ARA-CWT Trust Management (Cache) Limited

Cache Logistics Trust **Manager of**

PROPOSED ACQUISITION OF PROPERTIES 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 three of its indirect wholly-owned sub-trusts (the "**Purchasers**")[1] entered into separate sale and purchase agreements (the "**SPAs**") with McPhee Developments Pty Ltd (Company Registration No. ACN 102 772 869) ("**McPhee**"), Larapinta Logistics Pty Ltd (Company Registration No. ACN 157 921 812) ("**Larapinta**"), and Sonton Pty Ltd (Company Registration No. ACN 050 064 330) ("**Sonton**", together with McPhee and Larapinta, the "**Vendors**") to acquire:

(i) 127 Orchard Road, Chester Hill, New South Wales (the "**Chester Hill Property**") from McPhee;

(ii) 16-28 Transport Drive, Somerton, Victoria (the "**Somerton Property**") from Larapinta; and

(iii) 51 Musgrave Road, Coopers Plains, Queensland (the "**Coopers Plains Property**") from Sonton,

(collectively the "**Properties**" and the acquisition of the Properties, the "**Acquisitions**").

The Properties are sold together by the Vendors as part of a combined portfolio sale.

2. Information on the Properties

2.1 Chester Hill Property

The Chester Hill Property is located in Chester Hill, New South Wales. It is situated within the Chester Hill industrial precinct which is approximately 20 kilometres west of the Sydney central business district ("**CBD**"). The Chester Hill Property is a modern, functional freestanding warehouse facility. The warehouse facility was recently refurbished and enlarged in 2010. The site area is approximately 38,550 square metres (414,952 square feet) and the net lettable area is approximately 25,830 square metres (278,034 square feet).

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1 The Purchasers are Chester Hill (NSW) Trust, Somerton (VIC) Trust and Cooper Plains (QLD) Trust.

2.2 Somerton Property

The Somerton Property is located in Somerton, Victoria. It is situated within an established industrial precinct approximately 18 kilometres north of Melbourne CBD. The Somerton Property is a highly functional and modern distribution centre. The site area is approximately 45,780 square metres (492,776 square feet) and the net lettable area is approximately 21,279 square metres (229,047 square feet).

2.3 Coopers Plains Property

The Coopers Plains Property is located on the southern outskirts of Brisbane, Queensland. The property is located within an established industrial suburb adjacent to Archerfield, Acacia Ridge, Salisbury and Rocklea. The property is a fully-functional warehouse and distribution facility with dual crossover street access. The site area is approximately 15,960 square metres (171,793 square feet) and the net lettable area is approximately 9,492 square metres (102,172 square feet).

2.4 Valuations and Purchase Consideration

The Manager and the Trustee has appointed Cushman & Wakefield (NSW) Pty Limited (the "**Independent Valuer**") as the independent valuer to value the Properties. The Independent Valuer has valued the Properties as at 1 February 2015 using the capitalisation approach and discounted cashflow analysis. The table below sets out the valuation and 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.

	Valuation[(1)]	**Purchase Consideration[(1)]**
Chester Hill Property	A$37.0 million S$38.8 million	A$37.0 million S$38.8 million
Somerton Property	A$22.3 million S$23.4 million	A$22.3 million S$23.4 million
Coopers Plains Property	A$10.7 million S$11.2 million	A$10.7 million S$11.2 million
Total	A$70.0 million S$73.4 million	A$70.0 million S$73.4 million

Note:

(1) Based on an exchange rate of A$1 = S$1.0491.

3. Details of the SPAs

Pursuant to the terms of the SPAs, the Purchasers will acquire the Properties from the Vendor. The condition precedent for the SPAs is approval being granted by the Foreign Investment Review Board of Australia for the Acquisitions by Cache via the established Managed Investment Trust ownership structure.

Pursuant to the terms of the SPAs, the completion of the Acquisitions is expected to take place on 27 February 2015.

4. Rationale for the Acquisitions

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

4.1 Opportunity to purchase attractive and high quality properties

The Acquisitions represents an opportunity for Cache to acquire attractive and high quality warehouses occupying freehold land and located in excellent locations with close proximity to major roads linking central business districts, ports and airports.

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[2], the Acquisitions will enhance the geographic diversification of the Cache portfolio.

Of late, Australia has received significant levels of foreign direct investments, which are expected to result in growth in the logistics sector. The Acquisitions will enable Cache to capitalise on the economic growth in the region and in particular the resilient logistics sector. Concurrently, by diversifying into a different market, Cache is expected to benefit from risk diversification from the Acquisitions and the economic cycles where Cache's portfolio is located.

4.3 Income Diversification and Growth

The Acquisitions are expected to benefit 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 agreements with the tenants of the Properties promote income growth with fixed annual rent escalations of between 3.0% and 3.5%.

4.4 Strengthens Cache's portfolio

The Properties have a combined Weighted Average Lease to Expiry ("**WALE**") by lettable area of 9.7 years. The Acquisitions extend the Cache portfolio WALE from 4.1 years[3] to 4.6 years.

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. Following completion of the Acquisitions, Cache will increase its investment property base by 7.1% to S$1,199.5 million.

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2 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.

3 As at 31 December 2014.

5. Estimated Acquisition Cost

The current estimated total cost of the Acquisitions is A$75.6 million (S$79.3 million) ("**Acquisition Cost**") which comprises[4]:

(i) the purchase consideration of A$70.0 million (S$73.4 million) (the "**Purchase Consideration**");

(ii) the stamp duty for the SPAs of approximately A$3.9 million (S$4.1 million), computed at 5.5% of the Purchase Consideration;

(iii) the acquisition fee payable to the Manager of approximately S$0.7 million; and

(iv) professional and other fees and expenses of approximately S$1.1 million.

6. Method of Financing and Aggregate Leverage

The Manager intends to finance the Acquisition Cost through bank borrowings. Upon completion of the Acquisition, which is expected to be by end of February 2015, the Aggregate Leverage of Cache will rise from 31.2% as at 31 December 2014 to 35.7%.

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

(i) Cache will acquire the Properties at the Purchase Consideration of A$70.0 million (approximately S$73.4 million);

(ii) Cache will fund the acquisition with a new A$35.0 million (S$36.7 million) five-year AUD secured term loan facility and a new A$14.0 million (S$14.7 million) three-year AUD unsecured term loan facility. The balance of the total acquisition cost, or approximately A$26.6 million (S$27.9 million), will be funded by Cache's existing loan facilities;

(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$0.7 million (S$0.7 million); and

(v) foreign-sourced interest income and / or trust distributions, net of relevant withholding tax, received from MIT[5] 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.

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4 Based on an exchange rate of A$1 = S$1.0491.

5 Cache Logistics Trust Australia.

7.2 Pro Forma Distribution Per Unit ("DPU")

The table below sets out the pro forma financial effects of the Acquisitions on Cache Logistics Trust's DPU, as if the Acquisitions were completed on 1 January 2014, and Cache held and operated the Properties through 31 December 2014:

	Effects of the Acquisitions	
	Before the Acquisitions(1)	**After the Acquisitions**
Net Profit before Tax (S$'000)	66,084	67,278
Distributable Income (S$'000)	66,880	67,953
Units in issue ('000)	781,758	782,066
DPU (cents)	8.573	8.710
Earnings per Units (cents)	8.450	8.643

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

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 2014, as if the Acquisitions were completed on 31 December 2014, are as follows:

	Effects of the Acquisitions	
	Before the Acquisitions(1)	**After the Acquisitions**
NAV (S$'000)	766,901	766,901
Units in issue ('000)	781,758	781,758
NAV per unit (S$)	0.98	0.98

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

8. Interests of Directors and Controlling Unitholders

As at the date of this announcement, certain of the directors of the Manager collectively have an aggregate direct and indirect interest in approximately 3.64 million Units.

8.1 Unitholdings of Directors

As at 3 February 2015, being the latest practicable date prior to the issue this announcement (the "**Latest Practicable Date**"), the details of the unitholdings of the Directors are as follows:

Name of Directors	**Direct Interest**		**Deemed Interest**		**Total no. of Units held**	**%(1)**
	No. of Units	**%(1)**	**No. of Units**	**%(1)**		
Mr Lim How Teck	100,000	0.013	0	0	100,000	0.013
Mr Lim Hwee Chiang	1,000,000	0.128	1,000,000 (2)	0.128	2,000,000	0.256
Mr Liao Chung Lik	1,285,600	0.164	0	0	1,285,600	0.164
Mr Jimmy Yim Wing Kuen	200,000	0.026	0	0	200,000	0.026

Mr Lim Ah Doo	0	0	0	0	0	0
Ms Stefanie Yuen Thio	50,000	0.006	0	0	50,000	0.006
Mr Moses K. Song (Alternate Director to Mr Lim Hwee Chiang)	0	0	0	0	0	0

Notes:

(1) Based on total units in issue of 781,758,464 units.

(2) 1,000,000 Cache Units are held by Citibank Nominees Singapore Pte. Ltd. (as nominee for JL Philanthropy Ltd). Mr Lim Hwee Chiang is the settlor of JL Charitable Settlement which is the beneficiary of JL Philanthropy Ltd.

8.2 Unitholdings of Substantial Unitholders

As at the Latest Practicable Date, the details of the unitholdings of the Substantial Unitholders are as follows:

Name of Substantial Unitholders	Direct Interest		Deemed Interest		Total no. of Units held	%(7)
	No. of Units	%(7)	No. of Units	%(7)		
CWT Limited (1)	55,000,000	7.035	20	0.000	55,000,020	7.035
C&P Holdings Pte Ltd (2)	0	0	55,000,000	7.035	55,000,000	7.035
Newton Investment Management Ltd	50,000,000	6.396	0	0	50,000,000	6.396
BNY Mellon Investment Management (Jersey) Ltd., BNY Mellon Investment Management (Europe) Ltd., BNY Mellon Investment Management Europe Holdings Limited, BNY Mellon International Asset Management Group Ltd., Newton Management Ltd. (3)	0	0	50,000,000	6.396	50,000,000	6.396
MBC Investments Corporation (4)	0	0	50,036,000	6.400	50,036,000	6.400
The Bank of New York Mellon Corporation (5)	0	0	50,047,000	6.402	50,047,000	6.402
The Capital Group Companies, Inc (6)	0	0	41,000,000	5.245	41,000,000	5.245

Notes:

(1) CWT Limited is deemed to be interested in the Units held by the Manager by virtue of its 40% stake in the issued share capital of the Manager.

(2) C&P Holdings Pte Ltd is deemed to be interested in the Units held by CWT Limited by virtue of its direct shareholding of 31.9% of CWT Limited's total issued capital.

(3) Each of BNY Mellon Investment Management (Jersey) Ltd., BNY Mellon Investment Management (Europe) Ltd., BNY Mellon Investment Management Europe Holdings Limited, BNY Mellon International Asset Management Group Ltd., Newton Management Ltd. has a deemed interest by virtue of Section 4(5) of the Securities and Futures Act, in the interest of Newton Investment Management Limited in the units of the listed company.

(4) MBC Investments Corporation has a deemed interest by virtue of Section 4(5) of the Securities and Futures Act, in the interest of Newton Investment Management Limited and Mellon Capital Management Corporation, in the units of the listed company.

(5) The Bank of New York Mellon Corporation has a deemed interest by virtue of Section 4(5) of the Securities and Futures Act, in the interest of MBC Investments Corporation, in the units of the listed company.

(6) The Capital Group of Companies, Inc. ("**CGC**"), as the parent company of Capital Research and Management ("**CRMC**") is deemed interested in the 41,000,000 units held directly by Capital Income Builder ("**CIB**") (a mutual fund managed by CRMC). CRMC, as the fund manager of CIB is deemed interested in the 41,000,000 units held directly by CIB.

(7) Based on total units in issue of 781,758,464 units.

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 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 Acquisitions 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 Logistics Trust 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 Logistics Trust' net profits; and

(ii) the aggregate value of the consideration given or received, compared with Cache Logistics Trust'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 Logistics Trust (S$ million)	The Acquisitions (S$ million)	Relative Percentage (%)
The net profits attributable to the assets acquired, compared with Cache Logistics Trust's net profits	66.08[(1)]	1.19[(3)]	1.81
The aggregate value of the consideration given, compared with Cache Logistics Trust's market capitalisation based on the total number of issued Units	904.26[(2)]	79.31 [(3)]	8.77

Notes:

(1) Based on the FY2014 unaudited financial statements.

(2) The market capitalisation of Cache Logistics Trust is calculated based on the weighted average price on 5 February 2015, being the market day preceding the date of the SPAs.

(3) Based on an exchange rate of A$1 = S$1.0491.

9.3 Documents for Inspection

Copies of the SPAs and the valuation reports 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 at 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
9 February 2015

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 14 high quality logistics warehouse properties (including the ongoing build-to-suit logistics warehouse development for DHL Supply Chain Singapore) strategically located in established logistics clusters in Singapore and China. The portfolio has a total gross floor area of approximately 6.1 million square feet and a portfolio value of approximately S$1.12 billion as at 31 December 2014.

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 manager which is listed on the Main Board of the Singapore Exchange Securities Trading Limited since November 2007. It currently manages real estate investment trusts ("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$26 billion.

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

CWT is a leading solutions provider of integrated logistics and supply chain management committed to connecting world trade and sustainable development. A Forbes Asia Fab 50 company, CWT serves the spectrum from small establishments to multinational corporations across multiple markets and geographies. Leveraging its strength and scale in logistics competencies, infrastructure and global network, CWT delivers solutions that help customers succeed and communities thrive. CWT has built a diversified portfolio around its core logistics capabilities. CWT provides commodity supply chain management for base metals and energy products. It is also engaged in engineering services for buildings, facilities and equipment fleet; property management; brokering services for exchange listed products; and asset and trust management for Cache Logistics Trust, a logistics property REIT. CWT is a Singapore corporation established in 1970 and traded on the Singapore Exchange since 1993. CWT employs around 6,000 people and reported revenue of S$9.1 billion in 2013.

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.