,004				

**Note:**

^ Excludes prepayments

## NOTES TO THE FINANCIAL STATEMENTS

### 14 FINANCIAL INSTRUMENTS (CONT'D)

	Carrying amounts				Fair value				
	Fair value - hedging instruments \$'000	Designated at fair value \$'000	Loans and receivables \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Group</b>									
<b>2016</b>									
<b>Financial liabilities measured at fair value</b>									
Derivative liabilities	1,962	20	-	-	1,982	-	1,982	-	1,982
<b>Financial liabilities not measured at fair value</b>									
Trade and other payables (non-current)	-	-	-	2,102	2,102	-	-	1,929	1,929
Trade and other payables (current) ^^	-	-	-	13,381	13,381				
Interest-bearing borrowings	-	-	-	538,865	538,865				
	-	-	-	554,348	554,348				
<b>Group</b>									
<b>2015</b>									
<b>Financial assets measured at fair value</b>									
Derivative assets	2,253	-	-	-	2,253	-	2,253	-	2,253
<b>Financial assets not measured at fair value</b>									
Trade and other receivables ^	-	-	1,685	-	1,685				
Cash and cash equivalents	-	-	8,054	-	8,054				
	-	-	9,739	-	9,739				

**Notes:**

^ Excludes prepayments

^^ Excludes income received in advance

**14 FINANCIAL INSTRUMENTS (CONT'D)**

	Carrying amounts				Fair value				
	Fair value - hedging instruments \$'000	Designated at fair value \$'000	Loans and receivables \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Group</b>									
<b>2015</b>									
<b>Financial liabilities measured at fair value</b>									
Derivative liabilities	120	-	-	-	120	-	120	-	120
<b>Financial liabilities not measured at fair value</b>									
Trade and other payables (non-current)	-	-	-	1,627	1,627	-	-	1,506	1,506
Trade and other payables (current)	-	-	-	14,269	14,269				
Interest-bearing borrowings	-	-	-	523,448	523,448				
	-	-	-	539,344	539,344				

## NOTES TO THE FINANCIAL STATEMENTS

### 14 FINANCIAL INSTRUMENTS (CONT'D)

	Carrying amounts				Fair value				
	Fair value - hedging instruments \$'000	Designated at fair value \$'000	Loans and receivables \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Trust									
2016									
Financial assets measured at fair value									
Derivative assets	43	-	-	-	43	-	43	-	43
Financial assets not measured at fair value									
Trade and other receivables ^	-	-	40,713	-	40,713				
Cash and cash equivalents	-	-	10,562	-	10,562				
	-	-	51,275	-	51,275				
Financial liabilities measured at fair value									
Derivative liabilities	1,756	20	-	-	1,776	-	1,776	-	1,776
Financial liabilities not measured at fair value									
Trade and other payables (non- current)	-	-	-	2,102	2,102	-	-	1,929	1,929
Trade and other payables (current)^^^	-	-	-	11,638	11,638				
Interest-bearing borrowings	-	-	-	458,025	458,025				
	-	-	-	471,765	471,765				

**Notes:**

^ Excludes prepayments

^^ Excludes income received in advance

**14 FINANCIAL INSTRUMENTS (CONT'D)**

	Carrying amounts				Fair value				
	Fair value - hedging instruments \$'000	Designated at fair value \$'000	Loans and receivables \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Trust</b>									
<b>2015</b>									
<b>Financial assets measured at fair value</b>									
Derivative assets	2,253	-	-	-	2,253	-	2,253	-	2,253
<b>Financial assets not measured at fair value</b>									
Trade and other receivables ^	-	-	40,405	-	40,405				
Cash and cash equivalents	-	-	5,529	-	5,529				
	-	-	45,934	-	45,934				
<b>Financial liabilities not measured at fair value</b>									
Trade and other payables (non-current)	-	-	1,627	-	1,627	-	-	1,506	1,506
Trade and other payables (current)	-	-	12,897	-	12,897				
Interest-bearing borrowings	-	-	443,573	-	443,573				
	-	-	458,097	-	458,097				

**Note:**

^ Excludes prepayment

## NOTES TO THE FINANCIAL STATEMENTS

### 14 FINANCIAL INSTRUMENTS (CONT'D)

#### Financial instruments not measured at fair value

The following table shows the valuation technique and the significant unobservable inputs used in the determination of fair value of the Level 3 financial instruments not measured at fair value:

Financial instrument	Valuation technique	Significant unobservable inputs
Other financial liabilities*	Discounted cash flows**	Not applicable

#### Notes:

\* Other financial liabilities include trade and other payables and exclude interest-bearing borrowings.

\*\* It is assumed that inputs considered as observable used in the valuation technique are significant to the fair value measurement.

#### Financial instruments for which fair value is equal to the carrying amount

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

### 15 GROSS REVENUE

	Group		Trust	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Gross revenue	111,271	89,721	94,735	82,671

Gross revenue includes net rental income (after rent rebates and provisions for rent free period), service charge, license fees and other reimbursables for multi-tenanted properties.

The Manager and the Trustee have agreed to a holding agreement in relation to 51 Alps Ave pending the resolution of the Court proceedings commenced by Schenker. The holding arrangement involves Schenker paying the Trust \$0.77 per square foot a month (i.e. rental rate pre-agreed between C&P and Schenker under their Anchor Lease Agreement). The Trust has received such amount under protest from 1 September 2016.

### 16 PROPERTY EXPENSES

	Group		Trust	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Property management fees (including reimbursables)	4,241	3,514	4,166	3,479
Other fees paid/payable to the property manager	1,134	721	1,128	721
Depreciation of plant and equipment	946	647	852	611
Utilities	3,571	2,702	3,407	2,644
Property tax	4,821	1,806	4,821	1,806
Land rent	5,195	2,163	3,834	2,012
Others	3,349	2,012	2,857	1,851
	23,257	13,565	21,065	13,124

## 17 NET FINANCING COSTS

	Group		Trust	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Interest income:				
- bank deposits	30	60	18	40
- intercompany loan	-	-	1,684	622
<b>Finance income</b>	30	60	1,702	662
Interest expense:				
- bank loans	(15,016)	(12,691)	(12,105)	(11,377)
- interest rate swaps	(2,148)	(637)	(2,017)	(593)
Commitment fee	(284)	(197)	(284)	(197)
Amortisation/write-off of transaction costs	(2,040)	(1,634)	(1,919)	(1,576)
Others	(41)	(12)	(34)	(5)
Less:				
Borrowings costs capitalised in investment property under development	-	1,040	-	1,040
<b>Finance expenses</b>	(19,529)	(14,131)	(16,359)	(12,708)
<b>Net financing costs</b>	(19,499)	(14,071)	(14,657)	(12,046)

## 18 MANAGER'S FEES

	Group and Trust	
	2016 \$'000	2015 \$'000
Manager's base fee	6,514	6,388
Manager's performance fee	1,320	1,142
	7,834	7,530

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

## NOTES TO THE FINANCIAL STATEMENTS

### 19 OTHER TRUST EXPENSES

Included in other trust expenses are:

	Group		Trust	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Audit fees paid to				
- auditors of the Trust	216	196	216	196
- other auditors	89	60	-	-
Non-audit fees paid to auditors				
- auditors of the Trust	67	50	67	43
- other auditors	95	83	-	15
Net foreign exchange loss/(gain)	73	(65)	21	(23)
Valuation fees	100	90	63	58

### 20 TAX EXPENSE

	Group		Trust	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Current taxation</b>				
Current year	145	147	-	-
Withholding tax	574	563	565	500
	719	710	565	500
<b>Deferred taxation</b>				
Origination of temporary differences				
- investment property	63	(106)	-	-
Tax expense	782	604	565	500

#### Reconciliation of effective tax rate

	Group		Trust	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Total return before tax and distribution	(23,188)	(11,719)	(31,860)	(266)
Tax calculated using Singapore tax rate of 17% (2015: 17%)	(3,942)	(1,992)	(5,416)	(45)
Effect of tax rates in foreign jurisdictions	44	46	-	-
Non-tax deductible items	13,769	12,259	16,604	10,940
Non-taxable income	(3)	(53)	(1,528)	(676)
Tax transparency	(9,660)	(10,219)	(9,660)	(10,219)
Withholding tax	574	563	565	500
	782	604	565	500

## 21 EARNINGS AND DISTRIBUTION PER UNIT

### (a) Basic earnings per Unit

Basic earnings per Unit is based on:

	Group		Trust	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Total return after tax, before distribution	(23,970)	(12,323)	(32,425)	(766)

	Group and Trust	
	2016 Number of Units '000	2015 Number of Units '000
Issued Units at beginning of year	893,472	781,758
Effect of creation of new Units:		
- issue of new Units (private placement)	-	14,266
- issued as payment of Manager's fees	2,196	1,867
- to be issued as payment of Manager's fees payable in Units	7	5
Weighted average number of issued and issuable Units at end of year	895,675	797,896

### (b) Diluted earnings per Unit

Diluted earnings per Unit is the same as the basic earnings per Unit as there were no dilutive instruments in issue during the year.

### (c) Distribution per Unit

The distribution per Unit relates to the distributions in respect of the relevant financial year. The distribution during the last quarter of the financial year will be paid subsequent to the reporting date.

## 22 ISSUE EXPENSES

Issue expenses comprise professional, advisory and underwriting fees and other costs related to issuance of Units.

## NOTES TO THE FINANCIAL STATEMENTS

### 23 OPERATING SEGMENTS

Management considers the business from a geographic segment perspective. Geographically, management manages and monitors the business by 3 countries: Singapore, Australia and China. All geographical locations are in the business of investing in logistics warehouse properties, which is the only business segment of the Group.

Management assesses the performance of the geographic segments based on a measure of Net Property Income ("NPI"). Interest income and finance expenses are not allocated to the segments as certain treasury activities are centrally managed by the Group.

The segment information provided to the Management for the reportable segments are as follows:

	2016			
	Singapore \$'000	Australia \$'000	China \$'000	Total \$'000
Gross revenue	94,735	15,376	1,160	111,271
Property expenses	(21,065)	(2,031)	(161)	(23,257)
<b>Net property income</b>	<b>73,670</b>	<b>13,345</b>	<b>999</b>	<b>88,014</b>
Net change in fair value of investment properties	(83,180)	2,186	250	(80,744)
Unallocated amounts:				
- Interest income				30
- Borrowing costs				(19,529)
- Unallocated costs *				(10,959)
<b>Total return for the year before tax</b>				<b>(23,188)</b>
Tax expense	(565)	-	(217)	(782)
<b>Total return for the year after tax</b>				<b>(23,970)</b>
<b>Assets and liabilities</b>				
<u>Segment assets</u>				
- Investment properties (including asset held for sale)	1,043,773	176,035	16,367	1,236,175
- Others	16,208	2,617	1,166	19,991
	1,059,981	178,652	17,533	1,256,166
Unallocated assets **				2,140
Consolidated total assets				<b>1,258,306</b>
Segment liabilities	442,555	82,803	449	525,807
Unallocated liabilities ***				13,973
Consolidated total liabilities				<b>557,168</b>

**Notes:**

\* Unallocated costs include Manager's fees, Trustee fees and other trust expenses.

\*\* Unallocated assets include cash and cash equivalents, and other receivables.

\*\*\* Unallocated liabilities include borrowings of A\$16 million and A\$14 million (Note 11)

**23 OPERATING SEGMENTS (CONT'D)**

	2015			
	Singapore \$'000	Australia \$'000	China \$'000	Total \$'000
Gross revenue	82,671	5,874	1,176	89,721
Property expenses	(13,124)	(325)	(116)	(13,565)
<b>Net property income</b>	69,547	5,549	1,060	76,156
Net change in fair value of investment properties	(52,509)	(11,779)	(426)	(64,714)
Unallocated amounts:				
- Interest and other income				471
- Borrowing costs				(14,131)
- Unallocated costs *				(9,501)
<b>Total return for the year before tax</b>				(11,719)
Tax expense	(500)	-	(104)	(604)
<b>Total return for the year after tax</b>				(12,323)
<b>Assets and liabilities</b>				
<u>Segment assets</u>				
- Investment properties	1,119,900	171,177	16,882	1,307,959
- Others	13,646	1,873	1,202	16,721
	1,133,546	173,050	18,084	1,324,680
Unallocated assets **				1,610
Consolidated total assets				1,326,290
Segment liabilities	427,101	81,172	471	508,744
Unallocated liabilities ***				31,036
Consolidated total liabilities				539,780

**Notes:**

\* Unallocated costs include Manager's fees, Trustee fees and other trust expenses.

\*\* Unallocated assets include cash and cash equivalents, and other receivables.

\*\*\* Unallocated liabilities include borrowings of A\$16 million and A\$14 million (Note 11)

## NOTES TO THE FINANCIAL STATEMENTS

### 24 COMMITMENTS

	<b>Group and Trust</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
(a) Capital commitments:		
Capital expenditure contracted but not provided for	58	17

- (b) The Group leases out its investment properties. Investment properties are held for use by tenants under operating leases. Generally, the leases contain an initial non-cancellable period of between 3 to 10 years and subsequent renewals are negotiated with the lessee to reflect market rentals. None of the leases contain contingent rental arrangements. Non-cancellable operating lease rentals receivable are as follows:

	<b>Group</b>		<b>Trust</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Within 1 year	94,355	99,156	81,030	85,214
After 1 year but within 5 years *	188,091	220,838	142,660	170,258
After 5 years *	98,928	125,906	68,137	86,408
	<b>381,374</b>	<b>445,900</b>	<b>291,827</b>	<b>341,880</b>

**Note:**

\* Excludes prevailing market rate adjustment

- (c) The Trust is required to pay JTC Corporation annual land rent in respect of certain properties and the underlying land leases range from 29 to 30 years. The annual land rent payable is based on the market land rent in the relevant year of the lease term. However, the lease agreements limit any increase in the annual land rent from year to year to 5.5% of the annual land rent for the immediate preceding year. The land rent paid/payable to JTC Corporation amounted to \$8,023,000 (2015: \$8,298,000) in relation to 10 (2015:11) properties for the year ended 31 December 2016 (including amounts that have been directly recharged to tenants).

### 25 SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in mainly financial and operating decisions, or vice-versa., or where the Group and the party are subject to common significant influence. Related parties may be individuals or other entities.

In the normal course of operations of the Group, Manager's fees and Trustee's fees were paid or are payable to the Manager and Trustee respectively.

## 25 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

During the financial year, other than the transactions disclosed elsewhere in the financial statements, there were the following significant related party transactions:

	Group		Trust	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Property manager's fees and reimbursables paid/ payable to the property manager	(4,241)	(3,514)	(4,166)	(3,497)
Other fees paid/payable to property manager <sup>(1)</sup>	(1,134)	(721)	(1,128)	(721)
Rental income received/receivable from a sponsor and its related corporations	44,581	56,415	43,422	55,240
Acquisition/divestment fees paid/payable to the Manager	(128)	(1,744)	(128)	(1,744)

**Note:**

<sup>(1)</sup> Marketing commissions and fees for property tax savings.

## 26 FINANCIAL RATIOS

	Group	
	2016 %	2015 %
Expenses to weighted average net assets <sup>(1)</sup>		
- including performance component of the Manager's fees	1.4	1.2
- excluding performance component of Manager's fees	1.3	1.1
Portfolio turnover rate <sup>(2)</sup>	-	1.2

**Notes:**

<sup>(1)</sup> The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group, excluding property expenses, interest expenses and income tax expense.

<sup>(2)</sup> The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of daily average net asset value.

## 27 SUBSEQUENT EVENT

On 23 January 2017, the Manager declared a distribution of 1.850 cents per Unit in respect of the period from 1 October 2016 to 31 December 2016 to be paid on 27 February 2017.

On 23 January 2017, the divestment transaction of Cache Changi Districentre 3 was completed for a gross sale consideration of \$25.5 million.

On 22 February 2017, the Group announced the proposed acquisition of a distribution warehouse in Australia for an estimated total cost of A\$24.0 million (approximately \$26.1 million).

**UNAUDITED FINANCIAL STATEMENTS OF CACHE LOGISTICS TRUST FOR THE  
THIRD QUARTER ENDED 30 SEPTEMBER 2017**

*The information in this Appendix IV has been reproduced from the announcement of the unaudited financial statements of Cache for the third quarter ended 30 September 2017 and has not been specifically prepared for inclusion in this Information Memorandum.*



**Cache Logistics Trust  
2017 Third Quarter and Nine Months Unaudited Financial Statements & Distribution  
Announcement**

**INTRODUCTION**

Cache Logistics Trust ("Cache") is a Singapore-based real estate investment trust constituted by the Trust Deed entered into on 11 February 2010 (as amended) between ARA-CWT Trust Management (Cache) Limited, in its capacity as the manager (the "Manager"), and HSBC Institutional Trust Services (Singapore) Limited, in its capacity as the trustee (the "Trustee"), to invest in income-producing real estate predominantly used for logistics purposes in Asia-Pacific, as well as real estate-related assets.

Cache's portfolio as at 30 September 2017 comprised of 19 high quality logistics warehouse properties located in Singapore, China and Australia (collectively "Investment Properties").

The financial information for the third quarter and nine months ended 30 September 2017 set out in this announcement has been extracted from financial information for the period from 1 January 2017 to 30 September 2017 which has been reviewed by Cache's independent auditors in accordance with Singapore Standard on Review Engagements 2410 *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. For the purpose of this announcement, references to "Trust" are to Cache; and references to "Group" are to Cache and its subsidiaries.

**Unaudited Financial Statements Announcement  
For the Third Quarter and Nine Months ended 30 September 2017**



**SUMMARY OF RESULTS FOR CACHE LOGISTICS TRUST**

	Notes	Group					
		1/7/17 to 30/9/17	1/7/16 to 30/9/16	Change	Year to Date		Change
					1/1/17 to 30/9/17	1/1/16 to 30/9/16	
					S\$'000	S\$'000	
<b>Gross revenue</b>		27,432	28,049	(2.2)	82,384	84,005	(1.9)
<b>Net property income</b>		21,338	22,069	(3.3)	63,771	66,674	(4.4)
<b>Distributable amount to Unitholders</b>		16,448	16,582	(0.8)	48,936	52,660	(7.1)
- from operations		15,883	16,582	(4.2)	47,324	51,013	(7.2)
- from capital	(a)	565	-	nm	1,612	1,647	(2.1)
<b>Distribution per unit ("DPU") (cents) - as reported and recomputed</b>	(b)	1.541	1.767	(12.8)	4.986	5.621	(11.3)
- from operations		1.488	1.767	(15.8)	4.821	5.445	(11.5)
- from capital		0.053	-	nm	0.165	0.176	(6.2)
<b>Annualised DPU (cents)</b>	(c)	6.114	7.030	(13.0)	6.666	7.508	(11.2)
<b><u>Excluding impact of Rights Units and bonus element of Rights Issue</u></b>							
<b>DPU (cents)</b>		1.818	1.847	(1.6)	5.418	5.875	(7.8)
- from operations		1.756	1.847	(4.9)	5.240	5.691	(7.9)
- from capital		0.062	-	nm	0.178	0.184	(3.3)
<b>Annualised DPU (cents)</b>	(c)	7.213	7.348	(1.8)	7.244	7.848	(7.7)

**Notes:**

- (a) Includes a final portion of sale proceeds from the disposal of Kim Heng warehouse for the quarter and the nine months ended 30 September 2017, which is classified as capital distribution from a tax perspective.
- (b) On 4 September 2017, Cache announced the launch of an underwritten and renounceable rights issue (the "Rights Issue") of 162,565,716 new units (the "Rights Units") to raise gross proceeds of approximately S\$102.7 million. The Rights Units issued on 9 October 2017 entitled the holders to distributions accrued for the period from 1 July 2017 to 30 September 2017. Accordingly, DPU for the quarter ended 30 September 2017 includes the 162,565,716 Rights Units so issued.

DPU for 1Q FY2017 and 2Q FY2017 are recomputed to reflect the effect of bonus element in the Rights Issue. DPU for the quarter and nine months ended 30 September 2016 have also been recomputed to reflect the effect of bonus element in the Rights Issue for comparison purposes.

Please refer to item 6 and item 11 for further details.

- (c) Extrapolated for information only. Not indicative of DPU for the respective full year ending 31 December.



	Notes	Group					
		1/7/17 to 30/9/17 S\$'000	1/7/16 to 30/9/16 S\$'000	Change %	Year to Date		Change %
					1/1/17 to 30/9/17 S\$'000	1/1/16 to 30/9/16 S\$'000	
<b>Statement of Total Return</b>							
<b>Gross revenue</b>	(a)	27,432	28,049	(2.2)	82,384	84,005	(1.9)
Property expenses	(b)	(6,094)	(5,980)	1.9	(18,613)	(17,331)	7.4
<b>Net property income</b>		21,338	22,069	(3.3)	63,771	66,674	(4.4)
Net financing costs	(c)	(4,780)	(4,874)	(1.9)	(14,096)	(14,364)	(1.9)
Manager's base fee	(d)	(1,586)	(1,631)	(2.8)	(4,703)	(4,928)	(4.6)
Manager's performance fee	(d)	(320)	(331)	(3.3)	(956)	(1,000)	(4.4)
Trustee fees		(129)	(128)	0.8	(395)	(382)	3.4
Other trust expenses	(e)	(574)	(705)	(18.6)	(2,218)	(1,663)	33.4
Foreign exchange gain/(loss)		89	(201)	144.3	(116)	(80)	45.0
		(7,300)	(7,870)	(7.2)	(22,484)	(22,417)	0.3
<b>Net income</b>		14,038	14,199	(1.1)	41,287	44,257	(6.7)
Net change in fair value of investment properties	(f)	-	(36,100)	nm	-	(36,100)	nm
<b>Total return for the period before taxation and distribution</b>		14,038	(21,901)	164.1	41,287	8,157	406.2
Tax expense	(g)	(325)	(254)	28.0	(981)	(531)	84.7
<b>Total return for the period after taxation before distribution</b>		13,713	(22,155)	161.9	40,306	7,626	428.5

<u>Distribution Statement</u>	Notes	Group					
		1/7/17 to 30/9/17	1/7/16 to 30/9/16	Change	Year to Date		Change
					1/1/17 to 30/9/17	1/1/16 to 30/9/16	
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Total return for the period after taxation before distribution</b>		<b>13,713</b>	<b>(22,155)</b>	<b>161.9</b>	<b>40,306</b>	<b>7,626</b>	<b>428.5</b>
Distribution adjustments:							
Manager's fees paid/payable in units	(d)	1,429	1,471	(2.9)	4,244	4,446	(4.5)
Trustee fees		129	128	0.8	395	382	3.4
Amortisation of transaction costs	(h)	366	428	(14.5)	1,098	1,283	(14.4)
Net change in fair value of investment properties		-	36,100	nm	-	36,100	nm
Depreciation	(i)	240	246	(2.4)	724	685	5.7
Unrealised foreign exchange (gain)/loss		(97)	243	(139.9)	97	94	3.2
Commitment fee		71	90	(21.1)	222	235	(5.5)
Other items	(j)	32	31	3.2	238	162	46.9
<b>Distribution adjustments</b>		<b>2,170</b>	<b>38,737</b>	<b>(94.4)</b>	<b>7,018</b>	<b>43,387</b>	<b>(83.8)</b>
<b>Income available for distribution to Unitholders at the end of the period</b>		<b>15,883</b>	<b>16,582</b>	<b>(4.2)</b>	<b>47,324</b>	<b>51,013</b>	<b>(7.2)</b>
A portion of sales proceeds from the disposal of Kim Heng warehouse		565	-	nm	1,612	1,647	(2.1)
<b>Distributable amount to Unitholders</b>	(k)	<b>16,448</b>	<b>16,582</b>	<b>(0.8)</b>	<b>48,936</b>	<b>52,660</b>	<b>(7.1)</b>

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**Unaudited Financial Statements Announcement  
For the Third Quarter and Nine Months ended 30 September 2017**



**Notes:**

- (a) Gross revenue comprises rental income from investment properties.

The decrease in gross revenue for the quarter and nine months ended 30 September 2017 were mainly due to the sale of Cache Changi Districentre 3 ("DC3") on 23 January 2017 and lower income from 51 Alps Avenue, Singapore ("51 Alps Ave"), which is the subject of legal proceedings. This was partly offset by higher revenue from DHL Supply Chain Advanced Regional Centre ("DSC ARC"), Cache Cold Centre and the Australian portfolio.

- (b) Property expenses comprise property management fee, lease management fee, reimbursable expenses payable to the Property Manager, property maintenance, lease commissions and other property related expenses.

The increase is primarily due to higher land rent, repair and maintenance expenses, lease commission and other property related expenses involved in the conversion of master leased premises into multi-tenancies.

- (c) Included in the net financing costs are the following:

Notes	Group					
			Change	Year to Date		Change
	1/7/17 to 30/9/17	1/7/16 to 30/9/16		1/1/17 to 30/9/17	1/1/16 to 30/9/16	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Finance income :</b>						
Bank deposits	7	5	40.0	29	24	20.8
<b>Finance expenses :</b>						
Bank loans	(3,468)	(3,556)	(2.5)	(10,348)	(11,609)	(10.9)
Interest rate swaps	(880)	(804)	9.5	(2,452)	(1,255)	95.4
Amortisation of transaction costs	(366)	(428)	(14.5)	(1,098)	(1,283)	(14.4)
Others	(73)	(91)	(19.8)	(227)	(241)	(5.8)
<b>Net financing costs</b>	<b>(4,780)</b>	<b>(4,874)</b>	<b>(1.9)</b>	<b>(14,096)</b>	<b>(14,364)</b>	<b>(1.9)</b>

The decrease in net financing costs for the quarter and nine months ended 30 September 2017 was mainly due to lower SOR rates and interest savings from the refinanced S\$90.0 million unsecured term loan.

- (d) Manager's fee consist of:
- A base fee of 0.5% per annum of the value of the total assets; and
  - A performance fee of 1.5% per annum of the Net Property Income ("NPI").

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).

- (e) Other trust expenses include professional fees, listing fees and other non-property related expenses. The decrease in other trust expenses for the quarter ended was mainly due to lower fees accrued in relation to the legal proceedings on 51 Alps Ave as compared to the same period last year. The increase in other trust expenses for the nine months ended 30 September 2017 was mainly due to higher valuation fee, professional fees and other non-property related expenses.

**Unaudited Financial Statements Announcement  
For the Third Quarter and Nine Months ended 30 September 2017**



- (f) Pursuant to the Property Fund Guidelines, a valuation of investment properties is conducted at least once a financial year.

As at 30 September 2016, the Manager had engaged an independent valuer to value 51 Alps Ave, in view of the holding arrangement entered into on 26 September 2016, resulting in a fair value adjustment of S\$36.1 million. The fair market valuation of the property was S\$80.7 million as at 30 September 2016 which assumed market rent is achieved for Schenker's lease renewal period of five years.

- (g) Mainly due to withholding tax in relation to distributions from the Australian operations.
- (h) Represents non-tax deductible amortised upfront fees on credit facilities.
- (i) Relates to depreciation of plant and equipment.
- (j) Relates to specific property and finance expenses that are non-tax deductible and other tax adjustments.
- (k) For a Real Estate Investment Trust to maintain tax transparency (such that distributions are tax exempt to eligible Unitholders), it is required to distribute at least 90.0% of its taxable income. Currently, Cache distributes 100.0% of taxable and tax-exempt income. The dividends are distributed on a quarterly basis, no later than 60 days after the end of each distribution period.

**Unaudited Financial Statements Announcement**  
**For the Third Quarter and Nine Months ended 30 September 2017**



**1(b)(i) Statements of Financial Position**

	Notes	Group		Trust	
		30/9/17	31/12/16	30/9/17	31/12/16
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>					
Investment properties	(a)	1,241,942	1,210,902	1,020,806	1,018,500
Plant and equipment		2,410	3,116	2,149	2,810
Investments in subsidiaries	(b)	-	-	83,699	73,310
Derivative assets	(c)	-	43	-	43
<b>Total non-current assets</b>		<b>1,244,352</b>	<b>1,214,061</b>	<b>1,106,654</b>	<b>1,094,663</b>
<b>Current assets</b>					
Trade and other receivables		4,907	5,411	3,908	4,549
Asset held for sale	(d)	-	25,273	-	25,273
Amounts due from subsidiaries		-	-	53,992	38,776
Derivative assets	(c)	24	-	24	-
Cash and cash equivalents		8,792	13,561	4,595	10,562
<b>Total current assets</b>		<b>13,723</b>	<b>44,245</b>	<b>62,519</b>	<b>79,160</b>
<b>Total assets</b>		<b>1,258,075</b>	<b>1,258,306</b>	<b>1,169,173</b>	<b>1,173,823</b>
<b>Current liabilities</b>					
Trade and other payables	(e)	(11,684)	(13,855)	(9,293)	(11,977)
Interest bearing borrowings	(f)	(23,664)	(4,628)	(23,664)	(4,628)
Derivative liabilities	(c)	(93)	(20)	(93)	(20)
<b>Total current liabilities</b>		<b>(35,441)</b>	<b>(18,503)</b>	<b>(33,050)</b>	<b>(16,625)</b>
<b>Non-current liabilities</b>					
Trade and other payables		(1,283)	(2,102)	(1,283)	(2,102)
Interest bearing borrowings	(f)	(522,393)	(534,237)	(439,951)	(453,397)
Derivative liabilities	(c)	(2,763)	(1,962)	(2,506)	(1,756)
Deferred tax liabilities		(357)	(364)	-	-
<b>Total non-current liabilities</b>		<b>(526,796)</b>	<b>(538,665)</b>	<b>(443,740)</b>	<b>(457,255)</b>
<b>Total liabilities</b>		<b>(562,237)</b>	<b>(557,168)</b>	<b>(476,790)</b>	<b>(473,880)</b>
<b>Net assets</b>		<b>695,838</b>	<b>701,138</b>	<b>692,383</b>	<b>699,943</b>
<b>Represented by:</b>					
<b>Unitholders' funds</b>	(g)	<b>695,838</b>	<b>701,138</b>	<b>692,383</b>	<b>699,943</b>

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**Notes:**

- (a) Represents carrying values of the investment properties, including asset enhancement initiatives, straight-line effective rental adjustments and translation differences.
- (b) Relates to wholly-owned subsidiaries of Cache, stated at cost. The increase in the investment value represents investment in a new Australian subsidiary relating to the acquisition of a warehouse in Australia which was completed on 23 March 2017.
- (c) Relates to the fair value of interest rate swaps and forward foreign currency contracts.
- (d) As at 31 December 2016, Cache Changi Districentre 3 was classified as an Asset held for sale. This classification is required by FRS 105 Non-current Assets held for Sale and Discontinued Operations as the divestment is planned within the next 12 months from the reporting date. It represents the carrying value of the property, which is net of transaction costs (valuation as at 31 December 2016 was S\$25.5 million). The transaction was completed on 23 January 2017.
- (e) Includes the Manager's performance fee. The Manager may elect to receive the performance fee in cash or Units or a combination of both (as it may in its sole discretion determine), which will crystallise not more than once every financial year.
- (f) Refer to Item 1(b)(iii), Aggregate amount of Borrowings and Debt Securities, for details.
- (g) Refer to Item 1(d)(i), the Statement of Movements in Unitholders' Funds, for details. Changes were mainly due to movement in translation reserves and changes in fair value of cashflow hedges, return and distribution to Unitholders for the period.

As at 30 September 2017, Cache's current liabilities exceeded its current assets primarily due to current borrowings. The current borrowings comprise A\$14.0 million term loan facility and the Singapore dollar committed revolving credit facility that will expire in 2018.

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**1(b)(ii) Aggregate amount of Borrowings and Debt Securities**

	<b>Group</b>		<b>Trust</b>	
	<b>30/9/17</b>	<b>31/12/16</b>	<b>30/9/17</b>	<b>31/12/16</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Secured borrowings</b>				
Amount repayable within one year	23,890	5,000	23,890	5,000
Less : Unamortised transaction costs	(226)	(372)	(226)	(372)
	23,664	4,628	23,664	4,628
Amount repayable after one year	417,748	430,848	335,000	349,617
Less : Unamortised transaction costs	(1,714)	(2,531)	(1,408)	(2,140)
	416,034	428,317	333,592	347,477
<b>Unsecured borrowing</b>				
Amount repayable after one year	107,018	106,706	107,018	106,706
Less : Unamortised transaction costs	(659)	(786)	(659)	(786)
	106,359	105,920	106,359	105,920
<b>Total borrowings</b>	<b>546,057</b>	<b>538,865</b>	<b>463,615</b>	<b>458,025</b>

**Notes:**

(a) The Group has in place the following Singapore dollar facilities:

- a secured 4-year term loan of S\$185.0 million maturing in 2018<sup>(1)</sup>;
- a secured 5-year term loan of S\$150.0 million maturing in 2019;
- a secured committed revolving credit facility of S\$65.0 million maturing in 2018<sup>(1)</sup>; and
- an unsecured 5-year term loan of S\$90.0 million maturing in 2021.

Other than the unsecured term loan, the remaining facilities are secured by way of:

- a first mortgage over CWT Commodity Hub, Cache Cold Centre, Schenker Megahub, Cache Changi Districentre 1, Hi-Speed Logistics Centre, Precise Two (collectively, the "Charged Properties");
- a debenture creating fixed and floating charges over all assets in relation to the Charged Properties;
- an assignment of all leases, sale agreements and banker's guarantees and bank accounts in relation to the Charged Properties;
- an assignment of all insurance policies in relation to the Charged Properties.

As of 30 September 2017, a total of S\$434.0 million has been drawn.

(b) The Group has in place the following Australian dollar facilities:

- a secured 3-year term loan of A\$14.0 million maturing in 2018;
- a secured 4-year term loan of A\$29.3 million maturing in 2019;
- a secured 5-year term loans of A\$48.5 million maturing in 2020; and
- an unsecured 3-year term loan of A\$16.0 million maturing in 2018.

Other than the unsecured term loan, the remaining facilities are secured by way of a legal mortgage and charges over 5 Australian properties, namely Chester Hill (NSW), Somerton (VIC), Coopers Plains (QLD), Wacol (QLD) and Kidman Park (SA).

As of 30 September 2017, the above facilities were fully drawn.

<sup>(1)</sup> On 16 October 2017, the Trust has repaid S\$99.9 million of the Singapore dollar facilities using proceeds from the Rights Issue. Following the repayment of the borrowings, Cache's aggregate leverage has been reduced from 43.6% to 35.7%.

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**1(c) Statement of Cash Flows**

	Notes	Group			
		1/7/17 to 30/9/17	1/7/16 to 30/9/16	Year to Date	
				1/1/17 to 30/9/17	1/1/16 to 30/9/16
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities</b>					
Total return for the period before taxation and distribution		14,038	14,199	41,287	44,257
Adjustments for:					
Manager's fees paid/payable in units		1,429	1,471	4,244	4,446
Depreciation		240	246	724	685
Net financing costs	(a)	4,780	4,874	14,096	14,364
Loss on disposal of fixed assets		-	-	21	-
Changes in working capital :					
Trade and other receivables		209	(187)	(2,430)	(2,617)
Trade and other payables		(2,125)	1,531	(2,089)	758
<b>Cash generated from operating activities</b>		<b>18,571</b>	<b>22,134</b>	<b>55,853</b>	<b>61,893</b>
Tax paid		(297)	(223)	(674)	(647)
<b>Net cash from operating activities</b>		<b>18,274</b>	<b>21,911</b>	<b>55,179</b>	<b>61,246</b>
<b>Cash flows from investing activities</b>					
Interest received		7	5	29	24
Capital expenditure on investment properties	(b)	(697)	(2,383)	(1,720)	(2,392)
Purchase of plant and equipment		-	(326)	-	(910)
Purchase of investment property	(c)	-	-	(25,438)	-
Net proceeds from disposal of investment property	(d)	-	-	25,273	-
<b>Net cash used in investing activities</b>		<b>(690)</b>	<b>(2,704)</b>	<b>(1,856)</b>	<b>(3,278)</b>
<b>Cash flows from financing activities</b>					
Net proceeds from borrowings	(e)	9,000	4,400	28,000	17,400
Repayment of borrowings	(f)	(7,000)	(2,400)	(24,000)	(14,400)
Interest paid		(4,374)	(4,482)	(13,072)	(12,960)
Distributions to Unitholders		(16,253)	(17,830)	(49,146)	(46,567)
<b>Net cash used in financing activities</b>		<b>(18,627)</b>	<b>(20,312)</b>	<b>(58,218)</b>	<b>(56,527)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(1,043)</b>	<b>(1,105)</b>	<b>(4,895)</b>	<b>1,441</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>9,896</b>	<b>10,372</b>	<b>13,561</b>	<b>8,054</b>
<b>Effect of exchange differences on cash and cash equivalents</b>		<b>(61)</b>	<b>161</b>	<b>126</b>	<b>(67)</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>8,792</b>	<b>9,428</b>	<b>8,792</b>	<b>9,428</b>

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**Notes:**

- (a) Refer to 1(a)(c)
- (b) Represents asset enhancement initiatives for existing investment properties.
- (c) Amount incurred for the newly acquired warehouse in Australia which was completed on 23 March 2017.
- (d) Net proceeds from the disposal of Cache Changi Districentre 3.
- (e) Represents drawdown from the revolving credit facility.
- (f) Repayment of borrowings from the revolving credit facility.

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**1(d)(i) Statements of Movements in Unitholders' Funds**

	Notes	Group			
		1/7/17 to 30/9/17	1/7/16 to 30/9/16	Year to Date	
				1/1/17 to 30/9/17	1/1/16 to 30/9/16
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at the beginning of the period/year</b>		<b>695,640</b>	<b>780,249</b>	<b>701,138</b>	<b>786,510</b>
<b>Operations</b>					
Total return after tax		13,713	(22,155)	40,306	7,626
Effective portion of changes in fair value of cashflow hedges	(a)	1,013	(461)	(936)	(7,185)
<b>Foreign currency translation reserve</b>					
Translation differences from financial statements of foreign entities		536	2,572	949	(482)
<b>Net profit/(loss) recognised directly in Unitholders' fund</b>		<b>1,549</b>	<b>2,111</b>	<b>13</b>	<b>(7,667)</b>
<b>Unitholders' transactions</b>					
Issue of new units					
- Manager's base fees paid in units		-	-	2,338	2,473
Units to be issued:					
- Manager's base fees payable in units	(b)	1,189	1,223	1,189	1,223
Distributions to unitholders		(16,253)	(17,830)	(49,146)	(46,567)
<b>Net decrease in net assets resulting from unitholders' transactions</b>		<b>(15,064)</b>	<b>(16,607)</b>	<b>(45,619)</b>	<b>(42,871)</b>
<b>Unitholders' funds at the end of the period</b>		<b>695,838</b>	<b>743,598</b>	<b>695,838</b>	<b>743,598</b>

	Notes	Trust			
		1/7/17 to 30/9/17	1/7/16 to 30/9/16	Year to Date	
				1/1/17 to 30/9/17	1/1/16 to 30/9/16
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at the beginning of the period/year</b>		<b>693,175</b>	<b>790,523</b>	<b>699,943</b>	<b>793,608</b>
<b>Operations</b>					
Total return after tax		13,355	(22,422)	38,942	6,805
Effective portion of changes in fair value of cashflow hedges	(a)	917	(294)	(883)	(6,342)
<b>Unitholders' transactions</b>					
Issue of new units					
- Manager's base fees paid in units		-	-	2,338	2,473
Units to be issued:					
- Manager's base fees payable in units	(b)	1,189	1,223	1,189	1,223
Distributions to unitholders		(16,253)	(17,830)	(49,146)	(46,567)
<b>Net decrease in net assets resulting from unitholders' transactions</b>		<b>(15,064)</b>	<b>(16,607)</b>	<b>(45,619)</b>	<b>(42,871)</b>
<b>Unitholders' funds at the end of the period</b>		<b>692,383</b>	<b>751,200</b>	<b>692,383</b>	<b>751,200</b>

**Notes:**

- (a) Relates to the effective portion of changes in fair values of derivative assets and liabilities designated as cashflow hedges.
- (b) Represents the value of units to be issued to the Manager as partial consideration of the Manager's fees incurred for the quarter. The units are to be issued within 30 days from the quarter-end.

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**1(d)(ii) Details of any changes in the units**

	Notes	Group and Trust			
		1/7/17 to 30/9/17	1/7/16 to 30/9/16	Year to Date	
				1/1/17 to 30/9/17	1/1/16 to 30/9/16
		Units	Units	Units	Units
Issued units at the beginning of the period		903,142,868	896,415,919	900,450,086	893,472,054
Creation of units:					
- Manager's base fees paid in units		-	-	2,692,782	2,943,865
<b>Issued units at the end of the period</b>		<b>903,142,868</b>	<b>896,415,919</b>	<b>903,142,868</b>	<b>896,415,919</b>
Units to be issued:					
- Manager's base fees payable in units	(a)	1,448,051	1,343,399	1,448,051	1,343,399
<b>Total issued and to be issued units, excluding Rights Units</b>		<b>904,590,919</b>	<b>897,759,318</b>	<b>904,590,919</b>	<b>897,759,318</b>
- Issuance of Rights Units on 9 October 2017	(b)	162,565,716	-	162,565,716	-
<b>Total issued and to be issued units, including Rights Units</b>		<b>1,067,156,635</b>	<b>897,759,318</b>	<b>1,067,156,635</b>	<b>897,759,318</b>

**Notes:**

- (a) Represents units to be issued to the Manager as partial consideration of Manager's fees incurred for the quarter. The units are to be issued within 30 days from the quarter-end.
- (b) 162,565,716 new Rights Units were issued on 9 October 2017 at an issue price of S\$0.632 per unit. The Rights Units entitled the holders to distributions accrued for the period from 1 July 2017 to 30 September 2017.

**2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice**

The financial information set out in this announcement relating to the following:

- Statements of Financial Position of the Group and the Trust as at 30 September 2017;
- Statement of Total Return of the Group for the quarter and nine months ended 30 September 2017;
- Distribution Statement of the Group for the quarter and nine months ended 30 September 2017;
- Statements of Movements in Unitholders' Fund of the Group and the Trust for the quarter and nine months ended 30 September 2017; and
- Statement of Cash Flows of the Group for the quarter and nine months ended 30 September 2017,

have been extracted from financial information for the period from 1 January 2017 to 30 September 2017 which has been reviewed by Cache's independent auditors in accordance with Singapore Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

**3 Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Refer to the attachment for the extract of the independent auditors' review report dated 24 October 2017 issued on the financial information of Cache for the quarter and nine months ended 30 September 2017, which has been prepared in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts", issued by Institute of Singapore Chartered Accountants.

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**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied**

On 1 January 2017, the Group adopted the revised Statement of Recommended Accounting Practice 7 "*Reporting Framework for Unit Trusts*" issued by the Institute of Singapore Chartered Accountants which had no significant impact to the financial statements.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

On 1 January 2017, the Group adopted the revised Statement of Recommended Accounting Practice 7 "*Reporting Framework for Unit Trusts*" issued by the Institute of Singapore Chartered Accountants which had no significant impact to the financial statements.

**6 Earnings Per Unit ("EPU") and Distribution Per Unit ("DPU") for the financial period**

**EPU**

	Notes	Group			
		1/7/17 to 30/9/17	1/7/16 to 30/9/16	Year to Date	
				1/1/17 to 30/9/17	1/1/16 to 30/9/16
Weighted average number of units		903,158,608	896,430,521	901,839,350	894,964,725
Earnings per unit for the period based on the weighted average number of units in issue (cents)	(a)	1.52	(2.47)	4.47	0.85
Weighted average number of units on the fully diluted basis		905,464,546	896,430,521	905,464,546	894,964,725
Earnings per unit for the period based on the fully diluted basis (cents)	(b)	1.51	(2.47)	4.45	0.85
<b><u>For information only</u></b>					
Adjusted earnings per unit for the period based on the weighted average number of units in issue (cents)	(c)	na	1.56	na	4.89

na denotes "not applicable"

**Notes:**

- (a) Basic EPU calculation has been calculated by dividing the total return for the period after tax by the weighted average number of units issued and to be issued.
- (b) Diluted EPU calculation has been calculated by dividing the total return for the period after tax by the weighted average number of units issued and to be issued, adjusted on the basis that the Manager's base and performance fees units were issued at the beginning of the period.
- (c) Adjusted EPU calculation for the third quarter and nine months ended 30 September 2016 excludes net change in fair value of 51 Alps Ave from the total return for the period after tax, divided by the weighted average number of units issued and to be issued.

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**DPU**

In computing the DPU, the number of units as at the end of each period is used for the computation.

	Notes	Group					
		Year to Date					
		1/7/17 to 30/9/17	1/7/16 to 30/9/16 Recomputed <sup>(c)</sup>	1/7/16 to 30/9/16 Previously reported	1/1/17 to 30/9/17	1/1/16 to 30/9/16 Recomputed <sup>(c)</sup>	1/1/16 to 30/9/16 Previously reported
Number of units issued and to be issued at end of period entitled to distribution	(a)	1,067,156,635	938,248,263	897,759,318	1,067,156,635	938,248,263	897,759,318
DPU based on the total number of units entitled to distribution (cents)	(b)	1.541	1.767	1.847	4.986	5.621	5.875

**Notes:**

- (a) Computation of DPU for the period from 1 July 2017 to 30 September 2017 is based on the number of units entitled to distribution:
- (i) Number of units in issue as at 30 September 2017 of 903,142,868;
  - (ii) Units to be issued to the Manager by 30 October 2017 as partial consideration of Manager's base fees incurred for the quarter ended 30 September 2017 of 1,448,051; and
  - (iii) 162,565,716 Rights Units issued on 9 October 2017. The Rights Units entitled the holders to distributions accrued for the period from 1 July 2017 to 30 September 2017.
- (b) Distribution of 1.541 cents per unit for the period 1 July 2017 to 30 September 2017 will be paid on 28 November 2017. DPU for 1Q FY2017 and 2Q FY2017 are recomputed to reflect the effect of bonus element in the Rights Issue.
- (c) DPU for the quarter and nine months ended 30 September 2016 have also been recomputed to reflect the effect of bonus element in the Rights Issue for comparison purposes.

**7 Net Asset Value ("NAV") per unit at the end of current period**

	Notes	Group		Trust	
		30/9/2017 <sup>(a)</sup>	31/12/2016	30/9/2017 <sup>(a)</sup>	31/12/2016
NAV per unit (S\$)	(a)	0.77	0.78	0.77	0.78

**Notes:**

- (a) Number of units used to compute NAV per unit as at 30 September 2017 was 904,590,919 comprising the number of units in issue as at 30 September 2017 of 903,142,868 and units to be issued to the Manager as partial consideration of Manager's base fees incurred for the quarter ended 30 September 2017 of 1,448,051.

**8 (i) Review of the performance for the quarter ended 30 September 2017**

Gross revenue for the quarter-ended was S\$27.4 million, a decrease of S\$0.6 million or 2.2% compared to 3Q FY2016. The lower revenue was mainly due to the divestment of DC3 and lower income received under protest for 51 Alps Ave. This was partially offset by higher rental contribution from DSC ARC, Cache Cold Centre and the Australian properties. NPI for the quarter was S\$21.3 million, a decrease of S\$0.7 million or 3.3% compared to 3Q FY2016. The decrease in NPI was mainly due to lower revenue and higher property related expenses as a result of the conversion of certain properties from master leases to multi-tenancies, mainly attributable to 51 Alps Ave and 40 Alps Ave.

Net financing costs for the quarter were S\$4.8 million, 1.9% lower than 3Q FY2016. All-in-financing cost averaged 3.46% for the quarter and the aggregate leverage for the Group stood at 43.6% as at 30 September 2017. On 16 October 2017, S\$99.9 million of the Singapore dollar facilities was repaid using proceeds from the Rights Issue, reducing aggregate leverage from 43.6% to 35.7%.

Distributable income in 3Q FY2017 amounted to S\$16.4 million, 0.8% decrease from the corresponding period last year. The lower distribution was mainly due to lower income from operation.

**(ii) Review of the performance for the nine months ended 30 September 2017**

Gross revenue for the nine months ended was S\$82.4 million, a decrease of S\$1.6 million or 1.9% lower than the same period in 2016. The lower revenue was mainly due to the divestment of DC3 and lower income received under protest for 51 Alps Ave. This was partially offset by higher rental contribution from DSC ARC, Cache Cold Centre and the Australian properties. NPI for the nine months ended was S\$63.8 million, a decrease of S\$2.9 million or 4.4% lower than the same period in 2016. The decrease in NPI was mainly due to lower revenue and higher property related expenses as a result of the conversion of certain properties from master leases to multi-tenancies, mainly attributable to 51 Alps Ave and 40 Alps Ave.

Net financing costs for the nine months ended were S\$14.1 million, a 1.9% decrease from the same period in 2016. The nine months ended all-in-financing cost averaged 3.47%.

**9 Variance between the projection and actual results**

The current results are broadly in line with the Trust's commentary made in the second quarter 2017 financial results announcement under Item 10. The Trust has not disclosed any financial forecast to the market.

**10 Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Based on advance estimates from the Ministry of Trade & Industry, Singapore's economy grew by a healthy 4.6% in the third quarter from a year ago<sup>1</sup>. The manufacturing sector remained the key outperformer, expanding 15.5% on a year-on-year basis, faster than the previous quarter's 8.2% growth. The Singapore Purchasing Managers' Index expanded for the 13<sup>th</sup> consecutive month to 52.0, a record high since April 2011<sup>2</sup>.

<sup>1</sup> Ministry of Trade and Industry, Press Release, 13 October 2017

<sup>2</sup> <http://www.channelnewsasia.com/news/business/singapore-s-pmi-expands-for-13th-straight-month-in-sep-9269408>

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According to CBRE Research, industrialists are showing a flight to quality where higher specification quality developments experienced better leasing success and rental rate support. Although the occupier market is still under pressure, CBRE expects that the leasing market will pick up and stabilise vacancy rates.<sup>3</sup>

Based on the latest statement issued by the Reserve Bank of Australia, in line with improving global economic conditions, the Australian economy expanded by 0.8% in the June quarter, and is expected to gradually pick up over the coming year. Business conditions are at a high level and capacity utilisation has risen, and a large pipeline of infrastructure investment is also supporting the outlook. The Australian cash rate was unchanged at 1.5%<sup>4</sup>.

The Australia logistics and warehousing industry will continue to be driven by government investment in infrastructure development of road, rail, air and water transport facilities. Approximately A\$70 billion has been allocated for transport infrastructure from 2014 to 2021<sup>5</sup>. According to JLL Research Australia, gross take-up of industrial space continued at elevated levels in the second quarter of 2017. Total take-up activity in the year was led by Sydney (510,000 sqm) and Melbourne (377,237 sqm) markets, while Brisbane showed a notable improvement in leasing demand with 219,731 sqm in leases in 1H 2017<sup>6</sup>.

In 3Q FY2017, the overall portfolio committed occupancy was 97.3% with a weighted average lease to expiry ("WALE") of 3.3 years<sup>7</sup>. As part of its prudent capital management strategy, the Manager undertook an underwritten and renounceable Rights Issue to raise gross proceeds of approximately S\$102.7 million during the quarter. As announced, the proceeds have been used to partially repay Cache's existing borrowings to reduce aggregate leverage and create additional debt headroom for future growth.

In relation to the lease at 51 Alps Ave Singapore matter, the Manager is committed to continuing to vigorously defend Cache and resolving the matter in the best interest of unitholders. Updates will be provided as and when material developments arise.

The Manager remains focused on proactive lease and asset management to maintain high occupancy rates. It will also continue to pursue opportunities for strategic acquisitions and execute its portfolio rebalancing strategy to enhance the overall quality of Cache's portfolio.

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<sup>3</sup> CBRE Marketview, Singapore Q3 2017 "Primed for growth, growth for prime"

<sup>4</sup> Reserve Bank of Australia, Statement by Philip Lowe, Governor: Monetary Policy Decision, 3 October 2017

<sup>5</sup> <http://www.prnewswire.co.uk/news-releases/australia-logistics-and-warehousing-market-is-expected-to-reach-aud-187-billion-by-2021-ken-research-649364873.html>

<sup>6</sup> <http://www.jll.com/australia/en-au/news/1172/industrial-ecommerce-1h2017>

<sup>7</sup> As at 30 September 2017, by net lettable area

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**11 Distributions**

**(a) Current financial period**

Any distribution declared for the current period? Yes

Name of distribution: Distribution for the period from 1 July 2017 to 30 September 2017

Distribution Type:

Distribution Income Period	1/07/17 to 30/09/17
Distribution Type	cents
Tax exempt income component	0.240
Taxable income component	1.248
Capital component	0.053
<b>Total</b>	<b>1.541</b>

Number of units entitled to distribution: 1,067,156,635

Par value of units: Not meaningful

Tax rate: **Tax exempt income component**  
The tax-exempt income component of the distribution is exempt from tax in the hands of all Unitholders.

**Taxable income component**  
Distributions are derived from Cache's taxable income. Unitholders receiving distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax.

Distributions made to individuals, irrespective of their nationality or tax residence status, who hold units as investment assets will be tax exempt. However, distributions made to individuals who hold units as trading assets or through a partnership in Singapore will be taxed at their applicable income tax rates.

All Unitholders who are not individuals are subject to Singapore income tax / withholding tax on distributions of Cache.

**Capital component**  
The capital component of the distribution represents a return of capital to Unitholders for tax purposes and is therefore not subject to income tax. For Unitholders holding units as trading assets, the amount of capital distribution will be applied to reduce the cost base of their Units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the Units.

Remarks: Nil

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**(b) Corresponding period of the immediately preceding financial year**

Any distribution declared for the previous corresponding financial period?

Yes

Name of distribution:

Distribution for the period from 1 July 2016 to 30 September 2016

Distribution Type:

Distribution Income Period	1/07/16 to 30/09/16
Distribution Type	cents
Tax exempt income component	0.221
Taxable income component	1.626
<b>Total</b>	<b>1.847</b>

Number of units entitled to distribution:

897,759,318

Par value of units:

Not meaningful

Tax rate:

**Tax exempt income component**

The tax-exempt income component of the distribution is exempt from tax in the hands of all Unitholders.

**Taxable income component**

Distributions are derived from Cache's taxable income. Unitholders receiving distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax.

Distributions made to individuals, irrespective of their nationality or tax residence status, who hold units as investment assets will be tax exempt. However, distributions made to individuals who hold units as trading assets or through a partnership in Singapore will be taxed at their applicable income tax rates.

All Unitholders who are not individuals are subject to Singapore income tax / withholding tax on distributions of Cache.

**Capital component**

The capital component of the distribution represents a return of capital to Unitholders for tax purposes and is therefore not subject to income tax. For Unitholders holding units as trading assets, the amount of capital distribution will be applied to reduce the cost base of their Units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the Units.

Remarks:

Nil

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(c) **Date Payable** 28 November 2017

(d) **Books Closure Date /  
Record Date** 1 November 2017

**12 If no distribution has been declared/(recommended), a statement to that effect**

Not applicable.

**13 Interested Party Transaction Mandate**

Cache does not have in place a general mandate for interested party transactions.

**14 Confirmation pursuant to Rule 705(5) of the Listing Manual**

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Manager of Cache (the "Manager") which may render the unaudited interim financial statements of the Group and Trust (comprising the statements of financial position as at 30 September 2017, statements of total return & distribution statements, statement of cash flows and statements of movements in Unitholders' funds for the quarter ended on that date), together with their accompanying notes, to be false or misleading, in any material aspect.

**15 Confirmation pursuant to Rule 720(1) of the Listing Manual**

The Board of Directors of the Manager hereby confirms that the undertakings from all its directors and executive officers as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual were procured.

**16 Segmented revenue and results for business or geographical segments (of the Group) with comparative information for the immediately preceding year**

	Group							
					Year to Date			
	1/7/17 to 30/9/17		1/7/16 to 30/9/16		1/1/17 to 30/9/17		1/1/16 to 30/9/16	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
<b>Gross Revenue</b>								
Singapore	22,590	82.3	23,890	85.2	68,475	83.1	71,638	85.3
Australia	4,600	16.8	3,859	13.7	13,133	16.0	11,511	13.7
China	242	0.9	300	1.1	776	0.9	856	1.0
	27,432	100.0	28,049	100.0	82,384	100.0	84,005	100.0

	Group							
					Year to Date			
	1/7/17 to 30/9/17		1/7/16 to 30/9/16		1/1/17 to 30/9/17		1/1/16 to 30/9/16	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
<b>Net Property Income</b>								
Singapore	17,188	80.6	18,462	83.6	51,779	81.2	55,926	83.9
Australia	3,954	18.5	3,347	15.2	11,341	17.8	10,012	15.0
China	196	0.9	260	1.2	651	1.0	736	1.1
	21,338	100.0	22,069	100.0	63,771	100.0	66,674	100.0

**Unaudited Financial Statements Announcement  
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**17 In the review of performance, the factors leading to any changes in contributions to turnover and earnings by the business or geographical segments**

Please refer to Section 8 for the review of the actual performance.

**18 Breakdown of sales**

	Group		
	1/1/17 to 30/9/17	1/1/16 to 30/9/16	Change
	S\$'000	S\$'000	%
<u>First half of year</u>			
Gross Revenue	54,952	55,956	(1.8)
Net Property Income	42,433	44,605	(4.9)
<u>Third quarter of the year</u>			
Gross Revenue	27,432	28,049	(2.2)
Net Property Income	21,338	22,069	(3.3)

**Notes:**

Please refer to Section 8 for review of actual performance.

**19 Breakdown of the total distribution for the financial period ended 30 September 2017 and 30 September 2016**

	Group	
	1/1/17 to 30/9/17	1/1/16 to 30/9/16
	S\$'000	S\$'000
In respect of the period:		
1 January 2016 to 31 March 2016		18,248
1 April 2016 to 30 June 2016		17,830
1 July 2016 to 30 September 2016		16,582
1 January 2017 to 31 March 2017	16,235	
1 April 2017 to 30 June 2017	16,253	
1 July 2017 to 30 September 2017 (Payable on or about 28 November 2017)	16,448	
	48,936	52,660

**20 Certificate pursuant to Paragraph 7.3 of the Property Funds Appendix**

The Manager hereby certifies that in relation to the distribution to the Unitholders of Cache for the quarter ended 30 September 2017:

- Cache will declare a distribution which is classified as capital distribution from a tax perspective, being derived from a portion of the sales proceeds from Kim Heng warehouse in June 2015, in addition to the income available for distribution for the quarter ended 30 September 2017;
- The Manager is satisfied on reasonable grounds that, immediately after making the distributions, Cache will be able to fulfill, from its deposited properties, its liabilities as they fall due.

The distribution is computed based on the accounts of Cache for the quarter ended 30 September 2017 and is verified by our external tax consultant.

Currently, Cache distributes 100.0% of its taxable income to Unitholders.

**Unaudited Financial Statements Announcement  
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This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current views of management on future events.

The value of units in Cache (“**Units**”) and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, ARA-CWT Trust Management (Cache) Limited (as the manager of Cache) (the “**Manager**”) or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of Cache is not necessarily indicative of the future performance of Cache.

BY ORDER OF THE BOARD  
ARA-CWT TRUST MANAGEMENT (CACHE) LIMITED  
AS MANAGER OF CACHE LOGISTICS TRUST  
(Company registration no. 200919331H)

Lim Hwee Chiang  
Director  
24 October 2017

**For enquiries, please contact:**

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The Board of Directors  
ARA-CWT Trust Management (Cache) Limited  
(in its capacity as Manager of Cache Logistics Trust)  
6 Temasek Boulevard  
#16-02 Suntec Tower 4  
Singapore 038986

24 October 2017

### **Cache Logistics Trust Review of Interim Financial Information**

We have reviewed the accompanying Interim Financial Information of Cache Logistics Trust (the "Trust") and its subsidiaries (collectively the "Group") for the quarter and nine-month period ended 30 September 2017. The Interim Financial Information consists of the following:

- Statements of financial position of the Group and the Trust as at 30 September 2017;
- Portfolio statements of the Group and the Trust as at 30 September 2017;
- Statement of total return of the Group for the quarter and nine-month period ended 30 September 2017;
- Distribution statement of the Group for the quarter and nine-month period ended 30 September 2017;
- Statements of movements in unitholders' funds of the Group and the Trust for the quarter and nine-month period ended 30 September 2017;
- Statement of cash flows of the Group for the nine-month period ended 30 September 2017; and
- Certain explanatory notes to the above financial information.

The management of ARA-CWT Trust Management (Cache) Limited (the "Manager" of the Trust) is responsible for the preparation and presentation of this Interim Financial Information in accordance with the provisions of the Statement of Recommended Accounting Practice ("RAP") *7 Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.



***Scope of review***


We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of the interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not prepared, in all material respects, in accordance with the provisions of RAP 7 issued by the Institute of Singapore Chartered Accountants.

***Restriction of Use***

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Interim Financial Information for the purpose of assisting the Trust to meet the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited Listing Manual and for no other purpose. Our report is included in the Trust's announcement of its Interim Financial Information for the information of its unitholders. We do not assume responsibility to anyone other than the Trust for our work, for our report, or for the conclusions we have reached in our report.

  
**KPMG LLP**  
*Public Accountants and  
Chartered Accountants*

**Singapore**  
24 October 2017