
PROPOSED ACQUISITION OF 16 INTERNATIONAL BUSINESS PARK

1. INTRODUCTION

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 5 December 2014 entered into a sale and purchase agreement (“**SPA**”) with M+W Singapore Pte Ltd (the “**Vendor**”) in connection with the proposed acquisition (the “**Acquisition**”) of 16 International Business Park Singapore 609929 (the “**Property**”) for a purchase consideration of S\$28.0 million (the “**Consideration**”).

Based on the relative figures calculated on the bases set out in Rule 1006 of the Listing Manual of Singapore Exchange Securities Trading Limited (the “**Listing Manual**”), the Acquisition is a non-discloseable transaction for the purposes of Chapter 10 of the Listing Manual.

2. DETAILS OF THE ACQUISITION

The Property is a 3-storey purpose-built building with a mezzanine and a basement carpark located within the International Business Park in Jurong East. The International Business Park, one of two Business Parks in Singapore, has grown into a vibrant destination for both international and domestic technology companies and industrialists. Accessibility to the International Business Park is excellent as it is located near to the Jurong East Interchange and MRT station, the Pan Island Expressway and Ayer Rajah Expressway.

The Property is also in close proximity to the Jurong Gateway, an area designated as the biggest commercial hub outside the Central Business District. Jurong Gateway is set to see major transformation with plans in place to boost transport infrastructure and the addition of new rail lines in future. Amenities have also been further improved with the completion of JCube, Westgate and Jem retail malls. Upcoming developments include the Big Box warehouse retail development, Ng Teng Fong General Hospital and Jurong Community Hospital, Jurong Lake Park and a hotel.

The Property has a gross floor area of approximately 6,434 square metres and a remaining land tenure of approximately 41.6 years. Subject to completion of the Acquisition, the Property will be leased to the Vendor for the remainder of the first 30-year land lease term being approximately 11.6 years, with options to renew for two consecutive 5-year terms.

3. CONDITIONS PRECEDENT

The Acquisition is subject to the Vendor and the Trustee having received the head lessor's approval to the sale and transfer of the Property by the Vendor to CIT and the leaseback agreement.

4. INDEPENDENT VALUATION

The appraised value of the Property, based on a valuation conducted by Colliers International as at 1 October 2014 using the capitalisation approach and discounted cash flow analysis, was S\$28.0 million. The valuation was commissioned by the Manager.

5. PURCHASE CONSIDERATION

The Consideration for the Acquisition was arrived at on a willing-buyer and willing-seller basis, taking into consideration the independent valuation conducted in respect of the Property.

6. ESTIMATED COST OF THE ACQUISITION

The estimated total cost of the Acquisition is approximately S\$30.9 million, comprising:

- (a) Consideration of S\$28.0 million;
- (b) Estimated upfront land premium payable to JTC for the balance of the first 30-year lease term of S\$2.5 million;
- (c) Acquisition fee payable to the Manager in respect of the Acquisition, which amounts to approximately S\$0.3 million; and

- (d) Estimated professional and other fees and expenses incurred or to be incurred in connection with the Acquisition which amount to approximately S\$0.1 million in aggregate.

7. RATIONALE FOR AND BENEFITS OF THE ACQUISITION

The Manager believes that the acquisition of this high quality building with long remaining land lease and leaseback term, and strong tenant covenants will enhance CIT's overall portfolio. The Property, being CIT's first business park asset will also provide diversification by way of asset class, trade sector and property location.

Mr. Philip Levinson, CEO of CITM, said, "CIT has been actively identifying opportunities in the Singapore Business Park sector for some time. We are pleased to have acquired this highly sought-after quality asset. As our first business park asset, this acquisition marks another milestone for CIT. The property will yield positive returns and improve our overall portfolio quality. The long WALE of this property further supports and meets our objective of delivering secure and stable long term distributions to Unitholders."

8. METHOD OF FINANCING

CIT intends to fund the Acquisition via cash on hand and existing debt facilities.

9. INTERESTS OF THE DIRECTORS AND CONTROLLING UNITHOLDERS

As at the date of this announcement, none of the directors of the Manager has any interest, direct or indirect, in the Acquisition and CIT does not have any controlling Unitholders.

10. DIRECTOR'S SERVICE CONTRACTS

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

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the SPA 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
As Manager of Cambridge Industrial Trust
(Company Registration No. 200512804G, Capital Markets Services Licence No. 100132-2)

Philip Levinson
Chief Executive Officer and Executive Director

8 December 2014

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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 8.3 million sq ft and a property value of S\$1.3 billion as at 30 September 2014. They range from logistics, warehousing, light industrial properties, general industrial to car showroom and workshop 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:

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

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 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, nablInvest Capital Partners Pty Limited, 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.