

Press Release

CACHE LOGISTICS TRUST DELIVERS DPU OF 2.140 CENTS IN 2Q 2015

Highlights:

- 2Q 2015 Distributable Income increased 0.3% year-on-year to S\$16.8 million
- Strong Portfolio Occupancy of 98.3% post master lease conversions
- DHL Supply Chain Advanced Regional Centre (“DSC ARC”) fully completed
- Strong balance sheet with no refinancing requirement until October 2017

Financial Performance

(In S\$ '000 unless otherwise stated)

	2Q 2015	2Q 2014	y-o-y % change	1H 2015	1H 2014	y-o-y % change
Gross Revenue	21,549	20,781	3.7	42,555	41,462	2.6
Net Property Income (NPI)	18,506	19,566	(5.4)	38,195	39,136	(2.4)
Income Available for Distribution ⁽¹⁾	16,783	16,734	0.3	33,590	33,389	0.6
Distribution per unit (DPU) (Cents) ⁽¹⁾	2.140 ⁽²⁾	2.147 ⁽³⁾	(0.3)	4.286	4.287	(0.0)
Annualised DPU (Cents)	8.584	-	-	-	-	-

Notes:

- (1) Includes a partial capital distribution of S\$1.45 million or 0.185 Singapore cents per unit from the proceeds received from the divestment of 4 Penjuru Road (“Kim Heng Warehouse”) in June 2015
- (2) Based on 784,142,772 issued units which includes 782,932,594 issued units as at 30 June 2015 and 1,210,178 units to be issued to the Manager by 30 July 2015 as partial consideration of Manager’s fees
- (3) Based on 779,559,020 issued units which includes 778,535,208 issued units as at 30 June 2014 and 1,023,812 units issued to the Manager as partial consideration of Manager’s fees

Singapore, 20 July 2015 – ARA-CWT Trust Management (Cache) Limited, the manager (“Manager”) of Cache Logistics Trust (“Cache”), would like to announce distributable income of approximately S\$16.8 million for the second quarter ended 30 June 2015 (“2Q 2015”), an increase of 0.3% from 2Q 2014.

2Q 2015 Gross Revenue of S\$21.5 million was 3.7% higher than the same period a year ago while the Net Property Income (“NPI”) declined 5.4% to S\$18.5 million. The quarter’s net performance was impacted by the conversion of three buildings from single-tenanted master leases to multi-tenancies in a soft rental market, leading to a slight increase in vacancy and Cache assuming direct obligation for all property expenses including land rent, property tax and leasing expenses.

Distributable Income in 2Q 2015 amounted to S\$16.8 million, up 0.3% from the corresponding period last year. This included a partial capital distribution of S\$1.45 million received from the proceeds from the divestment of Kim Heng Warehouse. Unitholders will receive a Distribution Per Unit (“DPU”) of 2.140 cents this quarter.

Daniel Cerf, Chief Executive Officer of the Manager, said: “Despite the challenging market conditions, we managed to maintain a high portfolio occupancy while at the same time converting three buildings namely Cold Centre, Changi Districentre 1 and Changi Districentre 2 from single-tenanted master leases to multi-tenancies. In addition, we completed various asset enhancement initiatives (“AEIs”) enabling Cache to sign longer leases and achieve a relatively long WALE of 4.5 years¹. We are also pleased to announce that subsequent to the quarter end, our first build-to-suit logistics development for DHL Supply Chain Singapore received its temporary occupation permit, and fitting-out works are now underway.”

A Resilient, Quality Portfolio

As at 30 June 2015, Cache’s portfolio comprises 16 high quality logistics warehouse properties strategically located in established logistics clusters in Singapore, Australia and China. The portfolio has a total GFA of approximately 6.7 million square feet and a portfolio value of approximately S\$1.2 billion. This includes the recently-completed DSC ARC, the divestment of Kim Heng Warehouse and the Australian properties acquired in 1Q 2015.

In June 2015, Cache divested Kim Heng Warehouse for a consideration sum of S\$9.7 million to JTC Corporation, realising a capital gain of approximately S\$0.7 million. The strategic divestment is in line with the Manager’s asset management strategy to streamline the portfolio and optimise returns for unitholders.

Post quarter-end, Cache completed the development of DSC ARC, a 989,200 square-foot logistics warehouse facility purpose-built for DHL Supply Chain Singapore. The development creates long term value for unitholders as it is a strategic addition to the portfolio and the 10-year lease with a strong tenant in DHL provides stable, recurring cash flow. Rental income from the development will commence January 2016.

Proactive Asset Management

As at 30 June 2015, the Cache portfolio occupancy stood at 98.3% and the WALE was approximately 4.5 years. During the first half of 2015, the Manager invested in various asset enhancement initiatives (“AEIs”) which include the transfer of non-productive space to increase lettable area, converting under-utilised ambient area to air-conditioned space, upgrading aircon systems and other green building initiatives. The

¹ Weighted Average Lease to Expiry by net lettable area

AEI works are real estate solutions that are a value-add to the end-users' operational efficiency. These investments enabled Cache to sign longer leases with the tenants and achieve an extended WALE.

Prudent Capital Management

The aggregate leverage ratio stood at 38.0% as at 30 June 2015 and the all-in financing cost averaged 3.11% during the quarter. As part of its prudent capital management strategy, the Manager continues to mitigate the impact of interest rate fluctuations by hedging approximately 67% of Cache's total borrowings into fixed rates. Cache has a weighted average tenure of debt outstanding of 3.5 years with no refinancing requirement until October 2017.

Outlook

The industrial property market conditions are expected to remain challenging with significant new incoming supply and government regulations in place. The Manager will continue to focus on maintaining high portfolio occupancy, embark on AEI work where deemed appropriate, seek quality acquisitions and pursue development opportunities, all as part of its growth strategy and to continue creating long term value for unitholders.

Distribution to Unitholders

Cache will pay a distribution of 2.140 cents per unit on 26 August 2015 for the period from 1 April 2015 to 30 June 2015. The books closure date is 28 July 2015.

– END –

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

For enquiries, please contact:

ARA-CWT Trust Management (Cache) Limited
Judy Tan
Investor Relations Manager
Tel: +65 6512 5161
Email: judytan@ara.com.hk



**ARA-CWT Trust Management (Cache) Limited
Manager of Cache Logistics Trust**

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

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 16 high quality logistics warehouse properties (including the soon-to-complete build-to-suit logistics warehouse development for DHL Supply Chain Singapore) strategically located in established logistics clusters in Singapore, Australia and China. The portfolio has a total gross floor area of approximately 6.7 million square feet, valued at approximately S\$1.2 billion as at 30 June 2015.

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 Asia’s premier integrated real estate fund manager which is listed on the Main Board of the Singapore Exchange Securities Trading Limited since November 2007. It currently manages real estate investment trusts (“REITs”) and private real estate funds that are invested in the office, retail, logistics/industrial, hospitality and residential sectors in the Asia Pacific region, complemented by its in-house real estate management services and advisory services. Established in 2002, to date it has over 1,100 professionals in 15 cities managing total assets in excess of S\$26 billion. For more information, please visit www.ara-asia.com.

CWT is a leading provider of integrated logistics and supply chain solutions. CWT’s business is about connecting world trade. CWT moves, builds and powers its customers’ supply chain forward. CWT Group combines its logistics capabilities, global network and resources to add value for its customers. CWT Group also provides commodity marketing, financial and engineering services ancillary to its core logistics business. 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.