ARA-CWT Trust Management (Cache) Limited

Cache Logistics Trust **Manager of**

PROPOSED ACQUISITION OF A PROPERTY IN AUSTRALIA

1. Introduction

The board of directors of ARA-CWT Trust Management (Cache) Limited, as manager of Cache Logistics Trust ("**Cache**", and as manager of Cache, the "**Manager**"), wishes to announce that HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Cache (the "**Trustee**"), through its indirect wholly-owned sub-trust (the "**Purchaser**") entered into a sale and purchase agreement (the "**SPA**") with In For A Pound Pty Ltd (Company Registration No. ACN 157 972 604) (the "**Vendor**") to acquire 404-450 Findon Road, Kidman Park, South Australia (the "**Property**" and the acquisition of the Property, the "**Acquisition**").

2. Information on the Property

The Property is located in Kidman Park, South Australia. It is situated approximately 6 kilometres from the Adelaide central business district ("**CBD**") and 2 kilometres from Adelaide Airport. The Property comprises four single-storey warehouses, a cold store and freezer warehouse and an administrative office block. The land area is approximately 119,171 square metres and the gross lettable area is approximately 58,795 square metres.

The Manager and the Trustee has appointed Jones Lang LaSalle IP, Inc. (the "**Independent Valuer**") as the independent valuer. The Independent Valuer has valued the Property at A$57.3 million (S$57.4 million[1]) as at 3 November 2015 using the capitalisation approach and discounted cashflow approach.

The purchase consideration of A$57.3 (S$57.4 million) (the "**Purchase Consideration**") was negotiated on a willing-buyer and willing-seller basis, and is based on the independent valuation of the Property.

3. Details of the SPA

Pursuant to the terms of the SPA, the Purchaser will acquire the Property from the Vendor with a condition precedent for completion being receipt of the Foreign Investment Review Board of Australia approval for the Acquisition by Cache via the established Managed Investment Trust ownership structure. The completion of the Acquisition is expected to take place on or before

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1 For the purpose of this announcement, the S$ equivalent figures are based on an exchange rate of A$1.00 = S$1.0025.

30 November 2015, and will be subject to, among other things, the approval of the Foreign Investment Review Board of Australia."

4. Rationale for the Acquisition

The Manager believes that the Acquisition will bring the following benefits to Cache:

4.1 Opportunity to purchase an attractive, high yielding asset

The Acquisition represents an opportunity for Cache to acquire an attractive high yielding industrial warehouse distribution facility occupying freehold land which is well located with close proximity to major roads linking central business districts, ports, international airport and regional highway networks.

4.2 Geographical and Risk Diversification

In line with the Manager's investment strategy of investing in income-producing real estate used for logistics purposes in Asia-Pacific[1], the Acquisition will enhance the geographic diversification of the Cache portfolio, representing Cache's third investment and fifth property in Australia.

Of late, Australia has received significant levels of foreign direct investments, which are expected to result in growth in the logistics sector. The Acquisition will enable Cache to further capitalise on the Australian economic growth and in particular the resilient logistics sector, following the maiden acquisition of the McPhee warehouse portfolio in February 2015 and recent acquisition of a warehouse located in Wacol, Brisbane in October 2015. Concurrently, by diversifying into a different market, Cache is expected to benefit from risk diversification from the Acquisition and the economic cycles where Cache's portfolio is located.

4.3 Income Diversification and Growth

The Acquisition is expected to benefit unitholders of Cache (the "Unitholders") by providing a secure cash flow and improving income diversification while reducing the reliance of Cache's income stream on any single country or property. In addition, the lease agreement with the tenant of the Property promotes income growth with a fixed annual rent escalation tied to the Consumer Price Index and with the rent not to fall at any review.

In the first year, the Property is expected to generate a net property income ("**NPI**") yield of approximately 8.9%[2].

4.4 Strengthens Cache's portfolio

The Property has a Weighted Average Lease to Expiry ("**WALE**") by gross lettable area of 4.6 years as at 13 November 2015. The Acquisition extends the Cache portfolio WALE from 4.39 years[3] to 4.42 years.

4.5 Enlarged Quality Portfolio

Cache will benefit from an increased portfolio size that will create a stronger and more

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

2 Equivalent to the net rental income less property management fees divided by the Purchase Price.

3 As at 30 September 2015, including the asset located at 203 Viking Drive, Wacol, Brisbane, acquired in October 2015.

diversified platform for further acquisition growth, primarily due to better access to both the capital markets and the debt markets. Following completion of the Acquisition, Cache will increase its investment property base by 4.8% to S$1.370 billion.

5. Estimated Acquisition Cost

The current estimated total cost of the Acquisition is A$62.5 million (S$62.7 million) (the "**Acquisition Cost**") which comprises[1]:

(i) the purchase consideration of A$57.3 million (S$57.4 million) (the "**Purchase Consideration**");

(ii) the stamp duty for the SPA of approximately A$3.1 million (S$3.2 million), computed at 5.5% of the Purchase Consideration;

(iii) the acquisition fee payable to the Manager of approximately S$0.6 million; and

(iv) professional and other fees and expenses of approximately S$1.5 million.

6. Method of Financing and Aggregate Leverage

The Manager intends to finance the Acquisition Cost through an onshore secured bank loan and equity proceeds from the private placement launched on 3 November 2015. Upon completion of the Acquisition, the Aggregate Leverage of Cache will decrease from 39.7%[2] to 35.6%[3].

7. Pro Forma Financial Effects of the Acquisition – FOR ILLUSTRATION PURPOSES ONLY

7.1 Certain Financial Information Relating to the Acquisition

The pro forma financial effects of the Acquisition presented below are strictly for illustration purposes only and do not reflect the actual position of Cache following completion of the Acquisition. The following assumptions were made in computing the pro forma financial effects:

(i) Cache will acquire the Property at the Purchase Consideration of A$57.3 million (S$57.4 million);

(ii) Cache will fund the acquisition with a new A$29.3 million (S$29.4 million) four-year AUD secured term loan facility. The balance of the total acquisition cost, or approximately A$33.2 million (S$33.3 million), will be funded by the equity proceeds from the private placement launched on 3 November 2015;

(iii) the valuation of the Property is to remain unchanged throughout the period presented;

(iv) the Acquisition Fee payable to the Manager on the Acquisition is at 1.0% of the Purchase Consideration which is equal to A$0.6 million (S$0.6 million); and

(v) foreign-sourced interest income and / or trust distributions, net of relevant withholding

1 Based on an exchange rate of A$1.00 = S$1.0025.

2 Aggregate leverage ratio post acquisition of 203 Viking Drive, Wacol, Queensland, based on Cache's unaudited financial results as at 30 September 2015.

3 Assuming that S$60.0 million of the equity proceeds from the private placement launched on 3 November 2015 are used to repay the existing debt.

tax, received from MIT[1] will be granted income tax exemption in Singapore under Section 13(12) of the Income Tax Act, Chapter 134 of Singapore ("**ITA**"), subject to qualifying conditions being fulfilled.

7.2 Pro Forma Distribution Per Unit ("DPU")

The table below sets out the pro forma financial effects of the Acquisition on Cache's DPU, as if the Acquisition was completed on 1 January 2014, and Cache held and operated the Property through 31 December 2014:

	Effects of the Acquisition		
	Before the Acquisition(1)	**After the Private Placement launched on 3 November 2015 but before the Acquisition**	**After the Acquisition**
Net Profit before Tax (S$'000)	66,084	66,084	69,529
Distributable Income (S$'000)	66,880	66,880	70,117
Units in issue ('000)	781,758	888,028	888,028
DPU (cents)	8.573	7.545	7.910
Earnings per Units (cents)	8.450	7.430	7.760

Note:
(1) Based on the FY2014 audited financial statements.

7.3 Pro Forma Consolidated Net Asset Value ("NAV")

The pro forma financial effects of the Acquisition on the NAV per Unit as at 31 December 2014, as if the Acquisition was completed on 31 December 2014, are as follows:

	Effects of the Acquisition		
	Before the Acquisition(1)	**After the Private Placement launched on 3 November 2015 but before the Acquisition**	**After the Acquisition**
NAV (S$'000)	766,901	865,501	865,472
Units in issue ('000)	781,758	888,028	888,028
NAV per unit (S$)	0.98	0.97	0.97

Note:
(1) Based on the FY2014 audited financial statements.

1 Cache Logistics Trust Australia.

8. Interests of Directors and Controlling Unitholders

As at the date of this announcement, apart from their aggregate direct and deemed interest in the units in Cache of 3,460,600 Units, none of the directors of the Manager or controlling Unitholders of Cache has an interest, direct or indirect, in the Acquisition. As at the date of announcement, there are no substantial Unitholders of Cache.

Save as disclosed above and based on the information available to the Manager as at the date of this announcement, none of the directors of the Manager or substantial Unitholders have an interest, direct or indirect, in the Acquisition.

9. Other Information

9.1 Director's Service Contracts

No person is proposed to be appointed as a director of the Manager in connection with the Acquisition or any other transactions contemplated in relation to the Acquisition.

9.2 Disclosure under Rule 1010(13) of the Listing Manual

A proposed acquisition by Cache may fall into any of the categories set out in Rule 1004 of the Listing Manual of Singapore Exchange Securities Trading Limited (the "**SGX-ST**") depending on the size of the relative figures computed on the following applicable bases of comparison:

(i) the net profits attributable to the assets acquired, compared with Cache's net profits; and

(ii) the aggregate value of the consideration given or received, compared with Cache's market capitalisation based on the total number of issued Units.

The relative figures for the Acquisition using the aforesaid bases of comparison are set out in the table below.

Criteria	Cache (S$ million)	The Acquisition (S$ million)	Relative Percentage
The net profits attributable to the assets acquired, compared with Cache's net profits	$66.08[(1)]	$3.44[(3)]	5.21%
The aggregate value of the consideration given, compared with Cache's market capitalisation based on the total number of issued Units	$736.48[(2)]	$62.67[(3)]	8.51%

Notes:

(1) Based on the FY2014 audited financial statements.

(2) The market capitalisation of Cache is calculated based on the weighted average price on 12 November 2015, being the market day preceding the date of the SPA.

(3) Based on an exchange rate of A$1.00 = S$1.0025.

9.3 Documents for Inspection

Copies of the SPA and the valuation report are available for inspection during normal business hours (prior appointment will be appreciated) at the registered office of the Manager at 6 Temasek Boulevard, #16-02 Suntec Tower Four, Singapore 038986 for a period of three months commencing from the date of this Announcement.

The Trust Deed will also be available for inspection at the registered office of the Manager for so long as Cache Logistics Trust continues to be in existence.

9.4 Information on the Purchaser

The Purchaser is Kidman Park (SA) Trust, a wholly-owned sub-trust of Cache, constituted in Australia with its principal activity of being investment holding[1].

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

Daniel Cerf
Chief Executive Officer
13 November 2015

For enquiries, please contact

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1 Initial unit capital of Kidman Park (SA) Trust is A$1.00 comprising 1 unit.

ABOUT CACHE LOGISTICS TRUST ("CACHE")

Listed on the Singapore Exchange on 12 April 2010, Cache Logistics Trust is a real estate investment trust ("**REIT**") that invests in quality income-producing industrial real estate used for logistics purposes, as well as real estate-related assets, in Asia Pacific.

Cache's portfolio comprises 16 high quality logistics warehouse properties strategically located in established logistics clusters in Singapore, Australia and China. The portfolio has a total gross floor area of approximately 6.7 million square feet valued at approximately S$1.3 billion as at 30 September 2015.

Cache is managed by ARA-CWT Trust Management (Cache) Limited. For more information, please visit www.cache-reit.com.

ABOUT ARA-CWT TRUST MANAGEMENT (CACHE) LIMITED

ARA-CWT Trust Management (Cache) Limited, is a joint-venture REIT management company between ARA Asset Management Limited ("**ARA"**) and CWT Limited ("**CWT**").

ARA is Asia's premier integrated real estate fund management company which is listed on the main board of the SGX-ST since November 2007. It currently manages REITs and private real estate funds that are invested in the office, retail, logistics/industrial, hospitality and residential sectors in the Asia Pacific region, complemented by its in-house real estate management services and advisory services. Established in 2002, to date it has over 1,100 professionals in 15 cities managing total assets in excess of S$28.0 billion.

For more information, please visit www.ara-asia.com.

CWT is a leading provider of integrated logistics and supply chain solutions. CWT's business is about connecting world trade. CWT moves, builds and powers its customers' supply chain forward. CWT Group combines its logistics capabilities, global network and resources to add value for its customers. CWT also provides commodity marketing, financial and engineering services ancillary to its core logistics business.

For more information, please visit www.cwtlimited.com.

IMPORTANT NOTICE

The value of units in Cache ("**Units**") and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, ARA-CWT Trust Management (Cache) Limited (as the manager of Cache) (the "**Manager**") or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of Cache is not necessarily indicative of the future performance of Cache.