



## **Cache Logistics Trust 2012 Second Quarter 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<sup>1</sup>, as well as real estate-related assets.

Cache's portfolio as at 30 June 2012 comprises high quality logistics warehouse properties located in the Asia-Pacific region including CWT Commodity Hub, CWT Cold Hub, Schenker Megahub, C&P Changi Districentre, Hi-Speed Logistics Centre, C&P Changi Districentre 2 (collectively, the "Properties"), APC Distrihub, Kim Heng Warehouse, Air Market Logistics Centre, Pan Asia Logistics Centre and Jinshan Chemical Warehouse.

Cache completed the acquisition of Pan Asia Logistics Centre on 30 April 2012 and fully redeemed its S\$35 million medium-term fixed rate notes ("Notes") on 6 June 2012. The acquisition and redemption were partially funded from the proceeds of the private placement undertaken on 21 March 2012 of 60 million units ("Private Placement Units") at a price of S\$0.985 per unit.

An extraordinary general meeting of unitholders of Cache ("Unitholders") was held on 19 June 2012 to seek approval for the purchase of Pandan Logistics Hub which was fully described in the Circular to Unitholders distributed on 31 May 2012. The interested party transactions with CWT Limited were approved by a margin of approximately 99% of the votes received. The acquisition was subsequently completed on 3 July 2012. The financing of the transaction was executed in conjunction with a capital management exercise to increase the amount of facility against the same collateral. Consequently, Cache has 5 unencumbered properties as at 30 June 2012 against which it can raise further financing, should the need arise. The increased facility allowed the Manager to fund the acquisition of Pandan Logistics Hub entirely by debt, increases the amount of revolving credit facility and improves the debt expiry profile, all of which strengthens Cache's financial flexibility going forward.

Cache will continue with its current distribution policy to distribute 100% of its taxable income and tax-exempt income for the period from the Listing Date to 31 December 2012 and thereafter, to distribute at least 90% of its taxable and tax-exempt income.

The financial information for the second quarter and half year ended 30 June 2012 set out in this announcement has been extracted from the interim condensed financial information for the period from 1 January to 30 June 2012 which has been reviewed by the independent auditors in accordance with Singapore Standard on Review Engagements 2410.

Unless otherwise stated, all capitalised terms used in this announcement shall have the same meaning as in the Prospectus dated 1 April 2010.

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<sup>1</sup> For purposes of the investment mandate of Cache, Asia-Pacific is defined as Singapore, Malaysia, Indonesia, Philippines, Thailand, Vietnam, China, India, Hong Kong, Macau, Taiwan, Japan, Korea, Australia and New Zealand.

**SUMMARY OF RESULTS FOR CACHE LOGISTICS TRUST**

	Notes	Group					Change
		1/4/12 to 30/6/12	1/4/11 to 30/6/11	Change	YTD		
					1/1/12 to 30/6/12	1/1/11 to 30/6/11	
		S\$'000	S\$'000	%	S\$'000	S\$'000	
Gross revenue		17,551	16,169	8.5	34,416	30,975	11.1
Net property income		16,720	15,462	8.1	32,816	29,880	9.8
Income available for distribution		13,893	13,289	4.5	27,250	25,697	6.0
<b>Distribution per unit ("DPU") (cents)</b>	(a)	<b>1.981</b> <sup>(b)</sup>	<b>2.086</b>	<b>(5.0)</b>	<b>4.067</b>	<b>4.038</b>	<b>0.7</b>
<b>Annualised DPU (cents)</b>	(c)	<b>7.968</b>	<b>8.367</b>	<b>(4.8)</b>	<b>8.180</b>	<b>8.143</b>	<b>0.4</b>

**Notes:**

- (a) Refer to Item 6 for DPU computation.
- (b) The total units used in the calculation of DPU include 629,410 units issued to the Manager on 4 July 2012, as acquisition fees paid for the acquisition of Pandan Logistics Hub.
- (c) Extrapolated for information only. Not indicative of DPU for year ending 31 December 2012.

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1(a) Statements of Total Return and Distribution Statements for the second quarter and half year ended 30 June 2012

	Notes	Group					
		1/4/12 to 30/6/12	1/4/11 to 30/6/11	Change	YTD		Change
					1/1/12 to 30/6/12	1/1/11 to 30/6/11	
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Statement of Total Return</b>							
<b>Gross revenue</b>	(a)	17,551	16,169	8.5	34,416	30,975	11.1
Property expenses	(b)	(831)	(707)	(17.5)	(1,600)	(1,095)	(46.1)
<b>Net property income</b>		16,720	15,462	8.1	32,816	29,880	9.8
Other income		1	1	-	1	1	-
Net financing costs	(c)	(12,747)	(2,124)	(500.1)	(15,229)	(4,041)	(276.9)
Manager's fees	(d)	(1,361)	(1,244)	(9.4)	(2,741)	(2,432)	(12.7)
Trustee's fees		(68)	(60)	(13.3)	(133)	(116)	(14.7)
Other trust expenses	(e)	(768)	(191)	(302.1)	(1,132)	(754)	(50.1)
<b>Net income</b>		1,777	11,844	(85.0)	13,582	22,538	(39.7)
<b>Total return for the period before taxation and distribution</b>		1,777	11,844	(85.0)	13,582	22,538	(39.7)
Income tax expense	(h)	(26)	-	nm	(73)	-	nm
<b>Total return for the period after taxation before distribution</b>		1,751	11,844	(85.2)	13,509	22,538	(40.1)
<b>Distribution Statement</b>							
		1,751	11,844	(85.2)	13,509	22,538	(40.1)
Non-tax deductible items:							
Manager's fees paid/payable in units	(d)	1,021	933	9.4	2,056	1,824	12.7
Trustee Fees		133	-	nm	133	-	nm
Amortisation of transaction costs	(f)	337	454	(25.8)	808	891	(9.3)
Depreciation		9	21	(57.1)	15	27	(44.4)
Foreign exchange difference		9	9	-	9	9	-
Initial Setup costs of MTN Programme	(g)	-	-	nm	-	355	nm
Costs incurred on Notes redemption	(c)	572	-	nm	572	-	nm
Break fee for interest rate swap	(c)	6,258	-	nm	6,258	-	nm
Transaction cost written-off	(c)	3,369	-	nm	3,369	-	nm
Costs incurred on refinancing	(e)	428	-	nm	428	-	nm
Other items		6	28	(78.6)	93	53	75.5
<b>Net effect of non-tax deductible expenses</b>		12,142	1,445	740.3	13,741	3,159	335.0
<b>Income available for distribution to Unitholders at the end of the period</b>		13,893	13,289	4.5	27,250	25,697	6.0
<b>Income to be distributed</b>	(i)	13,893	13,289	4.5	27,250	25,697	6.0

nm denotes "not meaningful"

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	Notes	Trust					
		1/4/12 to 30/6/12	1/4/11 to 30/6/11	Change	YTD		Change
					1/1/12 to 30/6/12	1/1/11 to 30/6/11	
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Statement of Total Return</b>							
<b>Gross revenue</b>	(a)	17,229	16,112	6.9	33,775	30,918	9.2
Property expenses	(b)	(828)	(686)	(20.7)	(1,593)	(1,074)	(48.3)
<b>Net property income</b>		<b>16,401</b>	<b>15,426</b>	<b>6.3</b>	<b>32,182</b>	<b>29,844</b>	<b>7.8</b>
Other income		-	1	nm	-	1	nm
Net financing costs	(c)	(12,584)	(2,124)	(492.5)	(15,056)	(4,041)	(272.6)
Manager's fees	(d)	(1,361)	(1,244)	(9.4)	(2,741)	(2,432)	(12.7)
Trustee's fees		(68)	(60)	(13.3)	(133)	(116)	(14.7)
Other trust expenses	(e)	(725)	(175)	(314.3)	(1,062)	(372)	(185.5)
<b>Net income</b>		<b>1,663</b>	<b>11,824</b>	<b>(85.9)</b>	<b>13,190</b>	<b>22,884</b>	<b>(42.4)</b>
<b>Total return for the period before taxation and distribution</b>		<b>1,663</b>	<b>11,824</b>	<b>(85.9)</b>	<b>13,190</b>	<b>22,884</b>	<b>(42.4)</b>
Income tax expense	(h)	-	-	nm	-	-	nm
<b>Total return for the period after taxation before distribution</b>		<b>1,663</b>	<b>11,824</b>	<b>(85.9)</b>	<b>13,190</b>	<b>22,884</b>	<b>(42.4)</b>
<b>Distribution Statement</b>							
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Total return for the period after taxation before distribution</b>		<b>1,663</b>	<b>11,824</b>	<b>(85.9)</b>	<b>13,190</b>	<b>22,884</b>	<b>(42.4)</b>
Non-tax deductible items:							
Manager's fees paid/payable in units	(d)	1,021	933	9.4	2,056	1,824	12.7
Trustee Fees		133	-	nm	133	-	nm
Amortisation of transaction costs	(f)	331	454	(27.1)	731	891	(18.0)
Depreciation		9	21	(57.1)	15	27	(44.4)
Foreign exchange difference		-	9	nm	-	9	nm
Costs incurred on Notes redemption	(c)	572	-	nm	572	-	nm
Break fee for interest rate swap	(c)	6,258	-	nm	6,258	-	nm
Transaction cost written-off	(c)	3,210	-	nm	3,210	-	nm
Costs incurred on refinancing	(e)	428	-	nm	428	-	nm
Overseas income not distributed to the Trust		254	20	nm	498	-	nm
Other items		14	28	(50.0)	159	62	156.5
<b>Net effect of non-tax deductible expenses</b>		<b>12,230</b>	<b>1,465</b>	<b>734.8</b>	<b>14,060</b>	<b>2,813</b>	<b>399.8</b>
<b>Income available for distribution to Unitholders at the end of the period</b>		<b>13,893</b>	<b>13,289</b>	<b>4.5</b>	<b>27,250</b>	<b>25,697</b>	<b>6.0</b>
<b>Income to be distributed</b>	(i)	<b>13,893</b>	<b>13,289</b>	<b>4.5</b>	<b>27,250</b>	<b>25,697</b>	<b>6.0</b>

nm denotes "not meaningful"

**Notes:**

- (a) Comprises rental income from the investment properties. Increase in rental income is derived from upward rental adjustments and acquisition of investment properties in 2011 and 2012.
- (b) Comprise property management fee, reimbursable expenses payable to the Property Manager and other property related expenses. The increase in property expenses is in line with the acquisition of investment properties in 2011 and 2012.

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(c) Included in the net financing costs are the following:

Notes	Group					
	1/4/12 to 30/6/12	1/4/11 to 30/6/11		YTD		
				1/1/12 to 30/6/12	1/1/11 to 30/6/11	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
<b>Finance income :</b>						
Interest income	14	5	180.0	18	7	157.1
<b>Finance expenses :</b>						
Interest expense :						
Bank loan and bonds	(1,609)	(1,307)	(23.1)	(3,318)	(2,431)	(36.5)
Interest rate swaps	(613)	(367)	(67.0)	(919)	(725)	(26.8)
Amortisation of transaction costs	(337)	(454)	25.8	(808)	(891)	9.3
Transaction cost written-off	(3,369)	-	nm	(3,369)	-	nm
Costs incurred on Notes redemption	(572)	-	nm	(572)	-	nm
Break fee for interest rate swap	(6,258)	-	nm	(6,258)	-	nm
Others	(3)	(1)	(200.0)	(3)	(1)	(200.0)
<b>Net financing costs</b>	<b>(12,747)</b>	<b>(2,124)</b>	<b>500.1</b>	<b>(15,229)</b>	<b>(4,041)</b>	<b>276.9</b>

  

Notes	Trust					
	1/4/12 to 30/6/12	1/4/11 to 30/6/11		YTD		
				1/1/12 to 30/6/12	1/1/11 to 30/6/11	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
<b>Finance income :</b>						
Interest income	11	4	175.0	15	7	114.3
<b>Finance expenses :</b>						
Interest expense :						
Bank loan and bonds	(1,609)	(1,306)	(23.2)	(3,318)	(2,431)	(36.5)
Interest rate swaps	(613)	(367)	(67.3)	(919)	(725)	(26.8)
Amortisation of transaction costs	(331)	(454)	27.2	(793)	(891)	11.0
Transaction cost written-off	(3,210)	-	nm	(3,210)	-	nm
Costs incurred on Notes redemption	(572)	-	nm	(572)	-	nm
Break fee for interest rate swap	(6,258)	-	nm	(6,258)	-	nm
Others	(2)	(1)	(42.9)	(1)	(1)	(28.6)
<b>Net financing costs</b>	<b>(12,584)</b>	<b>(2,124)</b>	<b>492.4</b>	<b>(15,056)</b>	<b>(4,041)</b>	<b>272.6</b>

nm denotes not meaningful

Cache embarked on a capital management exercise to increase the amount of facility against the same collateral. Consequently, Cache has 5 unencumbered properties as at 30 June 2012 against which it can raise further financing, should the need arise. The increased facility allowed the Manager to fund the acquisition of Pandan Logistics Hub entirely by debt, increases the amount of revolving credit facility and improves the debt expiry profile, all of which strengthens Cache's financial flexibility going forward.

In conjunction with the above exercise, the following additional financing costs were incurred in the quarter:

- unamortised transaction costs of the refinanced bank facilities (the secured 4-year facilities ("Initial Facilities"), the 3-year unsecured term loan and the unsecured \$35 million Notes) written-off;
- early redemption fees for the unsecured \$35 million Notes; and
- termination of the 2-year forward plain vanilla interest rate swap as a result of the refinancing of the Initial Facilities.

The items above are non-tax deductible and do not impact income available for distribution.

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- (d) Consist of:
- 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.
- 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) Includes additional fees from the private placement exercise and the interested party transactions in 2012 not in 2011.
- (f) Represents amortisation of upfront fees on credit facilities. These items are non-tax deductible and have no impact on income available for distribution.
- (g) Related to the initial set up costs for the establishment of a S\$500 million MTN programme in 2011. This was non-tax deductible and had no impact on income available for distribution.
- (h) Includes income tax provided in relation to a subsidiary and the overseas property.
- (i) Current distribution policy is to continue distributing 100% of its taxable income and tax-exempt income for the year ending 31 December 2012 and thereafter, to distribute at least 90% of its taxable and tax-exempt income. The dividends will be distributed on a quarterly basis, no later than 60 days after the end of each distribution period.

**1(b) Statements of Financial Position as at 30 June 2012**

	Notes	Group		Trust	
		30/6/12	31/12/11	30/6/12	31/12/11
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>					
Investment properties	(a)/(b)	878,757	842,788	863,118	826,900
Plant and equipment		171	143	171	143
Investments in subsidiaries	(c)	-	-	628	628
<b>Total non-current assets</b>		<b>878,928</b>	<b>842,931</b>	<b>863,917</b>	<b>827,671</b>
<b>Current assets</b>					
Trade and other receivables		471	234	471	231
Amounts due from subsidiaries		-	-	13,927	14,046
Cash and cash equivalents		10,991	12,059	9,559	11,064
<b>Total current assets</b>		<b>11,462</b>	<b>12,293</b>	<b>23,957</b>	<b>25,341</b>
<b>Total assets</b>		<b>890,390</b>	<b>855,224</b>	<b>887,874</b>	<b>853,012</b>
<b>Current liabilities</b>					
Trade and other payables		(4,357)	(6,045)	(3,792)	(5,561)
<b>Total current liabilities</b>		<b>(4,357)</b>	<b>(6,045)</b>	<b>(3,792)</b>	<b>(5,561)</b>
<b>Non-current liabilities</b>					
Trade and other payables		(634)	(634)	(634)	(634)
Interest bearing borrowings	(d)	(239,576)	(248,883)	(239,576)	(249,058)
Derivative liabilities	(e)	-	(5,284)	-	(5,284)
Deferred tax liabilities	(f)	(293)	(293)	-	-
<b>Total non-current liabilities</b>		<b>(240,503)</b>	<b>(255,094)</b>	<b>(240,210)</b>	<b>(254,976)</b>
<b>Total liabilities</b>		<b>(244,860)</b>	<b>(261,139)</b>	<b>(244,002)</b>	<b>(260,537)</b>
<b>Net assets</b>		<b>645,530</b>	<b>594,085</b>	<b>643,872</b>	<b>592,475</b>
<b>Represented by:</b>					
<b>Unitholders' funds</b>	(g)	<b>645,530</b>	<b>594,085</b>	<b>643,872</b>	<b>592,475</b>

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**Notes:**

- (a) Carrying values of the investment properties were based on independent valuation carried out by CBRE Pte Ltd as at 31 December 2011. Increase is due to capital expenditure recognised and acquisition of Pan Asia Logistics Centre on 30 April 2012.
- (b) Subsequent to 30 June 2012, the Trust completed the acquisition of Pandan Logistics Hub on 3 July 2012.
- (c) Relate to Cache Singapore One Pte Ltd and Cache-MTN Pte Ltd, which are wholly-owned subsidiaries of Cache.
- (d) Refer to Item 1(b)(i), Aggregate amount of borrowings and debt securities for details.
- (e) The 2-year plain vanilla interest rate swaps (“IRS”) to hedge the interest rate risk on the S\$178 million of the term loan facility were terminated on 27 June 2012 as the Initial Facilities were refinanced by new bank facilities. On 17 July 2012, Cache committed a new 3-year and 4-year IRS to hedge the interest rate risk on 70% of the secured 3-year term loan of S\$187.5 million maturing in 2015 (“Facility A”) and secured 4-year term loan of S\$125.5 million maturing in 2016 (“Facility B”).
- (f) Relate to deferred tax liabilities on the change in fair value of Jinshan Chemical Warehouse, located in Shanghai, China.
- (g) Refer to Item (1)(d), the Statement of Movements in Unitholders’ Funds, for details.

**1(b)(i) Aggregate amount of borrowings and debt securities**

	Group		Trust	
	30/6/12	31/12/11	30/6/12	31/12/11
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Secured borrowing</b>				
Amount repayable after one year	245,000	177,985	245,000	177,985
Less : Unamortised transaction costs	(5,424)	(3,702)	(5,424)	(3,702)
	239,576	174,283	239,576	174,283
<b>Unsecured borrowing</b>				
Amount repayable after one year	-	75,000	-	75,000
Less : Unamortised transaction costs	-	(400)	-	(225)
	-	74,600	-	74,775
<b>Total borrowings</b>	<b>239,576</b>	<b>248,883</b>	<b>239,576</b>	<b>249,058</b>

**Notes:**

**Details of borrowings and collaterals**

Cache embarked on a capital management exercise where the entire borrowings were refinanced by new bank facilities.

The new facilities (“New Facilities”) consist of Facility A, Facility B and a secured committed revolving credit facility (“RCF”) of S\$62 million. As at 30 June 2012, S\$68 million of Facility A and S\$62 million RCF were undrawn. On 3 July 2012, the Trust drew \$68 million of Facility A to complete the acquisition of Pandan Logistics Hub.

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The New Facilities are secured by way of:

- A first mortgage over the Properties;
- A debenture creating fixed and floating charges over all assets in relation to the Properties;
- An assignment of all leases, sale agreements and banker's guarantees in relation to the Properties and bank accounts as at the date of the IPO;
- An assignment of all insurance policies in relation to the Properties; and
- An assignment of Cache's rights in the corporate guarantees given in respect of certain properties.

**1 (c) Statement of Cash Flows**

	Notes	Group			
		1/4/12 to 30/6/12	1/4/11 to 30/6/11	YTD	
				1/1/12 to 30/6/12	1/1/11 to 30/6/11
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Operating activities</b>					
Net income		1,777	11,844	13,582	22,538
Adjustments for:					
Manager's fees paid/payable in units		1,021	933	2,056	1,824
Depreciation of plant and equipment		9	21	15	27
Net financing costs	(b)	12,747	2,124	15,229	4,041
Changes in working capital :					
Trade and other receivables		157	(662)	(238)	(1,116)
Trade and other payables		(1,736)	(4,730)	(37)	1,684
<b>Operating income before working capital changes</b>		<b>13,975</b>	<b>9,530</b>	<b>30,607</b>	<b>28,998</b>
Tax paid		(26)	-	(73)	-
<b>Net cash from operating activities</b>		<b>13,949</b>	<b>9,530</b>	<b>30,534</b>	<b>28,998</b>
<b>Cash flows from investing activities</b>					
Interest received		14	5	18	7
Capital expenditure on investment properties		-	(2,276)	(573)	(7,353)
Purchase of plant and equipment		(31)	-	(44)	(22)
Purchase of investment properties		(35,645)	(22,740)	(35,645)	(53,628)
<b>Net cash used in investing activities</b>		<b>(35,662)</b>	<b>(25,011)</b>	<b>(36,244)</b>	<b>(60,996)</b>
<b>Cash flows from financing activities</b>					
Proceeds from issue of new units	(a)	-	-	59,100	-
Proceeds from borrowings	(b)	245,000	27,651	245,000	58,017
Repayment of borrowings	(b)	(252,986)	-	(252,986)	-
Issue expenses paid	(d)	(122)	(9)	(1,452)	(15)
Interest paid	(b)	(3,717)	(1,708)	(5,951)	(3,289)
Financing costs paid	(b)	(5,438)	-	(5,438)	(300)
Costs incurred on Bond redemption	(b)	(572)	-	(572)	-
Early termination of IRS	(c)	(6,258)	-	(6,258)	-
Distribution to Unitholders		(13,352)	(12,407)	(26,781)	(24,711)
<b>Net cash (used in)/from financing activities</b>		<b>(37,445)</b>	<b>13,527</b>	<b>4,662</b>	<b>29,702</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(59,158)</b>	<b>(1,954)</b>	<b>(1,048)</b>	<b>(2,296)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>70,144</b>	<b>7,654</b>	<b>12,059</b>	<b>7,996</b>
<b>Effect of exchange differences on cash and cash equivalents</b>		<b>5</b>	<b>-</b>	<b>(20)</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>10,991</b>	<b>5,700</b>	<b>10,991</b>	<b>5,700</b>

**Notes:**

- (a) Represents proceeds from the Private Placement Units issued on 30 March 2012.  
(b) Cache embarked on a capital management exercise to refinance the existing facilities.



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- (c) The 2-year plain vanilla interest rate swaps to hedge the interest rate risk on the S\$178 million of the term loan facility were terminated on 27 June 2012 as the Initial Facilities were refinanced by New Facilities.
- (d) Relate to professional fees, underwriting and selling commission and other miscellaneous issue expenses.

**1 (d) Statements of Movements in Unitholders' Funds**

	Notes	Group			
		1/4/12 to 30/6/12	1/4/11 to 30/6/11	YTD	
				1/1/12 to 30/6/12	1/1/11 to 30/6/11
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at the beginning of the period</b>		650,413	572,836	594,085	575,118
<b>Operations</b>					
Total return after tax		1,751	11,844	13,509	22,538
<b>Net increase in net assets resulting from operations</b>		652,164	584,680	607,594	597,656
<b>Effective portion of changes in fair value of cashflow hedges</b>	(a)	(102)	(1,828)	(484)	(3,391)
<b>Net Change in fair value of cash flow hedges reclassified to statements of total return</b>	(b)	5,768	-	5,768	-
<b>Unitholders' transactions</b>					
Issue of new units					
- Private Placement	(c)	-	-	59,100	-
- Manager's fees paid in units		-	-	1,035	891
- Acquisition fees paid in units		-	135	-	135
Reversal of / (Issue expenses)	(c)	30	-	(1,452)	-
Units to be issued					
- Manager's fees payable in units	(d)	1,021	933	1,021	933
Distributions to unitholders		(13,352)	(12,407)	(26,781)	(24,711)
<b>Net increase/(decrease) in net assets resulting from unitholders' transactions</b>		(12,301)	(11,339)	32,923	(22,752)
<b>Foreign currency translation reserve</b>					
Net movement in translation reserve		1	45	(271)	45
<b>Unitholders' funds at the end of the period</b>		645,530	571,558	645,530	571,558
	Notes	Trust			
		1/4/12 to 30/6/12	1/4/11 to 30/6/11	YTD	
				1/1/12 to 30/6/12	1/1/11 to 30/6/11
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at the beginning of the period</b>		648,844	573,202	592,475	575,118
<b>Operations</b>					
Total return after tax		1,663	11,824	13,190	22,884
<b>Net increase in net assets resulting from operations</b>		650,507	585,026	605,665	598,002
<b>Effective portion of changes in fair value of cashflow hedges</b>	(a)	(102)	(1,828)	(484)	(3,391)
<b>Net Change in fair value of cash flow hedges reclassified to statements of total return</b>	(b)	5,768	-	5,768	-
<b>Unitholders' transactions</b>					
Issue of new units					
- Private Placement	(c)	-	-	59,100	-
- Manager's fees paid in units		-	-	1,035	891
- Acquisition fees paid in units		-	135	-	135
Reversal of / (Issue expenses)	(c)	30	-	(1,452)	-
Units to be issued					
- Manager's fees payable in units	(d)	1,021	933	1,021	933
Distributions to unitholders		(13,352)	(12,407)	(26,781)	(24,711)
<b>Net increase/(decrease) in net assets resulting from unitholders' transactions</b>		(12,301)	(11,339)	32,923	(22,752)
<b>Unitholders' funds at the end of the period</b>		643,872	571,859	643,872	571,859

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**Notes:**

- (a) Relate to the effective portion of changes in derivative liabilities designated as cashflow hedges.
- (b) Relate to termination of the 2-year plain vanilla IRS used to hedge the interest rate risk on the S\$178 million of the term loan facility. The IRS were terminated on 27 June 2012 as the Initial Facilities were refinanced by New Facilities.
- (c) Represent the proceeds from Private Placement Units issued on 30 March 2012 and related issue expenses.
- (d) Represent 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 quarter end.

**1 (d)(i) Details of any changes in the units**

	Notes	Group and Trust			
		YTD			
		1/4/12 to 30/6/12	1/4/11 to 30/6/11	1/1/12 to 30/6/12	1/1/11 to 30/6/11
		Units	Units	Units	Units
Issued units at the beginning of the period		699,888,315	635,725,371	638,867,066	634,774,066
Creation of units:					
- Issue of new units (Private Placements)	(a)	-	-	60,000,000	-
- Manager's fees paid in units		-	-	1,021,249	951,305
- Acquisition fees paid in units		-	142,629	-	142,629
<b>Issued units at the end of the period</b>		<b>699,888,315</b>	<b>635,868,000</b>	<b>699,888,315</b>	<b>635,868,000</b>
Units to be issued:					
- Manager's fees payable in units	(b)	977,260	975,288	977,260	975,288
<b>Total issued and to be issued units</b>		<b>700,865,575</b>	<b>636,843,288</b>	<b>700,865,575</b>	<b>636,843,288</b>

**Notes:**

- (a) Relates to Private Placement Units issued on 30 March 2012.
- (b) Represent 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.

**1(d)(ii) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

**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 June 2012;
- Statements of Total Return of the Group and the Trust for the quarter and half year ended 30 June 2012;
- Distribution Statements of the Group and the Trust for the quarter and half year ended 30 June 2012;
- Statements of Movements in Unitholders' Fund of the Group and the Trust for the quarter and half year ended 30 June 2012; and

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- Statement of Cash Flows of the Group for the quarter and half year ended 30 June 2012

have been extracted from the interim condensed financial information for the period from 1 January 2012 to 30 June 2012 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 25 July 2012 issued on the interim condensed financial information of Cache for the period ended 30 June 2012, which has been prepared in accordance with Singapore Financial Reporting Standard 34 *Interim Financial Reporting*.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied**

Cache has applied the same accounting policies and methods of computation for the year ended 31 December 2011.

**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**

There is no change in the accounting policies and methods of computation adopted.

**6 Earnings per unit ("EPU") and Distribution per unit ("DPU") for the financial period**

**Earnings per unit**

	Notes	Group			
		1/4/12 to 30/6/12	1/4/11 to 30/6/11	YTD	
				1/1/12 to 30/6/12	1/1/11 to 30/6/11
Weighted average number of units		699,899,054	635,751,762	670,048,013	635,270,870
Earnings per unit for the period based on the weighted average number of units in issue (cents)	(a)/(b)	0.25	1.86	2.02	3.55

**Notes:**

- (a) EPU calculation uses the total return for the period after tax, and the weighted average number of units issued and to be issued. The diluted EPU is the same as basic EPU as no dilutive instruments were in issue during the period.
- (b) The decrease in EPU is due to the break fee for interest rate swap, transaction costs on refinancing and Notes redemption recognised in profit and loss, as a result of the capital management exercise to increase the amount of facility against the same collateral. These expenses are non tax-deductible and have no impact on income available for distribution.

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**Distribution per Unit**

In computing the DPU, the number of units as at the end of each period is used for the computation.

	Notes	Group			
		1/4/12 to 30/6/12	1/4/11 to 30/6/11	YTD	
				1/1/12 to 30/6/12	1/1/11 to 30/6/11
Number of units issued and to be issued at end of period entitled to distribution		700,865,575	636,843,288	700,865,575	636,843,288
Acquisition units issued on 4 July 2012 entitled to distribution		629,410	-	629,410	-
	(a)	701,494,985	636,843,288	701,494,985	636,843,288
Distribution per unit for the period based on the total number of units entitled to distribution (cents)	(b)	1.981	2.086	4.067	4.038

**Notes:**

- (a) Computation of DPU for the period from 1 April to 30 June 2012 is based on the number of units entitled to distribution:
- (i) Number of units in issue as at 31 March 2012 of 699,888,315;
  - (ii) Units to be issued to the Manager by 26 July 2012 as partial consideration of Manager's fees incurred for the quarter ended 30 June 2012 of 977,260;
  - (iii) Units issued to the Manager on 4 July 2012 as acquisition fees paid for the acquisition of Pandan Logistics Hub of 629,410.
- (b) Distribution of 1.981 cents per unit for the period 1 April to 30 June 2012 will be paid on 29 August 2012.

**7 Net asset value ("NAV") per unit at the end of current period**

	Notes	Group		Trust	
		30/6/12	31/12/11	30/6/12	31/12/11
NAV per unit (S\$)	(a)	0.92	0.93	0.92	0.93

**Notes:**

- (a) Number of units used to compute NAV per unit of 700,865,575 comprised:
- (i) Number of units in issue as at 31 March 2012 of 699,888,315;
  - (ii) Units to be issued to the Manager by 26 July 2012 as partial consideration of Manager's fees incurred for the quarter ended 30 June 2012 of 977,260.

**8 (i) Review of the performance for the quarter ended June 2012**

Gross revenue achieved for the quarter ended was S\$17.5 million, an increase of S\$1.4 million or 8.5% higher than 2Q2011. Net property income for the quarter was S\$16.7 million, an increase of S\$1.3 million or 8.1% higher than 2Q2011.

The higher revenue and higher net property income in 2Q2012 were mainly attributable to the additional rental income from upward rental adjustments and acquisitions of investment properties in 2011 and 2012.

## Unaudited Financial Statements Announcement For the Second Quarter and Half Year ended 30 June 2012

Net financing costs for the quarter were S\$12.7 million. Cache embarked on a capital management exercise to increase the amount of facility against the same collateral. Consequently, Cache has 5 unencumbered properties as at 30 June 2012 against which it can raise further financing, should the need arise. The increased facility allowed the Manager to fund the acquisition of Pandan Logistics Hub entirely by debt, increases the amount of revolving credit facility and improves the debt expiry profile, all of which strengthens Cache's financial flexibility going forward.

In conjunction with the above exercise, the following additional financing costs were incurred in the quarter.

- unamortised transaction costs for refinanced facilities (the secured 4-year facilities ("Initial Facilities"), the 3-year unsecured term loan and the unsecured \$35 million Notes) written-off
- early redemption fees of the unsecured \$35 million Notes
- termination of the 2-year forward plain vanilla interest rate swap as a result of the refinancing of the bank facility.

The overall all-in-financing costs averaged 4.38% for the quarter and the gearing ratio stood at 27.5% as at 30 June 2012.

The increase in Manager's fee and Trustee's fee is in line with the higher deposited property value.

The income available for distribution stood at S\$13.9 million, an increase of S\$0.6 million or 4.6% higher than the quarter ended 2Q2011.

### **(ii) Review of the performance for the half year ended June 2012**

Gross revenue achieved for the half year ended 30 June 2012 was S\$34.4 million, an increase of S\$3.4 million or 11.1% higher than the same period in 2011. Net property income was S\$32.8 million, an increase of S\$2.9 million or 9.8% higher than the same period in 2011.

The higher revenue and higher net property income for half year ended 30 June 2012 were mainly attributable to the additional rental income from upward rental adjustments and acquisitions of investment properties in 2011 and 2012.

Net financing costs for the half year ended 30 June 2012 was S\$15.2 million. Cache embarked on a capital management exercise to increase the amount of facility against the same collateral. Consequently, Cache has 5 unencumbered properties as at 30 June 2012 against which it can raise further financing, should the need arise. The increased facility allowed the Manager to fund the acquisition of Pandan Logistics Hub entirely by debt, increases the amount of revolving credit facility and improves the debt expiry profile, all of which strengthens Cache's financial flexibility going forward.

In conjunction with the above exercise, the following additional financing costs were incurred for the half year ended 30 June 2012:

- unamortised transaction costs for refinanced facilities (the secured 4-year facilities ("Initial Facilities"), the 3-year unsecured term loan and the unsecured \$35 million Notes) written-off;
- early redemption fees of the unsecured \$35 million Notes; and
- termination of the 2-year forward plain vanilla interest rate swap as a result of the refinancing of the bank facility.

The overall all-in-financing costs averaged 4.16% for the half year ended 30 June 2012.

## **9 Variance between the projection and actual results**

The Trust has not disclosed any forecast to the market.

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**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.**

**Economic Outlook**

Singapore's growth momentum eased in the second quarter of 2012 ("2Q12"), contracting by 1.1% quarter-on-quarter ("q-o-q") compared to an exceptional 9.4% expansion in the preceding quarter. On a year-on-year ("y-o-y") basis, the economy continued to grow by 1.9%<sup>2</sup>.

The moderation in growth momentum was primarily the result of a sequential contraction in the manufacturing sector. On a y-o-y basis, the sector grew 3.0% due to a low base in the previous year. The construction sector grew slightly by 0.3% q-o-q and 5.1% y-o-y, supported by on-going public civil engineering works. Likewise, growth in the services producing industries was marginal at 0.4% q-o-q and 1.0% y-o-y on the back of a contraction in wholesale and retail trade as well as the finance and insurance sectors.

**Industry Outlook**

Notwithstanding the decline in economic growth, the industrial property market remains buoyant. According to Colliers, prime conventional warehouse rents rose to a new high for ground and upper floor space. The average monthly gross rents of prime ground floor warehouse space increased by 1.2% q-o-q to S\$2.50 per sq ft, while the upper floor warehouse space increased by 1.0% q-o-q to S\$2.06 per sq ft<sup>3</sup>. Savills believes industrial rents will likely hold firm this year as industrialists appear to be deferring purchases and renewing of leases<sup>4</sup>.

In June 2012 the Ministry of Trade and Industry ("MTI") announced that land tenure for all sites to be sold under the industrial Government Land Sales ("GLS") programme from July to December 2012 will be capped at 30 years. As the land sales only involve sites for new development, the view is the impact on Cache will be minimal.

**Company Outlook**

As of 30 June 2012 the Cache portfolio consisted of eleven quality logistics warehouse properties located in Singapore and China. With the latest acquisition of Pandan Logistics Hub, a five-storey ramp-up logistics warehouse, total assets under management has increased to S\$944.3 million. Including the acquisition of Pan Asia Logistics Centre and Pandan Logistics Hub, Cache now has 22.9% market share of ramp-up warehouses in Singapore. The full revenue contribution from these two assets, which were completed in April and early July 2012 respectively, will be more noticeable in the second half of 2012 ("2H12").

The Cache portfolio is 100% occupied, with a combination of triple-net master leases and multi-tenancy lease structures, has a weighted average lease to expiry ("WALE") of 4.4 years after the completion of the Pandan Logistics Hub on 3 July 2012. In addition, Cache has secured, locked-in rental income with fixed annual step-ups as well as no lease renewal exposure throughout 2012, all of which provide a high degree of predictability in cash flow and earnings stability.

To further strengthen its financial position, Cache recently completed a capital management exercise where the entire loan portfolio was refinanced with a new S\$375.0 million bank facility secured against existing collateral. This serves to increase Cache's pool of unsecured assets; lower borrowing costs and improves the debt expiry profile. The new facility also includes an increased committed line of funding which provides Cache with greater financial flexibility.

With a strong sponsor in CWT Limited and professional management through the ARA-CWT Trust Management joint venture, the Manager looks to continue growing its portfolio via quality, accretive acquisitions while seeking asset enhancement initiatives in Singapore and Asia-Pacific. Notwithstanding the changing economic and business environment, given the strong financial and property fundamentals of Cache, including the two recent acquisitions, the Manager is confident of delivering good value to Unitholders in 2H12.

<sup>2</sup> MTI report dated 13 July 2012

<sup>3</sup> Colliers Singapore Real Estate Market (Industrial) – 2Q 2012

<sup>4</sup> Savills Industrial Sector Briefing – July 2012

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**11 Distributions**

**(a) Current financial period**

Name of distribution: Distribution for the period from 1 April to 30 June 2012

Distribution Type:

Distributable Income Period	1/4/12 to 30/6/12
Type	Cents
Taxable income component	1.945
Capital component	0.036
<b>Total</b>	<b>1.981</b>

Par value of units: Not meaningful

Tax rate:

**Taxable income component**

These distributions are made out of 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 the units as investment assets will be tax exempt. However, distributions made to individuals who hold units as trading assets or through a partnership will be taxed at the level of these individuals 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 the 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.

**(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 April 2011 to 30 June 2011

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Distribution Type: Taxable income distribution – 2.086 cents per unit

Par value of units: Not meaningful

Tax rate: **Taxable income**

These distributions are made out of 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 the units as investment assets will be tax exempt. However, distributions made to individuals who hold units as trading assets or through a partnership will be taxed at the level of these individuals at their applicable income tax rates.

All unitholders who are not individuals are subject to Singapore income tax / withholding tax on distributions of Cache.

**(c) Date Payable** 29 August 2012

**(d) Books Closure Date** 2 August 2012

**12 If no distribution has been declared/(recommended), a statement to that effect**

Not applicable.

**13 Interested Party Transaction Mandate**

Cache is not required to obtain a general mandate from Unitholders 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 June 2012, statements of total return & distribution statements, statement of cash flows and statements of movements in unitholders' funds for the quarter and period ended on that date), together with their accompanying notes, to be false or misleading, in any material aspect.

On behalf of the Board of the Manager  
ARA-CWT TRUST MANAGEMENT (CACHE) LIMITED

Lim How Teck  
Director

Lim Hwee Chiang  
Director



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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  
25 July 2012



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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

25 July 2012

Dear Sirs

**Cache Logistics Trust**  
**Review of Interim Condensed Financial Information (the “Financial Informaiton”)**

*Introduction*

We have reviewed the accompanying Financial Information of Cache Logistics Trust (the “Trust”) and its subsidiaries (collectively the “Group”) for the quarter and 6-month period ended 30 June 2012. The Financial Information consists of the following:

- Statements of financial position of the Group and the Trust as at 30 June 2012;
- Portfolio statements of the Group and the Trust as at 30 June 2012;
- Statements of total return of the Group and the Trust for the quarter and the 6-month period ended 30 June 2012;
- Distribution statements of the Group and the Trust for the quarter and 6-month period ended 30 June 2012;
- Statements of movements in unitholders’ funds of the Group and the Trust for the 6-month period ended 30 June 2012;
- Statement of cash flows of the Group for the 6-month period ended 30 June 2012; 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 Financial Information in accordance with the provisions of the Statement of Recommended Practice (“RAP”) 7 *Reporting Framework for Unit Trusts*. Our responsibility is to express a conclusion on this 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 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 Financial Information is not prepared, in all material respects, in accordance with the provision of RAP 7 *Reporting Framework for Unit Trusts* issued by the Institute of Certified Public Accountants of Singapore.

***Restriction on use***

Our report is provided on the basis that it is for the information of the directors of the Manager and for the inclusion of our report in the Trust's announcement to its unitholders, to enable the directors of the Manager to fulfill their responsibilities under the Singapore Exchange listing requirements. Our report should not be quoted or referred to, in whole or in part, without our prior written permission, for any other purposes. We do not assume any responsibility or liability for losses occasioned to the directors of the Manager, the Trust or any other parties as a result of the circulation, publication, reproduction or use of the report contrary to the provisions of this paragraph.

Yours faithfully



**KPMG LLP**  
*Public Accountants and*  
*Certified Public Accountants*