

Press Release

## CACHE LOGISTICS TRUST DELIVERS DISTRIBUTION PER UNIT OF 2.140 CENTS IN 3Q 2015

### Highlights:

- 3Q 2015 Distributable Income increased 0.6% year-on-year (“y-o-y”) to S\$16.8 million.
- Portfolio Occupancy remained stable at 95.2% post conversion of four master-leased properties to multi-tenanted properties year-to-date.
- Long weighted average lease to expiry (“WALE”) <sup>1</sup> of 4.3 years.

### Financial Performance

(In S\$ '000 unless otherwise stated)

In S\$'000 unless otherwise noted	3Q 2015	3Q 2014	y-o-y Change (%)	YTD 2015	YTD 2014	y-o-y Change (%)
Gross Revenue	23,138	20,781	11.3	65,693	62,244	5.5
Net Property Income (NPI)	18,784	19,484	(3.6)	56,979	58,620	(2.8)
Income Available for Distribution <sup>1</sup>	16,807	16,705	0.6	50,389	50,095	0.6
Distribution per unit (DPU) (Cents) <sup>1</sup>	2.140 <sup>2</sup>	2.140 <sup>3</sup>	-	6.426	6.427	-
Annualised DPU (Cents)	8.490	-	-	-	-	-

Notes:

1 Includes a partial capital distribution of S\$1.51 million or 0.192 cents per unit from the proceeds received from the divestment of Kim Heng Warehouse.

2 Based on 785,576,123 issued units including 784,142,772 issued units as at 30 September 2015 and 1,433,351 units to be issued by 30 October 2015 as partial consideration of Manager's fees.

3 Based on 780,626,338 issued units including 779,559,020 issued units as at 30 September 2014 and 1,067,318 units issued as partial consideration of Manager's fees.

**Singapore, 21 October 2015** – ARA-CWT Trust Management (Cache) Limited, the manager (“Manager”) of Cache Logistics Trust (“Cache”), would like to announce that Distributable Income for the period 1 July 2015 to 30 September 2015 (“3Q 2015”) was S\$16.8 million, 0.6% higher than the corresponding period last year (“3Q 2014”). The DPU for 3Q 2015 remained at 2.140 cents.

<sup>1</sup> By Net Lettable Area (NLA).

Daniel Cerf, Chief Executive Officer of the Manager, said: “The quarter was active on both the leasing and business development fronts. We continued to renew and secure new tenants during the quarter to achieve a relatively high portfolio occupancy of 95.2% and a minimal renewal risk of only 1% for the remainder of the year. We are also pleased to announce post 3Q 2015 that we have further expanded our footprint in Australia with the proposed acquisition of a fourth warehouse. The property, located in Wacol, Queensland, comes with a long WALE of 7.9 years and is well supported by a tenant with strong credit. The Australian acquisitions reflect the Manager’s proactive Pan Asia acquisition strategy which provides income growth and diversification for unitholders.”

3Q 2015 Gross Revenue increased 11.3% y-o-y to S\$23.1 million while the Net Property Income (“NPI”) declined 3.6% y-o-y to S\$18.8 million. Compared to 3Q 2014, this quarter’s net performance was impacted by conversions of four properties from single-tenanted master leases to multi-tenancies during the year in a soft rental market, leading to a slight increase in vacancy. Also, Cache assumed direct obligation for property expenses including land rent, property tax and leasing expenses for the new multi-tenanted premises. Distributable Income in 3Q 2015 amounted to S\$16.8 million<sup>2</sup>, up 0.6% from the same period last year.

### **Portfolio Update**

As at 30 September 2015, the portfolio occupancy stood at 95.2% and the portfolio WALE was approximately 4.3 years, both in line with the market. The slight dip in the occupancy rate was due to the conversion of Pandan Logistics Hub from master lease to multi-tenancy in July 2015 and interim space available for lease at the recently-completed DHL Supply Chain Advanced Regional Centre (“DHL Supply Chain ARC”). Nevertheless, in addition to its anchor tenant DHL Supply Chain Singapore, Cache has secured lettings of approximately 19% of the interim space at DHL Supply Chain ARC in the quarter.

### **Prudent Capital Management**

At quarter-end, the aggregate leverage ratio stood at 38.3% and the all-in financing cost averaged 3.4% in 3Q 2015. As part of its prudent capital management strategy, the Manager continues to mitigate the impact of interest rate fluctuation by hedging approximately 65% of Cache’s total borrowings. Cache has a weighted average tenure of debt outstanding of 3.3 years with no refinancing requirement until October 2017.

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<sup>2</sup> This included a partial capital distribution of S\$1.51 million received from the proceeds from the divestment of Kim Heng Warehouse.

**Post 3Q 2015 Update: Acquisition of the Fourth Warehouse in Australia**

On 9 October 2015, Cache announced the proposed acquisition of a warehouse located at 203 Viking Drive, Wacol, Queensland, Australia (the "Property") for a purchase consideration of A\$27.0 million (S\$27.1 million<sup>3</sup>). Located approximately 18 kilometres southwest of the Brisbane Central Business District and within the established industrial precinct of Wacol, the Property is a modern single-storey 13,363 square-metre warehouse with two levels of ancillary office. The Property is fully-leased to Western Star Trucks Australia Pty Ltd until August 2023 with an annual rental escalation of 4% per annum.

**Outlook**

The industrial property market conditions are likely to remain challenging in view of the imbalance in the supply and demand of industrial space, uncertain macroeconomic developments and government regulations in place. The Purchasing Managers' Index ("PMI"), a key barometer for manufacturing activity in Singapore, fell for the third consecutive month to 48.6 in September 2015, the lowest value since December 2012<sup>4</sup>. The Singapore economy also registered a lacklustre growth of 1.4% y-o-y in 3Q 2015<sup>5</sup> and weak global demand is expected to persist.

Notwithstanding a challenging operating environment, the Manager will continue to proactively manage its portfolio to maintain high occupancy and address lease expiries, as well as seek quality acquisitions and development opportunities as part of its growth strategy, all with a view to creating sustainable long term value for unitholders.

**Distribution to Unitholders**

Cache will pay a distribution of 2.140 cents per unit for the period from 1 July 2015 to 30 September 2015 on 27 November 2015. The books closure date is 29 October 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

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<sup>3</sup> The S\$ equivalent figures are based on an exchange rate of A\$1 = S\$1.0025.

<sup>4</sup> The Business Times, <http://www.businesstimes.com.sg/government-economy/singapores-september-pmi-falls-for-third-month-in-a-row>

<sup>5</sup> Based on the Ministry of Trade & Industry's advance estimates for 3Q 2015.



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

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**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 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\$1.3 billion as at 30 September 2015.

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 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](http://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](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.