CAMBRIDGE INDUSTRIAL TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 31 March 2006 (as amended))

# ANNOUNCEMENT

# PROPOSED ACQUISITION OF 3C TOH GUAN ROAD EAST

## 1. PROPOSED ACQUISITION OF 3C TOH GUAN ROAD EAST

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 20 November 2011 entered into a put and call option agreement with Tye Soon Limited (the "**Vendor**") in connection with the proposed acquisition (the "**Acquisition**") of the property located at 3C Toh Guan Road East, Singapore 608832 respectively ("**3C Toh Guan Road East**").

1.2 3C Toh Guan Road East is an industrial building which comprises a 5-storey warehouse building with ancillary office, with a gross floor area of approximately 17,917 square metres. Located in the western part of Singapore, it is near to the Jurong East MRT station and easily accessible by the Ayer Rajah Expressway as well as the Pan Island Expressway. 3C Toh Guan Road East is a JTC leasehold estate of 30+30 years tenure commencing from 16 February 1991. On 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 this property for a period of three (3) years with an option to renew for a further three (3) years (the **"Lease").**

1.3 The Acquisition is subject to certain conditions precedent including but 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 and financial condition of the Vendor;

(c) there being no unsatisfactory replies to legal requisitions;

(d) the approval of the board of directors of Cambridge Industrial Trust Management Limited, as the manager of Cambridge Industrial Trust ; and

(e) 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 3C TOH GUAN ROAD EAST

The appraised value of 3C Toh Guan Road East, based on a valuation conducted by Jones Lang LaSalle Property Consultants Pte Ltd (the "**Valuer**") on 1 October 2011 using the discounted cash flow analysis and the capitalisation approach, is S$35.5 million.

## 3. PURCHASE CONSIDERATION

The purchase price of the property is S$35.5 million and was arrived at on a willing-buyer and willing-seller basis, taking into consideration the valuer's independent valuation. An option fee of S$30,000 has been paid and the balance of the purchase price shall be paid at the completion of the transaction.

## 4. ESTIMATED COST OF THE ACQUISITION

The estimated total cost of the Acquisition is approximately S$36.0 million, comprising:

4.1. the purchase consideration of S$35.5 million;

4.2. the acquisition fee payable to the Manager under the trust deed dated 31 March 2006 constituting CIT entered into between the Trustee and the Manager (as amended) in respect of the Acquisition, which amounts to approximately S$0.4 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$0.1 million.

CIT has sufficient financial flexibility and capacity to fund the Acquisition which is expected to complete by 1st quarter 2012. CIT is expected to use part of the proceeds arising from previous equity fund raising exercises to fund the Acquisition. The Manager will make the necessary announcement on the use of such proceeds if and when the same is used.

## 5. RATIONALE FOR AND BENEFITS OF THE ACQUISITION

The Manager believes that 3C Toh Guan Road East is a quality industrial asset that will enhance the overall portfolio. It is well located in a recognized and established industrial precinct, with prominent exposure to the Pan Island Expressway. Additionally, the Acquisition will further reduce the reliance of CIT's income stream on any single asset and tenant.

## 6. METHOD OF FINANCING AND FINANCIAL EFFECTS

CIT intends to fund the Acquisition through a combination of 40% debt and 60% cash[1].

Based on the audited financial statements of CIT for the financial year ended 31 December 2010:

(a) assuming that the Acquisition had been effected on 1 January 2010, the pro forma financial impact on both the earnings per unit and distribution per unit are 0.24 cents; and

(b) assuming that the Acquisition had been effected on 31 December 2010, the financial impact on the net tangible asset per unit is not material.

## 7. RELATIVE FIGURES RELATING TO CIT'S ACQUISITION OF 3C TOH GUAN ROAD EAST ON THE BASES IN RULE 1006 OF THE LISTING MANUAL

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 latest announced unaudited financial information of CIT as at 30 September 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(1) attributable to the Acquisition. | S$2.7 million |
| | Net property income of CIT. | S$68.2 million(2) |
| | Size of relative figure | 3.96% |
| Rule 1006(c) | Aggregate value of consideration of the Acquisition. | S$35.5 million |
| | Market capitalisation of CIT as at 18 November 2011 | S$561.5 million(3) |
| | Size of relative figure | 6.32% |
| 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.

[1] The Acquisition may be funded by 100% cash initially.

(2) Annualised based on net property income for 9 months ending 30 September 2011.

(3) CIT's market capitalisation as at 18 November 2011 (being the latest market day the units were traded preceding the date of this announcement) was approximately S$561.5 million (based on the weighted average price of S$0.4722 of the units transacted on 18 November 2011)

Accordingly the Acquisition constitutes a discloseable transaction pursuant to Chapter 10 of the Listing Manual.

## 8. INTEREST OF THE DIRECTORS AND CONTROLLING UNITHOLDERS

As at the date of this announcement, none of the Directors or controlling unitholders[2] has an interest in the Acquisition.

## 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 put and call option agreement, lease agreement and valuation certificate may be inspected, with prior appointments, 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

21 November 2011

[2] 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

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 45 and 2 built-to-suit projects at an aggregate book value of S$1,020.3 million as at 30 September 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 and disposal of non-core assets.

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, nablnvest 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.