

Press Release

CACHE LOGISTICS TRUST DELIVERS STEADY PERFORMANCE IN 2Q 2014

- Distributable income for 1H 2014 grew 2.9% year-on-year
- Distribution per Unit (“DPU”) for 2Q 2014 remained unchanged at 2.147 cents despite an enlarged unit base
- Build-to-suit development for DHL Supply Chain Singapore Advanced Regional Center (“DSC ARC”) progressing according to plan

Financial Performance

In S\$'000 unless otherwise noted	2Q 2014	2Q 2013	y-o-y Change (%)	1H 2014	1H 2013	y-o-y Change (%)
Gross Revenue	20,781	20,439	1.7	41,462	39,555	4.8
Net Property Income (NPI)	19,566	19,563	0.0	39,136	37,652	3.9
Distributable Income	16,734	16,643	0.5	33,389	32,438	2.9
Distribution per unit (Cents)	2.147 ⁽¹⁾	2.147 ⁽²⁾	0.0	4.287	4.381	(2.1)
Annualised DPU (Cents)	8.612	--	--	--	--	--

¹ Based on 779,559,020 issued units which includes 778,535,208 issued units as at 30 June 2014 and 1,023,812 units to be issued to the Manager within 30 days from the quarter end as partial consideration of Manager’s fees.

² Based on 775,273,116 issued units which includes 774,277,688 issued units as at 30 June 2013 and 995,428 units issued on 25 July 2013 as partial consideration of Manager’s fees.

Singapore, 21 July 2014 – ARA-CWT Trust Management (Cache) Limited, the manager (“Manager”) of Cache Logistics Trust (“Cache”) is pleased to announce a DPU of 2.147 Singapore cents for the second quarter ended 30 June 2014, up 0.3% from last quarter (1Q 2014: 2.140 cents) and unchanged from the same period a year ago. Based on an annualised DPU of 8.612 cents and a closing price of S\$1.195 per unit as at 30 June 2014, Cache’s distribution yield was approximately 7.2%.

In the financial year-to-date (“YTD”), gross revenue and NPI increased 4.8% to S\$41.5 million and 3.9% to S\$39.1 million respectively. The increase was primarily attributable to rental escalations. YTD DPU fell marginally by 2.1% to 4.287 cents, due to the unit base having increased by approximately 5.0%¹ in the comparative periods.

¹ Calculated based on weighted unit base.

Mr Daniel Cerf, CEO of the Manager said: "Cache continued to deliver steady financial performance in 2Q 2014 and we are also pleased to update the market that the build-to-suit development for DSC ARC is progressing according to plan. For the rest of the financial year, the Manager will focus its efforts on lease renewals as well as a refinancing exercise of debt facilities and will continue to adopt a disciplined approach to grow Cache via quality, accretive acquisitions in the Asia Pacific.

Quality Portfolio with Limited Renewal Risk for FY2014

As at 30 June 2014, Cache's portfolio comprises 13 high quality logistics warehouse properties strategically located in established logistics clusters in Singapore and China, with a total gross floor area ("GFA") of 5.1 million square feet and a property value of S\$1.04 billion approximately. The portfolio is near full occupancy at 99.6% with a weighted lease to expiry ("WALE") of about 3.8 years². For remainder of 2014, only 1% of the Cache portfolio remains up for renewal.

Proactive Asset Management

In line with the adopted strategy to reduce concentration risk and capture the benefits of market cycles, the Manager is working with CWT Limited ("CWT"), as the Cache sponsor, and the C&P Group ("C&P") to transform the Cache portfolio into a more multi-tenanted property portfolio over time. With this, CWT and C&P are expected to gradually wind down their master lease positions within the Cache portfolio. Both CWT and C&P will nevertheless continue to remain as major tenants within the Cache portfolio, occupying close to half of the total net lettable area³ at the end of their respective master leases maturing in April 2015.

The Manager is making positive progress on negotiating lease renewals for 2015. It continues to work closely with both CWT and C&P towards achieving the objective of maintaining high portfolio occupancy by securing existing and potential new end-users as direct tenants.

Prudent Capital and Risk Management

Cache maintained a strong balance sheet with total assets exceeding S\$1.08 billion and an aggregate average of 28.9% as at 30 June 2013. The interest coverage ratio remains healthy at 6.5 times.

As part of its prudent capital management approach, the Manager has maintained a hedge ratio of 70% through interest rate swaps and fixed rate borrowings, minimising exposure to interest rate volatility. Financing is secured by way of term loans which mature in June 2015 and 2016, and an undrawn committed revolving credit facility of S\$62.0 million. The Manager has also secured S\$97.0 million in loan facilities for the build-to-suit development of DSC ARC, which remains undrawn as at 30 June 2014.

² This includes the initial 10-year lease with DHL Supply Chain Singapore Pte Ltd for DSC ARC.

³ Forecasted take-up rate as at April 2015, based on committed leases to date and including the commitment of DHL within DSC ARC.

Outlook for 2H 2014

According to Singapore's Ministry of Trade & Industry's ("MTI") advance estimates⁴, the Singapore economy grew by 2.1% on a y-o-y basis in 2Q 2014, slower than the 4.7% growth in the previous quarter. Singapore's June Purchasing Managers' Index ("PMI"), a key indicator of manufacturing activity, was slightly down from the 50.8 points recorded in May to 50.5 points, attributable to lower new and export orders, and a drop in production output. Nevertheless, economists expect that Singapore may benefit from the pick-up in manufacturing activity in the region in the medium term⁵.

According to Colliers International, 2Q 2014 rents for conventional prime warehouse space weakened for the third straight quarter amid competition from newer and better specification premises, such as ramp-up industrial developments⁶. While there is good leasing demand for high-quality, well-located warehouse space from end-users, there is a significant amount of new industrial warehouse space that may affect industrial rents and occupancy rates in the near term.

The JTC Corporation recently announced it will revise its subletting policy with effect from 1 October 2014. Under the new policy, the anchor subtenant requirement has been revised upwards from the current 50% to 70% of each property's GFA, and will apply to all properties five years upon attaining Temporary Occupation Permit. In addition, there is also an imposition of a new minimum occupation period of three years for subsequent anchor subtenants. These policy changes may limit the ability to lease out warehouse space to smaller logistics businesses. As a majority of the Cache portfolio is occupied by the large 3PLs, and as the changes are phased over three years, the impact on the Cache portfolio in the short term is expected to be limited.

Distribution to Unitholders

Unitholders can expect to receive their quarterly DPU for the period 1 April 2014 to 30 June 2014 in cash by 26 August 2014. The closure of Cache's transfer books and register of Unitholders is at 5.00pm on 30 July 2014.

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By Order of the Board
ARA-CWT Trust Management (Cache) Limited (as manager of Cache Logistics Trust)
(Company registration no. 200919331H)

Daniel Cerf
Chief Executive Officer
21 July 2014

⁴ Ministry of Trade and Industry, "Singapore's GDP Growth Moderated in the Second Quarter of 2014", press release dated 14 July 2014.

⁵ <http://www.channelnewsasia.com/news/business/singapore-s-june-pmi-dips/1230656.html>

⁶ Colliers International, "The Singapore Industrial Property Market Experiences Momentum Gain in Leasing Activities, While Sales Remain Weak" 2Q 2014 Industrial Property Report.

For Enquiries, please contact

ARA-CWT Trust Management (Cache) Limited

Judy Tan

Investor Relations Manager

Tel: +65 6512 5161

Email: judytan@ara.com.hk

ABOUT CACHE LOGISTICS TRUST (“CACHE”)

Cache Logistics Trust is a Real Estate Investment Trust (“REIT”) publicly listed on the Mainboard of Singapore Exchange Securities Trading Limited (SGX-ST) on 12 April 2010. Cache principally invests in quality income-producing real estate used for logistics purposes, as well as real estate-related assets, in Asia-Pacific.

As at 30 June 2014, its portfolio of 13 high quality logistics warehouse properties are strategically located in established logistics clusters in Singapore and China, with a total gross floor area of 5.1 million square feet and a total deposited property of S\$1.08 billion.

Cache is managed by ARA-CWT Trust Management (Cache) Limited. For more information, please visit www.cache-reit.com.

ABOUT ARA-CWT TRUST MANAGEMENT (CACHE) LIMITED

ARA-CWT Trust Management (Cache) Limited is a joint-venture REIT management company between ARA Asset Management Limited (“ARA”) and CWT Limited (“CWT”).

ARA is a real estate fund management company listed on the Main Board of the Singapore Exchange Securities Trading Limited. For more information, please visit www.ara-asia.com.

CWT is a leading solutions provider of integrated logistics and supply chain management committed to connecting world trade and sustainable development. A Forbes Asia Fab 50 company, CWT serves the spectrum from small establishments to multinational corporations across multiple markets and geographies. Leveraging its strength and scale in logistics competencies, infrastructure and global network, CWT delivers solutions that help customers succeed and communities thrive. CWT has built a diversified portfolio around its core logistics capabilities. CWT provides commodity supply chain management for base metals and energy products. It is also engaged in engineering services for buildings, facilities and equipment fleet; property management; brokering services for exchange listed products; and asset and trust management for Cache Logistics Trust, a logistics property REIT. CWT is a Singapore corporation established in 1970 and traded on the Singapore Exchange since 1993. CWT employs around 6,000 people and reported revenue of S\$9.1 billion in 2013. For more information, please visit www.cwtlimited.com.

Important Notice

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.