



**Cache Logistics Trust  
2018 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 2018 comprised of 27 high quality logistics warehouse properties located in Singapore, Australia and China (collectively "Investment Properties").

The financial information for the second quarter and six months ended 30 June 2018 set out in this announcement has been extracted from financial information for the period from 1 January 2018 to 30 June 2018 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.

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

|  | Notes | Group                |                      |        |                      |                      |        |
|--|-------|----------------------|----------------------|--------|----------------------|----------------------|--------|
|  |       | 1/4/18 to<br>30/6/18 | 1/4/17 to<br>30/6/17 | Change | Year to Date         |                      | Change |
|  |       |                      |                      |        | 1/1/18 to<br>30/6/18 | 1/1/17 to<br>30/6/17 |        |
|  |       | S\$'000              | S\$'000              | %      | S\$'000              | S\$'000              | %      |
| Gross revenue  |       | 30,028               | 27,894               | 7.7    | 59,054               | 54,952               | 7.5    |
| Net property income  |       | 21,633               | 21,657               | (0.1)  | 44,493               | 42,433               | 4.9    |
| Distributable amount to Unitholders                                |       | 15,228               | 16,253               | (6.3)  | 31,373               | 32,488               | (3.4)  |
| - from operations  |       | 14,820               | 16,135               | (8.1)  | 30,965               | 31,441               | (1.5)  |
| - from capital   | (a)   | 408                  | 118                  | 245.8  | 408                  | 1,047                | (61.0) |
| Distribution per unit ("DPU") (cents) - as reported and recomputed | (b)   | 1.419                | 1.722                | (17.6) | 2.926                | 3.445                | (15.1) |
| - from operations  |       | 1.381                | 1.709                | (19.2) | 2.888                | 3.333                | (13.4) |
| - from capital   |       | 0.038                | 0.013                | 192.3  | 0.038                | 0.112                | (66.1) |
| Annualised DPU (cents)   | (c)   | 5.692                | 6.907                | (17.6) | 5.900                | 6.947                | (15.1) |
| Number of units issued and to be issued at end of period           |       | 1,072,932,745        | 943,874,611          | 13.7   | 1,072,932,745        | 943,874,611          | 13.7   |

**Notes:**

- (a) Capital distribution relates to the capital gains/sale proceeds from the disposal of Kim Heng warehouse in 2015.
- (b) On 4 September 2017, Cache announced the launch of an underwritten and renounceable rights issue (the "Rights Issue") of 162,565,716 new units (the "Rights Units") to raise gross proceeds of approximately S\$102.7 million. The Rights Units were issued on 9 October 2017. For comparison purposes, DPU for 2Q FY2017 and 1H FY2017 were recomputed to reflect the effect of bonus element in the rights issue.

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.

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**1(a)(i) Statement of Total Return and Distribution Statement for the second quarter and six months ended 30 June 2018**

|   | Notes | Group                |                      |              |                      |                      |              |
|---|-------|----------------------|----------------------|--------------|----------------------|----------------------|--------------|
|   |       | 1/4/18 to<br>30/6/18 | 1/4/17 to<br>30/6/17 | Change       | Year to Date         |                      | Change       |
|   |       |                      |                      |              | 1/1/18 to<br>30/6/18 | 1/1/17 to<br>30/6/17 |              |
|   |       | S\$'000              | S\$'000              | %            | S\$'000              | S\$'000              | %            |
| <b>Statement of Total Return</b>                                      |       |                      |                      |              |                      |                      |              |
| <b>Gross revenue</b>  | (a)   | <b>30,028</b>        | <b>27,894</b>        | <b>7.7</b>   | <b>59,054</b>        | <b>54,952</b>        | <b>7.5</b>   |
| Property expenses   | (b)   | (8,395)              | (6,237)              | 34.6         | (14,561)             | (12,519)             | 16.3         |
| <b>Net property income</b>  |       | <b>21,633</b>        | <b>21,657</b>        | <b>(0.1)</b> | <b>44,493</b>        | <b>42,433</b>        | <b>4.9</b>   |
| Net financing costs   | (c)   | (4,669)              | (4,681)              | (0.3)        | (9,076)              | (9,316)              | (2.6)        |
| Manager's base fee  | (d)   | (1,682)              | (1,568)              | 7.3          | (3,429)              | (3,117)              | 10.0         |
| Manager's performance fee   | (d)   | (324)                | (324)                | -            | (667)                | (636)                | 4.9          |
| Trustee fees  |       | (138)                | (140)                | (1.4)        | (296)                | (266)                | 11.3         |
| Other trust expenses  | (e)   | (652)                | (766)                | (14.9)       | (1,251)              | (1,644)              | (23.9)       |
| Foreign exchange gain/(loss)  |       | 64                   | (152)                | 142.1        | (4,833)              | (205)                | nm           |
|   |       | <b>(7,401)</b>       | <b>(7,631)</b>       | <b>(3.0)</b> | <b>(19,552)</b>      | <b>(15,184)</b>      | <b>28.8</b>  |
| <b>Net income</b>   |       | <b>14,232</b>        | <b>14,026</b>        | <b>1.5</b>   | <b>24,941</b>        | <b>27,249</b>        | <b>(8.5)</b> |
| Gain on disposal of investment property                               | (f)   | 2,735                | -                    | nm           | 2,735                | -                    | nm           |
| Net change in fair value of financial derivatives                     | (g)   | 270                  | -                    | nm           | 850                  | -                    | nm           |
| <b>Total return for the period before taxation and distribution</b>   |       | <b>17,237</b>        | <b>14,026</b>        | <b>22.9</b>  | <b>28,526</b>        | <b>27,249</b>        | <b>4.7</b>   |
| Tax expense   | (h)   | (401)                | (313)                | 28.1         | (773)                | (656)                | 17.8         |
| <b>Total return for the period after taxation before distribution</b> |       | <b>16,836</b>        | <b>13,713</b>        | <b>22.8</b>  | <b>27,753</b>        | <b>26,593</b>        | <b>4.4</b>   |
| <b>Attributable to:</b>   |       |                      |                      |              |                      |                      |              |
| Unitholders   |       | 15,465               | 13,713               | 12.8         | 25,493               | 26,593               | (4.1)        |
| Perpetual securities holders  | (i)   | 1,371                | -                    | nm           | 2,260                | -                    | nm           |
|   |       | <b>16,836</b>        | <b>13,713</b>        | <b>22.8</b>  | <b>27,753</b>        | <b>26,593</b>        | <b>4.4</b>   |

|   | Notes | Group                |                      |                |                      |                      |                |
|---|-------|----------------------|----------------------|----------------|----------------------|----------------------|----------------|
|   |       | 1/4/18 to<br>30/6/18 | 1/4/17 to<br>30/6/17 | Change         | Year to Date         |                      | Change         |
|   |       |                      |                      |                | 1/1/18 to<br>30/6/18 | 1/1/17 to<br>30/6/17 |                |
|   |       | S\$'000              | S\$'000              | %              | S\$'000              | S\$'000              | %              |
| <b>Distribution Statement</b>   |       |                      |                      |                |                      |                      |                |
| <b>Total return for the period attributable to Unitholders and perpetual securities holders</b> |       | <b>16,836</b>        | <b>13,713</b>        | <b>22.8</b>    | <b>27,753</b>        | <b>26,593</b>        | <b>4.4</b>     |
| Less: Amount reserved for distribution to perpetual securities holders                          | (i)   | (1,371)              | -                    | nm             | (2,260)              | -                    | nm             |
| Distribution adjustments:   |       |                      |                      |                |                      |                      |                |
| Manager's fees paid/payable in units  | (d)   | 1,505                | 1,419                | 6.1            | 3,072                | 2,815                | 9.1            |
| Trustee fees  |       | 103                  | 140                  | (26.4)         | 204                  | 266                  | (23.3)         |
| Amortisation of transaction costs   | (j)   | 264                  | 366                  | (27.9)         | 550                  | 732                  | (24.9)         |
| Transaction costs written-off   | (k)   | 113                  | -                    | nm             | 113                  | -                    | nm             |
| Project abortive costs  |       | 800                  | -                    | nm             | 800                  | -                    | nm             |
| Net change in fair value of financial derivatives   | (g)   | (270)                | -                    | nm             | (850)                | -                    | nm             |
| Depreciation  | (l)   | 153                  | 243                  | (37.0)         | 330                  | 484                  | (31.8)         |
| Unrealised foreign exchange (gain)/loss   |       | (22)                 | 125                  | (117.6)        | 5,057                | 194                  | nm             |
| Gain on disposal of investment property   | (f)   | (2,735)              | -                    | nm             | (2,735)              | -                    | nm             |
| Commitment fee  |       | 72                   | 74                   | (2.7)          | 145                  | 151                  | (4.0)          |
| 51 Alps Ave compensation amount   | (m)   | (279)                | -                    | nm             | (464)                | -                    | nm             |
| Other items   | (n)   | 213                  | 55                   | 287.3          | 171                  | 206                  | (17.0)         |
| Net profit from subsidiaries  | (o)   | (5,488)              | -                    | nm             | (9,783)              | -                    | nm             |
| <b>Distribution adjustments</b>   |       | <b>(5,571)</b>       | <b>2,422</b>         | <b>(330.0)</b> | <b>(3,390)</b>       | <b>4,848</b>         | <b>(169.9)</b> |
| <b>Taxable income</b>   |       | <b>9,894</b>         | <b>16,135</b>        | <b>(38.7)</b>  | <b>22,103</b>        | <b>31,441</b>        | <b>(29.7)</b>  |
| Tax exempt income (Australia)   | (p)   | 4,926                | -                    | nm             | 8,862                | -                    | nm             |
| <b>Income available for distribution</b>  |       | <b>14,820</b>        | <b>16,135</b>        | <b>(8.1)</b>   | <b>30,965</b>        | <b>31,441</b>        | <b>(1.5)</b>   |
| A portion of sales proceeds from the disposal of Kim Heng warehouse                             |       | 408                  | 118                  | 245.8          | 408                  | 1,047                | (61.0)         |
| <b>Distributable amount to Unitholders</b>  | (q)   | <b>15,228</b>        | <b>16,253</b>        | <b>(6.3)</b>   | <b>31,373</b>        | <b>32,488</b>        | <b>(3.4)</b>   |

nm denotes "not meaningful"

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**Notes:**

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

The increase in gross revenue for the quarter ended 30 June 2018 was mainly due to the 9 Australia warehouses which were acquired on 15 February 2018, higher revenue from Schenker new lease agreement commencing November 2017 and top-up to market rental for the quarter in line with the amicable resolution at 51 Alps Avenue, Singapore ("51 Alps Ave") as announced on 31 October 2017 as well as higher revenue from DHL Supply Chain Advanced Regional Centre ("DSC ARC"). This was partly offset by lower contribution from Cache Changi Districentre 2 ("DC2"), Pandan Logistics Hub and divestment of 40 Alps Ave.

- (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 increase was primarily due to higher property tax, land rent, leasing commissions and maintenance expenses as a result of the conversion from a master lease to a multi-tenancy lease structure at CWT Commodity Hub during the quarter as well as higher expenses from the enlarged Australia portfolio.

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

| Notes                             | Group                |                      |              |                      |                      |              |
|-----------------------------------|----------------------|----------------------|--------------|----------------------|----------------------|--------------|
|                                   | 1/4/18 to<br>30/6/18 | 1/4/17 to<br>30/6/17 | Change       | Year to Date         |                      | Change       |
|                                   |                      |                      |              | 1/1/18 to<br>30/6/18 | 1/1/17 to<br>30/6/17 |              |
|                                   | S\$'000              | S\$'000              | %            | S\$'000              | S\$'000              | %            |
| <b>Finance income :</b>           |                      |                      |              |                      |                      |              |
| Bank deposits                     | 40                   | 12                   | 233.3        | 81                   | 22                   | 268.2        |
| <b>Finance expenses :</b>         |                      |                      |              |                      |                      |              |
| Bank loans                        | (3,868)              | (3,442)              | 12.4         | (7,332)              | (6,880)              | 6.6          |
| Interest rate swaps               | (359)                | (810)                | (55.7)       | (950)                | (1,572)              | (39.6)       |
| Amortisation of transaction costs | (j) (294)            | (366)                | (19.7)       | (610)                | (732)                | (16.7)       |
| Transaction costs written-off     | (k) (113)            | -                    | nm           | (113)                | -                    | nm           |
| Others                            | (75)                 | (75)                 | -            | (152)                | (154)                | (1.3)        |
| <b>Net financing costs</b>        | <b>(4,669)</b>       | <b>(4,681)</b>       | <b>(0.3)</b> | <b>(9,076)</b>       | <b>(9,316)</b>       | <b>(2.6)</b> |

The decrease in net financing costs were mainly due to partial repayment of the 4-year S\$185.0 million term loan ("SGD Term Loan") in October 2017 using S\$90.9 million of proceeds from the Rights Issue and in May 2018 using S\$72.5 million of proceeds from the disposal of 40 Alps Ave, partially offset by the new S\$110.0 million term loan drawn to finance the Australia acquisitions in February 2018.

- (d) Manager's fee 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) Other trust expenses include professional fees, listing fees and other non-property related expenses. The decrease in other trust expenses was mainly due to reversal of professional fees associated with the 51 Alps Ave's legal proceedings. This was partly offset by project abortive costs accrued during the current quarter.

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- (f) Relates to the gains on disposal of 40 Alps Ave, Singapore.
- (g) Represents the changes in fair value of interest rate swaps.
- (h) Tax expense includes withholding tax and deferred tax provided for the overseas operations. The increase was mainly attributed to the enlarged Australia portfolio.
- (i) 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.
- (j) Represents non-tax deductible amortised upfront fees on credit facilities.
- (k) Represents unamortised upfront fees written-off in the quarter following the repayment of the associated SGD Term Loan.
- (l) Relates to depreciation of plant and equipment.
- (m) As announced on 31 October 2017, Cache received S\$8.2 million ("Relevant Sum") pursuant to an amicable resolution of the legal proceedings in respect of 51 Alps Ave, Singapore to address costs and lower rental received during the Holding Arrangement and to provide rental top-up to market rental during Schenker Singapore Pte Ltd's tenancy until 31 Aug 2021. An application for advance ruling was filed with Inland Revenue Authority of Singapore ("IRAS") to treat the Relevant Sum as tax transparent. On 28 March 2018, IRAS issued a Ruling stating that tax transparency treatment would not apply on the basis that the lump sum payment is not rental income or income ancillary to the management and holding of property. A separate submission has been filed with IRAS to further substantiate the position that the Relevant Sum be treated as tax transparent income. In the meantime, S\$0.3 million (net of relevant expenses) has been retained for the second quarter ended 30 June 2018. As at 30 June 2018, the Trust has cumulatively retained a total of S\$2.4 million, net of relevant expenses, pending resolution on the appropriate tax treatment.
- (n) Relates to specific property and finance expenses that are non-tax deductible and other tax adjustments.
- (o) Relates to net income from the Trust's subsidiaries.
- (p) Relates to distribution of income from the Australia portfolio that has been received in Singapore (net of Australia withholding tax).
- (q) 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.

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1(b)(i) Statements of Financial Position

|                                      | Notes | Group            |                  | Trust            |                  |
|--------------------------------------|-------|------------------|------------------|------------------|------------------|
|                                      |       | 30/6/18          | 31/12/17         | 30/6/18          | 31/12/17         |
|                                      |       | S\$'000          | S\$'000          | S\$'000          | S\$'000          |
| <b>Non-current assets</b>            |       |                  |                  |                  |                  |
| Investment properties                | (a)   | 1,321,226        | 1,137,913        | 921,785          | 917,400          |
| Plant and equipment                  |       | 1,932            | 2,268            | 1,552            | 1,964            |
| Investments in subsidiaries          | (b)   | -                | -                | 171,990          | 83,699           |
| <b>Total non-current assets</b>      |       | <b>1,323,158</b> | <b>1,140,181</b> | <b>1,095,327</b> | <b>1,003,063</b> |
| <b>Current assets</b>                |       |                  |                  |                  |                  |
| Trade and other receivables          | (c)   | 8,333            | 4,763            | 4,880            | 4,143            |
| Asset held for sale                  | (d)   | -                | 69,000           | -                | 69,000           |
| Amounts due from subsidiaries        |       | -                | -                | 159,335          | 53,110           |
| Derivative assets                    | (e)   | 112              | 38               | 112              | 38               |
| Cash and cash equivalents            |       | 17,752           | 14,969           | 8,137            | 11,610           |
| <b>Total current assets</b>          |       | <b>26,197</b>    | <b>88,770</b>    | <b>172,464</b>   | <b>137,901</b>   |
| <b>Total assets</b>                  |       | <b>1,349,355</b> | <b>1,228,951</b> | <b>1,267,791</b> | <b>1,140,964</b> |
| <b>Current liabilities</b>           |       |                  |                  |                  |                  |
| Trade and other payables             |       | (12,234)         | (15,157)         | (8,665)          | (13,428)         |
| Provisions                           | (f)   | (1,217)          | -                | (1,217)          | -                |
| Interest bearing borrowings          | (g)   | (47,634)         | (124,993)        | (47,634)         | (124,993)        |
| Derivative liabilities               | (e)   | (187)            | (1,071)          | (187)            | (1,071)          |
| <b>Total current liabilities</b>     |       | <b>(61,272)</b>  | <b>(141,221)</b> | <b>(57,703)</b>  | <b>(139,492)</b> |
| <b>Non-current liabilities</b>       |       |                  |                  |                  |                  |
| Trade and other payables             |       | (4,753)          | (1,091)          | (4,753)          | (1,091)          |
| Interest bearing borrowings          | (g)   | (426,410)        | (319,670)        | (348,212)        | (238,708)        |
| Derivative liabilities               | (e)   | (629)            | (951)            | (422)            | (686)            |
| Deferred tax liabilities             |       | (350)            | (350)            | -                | -                |
| <b>Total non-current liabilities</b> |       | <b>(432,142)</b> | <b>(322,062)</b> | <b>(353,387)</b> | <b>(240,485)</b> |
| <b>Total liabilities</b>             |       | <b>(493,414)</b> | <b>(463,283)</b> | <b>(411,090)</b> | <b>(379,977)</b> |
| <b>Net assets</b>                    |       | <b>855,941</b>   | <b>765,668</b>   | <b>856,701</b>   | <b>760,987</b>   |
| <b>Represented by:</b>               |       |                  |                  |                  |                  |
| Unitholders' funds                   | (h)   | 754,440          | 765,668          | 755,200          | 760,987          |
| Perpetual securities holders' fund   | (i)   | 101,501          | -                | 101,501          | -                |
|                                      |       | <b>855,941</b>   | <b>765,668</b>   | <b>856,701</b>   | <b>760,987</b>   |

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**Notes:**

- (a) Represents the carrying value of the existing investment properties, including asset enhancement initiatives, straight-line effective rental adjustments, translation differences and the carrying value of the 9 Australian warehouses acquired on 15 February 2018.
- (b) Relates to wholly-owned subsidiaries of Cache, stated at cost. The increase in the investment value represents investment in an Australia subsidiary relating to the acquisition of 9 sub-trusts in Australia.
- (c) The increase in trade and other receivables was mainly due to the higher trade receivables and prepayments arising from the newly acquired Australia properties.
- (d) As at 31 December 2017, 40 Alps Ave was classified as an asset held for sale. The classification complies with FRS 105 Non-current Assets held for Sale and Discontinued Operations where a divestment is planned within the next 12 months from the reporting date. The divestment was completed on 18 May 2018.
- (e) Relates to the fair value of interest rate swaps and forward foreign currency exchange contracts. During the quarter, the Group entered into 2 forward interest rate swaps totaling S\$200.0 million effective from October 2018.
- (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 April 2019. As at 30 June 2018, \$0.2 million was utilised.
- (g) Refer to Item 1(b)(ii), Aggregate amount of Borrowings and Debt Securities, for details.
- (h) Refer to Item 1(d)(i), the Statement of Movements in Unitholders' Funds, for details. Changes were mainly due to movement in translation reserves and the effective portion of changes in fair value of cash flow hedges, return and distribution to unitholders for the period.
- (i) On 1 February 2018, the Trust issued S\$100.0 million of fixed rate Perpetual Securities. The Perpetual Securities, net of issuance costs, are classified as equity instruments and recorded as equity in the Statement of Movements in Unitholder's Funds.

As at 30 June 2018, Cache's current liabilities exceeded its current assets primarily due to current borrowings. The current borrowings comprise of S\$21.6 million balance remaining of the SGD Term Loan, S\$10.0 million drawn from the Revolving Credit Facility ("RCF") and an unsecured A\$16.0 million term loan maturing in October 2018.

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

|                                      | Group          |                | Trust          |                |
|--------------------------------------|----------------|----------------|----------------|----------------|
|                                      | 30/6/18        | 31/12/17       | 30/6/18        | 31/12/17       |
|                                      | S\$'000        | S\$'000        | S\$'000        | S\$'000        |
| <b>Secured borrowings</b>            |                |                |                |                |
| Amount repayable within one year     | 31,606         | 108,717        | 31,606         | 108,717        |
| Less : Unamortised transaction costs | (90)           | (417)          | (90)           | (417)          |
|                                      | 31,516         | 108,300        | 31,516         | 108,300        |
| Amount repayable after one year      | 228,399        | 231,231        | 150,000        | 150,000        |
| Less : Unamortised transaction costs | (701)          | (957)          | (500)          | (688)          |
|                                      | 227,698        | 230,274        | 149,500        | 149,312        |
| <b>Unsecured borrowing</b>           |                |                |                |                |
| Amount repayable within one year     | 16,123         | 16,706         | 16,123         | 16,706         |
| Less : Unamortised transaction costs | (5)            | (13)           | (5)            | (13)           |
|                                      | 16,118         | 16,693         | 16,118         | 16,693         |
| Amount repayable after one year      | 200,000        | 90,000         | 200,000        | 90,000         |
| Less : Unamortised transaction costs | (1,288)        | (604)          | (1,288)        | (604)          |
|                                      | 198,712        | 89,396         | 198,712        | 89,396         |
| <b>Total borrowings</b>              | <b>474,044</b> | <b>444,663</b> | <b>395,846</b> | <b>363,701</b> |

Notes:

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

- a secured 4-year term loan of S\$185.0 million maturing in 2018<sup>(1)</sup>;
- a secured 5-year term loan of S\$150.0 million maturing in 2019;
- a secured committed RCF of S\$65.0 million maturing in 2018;
- an unsecured 5-year term loan of S\$90.0 million maturing in 2021; and
- an unsecured 5-year term loan of S\$110.0 million maturing in 2023.

(1) The SGD Term Loan - Trust repaid a total of S\$163.4 million using proceeds from the Rights Issue in October 2017 and proceeds from the disposal of 40 Alps Ave in May 2018.

The secured term loans indicated in (a) above are secured by way of:

- a first mortgage over CWT Commodity Hub, Cache Cold Centre, Schenker Megahub, Cache Changi Districentre 1, Precise Two (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; and
- an assignment of all insurance policies in relation to the Charged Properties.

As at 30 June 2018, a total of S\$381.6 million has been drawn.

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

- a secured 4-year term loan of A\$29.3 million maturing in 2019;
- a secured 5-year term loans of A\$48.5 million maturing in 2020; and
- an unsecured 3-year term loan of A\$16.0 million maturing in 2018.

As at 30 June 2018, 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 Australian properties, namely Chester Hill (NSW), Somerton (VIC), Coopers Plains (QLD), Wacol (QLD) and Kidman Park (SA).

During the first quarter ended 31 March 2018, the Group had repaid a secured A\$14.0 million term loan using internal source of funds. The associated second mortgages over Chester Hill (NSW), Somerton (VIC), Coopers Plains (QLD) were discharged accordingly.



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**1(c) Statement of Cash Flows**

|   | Notes | Group                |                      |                      |                      |
|---|-------|----------------------|----------------------|----------------------|----------------------|
|   |       | 1/4/18 to<br>30/6/18 | 1/4/17 to<br>30/6/17 | Year to Date         |                      |
|   |       |                      |                      | 1/1/18 to<br>30/6/18 | 1/1/17 to<br>30/6/17 |
|   |       | S\$'000              | S\$'000              | S\$'000              | S\$'000              |
| <b>Cash flows from operating activities</b>                     |       |                      |                      |                      |                      |
| Total return for the period before taxation and distribution    |       | 17,237               | 14,026               | 28,526               | 27,249               |
| Adjustments for:  |       |                      |                      |                      |                      |
| Manager's fees paid/payable in units                            |       | 1,505                | 1,419                | 3,072                | 2,815                |
| Depreciation  |       | 188                  | 243                  | 399                  | 484                  |
| Net financing costs   | (a)   | 4,669                | 4,681                | 9,076                | 9,316                |
| Net change in fair value of financial derivatives               |       | (270)                | -                    | (850)                | -                    |
| Loss on disposal of plant and equipment                         |       | -                    | -                    | -                    | 21                   |
| Gain on disposal of investment property                         |       | (2,735)              | -                    | (2,735)              | -                    |
| Changes in:   |       |                      |                      |                      |                      |
| Trade and other receivables                                     |       | (546)                | (1,937)              | (5,114)              | (2,639)              |
| Trade and other payables  |       | (1,457)              | 655                  | 383                  | 36                   |
| Provisions  |       | (163)                | -                    | (163)                | -                    |
| <b>Cash generated from operations</b>                           |       | <b>18,428</b>        | <b>19,087</b>        | <b>32,594</b>        | <b>37,282</b>        |
| Tax paid  |       | (357)                | (122)                | (661)                | (377)                |
| <b>Net cash from operating activities</b>                       |       | <b>18,071</b>        | <b>18,965</b>        | <b>31,933</b>        | <b>36,905</b>        |
| <b>Cash flows from investing activities</b>                     |       |                      |                      |                      |                      |
| Interest received   |       | 40                   | 12                   | 81                   | 22                   |
| Acquisition of investment properties, net of cash acquired      | (b)   | (12)                 | -                    | (193,999)            | -                    |
| Capital expenditure on investment properties                    | (c)   | (1,105)              | (695)                | (2,207)              | (1,023)              |
| Purchase of plant and equipment                                 |       | (17)                 | -                    | (144)                | -                    |
| Purchase of investment properties                               | (d)   | -                    | -                    | -                    | (25,438)             |
| Net proceeds from disposal of investment property               | (e)   | 72,782               | -                    | 72,782               | 25,273               |
| <b>Net cash from/(used in) investing activities</b>             |       | <b>71,688</b>        | <b>(683)</b>         | <b>(123,487)</b>     | <b>(1,166)</b>       |
| <b>Cash flows from financing activities</b>                     |       |                      |                      |                      |                      |
| Proceeds from issuance of perpetual securities                  | (f)   | -                    | -                    | 100,000              | -                    |
| Issue costs paid in relation to perpetual securities            | (g)   | (24)                 | -                    | (759)                | -                    |
| Proceeds from borrowings  | (h)   | 3,000                | 12,000               | 120,000              | 19,000               |
| Repayment of borrowings   | (i)   | (72,494)             | (7,000)              | (86,929)             | (17,000)             |
| Interest paid   |       | (4,318)              | (4,362)              | (8,431)              | (8,698)              |
| Financing costs paid  |       | -                    | -                    | (825)                | -                    |
| Distributions to Unitholders                                    |       | (16,145)             | (16,235)             | (33,224)             | (32,893)             |
| <b>Net cash (used in)/from financing activities</b>             |       | <b>(89,981)</b>      | <b>(15,597)</b>      | <b>89,832</b>        | <b>(39,591)</b>      |
| <b>Net (decrease)/increase in cash and cash equivalents</b>     |       | <b>(222)</b>         | <b>2,685</b>         | <b>(1,722)</b>       | <b>(3,852)</b>       |
| <b>Cash and cash equivalents at the beginning of the period</b> |       | <b>18,004</b>        | <b>7,095</b>         | <b>14,969</b>        | <b>13,561</b>        |
| <b>Effect of exchange rate fluctuations on cash held</b>        |       | <b>(30)</b>          | <b>116</b>           | <b>4,505</b>         | <b>187</b>           |
| <b>Cash and cash equivalents at the end of the period</b>       |       | <b>17,752</b>        | <b>9,896</b>         | <b>17,752</b>        | <b>9,896</b>         |

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**Notes:**

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

|   | <b>Group</b>                 |                              |
|---|------------------------------|------------------------------|
|   | <b>1/1/18 to<br/>30/6/18</b> | <b>1/1/17 to<br/>30/6/17</b> |
|   | <b>S\$'000</b>               | <b>S\$'000</b>               |
| 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) Represents asset enhancement initiatives for existing investment properties.
- (d) Amount incurred for the acquisition of a warehouse in Australia which was completed on 22 March 2017.
- (e) Represents the net proceeds from the disposal of 40 Alps Ave in May 2018 and Cache Changi Districentre 3 in January 2017.
- (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 drawdown in February 2018 of S\$110.0 million from a term loan to finance the 9-property Australian portfolio acquisition and, separately, drawdown of RCF for working capital purposes.
- (i) Represents repayment of the A\$14.0 million secured term loan that matured in February 2018 and partial repayment of the SGD Term Loan in May 2018 using proceeds from disposal of 40 Alps Ave.

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

|   | Notes | Group                |                      |                      |                      |
|---|-------|----------------------|----------------------|----------------------|----------------------|
|   |       | 1/4/18 to<br>30/6/18 | 1/4/17 to<br>30/6/17 | Year to Date         |                      |
|   |       |                      |                      | 1/1/18 to<br>30/6/18 | 1/1/17 to<br>30/6/17 |
|   |       | S\$'000              | S\$'000              | S\$'000              | S\$'000              |
| <b>Unitholders' Funds</b>   |       |                      |                      |                      |                      |
| <b>Balance at the beginning of the period</b>   |       | 754,141              | 698,548              | 765,668              | 701,138              |
| <b>Operations</b>   |       |                      |                      |                      |                      |
| Total return for the period after tax, attributable to Unitholders and perpetual securities holders |       | 16,836               | 13,713               | 27,753               | 26,593               |
| Less: Amount reserved for distribution to perpetual securities holders                              |       | (1,371)              | -                    | (2,260)              | -                    |
| <b>Net increase in net assets from operations</b>   |       | <b>15,465</b>        | <b>13,713</b>        | <b>25,493</b>        | <b>26,593</b>        |
| Effective portion of changes in fair values of cash flow hedges                                     | (a)   | (100)                | (807)                | 354                  | (1,949)              |
| <b>Foreign currency translation reserve</b>   |       |                      |                      |                      |                      |
| Translation differences from financial statements of foreign entities                               |       | (183)                | (755)                | (6,423)              | 413                  |
| <b>Net loss recognised directly in Unitholders' funds</b>   |       | <b>(283)</b>         | <b>(1,562)</b>       | <b>(6,069)</b>       | <b>(1,536)</b>       |
| <b>Unitholders' transactions</b>  |       |                      |                      |                      |                      |
| Issue of new units  |       |                      |                      |                      |                      |
| - Manager's base fees paid in units   |       | -                    | -                    | 1,310                | 1,162                |
| Units to be issued:   |       |                      |                      |                      |                      |
| - Manager's base fees payable in units  | (b)   | 1,262                | 1,176                | 1,262                | 1,176                |
| Distributions to Unitholders  |       | (16,145)             | (16,235)             | (33,224)             | (32,893)             |
| <b>Net decrease in net assets resulting from Unitholders' transactions</b>                          |       | <b>(14,883)</b>      | <b>(15,059)</b>      | <b>(30,652)</b>      | <b>(30,555)</b>      |
| <b>Unitholders' funds at the end of the period</b>  |       | <b>754,440</b>       | <b>695,640</b>       | <b>754,440</b>       | <b>695,640</b>       |
| <b>Perpetual Securities Holders' Funds</b>  |       |                      |                      |                      |                      |
| <b>Balance at the beginning of the period</b>   |       | 100,154              | -                    | -                    | -                    |
| Issue of perpetual securities   |       | -                    | -                    | 100,000              | -                    |
| Issue costs   |       | (24)                 | -                    | (759)                | -                    |
| Amount reserved for distribution to perpetual securities holders                                    |       | 1,371                | -                    | 2,260                | -                    |
| <b>Balance as at the end of the period</b>  |       | <b>101,501</b>       | <b>-</b>             | <b>101,501</b>       | <b>-</b>             |
| <b>Total</b>  |       | <b>855,941</b>       | <b>695,640</b>       | <b>855,941</b>       | <b>695,640</b>       |

|   | Notes | Trust                |                      |                      |                      |
|---|-------|----------------------|----------------------|----------------------|----------------------|
|   |       | 1/4/18 to<br>30/6/18 | 1/4/17 to<br>30/6/17 | Year to Date         |                      |
|   |       |                      |                      | 1/1/18 to<br>30/6/18 | 1/1/17 to<br>30/6/17 |
|   |       | S\$'000              | S\$'000              | S\$'000              | S\$'000              |
| <b>Balance at the beginning of the period</b>   |       |                      |                      |                      |                      |
|   |       | 755,325              | 695,742              | 760,987              | 699,943              |
| <b>Operations</b>   |       |                      |                      |                      |                      |
| Total return for the period after tax, attributable to Unitholders and perpetual securities holders |       | 16,274               | 13,306               | 26,832               | 25,587               |
| Less: Amount reserved for distribution to perpetual securities holders                              |       | (1,371)              | -                    | (2,260)              | -                    |
| <b>Net increase in net assets from operations</b>   |       | <b>14,903</b>        | <b>13,306</b>        | <b>24,572</b>        | <b>25,587</b>        |
| Effective portion of changes in fair value of cash flow hedges                                      | (a)   | (145)                | (814)                | 293                  | (1,800)              |
| <b>Unitholders' transactions</b>  |       |                      |                      |                      |                      |
| Issue of new units  |       |                      |                      |                      |                      |
| - Manager's base fees paid in units   |       | -                    | -                    | 1,310                | 1,162                |
| Units to be issued:   |       |                      |                      |                      |                      |
| - Manager's base fees payable in units  | (b)   | 1,262                | 1,176                | 1,262                | 1,176                |
| Distributions to Unitholders  |       | (16,145)             | (16,235)             | (33,224)             | (32,893)             |
| <b>Net decrease in net assets resulting from Unitholders' transactions</b>                          |       | <b>(14,883)</b>      | <b>(15,059)</b>      | <b>(30,652)</b>      | <b>(30,555)</b>      |
| <b>Unitholders' funds at the end of the period</b>  |       | <b>755,200</b>       | <b>693,175</b>       | <b>755,200</b>       | <b>693,175</b>       |
| <b>Perpetual Securities Holders' Funds</b>  |       |                      |                      |                      |                      |
| <b>Balance at the beginning of the period</b>   |       | 100,154              | -                    | -                    | -                    |
| Issue of perpetual securities   |       | -                    | -                    | 100,000              | -                    |
| Issue costs   |       | (24)                 | -                    | (759)                | -                    |
| Amount reserved for distribution to perpetual securities holders                                    |       | 1,371                | -                    | 2,260                | -                    |
| <b>Balance as at the end of the period</b>  |       | <b>101,501</b>       | <b>-</b>             | <b>101,501</b>       | <b>-</b>             |
| <b>Total</b>  |       | <b>856,701</b>       | <b>693,175</b>       | <b>856,701</b>       | <b>693,175</b>       |

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**Notes:**

- (a) Relates to the effective portion of changes in fair values of derivative assets and liabilities 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 2018. The units are to be issued within 30 days from the quarter-end.

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

|  | Notes | Group and Trust      |                      |                      |                      |
|--|-------|----------------------|----------------------|----------------------|----------------------|
|  |       | 1/4/18 to<br>30/6/18 | 1/4/17 to<br>30/6/17 | Year to Date         |                      |
|  |       |                      |                      | 1/1/18 to<br>30/6/18 | 1/1/17 to<br>30/6/17 |
|  |       | Units                | Units                | Units                | Units                |
| Issued units at the beginning of the period  |       | 1,071,274,115        | 901,850,001          | 1,069,700,408        | 900,450,086          |
| Creation of units:                           |       |                      |                      |                      |                      |
| - Manager's base fees paid in units          |       | -                    | -                    | 1,573,707            | 1,399,915            |
| <b>Issued units at the end of the period</b> |       | <b>1,071,274,115</b> | <b>901,850,001</b>   | <b>1,071,274,115</b> | <b>901,850,001</b>   |
| Units to be issued:                          |       |                      |                      |                      |                      |
| - Manager's base fees payable in units       | (a)   | 1,658,630            | 1,292,867            | 1,658,630            | 1,292,867            |
| <b>Total issued and to be issued units</b>   |       | <b>1,072,932,745</b> | <b>903,142,868</b>   | <b>1,072,932,745</b> | <b>903,142,868</b>   |

**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 2018. 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 2017.

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**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 2018 as follows:

(i) FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

There was no significant impact to the financial statements of the Group in respect of FRS 115. Accordingly, comparative financial information presented in this announcement has not been restated.

(ii) FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets, and hedge accounting.

FRS 109 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements.

There was no significant change in measurement basis arising from the adoption of the new classification and measurement model. In assessing impairment losses on financial assets, the Group has adopted the simplified approach and recorded lifetime expected losses on all trade receivables using the expected credit loss model.

There was no significant impact to the financial statements of the Group. Accordingly, the Group did not recognise any adjustments to the opening unitholders’ funds on 1 January 2018.

The Group’s existing hedges that are designated in effective hedging relationships continue to qualify for hedge accounting under FRS 109.

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

**EPU**

|  | Notes | Group                |   |  |                      |   |  |
|--|-------|----------------------|---|--|----------------------|---|--|
|  |       | 1/4/18 to<br>30/6/18 | 1/4/17 to<br>30/6/17<br>Recomputed <sup>(c)</sup> | 1/4/17 to<br>30/6/17<br>Previously<br>reported | Year to Date         |   |  |
|  |       |                      |   |  | 1/1/18 to<br>30/6/18 | 1/1/17 to<br>30/6/17<br>Recomputed <sup>(c)</sup> | 1/1/17 to<br>30/6/17<br>Previously<br>reported |
| Weighted average number of units   |       | 1,071,292,342        | 942,538,284                                       | 901,864,208                                    | 1,070,509,467        | 941,811,500                                       | 901,168,788                                    |
| Earnings per unit for the period based on the weighted average number of units issued and to be issued (cents) | (a)   | 1.44                 | 1.45  | 1.52   | 2.38                 | 2.82  | 2.95   |
| Weighted average number of units on the fully diluted basis  |       | 1,073,252,718        | 944,423,210                                       | 903,667,793                                    | 1,073,252,718        | 944,423,210                                       | 903,667,793                                    |
| Earnings per unit for the period based on the fully diluted basis (cents)                                      | (b)   | 1.44                 | 1.45  | 1.52   | 2.38                 | 2.82  | 2.94   |

**Notes:**

- (a) Basic EPU calculation has been calculated by dividing the total return for the period after tax 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 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.
- (c) The weighted average number of units issued and to be issued and EPU have been recomputed to reflect the effect of bonus element pursuant to the Rights Issue.

**DPU**

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

|   | Notes | Group                |   |  |                      |   |  |
|---|-------|----------------------|---|--|----------------------|---|--|
|   |       | 1/4/18 to<br>30/6/18 | 1/4/17 to<br>30/6/17<br>Recomputed <sup>(c)</sup> | 1/4/17 to<br>30/6/17<br>Previously<br>reported | Year to Date         |   |  |
|   |       |                      |   |  | 1/1/18 to<br>30/6/18 | 1/1/17 to<br>30/6/17<br>Recomputed <sup>(c)</sup> | 1/1/17 to<br>30/6/17<br>Previously<br>reported |
| Number of units issued and to be issued at end of period entitled to distribution | (a)   | 1,072,932,745        | 943,874,611                                       | 903,142,868                                    | 1,072,932,745        | 943,874,611                                       | 903,142,868                                    |
| DPU based on the total number of units entitled to distribution (cents)           | (b)   | 1.419                | 1.722   | 1.800  | 2.926                | 3.445   | 3.600  |

**Notes:**

- (a) Computation of DPU for the period from 1 April 2018 to 30 June 2018 is based on the number of units entitled to distribution:
- (i) Number of units in issue as at 30 June 2018 of 1,071,274,115; and
  - (ii) Units to be issued to the Manager on 31 July 2018 as partial consideration of Manager’s base fees incurred for the quarter ended 30 June 2018 of 1,658,630.
- (b) Distribution of 1.419 cents per unit for the period 1 April 2018 to 30 June 2018 will be paid on 29 August 2018.
- (c) DPU for 2Q FY2017 and 1H FY2017 were recomputed to reflect the effect of bonus element in the Rights Issue for comparison purposes.

**7 Net Asset Value (“NAV”) per unit at the end of the period**

|  | Notes | Group                    |                           | Trust                    |                           |
|--|-------|--------------------------|---------------------------|--------------------------|---------------------------|
|  |       | 30/6/2018 <sup>(a)</sup> | 31/12/2017 <sup>(b)</sup> | 30/6/2018 <sup>(a)</sup> | 31/12/2017 <sup>(b)</sup> |
| NAV per unit attributable to Unitholders (S\$) |       | 0.70                     | 0.72                      | 0.70                     | 0.71                      |

**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 2018 was 1,072,932,745 comprising the number of units in issue as at 30 June 2018 of 1,071,274,115 and units to be issued to the Manager as partial consideration of Manager’s base fees incurred for the quarter ended 30 June 2018 of 1,658,630.
- (b) Number of units used to compute NAV per unit as at 31 December 2017 was 1,069,700,408 comprising the number of units in issue as at 31 December 2017 of 1,067,156,635 and units to be issued to the Manager as partial consideration of Manager’s base fees incurred for the quarter ended 31 December 2017 of 1,378,439 and performance fees incurred for the full year ended 31 December 2017 of 1,165,334.

**8 (i) Review of the performance for the quarter ended 30 June 2018**

Gross revenue for the quarter-ended was S\$30.0 million, an increase of S\$2.1 million or 7.7% compared to 2Q FY2017. The higher revenue was mainly due to the 9-property Australian warehouse portfolio acquired on 15 February 2018, higher revenue from 51 Alps Ave as well as higher revenue from DSC ARC. This was partly offset by a lower contribution from DC2, Pandan Logistics Hub and the divestment of 40 Alps Ave.

NPI for the quarter was S\$21.6 million, a marginal decrease of 0.1% compared to 2Q FY2017. The decrease in NPI was mainly due to higher property expenses as a result of the conversion of CWT Commodity Hub from a master lease to a multi-tenancy lease structure and the newly acquired Australian portfolio, partially offset by higher revenue for the quarter.

Net financing costs for the quarter were S\$4.7 million, 0.3% lower than 2Q FY2017. The decrease in net financing costs was mainly due to a S\$163.4 million partial repayment of debts using the proceeds of the Rights Issue and proceeds from disposal of 40 Alps Ave. This was partially offset by the S\$110.0 million term loan drawn to finance the Australian portfolio acquisition in February 2018. The all-in-financing cost averaged 3.67% for the quarter and the aggregate leverage stood at 35.3% as at 30 June 2018.

Distributable income in 2Q FY2018 amounted to S\$15.2 million, 6.3% lower compared to the corresponding period last year. Although NPI was only marginally lower, the contribution from the Australian portfolio acquisition was insufficient to cover the higher expenses from the conversion of CWT Commodity Hub (as indicated above) and the lower contribution from the divestment of 40 Alps Ave.

For the quarter, approximately S\$0.3 million (net of relevant expenses) is currently pending resolution with IRAS on the appropriate tax treatment, and would be distributed in the relevant future quarter once confirmation is obtained from IRAS. Cumulatively, the Trust has retained a total of S\$2.4 million (net of relevant expenses) as at 30 June 2018.

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**8 ii) Review of the performance for the six-month period ended 30 June 2018**

Gross revenue for the six months ended was S\$59.1 million, an increase of S\$4.1 million or 7.5% compared to 2H FY2017. The higher revenue was mainly due to the 9-property Australian warehouse portfolio acquisition on 15 February 2018, improvement in income at 51 Alps Ave, DSC ARC and Laverton North, Australia. This was partly offset by a lower contribution from DC2 and Pandan Logistics Hub, and the divestment of 40 Alps Ave.

NPI for the six months ended was S\$44.5 million, an increase of S\$2.1 million or 4.9% compared to 2H FY2017. The increase in NPI was mainly due to higher revenue, partially offset by higher property expenses from the conversion of CWT Commodity Hub's lease structure and higher property expenses from the enlarged Australian portfolio.

Net financing costs for the six months ended were S\$9.1 million, 2.6% lower than 2H FY2017. The decrease in net financing costs was mainly due to S\$99.9 million partial repayment of the Term Loan using the proceeds of the Rights Issue in October 2017 and a further S\$72.5 million partial repayment of the Term Loan in May 2018 using proceeds from disposal of 40 Alps Ave. This was partially offset by the S\$110.0 million term loan draw down to finance the Australia acquisitions in February 2018. The all-in financing cost for the period averaged 3.61%.

**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 2018 financial results announcement under Item 10. The Trust has not disclosed any financial forecast to the market.



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**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.**

Based on advance estimates from the Ministry of Trade & Industry, Singapore's economy grew by 3.8% on a year-on-year basis in the second quarter of 2018, slightly lower than the 4.3% growth recorded last quarter. Manufacturing, which remained the key driver of GDP growth, slowed to 8.6% from 9.7% in the first quarter of 2018 while the services sector grew 3.4%, down from 4.0% the previous quarter.<sup>1</sup>

According to JLL, demand for warehouse space was driven mainly by renewals and relocations in 2Q 2018. Gross rents and capital values for warehouse premises were unchanged in 2Q 2018, for the third straight quarter, following ten consecutive quarterly declines. The JLL report also says that, underpinned by a positive business outlook and tapering new supply, warehouse rents and capital values may likely see a turnaround by year-end, barring unforeseen external shocks.<sup>2</sup>

The Reserve Bank of Australia kept the cash rate unchanged in July 2018 at 1.5%. GDP in the country grew strongly in the first quarter of 2018, with the economy expanding by 3.1% over the year. Business conditions in Australia are positive and non-mining business investment is continuing to increase, with higher levels of public infrastructure investment supporting the economy.<sup>3</sup>

As at 30 June 2018, Cache achieved a strong committed portfolio occupancy 96.8% and the WALE by net lettable area was 3.5 years. During the quarter, the Manager converted CWT Commodity Hub from a master lease to a multi-tenancy lease structure. With proactive lease marketing and given the property's strategic location, as at 30 June 2018, the Manager has achieved a strong committed occupancy of 92.7% at the premises, up from 86% in April 2018.

In 2Q FY18, Cache completed the divestment of Hi-Speed Logistics Centre at 40 Alps Ave, Singapore on 18 May 2018. The divestment is in line with the Manager's strategy of proactive portfolio rebalancing and growth strategy to achieve sustainable long-term earnings. The second quarter also saw the first full-quarter revenue contribution from Cache's latest acquisition of a 9-property, 1.5 million-square-foot portfolio in Australia. The acquisition not only provides benefits of income and geographical diversification but also strengthens the Cache portfolio with a longer weighted average lease to expiry (WALE), higher portfolio occupancy and an enlarged base of high-quality logistics tenants and end-users.

Cache's aggregate leverage ratio stood at 35.3% as at 30 June 2018 and the year-to-date all-in financing cost was 3.61%.

On 2 July 2018, ARA Asset Management Limited, through its wholly-owned subsidiaries, completed a share purchase agreement with CWT Pte. Limited (CWT) to acquire all of CWT's shares in the Manager and Property Manager of Cache. At the same time, the Manager announced changes to its board composition. The Manager's name has also been changed to "ARA Trust Management (Cache) Limited".

The Manager is of the view that sentiment has improved to the extent of a recent increase in tenant enquiries. Management remains focused on its proactive asset management strategy to maintain high occupancy and optimise overall returns as well as continue its pursuit of strategic acquisitions and asset enhancement initiatives to grow its portfolio and earnings over time.

<sup>1</sup> Ministry of Trade and Industry, Press Release, 13 July 2018.

<sup>2</sup> JLL, Singapore Property Market Monitor, July 2018.

<sup>3</sup> Reserve Bank of Australia, Statement by Philip Lowe, Governor: Monetary Policy Decision, 3 July 2018.

11 Distributions

(a) Current financial period

Any distribution declared for the current 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 |
|-----------------------------|-------------------|
| <b>Distribution Type</b>    | cents             |
| Tax exempt income component | 0.224             |
| Taxable income component    | 1.157             |
| Capital component           | 0.038             |
| <b>Total</b>                | <b>1.419</b>      |

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

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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 2017 to 30 June 2017

Distribution Type:

| Distribution Income Period  | 1/4/17 to 31/3/17 |
|-----------------------------|-------------------|
| <b>Distribution Type</b>    | cents             |
| Tax exempt income component | 0.286             |
| Taxable income component    | 1.501             |
| Capital component           | 0.013             |
| <b>Total</b>                | 1.800             |

Number of units entitled to distribution: 903,142,868

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** 29 August 2018

(d) **Books Closure Date /  
Record Date** 7 August 2018

**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 2018, 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 2018:

- (a) Cache will declare a distribution which is classified as capital distribution from a tax perspective, being derived a capital gains from the disposal of Kim Heng warehouse in June 2015, in addition to the income available for distribution for the quarter ended 30 June 2018;
- (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 2018 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)

Lim Hwee Chiang  
Director  
31 July 2018

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

30 July 2018

### **Cache Logistics Trust and its subsidiaries 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 and six-month period ended 30 June 2018. The Interim Financial Information consists of the following:

- Statements of financial position of the Group and the Trust as at 30 June 2018;
- Portfolio statements of the Group and the Trust as at 30 June 2018;
- Statement of total return of the Group for the quarter and six-month period ended 30 June 2018;
- Distribution statement of the Group for the quarter and six-month period ended 30 June 2018;
- Statements of movements in unitholders' funds of the Group and the Trust for the quarter and six-month period ended 30 June 2018;
- Statement of cash flows of the Group for the six-month period ended 30 June 2018; 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 provisions 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 provisions 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*

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

**Singapore**  
30 July 2018