CACHE LOGISTICS TRUST

(Constituted in the Republic of Singapore
pursuant to a Trust Deed dated 11 February 2010 (as amended))

PROPOSED ACQUISITION OF A NINE-PROPERTY PORTFOLIO IN AUSTRALIA AND ENTRY INTO FACILITY AGREEMENT IN CONNECTION THEREWITH

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**") has today entered into unit purchase agreements (the "**Unit Purchase Agreements**") with each of (a) Gallant Australian Sub TC Pty Ltd (Company Registration No. ACN 612 756 322), in its capacity as trustee for Westlink Trust, Woodlands Trust, Campbellfield Trust, Berkeley Trust, and Berrinba Trust (the "**Gallant Vendor**"), to acquire the Gallant Properties (as defined herein), and (b) Gallop Australian Sub TC Pty Ltd (Company Registration No. ACN 614 265 879), as trustee for Gallop Braeside Trust, Gallop Hydrive Trust, Gallop Link Drive Trust and Gallop Wacol Trust (the "**Gallop Vendor**", and together with the Gallant Vendor, the "**Vendors**"), to acquire the Gallop Properties (as defined herein and the Gallop Properties together with the Gallant Properties, the "**Properties**", and the acquisition of the Properties, the "**Acquisitions**").

The Purchaser is ESIP Trust, a newly formed indirectly wholly-owned sub-trust of Cache, constituted in Australia with its principal activity of being investment holding[1].

In connection with the Acquisitions, the Trustee has today entered into a facility agreement (the "**Facility Agreement**") with DBS Bank Ltd. (the "**Lender**") pursuant to which it has secured a five-year, S$110.0 million unsecured term loan facility to fund the Acquisitions.

2. Information on the Properties

The Properties comprise nine industrial warehouses located along the Eastern Seaboard of Australia, specifically in the states of Victoria, New South Wales and Queensland. All of the Properties are located within key established industrial precincts and in close proximity to main arterial roadways and transport infrastructure.

The total land area of the Properties is approximately 32.8 hectares and gross lettable area is approximately 142,103 square metres ("**sq m**").

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1 Initial unit capital of ESIP Trust is A$1.00 comprising 1 unit.

2.1 Summaries of Selected Information on the Properties

The following tables set out summaries of selected information on the Properties:

No.	Address	No. of Tenants	Tenure	GLA (sq m)	Year of Completion	WALE (years)[1]	Occupancy Rate (%)
The Gallant Properties							
1	16-24 William Angliss Drive, Laverton North, Victoria, Australia	3	Freehold	16,324	Early 2000's	3.4	100.0
2	151-155 Woodlands Drive, Braeside, Victoria, Australia	1	Freehold	11,074	Early 2000's	8.3	100.0
3	67-93 National Boulevard, Campbellfield, Victoria, Australia	2	Freehold	22,608	2007	4.8	100.0
4	3 Sanitarium Drive, Berkeley Vale, New South Wales, Australia	1	Freehold	27,762	2001	5.8	100.0
5	11-19 Kellar Street, Berrinba, Queensland, Australia	1	Freehold	7,412	2008	1.9	100.0
The Gallop Properties							
6	41-51 Mills Road, Braeside, Victoria, Australia	2	Freehold	32,053	1985	3.0	91.5
7	41-45 Hydrive Close, Dandenong, Victoria, Australia	1	Freehold	8,720	1999	6.1	100.0
8	76-90 Link Drive, Campbellfield, Victoria, Australia	1	Freehold	10,441	Original Warehouse: 2002 New Warehouse: 2007	9.7	100.0
9	196 Viking Drive, Wacol, Queensland, Australia	1	Freehold	5,709	2008	4.5	100.0
Sub-Total for the Properties			-	142,103	-	5.0	98.1

Note:

(1) Weighted Average Lease to Expiry, or WALE, is as at 31 December 2017.

2.2 Valuations and Purchase Consideration

The Manager and the Trustee has appointed m3property (Vic) Pty Ltd (the "**Independent Valuer**") as the independent valuer. The Independent Valuer has valued the Properties as at 27 December 2017 using the capitalisation approach and discounted cashflow approach. The table below sets out the valuation and the purchase consideration (the "**Purchase Consideration**") of the Properties. The Purchase Consideration was negotiated on a willing-buyer and willing-seller basis, and is based on the independent valuations of the Properties.

Address of Property	Valuation[(1)]	Purchase Consideration
16-24 William Angliss Drive, Laverton North, Victoria, Australia	A$18.7 million (S$19.8 million)	A$18.7 million (S$19.8 million)
151-155 Woodlands Drive, Braeside, Victoria, Australia	A$16.0 million (S$17.0 million)	A$16.0 million (S$17.0 million)
67-93 National Boulevard, Campbellfield, Victoria, Australia	A$27.9 million (S$29.6 million)	A$27.9 million (S$29.6 million)
3 Sanitarium Drive, Berkeley Vale, New South Wales, Australia	A$34.0 million (S$36.0 million)	A$34.0 million (S$36.0 million)
11-19 Kellar Street, Berrinba, Queensland, Australia	A$12.2 million (S$12.9 million)	A$12.2 million (S$12.9 million)
41-51 Mills Road, Braeside, Victoria, Australia	A$29.4 million (S$31.2 million)	A$29.4 million (S$31.2 million)
41-45 Hydrive Close, Dandenong, Victoria, Australia	A$11.9 million (S$12.6 million)	A$11.9 million (S$12.6 million)
76-90 Link Drive, Campbellfield, Victoria, Australia	A$12.6 million (S$13.4 million)	A$12.6 million (S$13.4 million)
196 Viking Drive, Wacol, Queensland, Australia	A$14.9 million (S$15.8 million)	A$14.9 million, (S$15.8 million)
Total	A$177.6 million (S$188.3 million)	A$177.6 million (S$188.3 million)

Note:

(1) Based on the exchange rate of A$1 = S$1.06

3. Details of the Unit Purchase Agreements

Pursuant to the terms of the Unit Purchase Agreements, the Purchaser will acquire the Gallant Properties from the Gallant Vendor, and the Gallop Properties from the Gallop Vendor, with completion of each Unit Sale Agreement occurring contemporaneously with completion of the other Unit Sale Agreements ("**Interdependence Condition**") which will not be satisfied if any one of the Unit Sale Agreements is terminated.

Pursuant to the Interdependence Condition:

(i) all other Unit Sale Agreements will be terminated if a Unit Sale Agreement is terminated; and

(ii) if completion of a Unit Sale Agreement is deferred as a consequence of failure to complete in accordance with any of the other Unit Sale Agreements, the date for Completion of the other Unit Sale Agreements will be similarly deferred automatically,

subject to mutual written agreement between the relevant Vendor and the Purchaser to waive the Interdependence Condition, any automatic termination of any Unit Sale Agreement or any automatic deferral of Completion.

Pursuant to the terms of the Unit Purchase Agreements, the completion of the Acquisitions is expected to take place 15 February 2018 or such other date as the parties may agree in writing.

4. Rationale for the Acquisitions

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

4.1 Sizable portfolio with well-located properties within established industrial precincts of Melbourne, Sydney and Brisbane

The Acquisitions represent an opportunity for Cache to acquire attractive high-yielding industrial warehouse distribution facilities occupying freehold land. The properties are well-located within key established industrial precincts and are in close proximity to main arterial roadways and transport infrastructure.

4.2 Geographical and Risk Diversification

In line with the Manager's well-publicized Portfolio Rebalancing and Growth Strategy of recycling capital to invest in income-producing real estate used for logistics purposes in Asia-Pacific[1], the Acquisitions will enhance the geographic diversification of the Cache portfolio and presents a rare opportunity for Cache to close to double its Australian investments to approximately 28% of Cache's total assets under management, thereby reducing concentration risks.

The Manager believes in Australia's fundamentals, particularly in the strength of its logistics sector in and around the major trade and distribution cities of Melbourne, Sydney and Brisbane. As indicated, the Properties are all located along the Eastern Seaboard, reside on freehold land and offer a secure cashflow over a WALE of 5.0 years.

The Australian Government continues to diversify the economy away from an emphasis on commodity-based earnings and is striving towards wider growth diversification. The outlook for non-mining business investment has improved and increased public infrastructure investment will continue to support the economy[2].

4.3 Income Diversification and Growth

The Acquisitions are 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 Properties are underpinned by a strong tenant profile including national and international companies such as Mars Australia, Toll Transport, Penske Power Systems, and DHL Supply Chain.

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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 Reserve Bank of Australia, Statement by Philip Lowe, Governor: Monetary Policy Decision, 5 December 2017

In the first year, the Properties are expected to generate a net property income ("**NPI**") yield of approximately 6.4%[1].

The leases provide for built-in organic growth by way of rental escalations of between 2.0% to 3.5% p.a..

4.4 Strengthens Cache's portfolio

The Properties have a WALE by income of 5.0 years as at 31 December 2017. The Acquisitions extend the Cache portfolio WALE from 3.2 years[2] to 3.4 years. The Cache portfolio land WALE will improve from 43.7 years to 53.1 years as at 31 December 2017[3].

4.5 Enlarged Quality Portfolio

Cache will benefit from an increased portfolio size that will create a stronger and more diversified platform for further acquisition growth, primarily due to better access to both the capital markets and the debt markets. The Acquisitions would close to double Cache's assets under management in Australia, from A$195.9 million to A$373.5 million (S$392.7 million). Following completion of the Acquisitions, Cache will increase its investment property base by 15.6% to approximately S$1.4 billion.

5. Estimated Acquisition Cost

The current estimated total cost of the Acquisitions is A$191.0 million (S$203.0 million) (the "**Acquisition Cost**") which comprises[4]:

(i) the Purchase Consideration of A$177.6 million (S$188.3 million);

(ii) the stamp duty for the Unit Purchase Agreements of approximately A$9.8 million (S$10.4 million), computed at approximately 5.54% of the Purchase Consideration;

(iii) the acquisition fee payable to the Manager of approximately A$1.78 million (S$1.89 million); and

(iv) professional and other fees and expenses of approximately A$1.78 million (S$1.89 million).

6. Method of Financing and Aggregate Leverage

The Manager intends to finance the Acquisition Cost through an unsecured term loan facility (the "**Loan**") and an issuance of perpetual securities under the multicurrency debt issuance programme established on 30 November 2017. In connection therewith, the Trustee has today entered into the Facility Agreement with the Lender.

Pursuant to Rule 704(31) of the Singapore Exchange Securities Trading Limited Listing Manual, the Manager wishes to additionally announce that the Loan Facility Agreement contains the following change of control conditions where it is required that:

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

2 As at 31 December 2017.

3 Using 99-yr leasehold for the purpose of the calculation.

4 Unless otherwise stated, the S$ equivalent of the A$ figures in this Announcement has been arrived at based on an exchange rate of A$1.00 = S$1.06.

(i) ARA Asset Management Limited ("**ARA**") shall directly or indirectly hold, collectively, at least 51% of the issued and paid-up capital of the Manager (or such other manager for the time being of Cache); and

(ii) ARA shall directly or indirectly hold collectively at least 51% of the voting rights or controlling interests in the Manager (or such other manager for the time being of Cache),

(each a "**Change of Control Event**" and collectively, the "**Change of Control Conditions**").

The Lender may, *inter alia*, require the Trustee to repay all amounts due under the Facility Agreement in the event of any breach or non-compliance of the Change of Control Conditions.

Assuming that the full amounts of the facilities of Cache and/or its subsidiaries under the Facility Agreement and other loan facilities are fully drawn and based on the actual debt issued by Cache and/or its subsidiaries to date (collectively, the "**Facilities**"), and a Change of Control Event occurs and there is a breach of a Change of Control Condition, cross defaults of the Facilities may be triggered and the aggregate level of Facilities that may be affected is approximately S$446.7 million (excluding any interest and fees and the Loan) as at 31 December 2017.

As at the date of this announcement, there has not been any breach of the Change of Control Conditions.

Upon completion of the Acquisitions, the Aggregate Leverage of Cache will rise from 36.3% (as at 31 December 2017) to 39.3%.

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

7.1 Certain Financial Information Relating to the Acquisitions

The pro forma financial effects of the Acquisitions 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$177.6 million (S$188.3 million);

(ii) Cache will fund the Acquisition Cost, other transaction costs and general working capital with a new S$110.0 million five-year SGD unsecured term loan facility and the S$100.0 million subordinated perpetual securities; and

(iii) foreign-sourced interest income and/or trust distributions, net of relevant withholding tax, received from MIT 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[1].

7.2 Pro Forma Distribution Per Unit ("DPU")

The table below sets out the pro forma financial effects of the Acquisitions on Cache's DPU, as if the Acquisitions were completed on 1 January 2017, and Cache held and operated the Property through 31 December 2017:

	Effects of the Acquisitions	
	Before the Acquisitions(1)	**After the Acquisitions**
Net Property Income (S$'000)	87,291	99,797
Distributable Income (S$'000)	66,015	66,836
Units in issue ('000)(2)	1,069,700	1,069,700
DPU (cents)	6.738	6.822
Earnings per Units (cents)	2.46	3.03

Notes:
(1) Based on the FY2017 unaudited financial statements.
(2) Includes number of units issued and to be issued at the end of FY2017.

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

The pro forma financial effects of the Acquisitions on the NAV per Unit as at 31 December 2017, as if the Acquisitions were completed on 31 December 2017, are as follows:

	Effects of the Acquisitions	
	Before the Acquisitions(1)	**After the Acquisitions**
NAV (S$'000)	765,668	865,228
Units in issue ('000)(2)	1,069,700	1,069,700
NAV per unit (S$)	0.716	0.809

Notes:
(1) Based on the FY2017 unaudited financial statements.
(2) Includes number of units issued and to be issued at the end of FY2017.

8. Interests of Directors and Controlling Unitholders

As at the date of this announcement, certain directors of the Manager collectively hold an aggregate direct and deemed interest in 4,936,008 units in Cache. Cache has no controlling Unitholders.

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 has an interest, direct or

1 Note this application is still being processed and the income tax exemption has not been granted as of the date of this announcement.

indirect, in the Acquisitions.

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 Acquisitions.

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 Acquisitions using the aforesaid bases of comparison are set out in the table below.

Criteria	**Cache** (S$ million)	**The Acquisitions** (S$ million)	**Relative Percentage**
The net profits attributable to the assets acquired, compared with Cache's net profits	$56.73[(1)]	$5.47	9.65%
The aggregate value of the consideration given, compared with Cache's market capitalisation based on the total number of issued Units	$919.94[(2)]	$188.26	20.46%

Notes:

(1) Based on the FY2017 unaudited financial statements.

(2) The market capitalisation of Cache is calculated based on the weighted average price on 30 January 2018, being the market day preceding the date of the Unit Purchase Agreements.

The Manager is of the view that the Acquisition is within Cache's ordinary course of business as it is within the investment mandate of Cache and the Properties is of the same class as Cache's existing properties and within the same geographical markets that Cache targets. Accordingly, Unitholders' approval for the Acquisition is not required.

9.3 Documents for Inspection

Copies of each of the Unit Purchase Agreements and the valuation report of the Independent Valuer 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.

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

Daniel Cerf
Chief Executive Officer
31 January 2018

For enquiries, please contact
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ABOUT CACHE LOGISTICS TRUST ("CACHE")

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

Cache's portfolio comprises 19 high quality logistics warehouse properties strategically located in established logistics clusters in Singapore, Australia and China. The portfolio has a total gross floor area of approximately 7.6 million square feet valued at approximately S$1.2 billion[1] as at 31 December 2017.

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**").

Established in 2002, ARA Asset Management Limited ("**ARA**" or the "**Group**") is a premier integrated real estate fund manager driven by a vision to be the best-in-class real estate fund management company focused on the management of real estate investment trusts ("**REITs**") and private real estate funds.

1 Based on independent valuations as at 31 December 2017.

ARA's business is focused on the following segments:

(a) **REITs** – ARA is one of the largest REIT managers in Asia ex-Japan and currently manages five listed REITs, namely Fortune REIT dual-listed in Singapore and Hong Kong, Suntec REIT and Cache Logistics Trust listed in Singapore and Hui Xian REIT and Prosperity REIT listed in Hong Kong. The Group also manages six privately-held REITs in South Korea;

(b) **Private real estate funds** – The Group manages nine private funds investing in real estate in Asia; and

(c) **Real estate management services** – The Group provides property management services and convention & exhibition services, including managing the award-winning Suntec Singapore Convention & Exhibition Centre.

ARA's diverse suite of REITs and private real estate funds are invested in the office, retail, logistics/industrial, hospitality and residential sectors. ARA has distinguished itself over the years with its unique investor-operator philosophy, which nurtures each asset from acquisition to divestment to add value to every stage of the asset life cycle. Built on a foundation of strong corporate governance and business integrity, it counts some of the world's largest pension funds, financial institutions, endowments and family offices as its investors.

ARA has approximately 1,300 staff in 19 cities in seven countries. It manages over 90 properties measuring 57 million square feet in Asia Pacific, with approximately S$40 billion in assets under management.

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

CWT provides integrated commodity services to create better supply chain and opportunities for world trade. Its core business focus is commodity trading, complemented by financial services and integrated logistics platform to form a seamless industrial linkage. CWT combines its industry domain capabilities, global scale and resources to deliver a holistic business solution while helping customers succeed and communities thrive. CWT is a wholly-owned subsidiary of CWT International Limited (HKEX: 521).

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

IMPORTANT NOTICE

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of Cache and the Manager is not necessarily indicative of the future performance of Cache and the Manager. This announcement may contain forward-looking statements that involve risks and uncertainties. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

The value of Units and the income derived from them, if any, may fall or rise. The Units are not obligations of, deposits in, or guaranteed by, the Manager or HSBC Institutional Trust Services (Singapore) Limited (as the trustee of Cache) or any of their affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.