



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\$16.1 million in 1Q FY18
Portfolio Rebalancing & Growth Strategy continues to gain traction
Australia properties outnumber those in Singapore

Performance Highlights:

- Completed the acquisition of a nine-property portfolio in Australia for A\$177.6 million
- Maintained strong portfolio metrics – Occupancy of 97.3%; WALE of 3.5 years¹
- Less than 5% of the portfolio is due for expiry for the remainder of FY18

Financial Performance

In S\$'000 unless otherwise noted

<i>S\$'000 unless otherwise noted</i>	1Q FY18	1Q FY17	Change (%)	4Q FY17	Change (%)
Gross Revenue	29,026	27,058	7.3	29,576	(1.9)
Net Property Income (NPI)	22,860	20,776	10.0	23,520	(2.8)
Income Available for Distribution	16,145	16,235	(0.6)	17,079	(5.5)
- from operations	16,145	15,306	5.5	17,079	(5.5)
- from capital ⁽¹⁾	-	929	nm	-	-
Distribution per Unit (DPU) (cents)⁽²⁾	1.507	1.723	(12.5)	1.597	(5.6)
- from operations	1.507	1.624	(7.2)	1.597	(5.6)
- from capital ⁽¹⁾	-	0.099	nm	-	-
Number of Units in Issue and to be issued for the respective financial period	1,071,274,115	942,523,436	13.7	1,069,700,408	0.1

Notes:

- (1) This relates to the partial distribution of the sale proceeds from the disposal of Kim Heng Warehouse.
 (2) The 1Q FY17 DPU is recomputed to reflect the effects of the Rights Issue in FY17.
 The actual DPU in 1Q FY17 was 1.800 cents.

Singapore, 25 April 2018 – ARA-CWT Trust Management (Cache) Limited, the manager (the “**Manager**”) of Cache Logistics Trust (“**Cache**”), announced today an Income Available for Distribution of S\$16.1 million for the period 1 January 2018 to 31 March 2018 (“**1Q FY18**”). The distribution per unit (“**DPU**”) for 1Q FY18 was 1.507 cents.

¹ Weighted average lease to expiry (“WALE”) by NLA.

1Q FY18 Gross Revenue increased by 7.3% to S\$29.0 million and Net Property Income rose by 10.0% to S\$22.9 million compared to 1Q FY17. The increase in Gross revenue was mainly attributable to new income contribution from the 9-property Australian portfolio acquired in February 2018, higher revenue from 51 Alps Ave and its rental top-up², as well as higher revenue from several Singapore properties. The larger increase in NPI was mainly due to lower property expenses from the Singapore portfolio. The income available for distribution fell marginally by 0.6% to S\$16.1 million due to the absence of a capital distribution in 1Q FY18 (1Q FY17: S\$0.9 million). Excluding the capital distribution paid in 1Q 2017, on a like-for-like basis, the income available for distribution was up 5.5%.

Mr Daniel Cerf, Chief Executive Officer of the Manager said: "This is the first quarter where the number of properties in Australia outnumber that in Singapore, reflecting the success of Cache's ongoing Portfolio Rebalancing and Growth Strategy. Up to 12 April this year, we secured close to a total of 632,700 square feet of new and renewal leases, with only 4.9% of leases (by NLA) expiring for the remainder of the year."

Compared to the preceding quarter 4Q FY17³, Gross Revenue and NPI fell marginally by 1.9% and 2.8% respectively. The drop in the Gross Revenue was mainly attributable to a lower rental top-up amount in relation to 51 Alps Ave Singapore, where the rental top-up amount in 4Q FY17 was for the 16-month period from September 2016 to December 2017. NPI fell by 2.8% due to higher property expenses from an enlarged portfolio. The Income Available for Distribution fell by 5.5% from S\$17.1 million to S\$16.1 million, taking into account the distribution payment to perpetual securities holders.

Portfolio Update

In 1Q FY18, Cache completed the acquisition of a nine-property, 1.5 million-square-foot portfolio in Australia for A\$177.6 million. The acquisition not only provides additional income and geographical diversification but also strengthens the Cache portfolio with properties that enjoy a longer WALE, increases the overall portfolio occupancy and further enhances Cache's base of high-quality logistics tenants and end-users. The acquisition was funded by S\$100.0 million perpetual securities and a S\$110.0 million five-year unsecured term loan.

As part of the Manager's portfolio rebalancing and growth strategy, Cache announced the proposed divestment of Hi-Speed Logistics Centre located at 40 Alps Ave, Singapore on 18 January 2018 for a sale consideration of S\$73.8 million, above its last valuation of S\$69.0 million⁴.

As at 31 March 2018, Cache's portfolio committed occupancy remained strong at 97.3% and the portfolio WALE was 3.5 years⁵. Australia contributed 20% of Cache's 1Q FY18 Gross Revenue and constituted approximately 28% of the portfolio valuation (refer to figure 1).

² 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 till August 2021.

³ 4Q FY17 refers to the financial period from 1 October 2017 to 31 December 2017.

⁴ As at 31 December 2017.

⁵ By net lettable area.

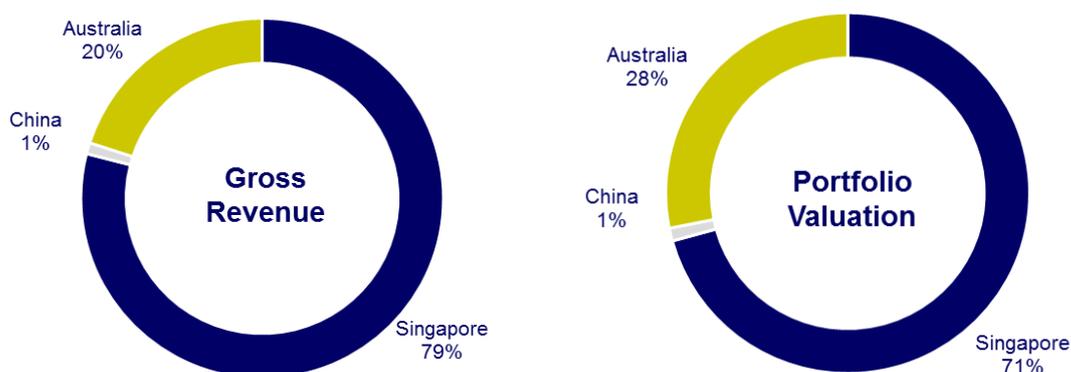


Figure 1: Geographical Breakdown by Gross Revenue and Portfolio Valuation

The Manager announced on 12 April 2018 that the master lease at CWT Commodity Hub with CWT Pte. Limited has expired. With its proactive lease management strategy, the Manager has achieved a committed occupancy at the property of approximately 86% beyond the expiry of the master lease. CWT continues to lease approximately 61% of the premises, reflecting the strong underlying commitment by our Sponsor for quality warehouse space at the property. Including the committed leases at CWT Commodity Hub, Cache's portfolio committed occupancy stood at 92.8% as at 12 April 2018.

Proactive Capital Management

As at 31 March 2018, Cache maintained a prudent capital structure with an aggregate leverage of 38.5%. Post the repayment of debt from the sale proceeds of 40 Alps Ave, the aggregate leverage ratio will be further reduced to 35.2%, providing Cache with greater debt headroom for future growth opportunities. Less than 10%⁶ of its total debt is outstanding in FY18.

Outlook

Singapore warehouse rents fell on average 1.0% quarter-on-quarter (QoQ) and 5.7% on a year-on-year basis and warehouse occupancy improved 1.6 percentage points QoQ to 89.1%⁷. According to Colliers International, stronger leasing demand in tandem with growth in manufacturing GDP and export volumes, alongside an easing supply pipeline, should stabilise rents in 2018⁸.

The Reserve Bank of Australia kept the cash rate unchanged in April 2018 at 1.5%. The Australian economy grew by 2.4% in 2017. The Bank expects faster growth in 2018 as business conditions are positive, non-mining business investment is increasing and higher levels of public infrastructure investment are also supporting the economy. Despite the temporary weakness in exports at the end of 2017, stronger growth in exports is expected this year⁹.

⁶ Post debt repayment with the net sale proceeds from the divestment of Hi-Speed Logistics Centre.

⁷ JTC Quarterly Market Report, 4Q 2017.

⁸ Colliers International Singapore Research, Singapore 2018 Market Outlook, "2018 Broadening growth", 27 February 2018.

⁹ Reserve Bank of Australia, Statement by Philip Lowe, Governor: Monetary Policy Decision, 3 April 2018.

The Manager remains focused on proactive lease and asset management to maintain high occupancy and optimise overall returns. As part of its portfolio rebalancing and growth strategy, the Manager will continue to pursue opportunities for strategic acquisitions and asset enhancement initiatives to grow its portfolio and earnings over time.

Distribution to Unitholders

Cache will pay a distribution of 1.507 cents per unit on 28 May 2018 for the period from 1 January 2018 to 31 March 2018. The books closure date is on 4 May 2018.

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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
25 April 2018

For enquiries, please contact:
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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 31 March 2018, Cache’s portfolio comprises 28¹⁰ 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 9.1 million square feet valued at approximately S\$1.4 billion.

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

Established in 2002, ARA Asset Management Limited (“ARA” or the “Group”) is a premier integrated real estate fund manager driven by a vision to be the best-in-class 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 five listed REITs, namely 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. 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

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 21 cities in eight countries. It manages over 90 properties measuring 57 million square feet in Asia Pacific, with approximately S\$40 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.

¹⁰ Includes Hi-Speed Logistics Centre located at 40 Alps Ave, Singapore. The proposed divestment of 40 Alps Ave, Singapore was announced on 18 January 2018.

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.