



**Cache Logistics Trust  
2014 Second Quarter Unaudited Financial Statements & Distribution Announcement**

**INTRODUCTION**

Cache Logistics Trust (“Cache”) is a Singapore-based real estate investment trust constituted by the Trust Deed entered into on 11 February 2010 (as amended) between ARA-CWT Trust Management (Cache) Limited, in its capacity as the manager (the “Manager”), and HSBC Institutional Trust Services (Singapore) Limited, in its capacity as the trustee (the “Trustee”), to invest in income-producing real estate predominantly used for logistics purposes in Asia-Pacific<sup>1</sup>, as well as real estate-related assets.

Cache’s portfolio as at 30 June 2014 comprises 13 high quality logistics warehouse properties located in Singapore and China including CWT Commodity Hub, CWT Cold Hub, Schenker Megahub, C&P Changi Districentre, Hi-Speed Logistics Centre, C&P Changi Districentre 2, APC Distrihub, Kim Heng Warehouse, Air Market Logistics Centre, Pan Asia Logistics Centre, Pandan Logistics Hub, Precise Two and Jinshan Chemical Warehouse (collectively “Investment Properties”). DHL Supply Chain Advanced Regional Centre is currently under development and is classified as an on investment property under development.

The financial information for the second quarter and half year ended 30 June 2014 set out in this announcement has been extracted from financial information for the period from 1 January 2014 to 30 June 2014 which has been reviewed by Cache’s independent auditors in accordance with Singapore Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. For the purpose of this announcement, references to “Trust” are to Cache; and references to “Group” are to Cache and its subsidiaries.

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<sup>1</sup>For purposes of the investment mandate of Cache, Asia-Pacific is defined as Singapore, Malaysia, Indonesia, Philippines, Thailand, Vietnam, China, India, Hong Kong, Macau, Taiwan, Japan, Korea, Australia and New Zealand.

## SUMMARY OF RESULTS FOR CACHE LOGISTICS TRUST

	Notes	Group					
		1/04/14 to 30/06/14	1/04/13 to 30/06/13	Change	Year to Date		Change
					1/01/14 to 30/06/14	1/01/13 to 30/06/13	
S\$'000	S\$'000	%	S\$'000	S\$'000	%		
Gross revenue		20,781	20,439	1.7	41,462	39,555	4.8
Net property income		19,566	19,563	0.0	39,136	37,652	3.9
Income available for distribution	(a)	16,734	16,643	0.5	33,389	32,438	2.9
<b>Distribution per unit ("DPU") ( cents )</b>	(b)	<b>2.147</b>	<b>2.147</b>	<b>0.0</b>	<b>4.287</b>	<b>4.381</b>	<b>(2.1)</b>
<b>Annualised DPU ( cents )</b>	(c)	<b>8.612</b>	<b>8.612</b>	<b>(0.0)</b>	<b>8.645</b>	<b>8.835</b>	<b>(2.1)</b>

### Notes:

- (a) Cache achieved income available for distribution of S\$16.7 million for 2Q14; S\$33.4 million for the half year ended June 2014. This represented an increase of 0.5% and 2.9% respectively over the same period last year.
- (b) Please refer to Item 6 and item 11 for further details.
- (c) Extrapolated for information only. Not indicative of DPU for the respective full year ending 31 December.

**1(a) Statements of Total Return and Distribution Statements for the second quarter and half year ended 30 June 2014**

	Notes	Group					
		1/04/14 to 30/06/14	1/04/13 to 30/06/13	Change	Year to Date		Change
					1/01/14 to 30/06/14	1/01/13 to 30/06/13	
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Statement of Total Return</b>							
<b>Gross revenue</b>	(a)	20,781	20,439	1.7	41,462	39,555	4.8
Property expenses	(b)	(1,215)	(876)	38.7	(2,326)	(1,903)	22.2
<b>Net property income</b>		19,566	19,563	0.0	39,136	37,652	3.9
Other income		5	-	nm	5	-	nm
Net financing costs	(c)	(2,641)	(2,705)	(2.4)	(5,279)	(5,415)	(2.5)
Manager's fees	(d)	(1,643)	(1,632)	0.7	(3,264)	(3,223)	1.3
Trustee fees		(81)	(80)	1.3	(160)	(155)	3.2
Valuation fee		(17)	(75)	(77.3)	(34)	(138)	(75.4)
Other trust expenses		(389)	(704)	(44.7)	(751)	(892)	(15.8)
		<b>(4,766)</b>	<b>(5,196)</b>	<b>(8.3)</b>	<b>(9,483)</b>	<b>(9,823)</b>	<b>(3.5)</b>
<b>Total return for the period before taxation and distribution</b>		<b>14,800</b>	<b>14,367</b>	<b>3.0</b>	<b>29,653</b>	<b>27,829</b>	<b>6.6</b>
Income tax expense	(f)	(112)	(60)	86.7	(170)	(115)	47.8
<b>Total return for the period after taxation before distribution</b>		<b>14,688</b>	<b>14,307</b>	<b>2.7</b>	<b>29,483</b>	<b>27,714</b>	<b>6.4</b>
<b>Group</b>							
		1/04/14 to 30/06/14	1/04/13 to 30/06/13	Change	1/01/14 to 30/06/14	1/01/13 to 30/06/13	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Total return for the period after taxation before distribution</b>		<b>14,688</b>	<b>14,307</b>	<b>2.7</b>	<b>29,483</b>	<b>27,714</b>	<b>6.4</b>
Distribution adjustment:							
Manager's fees paid/payable in units	(d)	1,232	1,224	0.7	2,448	2,417	1.3
Trustee fees		81	80	1.3	160	155	3.2
Amortisation of transaction costs	(e)	492	492	-	984	984	-
Depreciation		39	20	95.0	73	39	87.2
Foreign exchange difference		56	(68)	nm	71	(41)	nm
Other items	(g)	146	588	(75.2)	170	1,170	(85.5)
<b>Distribution adjustment</b>		<b>2,046</b>	<b>2,336</b>	<b>(12.4)</b>	<b>3,906</b>	<b>4,724</b>	<b>(17.3)</b>
<b>Income available for distribution to Unitholders at the end of the period</b>		<b>16,734</b>	<b>16,643</b>	<b>0.5</b>	<b>33,389</b>	<b>32,438</b>	<b>2.9</b>
<b>Income to be distributed</b>	(h)	<b>16,734</b>	<b>16,643</b>	<b>0.5</b>	<b>33,389</b>	<b>32,438</b>	<b>2.9</b>

nm denotes "not meaningful"

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	Notes	Trust					
		1/04/14 to 30/06/14	1/04/13 to 30/06/13	Change	Year to Date		Change
					1/01/14 to 30/06/14	1/01/13 to 30/06/13	
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Statement of Total Return</b>							
<b>Gross revenue</b>	(a)	20,502	20,102	2.0	40,841	38,892	5.0
Property expenses	(b)	(1,195)	(871)	37.2	(2,285)	(1,893)	20.7
<b>Net property income</b>		<b>19,307</b>	<b>19,231</b>	<b>0.4</b>	<b>38,556</b>	<b>36,999</b>	<b>4.2</b>
Net financing costs	(c)	(2,642)	(2,893)	(8.7)	(5,280)	(5,604)	(5.8)
Manager's fees	(d)	(1,643)	(1,632)	0.7	(3,264)	(3,223)	1.3
Trustee fees		(81)	(80)	1.3	(160)	(155)	3.2
Valuation fee		(17)	(75)	(77.3)	(34)	(138)	(75.4)
Other trust expenses		(308)	(809)	(61.9)	(630)	(939)	(32.9)
		<b>(4,691)</b>	<b>(5,489)</b>	<b>(14.5)</b>	<b>(9,368)</b>	<b>(10,059)</b>	<b>(6.9)</b>
<b>Total return for the period before taxation and distribution</b>		<b>14,616</b>	<b>13,742</b>	<b>6.4</b>	<b>29,188</b>	<b>26,940</b>	<b>8.3</b>
Income tax expense		-	-	nm	-	-	nm
<b>Total return for the period after taxation before distribution</b>		<b>14,616</b>	<b>13,742</b>	<b>6.4</b>	<b>29,188</b>	<b>26,940</b>	<b>8.3</b>
<b>Trust</b>							
		1/04/14 to 30/06/14	1/04/13 to 30/06/13	Change	1/01/14 to 30/06/14	1/01/13 to 30/06/13	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Total return for the period after taxation before distribution</b>		<b>14,616</b>	<b>13,742</b>	<b>6.4</b>	<b>29,188</b>	<b>26,940</b>	<b>8.3</b>
Distribution adjustment:							
Manager's fees paid/payable in units	(d)	1,232	1,224	0.7	2,448	2,417	1.3
Trustee fees		81	80	1.3	160	155	3.2
Amortisation of transaction costs	(e)	492	492	-	984	984	-
Depreciation		34	20	70.0	62	37	67.6
Overseas income not distributed to the Trust		134	207	(35.3)	377	410	(8.0)
Other items	(g)	145	878	(83.5)	170	1,495	(88.6)
<b>Distribution adjustment</b>		<b>2,118</b>	<b>2,901</b>	<b>(27.0)</b>	<b>4,201</b>	<b>5,498</b>	<b>(23.6)</b>
<b>Income available for distribution to Unitholders at the end of the period</b>		<b>16,734</b>	<b>16,643</b>	<b>0.5</b>	<b>33,389</b>	<b>32,438</b>	<b>2.9</b>
<b>Income to be distributed</b>	(h)	<b>16,734</b>	<b>16,643</b>	<b>0.5</b>	<b>33,389</b>	<b>32,438</b>	<b>2.9</b>

nm denotes "not meaningful"

**Notes:**

- (a) Comprises rental income from the investment properties. The increase is due to built-in rental escalation within the portfolio's lease in 2014.
- (b) Comprises property management fee, lease management fee, reimbursable expenses payable to the Property Manager and other property related expenses. Increase in 2014 property expenses due to one-off reversal of prior year accruals in 2013.

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(c) Included in the net financing costs are the following:

Note	Group					
	1/04/14 to 30/06/14	1/04/13 to 30/06/13	Change	Year to Date		Change
				1/01/14 to 30/06/14	1/01/13 to 30/06/13	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
<b>Finance income :</b>						
Interest income	71	15	373.3	120	23	421.7
<b>Finance expenses :</b>						
Interest expense :						
Bank loans	(2,018)	(2,045)	(1.3)	(4,010)	(4,144)	(3.2)
Interest rate swaps	(201)	(181)	11.0	(402)	(307)	30.9
Amortisation of transaction costs	(492)	(492)	-	(984)	(984)	-
Others	(1)	(2)	(50.0)	(3)	(3)	-
<b>Net financing costs</b>	<b>(2,641)</b>	<b>(2,705)</b>	<b>(2.4)</b>	<b>(5,279)</b>	<b>(5,415)</b>	<b>(2.5)</b>

Note	Trust					
	1/04/14 to 30/06/14	1/04/13 to 30/06/13	Change	Year to Date		Change
				1/01/14 to 30/06/14	1/01/13 to 30/06/13	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
<b>Finance income :</b>						
Interest income	70	14	400.0	117	20	485.0
<b>Finance expenses :</b>						
Interest expense :						
Bank loans	(2,018)	(2,232)	(9.6)	(4,010)	(4,331)	(7.4)
Interest rate swaps	(201)	(181)	11.0	(402)	(307)	30.9
Amortisation of transaction costs	(492)	(492)	-	(984)	(984)	-
Others	(1)	(2)	(50.0)	(1)	(2)	(50.0)
<b>Net financing costs</b>	<b>(2,642)</b>	<b>(2,893)</b>	<b>(8.7)</b>	<b>(5,280)</b>	<b>(5,604)</b>	<b>(5.8)</b>

(d) Consist of:

- A base fee of 0.5% per annum of the value of the total assets; and
- A performance fee of 1.5% per annum of the net property income ("NPI").

The Manager may elect to receive the base fee and performance fee in cash or Units or a combination of cash and Units (as it may in its sole discretion determine).

- (e) Represents amortisation of upfront fees on credit facilities which are non-tax deductible and have no impact on income available for distribution.
- (f) Includes income tax and withholding tax provided in relation to the subsidiaries.
- (g) Relate to other expenses such as professional fees that are non-tax deductible.
- (h) The current distribution policy is to distribute 100% of taxable and tax-exempt income and thereafter, to distribute at least 90% of its taxable and tax-exempt income. The dividends are distributed on a quarterly basis, no later than 60 days after the end of each distribution period.

**1(b) Statements of Financial Position as at 30 June 2014**

	Notes	Group		Trust	
		30/06/14	31/12/13	30/06/14	31/12/13
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>					
Investment properties	(a)	1,034,699	1,034,980	1,018,500	1,018,500
Investment property under development	(b)	15,031	-	15,031	-
Plant and equipment		652	606	550	489
Investments in subsidiaries	(c)	-	-	628	628
<b>Total non-current assets</b>		<b>1,050,382</b>	<b>1,035,586</b>	<b>1,034,709</b>	<b>1,019,617</b>
<b>Current assets</b>					
Trade and other receivables		722	862	712	858
Amounts due from subsidiaries		-	-	12,838	12,944
Cash and cash equivalents		31,808	40,754	30,202	39,429
<b>Total current assets</b>		<b>32,530</b>	<b>41,616</b>	<b>43,752</b>	<b>53,231</b>
<b>Total assets</b>		<b>1,082,912</b>	<b>1,077,202</b>	<b>1,078,461</b>	<b>1,072,848</b>
<b>Current liabilities</b>					
Trade and other payables		(11,100)	(4,619)	(10,894)	(4,473)
Interest bearing borrowings	(d)	(186,321)	-	(186,321)	-
Derivative liabilities	(e)	(379)	-	(379)	-
<b>Total current liabilities</b>		<b>(197,800)</b>	<b>(4,619)</b>	<b>(197,594)</b>	<b>(4,473)</b>
<b>Non-current liabilities</b>					
Interest bearing borrowings	(d)	(124,603)	(310,093)	(124,603)	(310,093)
Derivative liabilities	(e)	(226)	(323)	(226)	(323)
Deferred tax liabilities	(f)	(417)	(417)	-	-
<b>Total non-current liabilities</b>		<b>(125,246)</b>	<b>(310,833)</b>	<b>(124,829)</b>	<b>(310,416)</b>
<b>Total liabilities</b>		<b>(323,046)</b>	<b>(315,452)</b>	<b>(322,423)</b>	<b>(314,889)</b>
<b>Net assets</b>		<b>759,866</b>	<b>761,750</b>	<b>756,038</b>	<b>757,959</b>
<b>Represented by:</b>					
<b>Unitholders' funds</b>	(g)	<b>759,866</b>	<b>761,750</b>	<b>756,038</b>	<b>757,959</b>

**Notes:**

- (a) Represent carrying values of the investment properties based on independent valuation carried out by Jones Lang LaSalle as at 31 December 2013.
- (b) Refers to the development of DHL Supply Chain Advanced Regional Centre (the "Development Property") at Greenwich Drive, Tampines LogisPark.

The Development Property comprises one block of three-storey ramp-up warehouse with a four-storey ancillary office and one block of two-storey ramp-up warehouse, with a total gross floor area of approximately 989,200 square feet. The Trust commenced development in May 2014 and it is expected to complete in second half of 2015.

- (c) Relates to wholly-owned subsidiaries of Cache, stated at cost.

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- (d) Refer to Item 1(b)(i): Aggregate amount of Borrowings and Debt Securities for details.
- (e) Relates to the fair value of the interest rate swaps entered to hedge against the interest rate risk:
- (i) 3-year plain vanilla interest rates swap to hedge the interest rate risk on 70% of the secured 3-year term loan of S\$187.5 million maturing in 2015; and
  - (ii) 4-year plain vanilla interest rates swap to hedge the interest rate risk on 70% of the secured 4-year term loan of S\$125.5 million maturing in 2016.
- (f) Relates to deferred tax liabilities on the change in fair value of Jinshan Chemical Warehouse, Shanghai, China.
- (g) Refer to Item (1)(d), the Statement of Movements in Unitholders' Funds, for details. Changes mainly due to income after tax less distributions to unitholders for the period.

As at 30 June 2014, Cache's current liabilities exceeded its current assets by S\$165.3 million. The current liabilities of Cache as at 30 June 2014 included S\$186.3 million term loan that is due on 22 June 2015. The Manager intends to refinance this loan with new loan facilities. Excluding the term loan of S\$186.3 million from current liabilities, Cache would have a positive working capital of S\$21.0 million.

**1(b)(i) Aggregate amount of Borrowings and Debt Securities**

	Group		Trust	
	30/06/14	31/12/13	30/06/14	31/12/13
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Secured borrowing</b>				
Amount repayable within one year	187,500	-	187,500	-
Less : Unamortised transaction costs	(1,179)	-	(1,179)	-
	186,321	-	186,321	-
Amount repayable after one year	125,500	313,000	125,500	313,000
Less : Unamortised transaction costs	(897)	(2,907)	(897)	(2,907)
	124,603	310,093	124,603	310,093
<b>Total borrowings</b>	310,924	310,093	310,924	310,093

**Notes:**

**Details of borrowings and collaterals**

Cache has in place the following facilities:

- a) a secured 3-year term loan of S\$187.5 million maturing in 2015 ("Facility A");
- b) a secured 4-year term loan of S\$125.5 million maturing in 2016 ("Facility B"); and
- c) a secured committed revolving credit facility ("Facility C") of S\$62 million which is undrawn at reporting date.

The facilities are secured by way of:

- A first mortgage over CWT Commodity Hub, CWT Cold Hub, Schenker Megahub, C&P Changi Districentre, Hi-Speed Logistics Centre, C&P Changi Districentre 2 (collectively, the "Charged Properties");
- A debenture creating fixed and floating charges over all assets in relation to the Charged Properties;
- An assignment of all leases, sale agreements and banker's guarantees and bank accounts in relation to the Charged Properties;
- An assignment of all insurance policies in relation to the Charged Properties; and
- An assignment of Cache's rights in the corporate guarantees given in respect of certain properties.

Cache had also obtained the following facilities for the Development Property; the facilities are currently undrawn.

- a) a secured 3.5 year term loan of S\$68.0 million maturing in 2018 ("TLF A");
- b) a secured 3.5 year term loan of S\$13.0 million maturing in 2018 ("TLF B"); and
- c) a secured committed revolving credit facility ("RCF") of S\$16 million.

The facilities are secured by way of:

- A first legal mortgage over the Development Property;
- A debenture creating fixed and floating charges over all assets in relation to the Development Property;
- An assignment of all insurance policies, lease agreements, construction contract and warranties/guarantees and bank accounts in relation to the Development Property;
- An assignment of all current and future lease agreements including the Lease Agreement signed by DHL on the rental proceeds, security deposits and/or bank guarantee;



### 1 (c) Statement of Cash Flows

	Notes	Group			
		1/04/14 to 30/06/14	1/04/13 to 30/06/13	Year to Date	
				1/01/14 to 30/06/14	1/01/13 to 30/06/13
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Operating activities</b>					
Net income		14,800	14,367	29,653	27,829
Adjustments for:					
Manager's fees paid/payable in units		1,232	1,224	2,448	2,417
Depreciation		39	20	73	39
Net financing costs		2,641	2,705	5,279	5,415
Changes in working capital :					
Trade and other receivables		156	992	140	787
Trade and other payables		(310)	2,120	(474)	860
<b>Cash generated from operating activities</b>		<b>18,558</b>	<b>21,428</b>	<b>37,119</b>	<b>37,347</b>
Tax paid		(67)	(52)	(129)	(82)
<b>Net cash from operating activities</b>		<b>18,491</b>	<b>21,376</b>	<b>36,990</b>	<b>37,265</b>
<b>Cash flows from investing activities</b>					
Interest received		71	15	120	23
Purchase of plant and equipment		(112)	(97)	(123)	(97)
Purchase of investment properties	(b)	-	(55,906)	-	(55,906)
Capital expenditure on Development Property	(a)	(8,094)	-	(8,094)	-
<b>Net cash used in investing activities</b>		<b>(8,135)</b>	<b>(55,988)</b>	<b>(8,097)</b>	<b>(55,980)</b>
<b>Cash flows from financing activities</b>					
Proceeds from issue of new units	(b)	-	-	-	86,800
Issue expenses paid	(c)	-	(12)	-	(2,081)
Interest paid		(2,323)	(2,330)	(4,592)	(4,632)
Distribution to Unitholders		(16,660)	(15,793)	(33,274)	(30,943)
<b>Net cash (used in)/from financing activities</b>		<b>(18,983)</b>	<b>(18,135)</b>	<b>(37,866)</b>	<b>49,144</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(8,627)</b>	<b>(52,747)</b>	<b>(8,973)</b>	<b>30,429</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>40,378</b>	<b>96,493</b>	<b>40,754</b>	<b>13,277</b>
<b>Effect of exchange differences on cash and cash equivalents</b>		<b>57</b>	<b>14</b>	<b>27</b>	<b>54</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>31,808</b>	<b>43,760</b>	<b>31,808</b>	<b>43,760</b>

#### Notes:

- (a) Amount incurred for capital expenditure for the Development Property.
- (b) Represent proceeds from the Private Placement Units issued on 27 March 2013. The placement proceeds were substantially used for the acquisition of Precise Two and partial funding of the Development Property.
- (c) Relates to professional fees, underwriting and selling commission and other miscellaneous issue expenses.

1 (d) Statements of Movements in Unitholders' Funds

	Notes	Group			
		1/04/14 to 30/06/14	1/04/13 to 30/06/13	Year to Date	
				1/01/14 to 30/06/14	1/01/13 to 30/06/13
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at the beginning of the period</b>		760,933	755,771	761,750	671,876
<b>Operations</b>					
Total return after tax		14,688	14,307	29,483	27,714
Effective portion of changes in fair value of cashflow hedges	(a)	(328)	1,542	(283)	1,057
<b>Foreign currency translation reserve</b>					
Translation differences from financial statements of foreign entities		1	244	(258)	443
<b>Net (loss)/gain recognised directly in Unitholders' fund</b>		<b>(327)</b>	<b>1,786</b>	<b>(541)</b>	<b>1,500</b>
<b>Unitholders' transactions</b>					
Issue of new units					
- Private placement	(b)	-	-	-	86,800
- Manager's fees paid in units		-	-	1,216	1,193
Units to be issued					
- Manager's fees payable in units	(c)	1,232	1,224	1,232	1,224
Issue expenses	(b)	-	(12)	-	(2,081)
Distributions to unitholders		(16,660)	(15,793)	(33,274)	(30,943)
<b>Net (decrease)/increase in net assets resulting from unitholders' transactions</b>		<b>(15,428)</b>	<b>(14,581)</b>	<b>(30,826)</b>	<b>56,193</b>
<b>Unitholders' funds at the end of the period</b>		<b>759,866</b>	<b>757,283</b>	<b>759,866</b>	<b>757,283</b>

	Notes	Trust			
		1/04/14 to 30/06/14	1/04/13 to 30/06/13	Year to Date	
				1/01/14 to 30/06/14	1/01/13 to 30/06/13
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at the beginning of the period</b>		757,178	753,478	757,959	669,991
<b>Operations</b>					
Total return after tax		14,616	13,742	29,188	26,940
Effective portion of changes in fair value of cashflow hedges	(a)	(328)	1,542	(283)	1,057
<b>Unitholders' transactions</b>					
Issue of new units					
- Private placement	(b)	-	-	-	86,800
- Manager's fees paid in units		-	-	1,216	1,193
Units to be issued					
- Manager's fees payable in units	(c)	1,232	1,224	1,232	1,224
Issue expenses	(b)	-	(12)	-	(2,081)
Distributions to unitholders		(16,660)	(15,793)	(33,274)	(30,943)
<b>Net (decrease)/increase in net assets resulting from unitholders' transactions</b>		<b>(15,428)</b>	<b>(14,581)</b>	<b>(30,826)</b>	<b>56,193</b>
<b>Unitholders' funds at the end of the period</b>		<b>756,038</b>	<b>754,181</b>	<b>756,038</b>	<b>754,181</b>

**Notes:**

- (a) Relates to the effective portion of changes in derivative liabilities designated as cashflow hedges.
- (b) Represent proceeds from Private Placement Units issued on 27 March 2013 and related issue expenses.
- (c) Represent the value of units to be issued to the Manager as partial consideration of the Manager's fees incurred for the quarter. The units are to be issued within 30 days from quarter end.

**1 (d)(i) Details of any changes in the units**

	Notes	Group and Trust			
		1/04/14 to 30/06/14	1/04/13 to 30/06/13	Year to Date	
				1/01/14 to 30/06/14	1/01/13 to 30/06/13
				Units	Units
Issued units at the beginning of the period		778,535,208	774,277,688	777,440,340	703,353,638
Creation of units:					
- Issue of new units (Private Placement)	(a)	-	-	-	70,000,000
- Manager's fees paid in units		-	-	1,094,868	924,050
<b>Issued units at the end of the period</b>		<b>778,535,208</b>	<b>774,277,688</b>	<b>778,535,208</b>	<b>774,277,688</b>
Units to be issued:					
- Manager's fees payable in units	(b)	1,023,812	995,428	1,023,812	995,428
<b>Total issued and to be issued units</b>		<b>779,559,020</b>	<b>775,273,116</b>	<b>779,559,020</b>	<b>775,273,116</b>

**Notes:**

- (a) Relates to Private Placement Units issued on 27 March 2013.
- (b) Represent units to be issued to the Manager as partial consideration of Manager's fees incurred for the quarter. The units are to be issued within 30 days from the quarter end.

**1(d)(ii) A statement showing all sales, transfers, disposals, cancellations and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

**2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice**

The financial information set out in this announcement relating to the following:

- Statements of Financial Position of the Group and the Trust as at 30 June 2014;
- Statements of Total Return of the Group and the Trust for the second quarter and half year ended 30 June 2014;
- Distribution Statements of the Group and the Trust for the second quarter and half year ended 30 June 2014;

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- Statements of Movements in Unitholders' Fund of the Group and the Trust for the second quarter and half year ended 30 June 2014; and
- Statement of Cash Flows of the Group for the second quarter and half year ended 30 June 2014

has been extracted from financial information for the period from 1 January 2014 to 30 June 2014 which has been reviewed by Cache's independent auditors in accordance with Singapore Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

**3 Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Refer to the attachment for the extract of the independent auditors' review report dated 21 July 2014 issued on the financial information of Cache for the second quarter and half year ended 30 June 2014, which has been prepared in accordance with the recommendations of Statement of Recommended Accountant Practice 7 "Reporting Framework for Unit Trusts", issued by Institute of Singapore Chartered Accountant.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied**

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current period compared with the audited financial statements for the year ended 31 December 2013, except for adoption of FRS 110 *Consolidated Financial Statements*.

FRS 110 *Consolidated Financial Statements* changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power with the investee. FRS 110 introduces a single control model with a series of indicators to assess control. FRS 110 also adds additional context, explanation and application guidance based on the principle of control.

This standard requires the Group to re-evaluate its involvement with investees under the new control model. Based on its assessment, there is no impact on the results and financial position of the Group from the adoption of this standard.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

There is no change in the accounting policies and methods of computation adopted.

## 6 Earnings per unit (“EPU”) and Distribution per unit (“DPU”) for the financial period

### Earnings per unit

	Notes	Group			
		1/04/14 to 30/06/14	1/04/13 to 30/06/13	Year to Date	
				1/01/14 to 30/06/14	1/01/13 to 30/06/13
Weighted average number of units		778,546,459	774,288,627	778,002,503	740,955,893
Earnings per unit for the period based on the weighted average number of units in issue (cents)	(a)	1.89	1.85	3.79	3.74

### Notes:

- (a) EPU calculation uses the total return for the period after tax, and the weighted average number of units issued and to be issued. The diluted EPU is the same as basic EPU as no dilutive instruments were in issue during the period.

### Distribution per unit

In computing the DPU, the number of units as at the end of each period is used for the computation.

	Notes	Group			
		1/04/14 to 30/06/14	1/04/13 to 30/06/13	Year to Date	
				1/01/14 to 30/06/14	1/01/13 to 30/06/13
Number of units issued and to be issued at end of period entitled to distribution	(a)	779,559,020	775,273,116	779,559,020	775,273,116
Distribution per unit for the period based on the total number of units entitled to distribution (cents)	(b)	2.147	2.147	4.287	4.381

### Notes:

- (a) Computation of DPU for the period from 1 April 2014 to 30 June 2014 is based on the number of units entitled to distribution:
- (i) Number of units in issue as at 30 June 2014 of 778,535,208; and
  - (ii) Units to be issued to the Manager by 31 July 2014 as partial consideration of Manager’s fees incurred for the quarter ended 30 June 2014 of 1,023,812.
- (b) Distribution of 2.147 cents per unit for the period 1 April 2014 to 30 June 2014 will be paid on 26 August 2014.

## 7 Net asset value (“NAV”) per unit at the end of current period

	Notes	Group		Trust	
		30/06/14	31/12/13	30/06/14	31/12/13
NAV per unit (S\$)	(a)	0.97	0.98	0.97	0.97

### Notes:

(a) Number of units used to compute NAV per unit of 779,559,020 comprised:

- (i) Number of units in issue as at 30 June 2014 of 778,535,208; and
- (ii) Units to be issued to the Manager by 31 July 2014 as partial consideration of Manager’s fees incurred for the quarter ended 30 June 2014 of 1,023,812.

## 8 (i) Review of the performance for the quarter ended 30 June 2014

Gross revenue achieved for the quarter ended was S\$20.8 million, an increase of S\$0.3 million or 1.7% higher than 2Q2013. 2Q2013 property expenses were lower due to one-off reversal of expenses. NPI for the quarter was S\$19.6 million similar to 2Q2013. The higher gross revenue in 2Q2014 was mainly attributable to the rental escalation in 2014.

Net financing costs for the quarter were S\$2.6 million. All-in-financing cost averaged 3.47% for the quarter and the gearing ratio for the Group stood at 28.9% as at 30 June 2014.

The income available for distribution was S\$16.7 million, an increase of S\$0.1 million or 0.5% higher than the quarter ended 2Q2013.

## (ii) Review of the performance for the half year ended 30 June 2014

Gross revenue achieved for the half year ended was S\$41.5 million, an increase of S\$1.9 million or 4.8% higher than the same period in 2013. NPI for the quarter was S\$39.1 million, an increase of S\$1.5 million or 3.9% higher than the same period in 2013.

The higher gross revenue and NPI in for the half year ended 2014 were mainly attributable to the 2014 rental escalation and additional rental income from acquisition of investment property completed in 2013.

Net financing costs for the half year ended were S\$5.3 million. All-in-financing cost averaged 3.48%.

## 9 Variance between the projection and actual results

The current results are broadly in line with the Trust’s commentary made in the first quarter 2014 financial results announcement under Item 10. The Trust has not disclosed any financial forecast to the market.

**10 Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

**Economic Outlook**

According to Singapore's Ministry of Trade & Industry's ("MTI") advance estimates, the Singapore economy grew by 2.1% on a year-on-year basis in the second quarter of 2014, slower than the 4.7% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy contracted by 0.8%, a reversal from the 1.6% growth in the preceding quarter<sup>2</sup>.

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. Economists expect that Singapore may benefit from the pick-up in manufacturing activity in the region in the medium term<sup>3</sup>.

**Industry Outlook**

According to property consultancy firm 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 developments. 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 dampen industrial rents and occupancy rates in the near term. The average monthly gross rents of ground- and upper-floor warehouse space recorded quarterly declines of 1.6% and 2.4% to S\$2.54 per square foot ("psf") and S\$2.04 psf, respectively<sup>4</sup>.

The Jurong Town Corporation ("JTC") 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 the gross floor area ("GFA") of an industrial property, and will apply to all properties five years upon attaining Temporary Occupation Permit ("TOP"). In addition, there is also an imposition of a new minimum occupation period of three years for subsequent anchor subtenants.

**Company Outlook**

Cache reported a Net Property Income and Distributable Income of S\$19.6 million and S\$16.7 million respectively in 2Q 2014. The marginal increase in Distributable Income was attributable to built-in rental escalation within the portfolio's lease agreements. Unitholders will receive a Distribution Per Unit ("DPU") of 2.147 cents this quarter, unchanged from a year ago.

<sup>2</sup> Ministry of Trade and Industry, "Singapore's GDP Growth Moderated in the Second Quarter of 2014", press release dated 14 July 2014.

<sup>3</sup> <http://www.channelnewsasia.com/news/business/singapore-s-june-pmi-dips/1230656.html>

<sup>4</sup> Colliers International, "The Singapore Industrial Property Market Experiences Momentum Gain in Leasing Activities, While Sales Remain Weak" 2Q 2014 Industrial Property Report.

On 14 May 2014, a groundbreaking ceremony was held to unveil Cache's build-to-suit ("BTS") logistics facility development of the DHL Supply Chain Advanced Regional Center ("DSC ARC") located in Tampines LogisPark. The long-term lease which is expected to commence in January 2016 will provide stable, recurring cashflow to Unitholders and is a strategic addition to Cache.

In the area of capital management, Cache maintained an aggregate leverage of 28.9% at the end of the quarter. The total borrowings, in the form of bank term loans maturing in 2015 and 2016, amounted to S\$313.0 million as at 30 June 2014. In addition, the Manager has an undrawn committed \$62.0 million revolving credit facility as well as S\$97.0 million in loan facilities earmarked for the DSC ARC development.

In line with the Manager's proactive asset management strategy, the Manager has commenced the process of transforming the Cache portfolio into a more multi-tenanted property portfolio over time, to reduce concentration risk and capture the benefits of market cycles.

With this, CWT Limited ("CWT") and the C&P Group ("C&P") are expected to gradually wind down their master lease positions in certain properties 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 area<sup>5</sup> at the end of their respective master leases maturing in April 2015.

For remainder of 2014, only 1% of the Cache portfolio remains up for renewal. 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 end-users as direct tenants.

Recent JTC policy changes on subletting may limit the ability to lease out warehouse space to smaller logistics businesses due to minimum requirements to meet anchor tenancy guidelines. However, a majority of the Cache portfolio is occupied by the large 3PLs, and as the changes are to be phased over three years for existing tenants, the impact on the Cache portfolio in the near term is expected to be limited.

The Manager will continue its pursuit to grow Cache via quality, accretive acquisitions in the Asia Pacific, and will focus its efforts on managing the 2015 lease renewals as well as its refinancing exercise for loan facilities due in June next year.

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<sup>5</sup> Forecasted take-up rate as at April 2015, based on committed leases to date and including the commitment of DHL within DSC ARC.



## 11 Distributions

### (a) Current financial period

Any distribution declared for the current period? Yes

Name of distribution: Distribution for the period from 1 April 2014 to 30 June 2014

Distributable Income Period	1/04/14 to 30/06/14
Distribution Type	Cents
Taxable income component	2.133
Capital component	0.014
<b>Total</b>	<b>2.147</b>

Par value of units: Not meaningful

Tax rate: **Taxable income component**

The distributions are made out of Cache's taxable income. Unitholders receiving distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax.

Distributions made to individuals, irrespective of their nationality or tax residence status, who hold the units as investment assets will be tax exempt. However, distributions made to individuals who hold units as trading assets or through a partnership will be taxed at their applicable income tax rates.

All Unitholders who are not individuals are subject to Singapore income tax / withholding tax on distributions of Cache.

### **Capital component**

The capital component of the distribution represents a return of capital to Unitholders for tax purposes and is therefore not subject to income tax. For Unitholders holding the units as trading assets, the amount of capital distribution will be applied to reduce the cost base of their units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the units.

Remarks: Nil

(b) Corresponding period of the immediately preceding financial year

Any distribution declared for the previous corresponding financial period? Yes

Name of distribution: Distribution for the period from 1 April 2013 to 30 June 2013

Distribution Type:	
	<b>1/04/13 to 30/06/13</b>
	Cents
Taxable income component	2.120
Capital component	0.027
<b>Total</b>	<b>2.147</b>

Par value of units: Not meaningful

Tax rate: **Taxable income component**

The distributions are made out of Cache's taxable income. Unitholders receiving distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax.

Distributions made to individuals, irrespective of their nationality or tax residence status, who hold the units as investment assets will be tax exempt. However, distributions made to individuals who hold units as trading assets or through a partnership will be taxed at their applicable income tax rates.

All Unitholders who are not individuals are subject to Singapore income tax / withholding tax on distributions of Cache.

**Capital component**

The capital component of the distribution represents a return of capital to Unitholders for tax purposes and is therefore not subject to income tax. For Unitholders holding the units as trading assets, the amount of capital distribution will be applied to reduce the cost base of their units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the units.

Remarks: Nil

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(c) **Date Payable** 26 August 2014

(d) **Books Closure Date /  
Record Date** 30 July 2014

**12 If no distribution has been declared/(recommended), a statement to that effect**

Not applicable.

**13 Interested Party Transaction Mandate**

Cache is not required to obtain a general mandate from Unitholders for Interested Party Transactions.

**14 Confirmation pursuant to Rule 705(5) of the Listing Manual**

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Manager of Cache (the "Manager") which may render the unaudited interim financial statements of the Group and Trust (comprising the statements of financial position as at 30 June 2014, statements of total return & distribution statements, statement of cash flows and statements of movements in Unitholders' funds for the second quarter and half year ended on that date), together with their accompanying notes, to be false or misleading, in any material aspect.

On behalf of the Board of the Manager  
ARA-CWT TRUST MANAGEMENT (CACHE) LIMITED

Lim How Teck  
Director

Lim Hwee Chiang  
Director

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This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current views of management on future events.

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.

BY ORDER OF THE BOARD  
ARA-CWT TRUST MANAGEMENT (CACHE) LIMITED  
AS MANAGER OF CACHE LOGISTICS TRUST  
(Company registration no. 200919331H)

Lim Hwee Chiang  
Director  
21 July 2014

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The Board of Directors  
ARA-CWT Trust Management (Cache) Limited  
(in its capacity as Manager of Cache Logistics  
Trust)  
6 Temasek Boulevard  
#16-02 Suntec Tower 4  
Singapore 038986

21 July 2014

## **Cache Logistics Trust Review of Interim Financial Information**

### ***Introduction***

We have reviewed the accompanying Interim Financial Information of Cache Logistics Trust (the "Trust") and its subsidiaries (collectively the "Group") for the quarter and the six-month period ended 30 June 2014. The Financial Information consists of the following:

- Statements of financial position of the Group and the Trust as at 30 June 2014;
- Portfolio statements of the Group and the Trust as at 30 June 2014;
- Statements of total return of the Group and the Trust for the quarter and the six-month period ended 30 June 2014;
- Distribution statements of the Group and the Trust for the quarter and the six-month period ended 30 June 2014;
- Statements of movements in unitholders' funds of the Group and the Trust for the quarter and the six-month period ended 30 June 2014;
- Statement of cash flows of the Group for the quarter and the six-month period ended 30 June 2014; and
- Certain explanatory notes to the above financial information.

The management of ARA-CWT Trust Management (Cache) Limited (the "Manager" of the Trust) is responsible for the preparation and presentation of this Interim Financial Information in accordance with the provisions of the Statement of Recommended Practice ("RAP") 7 (2012) *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

***Scope of review***

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of the interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not prepared, in all material respects, in accordance with the provision of RAP 7 (2012) issued by the Institute of Singapore Chartered Accountants.

***Restriction of Use***

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Interim Financial Information for the purpose of assisting the Trust to meet the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited Listing Manual and for no other purpose. Our report is included in the Trust's announcement of its interim financial information for the information of its unitholders. We do not assume responsibility to anyone other than the Trust for our work, for our report, or for the conclusions we have reached in our report.

**KPMG LLP**

**KPMG LLP**  
*Public Accountants and*  
*Chartered Accountants*