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CACHE LOGISTICS TRUST

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

PROPOSED DIVESTMENT OF JINSHAN CHEMICAL WAREHOUSE

1. INTRODUCTION

1.1 Proposed Divestment of Jinshan Chemical Warehouse ("Divestment")

ARA 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**"), has on 12 October 2018 through CWT Jinshan (Hong Kong) Pte Limited, its special purpose entity incorporated in Hong Kong, entered into an Equity Transfer Agreement (the "**SPA**") with Zhejiang Yongtai Logistics Co., Ltd (the "**Purchaser**"), pursuant to which the Trustee has agreed to sell, and the Purchaser has agreed to purchase, all of Cache's equity interest (the "**Sale Shares**") in Cache's wholly-owned subsidiary, CWT Warehousing Transportation (Shanghai) Development Co., Ltd (the "**Sale Company**") subject to the terms and conditions set out in the SPA. The Sale Company owns Jinshan Chemical Warehouse (the "**Property**"), a chemical and dangerous goods warehouse property in Shanghai, the People's Republic of China.

1.2 Information on the Property

The Property is located in Caojing Town, Jinshan District, Shanghai. It is situated within the Shanghai Chemical Industry Park, and was developed by CWT Pte. Limited and completed in 2007. The premises comprise four single-storey chemical warehouse buildings with ancillary office space. The Property has a Land Use Rights of 50 years with effect from 18 September 2006. The registered land area is 33,506.5 square metres. The total gross floor area is 13,546.6 square metres.

2. DETAILS OF THE DIVESTMENT

The aggregate consideration for the Sale Shares ("**Sale Consideration**") is the sum of (ii) the base price of the Property of RMB 87.0 million (approximately S\$17.8 million¹) ("**Property Base Price**") and (ii) the net asset value adjustment amount at legal completion ("**Completion**"). The Property Base Price at RMB 87.0 million was agreed on a willing buyer willing seller basis, after taking into account the valuation of the Property.

The valuation of the Property is RMB 77.3 million (approximately S\$15.8 million¹) as at 15 August 2018 ("**Valuation**"). The Valuation was carried out by Cushman & Wakefield Limited ("**C&W**") using the capitalisation approach and the discounted cash flow approach. The Property Base Price is approximately 12.5% above the Valuation and 22.5% higher than Cache original purchase price of RMB 71.0 million in June 2011.

Completion is expected to take place by 31 December 2018.

In accordance with Cache's Trust Deed, the Manager is entitled to a Divestment fee of approximately S\$89,000, being 0.5% of the Property Base Price.

3. RATIONALE FOR AND BENEFITS OF THE DIVESTMENT

The Manager believes the Divestment will bring the following key benefits to unitholders of Cache ("**Unitholders**"):

The Divestment is in line with the Manager's strategy to optimise returns through both proactive asset management and rebalancing of the Cache portfolio where capital is intended to be redeployed for higher and better use.

In this regard, the Divestment provides Cache with the opportunity to recycle its capital in line with the Manager's portfolio rebalancing and growth strategy to create debt headroom and reinvest capital into higher performing assets with stronger property fundamentals.

4. USE OF SALE PROCEEDS

After taking into account the associated taxes and divestment related expenses (including the Divestment fee), Cache is expected to recognise an estimated Divestment gain of approximately RMB 1.3 million (approximately S\$0.3 million¹) over the latest book value. The Manager intends to use the net sale proceeds to repay debt, further lowering financing expenses and creating additional debt headroom.

5. INTERESTS OF DIRECTORS AND CONTROLLING UNITHOLDERS

As at the date of this announcement, certain directors of the Manager collectively hold an aggregate direct and indirect interest in 3,619,000 Units. Cache has no controlling Unitholder.

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 indirect, in the Divestment.

¹ Based on the exchange rate of S\$1.00 = RMB 4.899.

6. OTHER INFORMATION

6.1 Classification of Divestment

The Divestment is classified as a non-disclosable transaction under Chapter 10 of the Listing Manual.

6.2 Documents for Inspection

Copies of the SPA and the C&W valuation report are available for inspection, via prior appointment, during normal business hours at the registered office of the Manager at 5 Temasek Boulevard, #12-01 Suntec Tower Five, Singapore 038985 for a period of three months commencing from the date of this announcement.

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

BY ORDER OF THE BOARD

ARA Trust Management (Cache) Limited
(Company Registration No. 200919331H)
(as manager of Cache Logistics Trust)

Daniel Cerf
Chief Executive Officer
12 October 2018

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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.

As at 30 June 2018, Cache’s portfolio comprised 27 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 8.8 million square feet valued at approximately S\$1.3 billion.

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

ABOUT ARA TRUST MANAGEMENT (CACHE) LIMITED

Cache is managed by ARA Trust Management (Cache) Limited, a wholly-owned subsidiary of ARA Asset Management Limited (“ARA” or the “Group”).

ARA Asset Management Limited is a premier global integrated real assets fund manager. As at 30 June 2018, the Gross Assets Managed by ARA Group and its Associates is approximately S\$78.2 billion² across 62 cities in 20 countries.

Driven by a vision to be the best-in-class real assets fund management company, ARA Group and its Associates’ businesses include:

- (a) **REITs** – ARA is one of the largest REIT managers in Asia. The Group directly manages 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. It also indirectly manages REITs in Japan and Australia through its associate companies.
- (b) **Private real estate funds** – The Group manages private funds providing investment opportunities in diverse real estate sectors and geographies that cater to different investor risk appetites.
- (c) **Infrastructure** – ARA Infrastructure was established in 2018 to cater to strong investor demand for global infrastructure investment in line with the increasing opportunities in this asset class.
- (d) **Country desks** – ARA operates country desks in China, Korea, Japan, Malaysia, Australia and Europe. The country desks employ a strong understanding of each local market to facilitate the flow of inbound and outbound capital and cross-country collaborations. In Korea, ARA manages six private REITs; In Japan, ARA holds a strategic stake in Kenedix, Inc. with approximately S\$25 billion in assets under management (“AUM”); In Europe, ARA’s platform is extended through its strategic partnership with Australia-based Cromwell Property Group which has approximately S\$11 billion in AUM, of which S\$5 billion is in Europe.
- (e) **Real estate management services** – As part of the Group’s investor-operator philosophy, its dedicated property management teams actively work the ground to manage its assets around the world.

² Includes assets under management as reported by the Group’s associates and joint ventures.

Its multi-platform, multi-product global fund management strategy, combined with its dedicated teams with in-depth local knowledge enables the Group to offer enduring value to its investors. Built on a foundation of strong corporate governance and business integrity, ARA counts some of the world's largest pension funds, sovereign wealth funds, financial institutions, endowments and family offices as its investors.

For more information, please visit www.ara-group.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. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.