

Press Release

Cambridge Industrial Trust (“CIT”) maintains steady performance in FY2016; CIT Manager welcomes e-Shang Redwood (“ESR”) as new majority shareholder

- DPU of 0.996 Singapore cents for 4Q2016 and 4.173 Singapore cents for FY2016
- Leased up 1.67 million sq ft of space in FY2016, a jump from 1.2 million sq ft in FY2015
- High portfolio occupancy of 94.7% and healthy 88% retention across multi-tenanted assets
- Effective capital recycling with two non-core divestments made at 5%-6% above book value
- No major refinancing needs until 2H2018 provides flexibility and certainty in an uncertain interest rate environment
- Leading pan-Asia logistics real estate company ESR acquires 80% stake in CIT Manager, positioning the Trust to transform into a top-tier Singapore-based regional industrial REIT

Summary of Financial Results:

	4Q2016 (S\$ million)	4Q2015 (S\$ million)	YoY (%)	FY2016 (S\$ million)	FY2015 (S\$ million)	YoY (%)
Gross Revenue ⁽¹⁾	27.8	28.5	(2.5)	112.1	112.2	(0.1)
Net Property Income ⁽²⁾	19.7	21.6	(8.8)	82.3	86.2	(4.5)
Amount available for distribution	13.0	14.8	(12.0)	54.5	61.8	(11.9)
Distribution Per Unit (“DPU”) (cents)	0.996	1.139	(12.6)	4.173	4.793	(12.9)

(1) Includes straight line rent adjustment of S\$1.7 million (FY2015: S\$2.2 million)

(2) Lower due to higher operating expenses of properties converted from single-tenancy to multi-tenancy and disposal of properties

Singapore, 25 January 2017 – Cambridge Industrial Trust Management Limited (“CITM”), the Manager (“Manager”) of **Cambridge Industrial Trust** (“CIT”), today announced gross revenue of S\$112.1 million for the year ended 31 December 2016 (“FY2016”), a marginal decrease of 0.1% from a year ago (“FY2015”). Net property income (“NPI”) decreased 4.5% to S\$82.3 million, due mainly to the increase in property operating expenses from a larger number of multi-tenanted buildings, a result of the ongoing conversion of assets from single-tenancy to multi-tenancy as well as divestments during the year.

Total distributable amount for FY2016 was S\$54.5 million, translating to distribution per unit (“DPU”) of 4.173 cents for FY2016, a 12.9% decrease year-on-year. However, after adjusting FY2015 DPU to exclude one-off capital distribution and management fees paid in units, FY2016 DPU would have been 5.7% lower than the previous year.

Mr. Shane Hagan, acting CEO of CITM, commented: “While 2016 was a tough year for the industry as a whole, we remained focused on strengthening fundamentals and sustaining value for the portfolio. The strategy of capital recycling and divestment of non-core properties in FY2016 enabled the Trust to remain nimble in a challenging environment. Despite keen market competition, CIT has successfully leased 1.67 million sq ft of space during the year with proactive occupancy management, a jump from 1.02 million sq ft in FY2015. We maintained a high portfolio occupancy rate of 94.7%, with a healthy 88% retention rate achieved for our multi-tenanted properties.”

ESR as new majority shareholder of CIT Manager

As announced on 18 January 2017, e-Shang Redwood has, through its subsidiary e-Shang Infinity Cayman, completed the acquisition of an aggregate indirect 80% stake in CITM and 100% indirect interest in Cambridge Industrial Property Management Pte. Ltd. (“**CIPM**”), the property manager of CIT from National Australia Bank and Oxley Global.

“We are pleased to welcome e-Shang Redwood as a new majority shareholder of the Manager. ESR is a strong strategic partner with complementary strengths, industrial experience and presence which will position the Trust well for the next stage of our growth. We will continue to manage and explore opportunities to maximise value from our portfolio, and look forward to working collaboratively with ESR to deliver steady returns to our Unitholders,” Mr Hagan added.

Real Estate Highlights

As at 31 December 2016, CIT’s diversified portfolio comprise 49 properties located across Singapore with a diversified tenant base of around 215 tenants and a total gross floor area of approximately 8.4 million sq ft, across the following business sectors: logistics, warehousing, light industrial, general industrial properties, car showroom and workshop, and business parks.

In line with its strategy to divest non-core assets, CIT divested 23 Tuas Ave 10 for S\$16.5 million and 2 Ubi View for S\$10.5 million, 5% and 6% above book value respectively, in FY2016.

Independent valuations of CIT properties were carried out in December 2016. In line with the market, overall portfolio valuation was 3.2% lower and CIT's portfolio value now stands at S\$1.35 billion. In FY2016, the number of multi-tenanted buildings in CIT's portfolio increased to 23 from 20 in FY2015. Measured by total rental revenue, approximately 21.5% of CIT's leases are due for renewal in FY2017, of which 6.0% (5 properties) are for single-tenanted buildings and 15.5% are for multi-tenanted buildings. The Manager has leased up 1.67 million sq ft of space in FY2016 which, confirms the attractiveness of our properties to our tenants.

Out of the five single-tenanted buildings due for lease expiry in the second half of FY2017, the Manager expects to renew or enter into new leases for four properties and divest one property.

Capital Management

As at 31 December 2016, CIT has 49 unencumbered investment properties with a combined value of approximately S\$1.35 billion, representing 100% of the investment properties by value, which strategically provides maximum operational flexibility. As at 31 December 2016, CIT's gearing ratio was 37.5%, within the Manager's target gearing range of 30-40%. CIT has no major refinancing requirements until 2H2018, which provides greater operational and financial flexibility, and greater stability in an uncertain interest rate environment.

Mr. Hagan concluded: "Looking ahead into FY2017, we expect the industrial leasing market to remain challenging. At the same time, at CIT we are at the tail end of an extended cycle of conversions from single-tenanted properties to multi-tenanted properties which has been the key reason for the weakening DPU in the last few quarters. Going into 2017, the single-tenanted lease expiries account for only 6% of our portfolio rental income, and these are not likely to be converted to multi-tenanted properties. Therefore our focus will be on maximising revenue from the multi-tenanted properties' lease expiries. I am confident that CIT is well positioned in the longer term to capture opportunities as they arise. The Manager remains committed to proactively managing occupancy and improving our assets."

--- End ---

For analyst enquiries, please contact:

Cambridge Industrial Trust Management Limited

Elena Arabadjieva

Head of Investor Relations and Corporate Communications

Tel: +65 6827 9363

elena.arabadjieva@cambridgeitm.com

For media enquiries, please contact:

Tulchan Communications

Jean Zhuang, Director

Tel: +65 6222 3765

CIT@tulchangroup.com

About Cambridge Industrial Trust

Cambridge Industrial Trust ("CIT"), publicly listed on the Singapore Exchange Securities Trading Limited since 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 approximately 8.4 million sq ft and a property value of S\$1.35 billion as at 31 December 2016. The properties range from logistics, warehousing, light industrial, general industrial, a car showroom and a workshop to a business park, and 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:

- Acquisition of value-enhancing properties;
- Pro-active asset management;
- Divestment of non-core properties; and
- Prudent capital and risk management.

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 (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 announcement 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 announcement 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 announcement 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.