

**CIRCULAR DATED 13 OCTOBER 2009**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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If you have sold or transferred all your units in CIT (“**Units**”), you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form in this Circular, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.



(a unit trust constituted on 31 March 2006 under the laws of the Republic of Singapore)

MANAGED BY

**Cambridge Industrial Trust Management Limited**

(Company Registration No. 200512804G, Capital Markets Services licence no.: 100132-1)

**CIRCULAR TO UNITHOLDERS  
IN RELATION TO:**

- (1) THE PROPOSED DISTRIBUTION REINVESTMENT PLAN;**
- (2) THE PROPOSED GENERAL MANDATE FOR THE ISSUE OF NEW UNITS AND/OR CONVERTIBLE SECURITIES (INCLUDING WARRANTS);**
- (3) THE PROPOSED SUPPLEMENT TO ALIGN THE PROVISIONS IN THE TRUST DEED RELATING TO THE ISSUE OF UNITS WITH RECENT REGULATORY DEVELOPMENTS;**
- (4) THE PROPOSED ACQUISITION FEE AND DISPOSAL FEE SUPPLEMENT; AND**
- (5) THE PROPOSED SUPPLEMENT TO FACILITATE EQUITY FUND RAISINGS.**

**IMPORTANT DATES AND TIMES FOR UNITHOLDERS**

Last date and time for lodgement of Proxy Forms	:	28 October 2009 at 3.00 p.m.
Date and time of Extraordinary General Meeting	:	30 October 2009 at 3.00 p.m.
Place of Extraordinary General Meeting	:	Raffles Hotel Singapore Casuarina Suite B, Level 3 1 Beach Road Singapore 189673

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## CORPORATE INFORMATION

<b>Directors of Cambridge Industrial Trust Management Limited (the manager of CIT (the “Manager”))</b>	:	Dr Chua Yong Hai (Independent Chairman) Professor Ong Seow Eng (Independent Director, Chairman of Audit, Risk Management and Compliance Committee) Mr Tan Guong Ching (Independent Director, Member of Audit, Risk Management and Compliance Committee) Mr Michael Patrick Dwyer (Non-executive Director, Member of Audit, Risk Management and Compliance Committee) Mr Ian Keith Crow (Non-executive Director) Ms Mari Takaba (Non-executive Director) Mr Ian Andrew Smith (Non-executive Director) Mr John Charles Wood (Non-executive Director) Mr Masaki Kurita (Non-executive Director) Mr Tadashi Yamaguchi (Alternate Director to Ms Mari Takaba)
<b>Registered Office of the Manager</b>	:	61 Robinson Road #12-01 Robinson Centre Singapore 068893
<b>Trustee of CIT (the “Trustee”)</b>	:	RBC Dexia Trust Services Singapore Limited 20 Cecil Street #28-01 Equity Plaza Singapore 049705
<b>Legal Adviser to the Manager</b>	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
<b>Legal Adviser to the Trustee</b>	:	Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542
<b>Independent Financial Adviser to the Independent Directors of the Manager in relation to the Proposed Acquisition Fee and Disposal Fee Supplement</b>	:	CIMB Bank Berhad, Singapore Branch 50 Raffles Place #09-01 Singapore Land Tower Singapore 048623
<b>Unit Registrar and Unit Transfer Office</b>	:	B.A.C.S. Private Limited 63 Cantonment Road Singapore 089758

## SUMMARY

*The following summary is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossary on pages 17 to 20 of this Circular.*

### SUMMARY OF APPROVALS SOUGHT

The Manager seeks approvals from unitholders of CIT ("**Unitholders**") for the resolutions stated below:

#### (1) The Proposed Distribution Reinvestment Plan (Extraordinary Resolution)

The proposed implementation of a distribution reinvestment plan to provide Unitholders with an option to receive distributions ("**Distributions**") either in the form of Units or cash or a combination of both (the "**Distribution Reinvestment Plan**").

#### (2) The Proposed General Mandate for the Issue of New Units and/or Convertible Securities (including Warrants) (Ordinary Resolution)

The proposed general mandate to be given to the Manager for the issue of new Units and/or convertible securities or other instruments (including but not limited to warrants) which may be convertible into Units ("**Convertible Securities**") for the 12-month period from the date of the extraordinary general meeting of Unitholders ("**EGM**") to be held on 30 October 2009 to 29 October 2010 or the date of CIT's annual general meeting in 2010 (whichever is earlier), such that the number of new Units issued (and/or Units into which the Convertible Securities may be converted):

- (i) by way of renounceable rights issues on a pro rata basis to Unitholders ("**Renounceable Rights Issues**"), does not exceed 100.0% of the number of Units in issue as at 30 October 2009, being the date of the EGM (the "**Base Figure**"); and
- (ii) by way of unit issues other than Renounceable Rights Issues ("**Other Unit Issues**"), does not exceed 50.0% of the Base Figure, of which the aggregate number of new Units issued (and/or Units into which the Convertible Securities may be converted), where the Units and/or Convertible Securities are issued other than on a pro rata basis to existing Unitholders, must not be more than 20.0% of the Base Figure,

provided further that the Units to be issued under the Renounceable Rights Issues and Other Unit Issues shall not, in aggregate, exceed 100.0% of the Base Figure (the "**General Mandate**").

Subject to such calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of Units and Convertible Securities that may be issued under (i) and (ii) above, the Base Figure shall be based on the number of Units in issue as at 30 October 2009, being the date of the EGM, after adjusting for:

- (i) new Units arising from the conversion or exercise of any Convertible Securities;
- (ii) any subsequent bonus issue, consolidation or subdivision of Units.

**(3) The Proposed Supplement to Align the Provisions in the Trust Deed Relating to the Issue of Units with Recent Regulatory Developments (Extraordinary Resolution)**

The proposed supplement to the Trust Deed for the purpose of aligning the provisions in the Trust Deed relating to the issue of Units with recent regulatory changes (the **“Unit Issue Supplement”**).

**(4) The Proposed Acquisition Fee and Disposal Fee Supplement (Extraordinary Resolution)**

The proposed supplement to the Trust Deed for the purpose of enabling the Manager to pay the costs and commissions of third party agents and brokers for local acquisitions and disposals, out of the Deposited Property (as defined herein) of CIT (the **“Acquisition Fee and Disposal Fee Supplement”**).

**(5) The Proposed Supplement to Facilitate Equity Fund Raisings (Extraordinary Resolution)**

The proposed supplement to the Trust Deed for the purpose of facilitating equity fund raisings by CIT (the **“Equity Fund Raising Supplement”**).

## INDICATIVE TIMETABLE

Event	Date and Time
Last date and time for lodgement of Proxy Forms	: 28 October 2009 at 3.00 p.m.
Date and time of the EGM	: 30 October 2009 at 3.00 p.m.

The Manager intends to announce any changes to the timetable above once it becomes aware of such changes.

# CAMBRIDGE INDUSTRIAL TRUST

(a unit trust constituted on 31 March 2006 under the laws of the Republic of Singapore)

## **Directors of the Manager**

Dr Chua Yong Hai  
Professor Ong Seow Eng  
Mr Tan Guong Ching  
Mr Michael Patrick Dwyer  
Mr Ian Keith Crow  
Ms Mari Takaba  
Mr Ian Andrew Smith  
Mr John Charles Wood  
Mr Masaki Kurita  
Mr Tadashi Yamaguchi (alternate director to Ms Mari Takaba)

## **Registered Office**

61 Robinson Road  
#12-01 Robinson Centre  
Singapore 068893

13 October 2009

To: Unitholders of Cambridge Industrial Trust

Dear Sir/Madam

## **1. SUMMARY OF APPROVALS SOUGHT**

The Manager recommends that Unitholders vote to approve each of the following resolutions at the EGM to be held at Raffles Hotel Singapore, Casuarina Suite B, Level 3, 1 Beach Road, Singapore 189673 on 30 October 2009 at 3.00 p.m.:

- (i) the Distribution Reinvestment Plan;
- (ii) the General Mandate;
- (iii) the Unit Issue Supplement;
- (iv) the Acquisition Fee and Disposal Fee Supplement; and
- (v) the Equity Fund Raising Supplement.

## **2. THE PROPOSED DISTRIBUTION REINVESTMENT PLAN AND ITS RATIONALE**

### **2.1 Rationale and purpose**

The Distribution Reinvestment Plan, when adopted, will provide an opportunity for Unitholders to make an election to receive distributions in the form of Units instead of cash.

The Distribution Reinvestment Plan will enable Unitholders to acquire additional Units without having to incur transaction or other related costs. CIT will also benefit from the participation by Unitholders in the Distribution Reinvestment Plan as, to the extent that Unitholders elect to receive distributions in the form of Units, the cash which would otherwise be payable by way of distributions may be retained to fund the continuing growth and expansion of CIT. The retention of cash and the issue of DRP Units in lieu of cash distributions under the Distribution Reinvestment Plan will also enlarge CIT's capital base, strengthen its working capital reserves and improve the liquidity of Units.

## 2.2 Availability of the Distribution Reinvestment Plan

The Manager, shall at its discretion, determine whether the Distribution Reinvestment Plan will apply for any particular distribution.

An announcement will be made by the Manager as soon as practicable following its determination that the Distribution Reinvestment Plan is to apply to a particular distribution, and in any event, by no later than the day on which the SGX-ST is open for trading in securities (“**Market Day**”) immediately following the Books Closure Date (as defined herein) for the distribution.

Notwithstanding any provisions of the Distribution Reinvestment Plan, if at any time after the Manager has determined that the Distribution Reinvestment Plan shall apply to any Distribution and before the allotment and issue of DRP Units in respect of such Distribution, the Manager shall consider that by reason of any event or circumstance (whether arising before or after such determination) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement the Distribution Reinvestment Plan in respect of such Distribution, the Manager may, in its absolute discretion and as it deems fit in the interests of CIT and without assigning any reason therefor, cancel the application of the Distribution Reinvestment Plan to such Distribution. In such event, the Distribution shall be paid in cash to Unitholders in the usual way.

## 2.3 Election to receive distributions in the form of Units in lieu of cash

Under the proposed Distribution Reinvestment Plan, whenever a distribution has been announced and the Manager has determined that in respect of their entitlement to the distribution, Unitholders may elect to receive DRP Units credited as fully paid, each Unitholder has the following three choices in respect of the distribution:

- (i) elect to receive a cash Distribution on his existing Units held;
- (ii) elect to receive an allotment of DRP Units credited as fully paid in lieu of the cash amount of the Distribution entitlement; or
- (iii) elect to receive an allotment of DRP Units, in lieu of part of the cash amount of the Distribution entitlement credited as fully-paid and the remaining Distribution entitlement in cash.

A Unitholder will, at the discretion of the Manager, receive one or more notices of election (“**Notice of Election**”) in relation to all of his holding of Units. A Unitholder may elect to receive DRP Units in respect of part or all of his entitlement to the Qualifying Distribution (as defined herein) to which each Notice of Election relates.

The Manager may, at its discretion, provide Unitholders with the option of making a permanent election to receive DRP Units in respect of their entitlements to all future Qualifying Distributions, which each Notice of Election relates. **Unitholders should note that there is presently no permanent election feature available and the Manager will make an announcement containing the relevant details should it choose to offer this feature to Unitholders in the future.**

A Unitholder has to complete such Notices of Election every time a distribution to which the Distribution Reinvestment Plan applies, as may be determined by the Manager (“**Qualifying Distribution**”) is announced by the Manager. In a case where a Unitholder elects to receive DRP Units in respect of part of his entitlement to the Qualifying Distribution, the Unitholder will then receive his remaining Qualifying Distribution to which each Notice of Election relates in cash. A Unitholder receiving more than one Notice of Election and wishing to receive Units in respect of



part or all of his entitlement to the Qualifying Distribution for all Units held by him must complete all Notices of Election received by him and return the completed Notices of Election to B.A.C.S. Private Limited (the “**Unit Registrar**”).

The DRP Units to be issued pursuant to the Distribution Reinvestment Plan will rank *pari passu* in all respects with the existing Units then in issue save only as regards to participation in the Qualifying Distribution which is the subject of the election (including the right to make any election pursuant to the Distribution Reinvestment Plan) or any other distribution, bonuses or rights paid, made, declared or announced prior to, or contemporaneous with, the payment or declaration of the Qualifying Distribution which is the subject of the election, unless the Manager shall otherwise specify.

Fractional entitlements to the DRP Units will be rounded down to the nearest whole Unit, with the residual balance retained as part of CIT’s Deposited Property.

**Unitholders will receive the Qualifying Distribution in cash if they do not choose to participate in the Distribution Reinvestment Plan.**

## **2.4 Pricing of the DRP Units**

For the purpose of calculating the number of DRP Units to be allotted to Unitholders, the issue price of a new Unit shall not be set at more than 10.0% discount to (or such other discount as may be prescribed by the SGX-ST from time to time), nor shall it exceed, the volume-weighted average traded price per Unit for all trades on the SGX-ST for each of the Market Days during the period of 10 Market Days (or such other period as may be prescribed by the SGX-ST from time to time) prior to and ending on the Books Closure Date (the “**Price Determination Period**”). In the event that there is no trading in the Units during the Price Determination Period, the issue price of a new Unit shall not exceed the volume-weighted average traded price per Unit for all trades on the SGX-ST for each of the Market Days during a period to be determined by the Manager prior to the announcement of the application of the Distribution Reinvestment Plan to such distribution.

Consequently (where the Distribution Reinvestment Plan is to apply to a particular distribution), it will not be possible until after the close of business on the relevant Books Closure Date to determine the exact number of DRP Units to which Unitholders electing to receive DRP Units will be entitled. An announcement will be made setting out the issue price of a new Unit to be used in the calculation of Unitholders’ entitlements to the DRP Units in respect of such Distribution. In addition, Notices of Election will be sent to Unitholders after the Books Closure Date.

## **2.5 Eligibility**

All Unitholders are eligible to participate in the Distribution Reinvestment Plan, subject to the restrictions on Overseas Unitholders (as defined below), more particularly described in paragraph 4.4 of the Distribution Reinvestment Plan Statement in **Appendix A** and except that participation in the Distribution Reinvestment Plan shall not be available to such Unitholders or class of Unitholders, as the Manager may in their discretion determine, and further subject to the requirement that such participation by the Unitholder will not result in a breach of any other restriction on such Unitholder’s holding of Units which may be imposed by any statute, law or regulation in force in Singapore or any other relevant jurisdiction, as the case may be, or by the Trust Deed.

## 2.6 Obligation to extend take-over offer

The attention of Unitholders is drawn to Rule 14 of the Singapore Code on Take-overs and Mergers. In particular, a Unitholder should note that he may be under an obligation to extend a take-over for CIT if:

- (i) he acquires, by participating in the Distribution Reinvestment Plan in relation to any Qualifying Distribution, whether at one time or different times, Units which (together with Units owned or acquired by him or persons acting in concert with him) carry 30.0% or more of the voting rights of CIT; or
- (ii) he, together with persons acting in concert with him, holds Units carrying not less than 30.0% but not more than 50.0% of the voting rights of CIT, and he or any person acting in concert with him, by participating in the Distribution Reinvestment Plan in relation to any Qualifying Distribution, acquires in any period of six months additional Units carrying more than 1.0% of the voting rights of CIT.

## 2.7 Unitholders resident outside Singapore

The DRP Units have not been, and will not be, registered under the United States Securities Act 1933 (the “**U.S. Securities Act**”) and may not be offered, sold or resold in the United States or to, or for the account or benefit of, any U.S. Person, except in a transaction not subject to or exempt from the registration requirements of the U.S. Securities Act and the securities laws of any state or other jurisdiction in the United States. Furthermore, for practical reasons and to avoid any violation of the securities laws applicable in countries outside Singapore where Unitholders may have their registered addresses, (unless the Manager determines otherwise) the Distribution Reinvestment Plan will not be offered to Unitholders with registered addresses outside Singapore and who have not provided to The Central Depository (Pte) Limited (“**CDP**”), not later than five Market Days prior to the Books Closure Date, addresses in Singapore for the service of notices and documents (the “**Overseas Unitholders**”). No Overseas Unitholder shall have any claim whatsoever against CIT or the Manager as a result of the Distribution Reinvestment Plan not being offered to such Overseas Unitholder. Overseas Unitholders who receive or come to have in their possession the Distribution Reinvestment Plan Statement and/or a Notice of Election may not treat the same as an invitation to them and are advised to inform themselves of, and to observe, any prohibitions and restrictions, and to comply with any applicable laws and regulations relating to the Distribution Reinvestment Plan as may be applicable to them. Overseas Unitholders who wish to be eligible to participate in the Distribution Reinvestment Plan should provide an address in Singapore for the service of notices and documents by notifying CDP, at 4 Shenton Way #02-01, SGX Centre 2, Singapore 068807 (or such other address as may be announced by the Manager from time to time) not later than five Market Days prior to the Books Closure Date. Unitholders should note that all correspondence and notices will be sent to their last registered addresses with CDP. Unitholders which are subject to the laws and regulations of jurisdictions outside Singapore shall, in participating in the Distribution Reinvestment Plan, be deemed to have complied with all applicable legal and regulatory requirements of the relevant jurisdictions.

It is expected that the DRP Units will be credited to the relevant securities accounts of Unitholders, on or about the payment date for the relevant Distribution, which in any event shall be no later than 60 calendar days (or in the event that the Distribution Reinvestment Plan is approved by Unitholders, 90 calendar days) after the Distribution Calculation Date (as defined herein) for the relevant Distribution Period (as defined herein).

Unitholders should note that in approving the Distribution Reinvestment Plan, the DRP Units will be credited to the relevant securities accounts of Unitholders, on or about the payment date for the relevant Distribution, which in any event shall be no later than 90 calendar days.

## 2.8 Taxation

The CDP, the Trustee and the Manager take no responsibility for the taxation liabilities of Unitholders who choose to participate in the Distribution Reinvestment Plan or the tax consequences of any election made by Unitholders. As individual circumstances and laws may vary considerably, specific tax advice should be obtained by Unitholders if required. The CDP, the Trustee and the Manager accept no responsibility for the correctness or accuracy of any information as to tax liability contained in the Distribution Reinvestment Statement set out in **Appendix A** of this Circular.

Without prejudice to the foregoing paragraph, as a general indication, however, it is understood that as at the date hereof, under the income tax legislation in Singapore, a Unitholder's tax liability will not alter, nor is there any advantage to be gained, by reason of having elected to participate in the Distribution Reinvestment Plan.

**Unitholders should note that the Manager will not implement the Distribution Reinvestment Plan if there are any adverse implications to CIT's tax transparency status and that the Distribution Reinvestment Plan will be effected in compliance with the Listing Rules of the SGX-ST (unless otherwise waived).**

## 2.9 Distribution Date

Clause 1.1 of the Trust Deed defines "Distribution Date" as a Business Day (as defined herein) which is no later than 60 days after the Distribution Calculation Date for the relevant Distribution Date. In order to facilitate the implementation of the Distribution Reinvestment Plan, if and when approved, the Manager is proposing an increase in the distribution date from 60 to 90 days.

By approving the Distribution Reinvestment Plan, Unitholders are deemed to also approve the change in CIT's distribution date from 60 days from the end of the applicable financial quarter, to 90 days from the end of the applicable financial quarter.

**The extra time is required to enable the Manager to effectively deal with the added complexity of the logistical and administrative procedures involved in processing a distribution reinvestment plan for a real estate investment trust ("REIT").**

## 2.10 Odd lots

A Unitholder who elects to receive DRP Units in lieu of the cash amount of the Qualifying Distribution may receive such DRP Units in odd lots. Unitholders who receive odd lots of DRP Units and who wish to trade such odd lots on the SGX-ST should do so on the Unit Share Market, which allows trading of odd lots with a minimum of one (1) Unit.

## **2.11 Underwriting of the Distribution Reinvestment Plan**

The Manager may, at its discretion, arrange for the Distribution Reinvestment Plan to be fully or partially underwritten. If the Distribution Reinvestment Plan is fully underwritten, the number of Units which would be issued by the Manager under the Distribution Reinvestment Plan (the “**DRP Units**”) would be the number of Units which would be issued if all the Unitholders elect to participate in the Distribution Reinvestment Plan regardless of the actual number of Unitholders who elect to participate in the Distribution Reinvestment Plan.

An underwritten Distribution Reinvestment Plan would provide the Manager with a significant amount of certainty in relation to the capital structure of CIT post implementation of the plan and would allow the Manager to maximise the benefit of the Distribution Reinvestment Plan in strengthening its balance sheet.

The Manager will comply with such requirements as may be imposed by the SGX-ST (including Part IV of Chapter 8 of the Listing Manual, with respect to the subscription by an underwriter for DRP Units which have not been issued to Unitholders, as a result of certain Unitholders opting to receive part or all of a Qualifying Distribution in cash or not making any particular election) and/or the MAS from time to time in connection with the underwriting of the Distribution Reinvestment Plan (unless otherwise waived).

## **2.12 Modification and termination**

The Distribution Reinvestment Plan may be modified or terminated at any time by the Manager as it deems fit on giving notice in writing to all Unitholders, except that no modification shall be made without the prior approval of the SGX-ST.

## **2.13 General**

It should be noted that the grant of the right to participate in the Distribution Reinvestment Plan to elect to receive DRP Units in lieu of cash in respect of any Qualifying Distribution is made to all Unitholders, including the Manager, the directors of the Manager (“**Directors**”), Substantial Unitholders and other interested persons of CIT who hold Units, subject to the restrictions referred to in paragraphs 2.5 and 2.7 above.

In connection with the proposed issue of DRP Units in lieu of a cash distribution, the Manager considers it appropriate to obtain the approval of Unitholders to the allotment and issue of such number of DRP Units as may be required to be issued pursuant to the election by Unitholders under the Distribution Reinvestment Plan.

(The terms and conditions of the Distribution Reinvestment Plan are set out in **Appendix A** of this Circular.)

## **3. THE PROPOSED GENERAL MANDATE AND ITS RATIONALE**

### **3.1 The General Mandate**

The Manager proposes to seek the approval of Unitholders for a general mandate for the issue of new Units and/or Convertible Securities for the 12-month period from 30 October 2009, being the date of the EGM to 29 October 2010 or the date of CIT’s annual general meeting in 2010 (whichever is earlier), such that the number of new Units issued (and/or Units into which the Convertible Securities may be converted):

- (i) by way of Renounceable Rights Issues does not exceed 100.0% of the Base Figure; and

- (ii) by way of Other Unit Issues does not exceed 50.0% of the Base Figure, of which the aggregate number of new Units issued (and/or Units into which the Convertible Securities may be converted), where the Units and/or Convertible Securities are issued other than on a pro rata basis to existing Unitholders, must not be more than 20.0% of the Base Figure.

The Units to be issued under the Renounceable Rights Issues and Other Unit Issues shall not, in aggregate, exceed 100.0% of the Base Figure.

Subject to such calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of Units and Convertible Securities that may be issued under (i) and (ii) above, the Base Figure shall be based on the number of Units in issue as at 30 October 2009, being the date of the EGM, after adjusting for:

- (i) new Units arising from the conversion or exercise of any Convertible Securities; or
- (ii) any subsequent bonus issue, consolidation or subdivision of Units.

Pursuant to the General Mandate, the Manager may issue Units arising from the conversion of the Convertible Securities notwithstanding that the General Mandate may have ceased to be in force at the time the Units are to be issued.

Where the terms of the issue of the Convertible Securities provide for adjustment to the number of Convertible Securities in the event of rights, bonus or other capitalisation issues or any other events, the Manager may issue additional Convertible Securities pursuant to such adjustment notwithstanding that the General Mandate may have ceased to be in force at the time the Convertible Securities are issued.

### **3.2 Rationale for the General Mandate**

The Manager is of the view that the General Mandate will provide CIT with additional flexibility in managing its balance sheet and capital structure, as well as furthering potential growth opportunities without the time and expense of convening extraordinary general meetings. CIT faces competition in the market for quality industrial properties. The General Mandate will allow CIT to raise funds more expeditiously and be more responsive in the development of projects, asset enhancement and acquisition of new properties in a competitive environment where timelines in making bids and making payment for development of projects, asset enhancement and acquisition of new properties are important.

Notwithstanding the General Mandate, CIT will nonetheless be required to make an announcement and/or convene a meeting of Unitholders should an acquisition result in the relevant thresholds in Chapter 9 of the Listing Manual of the SGX-ST (the "**Listing Manual**") relating to interested person transactions, the relevant thresholds in the Property Funds Guidelines in Appendix 2 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the "**Property Funds Guidelines**") relating to interested party transactions and/or the relevant thresholds in Chapter 10 of the Listing Manual relating to discloseable transactions and major transactions, being exceeded.

## **4. THE PROPOSED UNIT ISSUE SUPPLEMENT AND ITS RATIONALE**

### **4.1 The Unit Issue Supplement**

The Manager proposes to amend the Trust Deed in the form of a supplemental deed of amendment for the purpose of aligning the current provisions relating to the issue of Units with recent regulatory changes.

## 4.2 Rationale and purpose

The Manager believes that the Unit Issue Supplement will provide flexibility for the Manager in carrying out its duties for the benefit of CIT. The proposed amendments are as follows:

- (i) removing the existing specific limits on the issue price of a Unit offered by way of a pro rata rights issue, a distribution reinvestment plan or otherwise and instead requiring the Manager to comply with the Listing Manual as revised and updated from time to time, when determining the issue price;
- (ii) removing the provisions which currently restricts the number of Units which may be issued without Unitholder approval to 10% of the value of the Deposited Property and the corresponding discount, if any, to 5% of the Market Price (as defined herein). The Manager will instead be required to comply with the Listing Rules which set out when specific Unitholder approval is required for an issue or new Units and/or Convertible securities; and
- (iii) removing the provision which presently restricts the issue of Units to (i) the Manager, the Trustee and their Related Parties and (ii) the Directors and/or their immediate family members.

The proposed modifications and deletions to the Trust Deed are consistent with recent regulatory developments as well as market precedents and practices by certain other REITs listed in Singapore. The Manager is of the view that there is currently no regulatory requirement for the clauses which are proposed to be deleted as described in (ii) and (iii) above. The Manager will continue to comply with the Listing Rules of the SGX-ST which may be promulgated from time to time.

(Details of the Unit Issue Supplement can be found at **Appendix B**).

## 5. THE PROPOSED ACQUISITION FEE AND DISPOSAL FEE SUPPLEMENT AND ITS RATIONALE

### 5.1 The Acquisition Fee and Disposal Fee Supplement

The Manager proposes to amend the Trust Deed in the form of a supplemental deed of amendment for the purpose of allowing the Manager to pay for the commissions of third party agents and brokers for property acquisitions and disposals which involve assets situated in Singapore, out of the Deposited Property.

(Details of the Acquisition Fee and Disposal Fee Supplement can be found at **Appendix D**).

### 5.2 Rationale and purpose

The Manager believes that the Acquisition Fee and Disposal Fee Supplement will provide flexibility for the Manager in carrying out its duties for the benefit of CIT. The proposed amendments are to remove the requirement for the Manager to bear the commissions of third party agents and brokers for property acquisitions and disposals which involve assets situated in Singapore.

For the Manager to manage CIT prudently and perform its role effectively, the Manager has to establish CIT's presence. To ensure the Manager's acquisition and disposal strategy achieves maximum results, the role of third party agents and brokers is essential due to their network of contacts and industry knowledge. Without the services of these third party agents and brokers, the acquisition growth and divestment strategy of CIT will be substantially hampered.

The existing Trust Deed empowers the Trustee with the authority to appoint and engage agents and brokers, and to pay such parties appointed for the acquisition or disposal of properties out of the Deposited Property of CIT on a case-by-case basis. As every acquisition and disposal of an investment is executed by the Manager for the sole purpose of managing CIT's assets for the

benefit of Unitholders, the commissions of third party agents and brokers for property acquisitions and disposals should be borne by CIT.

The Manager of is the view that the proposed fee payment arrangement is also in line with practices by certain other REITs that have recently been listed in Singapore.

### **5.3 Advice of the Independent Financial Adviser**

The proposed entry into the Acquisition Fee and Disposal Fee Supplement by CIT is an interested person transaction under the Listing Manual and an interested party transaction under the Property Fund Guidelines. CIMB Bank Berhad, Singapore Branch has been appointed as the independent financial adviser (the “**IFA**”) to advise the Independent Directors<sup>1</sup> on whether the Acquisition Fee and Disposal Fee Supplement is on normal commercial terms and whether it is prejudicial to the interests of CIT and its minority Unitholders.

Based on the considerations set out in its letter (the “**IFA Letter**”) and subject to the qualifications and assumptions therein, the IFA is of the view that the Acquisition Fee and Disposal Fee Supplement is on normal commercial terms and is not prejudicial to the interests of CIT and its minority Unitholders.

The IFA Letter is set out in **Appendix C** of this Circular.

## **6. THE PROPOSED EQUITY FUND RAISING SUPPLEMENT AND ITS RATIONALE**

### **6.1 The Equity Fund Raising Supplement**

The Manager proposes to amend the Trust Deed in the form of a supplemental deed of amendment for the purpose of allowing the Manager to obtain Unitholders’ approval for an issue of Units, where required pursuant to the Listing Manual, by way of an Ordinary Resolution instead of an Extraordinary Resolution (each as defined herein).

### **6.2 Rationale and purpose**

The Manager believes that the Trust Deed Supplement will provide flexibility for the Manager in carrying out its duties for the benefit of CIT.

The current financial crisis has adversely affected the ability of REITs to raise capital from both debt and equity markets. The Manager believes that allowing it to obtain Unitholders’ approval for the issue of Units (when required), by way of an Ordinary Resolution instead of an Extraordinary Resolution, would provide it with greater certainty of raising capital as and when the Manager deems it necessary.

The changes proposed by the Equity Fund Raising Supplement are also in line with recently constituted REITs whose trust deeds require approval to be obtained only by way of an Ordinary Resolution.

(Details of the Equity Fund Raising Supplement can be found at **Appendix E**).

## **7. RECOMMENDATIONS**

### **7.1 On the Distribution Reinvestment Plan**

Having regard to the rationale for the Distribution Reinvestment Plan set out in paragraph 2 above, the Manager believes that the Distribution Reinvestment Plan would be beneficial to, and is in the interest of CIT.

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<sup>1</sup> The independent Directors of the Manager are Dr Chua Yong Hai, Professor Ong Seow Eng and Mr Tan Guong Ching.

Accordingly, the Manager recommends that Unitholders vote in favour of the resolution relating to the Distribution Reinvestment Plan (Resolution 1).

## 7.2 On the General Mandate

Having regard to the rationale for the General Mandate as set out in paragraph 3 above, the Manager believes that the General Mandate would be beneficial to, and is in the interest of CIT.

Accordingly, the Manager recommends that Unitholders vote in favour of the resolution relating to the General Mandate (Resolution 2).

## 7.3 On the Unit Issue Supplement

Having regard to the rationale for the Unit Issue Supplement as set out in paragraph 4 above, the Manager believes that the Unit Issue Supplement would be beneficial to, and is in the interest of CIT.

Accordingly, the Manager recommends that Unitholders vote in favour of the resolution relating to the Unit Issue Supplement (Resolution 3).

## 7.4 On the Acquisition Fee and Disposal Fee Supplement

Having regard to the rationale for the Acquisition Fee and Disposal Fee Supplement as set out in paragraph 5 above and the IFA Letter as set out in Appendix C, the Independent Directors are of the opinion that the proposed Acquisition Fee and Disposal Fee Supplement would be beneficial to, and is in the interest of CIT.

Accordingly, the Independent Directors recommend that Unitholders vote in favour of the resolution relating to the Acquisition Fee and Disposal Fee Supplement (Resolution 4).

## 7.5 On the Equity Fund Raising Supplement

Having regard to the rationale for the Equity Fund Raising Supplement as set out in paragraph 6 above, the Manager believes that the Equity Fund Raising Supplement would be beneficial to, and is in the interest of CIT.

Accordingly, the Manager recommends that Unitholders vote in favour of the resolution relating to the Equity Fund Raising Supplement (Resolution 5).

## 8. INTERESTS OF DIRECTORS, SUBSTANTIAL UNITHOLDERS AND THE MANAGER

### 8.1 Directors' Interests

Unitholder	Direct Interest	Deemed Interest	Total Interest	% Interest
Michael Patrick Dwyer <sup>(1)</sup> .....	—	10,606,380	10,606,380	1.22
Professor Ong Seow Eng .....	60,000	—	60,000	0.01

**Note:**

(1) Michael Patrick Dwyer is deemed to be interested in the 2,628,000 Units presently held by Oxley Securities (S) Pte Ltd and 7,978,380 Units presently held by the Manager as partial settlement of its management fees in Units.



## 8.2 Substantial Unitholders' Interests

<u>Unitholder</u>	<u>Direct Interest</u>	<u>Deemed Interest</u>	<u>Total Interest</u>	<u>% Interest</u>
Yap Chin Kok <sup>(1)</sup> .....	27,000,000	26,454,530	53,454,530	6.16

**Note:**

(1) Yap Chin Kok has a deemed interest in 26,454,530 Units, held by YCH Group Pte Ltd and nominees.

## 8.3 Interests of the Manager and its associates

<u>Manager and its Associates</u>	<u>Direct Interest</u>	<u>Deemed Interest</u>	<u>Total Interest</u>	<u>% Interest</u>
The Manager .....	7,978,380	—	7,978,380	0.92
nabInvest Capital Partners Pty Ltd <sup>(1)</sup> .....	—	7,978,380	7,978,380	0.92

**Note:**

(1) nabInvest Capital Partners Pty Ltd is deemed to be interested in the 7,978,380 Units held by the Manager by virtue of its 70% interest in nabInvest Oxley Singapore Pte.Ltd.

## 9. EXTRAORDINARY GENERAL MEETING

Unitholders will find enclosed in this Circular a notice of EGM ("**Notice of EGM**") and a Proxy Form.

The EGM will be held at 3.00 p.m. on 30 October 2009 at Raffles Hotel Singapore, Casuarina Suite B, Level 3, 1 Beach Road, Singapore 189673, for the purpose of considering and, if thought fit, passing with or without modification, the resolutions set out in the Notice of EGM. The purpose of this Circular is to provide Unitholders with relevant information about each of these resolutions.

Approval by way of an Ordinary Resolution is required in respect of the resolution relating to the General Mandate (Resolution 2) while approval by way of an Extraordinary Resolution is required in respect of the resolutions relating to the Distribution Reinvestment Plan (Resolution 1), the Unit Issue Supplement (Resolution 3), the Acquisition Fee and Disposal Fee Supplement (Resolution 4) and the Equity Fund Raising Supplement (Resolution 5).

A Depositor shall not be regarded as a Unitholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Units entered against his name in the Depository Register, as certified by CDP as at 48 hours before the EGM.

## 10. ABSTENTIONS FROM VOTING

The Manager and its associates will abstain from voting on the resolutions relating to the Unit Issue Supplement (Resolution 3), the Acquisition Fee and Disposal Fee Supplement (Resolution 4) and the Equity Fund Raising Supplement (Resolution 5).

## **11. ACTION TO BE TAKEN BY UNITHOLDERS**

Unitholders will find enclosed in this Circular the Notice of EGM and a Proxy Form.

If a Unitholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the enclosed Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Unit Registrar's registered office at 63 Cantonment Road, Singapore 089758 not later than 3.00 p.m. on 28 October 2009, being 48 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Unitholder will not prevent him from attending and voting in person at the EGM if he so wishes.

Persons who have an interest in the approval of one or more of the resolutions must decline to accept appointment as proxies unless the Unitholder concerned has specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of such resolutions.

## **12. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Circular are fair and accurate in all material respects as at the date of this Circular and there are no material facts the omission of which would make any statement in this Circular misleading in any material respect. Where information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Circular.

## **13. DOCUMENTS ON DISPLAY**

The Trust Deed will be available for inspection during normal business hours at the registered office of the Manager at 61 Robinson Road, #12-01 Robinson Centre, Singapore 068893 for so long as CIT is in existence.

Yours faithfully

Cambridge Industrial Trust Management Limited  
(Company Registration No. 200512804G, Capital Markets Services licence no.: 100132-1)  
As manager of Cambridge Industrial Trust

Chris Calvert  
Chief Executive Officer

Singapore  
13 October 2009

## **IMPORTANT NOTICE**

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, 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 have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of CIT is not necessarily indicative of the future performance of CIT.

This Circular may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

If you have sold or transferred all your Units, you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

## GLOSSARY

In this Circular, the following definitions apply throughout unless otherwise stated:

<b>Acquisition Fee and Disposal Fee Supplement</b>	:	The proposed amendments to the Trust Deed in the form of a supplemental deed of amendment for the purpose of allowing the Manager to pay the costs and commissions of third party agents and brokers for local acquisitions and disposals out of the Deposited Property of CIT
<b>Base Figure</b>	:	Means, subject to such calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of Units and Convertible Securities that may be issued pursuant to the General Mandate, the number of Units in issue as at 30 October 2009, being the date of the EGM, after adjusting for: <ul style="list-style-type: none"><li>(i) new Units arising from the conversion or exercise of any Convertible Securities; or</li><li>(ii) any subsequent bonus issue, consolidation or subdivision of Units.</li></ul>
<b>Books Closure Date</b>	:	The date to be determined by the Manager on which the register of Unitholders of CIT will be closed for the purpose of determining the entitlements of Unitholders to a Distribution and is the day immediately preceding the first day of the Books Closure Date
<b>Books Closure Period</b>	:	The period to be determined by the Manager during which the register of Unitholders of CIT will be closed for the purpose of determining the entitlements of Unitholders to a Distribution for purposes of the Distribution Reinvestment Plan
<b>Business Day</b>	:	Any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading
<b>CDP</b>	:	The Central Depository (Pte) Limited
<b>Circular</b>	:	This circular to Unitholders dated 13 October 2009
<b>CIT</b>	:	Cambridge Industrial Trust, a unit trust constituted on 31 March 2006 under the laws of the Republic of Singapore
<b>Convertible Securities</b>	:	Convertible securities (including but not limited to warrants) or other instruments which may be convertible into Units
<b>Deposited Property</b>	:	Means all the assets of CIT, including all its authorised investments held or deemed to be held upon the trusts of the Trust Deed
<b>Directors</b>	:	The directors of the Manager

<b>Distribution</b>	:	Means a distribution (including any interim, final, special or other distribution) which a Unitholder is entitled to receive for each Unit held by him, as declared by the Manager from time to time
<b>Distribution Calculation Date</b>	:	31 March, 30 June, 30 September and 31 December in each year or such other date or dates as the Manager may determine
<b>Distribution Date</b>	:	A Business Day, which is no later than 60 calendar days (or in the event that the resolution relating to the Distribution Reinvestment Plan is passed (Resolution 1), 90 calendar days) after the Distribution Calculation Date for the relevant Distribution Period, on which the Distribution is payable
<b>Distribution Period</b>	:	The period from and including the day after the immediately preceding Distribution Calculation Date to and including the next occurring Distribution Calculation Date, or, as the case may be, for the last Distribution Period, the period from and including the day after the immediately preceding Distribution Calculation Date to and including the date of winding up of CIT
<b>Distribution Reinvestment Plan</b>	:	The proposed distribution reinvestment plan to provide Unitholders with an option to receive distributions either in the form of Units or cash or a combination of both
<b>Distribution Reinvestment Plan Statement</b>	:	The Distribution Reinvestment Plan statement contained in Appendix A of this Circular
<b>DRP Units</b>	:	The number of Units which would be issued by the Manager under the Distribution Reinvestment Plan if all the Unitholders elect to participate in the Distribution Reinvestment Plan
<b>EGM</b>	:	The extraordinary general meeting of Unitholders to be held at Raffles Hotel Singapore, Casuarina Suite B, Level 3, 1 Beach Road, Singapore 189673 at 3.00 p.m. on 30 October 2009, to approve the matters set out in the Notice of Extraordinary General Meeting
<b>Equity Fund Raising Supplement</b>	:	The proposed supplement to the Trust Deed for the purpose of facilitating equity fund raisings by CIT
<b>Extraordinary Resolution</b>	:	A resolution proposed and passed as such by a majority being greater than 75.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
<b>General Mandate</b>	:	The general mandate for the issue of new Units (and/or Units into which the Convertible Securities may be converted) as described in paragraph 3.1 of the Letter to Unitholders
<b>Independent Directors</b>	:	Dr Chua Yong Hai, Professor Ong Seow Eng and Mr Tan Guong Ching
<b>Independent Financial Adviser or IFA</b>	:	CIMB Bank Berhad, Singapore Branch

<b>IFA Letter</b>	:	The letter from the IFA to the Independent Directors containing its advice in relation to the Acquisition Fee and Disposal Fee Supplement
<b>Latest Practicable Date</b>	:	7 October 2009, being the Latest Practicable Date prior to the printing of the Circular
<b>Listing Manual</b>	:	The Listing Manual of the SGX-ST
<b>Manager</b>	:	Cambridge Industrial Trust Management Limited, in its capacity as manager of CIT
<b>Market Day</b>	:	A day on which the SGX-ST is open for trading in securities
<b>MAS</b>	:	Monetary Authority of Singapore
<b>Market Price</b>	:	Means the volume-weighted average price for trades done on the SGX-ST for the full market day on which the placement agreement (or equivalent agreement) is signed, or if trading in the Units is not available for a full market day, the volume-weighted average price calculated on the basis of trades done on the preceding market day up to the time the placement agreement is signed.
<b>Notice of Election</b>	:	The notice of election in relation to the Distribution Reinvestment Plan in which the Unitholder elects to receive new Units in respect of part or all of his entitlement to the Qualifying Distribution
<b>Ordinary Resolution</b>	:	A resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
<b>Other Unit Issues</b>	:	Unit issues other than Renounceable Rights Issues
<b>Overseas Unitholders</b>	:	Unitholders with registered addresses outside Singapore and who have provided to CDP, not later than five Market Days prior to the Books Closure Date, addresses in Singapore for the service of notices and documents
<b>Participating Units</b>	:	The Units held by a Participating Unitholder to which his Notice of Election relates for a Qualifying Distribution
<b>Participating Unitholder</b>	:	A Unitholder who elects to participate in the Distribution Reinvestment Plan
<b>Price Determination Period</b>	:	The ten (10) Market Days prior to and ending on the Books Closure Date
<b>Property Funds Guidelines</b>	:	The Property Funds Guidelines in Appendix 2 of the Code on Collective Investment Schemes issued by the MAS
<b>Qualifying Distribution</b>	:	A distribution to which the Distribution Reinvestment Plan applies, as may be determined by the Manager
<b>REIT</b>	:	Real estate investment trust

<b>Relevant Amount</b>	:	An amount in S\$ determined by the Manager for the calculation of the number of Units to be allotted and issued to the Participating Unitholder electing to receive Units in respect of a Notice of Election
<b>Renounceable Rights Issues</b>	:	Renounceable rights issues conducted on a pro rata basis to all Unitholders
<b>SGX-ST</b>	:	Singapore Exchange Securities Trading Limited
<b>Statement</b>	:	The Distribution Reinvestment Plan Statement
<b>Terms and Conditions</b>	:	Terms and conditions of the Distribution Reinvestment Plan
<b>Trust Deed</b>	:	The trust deed dated 31 March 2006 entered into between the Trustee and the Manager constituting CIT, as amended by a first supplemental deed dated 15 August 2007 and second supplemental deed dated 28 January 2009
<b>Trustee</b>	:	RBC Dexia Trust Services Singapore Limited, in its capacity as trustee of CIT
<b>Unit</b>	:	A unit representing an undivided interest in CIT.
<b>Unitholder</b>	:	The registered holder for the time being of a Unit, including persons so registered as joint holders, except where the registered holder is CDP, the term “Unitholder” shall, in relation to Units registered in the name of CDP, mean, where the context requires, the Depositor whose Securities Account with CDP is credited with Units
<b>Unit Issue Supplement</b>	:	The proposed supplement to the Trust Deed for the purpose of aligning the provisions of the Trust Deed with recent regulatory developments
<b>Unit Registrar</b>	:	B.A.C.S Private Limited
<b>U.S. Securities Act</b>	:	United States Securities Act 1933
<b>S\$ and cents</b>	:	Singapore dollars and cents
<b>%</b>	:	Per centum or percentage

The terms “Depositor” and “Depository Register” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act, Chapter 50 of Singapore.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

## PROPOSED TERMS OF THE DISTRIBUTION REINVESTMENT PLAN

### 1. DISTRIBUTION REINVESTMENT PLAN STATEMENT

This Distribution Reinvestment Plan Statement (“**Statement**”) contains the terms and conditions of the Cambridge Industrial Trust Distribution Reinvestment Plan (the “**Distribution Reinvestment Plan**”) under which persons registered in the register of Unitholders (as defined below) of Cambridge Industrial Trust (“**CIT**”) or, as the case may be, the Depository Register (as defined below) as the holders of such units in CIT (the “**Unitholders**”) may elect to receive fully paid units in CIT (the “**Units**”) in lieu of the cash amount of any distribution (including any interim, final, special or other distribution) which is declared on the Units held by them (after the deduction of applicable income tax, if any).

Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made in this Statement.

### 2. SUMMARY OF MAIN FEATURES

The Distribution Reinvestment Plan provides Unitholders with the option to elect to receive Units in lieu of the cash amount of any distribution (including any interim, final, special or other distribution) (the “**Distribution**”) declared on their holding of Units (after the deduction of applicable income tax, if any).

Under present law in Singapore, there is no brokerage, stamp duty or other transaction costs payable on Units allotted under the Distribution Reinvestment Plan.

All Unitholders are eligible to participate in the Distribution Reinvestment Plan subject to the restrictions on Overseas Unitholders (as defined below), more particularly described below and except for such other Unitholders or class of Unitholders as the manager of CIT (the “**Manager**”) may in its discretion decide.

Unitholders may elect to participate in respect of part or all of their holding of Units to which each Notice of Election (as defined below) relates in respect of any Qualifying Distribution. In a case where a Unitholder elects to receive new Units in respect of part of his entitlement to the Qualifying Distribution, the Unitholder will then receive his remaining Qualifying Distribution to which each Notice of Election relates in cash. Unitholders receiving more than one Notice of Election may elect to participate in respect of part or all of their holding of Units to which one Notice of Election relates and choose not to participate in respect of part or all of their holding of Units to which any other Notice of Election relates.

The Manager may, at its discretion, provide Unitholders with the option of making a permanent election to receive DRP Units in respect of their entitlements to all future Qualifying Distributions, which each Notice of Election relates. **Unitholders should note that there is presently no permanent election feature available and the Manager will make an announcement containing the relevant details should it choose to offer this feature to Unitholders in the future.**

The Manager may, in its absolute discretion, determine that the Distribution Reinvestment Plan will apply to any particular Distribution. An announcement will be made by the Manager as soon as practicable following the determination by the Manager that the Distribution Reinvestment Plan is to apply to a particular Distribution, and in any event, by no later than the next Market Day (as defined below) immediately following the Books Closure Date (as defined below) in respect of the



particular Distribution. Unless the Manager has determined that the Distribution Reinvestment Plan will apply to any particular Distribution, the Distribution concerned will be paid in cash to the Unitholders in the usual manner.

Units allotted under the Distribution Reinvestment Plan will rank *pari passu* in all respects with the Units then in issue save only as regards participation in the Qualifying Distribution which is the subject of the election (including the right to make any election pursuant to the Distribution Reinvestment Plan) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the Qualifying Distribution which is the subject of the election, unless the Manager shall otherwise specify.

Unitholders participating in the Distribution Reinvestment Plan will receive, at or about each Distribution payment date, notification letters setting out, among other things, the number of Units allotted to them under the Distribution Reinvestment Plan.

### **3. HOW TO PARTICIPATE**

Participation in the Distribution Reinvestment Plan is optional.

A Unitholder wishing to receive Units in respect of any Qualifying Distribution to which a Notice of Election received by him relates should complete such Notice of Election and return it to the Unit Registrar.

A Unitholder receiving more than one Notice of Election and wishing to receive Units in respect of part or all of his entitlement to the Qualifying Distribution for all Units held by him must complete all Notices of Election received by him and return the completed Notices of Election to the Unit Registrar.

**Unitholders should note that there is presently no permanent election feature available and the Manager will make an announcement in due course should it choose to offer this feature to Unitholders in the future.**

To be effective in respect of any Qualifying Distribution to which a Notice of Election relates, such duly completed Notice of Election must be received by the Unit Registrar no later than the date to be specified by the Manager in respect of that Qualifying Distribution. The Unit Registrar's records of the level of a Unitholder's participation will be conclusive evidence of the matters so recorded.

## **4. TERMS AND CONDITIONS OF THE DISTRIBUTION REINVESTMENT PLAN**

### **4.1 Establishment**

The Distribution Reinvestment Plan has been established by the Manager for the benefit of CIT.

### **4.2 Terms and Conditions**

The following are the terms and conditions ("**Terms and Conditions**") of the Distribution Reinvestment Plan.

In these Terms and Conditions:

"**Books Closure Date**" shall mean the date to be determined by the Manager on which the register of Unitholders of CIT will be closed for the purpose of determining the entitlements of Unitholders to a Distribution and is the day immediately preceding the first day of the Books Closure Period;

**“Books Closure Period”** shall mean the period to be determined by the Manager during which the register of Unitholders of CIT will be closed for the purpose of determining the entitlements of Unitholders to a Distribution;

**“CDP”** shall mean The Central Depository (Pte) Limited, **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the respective meanings ascribed to them in the Companies Act, Chapter 50 of Singapore;

**“Distribution”** shall mean a distribution (including any interim, final, special or other distribution) which a Unitholder is entitled to receive for each Unit held by him, as declared by the Manager from time to time;

**“Distribution Calculation Date”** shall mean 31 March, 30 June, 30 September and 31 December in each year occurring after the listing date of CIT or such other date or dates as the Manager may determine;

**“Distribution Date”** shall mean a Business Day, which is no later than 60 calendar days (or, in the event that the Distribution Reinvestment Plan is approved, 90 calendar days) after the Distribution Calculation Date for the relevant Distribution Period, on which the Distribution is payable;

**“Distribution Period”** shall mean the period from and including the day after the immediately preceding Distribution Calculation Date to and including the next occurring Distribution Calculation Date, or, as the case may be, for the last Distribution Period, the period from and including the day after the immediately preceding Distribution Calculation Date to and including the date of winding up of CIT;

**“Market Day”** shall mean a day on which the SGX-ST is open for trading in securities;

**“Price Determination Period”** shall mean the ten (10) Market Days prior to and ending on the Books Closure Date;

**“Qualifying Distribution”** shall mean any Distribution to which the Distribution Reinvestment Plan (as determined by the Manager as provided below) applies;

**“SGX-ST”** shall mean Singapore Exchange Securities Trading Limited (including any successor entity or body);

**“Trust Deed”** shall mean the trust deed dated 31 March 2006 entered into between the Trustee and the Manager constituting CIT, as amended by a first supplemental deed dated 15 August 2007 and the second supplemental deed dated 28 January 2009, as may be amended and modified from time to time;

**“Units”** shall mean an undivided interest in CIT as provided for in the Trust Deed; and

**“S\$”** means the lawful currency of Singapore.

### 4.3 Eligibility

All Unitholders are eligible to participate in the Distribution Reinvestment Plan, subject to the restrictions on Overseas Unitholders, more particularly described below and except that participation in the Distribution Reinvestment Plan shall not be available to such Unitholders or class of Unitholders, as the Manager may in its discretion determine, and further subject to the requirement that such participation by the Unitholder will not result in a breach of any other

restriction on such Unitholder's holding of Units which may be imposed by any statute, law or regulation in force in Singapore or any other relevant jurisdiction, as the case may be, or by the Trust Deed.

#### **4.4 Unitholders Resident Outside Singapore**

The DRP Units have not been, and will not be, registered under the U.S. Securities Act and may not be offered, sold or resold in the United States or to, or for the account or benefit of, any U.S. Person, except in a transaction not subject to or exempt from the registration requirements of the U.S. Securities Act and the securities laws of any state or other jurisdiction in the United States. Furthermore, for practical reasons and to avoid any violation of the securities laws applicable in countries outside Singapore where Unitholders may have their registered addresses, (unless otherwise determined by the Manager) the Distribution Reinvestment Plan will not be offered to Unitholders with registered addresses outside Singapore and who have not provided to CDP, not later than five Market Days prior to the Books Closure Date, addresses in Singapore for the service of notices and documents (the "**Overseas Unitholder**"). No Overseas Unitholder shall have any claim whatsoever against CIT or the Manager as a result of the Distribution Reinvestment Plan not being offered to such Overseas Unitholders. Where the Distribution Reinvestment Plan is not offered to Overseas Unitholders, Overseas Unitholders who receive or come to have in their possession this Statement and/or a Notice of Election may not treat the same as an invitation to them and are advised to inform themselves of, and to observe, any prohibitions and restrictions, and to comply with any applicable laws and regulations relating to the Distribution Reinvestment Plan as may be applicable to them. Overseas Unitholders who wish to be eligible to participate in the Distribution Reinvestment Plan may provide an address in Singapore for the service of notices and documents by notifying CDP, at 4 Shenton Way #02-01, SGX Centre 2, Singapore 068807 (or such other address as may be announced by the Manager from time to time) not later than five Market Days prior to the Books Closure Date. Unitholders should note that all correspondences and notices will be sent to their last registered addresses with CDP. Unitholders which are subject to the laws and regulations of jurisdictions outside Singapore shall, in participating in the Distribution Reinvestment Plan, be deemed to have complied with all applicable legal and regulatory requirements of the relevant jurisdictions.

#### **4.5 Level of Participation**

A Unitholder may elect to participate in the Distribution Reinvestment Plan (the "**Participating Unitholder**") in respect of part or all of his holding of Units as at each Books Closure Date to which each Notice of Election received by him relates for a Qualifying Distribution (the "**Participating Units**").

#### **4.6 Permanent Election**

Unitholders should note that there is presently no permanent election feature available and the Manager will make an announcement containing the relevant details should it choose to offer this feature to Unitholders in the future.

#### **4.7 Notice of Election to Participate**

The Manager will, at its discretion, send to each Unitholder one or more notices of election (in such form as the Manager may approve) (the "**Notice of Election**"). To be effective in respect of any Qualifying Distribution, a Notice of Election must be received by the Unit Registrar, by the date to be specified by the Manager in respect of that Qualifying Distribution. A Unitholder receiving two or more Notices of Election and wishing to receive Units in respect of part or all of his entitlement to the Qualifying Distribution for all Units held by him must complete all the Notices of Election received by him and return the completed Notices of Election to the Unit Registrar, as the case

may be. A notice of election to participate in the Distribution Reinvestment Plan in any other form will not be accepted by the Unit Registrar.

#### 4.8 Extent of Application of Distribution Reinvestment Plan to Each Distribution

The Manager may, in its absolute discretion, in respect of any Distribution, determine whether the Distribution Reinvestment Plan shall apply to such Distribution. If, in its absolute discretion, the Manager has not determined that the Distribution Reinvestment Plan is to apply to a Distribution, such Distribution shall be paid in cash to Unitholders notwithstanding their elections under the Distribution Reinvestment Plan.

#### 4.9 Unit Entitlement

By electing to participate in the Distribution Reinvestment Plan in respect of any Notice of Election received by him, a Unitholder elects in respect of any Qualifying Distribution (after the deduction of applicable income tax, if any) to which such Notice of Election relates to receive Units in lieu of the cash amount of the Qualifying Distribution.

In respect of any Qualifying Distribution, the number of Units to be allotted and issued to the Participating Unitholder electing to receive Units in respect of a Notice of Election shall be calculated in accordance with the following formula:

$$N = \frac{U \times D}{V}$$

Where:

- N** is the number of Units to be allotted and issued as fully paid to the Participating Unitholder in respect of such Notice of Election.
- U** is the number of Participating Units held by the Participating Unitholder as at the Books Closure Date for which such Notice of Election relates.
- D** is the Qualifying Distribution (after deduction of applicable income tax, if any) to which such Notice of Election relates.
- V** is the issue price of a Unit, which shall for the purpose of calculating the number of Units to be allotted and issued as fully paid to Participating Unitholders, pursuant to the Distribution Reinvestment Plan, be an amount in S\$ determined by the Manager (the “**Relevant Amount**”), which Relevant Amount shall not be set at more than 10.0% discount to (or such other discount as may be prescribed by the SGX-ST from time to time), nor shall it exceed, the volume-weighted average traded price per Unit for all trades on the SGX-ST for each of the Market Days during the 10 Market Day period (or such other period as may be prescribed by the SGX-ST from time to time) prior to and ending on to the Books Closure Date (“**Price Determination Period**”). In the event that there is no trading in the Units during the Price Determination Period, the Relevant Amount shall not exceed the volume-weighted average traded price per Unit for all trades on the SGX-ST, for each of the Market Days during a period to be determined by the Manager prior to the announcement of the application of the Distribution Reinvestment Plan to such Distribution.

Fractional entitlements to the DRP Units will be rounded down to the nearest whole Unit, with the residual balance retained as part of CIT’s Deposited Property.

#### 4.10 Terms of Allotment

All Units allotted under the Distribution Reinvestment Plan will be allotted as fully paid. All such Units shall rank *pari passu* in all respects with all existing Units then in issue save only as regards participation in the Qualifying Distribution which is the subject of the election (including the right

to make any election pursuant to the Distribution Reinvestment Plan) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the Qualifying Distribution which is the subject of the election, unless the Manager shall otherwise specify.

Participating Unitholders will have the Units credited to their CDP accounts.

#### **4.11 Statement to Participants**

The Manager will send to each Participating Unitholder on or about each Distribution Date, which in any event shall be no later than 60 calendar days (or such other period as may be specified under the Trust Deed) after the Distribution Calculation Date for the relevant Distribution Period, or such other period as the Manager may decide, a statement detailing, among other things: (a) the number of the Participating Units held by the Participating Unitholder in respect of his Notice of Election; and (b) the number of Units to be allotted to the Participating Unitholder under the Distribution Reinvestment Plan.

**Unitholders should note that in approving the Distribution Reinvestment Plan, they are deemed to approve the change to CIT's distribution date, such that the same falls no later than 90 calendar days after the Distribution Calculation Date for the relevant Distribution Period, instead 60 calendar days from the end of the applicable financial quarter, as currently specified in the Trust Deed.**

**The Distribution and the statement referred above will accordingly be sent to Participating Unitholders within this period.**

#### **4.12 Cost to Participants**

Under present law in Singapore, brokerage or other transaction costs and Singapore stamp duty will not be payable by Participating Unitholders on Units allotted under the Distribution Reinvestment Plan.

#### **4.13 Cancellation of Application of the Distribution Reinvestment Plan**

Notwithstanding any provision in these Terms and Conditions, at any time after the Manager has determined that the Distribution Reinvestment Plan shall apply to any particular Distribution and before the allotment and issue of Units in respect of the Distribution, the Manager shall consider that by reason of any event or circumstance (whether arising before or after such determination) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement the Distribution Reinvestment Plan in respect of the Distribution, the Manager may, at its absolute discretion and as it may deem fit in the interest of CIT and without assigning any reason therefor, cancel the application of the Distribution Reinvestment Plan to the Distribution. In such event, the Distribution shall be paid in cash to Unitholders in the usual manner.

#### **4.14 Modification and Termination of the Distribution Reinvestment Plan**

The Distribution Reinvestment Plan may be modified or terminated at any time by the Manager as it deems fit on giving notice in writing to all Unitholders, except that no modification shall be made without the prior approval of the SGX-ST.

#### **4.15 Governing Law**

This Statement, the Distribution Reinvestment Plan and the Terms and Conditions thereof shall be governed by, and construed in accordance with, the laws of Singapore.

## 5. TAXATION

The CDP, the Trustee and the Manager take no responsibility for the taxation liabilities of Participating Unitholders or the tax consequences of any election made by Unitholders. As individual circumstances and laws vary considerably, specific taxation advice should be obtained by Unitholders if required.

The CDP, the Trustee and/or the Manager take no responsibility for the correctness or accuracy of any information as to taxation liability set out in this Statement.

**Unitholders should note that the Manager will not implement the Distribution Reinvestment Plan if there are any adverse implications to CIT's tax transparency status and that the Distribution Reinvestment Plan will be effected in compliance with the Listing Rules of the SGX-ST (unless otherwise waived).**

## 6. INCOME TAX

The Manager will deduct all income tax required to be deducted, if any, from the Qualifying Distributions in accordance with applicable law. Certificates of income tax deductions will be sent to Participating Unitholders in the usual manner.

## 7. OTHER ITEMS

The Units are offered on the terms and conditions set out in this Statement and in the applicable provisions of the Trust Deed. There are no other terms other than those implied by law or set out in publicly registered documents.

## PROPOSED UNIT ISSUE SUPPLEMENT

The proposed form of the amendments to the Trust Deed upon Unitholders' approval of Resolution 3 (the Unit Issue Supplement) is as follows:

- that Clause 5.3.2 of the Deed be deleted in its entirety and replaced with the following underlined text:

**“5.3.2 Issue Price**

- (i) The Manager shall comply with the Listing Rules in determining the Issue Price, including the Issue Price of a Unit for a rights issue offered on a pro rata basis to all existing Holders, the Issue Price of a Unit issued other than by way of a rights issue offered on a pro rata basis to all existing Unitholders, and the Issue Price of a Unit for any reinvestment of distribution arrangement.
- (ii) Where Units are issued as full or partial consideration for the acquisition of an Authorised Investment by the Trust in conjunction with an issue of Units to raise cash for the balance of the consideration for the said Authorised Investment (or part thereof) or to acquire other Authorised Investments in conjunction with the said Authorised Investment, the Manager shall have the discretion to determine that the Issue Price of a Unit so issued as partial consideration shall be the same as the Issue Price for the Units issued in conjunction with an issue of Units to raise cash for the aforesaid purposes.”

- that Clause 5.3.3 of the Deed be deleted in its entirety and replaced with the following underlined text:

**“5.3.3 Subject to the Listing Rules, the Manager shall not issue any Units in numbers exceeding the limit (if any) set out in any applicable laws, regulations and the Listing Rules, relating to the issue of Units unless the Holders approve the issue of Units exceeding the aforesaid limit by Ordinary Resolution in general meeting.”**

- that Clauses 5.3.4 and 5.3.5 of the Deed (as shown by the strikethrough below) be deleted in their entirety:

~~**“5.3.4 Subject to Clause 5.3.5, for so long as the Trust is Listed, an issue of Units (other than by way of rights issue offered on a pro rata basis to all existing Holders) exceeding any of the above thresholds in Clauses 5.3.3(i) and 5.3.3(ii) will require specific prior approval of Holders by Extraordinary Resolution at a meeting of Holders to be convened by the Manager in accordance with Schedule 1. If relevant in the circumstances, specific prior approval of Holders by Extraordinary Resolution must also have been obtained to permit the issue of Units to the Manager in payment of the Manager’s Base Fee and/or Performance Fee if the issue of Units contemplated thereunder exceeds any of the thresholds in Clauses 5.3.3(i) and 5.3.3(ii). For the avoidance of doubt, any issue of Units pursuant to:**~~

- ~~(i) such approval of Holders; and~~
- ~~(ii) Clause 5.2.4,~~

~~shall not be taken into account in determining whether a subsequent proposed issue of Units in the same financial year will exceed any of the thresholds in Clauses 5.3.3(i) and 5.3.3(ii).~~

~~“5.3.5 (Except in the case of an issue of Units to the Manager in payment of the Manager’s Base Fee and/or Performance Fee) for so long as the Trust is Listed:~~

- ~~(i) the Trustee and/or its related parties;~~
- ~~(ii) the Manager and/or its related parties; and~~
- ~~(iii) the directors and/or immediate family members of the directors of the Trustee and the Manager;~~

~~(unless otherwise permitted by the Authority in writing) may only participate in the issue of Units pursuant to Clauses 5.3.3 or 5.3.4 (which, for the avoidance of doubt, shall not include any issue of Units by way of a preferential offering of Units on a pro rata basis to all existing Holders or an offering of Units to the public through the internet or through the automated teller machines of participating banks which is carried out without preference to any particular group of investors) with the prior specific approval of Holders by Ordinary Resolution at a meeting to be convened by the Manager in accordance with Schedule 1 at which the following persons (unless otherwise permitted by the Authority in writing) must abstain from voting:~~

- ~~(aa) the person to which the issue is to be made;~~
- ~~(bb) where such person is a corporation, its directors and the immediate family members of its directors; and~~
- ~~(cc) where such person is a corporation, its related parties.~~

~~For the purpose of this Clause 5.3.5, **related parties** in relation to an entity shall mean its related corporations (as defined in the Companies Act) and companies in which at least 20% but not more than 50% of its shares are held by such entity and its related corporations.”~~

- that Clause 15.1.1(iv) of the Deed be amended in accordance with the following deletion indicated by the deleted text below:

~~“(iv) The Base Fee may at the discretion of the Manager be structured at the initial public offering of Units and subsequently as payable in the form of cash or Units or a combination of both cash and Units in such proportions as may be determined at the option of the Manager, and be based generally in relation to the Value of the Deposited Property as a whole. If payment is in the form of Units, the Manager shall be entitled to receive such number of Units as may be purchased for the relevant amount of the Base Fee at the Issue Price with reference to the Market Price determined under Clause 5.3.1 or, if applicable, Clause 5.3.3 determined as at the end of each calendar quarter. In the event the payment or part thereof is to be made in the form of Units and Holders’ prior approval is required for the issue of such Units pursuant to Clause 5.3.4 but is not obtained, then the payment to the Manager for that portion of the base Fee shall be made in the form of cash.”~~

- that Clause 15.1.1(vi) of the Deed be amended in accordance with the following deletion indicated by the deleted text below:

~~“(vi) Subject to the restriction under Clause 5.3.4 and to the Base Fee remaining within the permitted limit, †The Manager may at any time determine or change the structure of the payment of the Base Fee between cash and Units without the requirement of obtaining approval by an Extraordinary Resolution of a meeting of Holders or (as the case may be) Depositors.”~~



- that Clause 15.1.2(iii) of the Deed be amended in accordance with the following deletion indicated by the deleted text below:

“(iii) The Performance Fee may at the discretion of the Manager be structured as payable in the form of cash or Units or a combination of both cash and Units in such proportion as may be determined at the option of the Manager and, subject to the restrictions under ~~Clause 5.3.4~~, to the Performance Fee being determined in accordance with formula calculated in accordance with Clause 15.1.2(ii) and to the total of the Base Fee and the Performance Fee not exceeding the limit for that Financial Year calculated in accordance with Clause 15.1.3(iii), the Manager may at any time change the structure of the payment of the Performance Fee between cash and Units without the requirement of obtaining approval by an Extraordinary Resolution of a meeting of the Holders or (as the case may be) depositors Provided That the Manager is entitled to payment of the Performance for any Half Year in cash (with the amount of the cash payment to be calculated in accordance with Clause 15.1.4) if a Trigger Event occurs within that Half Year. In the event the payment or part thereof is to be made in the form of Units and Holders’ prior approval is required for the issue of such Units pursuant to ~~Clause 5.3.4~~ but is not obtained, then the payment to the Manager for that portion of the Performance Fee shall be made in the form of cash.”

- that Clause 15.2.4 of the Deed be amended in accordance with the following deletion indicated by the deleted text below:

“15.2.4 The Manager may opt to receive the Acquisition Fee in the form of cash or Units or a combination of both cash and Units, Provided that in respect of any acquisition under Clause 15.2.1 from a Related Party such Acquisition Fee shall be in the form of Units. Where the Acquisition Fee is to be received in the form of Units, the Manager shall be entitled to receive such number of Units as may be purchased for the relevant amount of the Acquisition Fee at the Issue Price with reference to the Market Price determined under Clause 5.3.1. ~~or, if applicable, Clause 5.3.2~~. In the event the payment or part thereof is to be made in the form of Units and the Holders prior approval was required for the issue of such Units pursuant to Clause 5.3.4 but was not obtained, then the payment to the Manager for that portion of that Acquisition Fee shall be made in the form of cash.”

- that Clause 15.3.4 of the Deed be amended in accordance with the following deletion indicated by the deleted text below:

“15.3.4 The Manager may opt to receive the Disposal Fee in the form of cash or Units or a combination of both cash and Units, Provided that in respect of any disposal under Clause 15.3.1 from a Related Party such Disposal Fee shall be in the form of Units. Where the Disposal Fee is to be received in the form of Units, the Manager shall be entitled to receive such number of Units as may be purchased for the relevant amount of the Disposal Fee at the Issue Price with reference to the Market Price determined under Clause 5.3.1 ~~or, if applicable, Clause 5.3.3~~. In the event the payment or part thereof is to be made in the form of Units and the Holders prior approval was required for the issue of such Units pursuant to ~~Clause 5.3.4~~ but was not obtained, then the payment to the Manager for that portion of that Disposal Fee shall be made in the form of cash.”

## INDEPENDENT FINANCIAL ADVISER'S LETTER

## CIMB BANK BERHAD (13491-P)

Singapore Branch

(Incorporated in Malaysia)

50 Raffles Place

#09-01 Singapore Land Tower

Singapore 048623

13 October 2009

To: **The Independent Directors**  
**Cambridge Industrial Trust Management Limited**  
(the Manager of Cambridge Industrial Trust)  
61 Robinson Road  
#12-01 Robinson Centre  
Singapore 068893

Dear Sirs,

## THE PROPOSED ACQUISITION FEE AND DISPOSAL FEE SUPPLEMENT

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**1. INTRODUCTION**

Cambridge Industrial Trust Management Limited (the "**Manager**") proposes to amend the trust deed dated 31 March 2006 (as amended by a first supplemental deed dated 15 August 2007 and second supplemental deed dated 28 January 2009) ("**Trust Deed**") entered into between RBC Dexia Trust Services Singapore Limited (the "**Trustee**") and the Manager constituting Cambridge Industrial Trust ("**CIT**") in the form of a supplemental deed of amendment for the purpose of allowing the Manager to pay for the commissions of third party agents and brokers for property acquisitions and disposals which involve assets situated in Singapore, out of the Deposited Property (as defined in the Trust Deed) (the "**Acquisition Fee and Disposal Fee Supplement**").

CIMB Bank Berhad, Singapore Branch ("**CIMB**") has been appointed as the independent financial adviser to advise the independent directors of the Manager (the "**Independent Directors**") on whether the Acquisition Fee and Disposal Fee Supplement is on normal commercial terms and whether the Acquisition Fee and Disposal Fee Supplement is prejudicial to the interests of CIT and its minority unitholders ("**Unitholders**"). This letter sets out, *inter alia*, our opinion thereon and forms part of the circular issued by CIT in relation to *inter alia* the Acquisition Fee and Disposal Fee Supplement ("**Circular**").

Unless otherwise defined or the context otherwise requires, all terms defined in the Circular shall have the same meanings herein.

**2. TERMS OF REFERENCE**

We are not a party to any negotiation in relation to the Trust Deed and its supplements (including the Acquisition Fee and Disposal Fee Supplement). We are also not involved in the deliberations leading up to the decision by the Manager and the Trustee (as trustee of CIT) to adopt, amend and/or supplement the Trust Deed. We do not, by this letter, warrant or make any representation whatsoever in relation to the merits (whether commercial, financial or otherwise) of the Acquisition

Fee and Disposal Fee Supplement, other than to form an opinion on whether the Acquisition Fee and Disposal Fee Supplement is on normal commercial terms and whether the Acquisition Fee and Disposal Fee Supplement is prejudicial to the interests of CIT and its minority Unitholders.

For the purpose of arriving at our opinion, we have confined our evaluation to the bases set out herein. Our terms of engagement do not require us to conduct, and we have not conducted, any review of the business plan, operations, financial performance and/or financial condition of CIT or the Manager. We have also not made any evaluation or appraisal of the assets (including the property portfolio) and liabilities of CIT or the Manager. We are not and do not purport to be property experts. We are not required to and have not obtained any quotations or transaction prices from any third parties in respect of the services which are the subject of the Acquisition Fee and Disposal Fee Supplement. We have not conducted any review nor audit of any of the transactions or services pursuant to the Trust Deed and we do not warrant or make any representation as to the actual implementation of the review procedures under the internal control system established by the Manager.

We have held discussions with, and have examined information provided to us by, the management of the Manager. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of, such information. However, we have made reasonable enquiries and exercised our judgment as we deemed necessary on such information and have found no reason to doubt the accuracy or reliability of the information.

We have relied upon the assurances of the Directors (including those who may have delegated supervision of the Circular) that they have taken all reasonable care to ensure that the facts stated and opinions expressed in the Circular (except this letter) are fair and accurate in all material respects and that no material facts have been omitted which would make any statement in the Circular misleading in any respect, and that they collectively and individually accept responsibility accordingly. However, in respect of this letter and the information provided to us in relation thereto, the sole responsibility of the Directors has been to ensure that the facts stated with respect to CIT, the Trustee, the Manager and the Acquisition Fee and Disposal Fee Supplement are, to the best of their knowledge and belief, fair and accurate in all material respects.

Our opinion in this letter are based upon market, economic, industry, monetary and other conditions prevailing on, and the information made available to us as at 7 October 2009 (the "**Latest Practicable Date**"). Such conditions may change significantly over a short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein.

This letter does not purport to be a comprehensive or exhaustive description of all the considerations that may be relevant to Unitholders. In rendering our advice, we have not had regard to the specific investment objectives, financial situation, tax position, risk profiles or particular needs and constraints of any individual Unitholder. As each Unitholder would have different investment objectives and profiles, we would advise that any individual Unitholder who may require specific advice in the context of his specific investment objectives or portfolio consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Manager has been separately advised by its own advisers in the preparation of the Circular (other than this letter). We are not involved in and have not provided any advice, financial or otherwise, in the preparation, review and verification of the Circular (other than this letter). Accordingly, we take no responsibility for and express no views, express or implied, on the content of the Circular (other than this letter).

While a copy of this letter may be reproduced in the Circular, neither the Manager nor any of the Directors may reproduce, disseminate or refer to this letter or any part thereof for any other purposes at any time and in any manner without the prior written consent of CIMB in each specific case.

Our opinion in respect of the Acquisition Fee and Disposal Fee Supplement should be considered in the context of the entirety of this letter and the Circular.

### **3. THE ACQUISITION FEE AND DISPOSAL FEE SUPPLEMENT**

#### **3.1 Background**

The Manager proposes to amend the Trust Deed in the form of a supplemental deed of amendment for the purpose of allowing the Manager to pay for the commissions of third party agents and brokers for property acquisitions and disposals which involve assets situated in Singapore, out of the Deposited Property.

#### **3.2 Rationale and Purpose**

The Manager believes that the Acquisition Fee and Disposal Fee Supplement will provide flexibility for the Manager in carrying out its duties for the benefit of CIT. The proposed amendments are to remove the requirement for the Manager to bear the commissions of third party agents and brokers for property acquisitions and disposals which involve assets situated in Singapore.

For the Manager to manage CIT prudently and perform its role effectively, the Manager has to establish CIT's presence. To ensure the Manager's acquisition and disposal strategy achieves its maximum results, the role of third party agents and brokers is essential due to their network of contacts and industry knowledge. Without the services of these third party agents and brokers, the acquisition growth and divestment strategy of CIT will be substantially hampered.

The existing Trust Deed empowers the Trustee with the authority to appoint and engage agents and brokers, and to pay such parties appointed for the acquisition or disposal of properties out of the Deposited Property of CIT on a case-by-case basis. As every acquisition and disposal of an investment is executed by the Manager for the sole purpose of managing CIT's assets for the benefit of Unitholders, the commissions of third party agents and brokers for property acquisitions and disposals should be borne by CIT.

The details of the Acquisition Fee and Disposal Fee Supplement are set out in Appendix D of the Circular.

#### 4. EVALUATION OF THE ACQUISITION FEE AND DISPOSAL FEE SUPPLEMENT

##### 4.1 Comparison with REITs listed on the SGX-ST

For the purpose of assessing the Acquisition Fee and Disposal Fee Supplement, it is meaningful to consider the fee payment arrangements of the other real estate investment trusts (“REITs”) listed on the SGX-ST. The fee payment arrangements in respect of commissions of third party agents and brokers for property acquisitions and disposals of the REITs are set out below.

Name of REIT	Market capitalisation (S\$ million)	Type and location of assets	Payment to third party agents and brokers in connection with an acquisition	Payment to third party agents and brokers in connection with a divestment
<b><i>Commissions borne by the REIT or its assets</i></b>				
Ascendas India Trust	653.67	Information Technology parks India	Any payment to third party agents or brokers in connection with the acquisition of any asset shall be paid by the trustee-manager to such persons out of the trust property or the assets of the relevant special purpose vehicle, and not out of the acquisition fee received or to be received by the trustee-manager.	Any payment to third party agents or brokers in connection with the divestment of any asset shall be paid by the trustee-manager to such persons out of the trust property or the assets of the relevant special purpose vehicle, and not out of the divestment fee received or to be received by the trustee-manager.
Ascott Residence Trust (“ART”)	590.44	Service residences and rental housing properties Japan, PRC, Philippines, Vietnam, Singapore, Indonesia and Australia	In the event that there is payment to third party agents or brokers in connection with the acquisition of any real estate or real estate-related assets, such payment shall be paid out of the deposited property, provided that the manager shall charge an acquisition fee of 0.5% instead of 1.0%. <sup>(1)</sup>	Any payment to third party agents or brokers in connection with the divestment of any real estate or real estate-related assets shall be paid by the REIT.
CapitaRetail China Trust	734.26	Retail mall properties PRC	Any payment to third party agents or brokers in connection with the acquisition of any authorised investment shall be paid by the manager to such persons out of the assets of the REIT or the assets of the relevant special purpose vehicle, and not out of the acquisition fee received or to be received by the manager.	Any payment to third party agents or brokers in connection with the sale or divestment of any authorised investment shall be paid by the manager to such persons out of the assets of the REIT or the assets of the relevant special purpose vehicle, and not out of the divestment fee received or to be received by the manager.

Market capitalisation (S\$ million)		Type and location of assets	Payment to third party agents and brokers in connection with an acquisition	Payment to third party agents and brokers in connection with a divestment
Name of REIT				
Lippo-Mapletree Indonesia Retail Trust	493.65	Retail mall properties Indonesia	Any payment to third party agents or brokers in connection with the acquisition of any authorised investment shall be paid by the manager to such persons out of the assets of the REIT or the relevant special purpose vehicle, and not out of the acquisition fee received or to be received by the manager.	Any payment to third party agents or brokers in connection with the sale or divestment of any authorised investment shall be paid by the manager to such persons out of the assets of the REIT or the assets of the relevant special purpose vehicle, and not out of the divestment fee received or to be received by the manager.
ParkwayLife REIT	718.12	Healthcare and healthcare-related properties Singapore and Japan	Any payment to third party agents or brokers in connection with the acquisition of any real estate or real estate-related asset shall be paid by the REIT.	Any payment to third party agents or brokers in connection with the divestment of any real estate or real estate-related asset shall be paid by the REIT.
Saizen Real Estate Investment Trust	132.89	Residential and residential-related properties Japan	Any payment to third party real estate agents or brokers in connection with the acquisition of any real estate shall be paid to such persons in addition to the acquisition fee paid to the manager.	Any payment to third party real estate agents or brokers in connection with the sale or divestment of any real estate shall be paid to such persons in addition to the divestment fee paid to the manager.
<b><u>Commissions borne by the manager</u></b>				
CapitaCommercial Trust	2,835.86	Commercial properties Singapore and Malaysia	Any payment to third party agents or brokers in connection with the acquisition of any real estate shall be paid by the manager to such persons out of the acquisition fee received by the manager, and not additionally out of the assets of the REIT.	Any payment to third party agents or brokers in connection with the divestment of any real estate shall be paid by the manager to such persons out of the divestment fee received by the manager, and not additionally out of the assets of the REIT.
CDL Hospitality Real Estate Investment Trust	1,208.67	Hospitality and hospitality-related assets Singapore and New Zealand	Any payment to third party real estate agents or brokers in connection with the acquisition of any real estate shall be paid by the manager to such persons out of the acquisition fee received by the manager, and not additionally out of the assets of the REIT.	Any payment to third party real estate agents or brokers in connection with the divestment of any real estate shall be paid by the manager to such persons out of the divestment fee received by the manager, and not additionally out of the assets of the REIT.

Market capitalisation (S\$ million)	Type and location of assets	Payment to third party agents and brokers in connection with an acquisition	Payment to third party agents and brokers in connection with a divestment
188.47	Healthcare and healthcare-related assets Singapore and Indonesia	Any payment to third party agents or brokers in connection with the acquisition of any healthcare or healthcare-related or other assets shall be paid by the manager to such persons out of the acquisition fee received by the manager, and not additionally out of the assets of the REIT.	Any payment to third party agents or brokers in connection with the divestment of any healthcare or healthcare-related or other assets shall be paid by the manager to such persons out of the divestment fee received by the manager, and not additionally out of the assets of the REIT.
719.67	Retail mall properties Singapore	Any payment to third party real estate agents or brokers in connection with the acquisition of any real estate shall be paid by the manager to such persons out of the acquisition fee received by the manager, and not additionally out of the assets of the REIT.	Any payment to third party real estate agents or brokers in connection with the divestment of any real estate shall be paid by the manager to such persons out of the divestment fee received by the manager, and not additionally out of the assets of the REIT.
467.40	Commercial properties Singapore, Australia and Japan	Any payment to third party agents or brokers in connection with the acquisition of any real estate assets shall be paid by the manager to such persons out of the acquisition fee received by the manager.	Any payment to third party agents or brokers in connection with the divestment of any real estate assets shall be paid by the manager to such persons out of the divestment fee received by the manager.
1,415.70	Logistics real estate and real estate-related assets Singapore, Hong Kong, China, Malaysia, Japan and South Korea	Any payment to third party agents or brokers in connection with the acquisition of any real estate shall be paid by the manager to such persons out of the acquisition fee received by the manager, and not additionally out of the assets of the REIT.	Any payment to third party agents or brokers in connection with the divestment of any real estate shall be paid by the manager to such persons out of the divestment fee received by the manager, and not additionally out of the assets of the REIT.
1,853.54	Office and retail properties Singapore	Any payment to third party agents or brokers in connection with the acquisition of any real estate shall be paid by the manager to such persons out of the acquisition fee received by the manager, and not additionally out of the assets of the REIT.	Any payment to third party agents or brokers in connection with the divestment of any real estate shall be paid by the manager to such persons out of the divestment fee received by the manager, and not additionally out of the assets of the REIT.

Market capitalisation (S\$ million)	Type and location of assets	Payment to third party agents and brokers in connection with an acquisition	Payment to third party agents and brokers in connection with a divestment
Name of REIT			

**Commissions for acquisition borne by the manager and commissions for divestment borne by the manager or the REIT**

Starhill Global REIT ("Starhill")	Retail and office properties Singapore, China and Japan	For any acquisition or transaction made in Singapore, any payment to third party agents or brokers in connection with the acquisition of any real estate in Singapore for Starhill shall be borne by the manager of Starhill, and not additionally out of Starhill. For any acquisition or transaction made outside Singapore for Starhill, if any such payment is made to third party agents or brokers, such payment shall be paid out of the assets of Starhill, provided that the manager of Starhill shall charge an acquisition fee of 0.6% instead of 1.0%. <sup>(2)</sup>	For any divestment or transaction made in Singapore, any payment to third party agents or brokers in connection with the divestment of any one of the assets forming part of the assets in Singapore for Starhill shall be borne by the manager of Starhill, and not additionally out of Starhill. For any divestment or transaction made outside Singapore for Starhill, if any such payment is made to third party agents or brokers, such payment shall be paid out of the assets of Starhill, provided that the manager of Starhill shall charge a divestment fee of 0.5% of the sale price. <sup>(2)</sup>
-----------------------------------	------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

CIT	Industrial and logistics properties Singapore	For any acquisition or transaction made in Singapore for CIT, any payment to third party agents or brokers shall be paid out of the Deposited Property. For any acquisition or transaction made outside Singapore for CIT, if any payment is made to third party agents or brokers, such payment shall be paid out of the Deposited Property, provided that the Manager shall charge an acquisition fee of 0.6% instead of 1.0%.	For any divestment or transaction made in Singapore for CIT, any payment to third party agents or brokers shall be paid out of the Deposited Property. For any divestment or transaction made outside Singapore for CIT, if any payment is made to third party agents or brokers, such payment shall be paid out of the Deposited Property, provided that the Manager shall charge an disposal fee of 0.5% of the sale price.
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Source: Prospectuses and circulars of the respective REITs

**Notes:**

- (1) In respect of ART, the acquisition fee is 1.0% of the enterprise value of any real estate or real estate-related assets acquired directly or indirectly by ART, pro-rated (if applicable) to the proportion of ART's interest.
- (2) In respect of Starhill, the acquisition fee is 1.0% of each of the following as is applicable, subject to there being no double counting: (i) the purchase price, excluding goods and services tax, of any real estate acquired, whether directly by Starhill or indirectly through a special purpose vehicle; (ii) the value of any underlying real estate (pro-rata, if applicable, to the proportion of Starhill's interest in such real estate) where Starhill invests in any class of real estate related assets, including any class of equity, equity-linked securities and/or securities issued in real estate securitisation, of any entity directly or indirectly owning or acquiring such real estate, provided that (a) Starhill shall hold or invest in at least 50% of the equity of such entity; or (b) if Starhill holds or invests in 30% or more but less than 50% of the equity of such entity, Starhill shall have management control of the underlying real estate and/or such entity; (iii) the value of any shareholders' loan extended by Starhill to the entity referred to in paragraph (ii) above, provided that the proviso in paragraph (ii) is complied with; or (iv) the value of any investment by Starhill in any loan extended to or in debt securities of any property corporation or other special purpose vehicle owning or acquiring real estate (where applicable). The divestment fee is 0.5% of the sale price, excluding goods and services tax, of (i) any investment of the type referred to in paragraph (i) above; (ii) in relation to an investment of the type referred to in paragraph (ii), the value of any underlying real estate (pro-rata, if applicable, to the proportion of Starhill's interest in such real estate); (iii) the proceeds of sale, repayment or (as the case may be) redemption of an investment in a loan referred to in paragraph (iii) above in relation to the acquisition fee; or (iv) the value of an investment referred to in paragraph (iv) above.



We wish to highlight that the REITs listed above are not exhaustive and they differ from CIT in terms of, *inter alia*, growth strategies, market capitalisation, size, location, yield and composition of property portfolio, asset base, geographical spread, track record, risk profile, liquidity, gearing, future prospects and other relevant criteria. As such, any comparison made is necessarily limited and merely serves only as an illustrative guide.

We note that:

- (i) 6 out of 14 (or 42.9%) of the above REITs bear the commissions of third party agents and brokers, whereas for 7 out of 14 (or 50.0%) of the above REITs, such commissions are paid or borne by the manager of the REIT (whether directly or through a reduction in the acquisition fee or disposal fee).
- (ii) Save for CapitaRetail China Trust (for which the acquisition fee is 1.5% where the purchase price of assets is less than S\$200 million and 1.0% where the purchase price of assets is S\$200.0 million and more), all the above REITs generally adopt an acquisition fee based on 1.0% of the purchase price of assets. Save for Saizen Real Estate Investment Trust (for which the disposal fee is 0.3% of the sale price of assets), all the above REITs generally adopt a disposal fee based on 0.5% of the sale price of assets. CIT adopts an acquisition fee of 1.0% of the purchase price of assets and a disposal fee of 0.5% of the sale price of assets which are generally in line with the other REITs.

Based on the foregoing, it appears that the Acquisition Fee and Disposal Fee Supplement is not inconsistent with market practice.

#### **4.2 Rationale**

We note that the Acquisition Fee and Disposal Fee Supplement is proposed so as to provide the Manager flexibility in carrying out its duties for the benefit of CIT. To ensure the Manager's acquisition and disposal strategy achieves maximum results, the role of third party agents and brokers is essential due to their network of contacts and industry knowledge. Without the services of these third party agents and brokers, the acquisition growth and divestment strategy of CIT will be substantially hampered.

We further note that the existing Trust Deed empowers the Trustee with the authority to appoint and engage agents and brokers, and to pay such parties appointed for the acquisition or disposal of properties out of the Deposited Property of CIT on a case-by-case basis. As every acquisition and disposal of an investment is executed by the Manager for the sole purpose of managing CIT's assets for the benefit of Unitholders, the commissions of third party agents and brokers for property acquisitions and disposals should be borne by CIT.

#### **4.3 Abstention from Voting**

We note that the Manager and its associates are prohibited from voting on the resolution relating to the Acquisition Fee and Disposal Fee Supplement at the EGM.

## 5. OUR OPINION

Based on the considerations set out above in this letter and subject to the qualifications and assumptions herein, we are of the view that the Acquisition Fee and Disposal Fee Supplement is on normal commercial terms and is not prejudicial to the interests of CIT and its minority Unitholders.

This opinion is addressed to the Independent Directors for their sole benefit, in connection with and for the purpose of their consideration of the Acquisition Fee and Disposal Fee Supplement. Any statement or recommendation made by the Independent Directors in respect of the Acquisition Fee and Disposal Fee Supplement shall remain their sole responsibility. Our opinion does not and cannot take into account future circumstances, including market, economic, industry, monetary and other conditions after the Latest Practicable Date as these are factors beyond the ambit of our review.

The letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully

For and on behalf of

**CIMB BANK BERHAD, SINGAPORE BRANCH**

MAH KAH LOON  
HEAD  
CORPORATE FINANCE

TAN CHER TING  
SENIOR VICE PRESIDENT  
CORPORATE FINANCE

## PROPOSED ACQUISITION FEE AND DISPOSAL FEE SUPPLEMENT

The proposed form of the amendments to the Trust Deed upon Unitholders' approval of Resolution 4 (the Acquisition Fee and Disposal Fee Supplement) is as follows:

- that Clause 15.2.2 of the Deed be amended in accordance with the following deletion indicated by the deleted text and addition indicated by the underlined text below:

“15.2.2 For any acquisition or transaction made in Singapore, any payment to third party agents or brokers in connection with the acquisition of any Real Estate in Singapore for the Trust shall be ~~borne by the Manager, and not additionally out of the Trust~~ paid out of the Deposited Property of the Trust. For any acquisition or transaction made outside Singapore for the Trust, if any such payment is made to third party agents or brokers, such payment shall be paid out of the Deposited Property of the Trust, provided that the Manager shall charge an Acquisition Fee of 0.6 per cent instead of 1.0 per cent. The Manager is entitled to an Acquisition Fee of 1.0 per cent on the purchase price of the initial Properties at the initial public offering of the Units.”

- that Clause 15.2.5 of the Deed be amended in accordance with the following deletion indicated by the deleted text and addition indicated by the underlined text below:

15.2.5 Subject to the restriction under Clause ~~Clauses 5.3.4 and 15.3.4~~ and to the Acquisition Fee remaining within the permitted limit, the Manager may determine or change the structure of the payment of the Acquisition Fee between cash and Units in relation to each acquisition without the requirement of obtaining approval by an Extraordinary Resolution of a meeting of Holders or (as the case may be) Depositors.

- that Clause 15.3.2 of the Deed be amended in accordance with the following deletion indicated by the deleted text and addition indicated by the underlined text below:

“15.3.2 For any divestment or transaction made in Singapore, any payment to third party agents or brokers in connection with the divestment of any Investment in Singapore for the Trust shall be ~~borne by the Manager, and not additionally out of the Trust~~ paid out of the Deposited Property of the Trust. For any divestment or transaction made outside Singapore for the Trust, if any such payment is made to third party agents or brokers, such payment shall be paid out of the Deposited Property of the Trust, provided that the Manager shall charge a Disposal Fee of 0.5 per cent of the sale price.”

- that Clause 15.3.5 of the Deed be amended in accordance with the following deletion indicated by the deleted text and addition indicated by the underlined text below:

“15.3.5 Subject to the restriction under Clause ~~Clauses 5.3.4 and 15.3.4~~ and to the Disposal Fee remaining within the permitted ~~Unit~~ limit, the Manager may determine or change the structure of the payment of the Disposal Fee between cash and Units in relation to each divestment without the requirement of obtaining approval by an Extraordinary Resolution of a meeting of Holders or (as the case may be) Depositors.

## PROPOSED EQUITY FUND RAISING SUPPLEMENT

The proposed form of the amendments to the Trust Deed upon Unitholders' approval of Resolution 6 (the Equity Fund Raising Supplement) is as follows:

- that Paragraph 4(i) of the Schedule 1 to the Deed be amended in accordance with the following deletions indicated by the deleted text and additions indicated by the underlined text below:

“4. A meeting of Holders<sup>1</sup> duly convened and held in accordance with the provisions of this Schedule shall be competent by:

(i) Extraordinary Resolution to:

(a) sanction any modification, alteration or addition to the provisions of this Deed which shall be agreed by the Trustee and the Manager as provided in Clause 28 of this Deed;

(b) sanction a supplemental deed increasing the maximum permitted limit or any change in the structure of the Management Fee (including the Base Fee and the Performance Fee), the Acquisition Fee, the Disposal Fee and the Trustee's remuneration as provided in Clause 16 of this Deed;

~~(c)~~ — sanction any issue of Units by the Manager under the circumstances set out for an issue of Units other than by way of an issue of Units pursuant to Clauses 5.2 to 5.4 of this Deed;

~~(d)~~(c) remove the Auditors as provided in Clause 22.4 of this Deed;

~~(e)~~(d) remove the Trustee as provided in Clause 23.3.4 of this Deed;

~~(f)~~(e) direct the Trustee to take any action pursuant to Section 295 of the Securities and Futures Act; and

(ii) an Ordinary Resolution to remove the Manager as provided in Clause 24.14 of this Deed;

(iii) a resolution duly proposed and passed as such by a majority representing 80% or more of the total number of votes cast for and against such resolution to delist the Trust after it has been Listed as provided in Clause 9.2 of this Deed,

and shall have such further or other powers under such terms and conditions as may be determined by the Manager with the prior approval of the Trustee. Any decision to be made by resolution of the Holders other than those specified in this paragraph 4(i) to (iii), shall be made by Ordinary Resolution, unless an Extraordinary Resolution is required by the (where applicable) Securities and Futures Act, the Regulations, the Property Funds Guidelines the Code or the Listing Rules.”

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<sup>1</sup> Refers to a Unitholder.

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an EXTRAORDINARY GENERAL MEETING of Cambridge Industrial Trust (“**CIT**”) will be held at Raffles Hotel Singapore, Casuarina Suite B, Level 3, 1 Beach Road, Singapore 189673 on 30 October 2009 at 3.00 p.m. (the “**EGM**”) for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:

### EXTRAORDINARY RESOLUTION

#### 1. THE PROPOSED DISTRIBUTION REINVESTMENT PLAN

That:

- (i) the distribution reinvestment plan to be known as the “Cambridge Industrial Trust Distribution Reinvestment Plan” (the “**Distribution Reinvestment Plan**”), under which the directors of the manager of CIT (the “**Directors**”) may, whenever the Directors in general meeting have resolved that a distribution (including an interim, final, special or other distribution) be paid or declared on units in CIT (“**Units**”), resolve that unitholders of CIT (“**Unitholders**”) entitled to such distribution may elect to receive an allotment of new Units each credited as fully paid in lieu of cash in respect of such distribution (further particulars of which are set out in the circular to Unitholders dated 13 October 2009 (the “**Circular**”), be and is hereby approved;
- (ii) CIT’s distribution date, as set out in CIT’s trust deed dated 31 March 2006 (as amended) (the “**Trust Deed**”), be extended from 60 days to 90 days from the end of the applicable financial quarter of CIT;
- (iii) Cambridge Industrial Trust Management Limited, as manager of CIT (the “**Manager**”) and RBC Dexia Trust Services Singapore Limited, as trustee of CIT (the “**Trustee**”) be and are hereby authorised:
  - (a) to establish and administer the Distribution Reinvestment Plan;
  - (b) to modify and/or alter the Distribution Reinvestment Plan from time to time and to do all such acts and things and to enter into all such transactions and arrangements as may be necessary or expedient in order to give full effect to the Distribution Reinvestment Plan; and
  - (c) to allot and issue from time to time such number of new Units as may be required to be allotted and issued pursuant to the Distribution Reinvestment Plan;
- (iv) unless revoked or varied by Unitholders in a general meeting, such authority shall continue in force; and
- (v) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, or, as the case may be, the Trustee may consider expedient or necessary or in the interest of CIT to give effect to the Distribution Reinvestment Plan.

## ORDINARY RESOLUTION

### 2. THE PROPOSED GENERAL MANDATE FOR THE ISSUE OF NEW UNITS AND/OR CONVERTIBLE SECURITIES (INCLUDING WARRANTS)

That:

- (i) approval be and is hereby given for the issue of new Units and/or convertible securities or other instruments (including but not limited to warrants) which may be convertible into Units ("**Convertible Securities**") for the 12-month period from 30 October 2009, being the date of the EGM to 29 October 2010 or the date of CIT's annual general meeting in 2010 (whichever is earlier), such that the number of new Units issued (and/or Units into which the Convertible Securities may be converted):
  - (a) by way of renounceable rights issues on a pro rata basis to Unitholders ("**Renounceable Rights Issues**"), does not exceed 100.0% of the Base Figure (as described below); and
  - (b) by way of unit issues other than Renounceable Rights Issues ("**Other Unit Issues**"), does not exceed 50.0% of the Base Figure, of which the aggregate number of new Units issued (and/or Units into which the Convertible Securities may be converted), where the Units and/or Convertible Securities are issued other than on a pro rata basis to existing Unitholders, must not be more than 20.0% of the Base Figure,

provided further that the Units to be issued under the Renounceable Rights Issues and Other Unit Issues shall not, in aggregate, exceed 100.0% of the Base Figure (the "**General Mandate**");

Subject to such calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of Units and Convertible Securities that may be issued under (a) and (b) above, the Base Figure shall be based on the number of Units in issue as at 30 October 2009, being the date of the EGM, after adjusting for:

- (i) new Units arising from the conversion or exercise of any Convertible Securities; or
  - (ii) any subsequent bonus issue, consolidation or subdivision of Units.
- (ii) pursuant to the General Mandate, the Manager, may issue Units arising from the conversion of the Convertible Securities notwithstanding that the General Mandate may have ceased to be in force at the time the Units are to be issued;
  - (iii) where the terms of the issue of the Convertible Securities provide for adjustment to the number of Convertible Securities in the event of rights, bonus or other capitalisation issues or any other events, the Manager may issue additional Convertible Securities notwithstanding that the General Mandate may have ceased to be in force at the time the Convertible Securities are issued; and
  - (iv) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interest of CIT to give effect to the General Mandate.

## **EXTRAORDINARY RESOLUTION**

### **3. THE PROPOSED UNIT ISSUE SUPPLEMENT**

That:

- (i) approval be and is hereby given to amend the Trust Deed with the Unit Issue Supplement (as defined in the Circular) in the manner set out in Appendix B of the Circular; and
- (ii) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interest of CIT to give effect to the Unit Issue Supplement.

## **EXTRAORDINARY RESOLUTION**

### **4. THE PROPOSED ACQUISITION FEE AND DISPOSAL FEE SUPPLEMENT**

That:

- (i) approval be and is hereby given to amend the Trust Deed with the Acquisition Fee and Disposal Fee Supplement (as defined in the Circular) in the manner set out in Appendix D of the Circular; and
- (ii) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interest of CIT to give effect to the Acquisition Fee and Disposal Fee Supplement.

## **EXTRAORDINARY RESOLUTION**

### **5. THE PROPOSED EQUITY FUND RAISING SUPPLEMENT**

That:

- (i) approval be and is hereby given to amend the Trust Deed with the Equity Fund Raising Supplement (as defined in the Circular) in the manner set out in Appendix E of the Circular; and
- (ii) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interest of CIT to give effect to the Equity Fund Raising Supplement.

BY ORDER OF THE BOARD

Cambridge Industrial Trust Management Limited

(Company Registration No. 200512804G, Capital Markets Services licence no.: 100132-1)

As manager of Cambridge Industrial Trust

Chris Calvert  
Chief Executive Officer

Singapore  
13 October 2009

#### **Important Notice:**

1. A unitholder of CIT entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a unitholder of CIT.
2. The instrument appointing a proxy must be lodged at the Unit Registrar's Office at 63 Cantonment Road, Singapore 089758 not less than 48 hours before the time appointed for the Extraordinary General Meeting.

## IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

### Notes to Proxy Form

1. A Unitholder of CIT ("**Unitholder**") entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or two proxies to attend and vote in his stead.
2. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
3. A proxy need not be a Unitholder.
4. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against his name in the Depository Register maintained by the Central Depository (Pte) Limited ("**CDP**"), he should insert that number of Units. If the Unitholder has Units registered in his name in the Register of Unitholders of CIT, he should insert that number of Units. If the Unitholder has Units entered against his name in the said Depository Register and registered in his name in the Register of Unitholders, he should insert the aggregate number of Units. If no number is inserted, this form of proxy will be deemed to relate to all the Units held by the Unitholder.
5. The instrument appointing a proxy or proxies must be deposited at the Unit Registrar's Office at 63 Cantonment Road, Singapore 089758, not less than 48 hours before the time set for the Extraordinary General Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the Manager) be lodged with the instrument of proxy; failing which the instrument may be treated as invalid.
8. The Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Extraordinary General Meeting, as certified by CDP to the Manager.
9. All Unitholders will be bound by the outcome of the Extraordinary General Meeting regardless of whether they have attended or voted at the Extraordinary General Meeting.
10. At any meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman or by five or more Unitholders present in person or by proxy, or holding or representing one-tenth in value of the Units represented at the meeting. Unless a poll is so demanded, a declaration by the Chairman that such a resolution has been carried or carried unanimously or by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
11. On a show of hands, every Unitholder who (being an individual) is present in person or by proxy or (being a corporation) is present by one of its officers as its proxy shall have one vote. On a poll, every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he is the Unitholder. A person entitled to more than one vote need not use all his votes or cast them the same way.



# CAMBRIDGE INDUSTRIAL TRUST

(a unit trust constituted on 31 March 2006 under the laws of the Republic of Singapore)

## PROXY FORM EXTRAORDINARY GENERAL MEETING

### IMPORTANT

1. For investors who have used their CPF moneys to buy units in Cambridge Industrial Trust, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.
3. **PLEASE READ THE NOTES TO THE PROXY FORM.**

I/We \_\_\_\_\_ (Name)

of \_\_\_\_\_ (Address)

being a unitholder/unitholders of Cambridge Industrial Trust ("CIT"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Unitholdings	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Unitholdings	
			No. of Units	%

or, failing him/her, the Chairman of the Extraordinary General Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and if necessary, to demand a poll, at the Extraordinary General Meeting of CIT to be held at 3.00 p.m. on 30 October 2009 at the Raffles Hotel Singapore, Casuarina Suite B, Level 3, 1 Beach Road, Singapore 189673 and any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolution to be proposed at the Extraordinary General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Extraordinary General Meeting.

	Resolutions	To be used on a show of hands		To be used in the event of a poll	
		For*	Against*	No. of Votes For**	No. of Votes Against**
1.	To approve the Distribution Reinvestment Plan (Extraordinary Resolution)				
2.	To approve the General Mandate (Ordinary Resolution)				
3.	To approve the Unit Issue Supplement (Extraordinary Resolution)				
4.	To approve the Acquisition Fee and Disposal Fee Supplement (Extraordinary Resolution)				
5.	To approve the Equity Fund Raising Supplement (Extraordinary Resolution)				

\* If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided.

\*\* If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2009

**Total number of Units held**

\_\_\_\_\_  
Signature(s) of Unitholder(s)/Common Seal



1<sup>st</sup> fold here

2<sup>nd</sup> fold here

Affix  
Postage  
Stamp

**B.A.C.S. Private Limited**  
(as unit registrar of Cambridge Industrial Trust)  
63 Cantonment Road  
Singapore 089758

3<sup>rd</sup> fold here

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