ARA-CWT Trust Management (Cache) Limited

Cache Logistics Trust **Manager of**

PROPOSED ACQUISITION OF A WAREHOUSE 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**")[1] entered into a sale and purchase agreement (the "**SPA**") with Muzzie Pty Ltd (Company Registration No. ACN 098562442) (the "**Vendor**") to acquire the property located at 223 Viking Drive, Wacol, Queensland, Australia (the "**Property**" and the acquisition of the Property, the "**Acquisition**").

2. Information on the Property

The Property comprises a single-storey warehouse with ancillary office space and a standalone training building. It is located approximately 18 kilometres southwest of the Brisbane Central Business District, and is within the established industrial precinct of Wacol with close proximity to major motorways. The land area is approximately 22,760 square metres and the gross lettable area is approximately 6,276 square metres.

The Manager and the Trustee have appointed m3property Pty Ltd (the "**Valuer**") as the independent valuer to value the Property. The Valuer has valued the Property at A$9.575 million (S$9.6 million[2]) as at 15 October 2015 using the capitalisation approach and discounted cashflow approach.

The Purchase Consideration of A$9.575 million (S$9.6 million) was negotiated on a willing-buyer and willing-seller basis, and is based on the independent valuation of the Property.

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1 The Purchaser, Wacol 2 (QLD) Trust, has been incorporated in Australia, with its principal activity of being investment holding, and its unit capital is A$1 comprising 1 unit.

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

3. Rationale for the Acquisition

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

3.1 Opportunity to purchase attractive and high quality property

The Acquisition represents an opportunity for Cache to acquire a warehouse with freehold tenure and located in a sought-after industrial precinct within Queensland, Australia, and located immediately adjacent to the previously acquired property at 203 Viking Drive.

3.2 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, being Western Star Trucks Australia Pty Ltd. ("**WSTA**") until August 2023 promotes income growth with fixed annual rent escalation of 4.0% or the Consumer Price Index, whichever is higher. WSTA, a subsidiary of the Penske Automotive Group which is listed on the New York Stock Exchange, is also the tenant for the property at 203 Viking Drive.

In the first year, the Property is expected to generate a net property income ("**NPI**") yield of approximately 7.1%[3].

3.3 Strengthens Cache's portfolio

The Property has a Weighted Average Lease to Expiry ("**WALE**") by lettable area of 7.7 years as at 27 November 2015. The Acquisition extends the Cache portfolio WALE from 4.42 years[4] to 4.46 years.

3.4 Enlarged 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.

4. Estimated Acquisition Cost

The estimated total cost of the Acquisition is A$10.5 million (S$10.5 million) (the "**Acquisition Cost**") which comprises:

(i) the purchase consideration of A$9.575 million (S$9.6 million) (the "**Purchase Consideration**");

(ii) the stamp duty for the SPA of approximately A$0.55 million (S$0.55 million), computed at 5.75% of the Purchase Consideration;

(iii) the acquisition fee payable to the Manager of approximately S$0.1 million; and

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3 Equivalent to the net rental income less property management fees divided by the Purchase Consideration.

4 WALE (by net lettable area) as at 30 September 2015, including the WALE for the property located at 203 Viking Drive, Wacol, Queensland, Australia, and the WALE for the property located at 404 – 450 Findon Road, Kidman Park, Adelaide, South Australia, assuming completion of the acquisition.

(iv) professional and other fees and expenses of approximately S$0.29 million.

5. Method of Financing and Aggregate Leverage

The Manager intends to finance the Acquisition Cost through bank borrowings and equity proceeds from the private placement launched on 3 November 2015. Upon completion of the Acquisition, the Aggregate Leverage of Cache will rise from 35.6% to 36.0%[5].

6. Other Information

6.1 Financial Impact

The Acquisition is not expected to have any material impact on the financial position of Cache for the current financial year.

6.2 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 3,510,600 Units, none of the directors of the Manager or controlling Unitholders of Cache have an interest, direct or indirect, in the Acquisition. As at the date of this 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.

6.3 Classification under Rule 1006

The proposed acquisition by Cache is classified as a non-discloseable transaction under Rule 1004 of the Listing Manual of Singapore Exchange Securities Trading Limited (the "**SGX-ST**") based on the sizes of the relative figures computed on the following applicable bases of comparison under Rule 1006 of the Listing Manual of the SGX-ST:

(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.

6.4 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 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.

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5 Aggregate Leverage ratio post completion of the proposed acquisition of the property located at 404 – 450 Findon Road, Kidman Park, Adelaide, South Australia and assuming the S$60.0 million of the equity proceeds from the private placement launched on 3 November 2015 are used to pay existing debt.

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
27 November 2015

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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 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.