



CACHE LOGISTICS TRUST
 (Constituted in the Republic of Singapore pursuant
 to a Trust Deed dated 11 February 2010 as amended and restated)

Press Release

Cache Logistics Trust Reports Income Available for Distribution of S\$15.9 million in 3Q FY18

Performance Highlights:

- Improved quarter-on-quarter performance
- Strong committed portfolio occupancy at 96.9% with minimal leasing risk at 2.5% of NLA
- Portfolio Rebalancing and Growth Strategy continues with the proposed divestment of Jinshan Chemical Warehouse in China
- Successfully refinanced S\$265 million loan facilities, achieving a largely unencumbered portfolio and lengthening the debt maturity to beyond four years

Financial Performance

In S\$'000 unless otherwise noted

| | 3Q FY18 | 3Q FY17 | Change (%) | YTD FY18 | YTD FY17 | Change (%) |
|--|----------------|----------------|---------------|----------------|----------------|---------------|
| Gross Revenue | 31,498 | 27,432 | 14.8 | 90,552 | 82,384 | 9.9 |
| Net Property Income (NPI) | 23,063 | 21,338 | 8.1 | 67,556 | 63,771 | 5.9 |
| Income Available for Distribution | 15,858 | 16,448 | (3.6) | 47,231 | 48,936 | (3.5) |
| - from operations | 15,472 | 15,883 | (2.6) | 46,437 | 47,324 | (1.9) |
| - from capital ⁽¹⁾⁽²⁾ | 386 | 565 | (31.7) | 794 | 1,612 | (50.7) |
| Distribution per Unit (DPU) (cents)⁽³⁾ | 1.475 | 1.541 | (4.3) | 4.401 | 4.986 | (11.7) |
| - from operations | 1.439 | 1.488 | (3.3) | 4.327 | 4.821 | (10.2) |
| - from capital ⁽¹⁾⁽²⁾ | 0.036 | 0.053 | (32.1) | 0.074 | 0.165 | (55.2) |
| Number of Units in Issue and to be issued | 1,074.7 | 1,067.2 | 0.7 | 1,074.7 | 1,067.2 | 0.7 |

Notes:

- (1) Capital distribution in 3Q FY18 relates to reimbursements received in relation to outstanding lease incentives from certain Australian properties. 3Q FY17 capital distribution relates to proceeds from the disposal of Kim Heng warehouse.
- (2) Capital distribution in YTD FY18 relates to reimbursements received in relation to outstanding lease incentives from certain Australia properties and proceeds from the disposal of Kim Heng warehouse. YTD FY17 capital distribution relates solely to proceeds from the disposal of Kim Heng warehouse.
- (3) In September 2017, Cache undertook an underwritten and renounceable rights issue (the "Rights Issue") of 162,565,716 new units to raise gross proceeds of S\$102.7 million. The YTD FY17 DPU is recomputed to reflect the effects of the Rights Issue.

Singapore, 26 October 2018 – ARA Trust Management (Cache) Limited, the manager (the "**Manager**") of Cache Logistics Trust ("**Cache**"), announced today an Income Available for Distribution of S\$15.9 million for the period 1 July 2018 to 30 September 2018 ("**3Q FY18**") and S\$47.2 million for the period 1 January 2018 to 30 September 2018 ("**YTD FY18**"). The distribution per unit ("**DPU**") for 3Q FY18 was 1.475 cents.

3Q FY18 Gross Revenue increased by 14.8% year-on-year (“y-o-y”) to S\$31.5 million and NPI increased by 8.1% to S\$23.1 million. The increase in NPI was mainly attributable to a higher NPI from Australia with the addition of the nine-property warehouse portfolio acquired in February 2018 and a higher contribution from 51 Alps Ave, Singapore and its rental top-up¹. NPI from the Singapore portfolio was lower due to a lower NPI from CWT Commodity Hub which was converted from master lease to multi-tenancy in April 2018 and the absence of income from Hi-Speed Logistics Centre which was divested in May 2018.

Income available for distribution in 3Q FY18 was S\$15.9 million. Excluding the capital distribution of approximately S\$0.6 million in 3Q FY17², and including reimbursements received in relation to outstanding lease incentives from certain Australian properties (paid in the form of capital), the Income Available for Distribution decreased marginally by 0.2%.

YTD FY18 Gross Revenue and NPI increased by 9.9% and 5.9% y-o-y to S\$90.6 million and S\$67.6 million respectively, primarily due to the same attributable factors in 3Q FY18. As with 3Q FY18, when excluding the effects of capital distributions from an earlier divestment³, the Income Available for Distribution fell marginally by 1.1% (YTD FY18: S\$46.8 million vs YTD FY17: S\$47.3 million).

Compared to the preceding quarter, 3Q FY18 Income Available for Distribution and DPU compares positively. 3Q FY18 Income Available for Distribution of S\$15.9 million and DPU of 1.475 cents was higher by 4.1% and 3.9% respectively (2Q FY18 Income Available for Distribution: S\$15.2 million; DPU: 1.419 cents). This was attributable to a stable NPI from Australia and a stronger performing Singapore portfolio despite the divestment of Hi-Speed Logistics Centre.

Chief Executive Officer of the Manager, Daniel Cerf said: “3Q FY18 was a stable quarter where we saw an improvement in our DPU compared to the preceding quarter. Through building up the Australia portfolio since 2015, we have been able to reap the benefits of our diversification efforts over time, with Australia now contributing about 23% of our gross revenue.”

Mr Cerf continued: “As we continue to rebalance, optimise and grow the Cache portfolio, we must also maintain a prudent capital management approach. As announced last week, we successfully completed the refinancing of our Singapore-dollar loan facilities which were due in 2018. In the process, we have significantly improved Cache’s capital structure and operational flexibility through achieving a largely unencumbered portfolio and extending our average debt maturity.”

¹ Cache announced the amicable settlement to the lease dispute at 51 Alps Ave, Singapore on 31 October 2017. As part of the resolution, Cache received rental top-up to market rental in relation to its new lease with Schenker at the property until August 2021.

² 3Q FY17 capital distribution of \$0.565 million relates to proceeds from the disposal of Kim Heng warehouse.

³ The capital distributions of S\$1.612 million in YTD FY17 and S\$0.408 million in 2Q FY18 relating to proceeds from the disposal of Kim Heng Warehouse were excluded for a like-for-like comparison.

Portfolio Update

As at 30 September 2018, Cache maintained a strong committed portfolio occupancy of 96.9% and the WALE by net lettable area was 3.3 years. Close to 1.0 million square feet of leases were secured year-to-date in 2018, with only 2.5% of leases (by NLA) due to expire for the remainder of the financial year.

As a post 3Q FY18 event, Cache recently announced further progress in its Portfolio Rebalancing and Growth Strategy with the proposed divestment of Jinshan Chemical Warehouse located at Jinshan District, Shanghai in China for a sale consideration of RMB 87.0 million (approximately S\$17.8 million⁴). Acquired in June 2011 for RMB 71.0 million, the property was last valued at RMB 77.3 million⁵. The sale consideration of RMB 87.0 million represents a 22.5% premium over the original purchase price. The proposed divestment is in line with Cache's portfolio rebalancing and growth strategy and is expected to complete by year end.

Capital Management Update

Cache's aggregate leverage ratio stood at 35.6% as at 30 September 2018 and the year-to-date all-in financing cost was stable at 3.66%. On 16 October 2018, Cache entered into a new facility agreement to refinance part of its Singapore-dollar borrowings into a new 5.5-year \$265 million unsecured debt facility comprising a S\$200 million term loan and a committed revolving credit facility of S\$65 million. Post refinancing, over 80% of Cache's total borrowings will be unsecured, with the Singapore portfolio entirely unencumbered. The weighted debt maturity will be lengthened from 2.2 years to 4.1 years. 88.8% of distributable income is hedged or derived in Singapore dollars. The Manager plans to increase the proportion of debt hedged into fixed rates to further reduce exposure to interest rate movements.

In July 2018, ARA Asset Management Limited ("**ARA**"), through its wholly-owned subsidiaries, acquired full control of the Manager and Property Manager of Cache. Subsequently, ARA became the largest Unitholder in Cache with unitholdings of 9.2% of Cache's issued units base⁶. Both investments demonstrate ARA's alignment of interest with Unitholders as well as its strong commitment towards managing and growing Cache over the long term.

Outlook

The global economy continues to be weighed down by concerns about trade tensions, rising interest rates and geopolitics. Singapore's economy grew slower at 2.6% on a year-on-year basis in the third quarter of 2018 due to a softening manufacturing sector. With a slowdown in the future supply of industrial space from 2019 onwards, the market expects that rents in Singapore will likely stabilise across all segments from 2019 to 2022⁷.

The Australian economy has grown strongly over the past year, with GDP increasing by 3.4%⁸. The industrial sector in Australia is in a growth phase with demand greater than supply. Demand is expected to remain solid in the year ahead, given population growth and infrastructure investment which are supporting economic activity.⁹

⁴ Based on the exchange rate of S\$1.00 = RMB 4.899.

⁵ Based on the independent valuation carried out by Cushman & Wakefield Limited, as at 15 August 2018.

⁶ As at 30 August 2018.

⁷ Colliers International, H1 2018 Singapore Industrial Market, 23 August 2018.

⁸ Reserve Bank of Australia.

⁹ Dexis Research, Australian Real Estate Quarterly Review, "Three Thematics to Define the Year Ahead," Q3 2018.

Along with its focus on proactive capital management and asset management, the Manager will continue to execute on its portfolio rebalancing and growth strategy to rejuvenate, optimise and strengthen its portfolio.

Distribution to Unitholders

Cache will pay a distribution of 1.475 cents per unit on 28 November 2018 for the period from 1 July 2018 to 30 September 2018. The books closure date is on 2 November 2018.

<END>

By Order of the Board
ARA Trust Management (Cache) Limited (as manager of Cache Logistics Trust)
(Company registration no. 200919331H)

Daniel Cerf
Chief Executive Officer
26 October 2018

For enquiries, please contact:

ARA Trust Management (Cache) Limited

Judy Tan
Assistant Director, Investor Relations
Tel: +65 6512 5161
Email: judytan@ara-group.com

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 September 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.

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 Group¹⁰ and its Associates is approximately S\$78.2 billion 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.

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

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 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.

¹⁰ ARA Asset Management Holdings Pte. Ltd. and the Group of companies.