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## PROPOSED ACQUISITION OF 16 TAI SENG STREET

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- 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 Dexia Trust Services Singapore Limited, in its capacity as trustee of CIT (the “**Trustee**”), has on 13 March 2012 entered into a conditional sale and purchase agreement (“**SPA**”) with Nobel Design Holdings Ltd (the “**Vendor**”) in connection with the proposed acquisition (the “**Acquisition**”) of the property located at 16 Tai Seng Street Singapore 534138 (“**16 Tai Seng Street**”) for a purchase consideration of S\$59,250,000.
- 1.2 16 Tai Seng Street is a purpose built, contemporary, five storey industrial building with an ancillary showroom, with a current gross floor area of approximately 16,282 square metres. Located in the central part of Singapore, it is near to the Tai Seng MRT station and easily accessible by the Central Expressway as well as the Pan Island Expressway. 16 Tai Seng Street is a JTC leasehold estate of 30+30 years tenure commencing from 4 July 2007. On completion of the acquisition of the property, the Vendor has agreed to enter into a lease agreement (the “**Lease**”) with the Trustee, acting on behalf of CIT, in respect of this property for a period of six years.
- 1.3 In addition, on the terms and subject to the conditions as set out in the SPA, the Vendor has agreed to undertake alterations and additions (the “**A&A Works**”) to construct additional floors which will increase the gross floor area of the subject property from approximately 16,282 square metres to approximately 19,878 square metres. The A&A Works are expected to be completed within 12 months from the date of completion of the Acquisition. The Vendor, is obliged, inter alia, to bear the costs and expenses of the A&A Works. In consideration of the Vendor undertaking the A&A Works, CIT shall pay a sum of S\$13,083,000 (based on the expected increase in gross floor area and subject to survey) to the Vendor upon completion of the A&A Works and following the grant of the temporary occupation permit.
- 1.4 The Acquisition 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 approval from JTC Corporation for the Acquisition and the Lease;
  - (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;
- (d) the approval of the Vendor's shareholders;
- (e) successful debt financing ; and
- (f) such other consents or approvals as may be required to be obtained by CIT or the Vendor from any third party or any relevant authority in relation to the Acquisition or the Lease.

## **2. INDEPENDENT VALUATION OF 16 TAI SENG STREET**

The appraised value of 16 Tai Seng Street (taking into account the A&A Works), based on a valuation conducted by Colliers International Consultancy & Valuation Singapore Pte Ltd (the "Valuer") as at 22 February 2012 using the discounted cash flow analysis and the capitalisation approach, is S\$72,333,000.

## **3. PURCHASE CONSIDERATION**

The purchase price of the property, including the A&A Works, is S\$72,333,000 and was arrived at on a willing-buyer and willing-seller basis, taking into consideration the Valuer's independent valuation. A deposit of S\$1,185,000 has been paid and the balance of the purchase price of S\$59,250,000 shall be paid in cash at the completion of the Acquisition. The sum of S\$13,083,000 is payable in cash upon completion of the A&A Works and following the grant of the relevant temporary occupation permit.

CIT intends to fund the Acquisition and A&A Works through a combination of debt via the Acquisition Term Loan Facility ("ATLF") and cash from the MTN Issuance (see definition below).

## **4. ESTIMATED COST OF THE ACQUISITION**

The estimated total cost of the Acquisition, including A&A Works, is approximately S\$73.2 million, comprising:

- 4.1. the purchase consideration of approximately S\$72.3 million;
- 4.2. the acquisition fee payable to the Manager in respect of the Acquisition, which amounts to approximately S\$0.7 million; and
- 4.3. the professional and other fees and expenses incurred or to be incurred in connection with the Acquisition which amount to approximately S\$0.2 million.

CIT has sufficient financial flexibility and capacity to fund the Acquisition and A&A Works which are expected to complete by 2<sup>nd</sup> quarter 2012 and 2<sup>nd</sup> quarter 2013 respectively. To fund the Acquisition and A&A Works, CIT is expected to use part of the net proceeds arising from the recent issuance of S\$50.0 million fixed rate notes (the “**MTN Issuance**”) under the S\$500.0 million multicurrency medium term note programme. The balance will be funded by a drawdown on the ATLF.

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

The Manager believes that 16 Tai Seng Street is a contemporary, high quality industrial asset that will enhance the overall portfolio. It is well located in a recognised and established industrial precinct, with prominent exposure to Upper Paya Lebar Road, and in close proximity to the Pan Island Expressway. Additionally, the Acquisition will further reduce the reliance of CIT’s income stream on any single asset and tenant.

“We are delighted to confirm the signing of our 16 Tai Seng Street acquisition. This is a strategic purchase which is consistent with the Manager’s objective to acquire assets that complement and enhance the quality of the Trust’s portfolio. The acquisition of 16 Tai Seng Street is yield accretive, and increases CIT’s weighted average lease to expiry from 3.3 years to 3.4 years, based on rental income for December 2011,” said Mr. Chris Calvert, Chief Executive Officer of the Manager.

## **6. METHOD OF FINANCING AND FINANCIAL EFFECTS**

CIT intends to fund the Acquisition and A&A Works through a combination of 40% debt from a drawdown on the ATLF and 60% from the net proceeds from the MTN Issuance<sup>1</sup>.

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

- (a) assuming that the Acquisition, including A&A Works, had been effected on 1 January 2011, the pro forma financial impact on both the earnings per unit and distribution per unit for FY2011 are 0.16 cents; and
- (b) assuming that the Acquisition, including A&A Works, had been effected on 31 December 2011, the financial impact on the net tangible asset per unit as at 31 December 2011 is not material.

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<sup>1</sup>The Acquisition and A&A Works may be funded by 100% cash initially

In order to keep the market fully informed and updated, the table below shows the estimated timing of completion of CIT's committed acquisitions, asset enhancement initiatives and built-to-suit developments (Commitments).

<b>Commitments</b>	<b>S\$'mil</b>	<b>Estimated time of completion</b>
<u>Acquisitions</u> 25 Pioneer Crescent 16 Tai Seng Street (Acquisition / A&A Works)	15.3 72.3 87.6	1Q2012 2Q2012 & 2Q2013
<u>Asset Enhancement Initiatives</u> 4&6 Clementi Loop (Stage 2) 30 Toh Guan Road 88 International Road	23.3 8.0 16.4 47.7	4Q2012 4Q2012 4Q2013
<u>Built-to-Suit Developments (remaining expenditure)</u> Peter's Polyethylene Industries – Tuas View Circuit Air Transport Training College – Seletar Aerospace Park	8.4 8.3 16.7	3Q2012 3Q2012
<b>Total commitments</b>	<b>152.0</b>	
<b>Committed Funding</b> Cash MTN Issuance Acquisition Term Loan Facility	56.4 50.0 52.4 <b>158.8</b>	
<b>Surplus</b>	<b>6.8</b>	

## 7. RELATIVE FIGURES RELATING TO CIT'S ACQUISITION OF 16 TAI SENG STREET ON THE BASES IN RULE 1006 OF THE LISTING MANUAL

The relative figures for the Acquisition, including A&A Works, computed on the bases set out in Rule 1006 of the Listing Manual, which have been based on the latest announced audited financial information of CIT as at 31 December 2011, 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 Acquisitions, including A&A works.	S\$5.0 million
	Net property income of CIT for FY 2011	S\$69.1 million
	Size of relative figure	7.3%
Rule 1006(c)	Aggregate value of consideration of the Acquisition, including A&A works.	S\$72.3 million
	Market capitalisation of CIT as at 13 March 2012	S\$627.7 million <sup>(2)</sup>
	Size of relative figure	11.5%
Rule 1006(d)	Number of equity securities to be issued by CIT as consideration 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 March 2012 (being the latest market day the units were traded preceding the date of this announcement) was approximately S\$627.7 million (based on the weighted average price of S\$0.5278 of the units transacted on 13 March 2012)

## 8. INTEREST OF THE DIRECTORS AND CONTROLLING UNITHOLDERS

As at the date of this announcement, none of the Directors or controlling Unitholders<sup>2</sup> has an interest in the Acquisition.

<sup>2</sup> A "Controlling Unitholder" refers to a person who:

- (a) Holds directly or indirectly 15.0% or more of the total number of issued units excluding treasury units (if any); or
- (b) In fact exercised control over CIT

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

No person is proposed to be appointed as a Director in connection with the Acquisition

## **10. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the conditional sale and purchase agreement, lease agreement and valuation certificate 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

14 March 2012

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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 45 properties and 2 built-to-suit projects at an aggregate book value of S\$1,027.2 million as at 31 December 2011, located across Singapore.

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 specializing in real estate and private equity investments across Asia-Pacific. 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, liabilities or obligations of, or deposits in, Cambridge Industrial Trust Management Limited ("**Manager**"), RBC Dexia Trust Services 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.