
ENTRY INTO LIMITED LIABILITY PARTNERSHIP TO ACQUIRE 3 TUAS SOUTH AVE 4

1. INTRODUCTION

Further to the announcement dated 20 July 2012, relating to the formation and establishment of Cambridge SPV1 LLP, a limited liability partnership registered under the laws of Singapore with RBC Investor Services Trust Singapore Limited, in its capacity as trustee of Cambridge Industrial Trust (“**CIT**”, and as trustee of CIT, the “**Trustee**”) and Oxley Opportunity #9 Pte. Ltd. (“**Oxley**”) as partners of Cambridge SPV1 LLP, Cambridge Industrial Trust Management Ltd., as manager of CIT (the “**Manager**”), wishes to announce the proposed acquisition by Cambridge SPV1 LLP from Pfizer Asia Pacific Pte Ltd (the “**Vendor**”) of an industrial property located at 3 Tuas South Avenue 4 Singapore 637610 (Lot 3633K Mukim 7). The property comprises a 30-year leasehold interest commencing 1 May 1999 with an option for a 30-year extension. The acquiring entity, Cambridge SPV1 LLP, is a special purpose vehicle created for the purposes of acquiring the property. Cambridge SPV1 LLP is intended to be 60% and 40% held by CIT and Oxley respectively.

Cambridge SPV1 LLP has entered into a put and call option agreement with the Vendor (the “**Put and Call Option Agreement**”) on 18 December 2012. Upon the completion of the proposed acquisition, the property will be leased to a master lessee, Agila Specialties Global Pte. Ltd.

For the purposes of carrying out the proposed acquisition and the proposed lease, and in order to govern the relationship of the partners of Cambridge SPV1 LLP *inter se* as partners in the limited liability partnership, the Trustee and Oxley have on 18 December 2012 entered into a limited liability partnership agreement with each other (the “**Limited Liability Partnership Agreement**”), pursuant to which CIT will contribute approximately S\$2.7 million as capital contribution, comprising a 60% interest in Cambridge SPV1 LLP.

Oxley is an indirectly-held wholly-owned subsidiary of Oxley Global Limited, which is deemed to be an “interested person” of CIT for the purposes of the Listing Manual of Singapore Exchange Securities Trading Limited (the “**Listing Manual**”) and an “interested party” for the purposes of Appendix 6 to the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.

2. INFORMATION ON 3 TUAS SOUTH AVE 4

- 2.1 The property comprises a quality investment grade purpose-built three-storey warehouse, manufacturing and distribution facility situated within the Jurong Town Corporation (“**JTC**”) Tuas Biomedical Park. The premises have a gross floor area of approximately 316,000 square feet on a land area of approximately 643,000 square feet. The land is subject to a JTC leasehold for 30+30 years with effect from 1 May 1999. The land premium for the first 30-year term has been paid up front and no further fixed investment criteria is required to be fulfilled to qualify for the second 30-year term, except for some anticipated upgrading of the exterior of the building.

- 2.2** On completion of the acquisition of the property, the premises will be leased to the master lessee, being Agila Specialties Global Pte. Ltd., which, is a wholly-owned subsidiary of the pharmaceutical group Strides Arcolab Limited (“**Strides Arcolab**”). Strides Arcolab is a pharmaceutical company with a key focus on the development and manufacture of IP-led niche products, particularly sterile injectables. It is headquartered in Bangalore, India and is listed on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The master lessee will enter into the proposed lease with Cambridge SPV1 LLP, in respect of the property, for a period of 25 years.
- 2.3** The proposed acquisition is subject to the fulfilment of the following key conditions precedent which include (but are not limited to):
- (a) the approval of JTC to the proposed acquisition and the proposed lease;
 - (b) Cambridge SPV1 LLP being in receipt of satisfactory replies to legal requisitions sent to the relevant government departments;
 - (c) no material damage having occurred to the property;
 - (d) any environmental contamination being remedied to the satisfaction of JTC;
 - (e) the Vendor not being in material breach of any of the warranties provided by the Vendor; and
 - (f) the master lessee not being in breach of its obligations to take up the proposed lease.

3. PURCHASE CONSIDERATION

The purchase consideration of S\$15.0 million was derived on a vacant possession “as is, where is” basis, and based on a willing-buyer willing-seller basis, taking into consideration the valuation. A deposit of S\$50,000 was paid on 18 December 2012 and the balance of the purchase consideration of S\$14.95 million shall be paid in cash on completion of the proposed acquisition. Completion is expected to take place in or around January 2013. CIT intends to fund its share of the capital contribution of \$2.7 million to Cambridge SPV1 LLP from its existing cash.

4. RATIONALE FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The Manager believes that the Property is a well-located, quality and investment grade industrial asset that will enhance and complement the overall portfolio quality. It is located in the JTC Tuas Biomedical Park, a specific cluster designated for biomedical end users. Upon completion, the average weighted lease expiry (by income) will increase from 3.0 years to 3.3 years.

5. CERTAIN PRINCIPAL TERMS OF THE LIMITED LIABILITY PARTNERSHIP AGREEMENT

- 5.1** Each of the Trustee and Oxley has agreed under the Limited Liability Partnership Agreement to make pro rata capital contributions of approximately S\$2.7 million and S\$1.8 million, representing their partnership interests of 60% and 40% respectively, in Cambridge SPV1 LLP. The aggregate capital contributions received from the partners of Cambridge SPV1 LLP will be applied by Cambridge SPV1 LLP towards the payment of part of the Purchase

Consideration (as defined below) and the acquisition-related costs. The remaining Purchase Consideration will be funded by a loan facility to be taken by Cambridge SPV1 LLP.

5.2 The following terms in the Limited Liability Partnership Agreement shall ensure that CIT's interests are safeguarded (all capitalised terms used but not otherwise defined herein shall have the same meaning ascribed to them in the Limited Liability Partnership Agreement):

5.2.1 the Trustee shall be entitled to appoint at least two representatives ("**Representatives**") to the Partners' Committee and Oxley shall be entitled to appoint one Representative to the Partners' Committee. Each Representative shall have weighted votes based on the percentage interest of the partner which nominated such Representative;

5.2.2 Reserved matters in relation to key operational and management issues affecting Cambridge SPV1 LLP require the unanimous consent of all the partners together representing 100% of the interests in Cambridge SPV1 LLP and all other business of Cambridge SPV1 LLP shall be determined by resolution passed by a majority of the total voting rights of all the Representatives present and with the right to vote; and

5.2.3 subject to making such appropriate provisions for working capital and capital expenditure of Cambridge SPV1 LLP, not less than 90.0% of its profits available for distribution in any financial year will be distributed to the Partners on a quarterly basis.

6. INDEPENDENT VALUATION OF 3 TUAS SOUTH AVE 4

The value of the property on completion, based on an independent valuation dated 14 December 2012 conducted by Colliers International Consultancy & Valuation (Singapore) Pte Ltd (the "**Valuation**") using the income capitalisation, discounted cash flow and direct comparison and replacement cost approach, is S\$38.0 million. The Valuation was commissioned by Cambridge SPV1 LLP.

The Valuation was based on the key assumption that the premises are leased to the master tenant for a period of 25 years, compared with a vacant possession, which was the basis which the purchase consideration was derived.

7. ESTIMATED COST OF THE PROPOSED ACQUISITION

The estimated total cost of the proposed acquisition (based on CIT's share in Cambridge SPV1 LLP) is approximately S\$9.7 million, comprising:

- (a) CIT's share of the purchase consideration of S\$9.0 million;
- (b) the acquisition fee payable to the Manager in respect of CIT's share of the proposed acquisition, which amounts to approximately S\$0.1 million; and
- (c) CIT's share of the professional and other fees and expenses incurred or to be incurred in connection with the proposed acquisition which amounts to approximately S\$0.6 million (for in aggregate).

8. STATEMENT FROM THE AUDIT, RISK MANAGEMENT AND COMPLIANCE COMMITTEE

The Audit, Risk Management and Compliance Committee (which comprises independent directors of the Manager) is of the view that the terms of the Limited Liability Partnership Agreement are based on normal commercial terms and are not prejudicial to the interests of CIT and its minority Unitholders.

9. INTERESTED PERSON TRANSACTION

9.1 Oxley, as an indirectly-held wholly-owned subsidiary of Oxley Global Limited, is deemed to be an “interested person” of CIT for the purposes of Chapter 9 of the Listing Manual and an “interested party” for the purposes of Appendix 6 to the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.

9.2 Therefore, CIT’s entry into the limited liability partnership agreement with Oxley is considered an “interested person transaction” under Chapter 9 of the Listing Manual. However, as at the date of this announcement, based on the value of CIT’s commitment to contribute approximately S\$2.7 million to Cambridge SPV1 LLP, the aggregate value of the interested person transactions between CIT and Oxley Global Limited and/or its subsidiaries or associates for the current financial year will be approximately S\$18.0 million, which is below 5.0% of CIT’s latest audited net tangible assets.

10. INTEREST OF THE DIRECTORS AND CONTROLLING UNITHOLDERS

Mr Michael Patrick Dwyer is a Non-Executive Director of the Manager and is also an Executive Director of Oxley Global Limited. He also owns 19.4% of the total issued shares with voting rights of Oxley Global Limited.

Mr Victor Ong Wei Tak, is the Alternate Director to Mr Michael Patrick Dwyer and is also an Executive Director of Oxley Global Limited and Oxley. He also owns 27.0% of the total issued shares with voting rights of Oxley Global Limited.

Save as disclosed above, none of the directors of the Manager or controlling Unitholders has any interest, direct or indirect, in the transaction.

11. DIRECTOR’S SERVICE CONTRACTS

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

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Put and Call Option Agreement, the Limited Liability Partnership Agreement and the Valuation 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
19 December 2012

For further enquiries, please contact:

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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.