

Media Release

## Cache Logistics Trust Delivers Steady Performance in FY2014 Distribution per Unit of 8.573 cents

- Distributable Income rose 2.0% year-on-year to S\$66.9 million
- Portfolio expanded by about 8% to S\$1.12 billion with two-thirds of DSC ARC completed
- Successfully renewed master lease at CWT Commodity Hub for a further 3 years to FY2018
- Long Weighted Average Lease to Expiry (“WALE”) of 4.1 years
- Strong Financial Position with refinancing completed in October 2014

### Summary of Financial Results

In S\$'000 unless otherwise noted	4Q 2014	4Q 2013	Y-o-Y Change (%)	2014	2013	Y-o-Y Change (%)
Gross Revenue	20,608	20,694	(0.4)	82,852	80,955	2.3
Net Property Income	19,380	19,574	(1.0)	78,000	76,813	1.5
Income Available for Distribution	16,785	16,611	1.0	66,880	65,555	2.0
Distribution per unit (DPU) (cents)	2.146 <sup>(1)</sup>	2.137 <sup>(2)</sup>	0.4	8.573	8.644	(0.8)

(1) Based on 781,758,464 issued units which includes 780,626,338 issued units as at 31 December 2014 and 1,132,126 units to be issued to the Manager in 1Q 2015 as partial consideration of Manager's fees.

(2) Based on 777,440,340 issued units which includes 776,307,743 issued units as at 31 December 2013 and 1,132,597 units issued to the Manager in 1Q 2014 as partial consideration of Manager's fees.

**Singapore, 27 January 2015** – ARA-CWT Trust Management (Cache) Limited, the manager (“Manager”) of Cache Logistics Trust (“Cache”) is pleased to announce a DPU of 2.146 cents for 4Q 2014, and 8.573 cents for the financial year ended 31 December 2014 (“FY2014”).

Gross Revenue in FY2014 rose 2.3% year-on-year (“Y-o-Y”) to S\$82.9 million while Net Property Income increased by a slightly slower pace of 1.5% to S\$78.0 million as a result of higher property expenses incurred for property maintenance and lease management. Income Available for Distribution increased 2.0% to S\$66.9 million mainly due to an increase in Net Property Income and savings in financing costs.

Daniel Cerf, Chief Executive Officer of the Manager, said: “Cache achieved steady financial performance in FY2014. During the year, we embarked on our first build-to-suit logistics facility for DHL Supply Chain, refinanced our loan facilities, and made good progress in securing new lease commitments including successfully renewing the existing master lease at CWT Commodity Hub for a further three years.”

“Despite a relatively weaker fourth quarter amidst a challenging operating environment in Singapore, Cache remains in a strong financial position and offers a high quality, competitive property portfolio to logistics operators. For leases expiring in 2015, as a testimony to our strong tenant relationship management, we have retained 60% of our current end-users in addition to signing on new tenants. We will continue to focus on proactive lease management to maintain portfolio occupancy.”

#### **Strong Financial Position with Prudent Capital Management**

In 4Q 2014, the Manager completed the refinancing of its existing S\$375 million loan facilities. A S\$400 million club loan facility agreement was entered into providing a 4-year term loan facility of S\$185 million, a 5-year term loan facility of S\$150 million and a 4-year revolving credit facility of S\$65 million. The refinancing exercise extended the weighted average debt maturity to 4.1 years and increased the financial flexibility of Cache. With this, Cache has no debt due until October 2017.

As at 31 December 2014, the aggregate leverage ratio stood at 31.2% and the all-in financing cost averaged 3.30% for the financial year. Currently, approximately 62% of Cache’s total debt is hedged. The Manager is also embarking on additional hedging to fix the borrowing rates for the longer-dated loan facilities.

#### **Quality Portfolio & Proactive Lease Management**

Cache embarked on its first build-to-suit (“BTS”) development of a 989,200 square-foot logistics facility, DHL Supply Chain Advanced Regional Center (“DSC ARC”) located in Tampines LogisPark. The BTS project creates long-term value for Unitholders as it is a strategic addition to Cache’s quality portfolio and the 10-year lease with a strong tenant in DHL provides stable, recurring cash flow. Year-to-date, construction is progressing well and on schedule, with approximately two-thirds of the development completed. The project is expected to complete in the second half of 2015.

Including DSC ARC, Cache's portfolio comprises 14 high quality logistics warehouse properties strategically located in established logistics clusters in Singapore and China, with a total gross floor area of 6.1 million square feet and a portfolio value of S\$1.12 billion<sup>1</sup>. The portfolio value is up S\$85.2 million or 8.2% from FY2013, attributable to both DSC ARC and revaluation gains. The net asset value per unit was S\$0.98 as at 31 December 2014.

On the lease management front, the Manager continues to make good progress in securing commitment for lease expiries in FY2015 and beyond. In addition, the Manager successfully renewed the master lease at the 2.3 million square-foot CWT Commodity Hub with CWT Limited for a period of three years beyond the April 2015 expiry. As a result of its proactive lease management efforts, only 11% of the total portfolio lettable area is due for renewal this year. The portfolio WALE is approximately 4.1 years<sup>2</sup>, with a high portfolio occupancy of 97.9% and more than 40% of the leases are committed till 2019 and beyond.

### **Investor Relations Accolade**

Cache Logistics Trust received the Bronze award for Best Investor Relations in the REITs & Business Trusts category at the Singapore Corporate Awards 2014. The Best Investor Relations Award is one of the awards under the auspices of the Singapore Corporate Awards to recognise and acknowledge the best in investor relations practices among listed companies in Singapore. The Manager is honoured to be recognised for its relentless efforts in pursuing best-in-class corporate governance and investor relations practices, and will continue to enhance Cache's corporate disclosure and communications with investors.

### **Outlook**

According to Singapore's Ministry of Trade & Industry's advance estimates, the Singapore economy grew 2.8% for the whole of 2014<sup>3</sup>, lower than 2013's growth rate of 3.9%. The macroeconomic environment remains fragile with weaknesses in the European and Japanese economies, a slowing China, oil price volatility and ongoing economic restructuring in Singapore. This is reflected in the weak Singapore Purchasing Managers' Index ("PMI") in December 2014, which dropped to 49.6 from 51.8 in November 2014, and also the lowest reading since February 2013<sup>4</sup>.

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<sup>1</sup> Based on the latest valuation by DTZ Debenham Tie Leung (SEA) Pte Ltd as at 31 December 2014.

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

<sup>3</sup> Ministry of Trade and Industry, press release dated 2 January 2015.

<sup>4</sup> <http://www.channelnewsasia.com/news/singapore/singapore-s-manufacturing/1570078.html>

JTC's posted vacancy rate improved to 8.2% for the quarter ended 31 December 2014 from 9.6% in 3Q 2014 and 9.2% in 4Q 2013<sup>5</sup>. The change in vacancy rate represents a review of available supply and provides a sign of pent-up warehouse demand.

According to property consultancy firm DTZ<sup>6</sup>, a weak manufacturing outlook, exacerbated by the injection of some 14.5 million square feet of space in the past three quarters, caused rents for industrial properties to fall by 1.3% in 4Q 2014 from the third quarter. Colliers International is of the view that Singapore's industrial property market will continue to have a mixed outlook in 2015<sup>7</sup>.

For FY2015, the Manager will continue to focus on proactive lease management strategies to maintain optimal portfolio occupancy, and grow Cache by seeking quality acquisitions in Singapore and Asia Pacific, and embarking on asset enhancement initiatives that add long-term value to the portfolio.

#### **Distribution to Unitholders**

Cache will pay a distribution of 2.146 cents per unit on 27 February 2015 for the period from 1 October 2014 to 31 December 2014. The books closure date is 4 February 2015.

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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  
27 January 2015

#### **For Enquiries, please contact**

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<sup>5</sup> JTC Corporation Quarterly Market Report for Industrial Properties, Fourth Quarter 2014.

<sup>6</sup> <http://www.channelnewsasia.com/news/business/singapore/weak-demand-hits/1570892.html>

<sup>7</sup> Colliers International "Outlook for Singapore's Industrial Property Market This Year Continues to be Mixed", dated 12 January 2015.

## **ABOUT CACHE LOGISTICS TRUST (“CACHE”)**

Listed on the Singapore Exchange on 12 April 2010, Cache Logistics Trust is a real estate investment trust (“REIT”) that invests in quality income-producing industrial real estate used for logistics purposes, as well as real estate-related assets, in Asia Pacific.

Cache’s portfolio comprises 14 high quality logistics warehouse properties (including the ongoing build-to-suit logistics warehouse development for DHL Supply Chain Singapore) strategically located in established logistics clusters in Singapore and China. The portfolio has a total gross floor area of approximately 6.1 million square feet and a portfolio value of approximately S\$1.12 billion as at 31 December 2014.

Cache is managed by ARA-CWT Trust Management (Cache) Limited. For more information, please visit [www.cache-reit.com](http://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 Mainboard of the Singapore Exchange Securities Trading Limited.

For more information, please visit [www.ara-asia.com](http://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](http://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.