

Press Release

Cache Logistics Trust Reports 2Q FY2017 Results Portfolio Rebalancing & Growth Strategy Improves Earnings

Performance Highlights:

- Portfolio rebalancing and growth strategy continues to improve earnings and strengthen the portfolio
- Strong portfolio committed occupancy of 98.3%, compared to 97.2% as at end-March 2017
- Minimised renewal risk for the second half of FY2017 and continue to reduce FY2018 expiries

Financial Performance

In S\$'000 unless otherwise noted

	2Q FY2017	1Q FY2017	Q-o-Q Change (%)	2Q FY2016	Y-o-Y Change (%)
Gross Revenue	27,894	27,058	3.1	28,088	(0.7)
Net Property Income (“NPI”)	21,657	20,776	4.2	22,554	(4.0)
Income Available for Distribution	16,253	16,235	0.1	17,830	(8.8)
- from operations	16,135	15,306	5.4	17,830	(9.5)
- from capital ⁽¹⁾	118	929	(87.3)	-	nm
Distribution Per Unit (“DPU”) (cents)	1.800	1.800	-	1.989	(9.5)
- from operations	1.787	1.697	5.3	1.989	(10.2)
- from capital ⁽¹⁾	0.013	0.103	(87.4)	-	nm
Units in Issue and to be issued at the end of each period (million)⁽²⁾	903.14	901.85	0.1	896.42	0.8

Notes:

(1) Includes a partial capital distribution from the proceeds received from the divestment of Kim Heng Warehouse

(2) Rounded to 2 decimal places

Singapore, 21 July 2017 – ARA-CWT Trust Management (Cache) Limited, the manager (the “Manager”) of Cache Logistics Trust (“Cache”), announced today a DPU of 1.800 Singapore cents for the second quarter ended 30 June 2017 (“2Q FY2017”). DPU from operations improved 5.3% quarter-on-quarter (“q-o-q”) to 1.787 Singapore cents, reflecting the improvement in earnings due to its portfolio rebalancing and growth strategy and proactive leasing efforts.

Compared to the preceding quarter (“1Q FY2017¹”), Gross Revenue increased 3.1% to S\$27.9 million and NPI increased 4.2% to S\$21.7 million. The increase was attributable to a full quarter’s contribution from the latest acquisition of the Spotlight warehouse located in Laverton North, Victoria, Australia and higher contribution from new leases at Cache Cold Centre, Cache Changi Districentre 1 (“DC 1”) and DHL Supply Chain Advanced Regional Centre (“DSC ARC”).

On a year-on-year basis, 2Q FY2017 gross revenue fell marginally by 0.7% and NPI fell by 4.0%, attributable to a lower contribution from 51 Alps Ave due to the ongoing legal proceedings, conversion of 40 Alps Ave from master lease to multi-tenancy, and divestment of Cache Changi Districentre 3 (“DC 3”) in January 2017. This was offset by a higher contribution from DSC ARC, DC 1 and Cache Cold Centre, all of which enjoyed higher occupancies compared to the same period a year ago and the additional contribution from the Spotlight warehouse.

Mr Daniel Cerf, Chief Executive Officer of the Manager said: “We are pleased to see that since embarking on the portfolio rebalancing and growth strategy in 2015, the Australian portfolio has seen an increase in year-to-date NPI by close to 11% compared to a year ago. In addition, our proactive asset management efforts have produced results as the portfolio committed occupancy has improved to 98.3% despite the lingering oversupply of industrial space in Singapore. We continue to remain focused on our portfolio rebalancing and growth strategy to diversify our earnings and improve our capital structure over time.”

Portfolio Rebalancing and Growth Strategy

As reported in March 2017, the Manager completed its seventh acquisition in Australia through the purchase of the Spotlight Warehouse located in Laverton North, a prime logistics district in Melbourne. The acquisition was funded by the proceeds received from the divestment of DC 3 which was completed in January 2017. The divestment of DC 3 and the acquisition of the Spotlight Warehouse is part of our rebalancing and growth strategy which seeks to recycle capital into higher-performing assets. As at 30 June 2017, the Australian portfolio constituted approximately 22.2% and 16.2% of the total portfolio GFA and valuation.

Operating Performance Highlights

Cache’s portfolio committed occupancy improved to 98.3% as at 30 June 2017, with a portfolio weighted average lease to expiry (“WALE”) of 3.5 years² and only approximately 1.8%² of the portfolio’s leases expiring for the remainder of FY2017. Approximately 260,400 square feet of leases were signed in 2Q FY2017, making up a total of approximately 342,800 square feet of lease commitments signed in 1H FY2017.

¹ The first quarter ended 31 March 2017.

² As at 30 June 2017, by net lettable area.



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The average all-in cost of financing in 2Q FY2017 was 3.46%, down slightly from 3.55% in 2Q FY2016 due to continued cost savings from the refinancing exercise undertaken in November 2016. Approximately 94.3% of Cache's distributable income has been hedged into or was derived in Singapore dollars, representing minimal foreign currency risk. As at 30 June 2017, the aggregate leverage was 43.4%.

Outlook

The Singapore industrial market continues to be weighed down by an oversupply of warehouse space. Although demand appears to be improving in select sectors such as e-commerce and life sciences, industrialists' cautious outlook on the business environment continue to weigh down on the Singapore leasing market. In Australia, the demand for industrial prime assets observed across Sydney, Melbourne, and Brisbane continues to be driven by infrastructure development projects, labour market improvements, a low interest rate environment and strong GDP growth, among other factors³.

Going forward, the Manager's focus will be on executing its portfolio rebalancing and growth strategy to achieve sustainable earnings while maintaining a prudent capital structure over time.

Distribution to Unitholders

Cache will pay a distribution of 1.800 cents per unit on 28 August 2017 for the period from 1 April 2017 to 30 June 2017. The books closure date is on 31 July 2017.

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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

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³ Colliers International, "Industrial Research and Forecast Report – First Half 2017", April 2017



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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 as at 30 June 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 is a premier integrated real estate fund manager driven by a vision to be the best-in-class Asian real estate fund management company focused on the management of real estate investment trusts (“REITs”) and private real estate funds.

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 six REITs listed in three countries, namely Fortune REIT dual-listed in Singapore and Hong Kong, Suntec REIT and Cache Logistics Trust listed in Singapore, Hui Xian REIT and Prosperity REIT listed in Hong Kong and AmFIRST REIT listed in Malaysia. The Group also manages six privately-held REITs in South Korea;
- b) **Private real estate funds** - The Group manages 10 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 close to 100 properties measuring 55 million square feet in Asia Pacific, with approximately S\$36 billion in assets under management.

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



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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 Group 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.