



Cache Logistics Trust

2019 Second Quarter and Six Months 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 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, as well as real estate-related assets.

Cache's portfolio as at 30 June 2019 comprised of 27 quality logistics warehouse properties located in Singapore and Australia (collectively "Investment Properties").

The financial information for the second quarter and six months ended 30 June 2019 set out in this announcement has been extracted from financial information for the period from 1 January 2019 to 30 June 2019 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 this announcement, references to "Trust" are to Cache; and references to "Group" are to Cache and its subsidiaries.

**Unaudited Financial Statements Announcement
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SUMMARY OF RESULTS FOR CACHE LOGISTICS TRUST

	Notes	Group					
		1/4/19 to 30/6/19	1/4/18 to 30/6/18	Change	Year to Date		Change
					1/1/19 to 30/6/19	1/1/18 to 30/6/18	
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue		27,804	30,028	(7.4)	58,632	59,054	(0.7)
Net property income		20,456	21,633	(5.4)	44,222	44,493	(0.6)
Distributable amount to Unitholders		14,283	15,228	(6.2)	30,616	31,373	(2.4)
- from operations		13,849	14,820	(6.6)	29,967	30,965	(3.2)
- from capital	(a)	434	408	6.4	649	408	59.1
Distribution per unit ("DPU") (cents)		1.321	1.419	(6.9)	2.834	2.926	(3.1)
- from operations		1.281	1.381	(7.2)	2.774	2.888	(3.9)
- from capital		0.040	0.038	5.3	0.060	0.038	57.9
Annualised DPU (cents)	(b)	nm	nm	nm	5.715	5.900	(3.1)
Number of units issued and to be issued at end of period		1,081,138,360	1,072,932,745	0.8	1,081,138,360	1,072,932,745	0.8

Notes:

- (a) Capital distribution for 2Q 2019 relates to reimbursements received from the vendor in relation to outstanding lease incentives at the point of completion of the acquisition of certain properties in Australia and rental support received from the vendor in relation to a warehouse acquired in Australia. Capital distribution for the same quarter last year relates to capital gains from the disposal of Kim Heng warehouse in 2015.
- (b) Extrapolated for information only. Not indicative of DPU for the respective full year ending 31 December 2019.

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1(a)(i) Statement of Total Return and Distribution Statement for the Second Quarter and Six Months ended 30 June 2019

	Notes	Group					
		1/4/19 to 30/6/19	1/4/18 to 30/6/18	Change	Year to Date		Change
					1/1/19 to 30/6/19	1/1/18 to 30/6/18	
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Statement of Total Return							
Gross revenue	(a)	27,804	30,028	(7.4)	58,632	59,054	(0.7)
Property expenses	(b)	(7,348)	(8,395)	(12.5)	(14,410)	(14,561)	(1.0)
Net property income		20,456	21,633	(5.4)	44,222	44,493	(0.6)
Other income		25	-	nm	25	-	nm
Net financing costs	(c)	(5,424)	(4,669)	16.2	(10,652)	(9,076)	17.4
Manager's base fee	(d)	(1,653)	(1,682)	(1.7)	(3,296)	(3,429)	(3.9)
Manager's performance fee	(d)	(284)	(324)	(12.3)	(618)	(667)	(7.3)
Trustee fees		(132)	(138)	(4.3)	(278)	(296)	(6.1)
Other trust expenses	(e)	(759)	(652)	16.4	(1,408)	(1,251)	12.5
Foreign exchange (loss)/gain	(f)	(2,248)	64	nm	(2,152)	(4,833)	(55.5)
		(10,475)	(7,401)	41.5	(18,379)	(19,552)	(6.0)
Net income		9,981	14,232	(29.9)	25,843	24,941	3.6
Gain on disposal of investment property	(g)	-	2,735	nm	-	2,735	nm
Net change in fair value of investment properties	(h)	(765)	-	nm	(1,522)	-	nm
Net change in fair value of financial derivatives	(i)	186	270	(31.1)	232	850	(72.7)
Total return for the period before taxation and distribution		9,402	17,237	(45.5)	24,553	28,526	(13.9)
Tax expense	(j)	(523)	(401)	30.4	(1,075)	(773)	39.1
Total return for the period after taxation before distribution		8,879	16,836	(47.3)	23,478	27,753	(15.4)
Attributable to:							
Unitholders		7,508	15,465	(51.5)	20,751	25,493	(18.6)
Perpetual securities holders	(k)	1,371	1,371	-	2,727	2,260	20.7
		8,879	16,836	(47.3)	23,478	27,753	(15.4)

	Notes	Group					
		1/4/19 to 30/6/19	1/4/18 to 30/6/18	Change	Year to Date		Change
					1/1/19 to 30/6/19	1/1/18 to 30/6/18	
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Distribution Statement							
Total return for the period attributable to Unitholders and perpetual securities holders		8,879	16,836	(47.3)	23,478	27,753	(15.4)
Less: Amount reserved for distribution to perpetual securities holders	(k)	(1,371)	(1,371)	-	(2,727)	(2,260)	20.7
Distribution adjustments:							
Manager's fees paid/payable in units	(d)	1,454	1,505	(3.4)	2,936	3,072	(4.4)
Trustee fees		99	103	(3.9)	196	204	(3.9)
Amortisation of transaction costs	(l)	232	264	(12.1)	464	550	(15.6)
Transaction costs written-off	(m)	-	113	nm	-	113	nm
Gain on disposal of investment property	(g)	-	(2,735)	nm	-	(2,735)	nm
Land rent	(n)	(1,507)	-	nm	(3,013)	-	nm
Interest expenses on lease liabilities	(n)	742	-	nm	1,491	-	nm
Net change in fair value of investment properties	(n)	765	-	nm	1,522	-	nm
Net change in fair value of financial derivatives	(i)	(186)	(270)	(31.1)	(232)	(850)	(72.7)
Depreciation	(o)	133	153	(13.1)	273	330	(17.3)
Foreign exchange loss/(gain)	(f)	2,223	(22)	nm	2,135	5,057	(57.8)
Commitment fee		29	72	(59.7)	67	145	(53.8)
51 Alps Ave compensation amount	(p)	2,676	(279)	nm	2,503	(464)	nm
Other items	(q)	26	1,013	(97.4)	98	971	(89.9)
Net profit from subsidiaries	(r)	(5,555)	(5,488)	1.2	(10,387)	(9,783)	6.2
Distribution adjustments		1,131	(5,571)	(120.3)	(1,947)	(3,390)	(42.6)
Taxable income		8,639	9,894	(12.7)	18,804	22,103	(14.9)
Tax exempt income	(s)	5,210	4,926	5.8	11,163	8,862	26.0
Income available for distribution		13,849	14,820	(6.6)	29,967	30,965	(3.2)
Capital distribution	(t)	434	408	6.4	649	408	59.1
Distributable amount to Unitholders	(u)	14,283	15,228	(6.2)	30,616	31,373	(2.4)

nm denotes "not meaningful"

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Notes:

- (a) Gross revenue comprises mainly rental income from investment properties.

The decrease in gross revenue for the quarter ended 30 June 2019 was mainly due to lower revenue from Cache Gul LogisCentre (formerly known as Precise Two) as a result of the conversion from a master lease to a multi-tenancy lease structure, absence of contribution from the divestments of 40 Alps Ave in May 2018 and Jinshan Chemical Warehouse in December 2018 and transitory downtime between replacement tenants in Commodity Hub during the quarter. This was partially offset by contribution from the warehouse in Altona, Victoria, Australia acquired in April 2019.

- (b) Property expenses comprise property management fee, lease management fee, reimbursable expenses payable to the Property Manager, property maintenance, lease commissions and other property related expenses.

The decrease for the quarter was primarily due to S\$1.5 million land rent that was excluded from the property expenses due to the adoption of Singapore Financial Reporting Standard (“FRS”) 116 Leases (“FRS 116”), effective 1 January 2019. This was partially off-set by higher property tax, utilities and maintenance expenses as a result of the conversion from a master lease to a multi-tenancy lease structure at Commodity Hub and Cache Gul LogisCentre (formerly known as Precise Two).

FRS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (“ROU”) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payment. The lease liability will be discharged through lease payments with recognition of interest on the lease liability in the statement of total return. The standard is effective for annual periods beginning on or after 1 January 2019.

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

Notes	Group					
	1/4/19 to 30/6/19	1/4/18 to 30/6/18	Change	Year to Date		Change
				1/1/19 to 30/6/19	1/1/18 to 30/6/18	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Finance income :						
Bank deposits	45	40	12.5	127	81	56.8
Finance expenses :						
Bank loans	(4,140)	(3,868)	7.0	(8,122)	(7,332)	10.8
Interest rate swaps	(297)	(359)	(17.3)	(577)	(950)	(39.3)
Amortisation of transaction costs	(l) (260)	(294)	(11.6)	(520)	(610)	(14.8)
Transaction costs written-off	(m) -	(113)	nm	-	(113)	nm
Lease liabilities	(n) (742)	-	nm	(1,491)	-	nm
Others	(30)	(75)	(60.0)	(69)	(152)	(54.6)
Net financing costs	(5,424)	(4,669)	16.2	(10,652)	(9,076)	17.4

The increase in net financing costs for the quarter was mainly attributable to interest expenses on lease liabilities recognised as a result of the adoption of FRS 116.

- (d) Manager’s fee consists 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 has excluded the impact of FRS 116 changes in the computation of fees paid and payable. 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) Other trust expenses include professional fees, listing fees and other non-property related expenses.
- (f) Relates mainly to unrealised foreign currency exchange rate movement on shareholder loans to an Australia subsidiary as a result of fluctuations in the AUD/SGD foreign currency exchange rates.

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- (g) Relates to the gain on disposal of 40 Alps Ave, Singapore.
- (h) Represents the fair value adjustments of ROU assets in relation to the portfolio of land leases with Jurong Town Council ("JTC") included in investment properties as at 30 June 2019, in accordance with FRS 116.
- (i) Represents the changes in fair value of interest rate swaps and forward foreign currency exchange contracts.
- (j) Tax expense includes withholding tax incurred on its overseas operations.
- (k) On 1 February 2018, the Trust issued S\$100.0 million of subordinated perpetual securities (the "Perpetual Securities"). The Perpetual Securities confer a right to receive distribution payments at a rate of 5.50% per annum, with the first distribution rate reset falling on 1 February 2023 and subsequent resets occurring every five years thereafter. Distributions are payable semi-annually in arrears on a discretionary basis and are non-cumulative in accordance with the terms and conditions of the Perpetual Securities.
- (l) Represents amortisation of non-tax deductible upfront fees on credit facilities.
- (m) Represents unamortised upfront fees written-off following the partial repayment of the S\$185.0 million term loan.
- (n) Adjustments in relation to the application of FRS 116 for changes in fair value of investment properties, land rent and interest expenses on lease liabilities. There is no impact to DPU as a result of the adoption of FRS 116.
- (o) Relates to depreciation of plant and equipment.
- (p) In respect of the tax matter associated with 51 Alps Avenue, Singapore, as per the announcement on 17 April 2019, IRAS has confirmed that out of the Relevant Sum (as defined previously), approximately S\$7.4 million qualifies for tax transparency with the balance (associated with legal fees and trial-related costs) being subject to tax. Accordingly, S\$2.7 million attributable to the rental period from 1 September 2016 to 31 March 2019, net of relevant expenses, is distributed in 2Q 2019. The balance, net of relevant expenses, will be distributed quarterly over the remaining rental period from 1 April 2019 to 31 August 2021. On the amount of \$0.8 million costs recovery being subject to tax, as the expenses incurred were in excess of the recovery, there should not be any tax payable and the tax computation has been submitted to IRAS for their concurrence.
- (q) Relates to specific property and finance expenses that are non-tax deductible and other tax adjustments. 2Q 2018 includes one-off project abortive costs.
- (r) Relates to net income from the Trust's subsidiaries.
- (s) Relates to distribution of income from Australia and other overseas subsidiaries that have been received in Singapore (net of withholding tax).
- (t) Capital distribution for 2Q 2019 relates to reimbursements received from the vendor in relation to outstanding lease incentives at the point of completion of the acquisition of certain properties in Australia and rental support received from the vendor in relation to a warehouse acquired in Australia. Capital distribution for the same quarter last year relates to capital gains from the disposal of Kim Heng warehouse in 2015.
- (u) For a Real Estate Investment Trust to maintain tax transparency (such that distributions are tax exempt to eligible Unitholders), it is required to distribute at least 90.0% of its taxable income. Currently, Cache distributes 100.0% of 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)(i) Statements of Financial Position

	Notes	Group		Trust	
		30/6/19	31/12/18	30/6/19	31/12/18
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Investment properties	(a)	1,384,544	1,269,026	986,062	905,800
Plant and equipment		1,002	1,274	1,002	1,274
Investments in subsidiaries	(b)	-	-	185,165	168,445
Amounts due from subsidiaries	(c)	-	-	162,518	-
Trade and other receivables	(d)	593	-	-	-
Total non-current assets		1,386,139	1,270,300	1,334,747	1,075,519
Current assets					
Trade and other receivables	(d)	7,448	5,914	4,902	4,711
Amounts due from subsidiaries	(c)	-	-	1,225	152,041
Derivative assets	(e)	169	142	169	142
Cash and cash equivalents		12,239	33,338	6,882	10,795
Total current assets		19,856	39,394	13,178	167,689
Total assets		1,405,995	1,309,694	1,347,925	1,243,208
Current liabilities					
Trade and other payables		(15,715)	(14,889)	(13,003)	(11,255)
Amounts due to subsidiaries	(c)	-	-	(3,817)	-
Provisions	(f)	-	(664)	-	(664)
Interest bearing borrowings	(g)	(89,974)	(28,098)	(29,000)	-
Derivative liabilities	(e)	(238)	(117)	(30)	(94)
Lease liabilities	(h)	(3,124)	-	(3,124)	-
Total current liabilities		(109,051)	(43,768)	(48,974)	(12,013)
Non-current liabilities					
Trade and other payables		(3,625)	(4,215)	(3,625)	(4,215)
Interest bearing borrowings	(g)	(408,871)	(442,082)	(396,098)	(395,635)
Derivative liabilities	(e)	(6,171)	(4,925)	(6,051)	(4,768)
Lease liabilities	(h)	(76,442)	-	(76,442)	-
Total non-current liabilities		(495,109)	(451,222)	(482,216)	(404,618)
Total liabilities		(604,160)	(494,990)	(531,190)	(416,631)
Net assets		801,835	814,704	816,735	826,577
Represented by:					
Unitholders' funds	(i)	700,334	713,157	715,234	725,030
Perpetual securities holders' funds	(j)	101,501	101,547	101,501	101,547
		801,835	814,704	816,735	826,577

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Notes:

- (a) Represents carrying value of the investment properties including asset enhancement initiatives, straight-line effective rental adjustments and foreign currency translation differences. The increase was mainly due to the recognition of S\$79.6 million ROU assets in relation to the portfolio of land leases with JTC, in accordance with FRS 116 which is effective 1 January 2019, and the acquisition of a warehouse in Australia completed in April 2019.
- (b) Relates to wholly-owned subsidiaries of Cache, stated at cost. The increase in the investment value represents further investment in Australia for the acquisition of a warehouse in Altona, Victoria.
- (c) The amount due from subsidiaries mainly represents loans to an Australia subsidiary. The increase during the quarter was mainly to finance the acquisition of a warehouse in Australia.
- (d) The increase in trade and other receivables was mainly due to higher receivables from the Australia operations which include rental support receivable from the vendor of the newly acquired warehouse in Altona, Victoria, Australia.
- (e) Relates to the fair value of interest rate swaps and forward foreign currency exchange contracts.
- (f) Relates to the provision of up to S\$1.38 million of income support associated with the sale of 40 Alps Ave for the period from May 2018 to May 2019. As at 30 June 2019, S\$1.36 million was utilised and the balance was recognised in other income in Item 1(a)(i) Statement of Total Return.
- (g) Refer to Item 1(b)(ii), Aggregate amount of Borrowings and Debt Securities, for details.
- (h) Relates to lease liabilities in relation to the portfolio of land leases with JTC, in accordance with FRS 116.
- (i) Refer to Item 1(d)(i), Statement of Movements in Unitholders' Funds, for details. Changes were mainly due to movement in foreign currency translation reserves and the effective portion of changes in fair value of cash flow hedges, return and distribution to Unitholders for the period.
- (j) On 1 February 2018, the Trust issued S\$100.0 million of fixed rate Perpetual Securities. Distributions to the perpetual securities holders will be payable semi-annually in arrears on a discretionary basis and will be non-cumulative. The perpetual securities are classified as equity instruments and recorded within the Statement of Movements in Unitholders' Funds. The carrying value represents the perpetual securities issued, net of issue costs and includes the total return attributable to the perpetual securities holders from the last distribution date.

As at 30 June 2019, Cache's current liabilities exceeded its current assets primarily due to current borrowings of S\$9.0 million from the Revolving Credit Facility ("RCF"), S\$20.0 million short-term borrowings, A\$29.3 million term loan and A\$35.0 million term loan.

1(b)(ii) Aggregate amount of Borrowings and Debt Securities

	Group		Trust	
	30/6/19	31/12/18	30/6/19	31/12/18
	S\$'000	S\$'000	S\$'000	S\$'000
Secured borrowings				
Amount repayable within one year	61,014	28,125	-	-
Less : Unamortised transaction costs	(40)	(27)	-	-
	60,974	28,098	-	-
Amount repayable after one year	12,810	46,555	-	-
Less : Unamortised transaction costs	(37)	(108)	-	-
	12,773	46,447	-	-
Unsecured borrowing				
Amount repayable within one year	29,000	-	29,000	-
Less : Unamortised transaction costs	-	-	-	-
	29,000	-	29,000	-
Amount repayable after one year	400,000	400,000	400,000	400,000
Less : Unamortised transaction costs	(3,902)	(4,365)	(3,902)	(4,365)
	396,098	395,635	396,098	395,635
Total borrowings	498,845	470,180	425,098	395,635

Notes:

(a) The Group has in place the following unsecured Singapore dollar facilities:

- 5-year term loan of S\$90.0 million maturing in 2021;
- 5-year term loan of S\$110.0 million maturing in 2023;
- 5.5-year term loan of S\$200.0 million maturing in 2024;
- committed RCF of S\$65.0 million maturing in 2024; and
- uncommitted short-term borrowings of S\$20.0 million.

As at 30 June 2019, a total of S\$429.0 million was drawn.

(b) The Group has in place the following secured Australian dollar facilities:

- 4-year term loan of A\$29.3 million maturing in 2019; and
- 5-year term loans of A\$48.5 million maturing in 2020.

As at 30 June 2019, the above facilities were fully drawn.

The secured facilities indicated in (b) above are secured by way of a legal mortgage and charges over 5 Australia properties as follows:

- 127 Orchard Road, Chester Hill, New South Wales;
- 16 - 28 Transport Drive, Somerton, Victoria;
- 51 Musgrave Road, Coopers Plains, Queensland;
- 203 Viking Drive, Wacol, Queensland; and
- 404 - 450 Findon Road, Kidman Park, South Australia.

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1(c) Statement of Cash Flows

	Notes	Group			
		1/4/19 to 30/6/19	1/4/18 to 30/6/18	Year to Date	
				1/1/19 to 30/6/19	1/1/18 to 30/6/18
		S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities					
Total return for the period before taxation and distribution		9,402	17,237	24,553	28,526
Adjustments for:					
Manager's fees paid/payable in units		1,454	1,505	2,936	3,072
Depreciation		133	188	273	399
Foreign exchange loss/(gain)		2,248	(64)	2,152	4,833
Net financing costs	(a)	5,424	4,669	10,652	9,076
Net change in fair value of investment properties		765	-	1,522	-
Net change in fair value of financial derivatives		(186)	(270)	(232)	(850)
Gain on disposal of investment property		-	(2,735)	-	(2,735)
Changes in:					
Trade and other receivables		350	(546)	(2,356)	(5,114)
Trade and other payables		(2,015)	(1,457)	(377)	383
Provisions		(337)	(163)	(664)	(163)
Cash generated from operations		17,238	18,364	38,459	37,427
Tax paid		(557)	(357)	(954)	(661)
Net cash from operating activities		16,681	18,007	37,505	36,766
Cash flows from investing activities					
Interest received		45	40	127	81
Acquisition of subsidiaries, net of cash acquired	(b)	-	(12)	-	(193,999)
Acquisition of investment property	(c)	(39,474)	-	(39,474)	-
Capital expenditure on investment properties	(d)	(547)	(1,105)	(1,044)	(2,207)
Purchase of plant and equipment		-	(17)	-	(144)
Net proceeds from disposal of investment property	(e)	-	72,782	-	72,782
Net cash (used in)/from investing activities		(39,976)	71,688	(40,391)	(123,487)
Cash flows from financing activities					
Proceeds from issuance of perpetual securities	(f)	-	-	-	100,000
Issue costs paid in relation to perpetual securities	(g)	-	(24)	-	(759)
Proceeds from borrowings	(h)	12,500	3,000	36,100	120,000
Repayment of borrowings	(i)	(7,100)	(72,494)	(7,100)	(86,929)
Financing costs paid		-	-	-	(825)
Interest paid on borrowings		(4,440)	(4,318)	(8,744)	(8,431)
Interest paid on lease liabilities		(742)	-	(1,491)	-
Payment of lease liabilities		(765)	-	(1,522)	-
Distributions to Unitholders		(16,333)	(16,145)	(32,511)	(33,224)
Distributions to perpetual securities holders		-	-	(2,773)	-
Net cash (used in)/from financing activities		(16,880)	(89,981)	(18,041)	89,832
Net (decrease)/ increase in cash and cash equivalents		(40,175)	(286)	(20,927)	3,111
Cash and cash equivalents at the beginning of the period		52,418	18,004	33,338	14,969
Effect of exchange rate fluctuations on cash held		(4)	34	(172)	(328)
Cash and cash equivalents at the end of the period		12,239	17,752	12,239	17,752

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Notes:

- (a) Refer to Item 1(a)(i)(c) for details.
- (b) Net cash outflow on acquisition of subsidiaries is set out as below:

	Group	
	1/1/19 to 30/6/19	1/1/18 to 30/6/18
	S\$'000	S\$'000
Investment properties (including acquisition costs)	-	192,824
Other assets	-	1,726
Accrued expenses	-	(482)
Other liabilities	-	(69)
Net identifiable assets acquired	-	193,999
Net cash outflow	-	193,999

- (c) Amount incurred on acquisition of a warehouse in Altona, Victoria, Australia which was completed in April 2019.
- (d) Represents asset enhancement initiatives for existing investment properties.
- (e) Represents net proceeds from disposal of 40 Alps Ave in May 2018.
- (f) Represents proceeds from the Perpetual Securities issued on 1 February 2018.
- (g) Represents professional fees and other costs incurred in relation to the issuance of the Perpetual Securities.
- (h) Represents S\$23.6 million RCF drawdown to partially finance the acquisition of a warehouse in Altona, Victoria, Australia and working capital requirements. S\$110.0 million term loan was drawn in 1Q 2018 to finance the acquisition of the 9-property Australia portfolio and RCF was drawn for working capital purposes. Refer to Item 1(b)(ii), Aggregate amount of Borrowings and Debt Securities, for details.
- (i) Represents repayment of RCF for the quarter. YTD 2018 relates to A\$14.0 million secured term loan repaid in February 2018 and partial repayment of the 4-year S\$185.0 million term loan in May 2018 using proceeds from the disposal of 40 Alps Ave.

**Unaudited Financial Statements Announcement
For the Second Quarter and Six Months ended 30 June 2019**

1(d)(i) Statements of Movements in Unitholders' Funds

	Notes	Group			
		1/4/19 to 30/6/19 S\$'000	1/4/18 to 30/6/18 S\$'000	Year to Date	
				1/1/19 to 30/6/19 S\$'000	1/1/18 to 30/6/18 S\$'000
Unitholders' Funds					
Balance at the beginning of the period		712,364	754,141	713,157	765,668
Operations					
Total return for the period after tax, attributable to Unitholders and perpetual securities holders		8,879	16,836	23,478	27,753
Less: Amount reserved for distribution to perpetual securities holders		(1,371)	(1,371)	(2,727)	(2,260)
Net increase in net assets from operations		7,508	15,465	20,751	25,493
Effective portion of changes in fair values of cash flow hedges	(a)	(2,173)	(100)	(1,430)	354
Foreign currency translation reserve					
Translation differences from financial statements of foreign entities		(2,272)	(183)	(2,105)	(6,423)
Net loss recognised directly in Unitholders' funds		(4,445)	(283)	(3,535)	(6,069)
Unitholders' transactions					
Issue of new units		-	-	1,232	1,310
- Manager's base fees paid in units		-	-	-	-
Units to be issued:		-	-	-	-
- Manager's base fees payable in units	(b)	1,240	1,262	1,240	1,262
Distributions to Unitholders		(16,333)	(16,145)	(32,511)	(33,224)
Net decrease in net assets resulting from Unitholders' transactions		(15,093)	(14,883)	(30,039)	(30,652)
Unitholders' funds at the end of the period		700,334	754,440	700,334	754,440
Perpetual Securities Holders' Funds					
Balance at the beginning of the period		100,130	100,154	101,547	-
Issue of perpetual securities		-	-	-	100,000
Issue costs		-	(24)	-	(759)
Amount reserved for distribution to perpetual securities holders		1,371	1,371	2,727	2,260
Distribution to perpetual securities holders		-	-	(2,773)	-
Balance as at the end of the period		101,501	101,501	101,501	101,501
Total		801,835	855,941	801,835	855,941

**Unaudited Financial Statements Announcement
For the Second Quarter and Six Months ended 30 June 2019**



	Notes	Trust			
		1/4/19 to 30/6/19	1/4/18 to 30/6/18	Year to Date	
				1/1/19 to 30/6/19	1/1/18 to 30/6/18
		S\$'000	S\$'000	S\$'000	S\$'000
Unitholders' Funds					
Balance at the beginning of the period		725,195	755,325	725,030	760,987
Operations					
Total return for the period after tax, attributable to Unitholders and perpetual securities holders		8,533	16,274	24,253	26,832
Less: Amount reserved for distribution to perpetual securities holders		(1,371)	(1,371)	(2,727)	(2,260)
Net increase in net assets from operations		7,162	14,903	21,526	24,572
Effective portion of changes in fair value of cash flow hedges	(a)	(2,030)	(145)	(1,283)	293
Unitholders' transactions					
Issue of new units					
- Manager's base fees paid in units		-	-	1,232	1,310
Units to be issued:					
- Manager's base fees payable in units	(b)	1,240	1,262	1,240	1,262
Distributions to Unitholders		(16,333)	(16,145)	(32,511)	(33,224)
Net decrease in net assets resulting from Unitholders' transactions		(15,093)	(14,883)	(30,039)	(30,652)
Unitholders' funds at the end of the period		715,234	755,200	715,234	755,200
Perpetual Securities Holders' Funds					
Balance at the beginning of the period		100,130	100,154	101,547	-
Issue of perpetual securities		-	-	-	100,000
Issue costs		-	(24)	-	(759)
Amount reserved for distribution to perpetual securities holders		1,371	1,371	2,727	2,260
Distribution to perpetual securities holders		-	-	(2,773)	-
Balance as at the end of the period		101,501	101,501	101,501	101,501
Total		816,735	856,701	816,735	856,701

Notes:

- (a) Relates to the effective portion of changes in fair value of derivative instruments designated as cash flow hedges.
- (b) Represents the value of units to be issued to the Manager as partial consideration of the Manager's base fees incurred for the quarter ended 30 June 2019. The units are to be issued within 30 days from the quarter-end.

**Unaudited Financial Statements Announcement
For the Second Quarter and Six Months ended 30 June 2019**

1(d)(ii) Details of any changes in the units

	Notes	Group and Trust			
		1/4/19 to 30/6/19	1/4/18 to 30/6/18	Year to Date	
				1/1/19 to 30/6/19	1/1/18 to 30/6/18
		Units	Units	Units	Units
Issued units at the beginning of the period		1,079,569,383	1,071,274,115	1,077,881,375	1,069,700,408
Creation of units:					
- Manager's base fees paid in units		-	-	1,688,008	1,573,707
Issued units at the end of the period		1,079,569,383	1,071,274,115	1,079,569,383	1,071,274,115
Units to be issued:					
- Manager's base fees payable in units	(a)	1,568,977	1,658,630	1,568,977	1,658,630
Total issued and to be issued units		1,081,138,360	1,072,932,745	1,081,138,360	1,072,932,745

Notes:

(a) Represents units to be issued to the Manager as partial consideration of Manager's base fees incurred for the quarter ended 30 June 2019. The units are to be issued within 30 days from the quarter-end.

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

The figures have not been audited but have been reviewed by the 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)

See attached auditors' review report.

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2018.

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.

The Group has adopted new Financial Reporting Standards in Singapore (“FRSs”) and interpretations effective for the financial period beginning 1 January 2019 as follows:

FRS 116 Leases

FRS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (“ROU”) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. FRS 116 replaces existing lease accounting guidance, including FRS 17 Leases, FRS INT 104 Determining whether an Arrangement contains a Lease, FRS INT 15 Operating Leases – Incentives and FRS INT 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

The Group measures lease liabilities by applying a single discount rate to their portfolio of land leases with JTC and applied the practical expedient to recognise amounts of ROU assets equal to their lease liabilities as at 1 January 2019. For lease contracts that contain the option to renew, the Group is expected to use hindsight in determining the lease term.

As at 1 January 2019, the Company recorded ROU assets in the investment properties and corresponding lease liabilities of approximately \$81.0 million. Such adjustments have no impact on the net assets, total return and distributable amount to Unitholders.

6 Earnings Per Unit (“EPU”) and Distribution Per Unit (“DPU”) for the financial period

EPU

	Notes	Group			
		1/4/19 to 30/6/19	1/4/18 to 30/6/18	Year to Date	
				1/1/19 to 30/6/19	1/1/18 to 30/6/18
Weighted average number of units		1,079,586,625	1,071,292,342	1,078,748,036	1,070,509,467
Earnings per unit for the period based on the weighted average number of units issued and to be issued (cents)	(a)	0.70	1.44	1.92	2.38
Weighted average number of units on the fully diluted basis		1,081,724,897	1,073,252,718	1,081,724,897	1,073,252,718
Earnings per unit for the period based on the fully diluted basis (cents)	(b)	0.69	1.44	1.92	2.38

Notes:

- (a) Basic EPU calculation has been calculated by dividing the total return for the period after tax attributable to Unitholders by the weighted average number of units issued and to be issued.
- (b) Diluted EPU calculation has been calculated by dividing the total return for the period after tax attributable to Unitholders by the weighted average number of units issued and to be issued, adjusted on the basis that the Manager’s base fee and performance fee paid in units were issued at the beginning of the period.

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DPU

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

	Notes	Group			
		Year to Date			
		1/4/19 to 30/6/19	1/4/18 to 30/6/18	1/1/19 to 30/6/19	1/1/18 to 30/6/18
Number of units issued and to be issued at end of period entitled to distribution	(a)	1,081,138,360	1,072,932,745	1,081,138,360	1,072,932,745
DPU based on the total number of units entitled to distribution (cents)	(b)	1.321	1.419	2.834	2.926

Notes:

- (a) Computation of DPU for the period from 1 April 2019 to 30 June 2019 is based on the number of units entitled to distribution:
- (i) Number of units in issue as at 30 June 2019 of 1,079,569,383; and
 - (ii) Units to be issued to the Manager by 30 July 2019 as partial consideration of Manager's base fees incurred for the quarter ended 30 June 2019 of 1,568,977.
- (b) Distribution of 1.321 cents per unit for the period 1 April 2019 to 30 June 2019 will be paid on 28 August 2019.

7 Net Asset Value ("NAV") per unit at the end of the period/year

	Notes	Group		Trust	
		30/6/2019 ^(a)	31/12/2018 ^(b)	30/6/2019 ^(a)	31/12/2018 ^(b)
		NAV per unit attributable to Unitholders (S\$)	0.65	0.66	0.66

Notes:

- (a) NAV per unit is computed based on the net assets attributable to Unitholders. Number of units used to compute NAV per unit as at 30 June 2019 was 1,081,138,360 comprising the number of units in issue as at 30 June 2019 of 1,079,569,383 and units to be issued to the Manager as partial consideration of Manager's base fees incurred for the quarter ended 30 June 2019 of 1,568,977.
- (b) Number of units used to compute NAV per unit as at 31 December 2018 was 1,077,881,375 comprising the number of units in issue as at 31 December 2018 of 1,074,653,480 and units to be issued to the Manager as partial consideration of Manager's base fees incurred for the quarter ended 31 December 2018 of 1,767,462 and performance fees incurred for the full year ended 31 December 2018 of 1,460,433.

**Unaudited Financial Statements Announcement
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8 (i) Review of the performance for the quarter ended 30 June 2019

Gross revenue for the quarter-ended was S\$27.8 million, a decrease of S\$2.2 million or 7.4% compared to 2Q 2018. The decrease in gross revenue for the quarter ended 30 June 2019 was mainly due to lower revenue from Cache Gul LogisCentre (formerly known as Precise Two) as a result of the conversion from a master lease to a multi-tenancy lease structure, absence of contribution from the divestment of 40 Alps Ave in May 2018 and Jinshan Chemical Warehouse in December 2018, and transitory downtime between replacement tenants in Commodity Hub during the quarter. This was partially offset by contribution from the newly acquired warehouse in Altona, Victoria, Australia in April 2019.

NPI for the quarter was S\$20.5 million, a decrease of S\$1.2 million or 5.4% compared to 2Q 2018. The decrease in NPI was mainly attributable to lower revenue and higher property expenses mainly from the conversion of Commodity Hub and Cache Gul LogisCentre (formerly known as Precise Two) from a master lease to a multi-tenancy lease structure. This was partially offset by S\$1.5 million land rent that was excluded from property expenses following the adoption of FRS 116 effective 1 January 2019.

Net financing costs for the quarter were S\$5.4 million, an increase of S\$0.8 million or 16.2% compared to 2Q 2018. The increase in net financing costs for the quarter was mainly attributable to interest expenses on lease liabilities recognised as a result of the adoption of FRS 116. Excluding FRS 116 adjustments, finance costs for the quarter would have been S\$4.7 million, a marginal increase of S\$0.01 million or 0.3% compared to 2Q 2018. The all-in-financing cost averaged 3.85% for the quarter and the aggregate leverage stood at 37.9% as at 30 June 2019.

Distributable amount to Unitholders in 2Q 2019 amounted to S\$14.3 million, 6.2% lower compared to the corresponding period last year. The lower distribution was mainly due to lower performance of the Singapore portfolio attributable to Commodity Hub and Cache Gul LogisCentre (formerly known as Precise Two) and a one-off reversal of professional fees associated with 51 Alps Ave's legal proceedings in 2Q 2018.

8 (ii) Review of the performance for the six-month period ended 30 June 2019

Gross revenue for the six months ended was S\$58.6 million, a decrease of S\$0.4 million or 0.7% compared to 2H 2018. The decrease in gross revenue was mainly due to lower revenue from Cache Gul LogisCentre (formerly known as Precise Two) as a result of the conversion from a master lease to a multi-tenancy lease structure as well as absence of contribution from the divestment of 40 Alps Ave in May 2018 and Jinshan Chemical Warehouse in December 2018. This was partially offset by contribution from a warehouse in Altona, Victoria, Australia acquired in April 2019 and the full half-year contribution from the 9-property Australia portfolio acquired in February 2018.

NPI for the six months ended was S\$44.2 million, a decrease of S\$0.3 million or 0.6% compared to 2H 2018. The decrease in NPI was mainly attributable to lower performance of the Singapore portfolio as a result of the conversion of Commodity Hub and Cache Gul LogisCentre (formerly known as Precise Two) from a master lease to a multi-tenancy lease structure as well as lower contribution from the divestment of 40 Alps Ave and Jinshan Chemical Warehouse. This was partially offset by the full half-year contribution from the 9-property Australia portfolio acquired in February 2018, contribution from the warehouse in Altona, Victoria, Australia acquired in April 2019 as well as a S\$3.0 million land rent that was excluded from property expenses following the adoption of FRS 116 effective 1 January 2019.

Net financing costs for the six months ended were S\$10.7 million, 17.4% higher than 2H 2018. The increase in net financing costs was mainly attributable to interest expenses on lease liabilities recognised as a result of the adoption of FRS 116. Excluding FRS 116 adjustments, finance costs would have been S\$9.2 million, a marginal increase of S\$0.09 million or 0.9% compared to 2H 2018. The all-in financing cost for the period averaged 3.86%.

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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 2019 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.

According to advance estimates from the Ministry of Trade & Industry, Singapore's economy grew by 0.1% on a y-o-y basis in the second quarter of 2019, slower than the 1.1% growth experienced in 1Q 2019. The economy contracted by 3.4% on a q-o-q seasonally-adjusted annualised basis, after seeing a growth of 3.8% in the previous quarter. On a y-o-y basis, the manufacturing sector tightened by 3.8% in 2Q 2019, extending the 0.4% decline from the preceding quarter. This was mainly due to output declines in the electronics and precision engineering clusters, which more than offset the output expansions in the rest of the manufacturing clusters.¹

Based on JTC's report on 1Q 2019, the occupancy rate of the overall industrial property market in Singapore in 1Q 2019 remained unchanged on a q-o-q basis. However, warehouse occupancy was lower by 0.3% on a q-o-q basis. Both industrial space prices and rentals were fairly stable in the first quarter of 2019. As compared to the previous quarter, the overall industrial property sector price index fell marginally by 0.1% while rental index was flat.²

With an uncertain outlook on ongoing trade tensions, both Knight Frank and Savills expect industrial space demand in Singapore to remain soft. For the second quarter of 2019, monthly gross rents of industrial properties saw a dipped of 1.0% q-o-q due to weaker sentiments in the manufacturing sector. Industrial rents continue to face pressure on the back of a subdued economic outlook, volatile external environment and contraction in the electronics sector. However, 1.6 million sq ft of warehouse space is expected to be brought to market in 2019, down from the 10-yr annual average of 3.9 million sq ft. With the moderated pipeline supply and measured growth in certain sectors, the industrial market and rental prices are expected to remain largely stable.^{3,4}

At the Reserve Bank of Australia's meeting in July 2019, the RBA lowered the cash rate by 25 basis points to 1.0%. In its recent statement, the RBA mentioned that "the central scenario for Australia's economy continues to remain reasonable, with growth around trend expected". An increase in infrastructure investment has offset the subdued consumption growth. A pick-up in activity in the resources sector is also expected, partly due to an increase in Australia's exports prices.⁵

The Manager continues to employ its multi-pronged strategy to maintain its competitiveness and is committed to its proactive leasing and asset management strategy to enhance organic growth. The Manager will also continue to execute its Portfolio Rebalancing and Growth Strategy by pursuing strategic acquisition opportunities and executing asset enhancement initiatives to grow earnings as well as the portfolio value over time to generate sustainable returns and value for our Unitholders.

¹ Ministry of Trade and Industry, Press Release, "Singapore's GDP Grew by 0.1 Per Cent in the Second Quarter of 2019", 12 July 2019.

² JTC Quarterly Market Report. First Quarter 2019.

³ Knight Frank Singapore Research, Industrial, Q2 2019 Industrial Market Snapshot.

⁴ Savills Research, Industrial rental market remains soft, June 2019.

⁵ Reserve Bank of Australia, Statement by Philip Lowe, Governor: Monetary Policy Decision, 2 July 2019.

11 Distributions

(a) Current financial period

Any distribution declared for the current period? Yes

Name of distribution: Distribution for the period from 1 April 2019 to 30 June 2019

Distribution Type:

Distribution Income Period	1/4/19 to 30/6/19
Distribution Type	cents
Tax exempt income component	0.219
Taxable income component	1.062
Capital component	0.040
Total	1.321

Number of units entitled to distribution: 1,081,138,360

Par value of units: Not meaningful

Tax rate: **Tax exempt income component**
The tax-exempt income component of the distribution is exempt from tax in the hands of all Unitholders.

Taxable income component
Distributions are derived from 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 units as investment assets will be tax exempt. However, distributions made to individuals who hold units as trading assets or through a partnership in Singapore 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 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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(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 2018 to 30 June 2018

Distribution Type:

Distribution Income Period	1/4/18 to 30/6/18
Distribution Type	cents
Tax exempt income component	0.224
Taxable income component	1.157
Capital component	0.038
Total	1.419

Number of units entitled to distribution: 1,072,932,745

Par value of units: Not meaningful

Tax rate:

Tax exempt income component

The tax-exempt income component of the distribution is exempt from tax in the hands of all Unitholders.

Taxable income component

Distributions are derived from 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 units as investment assets will be tax exempt. However, distributions made to individuals who hold units as trading assets or through a partnership in Singapore 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 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

(c) **Date Payable** 28 August 2019

(d) **Books Closure Date /
Record Date** 2 August 2019

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

Not applicable.

13 Interested Party Transaction Mandate

Cache does not have in place a general mandate 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 2019, statements of total return & distribution statements, statement of cash flows and statements of movements in Unitholders' funds for the quarter ended on that date), together with their accompanying notes, to be false or misleading, in any material aspect.

15 Confirmation pursuant to Rule 720(1) of the Listing Manual

The Board of Directors of the Manager hereby confirms that the undertakings from all its directors and executive officers as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual were procured.

16 Certificate pursuant to Paragraph 7.3 of the Property Funds Appendix

The Manager hereby certifies that in relation to the distribution to the Unitholders of Cache for the quarter ended 30 June 2019:

- (a) Cache will declare a distribution which is classified as capital distribution from a tax perspective, being reimbursements received from vendor in relation to outstanding lease incentives at the point of completion of the acquisition of certain properties in Australia and rental support received from the vendor in relation to a property acquired in Australia, in addition to the income available for distribution for the quarter ended 30 June 2019;
- (b) The Manager is satisfied on reasonable grounds that, immediately after making the distributions, Cache will be able to fulfill, from its deposited properties, its liabilities as they fall due.

The distribution is computed based on the accounts of Cache for the quarter ended 30 June 2019 and is verified by our external tax consultant.

Currently, Cache distributes 100.0% of its taxable income to Unitholders.

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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 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 TRUST MANAGEMENT (CACHE) LIMITED
AS MANAGER OF CACHE LOGISTICS TRUST
(Company registration no. 200919331H)

Chia Nam Toon
Director
25 July 2019

For enquiries, please contact:

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The Board of Directors
ARA Trust Management (Cache) Limited
(in its capacity as manager of Cache Logistics Trust)
5 Temasek Boulevard
#12-01 Suntec Tower 5
Singapore 038985

24 July 2019

Cache Logistics Trust Review of Interim Financial Information

We have reviewed the accompanying Interim Financial Information of Cache Logistics Trust (the "Trust") and its subsidiaries (collectively the "Group") for the quarter ended 30 June 2019. The Interim Financial Information consists of the following:

- Statements of financial position of the Group and the Trust as at 30 June 2019;
- Portfolio statements of the Group and the Trust as at 30 June 2019;
- Statement of total return of the Group for the quarter and six-month period 30 June 2019;
- Distribution statement of the Group for the quarter and six-month period 30 June 2019;
- Statements of movements in unitholders' funds of the Group and the Trust for the six-month period ended 30 June 2019;
- Statement of cash flows of the Group for the six-month period ended 30 June 2019; and
- Certain explanatory notes to the above financial information.

The management of ARA 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 recommendations of the Statement of Recommended Accounting Practice ("RAP") *7 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 recommendations of RAP 7 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
Public Accountants and
Chartered Accountants

Singapore
24 July 2019