

Press Release

## Cache Logistics Trust Achieves Distribution Per Unit of 7.725 cents for FY2016

### Highlights:

- FY2016 Income Available for Distribution increased 2.0% year-on-year to S\$69.3 million
- Portfolio committed occupancy was maintained at 96.4%, one of the highest within the sector
- Divestment of Cache Changi Districentre 3 as part of its Portfolio Rebalancing strategy
- Secured a new S\$90 million five-year unsecured loan facility with cost savings of 0.9% p.a. and an extended debt maturity

### Financial Performance

*In S\$'000 unless otherwise noted*

	4Q FY2016	4Q FY2015	Change (%)	FY2016	FY2015	Change (%)
<b>Gross Revenue</b>	27,266	24,028	13.5	111,271	89,721	24.0
<b>Net Property Income</b>	21,340	19,177	11.3	88,014	76,156	15.6
<b>Income Available for Distribution</b>	16,658	17,571	(5.2)	69,318	67,960	2.0
- from operations	15,902	15,453	2.9	66,915	62,883	6.4
- from capital <sup>(1)</sup>	756	2,118	(64.3)	2,403	5,077	(52.7)
<b>Distribution Per Unit (cents)</b>	1.850	2.074 <sup>(2)</sup>	(10.8)	7.725	8.500 <sup>(2)</sup>	(9.1)
- from operations	1.766	1.837	(3.9)	7.457	7.886	(5.4)
- from capital <sup>(1)</sup>	0.084	0.237	(64.6)	0.268	0.614	(56.4)
<b>Units in Issue at the end of each period (million)</b>	900.45	893.47	0.8	900.45	893.47	0.8

Notes:

(1) Relates to a portion of the sale proceeds from the disposal of Kim Heng Warehouse in June 2015

(2) Includes an Advanced Distribution of S\$0.009 based on 785,576,123 units which was paid on 29 December 2015, and S\$0.01174 based on 893,472,054 issued units which was paid on 29 February 2016

**Singapore, 23 January 2017** – ARA-CWT Trust Management (Cache) Limited, the manager (the “Manager”) of Cache Logistics Trust (“Cache”), announced today an Income Available for Distribution to Unitholders of S\$16.7 million and a Distribution Per Unit (“DPU”) of 1.850 cents for the three months ended 31 December 2016 (“4Q FY2016”). Income Available for Distribution to Unitholders and DPU for the financial year ended 31 December 2016 (“FY2016”) were S\$69.3 million and 7.725 cents respectively.

Mr Daniel Cerf, CEO of the Manager said: “Despite headwinds within the Singapore industrial market, we continue to maintain a healthy operational performance with a portfolio WALE of 3.9 years and a high portfolio committed occupancy of 96.4%. During the year, we signed a total of 1.2 million square feet of leases, including forward renewals. Our Australian diversification strategy continues to underpin the strong topline performance. However, the DPU for the year was affected by a lower income received at 51 Alps Ave and a lower capital distribution compared to last year.”

4Q FY2016 Gross Revenue grew by 13.5% year-on-year (“yoy”) to S\$27.3 million and Net Property Income (“NPI”) increased by 11.3% to S\$21.3 million. On a full year basis, Gross Revenue rose by 24.0% and NPI increased by 15.6% to S\$111.3 million and S\$88.0 million respectively. The yoy growth in Gross Revenue and NPI was attributable to the incremental revenue from the Australian acquisitions and DHL Supply Chain Advanced Regional Centre, offset by the lower income from 51 Alps Ave, Singapore.

FY2016 Income Available for Distribution increased by 2.0% yoy to S\$69.3 million, while the 4Q FY2016 Income Available for Distribution dipped 5.2% to S\$16.7 million due to a lower capital distribution.

DPU for the quarter was 1.850 cents, 10.8% lower yoy due to a lower Income Available for Distribution and an enlarged unit base. Excluding the effect of capital distributions, 4Q FY2016 DPU would have fallen by only 3.9% yoy. The FY2016 DPU was 7.725 cents, 9.1% lower than FY2015; however on a like-for-like basis excluding capital distributions, the DPU would have fallen by a lower 5.4% yoy.

### **Healthy Operational Performance**

Despite a challenging operating environment, the portfolio committed occupancy remained healthy at 96.4% as at 31 December 2016. The portfolio weighted average lease to expiry (“WALE”) was approximately 3.9 years<sup>1</sup> with only 5.3%<sup>1</sup> of the portfolio’s leases due for renewal in FY2017. About half of all of its leases are committed till 2020 and beyond<sup>1</sup>. In 4Q FY2016, over 314,000 square feet of leases were signed, with a total of approximately 1.2 million square feet of leases secured for the year.

The Manager announced the divestment of Cache Changi Districentre 3 for at a sale price of S\$25.5 million on 19 December 2016. The divestment is in line with the Manager’s objective to rebalance the portfolio and recycle capital into higher-performing assets while maintaining a prudent capital structure.

In relation to the lease at 51 Alps Ave, the Manager will continue to vigorously defend Cache in the interest of Unitholders. At present, under a ‘Holding Arrangement’, Cache has accepted a payment of

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<sup>1</sup> As at 31 December 2016, by net lettable area

S\$0.77 per square foot per month from Schenker, under protest, pending the resolution of the Court proceedings. The Manager will provide further updates as and when material developments arise.

### **Capital Management Update**

During the quarter, the Manager completed the refinancing of an existing S\$97.0 million 3.5-year secured term loan and revolving credit facility (“existing loan facilities”), previously drawn for the development of the DHL Supply Chain Advance Regional Centre, into a new S\$90 million 5-year unsecured term loan facility. The refinancing exercise achieved cost savings of approximately 0.9% p.a. and extended Cache’s weighted average debt maturity to 2.8 years as at 31 December 2016.

The average all-in cost of financing was 3.6% for the full year and the weighted average debt maturity was 2.8 years as at 31 December 2016. Approximately 70% of the Singapore-dollar borrowings and 50% of the onshore Australian-dollar borrowings are hedged into fixed rates. Approximately 94% of Cache’s distributable income has been hedged into or was derived in Singapore dollars, representing minimal exposure to foreign currency risk. As at the end of the financial period, the aggregate leverage was 43.1%. If the proceeds from the divestment of Cache Changi Districentre 3 were used in entirety to repay debt, the aggregate leverage will be reduced to 41.9%.

### **Outlook**

The Manager remains focused on maintaining high occupancy in view of the industry oversupply and anticipated increase in new warehouse supply in Singapore. By way of the Manager’s portfolio rebalancing strategy to replace lower-performing assets with those with more sustainable earnings, efforts continue to expand Cache’s presence in Australia where it currently owns a portfolio of six freehold logistics warehouses with a longer WALE of 6.1 years<sup>2</sup>. The Manager will continue to drive long-term sustainable growth through its strategy of proactive lease management, portfolio rebalancing and prudent capital management.

### **Distribution to Unitholders**

Cache will pay a distribution of 1.850 cents per unit on 27 February 2017 for the period from 1 October 2016 to 31 December 2016. The books closure date is on 3 February 2017.

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<sup>2</sup> As at 31 December 2016, by net lettable area



**ARA-CWT Trust Management (Cache) Limited**  
**Manager of Cache Logistics Trust**  
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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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#### **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 19 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 7.5 million square feet valued at approximately S\$1.2 billion as at 31 December 2016.

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



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## **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. ARA's business is focused on the following business segments:

- (a) REITs – The Group is one of the largest REIT managers in Asia ex-Japan and currently manages six REITs listed in three countries namely, Fortune REIT dual-listed in Singapore and Hong Kong, Suntec REIT and Cache Logistics Trust listed in Singapore, Hui Xian REIT and Prosperity REIT listed in Hong Kong and AmFIRST REIT listed in Malaysia. The Group also manages four privately-held REITs in South Korea;
- (b) Private real estate funds – The Group manages several private funds investing in real estate in Asia; and
- (c) Real estate management services – The Group provides property management services and convention & exhibition services, including managing the award-winning Suntec Singapore Convention & Exhibition Centre

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.