

# ARA-CWT Trust Management (Cache) Limited

Cache Logistics Trust

Manager of



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## LEASE IN RELATION TO 51 ALPS AVENUE, SINGAPORE 498783

The board of directors of ARA-CWT Trust Management (Cache) Limited, as manager of Cache Logistics Trust (“**Cache**”, and as manager of Cache, the “**Manager**”), refers to 51 Alps Avenue, Singapore 498783 (the “**Property**”), which is currently master leased to C&P Land Pte. Ltd. (“**C&P**”). The current master lease agreement with C&P (the “**MLA**”) expires on 31 August 2016.

At present, Schenker Singapore Pte Ltd (“**Schenker**”) is the end-user occupying the Property under the lease agreement dated 8 June 2005 between Bax Global Pte Ltd and C&P, which was subsequently novated to Schenker (the “**Anchor Lease Agreement**” or “**ALA**”) on 9 November 2009. The Anchor Lease Agreement also expires on 31 August 2016.

The Manager understands that Schenker has informed C&P of its intention to exercise its option to renew the ALA for a period of five (5) years, at a rental rate pre-agreed between C&P and Schenker when the ALA was entered into on 8 June 2005. However, the Manager has been previously informed by C&P that Schenker does not have a valid option to renew. The Manager believes the pre-agreed rental rate is below current market rental rate.

In connection with this matter, the Manager has yesterday received an originating summons from Schenker seeking the following:

- (a) a declaration that the ALA is binding upon HSBC Institutional Trust Services (Singapore) Limited (the “**Trustee**”) and the Manager (in their respective capacities as the trustee and the manager of Cache);
- (b) an order that the Trustee and the Manager seek consent from JTC Corporation (“**JTC**”) for the renewal of the ALA; or
- (c) alternatively, an order that the Trustee, the Manager and C&P jointly seek consent from JTC for the renewal of the ALA.

Legal counsel has been engaged to advise on this matter. In the interest of Unitholders, Cache intends to vigorously defend itself in this action, based on legal advice, on the basis that it is not a party to the ALA and that all matters relating to Schenker’s renewal of the ALA (including the issue regarding the seeking of JTC’s consent) are matters which should be resolved between C&P, as landlord, and Schenker, as tenant, under the terms of the ALA.

Under the terms of the MLA, C&P can either renew the master lease or deliver vacant possession of the Property upon expiration of the current MLA. The Manager has informed C&P that it is prepared to grant a renewal of the master lease. However, C&P has not responded on its intention in respect of the renewal of the master lease. If C&P does not renew the master lease and fails to deliver vacant possession of the Property upon the expiry of the master lease, in accordance with the terms of the MLA, Cache intends to claim against C&P for double the amount of rent payable under the MLA for the duration of the holding over period or damages arising as a

result of Schenker remaining on the Property on the terms within the ALA.

Pursuant to the MLA, C&P has provided a security deposit representing 12 months of current master lease rental, and C&P Holdings Pte Ltd, which is the holding company of C&P, had provided a corporate guarantee to guarantee the performance of the obligations of C&P under the MLA.

Based on the unaudited 2016 first quarter financial results of Cache, the distribution per unit of Cache (“**DPU**”) for the period from 1 January 2016 to 31 March 2016 and the net tangible assets per unit of Cache (“**NTA**”) as at 31 March 2016 (which is based on the terms of the existing MLA) were 2.039 cents and S\$0.88, respectively.

The Manager has appointed Knight Frank Pte Ltd (“**Knight Frank**”) to provide a valuation for the Property based on the rental in the Schenker’s renewal of the ALA.

If in the event:

- (a) the Court rules that the ALA is binding on Cache and that Schenker’s option to renew the ALA with C&P is valid and has been validly exercised; and
- (b) JTC consents to the renewal of the ALA,

purely for illustrative purposes, based on the rental in Schenker’s renewal of the ALA for the period from 1 January 2016 to 31 March 2016, the Proforma DPU for 1Q2016 would be approximately 1.890 cents and, based on the Knight Frank valuation for the Property, the NTA per unit as at 31 March 2016 would be approximately S\$0.83.

However, notwithstanding the above, if the Court determines that C&P is in default of the MLA by failing to deliver to Cache vacant possession of the Property at the end of the MLA, Cache should be entitled to recover from C&P either double the amount of rent payable under the MLA for the duration of the holding over period or damages arising as a result of Schenker remaining on the Property on the terms within the ALA.

As at the date of this announcement, CWT Limited holds 40.0% of the shares of ARA-CWT Trust Management (Cache) Limited, and C&P Holdings Pte Ltd is a controlling shareholder of CWT Limited.

Certain directors of the Manager (being Ms Stefanie Yuen Thio, Mr Liao Chung Lik, Mr Jimmy Yim Wing Kuen and Mr Lim Lee Meng) have an interest in this matter due to either (i) their positions in C&P Holdings Pte Ltd and its subsidiaries or CWT Limited and its subsidiaries or (ii) their existing business relationships with C&P Holdings Pte Ltd and its subsidiaries or CWT Limited and its subsidiaries.

Accordingly, the board of directors has constituted a sub-committee comprising Mr Lim Ah Doo and Mr Lim Kong Puay to deliberate and decide on all matters arising from this matter relating to the lease of the Property.

The Manager will, in compliance with its obligations under the Listing Manual of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), make the relevant announcements on SGXNET as and when there are material developments in this matter.

In the meantime, Unitholders are advised to exercise caution when dealing with the Units.

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  
31 May 2016

**For enquiries, please contact**

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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\$1.3 billion as at 31 March 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).

## **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 1,200 professionals in 15 cities managing total assets close to S\$30 billion.

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.

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.