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## **PROPOSED ACQUISITION OF 15 JURONG PORT ROAD**

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### **1. PROPOSED ACQUISITION OF 15 JURONG PORT ROAD**

- 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 on 4 December 2012 entered into a conditional sale and purchase agreement (“**SPA**”) with HG Metal Manufacturing Limited (the “**Vendor**”) in connection with the proposed acquisition (the “**Acquisition**”) of the property located at 15 Jurong Port Road Singapore 619119 (the “**Property**”) for a purchase consideration of S\$43,000,000 (the “**Consideration**”).
- 1.2 The Property comprises a 2-storey ancillary office building, four blocks of single-storey workshops, a 2-storey ancillary office building and a newly completed 4-storey workshop and office block, with a gross floor area of approximately 245,172 square feet.
- 1.3 The Property is strategically located within one of the prime Jurong industrial districts and has prominent frontage along the Ayer Rajah Expressway (“**AYE**”). It is well connected via major expressways to the Tuas Second Link, container terminals, Central Business District and the established Jurong residential estates. The Property is a leasehold estate of JTC Corporation (“**JTC**”) with a tenure of 28 years commencing from 25 March 2007. Subject to completion of the acquisition of the Property, the Vendor has agreed to enter into a lease agreement with the Trustee, acting on behalf of CIT, in respect of the Vendor's lease of the Property for a period of seven years.
- 1.4 The Acquisition is subject to the fulfillment of certain conditions precedent, including (but not limited to) the following:
- (a) CIT having received the relevant approvals, including the approval from JTC for the acquisition of the Property and the leaseback agreement (where applicable);
  - (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) CIT and the Vendor obtaining their respective lenders' and shareholders' approval; and
  - (d) 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 leaseback arrangement (where applicable).

## **2. INDEPENDENT VALUATION OF 15 JURONG PORT ROAD**

The appraised value of the Property, based on a valuation conducted by Colliers International Consultancy & Valuation (Singapore) Pte Ltd as at 30 November 2012 using the income capitalisation approach, discounted cash flow analysis, direct comparison method and replacement cost method, was S\$43.0 million. The valuation was commissioned by the Manager.

## **3. PURCHASE CONSIDERATION**

The Consideration was arrived at on a willing-buyer and willing-seller basis, taking into consideration *inter alia* the valuation.

The Consideration shall be paid in cash. A deposit of S\$30,000, which forms part of the Consideration, was paid in respect of the Property.

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

The estimated total cost of the Acquisition is approximately S\$43.6 million, comprising:

- (a) the Consideration of S\$43.0 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 and other fees and expenses incurred or to be incurred in connection with the Acquisition which amount to approximately S\$0.2 million in aggregate.

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

The Manager believes that the Property is a high quality industrial asset that will complement the existing CIT portfolio. It is well located, with prominent exposure to the AYE. Additionally, the Acquisition will further reduce the reliance of CIT's income stream on any single asset or tenant.

"We are pleased to announce our latest acquisition of 15 Jurong Port Road. HG Metal Manufacturing Limited, which will lease back the property from CIT for a seven year lease term following completion of the acquisition, is a niche regional player in steel distribution and manufacturing listed on the Singapore Exchange. This property, together with the previously announced acquisition of the Marsiling Property and the Woodlands Walk Property, will complete the acquisition of replacement properties for the two properties being compulsorily acquired by the Singapore Land Authority," said Mr. Chris Calvert, Chief Executive Officer of the Manager.

## 6. METHOD OF FINANCING AND FINANCIAL EFFECTS

CIT intends to wholly fund the acquisition of the Property via a mixture of cash and debt from the recently established Short Term Loan Facility.

For strictly illustrative purposes, the unaudited *pro forma* financial effects<sup>1</sup> of the Acquisition 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 had been effected on 1 January 2011, the distribution per unit of CIT would increase from 4.237 Singapore cents to 4.458 Singapore cents; and
- (b) assuming that the Acquisition 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 THE ACQUISITION ON THE BASES IN RULE 1006 OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

The relative figures for the Acquisition computed on the bases set out in Rule 1006 of the Listing Manual, which have been based on the unaudited consolidated financial statements of CIT for the nine month period ended 30 September 2012, are as follows:

Rule 1006(a)	Net asset value of assets to be disposed of, compared with the net asset value of CIT and its subsidiaries (" <b>CIT Group</b> ")	Not applicable as this is an acquisition
Rule 1006(b)	Net property income <sup>(1)</sup> attributable to the Acquisition (nine months)	S\$2.6 million
	Net property income <sup>(1)</sup> of CIT Group (nine months)	S\$55.5 million
	Size of relative figure	4.7%
Rule 1006(c)	Aggregate value of Consideration	S\$43.0 million
	Market capitalisation of CIT as at 30 November 2012	S\$782.5 million <sup>(2)</sup>
	Size of relative figure	5.5%
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 as no new units will be issued as consideration for the Acquisition

<sup>1</sup> The unaudited pro forma financial effects include the net property income from the Acquisition 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 1Q2013.

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 the assets.
- (2) CIT's market capitalisation as at 3 December 2012 (being the last market day the units were traded preceding the date of the SPA) was approximately S\$782.5 million (based on the weighted average price of S\$0.6477 of the units transacted on 3 December 2012).

## **8. 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 any interest, direct or indirect, in the Acquisition.

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

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

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

Copies of the SPA, lease agreement and valuation certificate in respect of the Acquisition may be inspected, by 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

5 December 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 49 properties located across Singapore, with a total gross floor area of 724,354 sq m and a property value of S\$1.1 billion as at 30 September 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.