



**Cache Logistics Trust
2019 First Quarter Unaudited Financial Statements & Distribution Announcement**

INTRODUCTION

Cache Logistics Trust ("Cache") is a Singapore-based real estate investment trust constituted by the Trust Deed entered into on 11 February 2010 (as amended) between ARA 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 31 March 2019 comprised of 26 quality logistics warehouse properties located in Singapore and Australia (collectively "Investment Properties").

The financial information for the first quarter ended 31 March 2019 set out in this announcement has been extracted from financial information for the period from 1 January 2019 to 31 March 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.

SUMMARY OF RESULTS FOR CACHE LOGISTICS TRUST

	Notes	Group		
		1/1/19 to 31/3/19	1/1/18 to 31/3/18	Change
		S\$'000	S\$'000	%
Gross revenue		30,828	29,026	6.2
Net property income		23,766	22,860	4.0
Distributable amount to Unitholders		16,333	16,145	1.2
- from operations		16,118	16,145	(0.2)
- from capital	(a)	215	-	nm
Distribution per unit ("DPU") (cents)		1.513	1.507	0.4
- from operations		1.493	1.507	(0.9)
- from capital		0.020	-	nm
Annualised DPU (cents)	(b)	6.136	6.112	0.4
Number of units issued and to be issued at end of period		1,079,569,383	1,071,274,115	0.8

Notes:

- (a) The amount 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, which is classified as capital distribution from a tax perspective.
- (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 first quarter ended 31 March 2019

	Notes	Group		
		1/1/19 to 31/3/19	1/1/18 to 31/3/18	Change
		S\$'000	S\$'000	%
Statement of Total Return				
Gross revenue	(a)	30,828	29,026	6.2
Property expenses	(b)	(7,062)	(6,166)	14.5
Net property income		23,766	22,860	4.0
Net financing costs	(c)	(5,228)	(4,407)	18.6
Manager's base fee	(d)	(1,643)	(1,747)	(6.0)
Manager's performance fee	(d)	(334)	(343)	(2.6)
Trustee fees		(146)	(158)	(7.6)
Other trust expenses	(e)	(649)	(599)	8.3
Foreign exchange gain/(loss)	(f)	96	(4,897)	nm
		(7,904)	(12,151)	(35.0)
Net income		15,862	10,709	48.1
Net change in fair value of investment properties	(g)	(757)	-	nm
Net change in fair value of financial derivatives	(h)	46	580	(92.1)
Total return for the period before taxation and distribution		15,151	11,289	34.2
Tax expense	(i)	(552)	(372)	48.4
Total return for the period after taxation before distribution		14,599	10,917	33.7
Attributable to:				
Unitholders		13,243	10,028	32.1
Perpetual securities holders	(j)	1,356	889	52.5
		14,599	10,917	33.7

	Notes	Group		
		1/1/19 to 31/3/19	1/1/18 to 31/3/18	Change
		S\$'000	S\$'000	%
Distribution Statement				
Total return for the period attributable to Unitholders and perpetual securities holders		14,599	10,917	33.7
Less: Amount reserved for distribution to perpetual securities holders	(j)	(1,356)	(889)	52.5
Distribution adjustments:				
Manager's fees paid/payable in units	(d)	1,482	1,567	(5.4)
Trustee fees		97	101	(4.0)
Amortisation of transaction costs	(k)	232	286	(18.9)
Land rent	(l)	(1,506)	-	nm
Interest expenses on lease liabilities	(l)	749	-	nm
Net change in fair value of investment properties	(l)	757	-	nm
Net change in fair value of financial derivatives	(h)	(46)	(580)	(92.1)
Depreciation	(m)	140	177	(20.9)
Foreign exchange (gain)/loss	(f)	(88)	5,079	nm
Commitment fee		38	73	(47.9)
51 Alps Ave compensation amount	(n)	(173)	(185)	(6.5)
Other items	(o)	72	(42)	(271.4)
Net profit from subsidiaries	(p)	(4,832)	(4,295)	12.5
Distribution adjustments		(3,078)	2,181	(241.1)
Taxable income		10,165	12,209	(16.7)
Tax exempt income	(q)	5,953	3,936	51.2
Income available for distribution		16,118	16,145	(0.2)
Capital distribution	(r)	215	-	nm
Distributable amount to Unitholders	(s)	16,333	16,145	1.2

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 31 March 2019 was mainly due to the 9 Australia warehouses which were acquired on 15 February 2018 and higher revenue from CWT Commodity Hub as a result of the conversion from a master lease to a multi-tenancy lease structure. This was partially offset by lower contribution from the divestment of 40 Alps Ave and Jinshan Chemical Warehouse.

- (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, utilities and maintenance expenses as a result of the conversion from a master lease to a multi-tenancy lease structure at CWT Commodity Hub as well as higher expenses from the enlarged Australia portfolio. This was partially off-set by S\$1.5 million land rent that was excluded from the property expenses due to the adoption of Financial Reporting Standard (“FRS”) 116 Leases (“FRS 116”), effective 1 January 2019.

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		
		1/1/19 to 31/3/19	1/1/18 to 31/3/18	Change
		S\$'000	S\$'000	%
Finance income :				
Bank deposits		82	41	100.0
Finance expenses :				
Bank loans		(3,982)	(3,464)	15.0
Interest rate swaps		(280)	(591)	(52.6)
Amortisation of transaction costs	(k)	(260)	(316)	(17.7)
Lease liabilities	(l)	(749)	-	nm
Others		(39)	(77)	(49.4)
Net financing costs		(5,228)	(4,407)	18.6

The increase in net financing costs for the quarter was mainly attributable to interest expenses on lease liabilities recognized 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.

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- (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.
- (g) 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 31 March 2019, in accordance with FRS 116.
- (h) Represents the changes in fair value of interest rate swaps and forward foreign currency exchange contracts.
- (i) Tax expense includes withholding tax for the overseas operations.
- (j) 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.
- (k) Represents amortisation of non-tax deductible upfront fees on credit facilities.
- (l) 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.
- (m) Relates to depreciation of plant and equipment.
- (n) 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. Approximately S\$0.2 million (net of relevant expenses) has been retained for the first quarter ended 31 March 2019 and cumulatively to-date has retained a total of S\$2.9 million, net of relevant expenses. This cumulative amount, subject to adjustments, will be distributed to Unitholders together with the 2Q FY2019 distributions.
- (o) Relates to specific property and finance expenses that are non-tax deductible and other tax adjustments.
- (p) Relates to net income from the Trust's subsidiaries.
- (q) Relates to distribution of income from Australia and other overseas subsidiaries that have been received in Singapore (net of withholding tax).
- (r) 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, which is classified as capital distribution from a tax perspective.
- (s) 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	
		31/3/19	31/12/18	31/3/19	31/12/18
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Investment properties	(a)	1,350,178	1,269,026	985,973	905,800
Plant and equipment		1,135	1,274	1,135	1,274
Investments in subsidiaries	(b)	-	-	170,422	168,445
Amounts due from subsidiaries	(c)	-	-	179,434	-
Total non-current assets		1,351,313	1,270,300	1,336,964	1,075,519
Current assets					
Trade and other receivables	(d)	9,010	5,914	5,110	4,711
Amounts due from subsidiaries	(c)	-	-	-	152,041
Derivative assets	(e)	-	142	-	142
Cash and cash equivalents		52,418	33,338	7,483	10,795
Total current assets		61,428	39,394	12,593	167,689
Total assets		1,412,741	1,309,694	1,349,557	1,243,208
Current liabilities					
Trade and other payables		(17,269)	(14,889)	(13,044)	(11,255)
Amounts due to subsidiaries		-	-	(3,117)	-
Provisions	(f)	(337)	(664)	(337)	(664)
Interest bearing borrowings	(g)	(85,383)	(28,098)	(23,600)	-
Derivative liabilities	(e)	(184)	(117)	(48)	(94)
Lease liabilities	(h)	(3,100)	-	(3,100)	-
Total current liabilities		(106,273)	(43,768)	(43,246)	(12,013)
Non-current liabilities					
Trade and other payables		(3,927)	(4,215)	(3,927)	(4,215)
Interest bearing borrowings	(g)	(408,805)	(442,082)	(395,867)	(395,635)
Derivative liabilities	(e)	(4,070)	(4,925)	(4,020)	(4,768)
Lease liabilities	(h)	(77,172)	-	(77,172)	-
Total non-current liabilities		(493,974)	(451,222)	(480,986)	(404,618)
Total liabilities		(600,247)	(494,990)	(524,232)	(416,631)
Net assets		812,494	814,704	825,325	826,577
Represented by:					
Unitholders' funds	(i)	712,364	713,157	725,195	725,030
Perpetual securities holders' funds	(j)	100,130	101,547	100,130	101,547
		812,494	814,704	825,325	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 as well as the recognition of S\$80.0 million ROU assets in relation to the portfolio of land leases with JTC, in accordance with FRS 116 which is effective 1 January 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 proposed acquisition of a warehouse in Altona, Victoria, in March 2019.
- (c) The amount due from subsidiaries mainly represents loans to an Australian 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 and deposit paid for the acquisition of Altona (VIC) Trust.
- (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 31 March 2019, S\$1.0 million was utilised.
- (g) Refer to Item 1(b)(ii), Aggregate amount of Borrowings and Debt Securities, for details.
- (h) Recognition of lease liabilities in relation to the portfolio of land leases with JTC, in accordance with FRS 116.
- (i) Refer to Item 1(d)(i), the 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 31 March 2019, Cache's current liabilities exceeded its current assets primarily due to current borrowings of S\$23.6 million Revolving Credit Facility ("RCF"), 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	
	31/3/19	31/12/18	31/3/19	31/12/18
	S\$'000	S\$'000	S\$'000	S\$'000
Secured borrowings				
Amount repayable within one year	61,844	28,125	-	-
Less : Unamortised transaction costs	(61)	(27)	-	-
	61,783	28,098	-	-
Amount repayable after one year	12,984	46,555	-	-
Less : Unamortised transaction costs	(46)	(108)	-	-
	12,938	46,447	-	-
Unsecured borrowing				
Amount repayable within one year	23,600	-	23,600	-
Less : Unamortised transaction costs	-	-	-	-
	23,600	-	23,600	-
Amount repayable after one year	400,000	400,000	400,000	400,000
Less : Unamortised transaction costs	(4,133)	(4,365)	(4,133)	(4,365)
	395,867	395,635	395,867	395,635
Total borrowings	494,188	470,180	419,467	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; and
- committed RCF of S\$65.0 million maturing in 2024.

As at 31 March 2019, a total of S\$423.6 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 31 March 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, namely Chester Hill (NSW), Somerton (VIC), Coopers Plains (QLD), Wacol (QLD) and Kidman Park (SA).

1(c) Statement of Cash Flows

	Notes	Group	
		1/1/19 to 31/3/19	1/1/18 to 31/3/18
		S\$'000	S\$'000
Cash flows from operating activities			
Total return for the period before taxation and distribution		15,151	11,289
Adjustments for:			
Manager's fees paid/payable in units		1,482	1,567
Depreciation		140	211
Foreign exchange (gain)/loss		(96)	4,897
Net financing costs	(a)	5,228	4,407
Net change in fair value of investment properties		757	-
Net change in fair value of financial derivatives		(46)	(580)
Changes in:			
Trade and other receivables		(2,706)	(4,568)
Trade and other payables		1,638	1,840
Provisions		(327)	-
Cash generated from operations		21,221	19,063
Tax paid		(397)	(304)
Net cash from operating activities		20,824	18,759
Cash flows from investing activities			
Interest received		82	41
Acquisition of investment properties, net of cash acquired	(b)	-	(193,987)
Capital expenditure on investment properties	(c)	(497)	(1,102)
Purchase of plant and equipment		-	(127)
Net cash used in investing activities		(415)	(195,175)
Cash flows from financing activities			
Proceeds from issuance of perpetual securities	(d)	-	100,000
Issue costs paid in relation to perpetual securities	(e)	-	(735)
Proceeds from borrowings	(f)	23,600	117,000
Repayment of borrowings		-	(14,435)
Financing costs paid		-	(825)
Interest paid on borrowings		(4,304)	(4,113)
Interest paid on lease liabilities		(749)	-
Payment of lease liabilities		(757)	-
Distributions to Unitholders		(16,178)	(17,079)
Distributions to perpetual securities holders		(2,773)	-
Net cash (used in)/from financing activities		(1,161)	179,813
Net increase in cash and cash equivalents		19,248	3,397
Cash and cash equivalents at the beginning of the period		33,338	14,969
Effect of exchange rate fluctuations on cash held		(168)	(362)
Cash and cash equivalents at the end of the period		52,418	18,004

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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:

	Group	
	1/1/19 to 31/3/19	1/1/18 to 31/3/18
	S\$'000	S\$'000
Investment properties (including acquisition costs)	-	192,812
Other assets	-	1,726
Accrued expenses	-	(482)
Other liabilities	-	(69)
Net identifiable assets acquired	-	193,987
Net cash outflow	-	193,987

(c) Represents asset enhancement initiatives for existing investment properties.

(d) Represents proceeds from the Perpetual Securities issued on 1 February 2018.

(e) Represents professional fees and other costs incurred in relation to the issuance of the Perpetual Securities.

(f) Represents S\$23.6 million RCF drawdown to partial finance the proposed acquisition of a new warehouse in Altona, Victoria, Australia. S\$110.0 million term loan was drawn in 1Q FY2018 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.

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

	Notes	Group	
		1/1/19 to 31/3/19	1/1/18 to 31/3/18
		S\$'000	S\$'000
Unitholders' Funds			
Balance at the beginning of the period		713,157	765,668
Operations			
Total return for the period after tax, attributable to Unitholders and perpetual securities holders		14,599	10,917
Less: Amount reserved for distribution to perpetual securities holders		(1,356)	(889)
Net increase in net assets from operations		13,243	10,028
Effective portion of changes in fair values of cash flow hedges	(a)	743	454
Foreign currency translation reserve			
Translation differences from financial statements of foreign entities		167	(6,240)
Net gain/(loss) recognised directly in Unitholders' funds		910	(5,786)
Unitholders' transactions			
Units to be issued:			
- Manager's base fees payable in units	(b)	1,232	1,310
Distributions to Unitholders		(16,178)	(17,079)
Net decrease in net assets resulting from Unitholders' transactions		(14,946)	(15,769)
Unitholders' funds at the end of the period		712,364	754,141
Perpetual Securities Holders' Funds			
Balance at the beginning of the period		101,547	-
Issue of perpetual securities		-	100,000
Issue costs		-	(735)
Amount reserved for distribution to perpetual securities holders		1,356	889
Distribution to perpetual securities holders		(2,773)	-
Balance as at the end of the period		100,130	100,154
Total		812,494	854,295

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	Notes	Trust	
		1/1/19 to 31/3/19	1/1/18 to 31/3/18
		S\$'000	S\$'000
<u>Unitholders' Funds</u>			
Balance at the beginning of the period		725,030	760,987
Operations			
Total return for the period after tax, attributable to Unitholders and perpetual securities holders		15,720	10,558
Less: Amount reserved for distribution to perpetual securities holders		(1,356)	(889)
Net increase in net assets from operations		14,364	9,669
Effective portion of changes in fair value of cash flow hedges	(a)	747	438
Unitholders' transactions			
Units to be issued:			
- Manager's base fees payable in units	(b)	1,232	1,310
Distributions to Unitholders		(16,178)	(17,079)
Net decrease in net assets resulting from Unitholders' transactions		(14,946)	(15,769)
Unitholders' funds at the end of the period		725,195	755,325
<u>Perpetual Securities Holders' Funds</u>			
Balance at the beginning of the period		101,547	-
Issue of perpetual securities		-	100,000
Issue costs		-	(735)
Amount reserved for distribution to perpetual securities holders		1,356	889
Distribution to perpetual securities holders		(2,773)	-
Balance as at the end of the period		100,130	100,154
Total		825,325	855,479

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 31 March 2019. 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	
		1/1/19 to 31/3/19	1/1/18 to 31/3/18
		Units	Units
Issued units at the beginning of the period		1,077,881,375	1,069,700,408
Units to be issued:			
- Manager's base fees payable in units	(a)	1,688,008	1,573,707
Total issued and to be issued units		1,079,569,383	1,071,274,115

Notes:

- (a) Represents units to be issued to the Manager as partial consideration of Manager's base fees incurred for the quarter ended 31 March 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	
		1/1/19 to 31/3/19	1/1/18 to 31/3/18
Weighted average number of units		1,077,900,131	1,069,717,894
Earnings per unit for the period based on the weighted average number of units issued and to be issued (cents)	(a)	1.23	1.02
Weighted average number of units on the fully diluted basis		1,079,912,473	1,071,583,032
Earnings per unit for the period based on the fully diluted basis (cents)	(b)	1.23	1.02

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.

DPU

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

	Notes	Group	
		1/1/19 to 31/3/19	1/1/18 to 31/3/18
Number of units issued and to be issued at end of period entitled to distribution	(a)	1,079,569,383	1,071,274,115
DPU based on the total number of units entitled to distribution (cents)	(b)	1.513	1.507

Notes:

- (a) Computation of DPU for the period from 1 January 2019 to 31 March 2019 is based on the number of units entitled to distribution:
- (i) Number of units in issue as at 31 March 2019 of 1,077,881,375; and
 - (ii) Units to be issued to the Manager by 30 April 2019 as partial consideration of Manager's base fees incurred for the quarter ended 31 March 2019 of 1,688,008.
- (b) Distribution of 1.513 cents per unit for the period 1 January 2019 to 31 March 2019 will be paid on 29 May 2019.

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

	Notes	Group		Trust	
		31/3/2019 ^(a)	31/12/2018 ^(b)	31/3/2019 ^(a)	31/12/2018 ^(b)
NAV per unit attributable to Unitholders (S\$)		0.66	0.66	0.67	0.67

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 31 March 2019 was 1,079,569,383 comprising the number of units in issue as at 31 March 2019 of 1,077,881,375 and units to be issued to the Manager as partial consideration of Manager's base fees incurred for the quarter ended 31 March 2019 of 1,688,008.
- (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.

8 Review of the performance for the quarter ended 31 March 2019

Gross revenue for the quarter-ended was S\$30.8 million, an increase of S\$1.8 million or 6.2% compared to 1Q FY2018. The higher revenue was mainly attributable to the 9-property Australia portfolio acquired on 15 February 2018 and CWT Commodity Hub's conversion from a master lease to a multi-tenancy lease structure. This was partly offset by lower contribution from the divestment of 40 Alps Ave and Jinshan Chemical Warehouse in China.

NPI for the quarter was S\$23.8 million, an increase of S\$0.9 million or 4.0% compared to 1Q FY2018. The increase in NPI was mainly attributable to the acquisition of the 9-property portfolio in Australia and a S\$1.5 million land rent that was excluded from property expenses following the adoption of FRS 116 effective 1 January 2019. This was partially offset by lower contribution from the divestment of 40 Alps Ave and lower performance of the Singapore portfolio 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.

Net financing costs for the quarter were S\$5.2 million, 18.6% higher than 1Q FY2018. The increase in net financing costs for the quarter was mainly attributable to interest expenses on lease liabilities recognized as a result of the adoption of FRS 116. Excluding FRS 116 adjustments, finance costs for the quarter would have been S\$4.5 million, a marginal increase of S\$0.07 million or 1.6% compared to 1Q FY2018. The all-in-financing cost averaged 3.87% for the quarter and the aggregate leverage stood at 37.4% as at 31 March 2019.

Distributable amount to Unitholders in 1Q FY2019 amounted to S\$16.3 million, 1.2% higher compared to the corresponding period last year. The higher distribution was mainly due to higher tax-exempt income from overseas subsidiaries and a higher capital distribution of S\$0.2 million.

9 Variance between the projection and actual results

The current results are broadly in line with the Trust's commentary made in the fourth quarter 2018 financial results announcement under Item 10. The Trust has not disclosed any financial forecast to the market.

**Unaudited Financial Statements Announcement
For the First Quarter ended 31 March 2019**

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 1.3% on a y-o-y basis in 1Q 2019, slightly lower than the 1.9% growth in 4Q 2018. This was attributed mainly to a decline in the manufacturing sector by 1.9% year-on-year in comparison to the 5.1% growth in the previous quarter. This decline was mainly due to a fall in outputs in the precision engineering and electronics clusters.¹

According to JTC statistics, the occupancy rate of the overall industrial property market in Singapore in 4Q 2018 rose by 0.2% on a q-o-q basis and 0.4% on a y-o-y basis. Meanwhile, industrial space prices and rental continue to remain stable as both price and rental index for the overall industrial property market remain largely unchanged². In a report by Colliers International, Singapore's industrial property market started to show signs of stabilisation at the end of 2018. Manufacturing growth momentum is also expected to experience moderation in 2019 in view of a potential slowdown in China's domestic economy, trade protectionism and continuing concerns over a US:China trade war.³

At the Reserve Bank of Australia's meeting in April 2019, it kept the cash rate unchanged at 1.5%. Growth in 2019 will be underpinned by factors including higher levels of spending on public infrastructure and an upswing in private investment. The present low level of interest rate environment will also continue to support the Australian economy.⁴

Australia's industrial and logistics economy continues to perform well, with major infrastructure projects driving growth in the construction sector, according to CBRE. The higher demand for logistics and industrial space is likely to be supported by the rise of e-commerce. This growth in e-commerce will potentially create the requirement of an additional 350,000 sqm of new industrial and logistics space in the country each year until 2022, where much of the space will consist of large distribution centres.⁵

In 1Q 2019, Cache announced the proposed acquisition of a single-storey logistics warehouse and office facility in Altona, Victoria, Australia for A\$41.2 million. This accretive acquisition will not only provide income growth but also enhance geographic diversification. The property will also strengthen Cache's existing portfolio by way of increasing the proportion of freehold and high quality properties. This acquisition is in line with the strategy where it seeks to proactively recycle capital through strategic divestments and disciplined acquisitions of assets that contribute to sustainable long-term earnings and asset values.

The Manager remains committed to proactive marketing, leasing and asset management to maintain high occupancy and optimise overall returns. As part of its Portfolio Rebalancing and Growth Strategy, the Manager will continue to seek opportunities for strategic acquisitions and asset enhancement initiatives to grow its portfolio and earnings over time.

¹ Ministry of Trade and Industry, Press Release, "Singapore's GDP Grew by 1.3 Per Cent in the First Quarter of 2019", 12 April 2019.

² JTC Quarterly Market Report. Fourth Quarter 2018.

³ Colliers International Singapore Research, "A Stable Outlook into 2019", 1 March 2019.

⁴ Reserve Bank of Australia, Statement by Philip Lowe, Governor: Monetary Policy Decision, 2 April 2019.

⁵ CBRE Research, Australia Real Estate Market Outlook 2019.

11 Distributions

(a) Current financial period

Any distribution declared for the current period? Yes

Name of distribution: Distribution for the period from 1 January 2019 to 31 March 2019

Distribution Type:

Distribution Income Period	1/1/19 to 31/3/19
Distribution Type	cents
Tax exempt income component	0.308
Taxable income component	1.185
Capital component	0.020
Total	1.513

Number of units entitled to distribution: 1,079,569,383

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

(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 January 2018 to 31 March 2018

Distribution Type:

Distribution Income Period	1/1/18 to 31/3/18
Distribution Type	cents
Tax exempt income component	0.201
Taxable income component	1.306
Total	1.507

Number of units entitled to distribution: 1,071,274,115

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.

Remarks: Nil

(c) Date Payable 29 May 2019

(d) Books Closure Date / Record Date 6 May 2019

**Unaudited Financial Statements Announcement
For the First Quarter ended 31 March 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 31 March 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 31 March 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, in addition to the income available for distribution for the quarter ended 31 March 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 31 March 2019 and is verified by our external tax consultant.

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

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 April 2019

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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 April 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 31 March 2019. The Interim Financial Information consists of the following:

- Statements of financial position of the Group and the Trust as at 31 March 2019;
- Portfolio statements of the Group and the Trust as at 31 March 2019;
- Statement of total return of the Group for the quarter ended 31 March 2019;
- Distribution statement of the Group for the quarter ended 31 March 2019;
- Statements of movements in unitholders' funds of the Group and the Trust for the quarter ended 31 March 2019;
- Statement of cash flows of the Group for the quarter ended 31 March 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 April 2019