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## **PROPOSED ACQUISITIONS OF TWO PROPERTIES TOTALLING S\$56.3 MILLION**

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### **1. INTRODUCTION**

1.1 Cambridge Industrial Trust Management Limited, as manager of Cambridge Industrial Trust (“**CIT**” and the manager of CIT, the “**Manager**”), is pleased to announce that RBC Investor Services Trust Singapore Limited, in its capacity as trustee of CIT (the “**Trustee**”) has entered into separate agreements respectively for the following proposed acquisitions (collectively, the “**Acquisitions**”):

- (a) the proposed acquisition of the property located at 30 Marsiling Industrial Estate Road 8 (the “**Marsiling Property**”) from Beyonics International Pte Ltd (“**BIPL**”) was entered on 14 September 2012 for a purchase consideration of S\$39.0 million; and
- (b) the proposed acquisition of the property located in 11 Woodlands Walk (the “**Woodlands Property**”) from Hup Fatt Brothers Engineering Pte Ltd (“**HFB**”) for a purchase consideration of S\$17.3 million.

1.2 Based on the relative figures calculated on the bases set out in Rule 1006 of the Listing Manual of Singapore Exchange Securities Trading Limited (the “**Listing Manual**”), the proposed acquisition of the Marsiling Property is a discloseable transaction and the proposed acquisition of the Woodlands Property is a non-discloseable transactions for the purposes of Chapter 10 of the Listing Manual.

### **2. DETAILS OF THE ACQUISITIONS**

#### **2.1 30 Marsiling Industrial Estate Road 8**

The Marsiling Property is a light industrial building that houses BIPL’s production, cleanroom, warehouse and ancillary office, with a gross floor area of approximately 20,249 square metres. Strategically located opposite the Woodlands Regional Centre, it is near to the Woodlands MRT station, Singapore’s first sports school and Republic Polytechnic. It is also an HDB leasehold estate with a land tenure of 30 years commencing from 1 December 1989, with an option to renew for an additional 30 years. Subject to completion of the acquisition of the Marsiling Property, BIPL has agreed to enter into a lease agreement with the Trustee, acting on behalf of CIT, in respect of the Marsiling Property for a period of three years.

The appraised value of the Marsiling Property, based on a valuation conducted by Jones Lang LaSalle Property Consultants Pte Ltd as at 7 September 2012 using the discounted cash flow analysis and the direct capitalisation approach, was S\$39.0 million. The valuation was commissioned by the Manager.

The estimated total acquisition cost of the Marsiling Property, is approximately S\$39.6 million, comprising:

- (a) the purchase consideration of S\$39.0 million;
- (b) the acquisition fee payable to the Manager in respect of the acquisition, which amounts to approximately S\$0.4 million; and
- (c) professional fees and other expenses incurred or to be incurred in connection with the acquisition which amount to approximately S\$0.2 million.

## 2.2 11 Woodlands Walk

The Woodlands Property has a gross floor area of approximately 8,977 square metres. It is easily accessible via the Bukit Timah/Seletar Expressway. It has a balance land tenure of about 43 years. Subject to completion of the acquisition of the Woodlands Property, HFB will enter into a lease agreement with the Trustee, acting on behalf of CIT, in respect of the Woodlands Property for a period of five years.

The appraised value of the Woodlands Property based on a valuation conducted by Colliers International Consultancy & Valuation (Singapore) Pte Ltd as at 24 July 2012 using the income capitalisation approach, discounted cash flow analysis, direct comparison method and the replacement cost method, was S\$17.3 million. The valuation was commissioned by the Manager.

## 3. **CONDITIONS PRECEDENT**

3.1 The proposed acquisition of the Marsiling Property is subject to the fulfillment of certain conditions precedent, which include (but are not limited to) the following:

- (a) CIT having received the relevant approvals, including the approvals from HDB for the acquisition and the leaseback arrangement;
- (b) CIT having received satisfactory results to its due diligence investigations in respect of, including and not limited to, the building, mechanical and electrical equipment;
- (c) there being no unsatisfactory replies to legal requisitions; and
- (d) such other consents or approvals as may be required to be obtained by CIT or vendors from any third party or any relevant authority in relation to the acquisition or the leaseback arrangement.

3.2 For the Woodlands Property, the proposed acquisition is also subject to the fulfillment of conditions precedent, which include (but are not limited to) the following:

- (a) CIT having received the relevant approvals, including the approvals from JTC for the acquisition and the leaseback arrangement;
- (b) CIT having received satisfactory results to its due diligence investigations in respect of, including and not limited to, the building, mechanical and electrical equipment;

- (c) there being no unsatisfactory replies to legal requisitions; and
- (d) such other consents or approvals as may be required to be obtained by CIT or vendors from any third party or any relevant authority in relation to the acquisition or the leaseback arrangement.

#### **4. PURCHASE CONSIDERATION**

##### **4.1 The Acquisitions**

The consideration in respect of each of the Acquisitions was arrived at on a willing-buyer and willing-seller basis, taking into consideration the independent valuation conducted in respect of each of the Marsiling Property and the Woodlands Property.

The consideration in respect of each of the Acquisitions shall be paid in cash. In addition, total option fees of S\$80,000 have been paid in respect of the Marsiling Property and the Woodlands Property. CIT intends to fund the Acquisitions through cash, existing debt facilities and/or the net proceeds from the sale of divestments.

#### **5. RATIONALE FOR AND BENEFITS OF THE ACQUISITIONS**

The Manager believes that the acquisition of the Marsiling Property and the Woodlands Property are high quality industrial assets which will strengthen CIT's presence in northern part of Singapore.

"We are pleased to announce the Acquisitions which are replacement assets for two of our existing properties which are in the process of being compulsory acquired. The Acquisitions are consistent with the Managers strategic objective of acquiring investment grade assets, designed to continually improve the quality of CIT's property portfolio. Additionally, the Acquisitions will provide further portfolio diversification by reducing the reliance of CIT's income stream on any single asset and tenant," said Mr. Chris Calvert, Chief Executive Officer of CITM.

#### **6. METHOD OF FINANCING AND PRO FORMA FINANCIAL EFFECTS FOR THE MARSILING PROPERTY**

CIT intends to wholly fund the acquisition of the Marsiling Property via debt facilities.

For strictly illustrative purposes, the unaudited pro forma financial effects of the acquisition of the Marsiling Property are set out below.

Based on the audited financial statements of CIT for the financial year ended 31 December 2011:

- (a) assuming that the acquisition of the Marsiling Property had been effected on 1 January 2011, the distribution per unit of CIT would increase from 4.237 Singapore cents to 4.405 Singapore cents; and
- (b) assuming that the acquisition of the Marsiling Property had been effected on 31

December 2011, there would be no material change to the net tangible asset per unit of CIT.

## 7. RELATIVE FIGURES RELATING TO ACQUISITION OF THE MARSILING PROPERTY ON THE BASES IN RULE 1006 OF THE LISTING MANUAL

The relative figures for the proposed acquisition of the Marsiling Property computed on the bases set out in Rule 1006 of the Listing Manual, which have been based on the unaudited financial information of CIT for the six months ended 30 June 2012, are as follows:

Rule 1006(a)	Net asset value of assets to be disposed of, compared with the net assets value of CIT.	Not applicable
Rule 1006(b)	Net property income <sup>(1)</sup> attributable to the Marsiling Property (six months).	S\$1.4 million
	Net property income of CIT (six months).	S\$36.3 million
	Size of relative figure	4.0%
Rule 1006(c)	Aggregate value of consideration of the acquisition.	S\$39.0 million
	Market capitalisation of CIT as at 13 September 2012	S\$762.0 million <sup>(2)</sup>
	Size of relative figure	5.1%
Rule 1006(d)	Number of equity securities to be issued by CIT as consideration compared with the number of equity securities previously in issue.	Not applicable

### Notes:

- (1) In the case of a real estate investment trust, the net property income is a close proxy to the net profits attributable to its assets.
- (2) CIT's market capitalisation as at 13 September 2012 (being the latest market day the units were traded preceding the date of the sale and purchase agreement in respect of the proposed acquisition of the Marsiling Property) was approximately S\$762.0 million (based on the weighted average price of S\$0.6307 of the units transacted on 13 September 2012).

Accordingly the proposed acquisition of the Marsiling Property constitutes a discloseable transaction pursuant to Chapter 10 of the Listing Manual.

## 8. PRO FORMA FINANCIAL EFFECTS OF ACQUISITIONS

For strictly illustrative purposes, the unaudited pro forma financial effects of the

Acquisitions in aggregate<sup>1</sup> are set out below.

Based on the audited financial statements of CIT for the financial year ended 31 December 2011:

- (a) assuming that the Acquisitions had been effected on 1 January 2011, the distribution per unit of CIT would increase from 4.237 Singapore cents to 4.468 Singapore cents; and
- (b) assuming that the Acquisitions had been effected on 31 December 2011, there would be no material change to the net tangible asset per unit of CIT.

## **9. INTERESTS OF THE DIRECTORS AND CONTROLLING UNITHOLDERS**

As at the date of this announcement, none of the directors of the Manager or controlling unitholders of CIT has an interest in any of the Acquisitions.

## **10. DIRECTOR'S SERVICE CONTRACTS**

No person is proposed to be appointed as a director of the Manager in connection with the Acquisitions.

## **11. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the sale agreements, lease agreements and valuation certificates in respect of the Acquisitions may be inspected, with prior appointment, at the registered office of the Manager during normal business hours for a period of three months from the date of this announcement.

## **BY ORDER OF THE BOARD**

Cambridge Industrial Trust Management Limited  
(Company Registration No. 200512804G, Capital Markets Services Licence No. 100132-2)  
As Manager of Cambridge Industrial Trust

Chris Calvert  
Chief Executive Officer and Executive Director

17 September, 2012

**For further enquiries, please contact:**

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<sup>1</sup> The unaudited pro forma financial effects include the net property income from the Acquisitions and the properties subject to compulsory acquisition from 1 January 2011 to 31 December 2011. The two properties subject to compulsory acquisition are due to be acquired by the Government in January 2013.

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## **About Cambridge Industrial Trust**

*Cambridge Industrial Trust ("CIT"), publicly listed on the Singapore Exchange Securities Trading Limited on 25 July 2006, is Singapore's first independent industrial real estate investment trust ("REIT").*

*CIT invests in quality income-producing industrial properties and has a diversified portfolio of 49 properties located across Singapore, with a total gross floor area of 724,078 sq m and a property value of S\$1.1 billion as at 30 June 2012. They range from logistics and warehousing properties to light industrial properties, which are located close to major transportation hubs and key industrial zones island-wide.*

*The Manager's objective is to provide Unitholders with a stable and secure income stream through the successful implementation of the following strategies:*

- *prudent capital and risk management;*
- *proactive asset management; and*
- *value enhancing investments.*

*Cambridge Industrial Trust Management Limited, the Manager of CIT, is indirectly owned by three strategic sponsors, namely, National Australia Bank Group ("NAB") (56%), Oxley Group (24%) and Mitsui & Co., Ltd ("Mitsui") (20%):*

- *NAB, one of Australia's four largest banks, is an international financial services group that provides a comprehensive and integrated range of financial products and services;*
- *Oxley Group is an innovative private investment house specialising in real estate and private equity investments across Asia-Pacific; and*
- *Mitsui is one of the largest corporate conglomerates in Japan and listed on the Tokyo Stock Exchange. It is also one of the largest publicly traded companies in the world. Mitsui also developed the Japan Logistics Fund Inc., a publicly listed REIT in Japan dedicated to investing in distribution facilities.*

*For further information on CIT, please visit <http://www.cambridgeindustrialtrust.com/>*

## Important Notice

The value of units in CIT ("**Units**") and the income derived from them may fall as well as rise. Units are not investments or deposits in or liabilities or obligations of Cambridge Industrial Trust Management Limited ("**Manager**"), RBC Investor Services Trust Singapore Limited (in its capacity as trustee of CIT) ("**Trustee**"), or any of their respective related corporations and affiliates (including but not limited to National Australia Bank Limited, nabInvest Capital Partners Pty Ltd, or other members of the National Australia Bank group) and their affiliates (individually and collectively "**Affiliates**"). An investment in Units is subject to equity investment risk, including the possible delays in repayment and loss of income or the principal amount invested. Neither CIT, the Manager, the Trustee nor any of the Affiliates guarantees the repayment of any principal amount invested, the performance of CIT, any particular rate of return from investing in CIT, or any taxation consequences of an investment in CIT. Any indication of CIT performance returns is historical and cannot be relied on as an indicator of future performance.

Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that investors may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This release may contain forward-looking statements that involve assumptions, 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 occupancy or property rental income, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in amounts and on terms necessary to support future CIT business. 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.

This release is for informational purposes only and does not have regard to your specific investment objectives, financial situation or your particular needs. Any information contained in this release is not to be construed as investment or financial advice, and does not constitute an offer or an invitation to invest in CIT or any investment or product of or to subscribe to any services offered by the Manager, the Trustee or any of the Affiliates.