

Press Release

Cache Logistics Trust Reports 3Q FY2017 Distributable Income of S\$16.4 million

Performance Highlights:

- Maintained strong portfolio metrics – Occupancy of 97.3%, WALE of 3.3 years
- Completed a successful Rights Issue which raised S\$102.7 million in gross proceeds
- Reduced Aggregate Leverage to 35.7% post-quarter

Financial Performance

In S\$'000 unless otherwise noted

	3Q FY2017	3Q FY2016	Change (%)	YTD FY2017	YTD FY2016	Change (%)
Gross Revenue	27,432	28,049	(2.2)	82,384	84,005	(1.9)
Net Property Income (NPI)	21,338	22,069	(3.3)	63,771	66,674	(4.4)
Income Available for Distribution	16,448	16,582	(0.8)	48,936	52,660	(7.1)
- from operations	15,883	16,582	(4.2)	47,324	51,013	(7.2)
- from capital ⁽¹⁾	565	-	nm	1,612	1,647	(2.1)
Distribution per Unit (DPU) (cents)⁽²⁾	1.541	1.767	(12.8)	4.986	5.621	(11.3)
- from operations	1.488	1.767	(15.8)	4.821	5.445	(11.5)
- from capital ⁽¹⁾	0.053	-	nm	0.165	0.176	(6.2)
Excluding impact of the Rights Units and bonus element of the Rights Issue						
	3Q FY2017	3Q FY2016	Change (%)	YTD FY2017	YTD FY2016	Change (%)
Distribution per Unit (DPU) (cents)	1.818	1.847	(1.6)	5.418	5.875	(7.8)
- from operations	1.756	1.847	(4.9)	5.240	5.691	(7.9)
- from capital ⁽¹⁾	0.062	-	nm	0.178	0.184	(3.3)

Notes:

(1) Relates to the proceeds received from the divestment of Kim Heng Warehouse

(2) As reported and recomputed

Singapore, 24 October 2017 – ARA-CWT Trust Management (Cache) Limited, the manager (the “Manager”) of Cache Logistics Trust (“Cache”), announced today a Distributable Income of S\$16.4 million and a DPU of 1.541 cents for the third quarter ended 30 September 2017 (“3Q FY2017”). Excluding the effect of the Rights Issue, DPU was marginally lower at 1.818 cents compared to the same period in 2016.

3Q FY2017 Gross Revenue and NPI fell by 2.2% and 3.3% to S\$27.4 million and S\$21.3 million respectively compared to the same period last year. The decline was due to the divestment of Cache Changi Districentre 3 and lower income from 51 Alps Ave due to the holding arrangement in place, partially offset by higher contributions from DHL Supply Chain Advanced Regional Centre, Cache Cold Centre and the Australia portfolio.

The conversion of 40 Alps Ave from a single-tenanted/ triple-net master lease structure to a gross rent lease structure in a soft rental market also contributed to a lower NPI. 3Q FY2017 DPU was lower at 1.541 cents, mainly attributable to a lower income from operations and an enlarged number of units in issue due to the recently-completed Rights Issue.

For the nine months ended 30 September 2017 (“YTD FY2017”), Gross Revenue and NPI fell by 1.9% and 4.4% to S\$82.4 million and S\$63.8 million respectively. Distributable Income and DPU declined 7.1% to S\$48.9 million and DPU was lower at 4.986 cents.

Mr Daniel Cerf, Chief Executive Officer of the Manager said: “In 3Q FY2017, the portfolio operating metrics remained healthy; however, the performance of Cache was weighed down by the 51 Alps Ave matter where efforts are undertaken to resolve it as soon as possible. Although our recently-completed Rights Issue contributed to the drop in DPU this quarter due to the increase in the issued units base, we now have a stronger balance sheet and larger debt headroom to facilitate future growth. We would like to thank our Unitholders for their strong support. We will forge ahead with our proactive portfolio rebalancing and growth strategy where we continue to seek growth opportunities, particularly in Australia, to enhance the portfolio returns over time.”

Proactive Capital Management

As part of its prudent capital management strategy, the Manager undertook a successful underwritten and renounceable Rights Issue to raise gross proceeds of approximately S\$102.7 million during the quarter, which was oversubscribed at 187.3%. The proceeds have been used to repay borrowings to reduce aggregate leverage and create debt headroom for future growth. Post the repayment of borrowings on 16 October 2017, Cache’s aggregate leverage was reduced to 35.7% with an enlarged debt headroom of approximately S\$213.4 million.

The average all-in cost of financing for the quarter remained steady at 3.46%. Approximately 94.1% of Cache’s distributable income has been hedged into or was derived in Singapore dollars, representing minimal foreign currency risk.

Portfolio Updates

As at 30 September 2017, Cache's portfolio committed occupancy remained strong at 97.3% and the portfolio weighted average lease to expiry ("WALE") was 3.3 years¹. Approximately 43,500 square feet of leases were signed in 3Q FY2017, making up a total of approximately 386,300 square feet of leases renewed and signed YTD.

Outlook

The Singapore industrial market continues to remain challenging due to an oversupply of warehouse space although economic indicators have improved. According to CBRE, a pick-up in leasing demand is expected and vacancy rates should stabilise over time².

The Australian cash rate was unchanged at 1.5%³. Business conditions are at a high level and capacity utilisation has risen. Government investment in infrastructure development of road, rail, air and water transport facilities continues to support a healthy logistics and warehousing industry. Approximately A\$70 billion has been allocated for transport infrastructure from 2014 to 2021⁴.

The Manager remains focused on proactive lease and asset management to maintain high occupancy and to optimise portfolio returns. It will also continue to pursue growth opportunities for strategic acquisitions as part of its portfolio rebalancing strategy to enhance the overall quality of Cache's portfolio.

Distribution to Unitholders

Cache will pay a distribution of 1.541 cents per unit on 28 November 2017 for the period from 1 July 2017 to 30 September 2017. The books closure date is on 1 November 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

¹ By net lettable area.

² CBRE Marketview, Singapore Q3 2017 "Primed for growth, growth for prime".

³ Reserve Bank of Australia, Statement by Philip Lowe, Governor: Monetary Policy Decision, 3 October 2017.

⁴ <http://www.prnewswire.co.uk/news-releases/australia-logistics-and-warehousing-market-is-expected-to-reach-aud-187-billion-by-2021-ken-research-649364873.html>



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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 billion⁵ as at 30 September 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 nine 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.

⁵ Based on independent valuations as at 31 December 2016.



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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 57 million square feet in Asia Pacific, with approximately S\$35 billion in assets under management.

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 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.