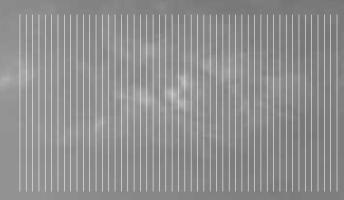




Mission and Vision

Cambridge Industrial Trust

is firmly committed to providing its
Unitholders with a stable and secure
income stream, with the aim of
delivering long-term capital growth,
through pro-active management of
its property portfolio.



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Corporate Information

Cambridge Industrial Trust ("CIT") is a Singapore-based industrial REIT, principally investing directly or indirectly in income-producing real estate and real estate related assets in Singapore used primarily for industrial, warehousing and logistics purposes.

CIT was constituted on 31 March 2006 under a trust deed (as amended), entered into between the CIT Manager ("CITM") and the CIT Trustee. CIT was officially listed on the Mainboard of the SGX-ST on 25 July 2006 (the "Listing Date") and has a market capitalisation of \$\$564.8 million as at 31 December 2011.

Since the Listing Date, CIT has grown its initial portfolio of 27 properties to a portfolio comprising 45 properties ("the Properties") and 2 built-to-suit ("BTS") projects at a total book value of \$\$1,027.2 million as at 31 December 2011. The Properties serve tenants in diverse trade sectors covering logistics, warehousing, industrial, car showroom, light industrial and self storage. Many of these Properties are located in close proximity to strategic infrastructure and amenities, public transportation and major highways within Singapore. As at 31 December 2011, the Properties comprised approximately 657,777 square metres of net lettable area, leased to 161 tenants.

CIT has a credit rating of "BBB-/Stable/--" which was assigned by Standard & Poor's on 27 August 2009 and reaffirmed on 1 June 2011.

The investment strategy of CIT is in accordance with the following guidelines:

- Investment portfolio will primarily comprise real estate used mainly for industrial purposes (including investments in real estate related assets and/or other related value enhancing assets or instruments);
- Investments will be made in Singapore and Asian markets depending on investment opportunities and market conditions; and
- Investments will generally be for the long-term.

The key objectives of CIT are to deliver secure and stable distributions to Unitholders and to achieve long-term growth in net asset value per unit in order to provide Unitholders with a competitive rate of return for their investment. CIT's strategies to achieve these objectives include:

- Pro-actively managing CIT's property portfolio to maximise returns;
- Selectively acquiring properties that meet the CIT Manager's investment criteria; and
- Prudent capital and risk management strategies that enhance Unitholders' value.

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The Manager is committed to delivering strong financial performance and generating consistent returns for CIT's Unitholders.







Chairman's & CEO's

letter to unitholders



66

In 2011, the Manager continued to focus on its core strategies of prudent capital and risk management, acquiring value adding assets and proactively managing its existing pool of assets.

99

Dear Unitholders

Overview of FY2011

FY2011 was a positive year for Cambridge Industrial Trust ("CIT"). The equity markets were more vibrant in the first half of the year, before slowing down in the second half on the back of concerns that the European sovereign debt crisis would deteriorate further and limited evidence that the US economy was recovering. Markets became increasingly volatile amidst poorer liquidity.

In 2011, the Manager continued to focus on its core strategies of prudent capital and risk management, acquiring value adding assets and proactively managing its existing pool of assets. CIT completed the acquisition of three new assets and commenced the construction of two built-to-suit ("BTS") projects. These projects are targeted to complete in the second half of 2012. Proactive asset management initiatives implemented by the Manager in the year resulted in several lease extensions and new leases being signed. This reduced lease concentration risk and contributed positively to smoothing the rolling lease expiry profile and diversifying the tenant base.

The Manager also commenced asset enhancement works on three assets which, upon completion, will improve the quality of these assets and also generate additional income for the Trust. This is consistent with the Manager's objective of providing Unitholders with a stable and secure income stream and increasing the net tangible asset ("NTA") value of their units.

On 11 January 2011 and on 10 February 2012 the Singapore Land Authority ("SLA") notified the Manager that they will be

acquiring land under the Land Acquisition Act ("Act") which mainly affects two of the Trust's properties. The value of the affected properties comprises approximately 9.9% of the Trust's portfolio book value as at 31 December 2011 and the Trust is entitled to market compensation under the terms of the Act. The acquisition of the land is expected to be completed in January 2013. The Manager will take proactive measures to effectively redeploy the compensation received including the acquisition of yield-accretive assets for the Trust's portfolio.

In capital and risk management, several initiatives were undertaken to strengthen the Trust's balance sheet whilst maintaining financial flexibility. These included the completion of refinancing with a new \$\$320 million term loan signed in June 2011, divestment of several non-core assets and ultilisation of net proceeds to retire debt. These initiatives contributed to a lower all-in interest cost of 4.1% per annum and reduced the Trust's gearing ratio to 33.1%. In June 2011, Standard & Poor's reaffirmed CIT's BBB-/Stable Rating.

Delivering Steady Performance in FY2011

CIT delivered another year of stable financial results in FY2011. Gross revenue was \$\$80.4 million, an increase of 8.3% over that of FY2010. Furthermore, Net Property Income was \$\$69.1 million in FY2011, a 6.2% increase from FY2010. Distributable Income gained 12.7% from the previous financial year to \$\$50.4 million in FY2011. Distribution per unit reduced 13.4% to 4.237 cents, principally due to the increased issuance of units from the rights issue and the unscheduled delay in

Chairman's & CEO's

letter to unitholders (continued)

completing some of the announced acquisitions. Based on the closing price of S\$0.475 per unit as at 31 December 2011, CIT units were yielding 8.9%.

As at 31 December 2011, CIT's portfolio was revalued upwards by 10.2% from a year earlier to S\$1.023 billion by Colliers International Consultancy and Valuation, increasing the net asset value ("NAV") per unit to 62.0 cents.

The Trust's underlying property fundamentals remained resilient throughout FY2011. The portfolio occupancy remained high at 98.5% and the weighted average lease expiry was maintained above three years. Rental arrears were minimal, trending at around 0.6% of annualised rent.

Profitable and Socially Responsible

Besides delivering strong financial performance and generating consistent returns for CIT's Unitholders, corporate social responsibility continues to be an important matter for the Manager.

During FY2011, the Manager continued to support community programmes such as the Habitat for Humanity. Donations were made to Sunrise Children's Villages in Cambodia and Marymount Centre in Singapore, a voluntary welfare organisation set up by the Good Shepherd sisters. Support will continue to be given to meaningful community programmes and charitable causes which are in line with our commitment to help those less fortunate.

Outlook for 2012

In 2011, Singapore's economy expanded by 4.9%. However, 2012 is expected to be more challenging as the uncertainties and financial volatility in the global economy continue to linger. For 2012, the Ministry of Trade and Industry forecasts Singapore's economic growth to be between 1.0% and 3.0%.

Barring unforeseen major events that may affect the global and Singapore economies negatively, the Manager believes that the Trust is in good shape. With its portfolio of assets having close to full occupancy and with cash reserves on its balance sheet, the Trust is well positioned to take advantage of value adding opportunities. In line with the Trust's strategic objectives, the Manager will continue to source quality assets

at attractive valuations in Singapore, and may also consider acquiring assets in other Asian countries, subject to investment opportunities and market conditions. This is designed to further diversify CIT's property portfolio and tenant base.

In addition, the Manager will continue with its strategy of implementing asset enhancement initiatives and active lease management to increase the intrinsic value of CIT's asset base, improve the quality and stability of the Trust's rental income, reduce tenant concentration risk, and extend the lease expiry profile of the tenant base.

Note of Appreciation

We were very pleased to note that many of our Unitholders attended the inaugural Annual General Meeting ("AGM") last year. The questions and feedback that were raised at the meeting have provided us with invaluable information and ideas to take the Trust forward. We again look forward to receiving our Unitholders and having their active participation at the AGM to be held on 20 April 2012. Indeed our Unitholders' support and understanding over the years is sincerely appreciated.

Special thanks also go to our Trustee, as well as our strategic partners, lenders and tenants for their continued support over the year, and to Mr. John Charles Wood who stepped down as a board director on 31 October 2011 for his contributions and guidance to the Trust. Finally, the dedication, hard work and professionalism of the board of directors and the management and staff, which are so critical to the success of CIT, are also well appreciated.

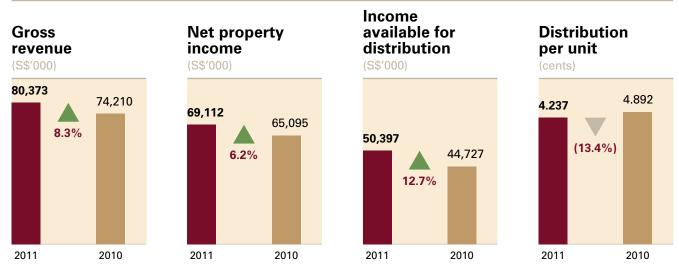
Dr Chua Yong Hai Independent Chairman

Chray-Sta:

Chris Calvert
Chief Executive Officer and
Executive Director

Financial Highlights

For Financial Year Ended 31 December 2011



Balance Sheet	2011	2010		
	\$'000	\$'000		
Total assets	1,107,377	1,000,603		
Total net borrowings	356,608	339,191		
Unitholders' funds	737,884	642,155		
Key Financial Ratios	2011	2010		
Net asset value per Unit	62 cents	61 cents		
Gearing ratios ¹	33.1%	34.7%		
Weighted average effective interest rate (pa) ²	4.1%	5.7%		
Interest cover ³	5.0 times	4.0 times		
Capital Management	2011	2010		
Total term loan and overdraft facilities (in \$'000)	440,000	393,100		
Total debt (in \$'000)	366,530	347,499		
Units in issue (in '000)	1,189,198	1,057,065		
Market capitalisation (in \$'000) 4	564,869	560,245		
Trading Statistics for Financial Year Ended 31 December 2011				
Opening price	\$0.530			
Highest price	\$0.545			
Lowest price	\$0.425			
Closing price	\$0.475			
Volume weighted average price	\$0.490			
Total volume traded (in million units)	582.03			
Average volume per day (in million units)	2.33			
Unit Price Performance ⁵	-2.05%			

- 1 Computed based on total debt over gross assets
- 2 Computation includes current Club Term Loan of S\$320m and Acquisition Term Loan of S\$46.5m.
 3 Computed based on EBITDA excluding gain on disposal of investment properties, changes in fair value of investment properties and derivatives divided by interest expense.
 4 Computed based on closing price of \$0.475 as at 31 Dec 2011 and \$0.53 as at 31 Dec 2010.
- For completed beautiful distributions paid on the change in unit price over the period, based on the closing price of the last day of the preceding period and the closing price of the current period, including the assumption that distributions paid were reinvested at the closing price on the ex-distribution dates.

Significant Events



2011

Mar 2 & 7

Refinancing

CIT increased its Acquisition Term Loan (S\$50.0 million + S\$20.0 million revolving credit facility) to S\$120.0 million, providing it with the financial capacity to partly finance up to approximately S\$240.0 million worth of acquisitions.

Apr 14

Rights Issue / Acquisition of Properties

CIT launched and completed a rights issue of 132,133,152 Rights Units in CIT at an issue price of S\$0.429 to raise gross proceeds of approximately S\$56.7 million. This Rights Issue was strongly supported by several new and existing investors, with the issue 2.51 times subscribed. The funds raised were used for the acquisition of two properties, 4 & 6 Clementi Loop and 5 & 7 Gul Street 1, which were subsequently completed in June and July 2011, respectively.

Apr 27

Annual General Meeting ("AGM") of CIT

CIT held its second AGM and received good support from the institutional and retail Unitholders on all matters raised at the AGM. All resolutions were successfully approved.

Apr 28

1Q2011 Financial Results

CIT reported a stable set of financial results for 1Q2011 and distributed a DPU of 1.001 cents. Portfolio occupancy level was robust at 98.83%, well above the Singapore industrial average of 93.1%. This demonstrated the resilience of CIT's portfolio and its stable cashflow.

CIT also completed the divestments of 29 strata units at 48 Toh Guan Road East with total gross sale proceeds of S\$19.7 million, exceeding book value by approximately 11.3%.

Jun 1

Completion of Refinancing with S\$320.0 Million Term Loan

CIT announced that it has agreed on the key terms of a \$\$320.0 million term loan to CIT with four financial institutions, namely National Australia Bank Limited, The Hong Kong and Shanghai Banking Corporation Limited, The Royal Bank of Scotland N.V. and Hong Leong Finance Limited.

The all-in cost (including amortisation of transaction costs) of the new loan is lower at approximately 4.23% p.a. This lower all-in cost corresponds to a pro forma increase in DPU of approximately 0.13 cents per unit p.a., by comparison to the cost of the previous Alhambra Term Loan Facility.

Jun 13, 29 & Jul 15

Acquisition of Properties

CIT completed a series of acquisitions in the months of June and July. Properties acquired were 4 & 6 Clementi Loop, 60 Tuas South Street 1 and 5 & 7 Gul Street 1 with lease terms of 5 years, 7 years and 6 years, respectively.

Jul 19

202011 Financial Results

CIT achieved another set of positive results for 2Q2011 achieving a DPU of 1.036 cents. Overall, portfolio occupancy increased to a near full level of 99.02%.

CIT's portfolio of properties was revalued as of 30 June 2011. The portfolio valuation showed an increase of S\$47.8 million in CIT's properties, resulting in a total portfolio value of S\$1,002.9 million and a NTA per unit of S\$0.62.

CIT also completed the divestment of six strata units at 48 Toh Guan Road East (EnterpriseHub) with total sale proceeds of S\$4.1 million, which exceeded book value by approximately 10.8%.



Oct 12

3Q2011 Financial Results

CIT delivered another strong set of financial results for 3Q2011 with a DPU of 1.082 cents. CIT's gearing ratio was approximately 33.1% and NTA per unit was at 61.7 cents. Portfolio occupancy was at 98.7% and CIT maintained a high level of security deposits, equivalent to 12.7 months of rental, representing approximately 104% of CIT's 2011 annualised rental income.

2012

Jan 30

Acquisition of Property

CIT announced the completion of acquisition of 3C Toh Guan Road East for a purchase consideration of \$35.5 million (excluding acquisition costs). This acquisition has been part funded from the remaining proceeds of the Private Placement and Preferential Offering concluded in November 2010, and from the Rights Issue concluded in April 2011. 3C Toh Guan Road East is an industrial building which comprises a 5-storey warehouse building with ancillary office. The property has been leased back to the Tye Soon Limited for three years, with an option to renew for further three years.

Jan 31

4Q2011 Financial Results

CIT announced a DPU of 1.118 cents in the 4Q2011's results. With this, CITM has achieved improved DPU for 3 consecutive quarters. From a year-on-year perspective, CIT's distributable income up 12.7% for FY2011 as compared to that of FY2010. CIT's gearing ratio continued to be stable at 33.1% and NTA per unit was improved to 62.0 cents.

Jan 31

Divestment of Property

CIT completed the divestment of 7 Ubi Close to Alpine Motors Pte Ltd at a net purchase price of S\$18.7 million, a 2.2% premium to the latest independent valuation of S\$18.3 million as at 31 December 2011.

Feb 2

Establishment of S\$500,000,000 Multicurrency Medium Term Note ("MTN") Programme

In bid to enhance the Trust's prevailing debt facilities, CITM announced the establishment of a \$\$500,000,000 Multicurrency MTN Programme. This programme allows the issuance of notes in various currencies, amounts and tenors, and may bear interest at a fixed, floating, variable or hybrid rate or may not bear interest as may be agreed between the Issuer and the relevant dealer.

With this programme in place, CIT will have the improved flexibility to fund its future acquisitions, development projects and asset enhancement initiatives, designed to grow distribution per unit, increase the scale and the size of the Trust to improve tenant and income diversification, with the objective of generating enhanced returns to Unitholders.





The Manager will maintain its focus on achieving value-enhancing acquisitions, in a disciplined manner, so as to improve portfolio quality and increase tenant and income diversification.

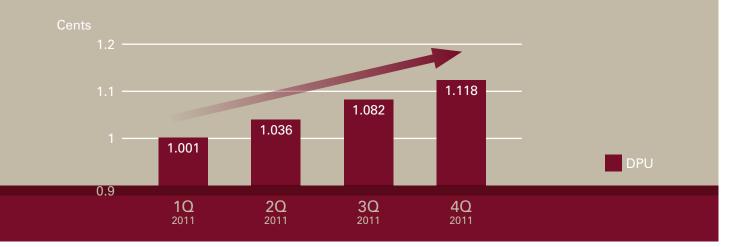
more new properties to our existing portfolio and **2** built-to-suit projects.

Manager's Report

EXECUTING OUR STRATEGIC PLATFORM

During 2011, the Manager maintained its disciplined approach in all facets of the Trust's operations, which comprised of proactive asset management, acquiring value-enhancing assets, maintaining a prudent capital and risk management strategy, and divestment of non-core assets. We are pleased that this approach resulted in the Trust's DPU increasing from 1Q2011 onwards, as tabled below:

DPU in FY2011



Proactive Asset Management

Asset enhancement initiatives were an important focus in FY2011, designed to increase the performance of our assets. The Manager's efforts to enhance the intrinsic value of the portfolio resulted in the commencement of three major asset enhancement initiatives at 4 & 6 Clementi Loop, 30 Toh Guan Road and 88 International Road in FY2011. 4 & 6 Clementi Loop and 30 Toh Guan Road are targeted to complete by 4Q2012. 88 International Road is targeted to complete by 4Q2013. These three major asset enhancement initiatives will yield a combined additional gross floor area ("GFA") of approximately 227,025 square feet ("sq ft").

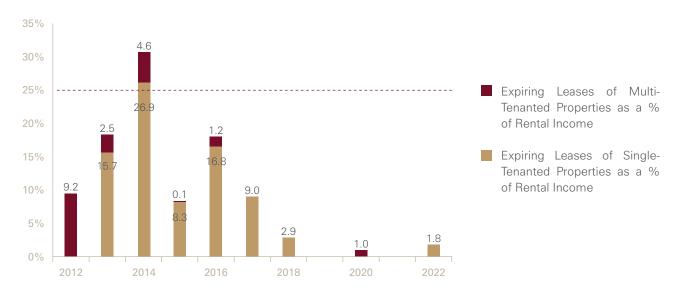
The project at 4 & 6 Clementi Loop comprises of the development of a new 4-storey warehouse-cum-office facility which also requires a partial demolition of the existing warehouse. In comparison, the project at 30 Toh Guan Road involves designing an additional new 2-storey warehouse facility and upgrading of existing building lifts and services to Green Mark

standard. This will enhance the usage and maximise the plot ratio of the land.

The project at 88 International Road comprises the redevelopment of an existing warehouse into a new 3-storey warehouse/production facility with a basement carpark, and increasing the leasable area to maximise the plot ratio. We have secured an anchor tenant for a 7-year lease commencing from the completion of the redevelopment.

Apart from these initiatives, the Manager has been actively managing CIT's existing leases. As at 31 December 2011, occupancy rates remained high at 98.5%, while arrears remained low. The Manager has also succeeded in reducing the lease expiry concentration in 2013 and 2014 to 49.7% (by income) from 54.6% a year earlier, and reducing the percentage of portfolio rent that the top 10 tenants contribute to 50.6%, from 56.6%. The Manager's long term objective is to ensure that no more than 25% of the Trust income expires in any year.

CIT's lease expiry profile as at 31 December 2011 is illustrated below:



Acquisitions of Value-Enhancing Assets

During the year, the Trust acquired three new assets (4 & 6 Clementi Loop, 60 Tuas South Street 1, 5 & 7 Gul Street 1) costing S\$60.9 million (excluding acquisition costs).

In addition to acquiring income producing assets, the Manager commenced work on two built-to-suit projects in 2011 located at Tuas View Circuit and Seletar Aerospace Park respectively. Both developments are expected to be completed in the second half of 2012 with a total estimated development cost of \$\$21.9 million. The development project at Tuas View Circuit is a three level office and warehouse complex with GFA of approximately 121,423 sq ft. Upon completion, it will be

leased to Peter's Polyethylene Industries Pte Ltd for a term of 10 years, with the option to renew for another 5 years. The second project at Seletar Aerospace Park is a part single-storey and part 2/3 storey industrial building, with hangar and ancillary office, with a GFA of approximately 52,170 sq ft. It will be leased to Air Transport Training College Pte Ltd for 30 years upon completion.

Furthermore, the Trust began 2012 on a positive note, completing another acquisition in January 2012. The details of the 2011 and 102012 acquisitions are summarised below:

Property	Purchase Consideration	Status
4 & 6 Clementi Loop	S\$40.0 million	Completed in June 2011
60 Tuas South Street 1	S\$6.4 million	Completed in June 2011
5 & 7 Gul Street 1	S\$14.5 million	Completed in July 2011
Built-to-suit at Tuas View Circuit	S\$13.2 million	Targeted to complete in 2nd half 2012
Built-to-suit at Seletar Aerospace Park	S\$8.7 million	Targeted to complete in 2nd half 2012
3C Toh Guan Road East	S\$35.5 million	Completed in January 2012

The Manager will maintain its focus on acquiring value-enhancing assets in a disciplined manner to ensure that any potential investment opportunity will not only improve portfolio quality, but also increase tenant and income diversification.

Manager's Report (continued)

Prudent Capital and Risk Management

Consistent with its core strategy of prudent capital and risk management, in June 2011, the Manager refinanced the main term loan of S\$320 million, strengthening CIT's balance sheet. As such, there is no refinancing due until 2014. The gearing ratio of the Trust reduced to 33.1% (as at 31 December 2011), from 34.7% (as at 31 December 2010). Furthermore, the interest rate exposure is fixed for 87.3% of the total debt for the next 2.4 years while interest coverage ratio was 5 times (as at 31 December 2011), up from 4 times (as at 31 December 2010). Along with the refinancing, the Trust's weighted average interest cost improved to 3.3% (as at 31 December 2011) as compared to 3.8% (as at 31 December 2010).

In February 2011, the Manager completed a rights issue of 132,133,152 Rights Units in CIT at an issue price of S\$0.429 to raise gross proceeds of approximately S\$56.7 million. This Rights Issue was strongly supported by new and existing investors, with the subscription level at 2.51 times. The funds raised were used for the acquisition of two properties, $4\,\&\,6$ Clementi Loop and $5\,\&\,7$ Gul Street 1, which were completed in June and July 2011, respectively.

Divestment of Non-Core Assets

As part of the Manager's strategy to continuously improve the quality of the Trust's portfolio by divesting non-core assets, FY2011 saw the completion of the divestment of 36 strata units at 48 Toh Guan Road East (Enterprise Hub). The net sales proceeds were S\$24.2 million and exceeded book value by approximately 10.0%. In January 2012, the Manager also divested 7 Ubi Close at S\$18.7 million, representing a 2.2% premium to the latest independent valuation of S\$18.3 million.

SUMMARY OF PROPERTIES UNDER MANAGEMENT

As at 31 December 2011, CIT's portfolio comprised 45 properties with approximately 657,777 square metres of lettable area, leased to 161 tenants. CIT's portfolio of properties, revalued by an independent valuer, Colliers International Consultancy and Valuation, amounted to \$\$1,023.6 million¹, increasing the NAV per unit to 62.0 cents. The portfolio valuation as at 31 December 2011 represented an increase of 10.2% over the 31 December 2010 valuation of \$\$928.5 million. This increase included new acquisitions to the portfolio during 2011.

The Trust's underlying property fundamentals remained resilient throughout FY2011. As at 31 December 2011, the Trust achieved portfolio occupancy of 98.5%, a weighted average lease expiry of 3.3 years, and low arrears trending at around 0.6% of annualised rent. The occupancy rate for CIT remained higher than the national average of 93.4%².

Other key characteristics of the portfolio follow:

Organic Portfolio Growth

• 17.8% (9 properties) of the portfolio had upward rent reviews of either 1.5% or 5.0% in FY2011.

High Levels of Bank-guaranteed Security Deposits

 Averaging 12.5 months rental per tenant, this provides a buffer as well as providing additional confidence in cashflow.

Quality and Diversified Rental Income Base

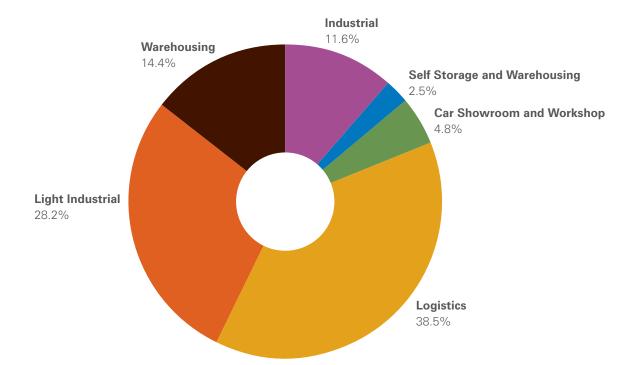
 CIT's revenue base is diversified and spread across several industry sub-sectors, which mitigates trade sector concentration.

¹ With exception of 30 Tuas Road, which was valued by Knight Frank Pte Ltd and 1 Tuas Avenue 3, which has been kept at its carrying value as at 31 December 2010

^{2 &}quot;Urban Redevelopment Authority, Private housing price increase slows down further, as pipeline supply reaches record high,", 27 January 2012

Consistent with the Manager's objective to provide a diversified sub-sector mix to spread income risk, the allocation as at 31 December 2011 is illustrated in the following pie chart.

Diversified Sub-sector Rental Contribution

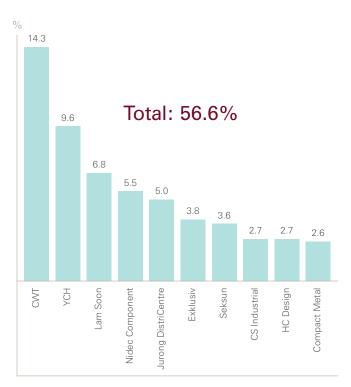


Manager's Report (continued)

The Manager's active asset management strategy during FY2011 resulted in the top 10 tenants' contribution to CIT's gross rent being reduced by 6% from 56.6% to 50.6%, as tabled below.

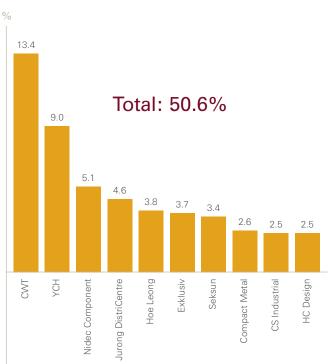
Top 10 Tenants (as % of Gross Rent)

As at 31 December 2010



Top 10 Tenants (as % of Gross Rent)

As at 31 December 2011



OUTLOOK FOR 2012

The Ministry of Trade and Industry ("MTI") forecasts Singapore's economy to grow by 1.0 to 3.0% in 2012. In 2011, Singapore's economic growth slowed down to an estimated 4.8% after increasing 15.5% in 2010. Manufacturing output fell in 2011, marred by the supply-side disruption from the Japan earthquake and Thailand floods, and the fall in global demand as the Euro zone debt crisis deteriorated. However, underpinned by pockets of strength in the pharmaceutical, precision engineering and chemical industries, the manufacturing sector managed to expand by 6.5% year-on-year ("YoY") in the last quarter of

2011. According to the median forecast in the Monetary Authority of Singapore's December survey by Professional Forecasters, the manufacturing sector is expected to grow at 3.4% in 2012.

Despite the above, the Manager remains cautious and will, as always, maintain its disciplined approach to all facets of its management of the Trust in 2012 to achieve its objective of delivering its Unitholders with a secure and stable income stream.

Investor Relations

The Manager aims to provide CIT's Unitholders and the wider financial community with quality, succinct, and timely information about the Trust. During the year, CIT continued to strive towards best practices in investor relations by adopting a transparent and open approach in its two-way communication with investors, analysts and stakeholders.

Being a SGX-listed REIT, CIT has adopted an investor relations policy which, amongst other things, provides that:

- CIT will be visible and accessible to existing and potential Unitholders, investors and stakeholders, not just in fulfilling regulatory requirements but by adopting the best corporate governance standards;
- CIT will disclose all important and relevant information via announcements on the Singapore Exchange's SGXNet. CIT will also publish adequate, timely and accurate financial quarterly reports;
- CIT aims to communicate clearly to all investors and stakeholders, so that they have the opportunity to gain insight into the Trust's latest developments and make informed investment decisions, as well as provide feedback, where relevant;
- all disclosed information is easily accessible and readily available from CIT's website or via the Singapore Exchange's SGXNet; and
- CIT will not selectively release information that is not publicly available during the regular meetings it has with Unitholders and other stakeholders.

After each financial quarter, CIT's financial results are released to the public via the Singapore Exchange's SGXNet. The investment and financial communities also have regular access to the management, through the investor and analyst briefings and presentations that are usually held in conjunction with these results announcements.

CIT's website is continuously updated to ensure timely updates for the general public and Unitholders. Interested investors can subscribe to email alerts if they wish to be kept informed of all corporate announcements. The "Investor Relations" section on the website aims to provide relevant financial and operational information for Unitholders, analysts and other stakeholders to help them better understand and evaluate the Trust, and in turn contribute towards achieving a fair market value for the Trust.

Unitholder Enquiries

We welcome your comments, feedback and enquiries. Please feel free to contact us at:

Cambridge Industrial Trust Management Limited

61 Robinson Road #12-01 Robinson Centre Singapore 068893

Tel: (65) 6222 3339 Fax: (65) 6827 9339

Email: enquiry@cambridgeitm.com Website: www.cambridge-itrust.com

Analyst Coverage

The Manager maintains pro-active and interactive communication with investment analysts via phone-calls, emails or face-to-face meetings to enhance the investment community's understanding of CIT's financials, operations and growth strategies. The following research houses cover CIT as at 31 December 2011:

Analyst(s)	Research House
David Lum	Daiwa Institute of Singapore Pte Ltd
Pang Ti Wee	DMG & Partners Securities Pte Ltd
Derek Tan / Lock Mun Yee	DBS Vickers Securities Pte Ltd
Bryan Lim	The Royal Bank of Scotland Asia Securities (Singapore) Pte Limited





Since 2006, Wan Tai has been enjoying a steady tenant-landlord relationship with CIT. There has been mutual trust and understanding between us and CIT and we are pleased with the support and commitment of CIT management. As such, we extended our lease for another 4 years till 2017, even before our existing lease expires. We look forward to a complementing partnership with CIT in the many years ahead.

Mr Henry Tay Director
WAN TAI & CO (PTE) LTD

Board of Directors

The Board of the CIT Manager presently comprises of three independent and four non-independent, non-executive directors and one executive director. Together they bring to the Board a wide range of industry experience, expertise and knowledge in real estate, asset management, finance and banking, law and strategic planning. The Board is responsible for ensuring that the highest standards of corporate governance are practised in the management of the CIT Manager and CIT.

Dr Chua Yong Hai

Independent Chairman

Dr Chua has many years of working experience in the investment management and real estate sectors holding key positions such as Director of Investments in the Ministry of Finance, first General Manager of Temasek Holdings Pte Ltd, Group Managing Director of United Engineers Ltd, Group General Manager of Suntec City Development Pte Ltd and Director of Lend Lease Corporation Ltd. Currently, he holds a number of non-executive directorships and chairmanships in several SGX-listed companies.

A Singapore government scholar, Dr Chua holds a Doctorate in Chemical Engineering from The University of New South Wales, and a Bachelor of Science (Honours) and a Diploma in Business Administration from the then University of Singapore. He is active in community and social work for which he has been awarded the Public Service Medal and the Public Service Star by the President of Singapore.

Professor Ong Seow Eng

Independent Director –
Chairman of the Audit, Risk Management
and Compliance Committee

Professor Ong is currently a Professor at the Department of Real Estate, National University of Singapore. He was on the board of the American Real Estate and Urban Economics Association as well as a past president of the International Real Estate Society and past president of the Asian Real Estate Society. He also held various positions in the former Overseas Union Bank Limited, the Government of Singapore Investment Corporation Private Limited, and the Inland Revenue Department of Singapore.

Professor Ong holds a Doctorate of Philosophy in Finance and a Master of Business degree from Indiana University. He is also a CFA charter holder.

Mr Tan Guong Ching

Independent Director – Member of the Audit, Risk Management and Compliance Committee

Mr Tan was the CEO of the Housing and Development Board, which develops and manages a large portfolio of industrial and commercial properties. He served in several Government Ministries and was the Permanent Secretary to the Ministry of Home Affairs, The Environment and Communications. He sits on the Board of several companies including StarHub Limited and Singapore Technologies Telemedia Pte I td

Mr Tan holds a Bachelor and a Master of Engineering from McMaster University of Canada.

Mr Ian Keith Crow

Non-Executive Director

Mr Crow has over 40 years experience in the financial services and property industries. During the 1980's and early 1990's, he held senior positions with the Lend Lease Group, including Finance Director of Lend Lease Corporation Limited and CEO of MLC, the fund management arm of Lend Lease (now owned by National Australia Bank Limited). Since 1994, he has held a number of non-executive directorships of Australian Securities Exchange ("ASX") listed and private companies. Mr Crow holds a Bachelor of Commerce and a Master of Business Administration from The University of New South Wales. He is also a CPA of the Australian Society of Certified Practising Accountants.

Mr Ian Andrew Smith

Non-Executive Director

Mr Smith is currently the General Manager of Real Estate at nablnvest Capital Partners Pty Limited, which is the direct investment management business of National Australia Bank Limited. His career spans business generation, fund management, engineering, project and development management. His career history includes 17 years with Lend Lease Corporation Limited in Australia, predominantly in its real estate investment management business. He was the CEO and Director of ASX-listed Lend Lease US Office Trust. He was also the Portfolio Manager of the Lazard Global Listed Infrastructure Fund, prior to joining National Australia Bank Limited.

Mr Smith holds a Bachelor of Engineering and a Bachelor of Commerce from the University of Melbourne and a Master of Engineering Science from Monash University.

Mr Masaki Kurita

Non-Executive Director

Mr Kurita was appointed to the Board on 18 February 2008 as an Executive Director and was re-designated as a Non-executive Director on 2 January 2009 as part of the internal restructuring of the CIT Manager's operations.

Mr Kurita has taken various positions in the Urban Planning & Development Department in Mitsui & Co., Ltd in the past 10 years with roles ranging from land acquisitions, development of office buildings and industrial property in Japan, and equity investment in the overseas real estate business.

Mr Kurita holds a Bachelor of Engineering from Keio University, Tokyo, Japan.

Mr Michael Patrick Dwyer

Non-Executive Director – Member of the Audit, Risk Management and Compliance Committee*

Mr Dwyer is the Executive Chairman of Oxley Group, a private investment firm with investments in Real Estate, Agriculture/ Alternative Energy and Natural Resources. He is also a current management board member of the Council of Governors of the Asia Pacific Real Estate Association ("APREA").

Mr Dwyer was the CEO of the first independent cross-border listed property trust in Singapore, raising S\$500 million at listing in 2006.

For over 15 years, Mr Dwyer was intimately involved in the mortgage industry in Australia having held the position of Joint Managing Director of a leading Mortgage REIT. He also has a strong involvement with the securities industry regulators and financial service associations in Australia.

Mr Dwyer is a qualified solicitor in Queensland, Australia possessing 20 years of experience in all facets of commercial and property law.

Mr Chris Calvert

Chief Executive Officer and Executive Director

Mr Calvert joined the CIT Manager as the CEO in December 2008 and was appointed Executive Director on 4 August 2010. He is responsible for the overall planning, management and operation of CIT. He works with the Board members to determine the overall business, investment and operational strategies for CIT. He has over 18 years of property and management experience in valuation, consultancy, real estate fund management, and investment management in the Asia Pacific region.

Prior to joining the CIT Manager, Mr Calvert was CEO (Asia) of MacarthurCook Industrial REIT, responsible for the assembly of an industrial property portfolio and the subsequent IPO of the REIT in early 2007. He was also the CEO (Asia) of Blaxland Funds Management, a real estate fund manager. Mr Calvert holds a Bachelor of Business and Property and is a Qualified Valuer from the Australian Property Institute. He is also an active advocate of APREA.

Mr Victor Ong Wei Tak

Alternate Director to Mr Michael Patrick Dwyer

Mr Ong was appointed as an alternate director to Mr Michael Patrick Dwyer on 19 October 2010. Mr Ong is an Executive Director of Oxley Group and has over 20 years of experience in real estate development, fund management and investment banking in Australia and Asia, including roles in senior management positions as executive director and as CEO of various businesses.

Mr Ong holds a Degree in Building from The University of New South Wales and a Master of Business (Applied Finance) from The University of Technology, Sydney.

Structure of Cambridge Industrial Trust

Shareholders

80% CREIM Pte. Ltd.* 20% Mitsui & Co., Ltd.

Manager

Cambridge Industrial Trust Management Limited ("CITM")

Management and other fees

Management Services



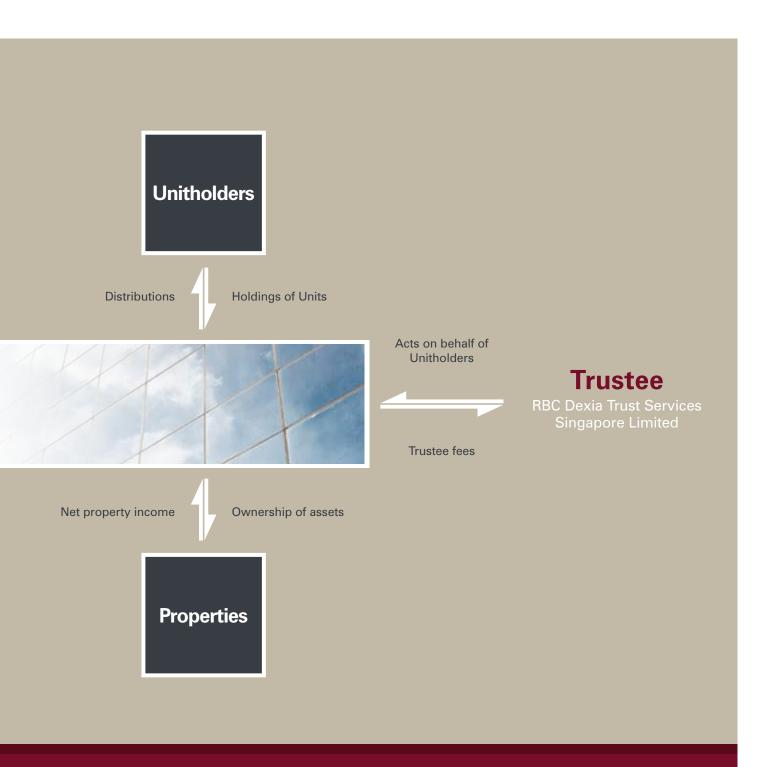
Shareholders

100% CREIM Pte. Ltd.* Property management and other fees

Property management services

Property Manager

Cambridge Industrial Property Management Pte. Ltd. ("CIPM") CIT's objective is to invest directly or indirectly in income-producing real estate and real estate related assets used mainly for industrial and warehousing purposes. It seeks to provide Unitholders with a competitive rate of return on their investments by ensuring stable, regular distributions and long-term growth in both distributions and net asset value per Unit.



Management Team



Chief Executive Officer and Executive Director

Chief Financial Officer

The management team has extensive experience and a proven track record in fund, asset and property management in Singapore and the region. A number of the management are real estate specialists with strong credentials and investment experience.

Mr Calvert joined the CIT Manager as the CEO in December 2008 and was appointed Executive Director on 4 August 2010. He is responsible for the overall planning, management and operation of CIT. He works with the Board members to determine the overall business, investment and operational strategies for CIT. He has over 18 years of property and management experience in valuation, consultancy, real estate fund management, and investment management in the Asia Pacific region.

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Mr Mason joined the CIT Manager in July 2010 as CFO. The CFO reports to the CEO and oversees the Finance and Corporate Services departments for CIT. He is responsible for the financial performance of CIT and for ensuring key performance indicators are achieved for the effective management of CIT. In addition, he is responsible for the preparation of regular performance reports for investors and regulators.

Prior to joining the CIT Manager, Mr Mason was a Financial Consultant to YTL Starhill Global REIT Management Limited, advising on various projects and other financial matters of Starhill Global REIT (formerly known as Macquarie Prime REIT). He was also the Senior Vice President, Finance & Accounting of Starhill Global REIT and has over 10 years of experience in the REIT sector in Singapore and Australia.

Mr Mason holds a Bachelor of Accounting (Honours) from Birmingham City University and is a Chartered Accountant. He is a member of the Institute of Chartered Accountants in England & Wales and the Institute of Chartered Accountants in Australia. He is also a director on the Board of Directors of APREA.



Cindy Seetoh



Michael Long

Compliance Manager

Head of Real Estate

Development Manager

Ms Tan joined the CIT Manager in February 2009 and was appointed as the Head of Real Estate in February 2011. She reports to the CEO and formulates strategic plans to maximise the returns of CIT's assets. She oversees the asset management, investment and property management departments for CIT. She has over 20 years of experience in the real estate and asset management industry.

Prior to joining the CIT Manager, Ms Tan was the Fund Manager of MacarthurCook Industrial REIT, where she assisted in expanding the portfolio from 12 to 21 properties and to approximately S\$555.4 million in value. She also held management positions in a number of established real estate firms, including Far East Organisation and City Developments Limited.

Ms Tan holds a Bachelor of Science (Estate Management) from the National University of Singapore and a Graduate Diploma in Marketing from the Marketing Institute of Singapore.

Ms Seetoh joined the CIT Manager in June 2010 as the Compliance Manager. She reports to the CEO and is responsible for all internal and external compliance processes for the CIT Manager. She is also the liaison for corporate secretarial matters. Ms Seetoh has more than six years of professional experience in compliance.

Prior to joining the CIT Manager, Ms Seetoh was the Head of Compliance and Financial Crime Prevention of Newedge Financial Singapore Pte. Ltd., where she oversaw all compliance and financial crime prevention related matters.

Ms Seetoh holds a Bachelor of Business and Commerce from Monash University, Melbourne and is a member of the Golden Key International Honour Society.

Mr Long joined the CIT Property Manager in August 2011 as Development Manager. Mr Long reports to the Head of Real Estate and is responsible for implementing the strategic goals and objectives for development projects, and subsequently providing the direction and leadership necessary to achieve them. He has over 20 years of experience in the real estate development and construction industry from an array of sectors including large scale industrial, residential, commercial and retail projects.

During his 20 years in project development and construction, Mr Long has successfully delivered premium quality projects working as a Senior Project Manager for Confluence Project Management in Singapore and Bovis Lend Lease in Singapore, London and Sydney. Michael has a proven ability to build key relationships and communicate effectively with authorities, consultants, financiers, managers and peers alike.

Mr Long holds a Clerk Of Works, Building Diploma from Sydney TAFE and is an active member of the Project Managers Institute of Australia.



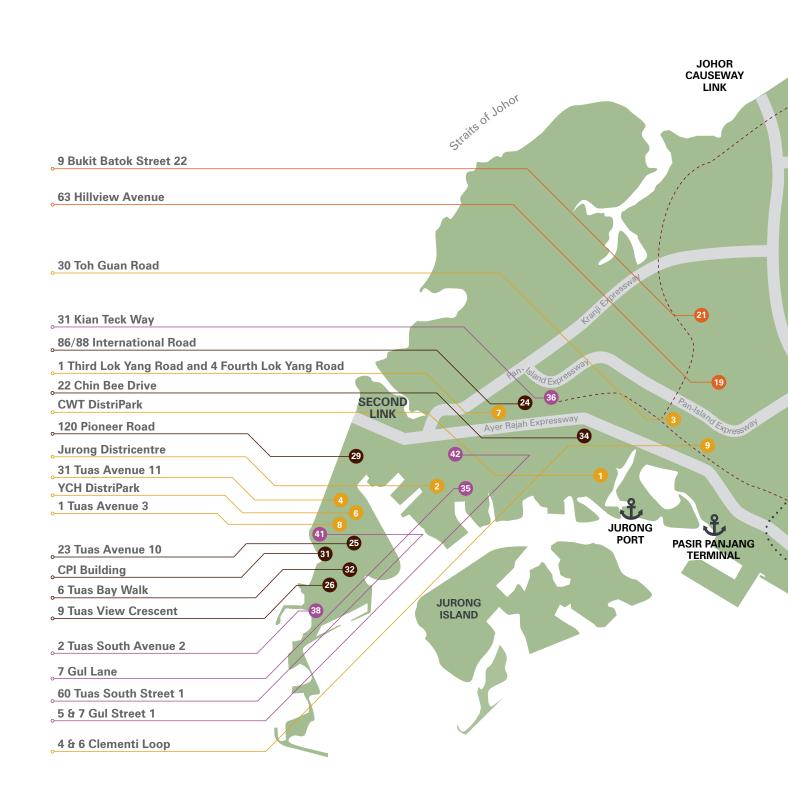


I joined the CIT group in August 2011, specialising in development projects. At CIT, we recognise that built-to-suit projects and asset enhancement works are viable strategies to bring more value to Unitholders. As such, we are dedicated to providing built-to-suit designs, which are building and leasing solutions where a building is constructed around the customer's business requirements before leasing it back to them. Furthermore, we also provide the customer a single point of contact throughout the development.

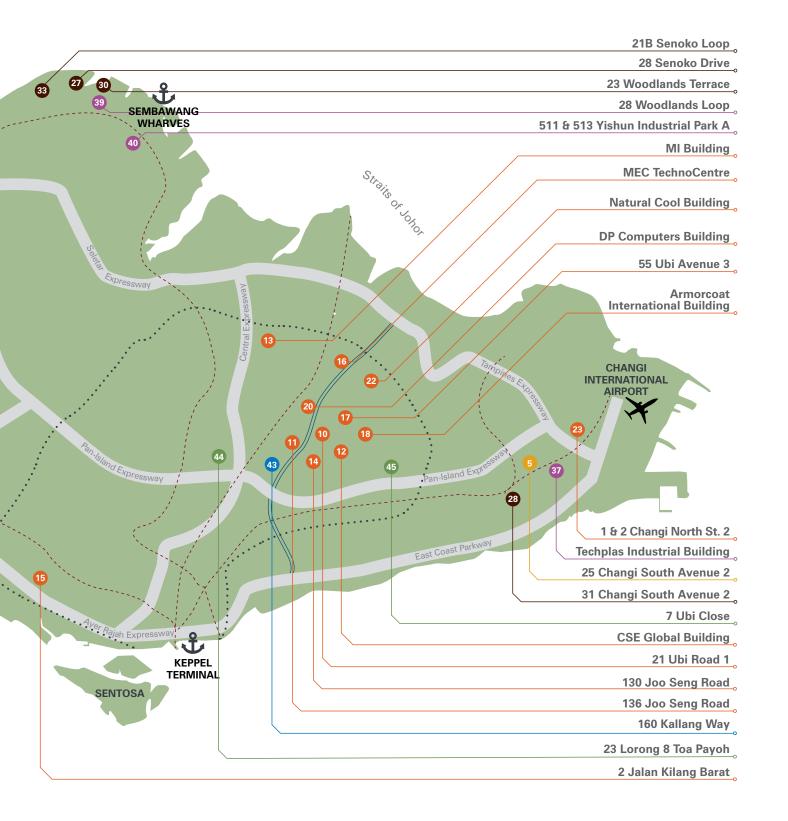
Mr Michael Long Development Manager

CAMBRIDGE INDUSTRIAL TRUST

Property Locations







Property Portfolio

01



CWT DISTRIPARK

24 Jurong Port Road, Singapore 619097

LETTABLE AREA

75,903.8 square metres

TENANT NAME

CWT Limited

LAND LEASE EXPIRY/TITLE 2037/Leasehold estate of 30 years + 12 years w.e.f. 1 March 1995 **VALUATION** S\$103,000,000

5\$103,000,000

PURCHASE CONSIDERATION \$\$96,000,000

ACQUISITION DATE

25 July 2006

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL INCOME

S\$8.3 million

02



JURONG DISTRICENTRE

3 Pioneer Sector 3, Singapore 628342

LETTABLE AREA

38,352.1 square metres

TENANT NAME

Jurong Districentre Pte Ltd

LAND LEASE EXPIRY/TITLE 2050/Leasehold estate of 30

years + 30 years w.e.f. 16 December 1990 **VALUATION**

S\$54,000,000

PURCHASE CONSIDERATION

S\$49,000,000

ACQUISITION DATE

25 July 2006

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL

INCOME

S\$3.9 million

03



30 TOH GUAN ROAD

30 Toh Guan Road, Singapore 608840

LETTABLE AREA

23,404.7 square metres

TENANT NAME

Multi-Tenanted

LAND LEASE EXPIRY/TITLE

2055/Leasehold estate of 30 years + 30 years w.e.f. 16 August 1995 VALUATION

S\$48,300,000

PURCHASE CONSIDERATION

S\$35,000,000

ACQUISITION DATE

25 July 2006

OCCUPANCY RATE

88.12 percent

GROSS FY2011 RENTAL INCOME

S\$4.0 million

04



31 TUAS AVENUE 11

31 Tuas Avenue 11, Singapore 639105

LETTABLE AREA

7,021.5 square metres

TENANT NAME

SLS Bearings (Singapore) Private Limited

LAND LEASE EXPIRY/TITLE

2054/Leasehold estate of 30 years + 30 years w.e.f. 1 April 1994

VALUATION

S\$10,200,000

PURCHASE CONSIDERATION

S\$8,700,000

ACQUISITION DATE

25 July 2006

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL

INCOME

S\$0.9 million

05



25 CHANGI SOUTH AVENUE 2

25 Changi South Avenue 2, Singapore 486594

LETTABLE AREA

6,781.7 square metres

TENANT NAME

Wan Tai and Company (Private) Limited

LAND LEASE EXPIRY/TITLE

2054/Leasehold estate of 30 years + 30 years w.e.f. 16 October 1994

VALUATION

S\$10,600,000

PURCHASE CONSIDERATION

S\$7,300,000

ACQUISITION DATE

25 July 2006

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL

INCOME

S\$0.8 million

06



YCH DISTRIPARK

30 Tuas Road, Singapore 638492

LETTABLE AREA

53,065.2 square metres

TENANT NAME

YCH DistriPark (Pte) Ltd

LAND LEASE EXPIRY/TITLE

2039/Leasehold estate of 30 years + 30 years w.e.f.
1 July 1979

VALUATION

S\$72,400,000

PURCHASE CONSIDERATION

S\$73,000,000

ACQUISITION DATE

25 July 2006

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL INCOME

S\$6.1 million

Property Portfolio

07



1 THIRD LOK YANG ROAD AND 4 FOURTH LOK YANG ROAD

1 Third Lok Yang Road and 4 Fourth Lok Yang Road, Singapore 627996 and 629701

LETTABLE AREA 10,601.3 square metres

10,001.5 square metres

TENANT NAME YCH DistriPark (Pte) Ltd

LAND LEASE EXPIRY/TITLE

2031/Leasehold estate of 30 years w.e.f. 16 December 2001 **VALUATION** S\$12,000,000

PURCHASE CONSIDERATION \$\$12,414,000

ACQUISITION DATE 25 July 2006

OCCUPANCY RATE
100 percent

GROSS FY2011 RENTAL INCOME
S\$1.4 million

80



1 TUAS AVENUE 3

1 Tuas Avenue 3, Singapore 639402

LETTABLE AREA

28,674.0 square metres

TENANT NAME CWT Limited

LAND LEASE EXPIRY/TITLE

2032/Leasehold estate 30 years + 23 years w.e.f. 1 October 1979

VALUATION

S\$29,200,000

PURCHASE CONSIDERATION

S\$32,704,147

ACQUISITION DATE

31 October 2007

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL

INCOME

S\$2.8 million

09



4 AND 6 CLEMENTI LOOP

4 and 6 Clementi Loop, Singapore 129810 and 129814

LETTABLE AREA

17,648.1 square metres

TENANT NAME

Hoe Leong Corporation Ltd

LAND LEASE EXPIRY/TITLE

2053/Leasehold estate of 30 years + 30 years w.e.f. 10 October1993

VALUATION

S\$40,000,000

PURCHASE CONSIDERATION

S\$40,000,000

ACQUISITION DATE

13 June 2011

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL INCOME

S\$1.8 million

10



21 UBI ROAD 1

21 Ubi Road 1, Singapore 408724

LETTABLE AREA

18,838.0 square metres

TENANT NAME

Nidec Component Technology Co., Ltd.

LAND LEASE EXPIRY/TITLE

2057/Leasehold estate of 30 years + 30 years w.e.f. 1 February 1997

VALUATION

S\$34,500,000

PURCHASE CONSIDERATION

S\$25,000,000

ACQUISITION DATE

25 July 2006

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL

INCOME

S\$2.4 million



136 JOO SENG ROAD

136 Joo Seng Road, Singapore 368360

LETTABLE AREA

9,413.0 square metres

TENANT NAME

Nidec Component Technology Co., Ltd.

LAND LEASE EXPIRY/TITLE

2050/Leasehold estate of 30 years + 30 years w.e.f.
1 October 1990

VALUATION

S\$12,800,000

PURCHASE CONSIDERATION

S\$10,310,000

ACQUISITION DATE

25 July 2006

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL

INCOME

S\$1.1 million





CSE GLOBAL BUILDING

2 Ubi View, Singapore 408556

LETTABLE AREA

4,055.6 square metres

TENANT NAME

CSE Global Limited

LAND LEASE EXPIRY/TITLE

2059/Leasehold estate of 60 years w.e.f. 4 January 1999

VALUATION

S\$8,500,000

PURCHASE CONSIDERATION

S\$7,500,000

ACQUISITION DATE

25 July 2006

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL INCOME

S\$0.6 million

Property Portfolio

13



MI BUILDING

11 Serangoon North Avenue 5, Singapore 554809

LETTABLE AREA

13,621.4 square metres

TENANT NAME

MI Technologies Pte Ltd

LAND LEASE EXPIRY/TITLE

2057/Leasehold estate of 30 years + 30 years w.e.f. 16 April 1997 **VALUATION**

S\$17,500,000

PURCHASE CONSIDERATION

S\$14,000,000

ACQUISITION DATE

25 July 2006

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL

INCOME

S\$1.4 million

14



130 JOO SENG ROAD

130 Joo Seng Road, Singapore 368357

LETTABLE AREA

8,530.4 square metres

TENANT NAME

Multi-Tenanted

LAND LEASE EXPIRY/TITLE

2051/Leasehold estate of 30 years + 30 years w.e.f. 1 December 1991 **VALUATION**

S\$12,500,000

PURCHASE CONSIDERATION

S\$12,000,000

ACQUISITION DATE

25 July 2006

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL

INCOME

S\$1.4 million

15



2 JALAN KILANG BARAT

2 Jalan Kilang Barat, Singapore 159346

LETTABLE AREA

6,166.4 square metres

TENANT NAME

Multi-Tenanted

LAND LEASE EXPIRY/TITLE

2062/Leasehold estate of 99 years w.e.f. 1 July 1963

VALUATION

S\$27,700,000

PURCHASE CONSIDERATION

S\$20,000,000

ACQUISITION DATE

25 July 2006

OCCUPANCY RATE

95.98 percent

GROSS FY2011 RENTAL INCOME

S\$2.0 million



MEC TECHNOCENTRE

87 Defu Lane 10, Singapore 539219

LETTABLE AREA

10,211.9 square metres

TENANT NAME

The Excalibur Corporation Pte Ltd

LAND LEASE EXPIRY/TITLE

2050/Leasehold estate of 30 years + 30 years w.e.f. 1 November 1990 VALUATION

S\$15,000,000

PURCHASE CONSIDERATION \$\$13,064,000

ACQUISITION DATE

25 July 2006

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL INCOME

S\$1.0 million

17



55 UBI AVENUE 3

55 Ubi Avenue 3, Singapore 408864

LETTABLE AREA

10,905.2 square metres

TENANT NAME

Multi-Tenanted

LAND LEASE EXPIRY/TITLE

2056/Leasehold estate of 30 years + 30 years w.e.f. 1 July 1996

VALUATION

S\$19,200,000

PURCHASE CONSIDERATION

S\$18,800,000

ACQUISITION DATE

27 February 2007

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL

INCOME

S\$1.7 million

18



ARMORCOAT INTERNATIONAL BUILDING

361 Ubi Road 3, Singapore 408664

LETTABLE AREA

8,997.0 square metres

TENANT NAME

Chartered World Academy
Pte Ltd and Armorcoat
International Pte Ltd

LAND LEASE EXPIRY/TITLE

2057/Leasehold estate of 30 years + 30 years w.e.f.
1 February 1997

VALUATION

S\$17,700,000

PURCHASE CONSIDERATION

S\$18,000,000

ACQUISITION DATE

8 June 2007

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL INCOME

S\$1.7 million

Property Portfolio

19



63 HILLVIEW AVENUE

63 Hillview Avenue, Singapore 669569

LETTABLE AREA

27,526.7 square metres

TENANT NAME

Multi-Tenanted

LAND LEASE EXPIRY/TITLE Freehold

VALUATION \$\$90,000,000

PURCHASE CONSIDERATION

S\$72,200,000

ACQUISITION DATE

29 March 2007

OCCUPANCY RATE

90.43 percent

GROSS FY2011 RENTAL

INCOME

S\$5.0 million

20



DP COMPUTERS BUILDING

128 Joo Seng Road, Singapore 368356

LETTABLE AREA

8,626.0 square metres

TENANT NAME

Seng Huat Packaging Pte Ltd and DP Computers Pte Ltd

LAND LEASE EXPIRY/TITLE

2052/Leasehold estate of 30 years + 30 years w.e.f. 1 May 1992

VALUATION

S\$12,000,000

PURCHASE CONSIDERATION

S\$10,000,000

ACQUISITION DATE

25 June 2007

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL

INCOME

S\$1.0 million

21



9 BUKIT BATOK STREET 22

9 Bukit Batok Street 22, Singapore 659585

LETTABLE AREA

14,666.0 square metres

TENANT NAME

Ascender Investment Pte Ltd

LAND LEASE EXPIRY/TITLE

2053/Leasehold estate 30 years + 30 years w.e.f. 1 February 1993 VALUATION

S\$22,900,000

PURCHASE CONSIDERATION

S\$18,300,000

ACQUISITION DATE

25 October 2007

OCCUPANCY RATE 100 percent

GROSS FY2011 RENTAL

INCOME

S\$1.9 million

22



NATURAL COOL BUILDING

81 Defu Lane 10, Singapore 539217

LETTABLE AREA

4,203.1 square metres

TENANT NAME

Natural Cool Airconditioning & Engineering Pte Ltd

LAND LEASE EXPIRY/TITLE

2050/Leasehold estate 30 years + 30 years w.e.f. 1 December 1990

VALUATION

S\$5,300,000

PURCHASE CONSIDERATION

S\$5,000,000

ACQUISITION DATE

15 November 2007

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL

INCOME

S\$0.4 million

23



1 & 2 CHANGI NORTH STREET 2

1 & 2 Changi North Street 2 Singapore 498808 & 498775

LETTABLE AREA

11,693.7 square metres

TENANT NAME

ETLA Limited

LAND LEASE EXPIRY/TITLE

2061/Leasehold estate 30 years + 30 years w.e.f 1 March 2001

2065/Leasehold estate 30 years + 30 years w.e.f 23 November 2005 VALUATION

S\$22,700,000

PURCHASE CONSIDERATION

S\$22,110,000

ACQUISITION DATE

19 October 2010

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL

INCOME

S\$1.8 million

Property Portfolio

24



Property currently leased to multiple tenants and targeted for redevelopment in 2Q2012.

86/88 INTERNATIONAL ROAD

86/88 International Road, Singapore 629176/629177

LETTABLE AREA

12,517.5 square metres

TENANT NAME

86 International Road: Gliderol Doors (S) Pte Ltd 88 International Road: Multi-Tenanted

LAND LEASE EXPIRY/TITLE

2054/Leasehold estate of 30 years + 30 years w.e.f. 16 December 1994

VALUATION

S\$17,500,000

PURCHASE CONSIDERATION

S\$14,000,000

ACQUISITION DATE

25 July 2006

OCCUPANCY RATE

86 International Road: 100 percent 88 International Road:

GROSS FY2011 RENTAL INCOME

S\$1.5 million

63.8 percent*

25



Name changed from Reliance Logistic Pte Ltd to Reliance Products Pte Ltd

23 TUAS AVENUE 10

23 Tuas Avenue 10, Singapore 639149

LETTABLE AREA

9,504.9 square metres

TENANT NAME

Reliance Products Pte Ltd*

LAND LEASE EXPIRY/TITLE

2056/Leasehold estate of 30 years + 29 years w.e.f. 1 November 1997

VALUATION

S\$11,100,000

PURCHASE CONSIDERATION

S\$8,550,000

ACQUISITION DATE

25 July 2006

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL

INCOME

S\$0.7 million

26



9 TUAS VIEW CRESCENT

9 Tuas View Crescent, Singapore 637612

LETTABLE AREA

6,650.1 square metres

TENANT NAME

United Central Engineering Pte Ltd

LAND LEASE EXPIRY/TITLE

2058/Leasehold estate of 30 years + 30 years w.e.f. 16 July 1998

VALUATION

S\$7,300,000

PURCHASE CONSIDERATION

S\$5,600,000

ACQUISITION DATE

25 July 2006

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL INCOME

S\$0.6 million

27



28 SENOKO DRIVE

28 Senoko Drive, Singapore 758214

LETTABLE AREA

14,803.0 square metres

TENANT NAME

Tat Seng Packaging Group Ltd

LAND LEASE EXPIRY/TITLE

2039/Leasehold estate of 30 years + 30 years w.e.f. 16 December 1979

VALUATION

S\$12,500,000

PURCHASE CONSIDERATION

S\$12,000,000

ACQUISITION DATE

25 June 2007

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL

INCOME

S\$1.5 million

28



31 CHANGI SOUTH AVENUE 2

31 Changi South Avenue 2, Singapore 486478

LETTABLE AREA

4,705.0 square metres

TENANT NAME

Presscrete Engineering Pte Ltd

LAND LEASE EXPIRY/TITLE

2055/Leasehold estate 30 years + 30 years w.e.f. 1 March 1995 VALUATION

S\$6,800,000

PURCHASE CONSIDERATION

S\$5,800,000

ACQUISITION DATE

27 July 2007

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL

INCOME

S\$0.5 million





120 PIONEER ROAD

120 Pioneer Road, Singapore 639597

LETTABLE AREA

22,716.0 square metres

TENANT NAME

Compact Metal Industries Ltd

LAND LEASE EXPIRY/TITLE

2055/Leasehold estate 30 years + 28 years w.e.f. 16 February 1997 **VALUATION**

S\$32,000,000

PURCHASE CONSIDERATION

S\$26,500,000

ACQUISITION DATE

24 October 2007

OCCUPANCY RATE
100 percent

GROSS FY2011 RENTAL

INCOME

S\$2.1 million

Property Portfolio

30



23 WOODLANDS TERRACE

23 Woodlands Terrace, Singapore 738472

LETTABLE AREA

11,559.5 square metres

TENANT NAME

Metform Industries Pte Ltd

LAND LEASE EXPIRY/TITLE

2056/Leasehold estate of 30 years + 30 years w.e.f. 16 November 1996

VALUATION S\$16,300,000

PURCHASE CONSIDERATION S\$15,408,000

ACQUISITION DATE

26 October 2007

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL

INCOME

S\$1.2 million



CPI BUILDING

79 Tuas South Street 5, Singapore 637604

LETTABLE AREA

6,312.0 square metres

TENANT NAME

Creative Polymer Industries Pte Ltd

LAND LEASE EXPIRY/TITLE

2060/Leasehold estate of 30 years +30 years w.e.f 1 February 2000

VALUATION

S\$10,000,000

PURCHASE CONSIDERATION

S\$10,400,000

ACQUISITION DATE

30 April 2008

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL

INCOME

S\$0.8 million

32



6 TUAS BAY WALK

6 Tuas Bay Walk, Singapore 637752

LETTABLE AREA

4,980.3 square metres

TENANT NAME

Multi-Tenanted

LAND LEASE EXPIRY/TITLE

2057/Leasehold estate of 30 + 30 years w.e.f

16 May 1997

VALUATION

S\$6,500,000

PURCHASE CONSIDERATION

S\$7,000,000

ACQUISITION DATE

18 January 2008

OCCUPANCY RATE

54.42 percent

GROSS FY2011 RENTAL INCOME

S\$0.6 million



21B SENOKO LOOP

21B Senoko Loop, Singapore 758171

LETTABLE AREA

10,755.4 square metres

TENANT NAME

Tellus Marine Engineering Pte Ltd

LAND LEASE EXPIRY/TITLE

2053/Leasehold estate of 30 years +30 years w.e.f. 1 February 1993 VALUATION

S\$14,500,000

PURCHASE CONSIDERATION

S\$14,670,000

ACQUISITION DATE

28 January 2008

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL

INCOME

S\$1.3 million





22 CHIN BEE DRIVE

22 Chin Bee Drive, Singapore 619870

LETTABLE AREA

11,209.0 square metres

TENANT NAME

Deluge Fire Protection (S.E.A) Pte Ltd

LAND LEASE EXPIRY/TITLE

2035/Leasehold estate of 30 years w.e.f 16 September 2005 VALUATION

S\$15,500,000

PURCHASE CONSIDERATION

S\$15,000,000

ACQUISITION DATE

28 September 2010

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL

INCOME

S\$1.4 million

Property Portfolio

35



7 GUL LANE

7 Gul Lane, Singapore 629406

LETTABLE AREA

4,499.0 square metres

TENANT NAME

Nidec Component Technology Co., Ltd.

LAND LEASE EXPIRY/TITLE

2041/Leasehold estate of 30 years + 30 years w.e.f. 16 May 1981 **VALUATION**

S\$4,300,000

PURCHASE CONSIDERATION

S\$3,200,000

ACQUISITION DATE

25 July 2006

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL

INCOME

S\$0.4 million

36



31 KIAN TECK WAY

31 Kian Teck Way, Singapore 628751

LETTABLE AREA

3,074.0 square metres

TENANT NAME

Nidec Component Technology Co., Ltd.

LAND LEASE EXPIRY/TITLE

2042/Leasehold estate of 30 years + 19 years w.e.f.
1 September 1993

VALUATION

S\$3,700,000

PURCHASE CONSIDERATION

S\$3,200,000

ACQUISITION DATE

25 July 2006

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL

INCOME

S\$0.4 million

37



TECHPLAS INDUSTRIAL BUILDING

45 Changi South Avenue 2, Singapore 486133

LETTABLE AREA

6,845.5 square metres

TENANT NAME

Chung Shan Plastics Pte Ltd

LAND LEASE EXPIRY/TITLE

2055/Leasehold estate of 30 years + 30 years w.e.f. 1 September 1995 **VALUATION** S\$10,300,000

3\$10,300,000

PURCHASE CONSIDERATION

S\$8,250,000

ACQUISITION DATE

25 July 2006

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL INCOME

S\$0.6 million

38



2 TUAS SOUTH AVENUE 2

2 Tuas South Avenue 2, Singapore 637601

LETTABLE AREA

20,474.1 square metres

TENANT NAME

CS Industrial Land Pte Ltd

LAND LEASE EXPIRY/TITLE

2059/Leasehold estate of 60 years w.e.f. 4 January 1999

VALUATION

S\$30,000,000

PURCHASE CONSIDERATION

S\$23,000,000

ACQUISITION DATE

25 July 2006

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL

INCOME

S\$2.1 million

39



28 WOODLANDS LOOP

28 Woodlands Loop, Singapore 738308

LETTABLE AREA

12,249.9 square metres

TENANT NAME

Sanwa Plastic Industry Pte Ltd

LAND LEASE EXPIRY/TITLE

2055/Leasehold estate of 30 years + 30 years w.e.f. 16 October 1995

VALUATION

S\$15,500,000

PURCHASE CONSIDERATION

S\$13,000,000

ACQUISITION DATE

25 July 2006

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL

INCOME

S\$1.4 million

40



511 & 513 YISHUN INDUSTRIAL PARK A

511 & 513 Yishun Industrial Park A, Singapore 768768 & 768736

LETTABLE AREA

20,874.3 square metres

TENANT NAME

Seksun International Pte Ltd

LAND LEASE EXPIRY/TITLE

2054/Leasehold estate of 30 years +29 years w.e.f 1 June 1995

2053/Leasehold estate of 30 years +30 years w.e.f 1 December 1993

VALUATION

S\$33,200,000

PURCHASE CONSIDERATION S\$32,600,000

ACQUISITION DATE

30 November 2010

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL INCOME

S\$2.8 million

Property Portfolio

41



60 TUAS SOUTH STREET 1

60 Tuas South Street 1, Singapore 639925

LETTABLE AREA

4,150.4 square metres

TENANT NAME

Peter's Polyethylene Industries Pte Ltd

LAND LEASE EXPIRY/TITLE

2065/Leasehold estate of 30 years + 30 years w.e.f. 16 March 2005 VALUATION S\$6,400,000

PURCHASE CONSIDERATION

S\$6,400,000

ACQUISITION DATE

29 June 2011

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL

INCOME

S\$0.3 million

42



5 & 7 GUL STREET 1

5 & 7 Gul Street 1, Singapore 629318 & 629320

LETTABLE AREA

9,184.8 square metres

TENANT NAME

Precise Industries Pte Ltd

LAND LEASE EXPIRY/TITLE

2037/Leasehold estate of 29 years + 6 months w.e.f. 1 April 2008

VALUATION

S\$14,500,000

PURCHASE CONSIDERATION

S\$14,500,000

ACQUISITION DATE

15 July 2011

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL

INCOME

S\$0.6 million

160 KALLANG WAY

160 Kallang Way, Singapore 349246

LETTABLE AREA 29,970.9 square metres

TENANT NAME

HC Design Pte Ltd

LAND LEASE EXPIRY/TITLE 2033/Leasehold estate of 60 years w.e.f. 16 February 1973 **VALUATION** S\$26,000,000

PURCHASE CONSIDERATION S\$23,200,000

ACQUISITION DATE

25 July 2006

OCCUPANCY RATE

100 percent **GROSS FY2011 RENTAL INCOME**

S\$2.1 million

43



23 LORONG 8 TOA PAYOH

23 Lorong 8 Toa Payoh, Singapore 319257

LETTABLE AREA

4,718.7 square metres

TENANT NAME

Triangle Auto Pte Ltd, DCH Foton Auto Pte Ltd & Exklusiv Auto Services Pte Ltd

LAND LEASE EXPIRY/TITLE

2052/Leasehold estate of 30 years + 30 years w.e.f. 1 February 1992

VALUATION

S\$13,400,000

PURCHASE CONSIDERATION

S\$12,869,747

ACQUISITION DATE

25 July 2006

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL

INCOME

S\$1.4 million

45



7 UBI CLOSE

7 Ubi Close, Singapore 408604

LETTABLE AREA

7,116.3 square metres

TENANT NAME

Group Exklusiv Pte Ltd

LAND LEASE EXPIRY/TITLE

2024/Leasehold estate of 30 years w.e.f. 1 August 1994

VALUATION

S\$18,300,000

PURCHASE CONSIDERATION

S\$20,500,000

ACQUISITION DATE

14 November 2007

OCCUPANCY RATE

100 percent

GROSS FY2011 RENTAL INCOME

S\$2.5 million

Singapore Industrial Property

As at 31 December 2011, prepared by DTZ Consulting for the purpose of the annual report

1.0 Economic Overview

1.1 Gross Domestic Product Growth

Singapore's economy performed relatively well in 2011, considering the high Gross Domestic Product ("GDP") growth of 14.5% in 2010. Advance estimates from the Ministry of Trade and Industry ("MTI") in January 2012 indicated that real GDP growth for Singapore was 4.8% in 2011, against the backdrop of supplyside disruptions arising from the Tohoku Earthquake in March 2011 and faltering global demand headed by a downgrade in the US credit ratings in August 2011, protracted weakness in Europe as well as unrest in the Middle East and North Africa regions.

Conditions in the global external environment are likely to remain challenging in 2012, in view of continuing uncertainty and weak growth prospects resulting from the Eurozone debt crisis. Being an open economy, activity in Singapore's manufacturing and trade-related sectors is likely to be lacklustre in 2012 (Figure 1.1). While the MTI envisages some pickup in the economy in H2 2012, overall GDP growth in 2012 is expected to be modest, at 1% to 3%¹.

Figure 1.1 Real GDP Growth and Inflation Rate

0/0 16 14 12 10 8 Real GDP Growth Average GDP Growth between 2002 and 2011: 6.3% 6 Inflation Rate 4 Average Inflation Rate between 2002 and 2011: 2.1% 2 MTI. MAS. DTZ Consulting, February 2012 0 2002 2003 2005 2008 2010 2011 2012 F -2

1.2 Inflation

Singapore's inflation rate was 5.2% in 2011, higher than that in 2010 (2.8%). Given the tepid economic growth in 2012, the Monetary Authority of Singapore ("MAS") expects inflation to be about 2.5% to 3.5% in 2012.

1.3 Sectoral Performance

The manufacturing sector, a key demand driver of industrial space and a major constituent of Singapore's economy, grew by 6.9% in 2011, a significant slowdown from the exuberant growth of 29.7% in 2010.

The slower growth was a result of steep contractions in the electronics industry, which was affected by the supply-side disruptions in Japan in H1 2011 and weakness in Information Technology (IT)-related activities across the global supply chain. A pull-back in the growth of biomedical manufacturing cluster in H2 2011 also contributed to the slowdown.

The growth momentum of the transport and storage sector, a key driver of the logistics and warehousing market, was relatively well-sustained in 2011 compared with the manufacturing sector. While the growth in the wholesale and retail trade sector, which also drives the demand for warehouse space, was modest between Q1 and Q3 2011, MTI's advance estimates indicated that wholesale trading activities increased in Q4 2011 (Table 1.1).

¹ The GDP growth forecast from MTI does not factor in downside risks to growth, such as an exacerbation of the Eurozone debt crisis and a significant slowdown in China's economy. Accordingly, Singapore's economic performance in 2012 will come in lower than expected, should these risks materialise.

Table 1.1

Growth Rates of Sectors Driving the Industrial Property Market

At 2005 Market Prices	2010 YOY % Change				2011 YOY	% Change		
Sector	Q1	Q2	O 3	Q4	Q1	Q2	Q 3	Q4
Manufacturing	37.2	45.2	13.7	25.5	15.8	-6.0	13.4	6.5*
	29.7			6.9*				
Transport and Storage	6.6	8.5	5.2	3.8	4.9	4.4	4.2	-
		6.	.0			-	-	
Wholesale and Retail	16.9	18.9	14.4	10.8	5.0	0.2	-0.2	-
Trade		15	5.1			-	-	

Source: MTI, DTZ Consulting, February 2012

1.4 Investment Commitments

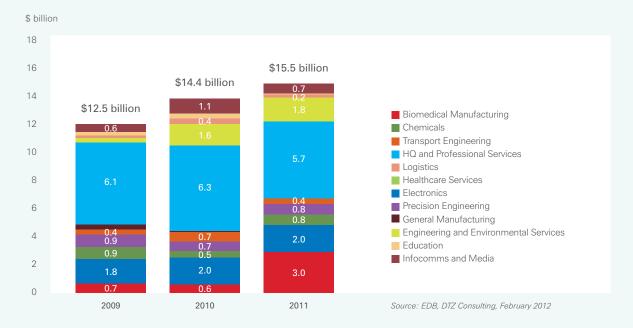
Investment commitments in Singapore continued to grow in 2011, albeit at a slower pace. Fixed Asset Investments² ("FAI"), a key indicator of manufacturing investments, grew by 6.2% from \$12.9 billion³ in 2010 to \$13.7 billion in 2011, in line with previous forecasts (\$12.0 to \$14.0 billion). According to the Economic Development Board ("EDB"), the FAIs in 2011 represented a record year if spikes due to petrochemical cracker-related investments in 2007 and 2008 were excluded.

Although Total Business Spending⁴ ("TBS") grew less significantly by 1.4% from \$7.2 billion in 2010 to \$7.3 billion in 2011, it remained in line with previous forecasts.

Alongside the increased investment commitments, the overall value-added that is expected to be generated grew by 7.6% from \$14.4 billion in 2010 to \$15.5 billion in 2011. The biomedical manufacturing cluster is expected to contribute the most significantly (\$3.0 billion) to the goods- producing industries, followed by the electronics cluster (\$2.0 billion) (Figure 1.2).

Notwithstanding, the value-added for the transport engineering and logistics industries contracted in 2011, as a result of the broad-based weakness in the global supply chain. In particular, this affected trade-related services such as warehousing and air cargo distribution.

Figure 1.2
Value-added Expected to be Generated by Industry



- 2 FAI refers to capital investments in facilities, equipment and machinery.
- 3 All currencies are in Singapore dollars.
- 4 TBS refers to a company's annual operating expenditure when the project is fully implemented. The major components include wages, depreciation and rental. EDB has fine-tuned TBS to exclude depreciation to be a more accurate indicator of economic activities that are not linked to fixed assets.

^{*}Advance estimates.

Singapore Industrial Property (continued)

1.4 Investment Commitments (continued)

The government is cautiously optimistic about the investment outlook for 2012, with expectations that investment commitments will be sustained at 2011 levels. FAI is expected to grow by up to 9.5% to about \$13.0 to \$15.0 billion in 2012, reflecting the continued strong investment momentum resulting from long term strategic investments, particularly petrochemical cracker projects.

1.5 Government Policies and Strategies in 20111.5.1 Budget 2011

Budget 2011, announced in February 2011, built on the mid-term expansionary policy agenda in Budget 2010. It included one-off and longer-term measures across three broad categories:

- Boosting skills and productivity included tax benefits, grants and training subsidies for companies and workers to deepen their skills and expertise;
- Enhancing companies' growth capabilities included measures to help companies commercialise their Research & Development (R&D) and expand abroad; and
- Social investments benefitting households initiatives were introduced to improve the softer aspects of the quality of life in Singapore and make growth more inclusive.

1.5.2 Residential Property Measures

In addition to the property cooling measures in 2009/10 e.g., reduction in Loan-to-Value ("LTV") limits and imposition of Sellers' Stamp Duty ("SSD") for residential properties, the government implemented additional measures in January and December 2011 to ensure a stable and sustainable property market. The measures were directed at the residential market, which included:

- · An increase in SSD rates and holding period;
- A reduction in LTV limits for non-individuals and individuals with outstanding housing loans; and
- An imposition of Additional Buyers' Stamp Duty ("ABSD") on certain categories of residential property purchases, depending on the type of purchaser.

While the abovementioned property measures did not directly affect industrial properties, some real estate investors channelled their interest to the industrial property market, especially to strata-titled units in multiple-user factories.

1.5.3 Conditions for New Developments Under Industrial Government Land Sales

The government put in place additional conditions, with effect from 1 January 2012, on all land parcels zoned as Business 1⁵ and Business 2⁶ under the Industrial Government Land Sales ("GLS"). This was to ensure that building specifications of future industrial developments would better meet industrialists' needs for industrial space. They are as follow:

- For selective sites near Mass Rapid Transport ("MRT") stations or as decided by the government, strata subdivision of industrial development is not allowed for a period of 10 years from the date of the issue of Temporary Occupation Permit ("TOP"). If the successful tenderer decides to strata subdivide the development upon expiry of the 10 year period, the Gross Floor Area ("GFA") comprised in a single strata unit should not be less than 150 sq m (1,615 sq ft);
- For multiple-user industrial developments, the GFA comprised in a single unit shall not be less than 150 sq m (1,615 sq ft). If the successful tenderer decides to strata subdivide the development, the GFA comprised in a single strata unit should also not be less than 150 sq m (1,615 sq ft);
- For multi-storey single-user and multiple-user industrial developments, based on the maximum permissible GFA of the land parcel, the following number of goods lifts (with minimum loading capacity of 2.5 tons and minimum lift car size of 2 m × 3 m), and loading bays are to be provided (Table 1.2); and
- The units in the development shall comply with technical specifications of minimum floor loading of 7.5 kN per sq m, minimum floor-to-ceiling height of 4.0 m and electrical provision of 160 VA per sq m.

Table 1.2

New Conditions for Industrial Developments

Maximum Permissible GFA of Land Parcel	Technical Conditions
<10,000 sq m (107,639 sq ft)	Minimum one goods lift and one loading bay
10,000 to 30,000 sq m (107,639 to 322,917 sq ft)	Minimum two goods lift and two loading bays
>30,000 sq m (322,917 sq ft)	Minimum three goods lift and three loading bays

Source: MTI, DTZ Consulting, February 2012

Areas under Business 1 are used or intended to be used mainly for clean industry, light industry, warehouse, public utilities, and telecommunication uses and other public installations for which the relevant authority does not impose a nuisance buffer greater than 50m. Certain general industrial uses that are able to meet the nuisance buffer requirements of not more than 50m imposed by the relevant authority may be allowed in the B1 zones, subject to evaluation by the relevant authority and the competent authority.
 Areas under Business 2 are used or intended to be used for clean industry, light industry, general industry, warehouse, public utilities and telecommunication uses and other

Areas under Business 2 are used or intended to be used for clean industry, light industry, general industry, warehouse, public utilities and telecommunication uses and other public installations. Special industries such as manufacture of industrial machinery, shipbuilding and repairing, may be allowed in selected areas subject to evaluation by the competent authority.

1.6 Outlook

Following the economic recovery from the global financial crisis in 2008/09, the Singapore economy is facing global headwinds, originating from the continued uncertainty and volatility in major economies, especially Europe. Compounded with the undercurrents of slowing economic growth in China, which has been a key driver of the growth in Asia, activity in the manufacturing and trade-related sectors are expected to remain relatively subdued in 2012.

The survey of business expectations for January to June 2012 for the manufacturing sector reflected expectations of less favourable business conditions, given the global economic uncertainty. While some pickup in the economy is expected in H2 2012, the underlying growth momentum is likely to be modest. Should downside risks in the developed economies materialise in 2012, Singapore's economy will be affected.

2.0 Overview of Singapore Industrial Property Market

2.1 2011 Highlights

Apart from the introduction of new conditions for selected industrial land parcels on the Industrial GLS programme, other major highlights in Singapore's industrial property market in 2011 were driven by JTC Corporation ("JTC"). They include:

- Development of the 13-ha Offshore Marine Centre ("OMC"), comprising multiple-user industrial infrastructure and facilities catering to offshore and marine industries at Tuas. It will be operated and managed by Jurong Port Pte Ltd and is expected to be fully operational by January 2012;
- Development of the Singapore Innovation Centre (344,500 sq ft/32,000 sq m) at Biopolis by Procter & Gamble, which is expected to complete in 2013;
- Completion of JTC's second phase of its divestment exercise of 21 blocks of flatted factories and amenity centres (more than 3.3 million sq ft/300,000 sq m) for a total of \$688,628,000;
- Launching of Unilever's plans to develop a Global Leadership Development Centre, its first corporate university in Asia at LINK@Nepal Hill, which is envisioned to be another landmark at one-north;
- Announcement of the removal of the 100% subletting relief measure for JTC tenants and the reinstatement of the 50% subletting cap, with effect from 1 January 2012;

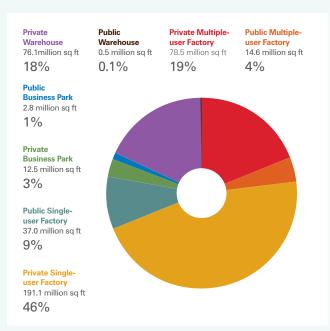
- Completion of Phases 1 and 2 of the Seletar Aerospace Park (SAP), a 300-ha aerospace hub and the commencement of Phase 3 in 2012;
- Commencement of the first phase of Stolthaven Terminals at Jurong Island, a \$350 million petrochemical tankfarm of Stolt-Nielsen, alongside the continuation of Jurong Island's version 2.0 initiative; and
- Announcement of the plans for the development of Biopolis Phase 5, which will provide about 500,000 sq ft of research space equipped with "Shell-plus" feature that allow biomedical companies to save resources when setting up their facilities.

In particular, the government has indicated that it will continue to closely monitor the industrial property market and will release more industrial land through the Industrial GLS programme and implement other measures as needed, to ensure that the industrial property market remains stable and sustainable.

2.2 Existing Stock

As at Q4 2011, Singapore has 413.1 million sq ft 7 of private and public industrial space, comprising multipleuser factory (23%, 93.1 million sq ft), single-user factory (55%, 228.2 million sq ft), business parks (4%, 15.2 million sq ft) and warehouse (18%, 76.6 million sq ft) spaces (Figure 1.3).

Figure 1.3 Breakdown of Industrial Stock (2011)⁸



Source: Urban Redevelopment Authority, DTZ Consulting, February 2012

⁷ All existing supply is in Net Lettable Area (NLA).

Figures in this report may not add up due to rounding off.

Singapore Industrial Property (continued)

2.2 Existing Stock (continued)

As a result of JTC's divestment of some of its industrial properties in 2011, public industrial stock decreased by about 6% from 58.0 million sq ft in 2010 to 54.9 million sq ft, accounting for 13% of total industrial space in Singapore.

On the other hand, private industrial stock has increased at a steady rate of about 3% from 346.8 million sq ft in 2010 to 358.2 million sq ft in 2011, consistent with the Compounded Annual Growth Rate ("CAGR") of industrial private stock over the past decade.

Majority of private factory and warehouse space continued to be located in the West Region, followed by the Central Region (Table 1.3).

Table 1.3
Breakdown of Industrial Space in Singapore by
Ownership and Region

Region (million sq ft)	Private Factory	Public Factory	Private Warehouse	Public Warehouse
Central	21%	21%	18%	83%
	(58.3)	(11.6)	(13.4)	(0.4)
East	13%	15%	13%	15%
	(36.5)	(8.4)	(10.2)	(0.1)
North East	8%	9%	5%	1%
	(21.8)	(5.1)	(3.6)	(0.0)
North	17%	12%	6%	0%
	(46.7)	(6.3)	(4.2)	(0.0)
West	42%	42%	59%	1%
	(118.8)	(23.0)	(44.7)	(0.0)
Total	100%	100%	100%	100%
	(282.1)	(54.4)	(76.1)	(0.5)

Source: URA, DTZ Consulting, February 2012

3.0 Private Factory Space

3.1 Existing Supply

Total private factory stock increased by 4% (9.7 million sq ft) from 272.4 million sq ft in 2010 to 282.1 million sq ft in 2011, higher than that in 2010 (7.3 million sq ft). This was driven by the increase of private multipleuser factory stock, especially in Q3 2011, following the divestment of part of JTC's ready-built portfolio to the private sector (mainly multi-tenanted flatted factories), in addition to some new completions.

New completions in 2011 amounted to about 6.5 million sq ft, comprising mainly multiple-user factories (53%, 3.4 million sq ft), followed by single-user factories (43%, 2.8 million sq ft). In particular, about 55% (1.9 million sq ft) of the multiple-user factories were high tech industrial properties featuring office-like facades (with main lobbies), ramp-up facilities as well as landscaping.

On the other hand, there were limited business park completions in 2011 (5% of new private factory completions, 0.3 million sq ft), compared with 2010 when Mapletree Business City (1.3 million sq ft) was completed.

Major new factory developments completed are highlighted in Table 1.4.

Table 1.4
Major Private Factory Developments Completed in 2011

Developer/ Development	Туре	Location	Planning Region	NLA (sq ft)
Q1 2011				
Amnios and Synapse (Biopolis Phase 3)	Business park	Biopolis Drive	Central	306,800
Trivex	Multiple- user factory	Burn Road	Central	195,900
Zervex	Multiple- user factory	Ubi Road 2	Central	201,300
Tuas Cove Industrial Centre	Multiple- user factory	Tuas South Avenue 1	West	244,300
Q2 2011				
The Crescent at Kallang	Multiple- user factory	Kallang Pudding Road	Central	130,200
Rolls-Royce Singapore Pte Ltd (Assembly and R&D building)	Single- user factory	Seletar Aerospace Park	North East	375,700
Woodlands BizHub	Single- user factory	Woodlands Industrial Park E5	North	471,500
Sysland Pte Ltd	Single- user factory	Tuas Bay Drive	West	888,000
Q3 2011				
UB. One	Multiple- user factory	Ubi Avenue 4	Central	199,100
First East Centre	Multiple- user factory	Kaki Bukit 2	East	110,900
Toll Offshore Petroleum Services Pte Ltd	Multiple- user factory	Loyang Crescent	East	432,700
West Point BizHub	Multiple- user factory	Tuas South Avenue 2	North East	369,200
Q4 2011				
Singapore Refining Company Pte Ltd	Single- user factory	Merlimau Road	West	233,600
Grundfos (Singapore) Pte Ltd	Single- user factory	Shipyard Road	West	152,900
West Park BizCentral	Multiple- user factory	Pioneer Crescent	West	1,129,100

Source: URA, DTZ Consulting, February 2012

Of the private factory stock, about 28% (78.5 million sq ft) was multiple-user factory space, 68% (191.1 million sq ft) was single-user factory space while the remaining 4% (12.5 million sq ft) was business park space.

3.2 Potential Supply⁹

According to the URA, the supply of private factory space from 2012 onwards is estimated at about 42.9 million sq ft¹⁰. About 62% (26.7 million sq ft) of the potential supply is under construction, while the remaining 38% (16.2 million sq ft) is planned. An annual average of 7.5 million sq ft of private factory space is expected to complete between 2012 and 2016.

Significant new private factory completions are expected in 2012 (19.4 million sq ft) and 2013 (12.3 million sq ft), accounting for 58% and 37% of private factory potential supply respectively (Figure 1.4).

Figure 1.4
Potential Supply of Private Factory Space by Development Status and Expected Year of Completion

'000 sq ft (GFA)

25,000

20,000

15,000

5,000

2014

Under constructionPlanned

2012

Source: URA, DTZ Consulting, February 2012

2013

Notwithstanding, about 53% (14.3 million sq ft) of the potential supply for projects under construction comprises single-user factory space, which is usually owner-occupied. As such, the large factory supply in 2012 and 2013 is likely to have a more moderate impact on the market.

2015

2016

>2016

Majority (35%, 11.0 million sq ft) of the potential private factory space, with approvals for development between 2012 and 2015 is located in the West Region, followed

by 23% (7.3 million sq ft) in the North Region and 22% (6.9 million sq ft) in the Central Region. The remaining is located in the East Region (13%, 4.1 million sq ft) and North East Region (8%, 2.5 million sq ft). Major private factory developments completing in 2012 are summarised in Table 1.5.

Table 1.5
Major Private Factory Developments Completing in 2012

Developer/ Development	Туре	Location	Planning Region	GFA (sq ft)
Hyflux Innovation Centre	Multiple- user factory	Boon Keng Road/ Bendemeer Road	Central	467,500
One Pemimpin	Multiple- user factory	Jalan Pemimpin	Central	143,600
Sandcrawler	Business Park	Portsdown Road	Central	232,600
Changi City	Business Park	Changi Business Park Central 1	East	766,000
UE BizHub East	Business Park	Changi Business Park Avenue 1	East	497,500
9@Tagore	Multiple- user factory	Tagore Lane	North East	312,400
Foodaxis@ Senoko	Multiple- user factory	Senoko Avenue	North	466,700
North Point BizHub	Multiple- user factory	Yishun Avenue 6	North	383,300
Manufacture Element Pre Fabricate Pte Ltd	Single-user factory	Neythal Road	West	539,700
Norsun Singapore Pte Ltd	Single-user factory	Liu Fang Road/ Wan Shih Road	West	470,200
3M Innovation Singapore Pte Ltd	Additions/ alterations to existing factory	Tuas Link 4	West	361,900
Sambo E&C Pte Ltd	Single-user factory	Jalan Tukang	West	276,100

Source: URA, DTZ Consulting, February 2012

3.3 Government Land Sales

To ensure a stable and sustainable industrial property market, the government will release more land through the Industrial GLS Programme for H1 2012. There are 16 sites in the Confirmed List and 12 sites in the Reserve List, with a total site area of 23.97 ha. This was significantly more compared with the Industrial GLS programmes in H1 2011 (17.67 ha) and H2 2011 (15.99 ha).

⁹ All potential supply is in GFA.

¹⁰ Includes all private factory space in the pipeline, regardless of size or planning status

Includes the supply from new development and redevelopment projects with provisional and written permission as well from other categories of supply e.g. (i) projects with Outline Provisional Permission, (ii) developments submitted for planning approval and which are under consideration, (iii) projects on awarded GLS sites for which plans have not been submitted for approval, (iv) planned projects in the GLS programme (sites on the Confirmed List and triggered sites on the Reserve List, (v) planned public developments for which plans have not been submitted to URA for planning approval.

Singapore Industrial Property (continued)

2011

Annual Report

3.3 **Government Land Sales** (continued)

The Industrial GLS programme for H1 2012 featured many smaller sites, typically below 0.5 ha and shorter tenures (19 years). These smaller sites were mostly located in Tuas South Avenue 12. The government's intention is to help meet the demand of industrialists preferring their own customised facilities, at more affordable prices.

Table 1.6 highlights the larger sites in the Industrial GLS for H1 2012.

The Confirmed and Reserve Lists of the Industrial GLS programme for H1 2012 is estimated to yield about 4.5 million sq ft of industrial GFA.

Table 1.6 Selected Sites in the Industrial GLS Programme for H1 2012

Location	Site Area (ha)	Zoning	Gross Plot Ratio	Tenure (years)	Agency/ Estimated Available Date
Confirmed List					
Mandai Link	2.2	Business 2	2.5	58	• JTC • January 2012
Serangoon North Avenue 4 (Parcel1)	0.8	Business 1	2.5	60	• JTC • January 2012
Plot 3, Tampines Industrial Crescent	3.88	Business 2	1.7	60	• JTC • June 2012
Aljunied Road/Sims Drive	0.63	Business 1	2.5	60	• URA • February 2012
Kaki Bukit Road 5 / Kaki Bukit Avenue 6	1.29	Business 2	1.4	30	• URA • April 2012
Bukit Batok Street 23	1.5	Business 1	2.5	60	• URA • June 2012
Yishun Avenue 9 (Parcel 5)	1.99	Business 1	2.5	60	• URA • June 2012
Reserve List					
Yishun Avenue 9 (Parcel 6)	1.17	Business 1	2.5	60	URA Available
Tai Seng Street	1.17	Business 2 - White	3.5 (B2 – 2.5) ¹²	58	• JTC • February 2012

Source: URA, DTZ Consulting, February 2012

3.4 **Demand and Occupancy**

The average annual demand for private factory space over the past decade (7.8 million sq ft) is lower than that for supply (8.3 million sq ft) due to lacklustre annual demand during the economic downturns in 2002 and 2009. Nevertheless, annual demand for private factory space since 2003 has mostly outstripped annual supply, reflecting a relatively healthy demand trend (Figure 1.5).

2011 continued to see higher demand in the private factory market, with annual demand increasing by 15% from 9.5 million sq ft in 2010 to 10.9 million sq ft, despite the global economic slowdown. Annual demand also outstripped annual supply (9.7 million sq ft) in 2011.

Consequently, overall occupancy for private factory space increased from 91.7% in 2010 to 92.4% in 2011. Occupancy for private multiple-user factories grew from 87.7% in 2010 to 89.4% in 2011. That for business parks also increased by 8.9%-points from 71.1% to 80.0% over the same period.

On the other hand, occupancy for single-user factories fell marginally by 0.1%-points to 94.5% in 2011 (Figure 1.6). Apart from the significant single-user factory completions in 2011, the global slowdown in the electronics and IT industries may have an impact.

Figure 1.5
Annual Supply, Demand and Occupancy of Island-wide Private Factory Space

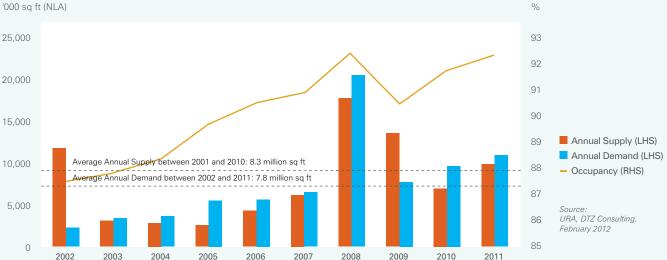
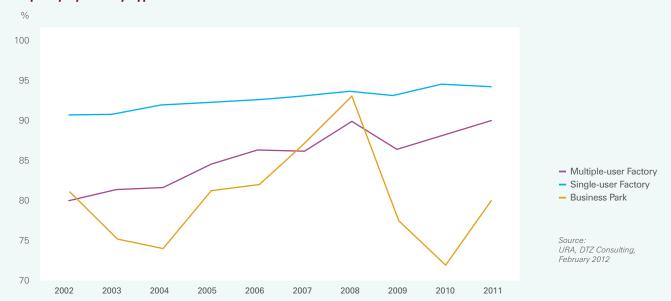


Figure 1.6 Occupancy by Factory Type



3.5 Multiple-user Median Rents

Building on the momentum in the manufacturing sector in H2 2010, private multiple-user median rents grew by 8.3% QOQ to \$1.78 per sq ft per month in Q1 2011. However, the negative external events between Q2 2011 and Q4 2011 saw rental growth slowing to 4.5% in Q2 2011, 2.1% in Q3 2011 and 0.5% in Q4 2011.

Monthly median rents for private multiple-user factory space reached an all-time peak of \$1.91 per sq ft in Q4 2011, which was 10% higher than the previous peak of \$1.73 per sq ft in Q4 2008 (Figure 1.7). This

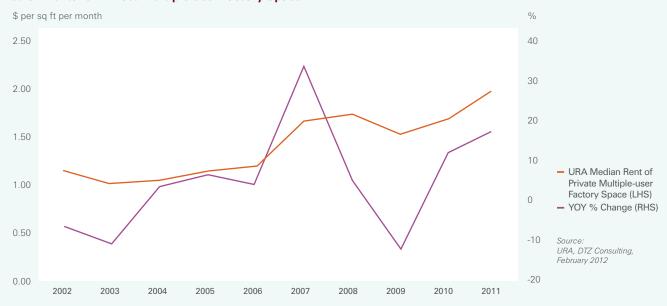
also translated into an increase of about 16% over ${\tt Q4}$ 2010.

3.6 Multiple-user Median Prices

The emergence of better quality multiple-user factories, of which some featured smaller unit sizes, coupled with a shift of investor interest from the residential to industrial market as well as continued low interest rates saw median prices growing by about 6% to 8% quarterly between Q4 2010 and Q3 2011.

Singapore Industrial Property (continued)

Figure 1.7
Median Rents for Private Multiple-user Factory Space



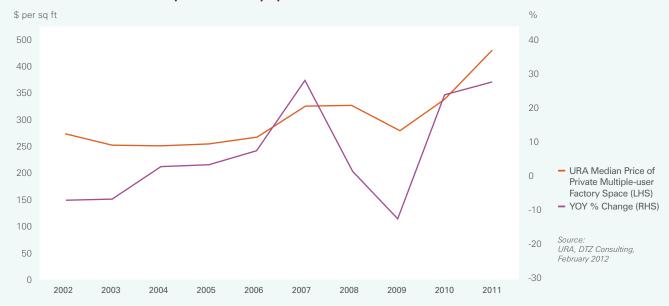
3.6 Multiple-user Median Prices (continued)

Median prices for private multiple-user factory rose significantly by 27.1% from \$373 per sq ft in 2010 to

\$474 per sq ft in 2011, which was about 26% higher than the previous peak of \$377 per sq ft in Q3 2008 (Figure 1.8).

Figure 1.8

Median Prices for Private Multiple-user Factory Space



Notwithstanding, median price growth slowed to 3.8% QOQ in Q4 2011. The lower tender price for the industrial GLS site at Woodlands Avenue 12 (Parcel 3) (\$142 per sq ft per plot ratio) which closed in September 2011, compared with its adjacent plot (Parcel 2) (\$152 per sq ft per plot ratio) which was sold in June 2011, also underscored the increasing cautious sentiments among market players.

Sales transactions¹³ of private strata-titled factory space amounted to 2,082 units in 2011, which was about 8% higher than that in 2010 (1,934 units). Table 1.7 highlights selected private factory sale transactions in 2011.

¹³ Based on the number of caveats lodged. As the lodging of caveats is voluntary, some transactions may not be recorded. As there is no time limit, caveats may be lodged immediately after an option is exercised.

Table 1.7
Major Private Factory Investment Sales in 2011

Development	Location	Tenure	Estimated NLA (sq ft)	Price (\$ million/ \$ per sq ft)
Q1 2011				
Cyberhub@IBP	12 International Business Park	30 years wef from 1 December 1995	116,700	37.0/ 317
Factory development	4 and 6 Clementi Loop	30 years wef from 1 October 1993	190,000	40.0/ 211 (Purchase consideration was \$63.3 million, if including extension development works)
Northtech	29 Woodlands Industrial Park E1	60 years wef from 9 January 1995	390,100	72.9/ 185
Q2 2011				
Neuros & Immunos	8/8A Biomedical Grove	30 years wef from 1 February 2005	305,100	125.6/ 412
Q3 2011				
Factory development	204 Bedok South Avenue 1	60 years wef from 1 January 1972	404,300 (Land area)	23.0/ 57 (Based on land area)
Factory development	61/71 Tuas Bay Drive	60 years wef from 19 July 2006	279,900 (Land area)	38.0/ 136 (Based on land area)
Q4 2011				
Corporation Place	2 Corporation Road	60 years wef from 1 October 1990	620,500	99/ 156

Source: URA, DTZ Consulting, February 2012

3.7 Outlook

The cautious outlook for the manufacturing sector and uncertain global conditions will impact industrial rentals in 2012. The YOY private factory rental decline during the global financial crisis in 2009 was significant, at 12.1%. As a significant proportion of the potential supply is single-user factory space, median rentals for private multiple-user factory space are expected to fall less extensively in 2012, by about 8% (Table 1.8).

Table 1.8
Private Multiple-user Factory Rent and Price Change
Forecast for 2012

Median Rents	Median Prices
-8%	-8%

Source: DTZ Consulting, February 2012

Median multiple-user factory prices, partly driven by investment demand, have risen more extensively than rentals in 2011. The low unit prices of industrial properties, compared with those for residential and office, coupled with increasingly better specifications continue to be a boon for median factory prices.

Notwithstanding, interest in the property market has moderated, amid uncertain economic conditions. Signals that the government will continue to regulate the property market when required are likely to overshadow the positive intrinsic factors of factories as an investment class.

In view of these factors, median prices for private multiple-user factories are expected to fall by about 8% in 2012.

4.0 Private Warehouse Space

4.1 Existing Supply

Total private warehouse stock increased by 2% (1.7 million sq ft) from 74.4 million sq ft in 2010 to 76.1 million sq ft in 2011. Some of the warehouse spaces completed in 2011 are part (subdivided units) of high-tech multiple-user factories e.g., Trivex, Zervex and UB. One. Major new warehouse developments completed in 2011 are highlighted in Table 1.9.

A significant proportion of the warehouse completions in 2011 e.g., CWT Logistics Hub 3 and Pandan Logistics Hub had ramp-up facilities.

Singapore Industrial Property (continued)

Table 1.9
Major Private Warehouse Developments
Completed in 2011

Developer	Location	Planning Region	NLA (sq ft)
Q1 2011			
HC Design Pte Ltd	Tampines Street 92	East	124,900
Q2 2011			
CWT Logistics Hub 3	Tanjong Penjuru	West	806,200
Yang Kee Chemical Logistics Hub	Jurong Pier Road	West	387,500
Mandai Link Distribution Centre	Mandai Link	North	329,400
Mini Environment Service Pte Ltd	Sixth Lok Yang Road	West	119,500
Q3 2011			
Victoria Wholesale Centre	Kallang Avenue	Central	107,600
Q4 2011			
Pandan Logistics Hub	Pandan Road	West	304,600
Additions/alterations to existing warehouse	Benoi Road	West	117,300

Source: URA, DTZ Consulting, February 2012

4.2 Potential Supply

According to the URA, about 11.2 million sq ft¹⁴ of private warehouse space is in the pipeline as at Q4 2011. Of this, 58% (6.5 million sq ft) is under construction while the remaining 42% (4.7 million sq ft) is planned. Majority of the potential supply is expected to complete in 2012 (38%, 4.3 million sq ft) and 2013 (45%, 5.1 million sq ft), while the remaining 17% (1.9 million sq ft) is in 2014 (Figure 1.9).

Figure 1.9
Potential Supply of Private Warehouse Space by Development Status¹⁵ and Expected Year of Completion

'000 sq ft (GFA)



Current estimates (4.3 million sq ft) for new warehouse completions in 2012 are higher than what was expected in 2010 (1.6 million sq ft). This suggests that supply pressures are likely to affect warehouse rentals.

Majority (85%, 9.4 million sq ft) of the potential private warehouse space is situated in the West Region, while 9% (1.0 million sq ft) is in the East Region and 5% (0.5 million sq ft) in the Central Region.

Table 1.10 highlights the major private warehouse completions in 2012.

Table 1.10
Major Private Warehouse Developments
Completions (2012)

Developer/ Development	Location	Planning Region	GFA (sq ft)
Yang Kee Chemical Logistics Hub	Jurong Pier Road	West	614,700
BP-SDV Pte Ltd	Pioneer Turn/ Pioneer View	West	453,300
Menlo Pioneer Hub	Sunview Way	West	399,300
Incorporated Builders Pte Ltd	Old Toh Tuck Road	West	173,500

Source: URA, DTZ Consulting, February 2012

4.3 Demand and Occupancy

Annual demand for private warehouse space exceeded annual supply since 2004, with the exception of 2008. Despite a significant annual supply in 2011 (1.7 million sq ft), annual demand was more than double that of supply, at 3.7 million sq ft.

Annual demand for private warehouse space between 2002 and 2011 averaged 2.2 million sq ft, outweighing that for annual supply (1.9 million sq ft). This underscores the fast growing need for logistics and warehousing real estate, which continues to be important for supply-chain sensitive companies, amid the rapid globalisation of supply chains and advancements in IT and communications.

The recent development of two major petrochemical crackers in Singapore has also resulted in significant downstream logistics activities pertaining to oil, chemical and gas, which has bolstered the demand for logistics space.

In line with the higher annual demand, occupancy for private warehouse space increased from 91.4% in Q4 2010 to 94.3% in Q4 2011, the highest level in the past decade (Figure 1.10).

¹⁴ Includes all private warehouse space in the pipeline, regardless of size or planning status.

Includes the supply from new development and redevelopment projects with provisional and written permission as well from other categories of supply e.g. (i) projects with Outline Provisional Permission, (ii) developments submitted for planning approval and which are under consideration, (iii) projects on awarded GLS sites for which plans have not been submitted for approval, (iv) planned projects in the GLS programme (sites on the Confirmed List and triggered sites on the Reserve List, (v) planned public developments for which plans have not been submitted to URA for planning approval.

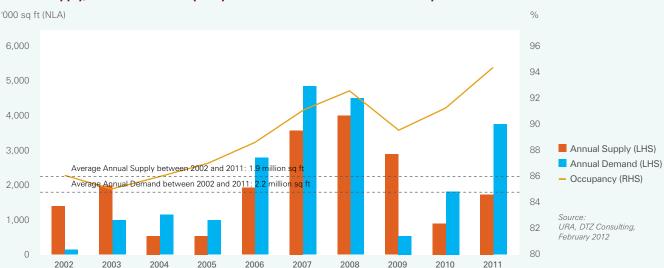


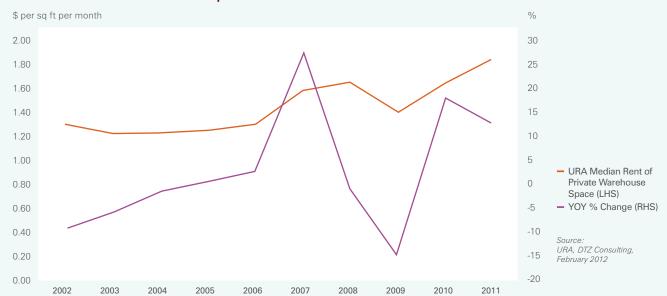
Figure 1.10
Annual Supply, Demand and Occupancy of Island-wide Private Warehouse Space

4.4 Median Rents

Compared with private multiple-user factory rentals, warehouse rentals have generally been less volatile over the past decade. The demand for warehouse space in Singapore is well-supported, with the government driving to deepen Singapore's logistics capabilities, following the Economic Strategies Committee (ESC)'s recommendations.

Private warehouse median rents rose by 13.4% to \$1.85 per sq ft per month in 2011, slightly slower than that in 2010 (17.7%). This was the highest rental level in the past decade (Figure 1.11). Notwithstanding, quarterly rental growth of private median warehouses slowed in H2 2011, from 2.6% in Q3 2011 to 0.1% in Q4 2011 as a result of the weaker demand caused by persistent weakness in Europe and faltering export orders in China.

Figure 1.11
Median Rents for Private Warehouse Space



Singapore Industrial Property (continued)

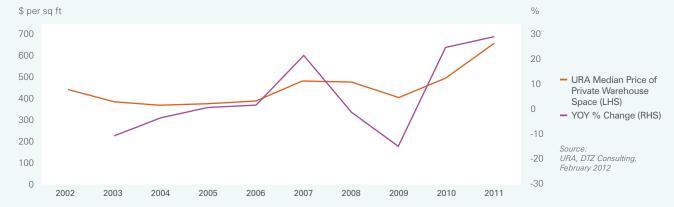
4.5 Median Prices

Private warehouse median prices rose at the similar pace (28.0%) as median prices for private multiple-user factory space in 2011 (27.1%) and was significantly higher than median warehouse rental growth. In tandem with the shift of some investor interest from the residential to the industrial market, the increased completions of strata-titled warehouse units in some

industrial multiple-user factories also gave investors more opportunities to invest in warehouse properties.

The significant rise in investor demand for warehouse space over the recent years, due to the introduction of smaller and more affordable warehouse units, also helped to steer the growth in private warehouse median prices in 2011. Private warehouse median prices were \$636 per sq ft as at end 2011, which is about 26% above the previous peak in Q3 2008 (Figure 1.12).

Figure 1.12 Median Price for Private Warehouse Space



Private warehouse building transactions were mostly led by Real Estate Investment Trusts (REITS) in 2011. Many of these REIT-led transactions involve sale-and-leaseback arrangements. Sale transactions of strata warehouse space¹⁶ totalled 103 units in 2011, lower compared with that in 2010 (128 units). Table 1.11 highlights the major industrial sales transactions in 2011.

Table 1.11¹⁷
Major Private Logistics and Warehouse
Investment Sales in 2011

Development	Location	Tenure	Estimated Land Area (sq ft)	Price (\$ million/ \$ per sq ft)
APC Districentre	6 Changi North Way	30 years wef 1 January 2004	177,000	30.9/ 174
Jian Huang Business Centre	15A Tuas Avenue 18	99 years wef 1 April 1980	118,400	24.5/ 207
Single-storey warehouse for chemical and dangerous goods storage	4 Penjuru Lane	30 years wef 1 December 1981	87,000	8.9/ 102
Air Market Logistics Centre	22 Loyang Lane	30 years wef 1 February 2007	50,800	13.0/ 256

Source: URA, DTZ Consulting, February 2012

4.6 Outlook

The slowdown in the global economy has significantly affected domestic supply chains and wholesale trading activity. While this has inadvertently impacted on the logistics and warehousing markets as companies destock, many are still holding on to their storage spaces with expectation that Singapore will see a rebound in manufacturing, especially in the electronic sector in H2 2012.

In addition, the logistics and warehousing sectors in 2012 are expected to remain relatively resilient due to the continued growth of Singapore as a global-Asia logistics hub. The impact of the weaker global economy on the demand for storage is expected to be cushioned by an expected uptrend in consumption, following easing inflationary pressures as well as a gradual growth in manufacturing activities in H2 2012.

Consequently, both private warehouse rents and prices are expected to decline by 3% in 2012, which is less extensive compared with that for private multiple-user factories (Table 1.12).

Table 1.12
Private Warehouse Rent and Price Change
Forecast for 2012

Median Rents	Median Prices
-3%	-3%

Source: DTZ Consulting, February 2012

¹⁶ Based on the number of caveats lodged. As the lodging of caveats is voluntary, some transactions may not be recorded. As there is no time limit, caveats may be lodged immediately after an option is exercised.

¹⁷ Figures have been rounded off. Some of the developments in this table may be classified as factory developments by the URA but are predominantly used for logistics and warehousing purposes.

Corporate Governance

Cambridge Industrial Trust Management Limited, (the "Manager") as manager of Cambridge Industrial Trust ("CIT") is committed to maintaining high standards of corporate governance in line with the Code of Corporate Governance 2005 ("the Code"). The Board and Management believe that sound corporate governance policies and practices are essential to protect the Unitholders' interests, and will continue to improve and refine its practices to adhere to the spirit of the Code.

As a MAS capital markets services licence holder, the Manager expects to meet and/or exceed MAS corporate governance requirements and practices.

This report provides an insight on the Manager's corporate governance framework and practices in compliance with the Code of Corporate Governance 2005 (the "Code"). As CIT is a listed REIT, not all principles of the Code may be applicable to CIT and the Manager. Any deviations from the Code are explained.

BOARD MATTERS

The Board's conduct of affairs

Principle 1: Every company should be headed by an effective Board to lead and control the Company.

The Board is elected by its shareholders to lead and to supervise the management of the business and affairs of the Manager and the Trust. The prime stewardship responsibility of the Board is to ensure that the Trust is managed in the best interest of all stakeholders, which includes protecting and enhancing Unitholders' interests and value in Cambridge Industrial Trust.

The functions of the Board are defined broadly as follows:

- To provide entrepreneurial leadership, set strategic aims and ensure that the necessary financial and human resources are in place for the Manager to meet its objectives;
- To establish a framework of prudent and effective controls which enables risk to be assessed and managed;
- · To review senior management performance; and
- To set the Manager's values and standards and ensure that obligations to shareholders and others are understood and met.

The Board oversees a system of internal controls and business risk management processes that set the guidelines, approval limits for investments and divestments, bank borrowings, capital expenditure and cheque signatories.

Composition of the Board

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board is represented by members with a breadth of expertise in banking, finance, real estate, law and management. It comprises eight members, of whom three are Independent Non-Executive Directors. The Chief Executive Officer is the only is Executive Director on the Board.

The Board members as at 31 December 2011 are as follow; the profiles of the Directors are found on pages 20 to 21:

Dr Chua Yong Hai	Independent Chairman
Mr Tan Guong Ching	Independent Director
Professor Ong Seow Eng	Independent Director
Mr Ian Keith Crow	Non-executive Director
Mr Ian Andrew Smith	Non-executive Director
Mr Michael Patrick Dwyer (Alternate: Mr Victor Ong Wei Tak)	Non-Executive Director
Mr Masaki Kurita	Non-Executive Director
Mr Chris Calvert	Chief Executive Officer and Executive Director

Corporate Governance (continued)

Annual Report

The Board believes that its current board size, composition and balance between Executive, Non-Executive and Independent directors is appropriate and provides sufficient diversity without interfering with efficient and effective decision-making. It allows for a balanced exchange of views, robust deliberations and debates among members and effective oversight over Management, ensuring no individual or small group dominates the Board's decisions or its process.

With the background, skills, experience and core competencies of its members, the Board is of the view that it has the appropriate mix of expertise and experience, and collectively possesses the necessary critical skills and expertise needed in the strategic direction and planning of the business of CIT.

The Board determines periodically and at least annually the independence of its directors based on guidelines set out under the Code and in respect of financial year ended 31 December 2011, Dr Chua Yong Hai, Professor Ong Seow Eng and Mr Tan Guong Ching are considered independent.

The Board composition is reviewed periodically to ensure that

the Board size is appropriate and comprises directors with an appropriate mix of expertise and experience to discharge their duties and responsibilities.

As a principle of good corporate governance, all Directors are appointed for 3 years, subject to extension for a further 3 years at the discretion of the Board and the Manager's shareholders. Letters of appointment are issued to directors upon their appointment, which sets out their duties and responsibilities to the Manager and CIT, which includes seeking the Chairman's prior approval before accepting additional commitments which may affect time allocated to their role as a Director of the Manager.

None of the Directors of the Manager has entered into any service contract directly with CIT.

Meeting Attendance

The Board meets at least once every quarter to review the performance and strategies of CIT.

As at 31 December 2011, the number of meetings held and Directors' attendances are set out in the tables below:

Board Members	Board Meetings		Audit, Risk Management and Compliance Committee Meetings ("ARCC")		
	Held ¹	Attended	Held	Attended	
Dr Chua Yong Hai	4	4	N/A		
Prof Ong Seow Eng	4	4	5	5	
Mr Tan Guong Ching	4	4	5	4	
Mr John Charles Wood ²	4	4	5	5	
Mr Michael Patrick Dwyer ³	4	3	N/A		
Mr Victor Ong Wei Tak (Alternate to Michael Patrick Dwyer)	4	1			
Mr Masaki Kurita	4	4			
Mr Ian Andrew Smith	4	4			
Mr Ian Keith Crow	4	3			
Mr Christopher Dale Calvert ⁴	4	4	5	5	

- The ARCC held 1 adhoc ARCC Meetings in 2011, relating to specific projects.

 Mr John Charles Wood resigned as a Director with effect from close of business on 31 October 2011
- Mr. Michael Patrick Dwyer was appointed as a member of ARCC in place of Mr. John Charles Wood effective 31 October 2011.
- Mr. Christopher Dale Calvert, being also the Chief Executive Officer attends all ARCC meetings although he is not a member of the ARCC.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities at the top of the company – the working of the Board and the executive responsibility of the company's business - which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

The roles of the Chairman and the Chief Executive Officer ("CEO") are separate. The Chairman and the CEO are not related to each other, nor is there any business relationship between

them. This is consistent with the principle of instituting an appropriate balance of power and authority.

The Chairman of the Board is an Independent Director. He leads the Board, ensures its effectiveness on all aspects of its role; sets its meeting agenda; arranges for Directors to receive accurate, timely and clear information; monitors CEO's effective communication with Unitholders and other stakeholders; encourages constructive relations between the Board and Management; and promotes high standards of corporate governance in general.

The CEO has full executive responsibilities over the business direction and operational decisions in managing CIT. He ensures the quality and timeliness of the flow of information between Management and the Board, Unitholders and other stakeholders.

Board membership

Principle 4: There should be a formal and transparent process for the appointment of new directors to the Board.

Given the current scale of operations of the Manager, the Board does not consider it necessary to establish a nominating committee. The Board is responsible for the identification, review and appointment of suitable candidates to join the Board as its members.

The Board recognises that Board renewal is a continuous process and one that is essential for ensuring that the Board remains relevant in CIT's business environment. Nominations.

which may be by any of the shareholders of the Manager, are openly discussed and objectively evaluated by the Board before any appointment and/or reappointment is made. Appointments of directors are also subject to MAS approval.

All existing and newly-appointed members of the Board will be provided with relevant training to ensure that they are familiar with the business of CIT and the Manager, the regulatory environment in which CIT and the Manager operate and the Manager's corporate governance practices.

The Board as a whole is updated regularly on risk management, corporate governance and the key changes in the relevant regulatory requirements and financial reporting standards, so as to enable them to properly discharge their duties as Board or Board Committee members.

The following table stipulates the first date of the appointment of the directors and when they were last re-appointed:

CITM Directors	Date of first appointment	Date of last re- appointment	Position
Dr Chua Yong Hai	28-Oct-08	28-Oct-11	Independent Chairman
Tan Guong Ching	28-Oct-08	28-Oct-11	Independent Director and Member of Audit, Risk Management and Compliance Committee
Prof Ong Seow Eng	6-Nov-05	28-Oct-11	Independent Director and Chairman of Audit, Risk Management and Compliance Committee
Michael Patrick Dwyer	7-Aug-08	28-Oct-11	Non-Executive Director and Member of Audit, Risk Management and Compliance Committee
Victor Ong Wei Tak	19-Oct-10	N/A	Alternate to Michael Patrick Dwyer
Masaki Kurita	18-Feb-08	2-Jan-12	Non-Executive Director
Ian Andrew Smith	28-Oct-08	28-Oct-11	Non-Executive Director
Ian Keith Crow	28-Oct-08	28-Oct-11	Non-Executive Director
Christopher Dale Calvert	4-Aug-10	N/A	Executive Director and CEO

Board performance

Principle 5: There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.

The Board has in place a formal process to annually assess the effectiveness of the Board through feedback from individual Directors on areas relating to the Board's competencies and effectiveness.

All directors are requested to complete a Board Evaluation Questionnaire designed to seek their view on the various aspects of the Board performance so as to assess the overall effectiveness of the Board. The results of the evaluation will be reviewed by the Board. Action plans will be implemented for areas which the Board are of the view that improvements are required to enhance the overall effectiveness of the Board.

Individual director's performance is evaluated annually and informally on a continual basis by the Board. The criteria taken into consideration include the value of contribution to the development of strategy, the degree of preparedness, industry and business knowledge and experience each director posses which are crucial to the business of CIT and the Manager.

Access to information

Principle 6: In order to fulfill their responsibilities, Board members should be provided with complete, adequate and timely information prior to board meetings and on an ongoing basis.

All directors have unrestricted access to the Company's records and information. Upon appointment as directors, a Deed of Access, which sets out their rights to access or inspect the Company's records and information, is issued to them.

Corporate Governance (continued)

The Board is provided with timely and complete information as and when the need arises. Generally, board papers are distributed at least one week prior to Board meetings to ensure that Directors have sufficient time to review the information provided. However, sensitive matters may be tabled at the meeting itself or discussed without papers being distributed.

Board members have separate and independent access to the Manager's senior Management as well as to the Company Secretaries. At least one Company Secretary attends the Board meetings, and ensures that board procedures and applicable regulations are complied with. The appointment and the removal of the Company Secretary is subject to Board's approval. The Company Secretary, together with the CEO, ensures that good information flows between Management and the Directors.

The Board takes independent professional advice as and when necessary, with approval from the Chairman, to enable it to discharge its responsibilities effectively. Individual Directors can access independent professional advice with the consent of the Chairman or ARCC Chairman. For complex matters, the Board may from time to time appoint a sub-committee to assist the Board in its deliberations and to provide recommendations.

REMUNERATION MATTERS

Procedures for developing remuneration policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Given the current scale of operations of the Manager, the Board feels that it is not necessary to form a dedicated Remuneration Committee. Instead, the Manager submits all material remuneration policy matters to the Board for determination. Where necessary, the Board may from time to time appoint a sub-committee to assist the Board in the deliberation and recommendation for matters relating to employee remuneration and like issues.

Level and mix of remuneration

Principle 8: The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the company successfully but companies should avoid paying more than is necessary for this purpose. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance.

Disclosure on remuneration

Principle 9: Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key executives and performance.

CIT, constituted as a trust, is externally managed by the Manager and accordingly, it has no personnel of its own. All directors and employees of the Manager are remunerated by the Manager and not CIT. Remuneration is paid by the Manager at the direction of its Independent Directors. Other non-executive Directors are not paid directors' fees by the Manager.

The remuneration policy adopted keeps in the mind the objective of attracting, motivating, rewarding and retaining quality staff. Staff remuneration comprises a fixed component in the form of a basic salary and a variable component in the form of a bonus. Variable bonus is linked to the performance of the individual and the Manager, which in turn is linked to the performance of CIT; in the context of the industry and the economy. This will help to align staff interests with those of CIT's Unitholders.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board is responsible for providing a balanced and understandable assessment of CIT's performance, position and prospects, which is closely tied to CIT's performance, position and prospects. Management provides the Board with relevant information on the performance of the Manager on a timely basis, in order that it may effectively discharge its duties.

Financial reports and other price sensitive information are disseminated to Unitholders through announcements via SGXNET and press releases. The annual report of CIT will be sent to Unitholders no later than four months from the end of each financial year.

Audit Committee

Principle 11: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The Audit, Risk Management and Compliance Committee's ("ARCC") scope of responsibilities includes oversight of risk management and compliance issues.

The ARCC has three members, all of whom are non-executive and the majority; including the Chairman, are independent. The members of the ARCC are:

Professor Ong Seow Eng
 Mr Tan Guong Ching
 Mr Michael Dwyer⁽¹⁾
 Member

¹ Appointed on 31 October 2011 in place of Mr John Charles Wood who resigned as a Director with effect from close of business on 31 October 2011.

The members bring with them invaluable experience and professional expertise in the accounting and financial, legal and business domains.

The ARCC has explicit authority to investigate any matter within its terms of reference. It has full access to, and the co-operation of the Management and full discretion to invite any Directors or staff to attend its meetings. The ARCC has adequate resources, including access to external consultants and auditors, to enable it to discharge its responsibilities properly.

The ARCC functions are broadly defined as assisting the Board in fulfilling its oversight responsibilities by:

- reviewing the integrity of the financial information provided by the Manager to any governmental authority or the public;
- reviewing and monitoring the effectiveness and adequacy
 of the systems of internal controls, including financial,
 compliance and risk management controls and procedures
 that Management and the Board have established;
- ensuring that procedures are in place for compliance with all applicable laws, regulations, rules, codes of conduct and standards of good practices
- reviewing comprehensiveness of the audit and business processes to manage risks and safeguard both CIT and the Manager's assets and enhance shareholders' value;

The ARCC's activities for financial year ended 31 December 2011 included the following:

(a) Financial Reporting

The ARCC reviewed the interim and annual financial statements and financial announcements required by the SGX-ST, for recommendation to the Board for approval.

(b) External Audit

The ARCC reviewed and approved the audit plan and scope with the external auditors and critically reviewed the report on the audit of the year-end financial statements.

The ARCC also reviewed and considered the reappointment of the external auditors and is satisfied with the suitability, independence and objectivity of the external auditors and has recommended to the Board its re-appointment.

The review took into consideration (i) adequacy of the resources and experience of the auditing firm and the audit partner, (ii) the terms of the engagement, (iii) size and complexity CIT and its subsidiary, (iv) the number

and experience of supervisory and professional staff assigned to each audit, (v) the fees paid for audit and non-audit services performed, and (vi) suitability, objectivity and independence from Management and the Manager based on their performance to date.

The Board, on behalf of CIT, has complied with the requirements of Rules 712 and 715 of the Listing Manual of SGX-ST with respect to the suitability of the audit firms for CIT and its subsidiaries.

(c) Internal Audit

The ARCC reviewed the scope of internal audit work and its audit program; it reviewed the findings during the year and Management's responses thereto; and it satisfied itself as to the adequacy of the internal audit function.

(d) Interested Person Transactions

The ARCC reviewed interested person transactions to ensure compliance with the SGX-ST Listing Manual and the Property Fund Guidelines respectively.

(e) Whistle Blowing

The ARCC ensure that the Whistle Blowing Policy put in place provides an avenue through which staff may raise, in good faith and in confidence, any concerns about possible improprieties in matters of financial reporting or other matters to the Chairman of the ARCC and that there will be independent investigation and appropriate follow-up action taken.

The ARCC meets at least four times a year. It has full access to the external and internal auditors and meets with the auditors, without the presence of Management, at least once a year.

The number of ARCC meetings held and corresponding attendances for the financial year ended 31 December 2011 are set out on page 60.

Internal controls

Principle 12: The Board should ensure that the Management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.

The Manager has put in place a system of internal controls to safeguard CIT's assets, Unitholders' interests and to manage risk in general.

The ARCC reviews and reports to the Board on the effectiveness and adequacy of such controls, including financial, operational and compliance controls, and risk management procedures and systems, taking into consideration the recommendations of both internal and external auditors and the timely and proper implementation of all required corrective, preventive or improvement measures.

Corporate Governance (continued)

The Board with the concurrence of the ARCC is satisfied that the Manager's system of internal control includes financial, operational, compliance controls & risk management systems is adequate to provide reasonable assurance that assets are safeguarded and that proper accounting records are maintained and financial statements are reliable.

Dealing in CIT Units

The Trust Deed requires each Director of the Manager to give notice to the Manager of their acquisition of Units or of changes in the number of Units which they hold or in which they have an interest, within two business days after such acquisition or the occurrence of the event giving rise to changes in the number of Units which he holds or in which he has an interest. All dealings in Units by the Directors of the Manager are announced through SGXNet.

In general, the Directors and employees of the Manager are encouraged to hold the Units and not to deal on short-term considerations.

The Manager has adopted an internal policy which provides guidelines for dealing in Units, under which Directors and employees are prohibited from dealing in Units in the period commencing:

- one month before the public announcement of CIT's annual results and, where applicable, CIT's property valuations ending on the date of announcement of the relevant results:
- 2. two weeks before the announcement of CIT's quarterly results, ending on the date of announcement of the relevant results; and
- at any time whilst in possession of undisclosed material information.

Prior to the commencement of the prohibition period, Directors and employees will be reminded not to trade during this period or whenever they are in possession of undisclosed material information.

In addition, the Manager has given an undertaking to the MAS that it will announce to the SGX-ST the particulars of its holdings in the Units and any changes thereto within two business days after the date on which it acquires or disposes of any Units.

Risk Assessment and Management of Business Risks

Given the importance of compliance and risk management, the ARCC has been tasked to oversee this aspect of the Manager and CIT's operations. The ARCC reviews and assesses the adequacy of the Manager's internal financial, operational and compliance controls, risk management policies and systems established by the Management. The ARCC also oversees the establishment and operation of the risk management system, including reviewing the

adequacy of risk management practices for material risks, such as legal, compliance, regulatory and operational risks, on a regular basis; and reviews major policies for effective risk management.

The Board meets regularly to review the financial performance of the Manager and CIT against the previously approved budget. In assessing business risks, the Board takes into account the economic environment and risks associated with the property industry.

The Board also reviews the risks to the assets of CIT, examines the management of liabilities, and will act upon any comments from internal and external auditors of CIT.

To expand the portfolio, the Manager critically analyses each target property, keeping in mind the Unitholders' interests. To arrive at an investment decision, the Manager identifies the risk exposures and then determines how to mitigate, transfer, manage and/or reduce those risks, where possible, to a level which is appropriate for the corresponding expected return on that investment. In addition, extensive procedures, including due diligence to be carried out at various stages of the investment process, have been adopted. The Board reviews management reports and feasibility studies on proposed acquisitions, as prepared by experienced officers of the Manager, and approves where it is in the interests of Unitholders.

The Manager is committed to conducting its business within a framework that fosters the highest ethical and legal standards. Accordingly, the Manager has adopted a whistle-blowing policy. The objective is to provide a channel for employees to raise concerns and provide reassurance that they will be protected from reprisals or victimization for whistle-blowing in good faith.

Based on the risk management and compliance frameworks established and audits conducted by the external auditors and internal auditors, together with the Management's quarterly and annual undertaking confirming their responsibilities for and effectiveness of the internal controls, pursuant to Rule 1207(10) of the Listing Manual of the SGX-ST, the Board, with the concurrence of the Audit Committee, is of the opinion that the internal controls in place are adequate in addressing CIT's material financial, operational and compliance risks in its current business environment.

Review Procedures for Related Party Transactions

The Manager has established an internal control system to ensure that all future transactions involving the Trustee and any related party of the Manager or CIT are undertaken on normal commercial terms and will not be prejudicial to the interests of CIT and the Unitholders. Generally, the Manager will demonstrate to the ARCC that such transactions satisfy the foregoing criteria, which may entail obtaining quotations

from parties unrelated to the Manager, or obtaining one or more valuations from independent valuers, in accordance with the Property Funds Guidelines.

In addition:

- transactions equal to or exceeding \$100,000 in value but below 3% of the value of CIT's net tangible assets are subject to review by the ARCC at regular intervals;
- transactions equal to or exceeding 3%, but below 5% of the value of CIT's net tangible assets, are subject to the review and prior approval of the ARCC. Such approval will only be given if the transactions are on normal commercial terms and consistent with similar types of transactions made by Trustee with third parties which are unrelated to the Manager; and
- transactions (either individually or as part of a series or
 if aggregated with other transactions involving the same
 related party during the same financial year) equal to or
 exceeding 5% of the value of CIT's net tangible assets,
 are reviewed and approved by the ARCC who may, as
 it deems fit, request advice on the transaction from
 independent sources or advisers, including the obtaining
 of valuations from independent valuers. Further, under the
 Listing Manual and the Property Funds Guidelines, such
 transactions would have to be approved by the Unitholders
 at a meeting of Unitholders.

Where matters concerning CIT relate to transactions entered into, or to be entered into, by the Trustee for and on behalf of CIT with a related party of the Manager of CIT, the Trustee is also required to ensure that such transactions are conducted on normal commercial terms and are not prejudicial to the interests of CIT and the Unitholders.

Further, the Trustee has the ultimate discretion under the Trust Deed to decide whether or not to enter into a transaction involving a related party of the Manager of CIT. If the Trustee is to sign any contract with a related party of the Manager of CIT, the Trustee will review the contract to ensure that it complies with the requirements relating to interested party transactions in the Property Funds Guidelines and the provisions of the Listing Manual relating to interested person transactions, as well as such other guidelines issued by MAS and the SGX-ST that apply to REITs.

CIT will, in compliance with Rule 905 of the Listing Manual, announce any interested person transaction if such transaction, either by itself or when aggregated with other interested person transactions entered into with the same interested person during the same financial year, is 3% or more of CIT's latest audited net tangible assets.

Dealings with Conflicts of Interest

The following key protocols have been established to deal with conflict of interest issues:

- All executive officers are employed by the Manager.
- All resolutions in writing of the Directors of the Manager in relation to matters concerning CIT must be approved by a majority of the Directors, including at least one Independent Director.
- At least one-third of the Board is comprised of Independent Directors.
- In respect of the matters in which a Director or his associates have an interest, direct or indirect, such interested Director will notify his interest and, where appropriate, abstain from voting. In such matters, the Board may also seek external professional advice to assist in their deliberations.
- All Related Party Transactions must be reviewed by the ARCC and approved by a majority of the ARCC. If a member of the ARCC has an interest in a transaction, he or she will, where appropriate, abstain from voting.
- Directors receive training about their duties including the importance of not being influenced by directives from the shareholders which may conflict with the obligations of the Manager owed to clients, Unitholders or third parties who may, in turn, owe obligations to CIT, or with their broader duties as directors.
- Notwithstanding any request from its shareholders, decisions regarding service providers retained by the Manager go through a due diligence process conducted by the Manager to ensure that appropriate services are acquired in the circumstances.
- To prevent misuse of confidential information, employees must not disclose, or use for their own purposes, or cause any unauthorised disclosure of, any information of a confidential nature relating to the business of the Manager or its affiliates or its agents or customers.
- Under the Trust Deed, other than a meeting convened for the removal of the Manager, the Manager and its associates are prohibited from being counted in a quorum for or voting at any meeting of Unitholders convened to approve any matter in which the Manager or any of its associates has a material interest. For so long as CITM is the Manager, the controlling shareholders (as defined in the Listing Manual) of the Manager and their respective associates are prohibited from being counted in the quorum for or voting at any meeting of Unitholders convened to consider a matter in respect of which the relevant controlling shareholder and/ or their associates have a material interest.

Corporate Governance (continued)

If the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of CIT with an affiliate of the Manager, the Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) for legal advice on the matter. If that law firm is of the opinion that the Trustee, on behalf of CIT, has a prima facie case against the party allegedly in breach under such agreement, the Manager is obliged to take appropriate action in relation to such agreement. The Directors of the Manager will have a duty to ensure that the Manager so complies. Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of a breach of any agreement entered into by the Trustee for and on behalf of CIT with an affiliate of the Manager and the Trustee may take such action as it deems necessary to protect the rights of Unitholders and in the interest of Unitholders. Any decision by the Manager not to take action against an affiliate of the Manager shall not constitute a waiver of the Trustee's rights to take such action as it deems fit against such affiliate.

Internal audit

Principle 13: The Company should establish an internal audit function that is independent of the activities it audits.

Given the Manager's size and scale of operations, the ARCC outsources the internal audit function to PricewaterhouseCoopers (PwC), for another 3-year period from 2012. PwC adopts the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The internal auditor primary reporting line is to the Chairman of ARCC and administratively to the CEO. The ARCC reviews and approves the annual internal audit plan, and ensures that the internal auditor has adequate resources to perform its functions. The ARCC also reviews the results of internal audits and Management's actions in resolving any audit issues reported.

The ARCC is satisfied with the suitability of the internal auditors and is of the view that the internal audit function is adequately resourced to perform its functions, and has appropriate standing within the Manager.

COMMUNICATION WITH UNITHOLDERS

Principle 14: Companies should engage in regular, effective and fair communication with shareholders.

The Manager upholds a strong culture of continuous disclosure and transparent communication with Unitholders and the investing community. The Manager has developed a disclosure policy, which requires timely and full disclosure of all material information relating to CIT by way of public releases or announcements

through the SGX-ST via SGXNET at first instance. This will be subsequently followed up with the release on CIT's website at http://www.cambridge-itrust.com.

One of the key roles of the CEO, together with the Investor Relations Manager, is to keep the market and investors apprised of CIT's financial performance and corporate developments. The Manager believes in regular, effective, unbiased and transparent communication and conducts regular briefings for analysts and media representatives, which generally coincide with the release of CIT's results. During these briefings, the Manager will review CIT's most recent performance, as well as discuss the business outlook for CIT. In accordance with the Manager's objective of transparent communication, briefing materials are released to the SGX-ST and made available on CIT's website.

Principle 15: Companies should encourage greater shareholder participation at AGMs, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

In compliance with the Property Funds Guidelines, an Annual General Meeting of Unitholders ("AGM") will be held after the close of each financial year allowing the Manager to interact with investors. Notice of the AGM is published on SGXNET, newspapers and CIT's website. If any Unitholder is unable to attend the AGM, he is entitled to appoint up to two proxies to attend and vote on his behalf.

At the AGM, each distinct matter will be proposed as a separate resolution. Unitholders will be invited to raise questions they may have relating to the resolution to be passed before voting on each of the resolutions by poll, using an electronic voting system. This will allow all Unitholders present or represented at the meeting to vote on a one unit, one vote basis. The voting results will be screened at the meeting and announced to the SGX-ST after the meeting.

Board members, Management and the external auditors will be present at the AGM. As part of the Manager's efforts to encourage greater Unitholders participation at the AGMs, a Question and Answer session is held at the end of the AGM to allow Unitholders the opportunity to put forth any questions and clarify any issues they may have with the Board members, Management or external auditors regarding the affairs of the Manager and CIT.

CIT's website also provides visitors with the option to sign up for a free email alert service to be alerted to Manager information when newly posted on the site or provide any feedback via the electronic feedback form on the website.

Corporate Social Responsibility

Consistent with comments contained in the Chairman and CEO's letter to Unitholders, the Manager is committed to being a good corporate and socially responsible entity. We believe our dedicated efforts during the year have delivered a positive outcome to the workplace and environment, community and our employees.

Workplace and Environment

The Manager has a responsibility to ensure the occupational health and safety of all employees and monitors the activities of its operational sites to the best of its ability to provide a safe working environment.

We have adopted an Occupational Health and Safety ("OHS") Management System which was certified to the OHSAS 18001:2007 international standards. The OHSAS 18001 was certified in 2011 by a third party accredited certification body. The objective of our OHS is to enhance awareness and implement occupational health and safety standards at all CIT sites which are consistent with best market practice and to cultivate a safe working environment.

The Manager is committed to ensuring that its actions minimise environmental impact. In the office, we have introduced ecofriendly products including using recycled materials for Company stationery, and for its 2010 and 2011 Annual Reports, we used Forest Stewardship Council ("FSC") certified fully recycled paper. FSC is an independent, non-governmental, not-for-profit organisation established to promote the responsible management of world forests.

Community

In line with our commitment to help those less fortunate, we have engaged in a number of charity events, with the Manager providing monetary donations, and its employees providing volunteer services. During 2011, the Manager provided donations to Sunrise Children's Villages in Cambodia, an organisation caring for hundreds of orphaned or disadvantaged Cambodian children, as well as bought and distributed groceries to the

Marymount Centre, a voluntary welfare organisation set up by the Good Shepherd Sisters, established to provide residential care to children from single parent families, or families who are unable to cope due to financial hardship. They are also a home to women who have been abused, beaten, and raped, who are attempting to put their lives back together with the help of the Centre.

Our employees and their families also participated in the Habitat 'Bare Your Sole' barefoot walk designed to help raise funds for projects such as building homes organised by the charity organisation 'Habitat for Humanity' to improve living conditions for people residing in third world countries.

Employees

The Manager is also committed to delivering a positive working environment for its employees. Our objective is to be an 'Employer of Choice' by providing a balanced work environment that seeks to consistently improve the employees' physical wellness and mental wellbeing. This involves providing external presentations on health and diet, indoor and outdoor recreational activities and team building events.

Corporate Directory

The Manager

Cambridge Industrial Trust Management Limited

Company Registration Number: 200512804G Capital Markets Services Licence Number: 100132-2

Registered Office: 61 Robinson Road #12-01 Robinson Centre Singapore 068893

(65) 6222 3339 Telephone: (65) 6827 9339 Fax:

Website: www.cambridge-itrust.com

Board of Directors

Dr Chua Yong Hai Independent Chairman **Professor Ong Seow Eng** Independent Director **Mr Tan Guong Ching** Independent Director Mr Ian Keith Crow Non-executive Director Non-executive Director Mr Michael Patrick Dwyer

Mr Victor Ong Wei Tak (Alternate Director to

Mr Michael Dwyer) Non-executive Director Mr Ian Andrew Smith Non-executive Director Mr Masaki Kurita Non-executive Director **Mr Chris Calvert** Chief Executive Officer and Executive Director

Audit, Risk Management and Compliance ommittee (AR

Professor Ong Seow Eng Chairman Mr Tan Guong Ching Member Mr Michael Patrick Dwyer¹ Member

Unit Registrar and Unit Transfer Office

B.A.C.S. Private Limited

63 Cantonment Road Singapore 089758

Telephone: (65) 6593 4848 Fax: (65) 6593 4847

Cambridge Industrial Property Management Pte. Ltd.

Company Registration Number: 200515344N

Registered Office: 61 Robinson Road #12-01 Robinson Centre Singapore 068893

Telephone: (65) 6222 3339 (65) 6827 9339 Fax:

www.cambridge-itrust.com Website:

Board of Directors

Mr Victor Ong Wei Tak Non-executive Director Mr Ian Andrew Smith Non-executive Director Mr Nicholas Gregory Basile² Non-executive Director

RBC Dexia Trust Services Singapore Limited

20 Cecil Street #28-01 Equity Plaza Singapore 049705

Telephone: (65) 6823 5000 (65) 6538 2090 Website: www.rbcdexia-is.com

Auditors

KPMG LLP

16 Raffles Quay #22-00 Hong Leong Builing Singapore 048581

Telephone: (65) 6213 3388 Fax: (65) 6220 9387 Website: www.kpmg.com.sg

Partner-in-charge: Mr Koh Wei Peng

(since financial year ended 31 December 2008)

Company Secretaries

Ms Yvonne Goh, FCIS Ms Shirley Lim, FCIS

KCS Corporate Services Pte Ltd

36 Robinson Road #17-01 City House Singapore 068877

Telephone: (65) 6311 3233 Fax: (65) 6311 3256 Website: www.kcs.com

SGX Code Cambridge

Stock Symbol

J91U

Financial Report

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Report of the Trustee

RBC Dexia Trust Services Singapore Limited (the "Trustee") is under a duty to take into custody and hold the assets of Cambridge Industrial Trust ("CIT") in trust for the holders ("Unitholders") of units in CIT (the "Units"). In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore ("MAS") and the Listing Manual (collectively referred to as the "laws and regulations"), the Trustee shall monitor the activities of Cambridge Industrial Trust Management Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 31 March 2006 (as amended) between the Trustee and the Manager (the "Trust Deed") in each annual accounting year and report thereon to Unitholders in an annual report which shall contain the matters prescribed by the laws and regulations as well as the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore and the provisions of the Trust Deed.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed CIT during the year covered by these financial statements, set out on pages 73 to 126 comprising the statement of financial position, statement of total return, distribution statement, statement of movements in Unitholders' funds, portfolio statement and statement of cash flows of CIT for the year then ended in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed, laws and regulations and otherwise in accordance with the provisions of the Trust Deed.

For and on behalf of the Trustee, RBC Dexia Trust Services Singapore Limited

Diana Senanayake *Managing Director*

Singapore 12 March 2012

Statement by the Manager

In the opinion of the directors of Cambridge Industrial Trust Management Limited, the accompanying financial statements set out on pages 73 to 126 comprising the statement of financial position, statement of total return, distribution statement, statement of movements in unitholders' funds, portfolio statement, statement of cash flows and a summary of significant accounting policies and other explanatory notes, are drawn up so as to present fairly, in all material respects, the financial position and the portfolio of Cambridge Industrial Trust ("CIT") as at 31 December 2011, the total return, distributable income, changes in Unitholders' funds and cash flows of CIT for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that CIT will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager, Cambridge Industrial Trust Management Limited

Chris Calvert

Chief Executive Officer and Executive Director

Singapore

12 March 2012

Auditors' Report

to the Unitholders of Cambridge Industrial Trust ("CIT") (Constituted under a Trust Deed in the Republic of Singapore)

We have audited the accompanying financial statements of Cambridge Industrial Trust ("the Trust"), which comprise the Statement of Financial Position and Portfolio Statement as at 31 December 2011, and the Statement of Total Return, Distribution Statement, Statement of Movements in Unitholders' Funds and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 73 to 126.

Manager's responsibility for the financial statements

The Manager is responsible for the preparation of financial statements that give a true and fair view in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore, and for such internal controls as the Manager of the Trust determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Trust as at 31 December 2011 and the total return, distributable income, movements in Unitholders' funds and cash flows of the Trust for the year then ended in accordance with the recommendations of *Statement of Recommended Accounting Practice 7* "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.

KPMG ILP

KPMG LLP

Public Accountants and Certified Public Accountants

Singapore

12 March 2012

Statement of Financial Position

	Note	2011 \$′000	2010 \$'000
Assets			
Non-current assets			
Investment properties	4	1,005,300	906,450
Investment properties under development	5	3,579	_
		1,008,879	906,450
Current assets			
Investment properties held for divestment	4	18,300	22,000
Trade and other receivables	6	1,435	1,084
Cash and cash equivalents	7	78,763	71,069
		98,498	94,153
Total assets		1,107,377	1,000,603
Liabilities			
Current liabilities			
Trade and other payables	10	9,307	18,869
Current tax payable			21
		9,307	18,890
Non-current liabilities			
Derivative financial instruments	8	3,578	_
Interest-bearing borrowings	9	356,608	339,191
Trade and other payables	10	_	367
		360,186	339,558
Total liabilities		369,493	358,448
Net assets		737,884	642,155
Net assets			
Represented by: Unitholders' funds		737,884	642,155
		, , , , ,	5.12/1.00
Units in issue ('000)	11	1,189,198	1,057,065
Net asset value per unit (\$)		0.62	0.61

Statement of Total Return

Year ended 31 December 2011

	Note	2011 \$′000	2010 \$'000
Gross revenue	12	80,373	74,210
Property expenses	13	(11,261)	(9,115)
Net property income	_	69,112	65,095
Manager's management fees	14	(5,332)	(4,668)
Trust expenses	15	(1,824)	(1,537)
Distribution income from quoted investments		_	126
Interest income		110	93
Borrowing costs	16	(26,221)	(25,500)
Net income	_	35,845	33,609
Gain on disposal of investment properties		2,194	3,974
Change in fair value of financial derivatives		(3,372)	_
Change in fair value of investment properties		50,506	48,263
Total return before income tax	_	85,173	85,846
Income tax expense	17	_	(21)
Total return for the year	-	85,173	85,825
Earnings per unit (cents)			
Basic and diluted	18	7.27	9.20(1)
Distribution per unit (cents)	18	4.24	4.89

Note:

⁽¹⁾ Restated for the effects of the rights issue in April 2011.

379

(32,582)

(2,194)

(34,776)

80

68

82 (37,124)

(3,974)

(41,098)

Distribution Statement

Year ended 31 December 2011

Legal and professional fees

Miscellaneous expenses

Income not subject to tax:

Gain on disposal of investment properties

Net effect of distribution adjustments

	2011	2010
	\$′000	\$′000
Tarthant and official and the form that the first facility of the	05 170	05.005
Total return after income tax, before distribution for the year	85,173 (34,776)	85,825
Less: Distribution adjustments (Note A) Net income available for distribution to Unitholders	50,397	(41,098) 44,727
Less: Distributions (Note B)	(37,091)	(38,744)
Net income available for distribution to Unitholders as at 31 December	13,306	5,983
		.,
Note A – Distribution Adjustments		
	2011	2010
	\$′000	\$'000
Non-tax deductible items and other adjustments:		
Trustee's fees	233	165
Transaction costs relating to debt facilities	9,722	9,442
Break cost on loan refinancing/prepayment	4,138	1,382
Change in fair value of investment properties	(50,506)	(48,263)
Change in fair value of financial derivatives	3,372	

Distribution Statement

Year ended 31 December 2011

Note B - Distributions

	2011 \$′000	2010 \$'000
Distributions to Unitholders during the financial year comprise:		
Distribution of 1.082 cents per unit for the period from 1/7/2011 to 30/9/2011	12,867	_
Distribution of 1.036 cents per unit for the period from 1/4/2011 to 30/6/2011	12,320	_
Distribution of 1.001 cents per unit for the period from 1/1/2011 to 31/3/2011	11,904	_
Distribution of 0.627 cents per unit for the period from 1/10/2010 to 17/11/2010 (1)	_	6,032
Distribution of 0.507 cents per unit for the period from 23/8/2010 to 30/9/2010	_	4,878
Distribution of 0.680 cents per unit for the period from 1/7/2010 to 22/8/2010	_	5,938
Distribution of 1.238 cents per unit for the period from 1/4/2010 to 30/6/2010	_	10,811
Distribution of 1.274 cents per unit for the period from 1/1/2010 to 31/3/2010	_	11,085
	37,091	38,744
Distribution of 0.566 cents per unit for the period from 18/11/2010 to 31/12/2010 (2)	5,983	_
Distribution of 1.377 cents per unit for the period from 1/10/2009 to 31/12/2009 (3)	_	11,946
	43,074	50,690(4)

Note

- 4Q2010 advanced distribution paid on 6 December 2010 pursuant to an equity fund raising exercise launched in October 2010.
- 4Q2010 balance of distribution paid on 24 March 2011.
- Distribution declared for 4Q2009 and paid in 1Q2010.
- (4) Distribution partly paid by the issuance of an aggregate of 10,854,928 new CIT units amounting to \$5.2 million, pursuant to its Distribution Reinvestment Plan.

Statement of Movements in Unitholders' Funds

Year ended 31 December 2011

	Note	2011 \$′000	2010 \$′000
Unitholders' funds at beginning of year		642,155	516,352
Operations			
Total return for the year after tax		85,173	85,825
Unitholders' transactions			
Issue of new units:			
- Rights issue		56,685	_
- Private placement/Preferential offering		_	90,436
- Distribution Reinvestment Plan		_	5,201
Equity issue costs	19	(3,055)	(4,969)
Distributions to Unitholders		(43,074)	(50,690)
Net increase in Unitholders' funds resulting		· · · · · · · · · · · · · · · · · · ·	
from Unitholders' transactions		10,556	39,978
Unitholders' funds at end of year		737,884	642,155

		Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
	Logistics Properties (1)				
@	CWT DISTRIPARK	Leasehold	30+12	25 (7)	24 Jurong Port Road Singapore 619097
@	JURONG DISTRICENTRE	Leasehold	30+30	39 (8)	3 Pioneer Sector 3 Singapore 628342
@	30 TOH GUAN ROAD	Leasehold	30+30	44 (9)	30 Toh Guan Road Singapore 608840
@	31 TUAS AVENUE 11	Leasehold	30+30	42(10)	31 Tuas Avenue 11 Singapore 639105
@	25 CHANGI SOUTH AVENUE 2	Leasehold	30+30	43(11)	25 Changi South Ave 2 Singapore 486594
@ ^	YCH DISTRIPARK	Leasehold	30+30	27(12)	30 Tuas Road Singapore 638492
@	1 THIRD LOK YANG ROAD AND 4 FOURTH LOK YANG ROAD	Leasehold	30	20(13)	1 Third Lok Yang Road Singapore 627996 and 4 Fourth Lok Yang Road Singapore 629701
@ ^	1 TUAS AVENUE 3	Leasehold	30+23	21(14)	1 Tuas Avenue 3 Singapore 639402
#	4 AND 6 CLEMENTI LOOP	Leasehold	30+30	42(15)	4 and 6 Clementi Loop Singapore 129810 and 129814

Existing	g Occupa	Occupancy rate at At Independent		ent Valuation		tage of ers′ Funds
us	e 31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010
	%	%	\$′000	\$'000	%	%
Logistic	s 100	100	103,000	97,500	13.96	15.18
Logistic	s 100	100	54,000	50,000	7.32	7.79
Logistic	s 88	74	48,300	42,000	6.55	6.54
Logistic	s 100	100	10,200	9,800	1.38	1.53
Logistic	s 100	100	10,600	10,000	1.44	1.56
Logistic	s 100	100	72,400	72,400	9.81	11.27
Logistic	s 100	100	12,000	11,500	1.63	1.79
Logistic	s 100	100	29,200	29,200	3.96	4.55
Logistic	s 100	_	40,000	-	5.42	-
			379,700	322,400	51.47	50.21

		_	Remaining		
		Tenure of land	Term of lease	term of lease	Location
			(years)	(years)	
	Light Industrial Properties (2)				
@	21 UBI ROAD 1	Leasehold	30+30	45(16)	21 Ubi Road 1 Singapore 408724
@	136 JOO SENG ROAD	Leasehold	30+30	39(17)	136 Joo Seng Road Singapore 368360
@	CSE GLOBAL BUILDING	Leasehold	60	47 ⁽¹⁸⁾	2 Ubi View Singapore 408556
@	MI BUILDING	Leasehold	30+30	45 ⁽¹⁹⁾	11 Serangoon North Avenue 5 Singapore 554809
@	130 JOO SENG ROAD	Leasehold	30+30	40 ⁽²⁰⁾	130 Joo Seng Road Singapore 368357
@	2 JALAN KILANG BARAT	Leasehold	99	50(21)	2 Jalan Kilang Barat Singapore 159346
@	MEC TECHNOCENTRE	Leasehold	30+30	39(22)	87 Defu Lane 10 Singapore 539219
@	ARMORCOAT INTERNATIONAL BUILDING	Leasehold	30+30	45(23)	361 Ubi Road 3 Singapore 408664
	63 HILLVIEW AVENUE	Freehold	Freehold	_(24)	63 Hillview Avenue Singapore 669569
@	55 UBI AVENUE 3	Leasehold	30+30	45(25)	55 Ubi Avenue 3 Singapore 408864
@	DP COMPUTERS BUILDING	Leasehold	30+30	40(26)	128 Joo Seng Road Singapore 368356
	Balance carried forward				

Existing	Occupan	cy rate at	At Independe	ent Valuation		tage of ers' Funds
use	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010
	%	%	\$'000	\$'000	%	%
Light Industrial	100	100	34,500	32,000	4.68	4.98
Light Industrial	100	100	12,800	12,500	1.73	1.95
Light Industrial	100	100	8,500	8,100	1.15	1.26
Light Industrial	100	100	17,500	16,800	2.37	2.62
Light Industrial	100	100	12,500	12,300	1.69	1.92
Light Industrial	96	100	27,700	23,500	3.75	3.66
Light Industrial	100	100	15,000	14,300	2.03	2.23
Light Industrial	100	100	17,700	17,700	2.40	2.76
Light Industrial	90	100	90,000	80,500	12.20	12.54
Light Industrial	100	100	19,200	18,300	2.60	2.85
Light industrial	100	100	12,000	11,400	1.63	1.78
			267,400	247,400	36.23	38.55

		Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
	Light Industrial Properties (2)				
	Balance brought forward				
@	NATURAL COOL BUILDING	Leasehold	30+30	38 ⁽²⁷⁾	81 Defu Lane 10 Singapore 539217
@	9 BUKIT BATOK STREET 22	Leasehold	30+30	41 ⁽²⁸⁾	9 Bukit Batok Street 22 Singapore 659585
+	ENTERPRISE HUB	Leasehold	60	45	48 Toh Guan Road East Singapore 608586
#	1/2 CHANGI NORTH STREET 2	Leasehold	30+30	49/54 ⁽²⁹⁾	1/2 Changi North Street 2 Singapore 498808/498775
	Warehousing Properties (3)				
@	86/88 INTERNATIONAL ROAD	Leasehold	30+30	43(30)	86/88 International Road Singapore 629176/629177
@	23 TUAS AVENUE 10	Leasehold	30+29	45(31)	23 Tuas Avenue 10 Singapore 639149
@	9 TUAS VIEW CRESCENT	Leasehold	30+30	47 ⁽³²⁾	9 Tuas View Crescent Singapore 637612
@	28 SENOKO DRIVE	Leasehold	30+30	27(33)	28 Senoko Drive Singapore 758214
@	31 CHANGI SOUTH AVENUE 2	Leasehold	30+30	43(34)	31 Changi South Avenue 2 Singapore 486478
	Balance carried forward				S93poro 100170

Existing	Occupan	cy rate at	At Independent Valuat			ntage of ers' Funds	
use	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010	
	%	%	\$′000	\$'000	%	%	
			267,400	247,400	36.23	38.55	
Light Industrial	100	100	5,300	5,200	0.72	0.81	
Light Industrial	100	100	22,900	20,000	3.10	3.11	
Light Industrial	_	100	_	22,000	_	3.43	
Light Industrial	100	100	22,700	22,150	3.08	3.45	
			318,300	316,750	43.13	49.35	
Warehousing	100/63.8	100	17,500	15,500	2.37	2.41	
Warehousing	100	100	11,100	10,000	1.50	1.56	
Warehousing	100	100	7,300	6,800	0.99	1.06	
Warehousing	100	100	12,500	12,500	1.69	1.95	
Warehousing	100	100	6,800	6,500	0.92	1.01	
			55,200	51,300	7.47	7.99	

		Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
	Warehousing Properties (3)				
	Balance brought forward				
@	120 PIONEER ROAD	Leasehold	30+28	43 ⁽³⁵⁾	120 Pioneer Road Singapore 639597
@	23 WOODLANDS TERRACE	Leasehold	30+30	45 ⁽³⁶⁾	23 Woodlands Terrace Singapore 738472
@	21B SENOKO LOOP	Leasehold	30+30	41 ⁽³⁷⁾	21B Senoko Loop Singapore 758171
@	6 TUAS BAY WALK	Leasehold	30+30	45 ⁽³⁸⁾	6 Tuas Bay Walk Singapore 637752
@	79 TUAS SOUTH STREET 5	Leasehold	30+30	48 ⁽³⁹⁾	79 Tuas South Street 5 Singapore 637604
#	22 CHIN BEE DRIVE	Leasehold	30	24 ⁽⁴⁰⁾	22 Chin Bee Drive Singapore 619870
	Industrial Properties (4)				
@	7 GUL LANE	Leasehold	30+30	29(41)	7 Gul Lane Singapore 629406
@	31 KIAN TECK WAY	Leasehold	30+19	31(42)	31 Kian Teck Way Singapore 628751
@	TECHPLAS INDUSTRIAL BUILDING	Leasehold	30+30	44 ⁽⁴³⁾	45 Changi South Avenue 2 Singapore 486133
@	2 TUAS SOUTH AVENUE 2 Balance carried forward	Leasehold	60	47(44)	2 Tuas South Ave 2 Singapore 637601

Existing	Occupancy rate at		At Independent Valuation		Percentage of Unitholders' Funds	
use	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010
	%	%	\$′000	\$'000	%	%
			55,200	51,300	7.47	7.99
Warehousing	100	100	32,000	30,000	4.34	4.67
Warehousing	100	100	16,300	15,500	2.21	2.41
Warehousing	100	100	14,500	14,500	1.96	2.26
Warehousing	54	94	6,500	6,500	0.88	1.01
Warehousing	100	100	10,000	9,600	1.36	1.49
Warehousing	100	100	15,500	15,000	2.10	2.34
			150,000	142,400	20.32	22.17
Industrial	100	100	4,300	3,850	0.58	0.60
Industrial	100	100	3,700	3,600	0.50	0.56
Industrial	100	100	10,300	9,550	1.40	1.49
Industrial	100	100	30,000	27,500	4.07	4.28
maustriai	100	100				
			48,300	44,500	6.55	6.93

As at 31 December 2011

		Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location
	Industrial Properties (4)				
	Balance brought forward				
@	28 WOODLANDS LOOP	Leasehold	30+30	44 ⁽⁴⁵⁾	28 Woodlands Loop Singapore 738308
#	511/513 YISHUN INDUSTRIAL PARK A	Leasehold	30+29/ 30+30	42 ⁽⁴⁶⁾ / 42 ⁽⁴⁶⁾	511/513 Yishun Industrial Park A Singapore 768768/768736
#	60 TUAS SOUTH STREET 1	Leasehold	30+30	53 ⁽⁴⁷⁾	60 Tuas South Street 1 Singapore 639925
#	5 & 7 GUL STREET 1	Leasehold	29.5	26(48)	5 & 7 Gul Street 1 Singapore 629318/629320
	Self Storage and Warehousing Property (5)				
@	160 KALLANG WAY	Leasehold	60	21 ⁽⁴⁹⁾	160 Kallang Way Singapore 349246
	Car Showroom and Workshop Property ⁽⁶⁾				
@	23 LORONG 8 TOA PAYOH	Leasehold	30+30	40(50)	23 Lorong 8 Toa Payoh Singapore 319257
@*	7 UBI CLOSE	Leasehold	30	12 ⁽⁵¹⁾	7 Ubi Close Singapore 408604
	Investment properties, at valuation Other assets and liabilities (net)				

Investment properties, at valuation Other assets and liabilities (net) Unitholders' funds

31/12/2011 % 100	100	At Independe 31/12/2011 \$'000 48,300 15,500	31/12/2010 \$'000 44,500 14,000	31/12/2011 % 6.55 2.10	31/12/2010 % 6.93 2.18
100	100	48,300 15,500	44,500	6.55	6.93
		15,500			
		15,500			
			14,000	2.10	2.18
100	100	22.200			
		33,200	32,600	4.50	5.08
100	-	6,400	_	0.87	-
100	_	14,500	_	1.96	-
		117,900	91,100	15.98	14.19
100	100	26,000	24,000	3.52	3.74
100	100	13,400	13,000	1.82	2.02
100	100	18,300	18,800	2.48	2.93
		31,700	31,800	4.30	4.95
		1,023,600 (285,716)	928,450 (286,295)	138.72 (38.72)	144.61 (44.61 100.00
	100	100 – 100	100 - 14,500 117,900 100 100 26,000 100 100 13,400 100 100 18,300 31,700 1,023,600	100 - 14,500 - 117,900 91,100 100 100 26,000 24,000 100 100 13,400 13,000 100 100 18,300 18,800 31,700 31,800 1,023,600 928,450 (285,716) (286,295)	100 - 14,500 - 1.96 117,900 91,100 15.98 100 100 26,000 24,000 3.52 100 100 13,400 13,000 1.82 100 100 18,300 18,800 2.48 31,700 31,800 4.30 1,023,600 928,450 138.72 (285,716) (286,295) (38.72)

As at 31 December 2011

	At Independe	At Independent Valuation		
	2011	2010		
	\$'000	\$′000		
As disclosed in the Statement of Financial Position:				
Investment properties – non current	1,005,300	906,450		
Investment properties held for divestment – current (denoted as (*) in the Portfolio Statement)	18,300	22,000		
Total investment properties	1,023,600	928,450		

Notes

- These Properties are used by tenants for warehousing, distribution and logistics services including third party logistics and supply chain management.
- (2) These Properties are primarily used by tenants for light industrial activities including assembly and storage of electronics and computer peripherals as well as information technology and system integration.
- (3) These Properties are used by tenants for production and/or storage of cables, aluminium products, printed circuit boards and metals.
- (4) These Properties are primarily used by tenants for industrial activities including precision engineering works, metal stamping and plastics injection and extrusion.
- This Property is used by the tenant to operate a self storage business.
- (6) These Properties are used by the tenant as car showroom and service workshops.
- $^{\scriptscriptstyle{(7)}}$ CIT holds the remainder of a 30+12 year lease commencing from 1 March 1995.
- (8) CIT holds the remainder of a 30+30 year lease commencing from 16 December 1990.
- (9) CIT holds the remainder of a 30+30 year lease commencing from 16 August 1995.
- (10) CIT holds the remainder of a 30+30 year lease commencing from 1 April 1994.
- (11) CIT holds the remainder of a 30+30 year lease commencing from 16 October 1994.
- (12) CIT holds the remainder of a 30+30 year lease commencing from 1 July 1979.
- (13) CIT holds the remainder of a 30 year lease commencing from 16 December 2001.
- ⁽¹⁴⁾ CIT holds the remainder of a 30+23 year lease commencing from 1 October 1979.
- (15) CIT holds the remainder of a 30+30 year lease commencing from 1 October 1993.
- (16) CIT holds the remainder of a 30+30 year lease commencing from 1 February 1997.
- ⁽¹⁷⁾ CIT holds the remainder of a 30+30 year lease commencing from 1 October 1990.

As at 31 December 2011

(18) CIT holds the remainder of a 60 year lease commencing from 4 January 1999. CIT holds the remainder of a 30+30 year lease commencing from 16 April 1997. CIT holds the remainder of a 30+30 year lease commencing from 1 December 1991. CIT holds the remainder of a 99 year lease commencing from 1 July 1963. ⁽²²⁾ CIT holds the remainder of a 30+30 year lease commencing from 1 November 1990. (23) CIT holds the remainder of a 30+30 year lease commencing from 1 February 1997. CIT acquired freehold title to 97 out of 154 strata units, representing 69.4% of the total share value of the strata units comprised in the property. CIT holds the remainder of a 30+30 year lease commencing from 1 July 1996. $^{\scriptscriptstyle{(26)}}$ CIT holds the remainder of a 30+30 year lease commencing from 1 May 1992 CIT holds the remainder of a 30+30 year lease commencing from 1 December 1990. $^{\scriptscriptstyle{(28)}}$ CIT holds the remainder of a 30+30 year lease commencing from 1 February 1993. (29) CIT holds the remainder of a 30+30 year lease commencing from 1 March 2001 for 1 Changi North and 30+30 year lease commencing from 23 November 2005 for 2 Changi North. CIT holds the remainder of a 30+30 year lease commencing from 16 December 1994. ⁽³¹⁾ CIT holds the remainder of a 30+29 year lease commencing from 1 November 1997. (32) CIT holds the remainder of a 30+30 year lease commencing from 16 July 1998. ⁽³³⁾ CIT holds the remainder of a 30+30 year lease commencing from 16 December 1979. $^{\mbox{\tiny (34)}}$ CIT holds the remainder of a 30+30 year lease commencing from 1 March 1995. ⁽³⁵⁾ CIT holds the remainder of a 30+28 year lease commencing from 16 February 1997. CIT holds the remainder of a 30+30 year lease commencing from 16 November 1996. ⁽³⁷⁾ CIT holds the remainder of a 30+30 year lease commencing from 1 February 1993. (38) CIT holds the remainder of a 30+30 year lease commencing from 16 May 1997. $^{(39)}$ CIT holds the remainder of a 30+30 year lease commencing from 1 February 2000. (40) CIT holds the remainder of a 30 year lease commencing from 16 September 2005. (41) CIT holds the remainder of a 30+30 year lease commencing from 16 May 1981. (42) CIT holds the remainder of a 30+19 year lease commencing from 1 September 1993. (43) CIT holds the remainder of a 30+30 year lease commencing from 1 September 1995.

As at 31 December 2011

- (44) CIT holds the remainder of a 60 year lease commencing from 4 January 1999.
- (45) CIT holds the remainder of a 30+30 year lease commencing from 16 October 1995.
- (46) CIT holds the remainder of a 30+29 year lease commencing from 1 December 1993 for 511 Yishun and 30+30 lease commencing from 1 June 1995 for 513 Yishun.
- $^{(47)}\,$ CIT holds the remainder of a 30+30 year lease commencing from 16 March 2005.
- (48) CIT holds the remainder of a 29.5 year lease commencing from 1 April 2008.
- (49) CIT holds the remainder of a 60 year lease commencing from 16 February 1973.
- (50) CIT holds the remainder of a 30+30 year lease commencing from 1 February 1992.
- ⁽⁵¹⁾ CIT holds the remainder of a 30 year lease commencing from 1 August 1994.
- Properties pledged as security to secure the term loan facility of \$320.0 million (see Note 9).
- Froperties pledged as security to secure the acquisition term loan facility of \$120.0 million (see Note 9).
- ⁺ These properties were disposed of during the financial year.
- Properties will be possessed by Government in January 2013. The 1 Tuas Avenue 3 property has been carried at its 31 December 2010 valuation amount and the 30 Tuas Road property has been carried at its 31 December 2011 valuation amount.

Investment properties comprise a diverse portfolio of industrial properties that are leased to external tenants. All of the leases are structured under single-tenancy or multiple-tenancy and the tenancies range from five to fifteen years for single tenancy and four months to ten years for multiple-tenancy. No contingent rents were recognised in the Statement of Total Return.

In determining the fair value, the valuers have used valuation methods which involve certain estimates. The Manager has exercised its judgment and is satisfied that the valuation methods and estimates are reflective of the current market conditions.

The independent professional valuers have considered valuation techniques including direct comparison method, capitalisation approach and/or discounted cash flow analysis in arriving at the open market value as at the reporting date. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation yield, terminal yield, discount rate and average growth rate.

As at the reporting date, investment properties with a carrying value of \$801.3 million (2010: \$nil) and \$132.3 million (2010: \$69.8 million) have been mortgaged as security for term loan facilities granted by a syndicate of four financial institutions and National Australia Bank Limited respectively to the Trust (refer to Note 9).

In the previous financial year, investment properties with a carrying value of \$858.7 million have been mortgaged as security for term loan facilities granted by Alhambra Pte. Ltd. to the Trust (refer to Note 9).

Statement of Cash Flows

Year ended 31 December 2011

Cash flows from operating activities 85,173 85,846 Adjustments for: (110) (93) Interest income (110) (93) Distribution income - (126) Borrowing costs 26,221 25,500 Gain on disposal of investment properties (26,194) (3,760) Change in fair value of financial derivatives 3,372 - Change in fair value of investment properties (50,506) (48,263) Changes in working capital: (50,506) (48,263) Trade and other receivables (3,766) 937 Income tax paid (21) (86) Net cash from operating activities (3,766) 937 Income tax paid (21) (86) Net cash from operating activities 57,710 60,661 Net cash from operating activities (3,466) 937 Recash outflow on purchase of investment properties (including acquisition related costs) (Note A) (66,437) (73,379) Payment for investment properties under development (3,447) - Proceeds from disposal of invest		2011	2010
Total return before income tax for the year 85,173 85,846 Adjustments for: 100 (93) Distribution income - (126) (120) Borrowing costs 26,221 25,500 Gain on disposal of investment properties (20,21) 25,500 Change in fair value of financial derivatives 3,372 Change in fair value of investment properties (50,506) (48,263) Operating income before working capital changes (50,506) 48,263) Changes in working capital: (459) 320 Trade and other peavables (459) 320 Trade and other payables (3766) 937 Trade and other payables (57,710 60,661 Net cash from operating activities 57,710 60,661 Ket cash nutflow on purchase of investment properties (66,437) (73,379) Net cash from disposal of investment properties (66,437) 72,753 (including acquisition related costs) (Note A) (66,437) 72,753 Proceeds from disposal of investment properties (3,047) 24,299		\$'000	\$'000
Total return before income tax for the year 85,173 85,846 Adjustments for: 100 (93) Distribution income - (126) (120) Borrowing costs 26,221 25,500 Gain on disposal of investment properties (20,21) 25,500 Change in fair value of financial derivatives 3,372 Change in fair value of investment properties (50,506) (48,263) Operating income before working capital changes (50,506) 48,263) Changes in working capital: (459) 320 Trade and other peavables (459) 320 Trade and other payables (3766) 937 Trade and other payables (57,710 60,661 Net cash from operating activities 57,710 60,661 Ket cash nutflow on purchase of investment properties (66,437) (73,379) Net cash from disposal of investment properties (66,437) 72,753 (including acquisition related costs) (Note A) (66,437) 72,753 Proceeds from disposal of investment properties (3,047) 24,299	Cash flows from operating activities		
Adjustments for: Interest income (10) (93) Distribution income — (126) Borrowing costs 26,221 25,500 Gain on disposal of investment properties (2,194) (3,974) Change in fair value of financial derivatives (3,502) — Change in fair value of fine vestment properties (50,506) (48,263) Change in fair value of fine vestment properties (50,506) (48,263) Change in fair value of fine stement properties (50,506) (48,263) Changes in working capital: — — Trade and other payables (3,768) 937 Irade and other payables (3,769) 937 Irade and other payables (3,769) 937 Irade and other payables (3,66) 937 Irade and other payables (3,66) 937 Irade and other payables (66,437) (73,379) Red cash from operating activities (66,437) (73,379) Ret cash from investing activities (46,437) 72,753 Interest received 110<		85.173	85.846
Interest income (110) (33) Distribution income — (126) Borrowing costs 26,221 25,500 Gain on disposal of investment properties (2,194) (3,974) Change in fair value of financial derivatives 3,372 — Change in fair value of investment properties (60,500) 48,263 Operating income before working capital changes (50,500) 320 Changes in working capital: (459) 320 Trade and other receivables (459) 320 I rade and other payables (3,766) 937 I come tax paid (21) (86 Net cash from operating activities 57,710 60,661 Cash flows from investing activities Net cash outflow on purchase of investment properties (including acquisition related costs) (Note A) (66,437) (73,379) Payment for investment properties under development (34,447) — Proceeds from disposal of investment properties (46,432) 72,753 Interest received 110 95	·	32,113	00,000
Distribution income — (126) Borrowing costs 26,221 25,500 Gain on disposal of investment properties (2,194) (3,974) Change in fair value of financial derivatives 3,372 — Change in fair value of investment properties (50,506) (48,263) Operating income before working capitals: — (45,98) Trade and other receivables (459) 320 Trade and other payables (3,766) 937 Income tax paid (21) (86) Net cash from operating activities 57,710 60,661 Net cash flows from investing activities 57,710 60,661 Net cash flows from investing activities (66,437) (73,379) Payment for investment properties under development (3,447) — Payment for investment properties under development (3,447) — Proceeds from disposal of investment properties 24,429 72,763 Interest received 110 95 Distribution received 56,685 90,436 Requiry issue costs paid (30,083) <td>•</td> <td>(110)</td> <td>(93)</td>	•	(110)	(93)
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Cash and cash equivalents at 1 January 71,069 39,309	Net increase in cash and cash equivalents	7,694	31,760
		71,069	39,309
	Cash and cash equivalents at 31 December (Note 7)	78,763	71,069

Statement of Cash Flows

Year ended 31 December 2011

Notes:

(A) Net Cash Outflow on Purchase of Investment Properties (including acquisition related costs)

Net cash outflow on purchase of investment properties (including acquisition related costs) is set out below:

	2011 \$′000	2010 \$'000
Investment properties	60,900	69,710
Acquisition related costs	939	1,107
Capital expenditure incurred	4,391	3,323
Investment properties acquired (including acquisition	-	
related costs and capital expenditure incurred)	66,230	74,140
Retention sums*	207	(761)
Net cash outflow	66,437	73,379

follower includes retention sum released for properties 5 & 7 Gul Street 1 and 511/513 Yishun International Park A.

(B) Significant Non-cash Transactions

During the previous financial year, CIT issued an aggregate of 10,854,928 new units amounting to \$5.2 million as part payment of distributions, pursuant to its Distribution Reinvestment Plan.

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 12 March 2012.

1 General

Cambridge Industrial Trust ("CIT" or the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 31 March 2006 (as amended) entered into between Cambridge Industrial Trust Management Limited (the "Manager") and RBC Dexia Trust Services Singapore Limited (the "Trustee"), and is governed by the laws of the Republic of Singapore ("Trust Deed"). On 31 March 2006, CIT was declared as an authorised unit trust scheme under the Trustees Act, Chapter 337. The Trustee is under a duty to take into custody and hold the assets of the Trust held by it in trust for the holders ("Unitholders") of units in the Trust (the "Units").

On 25 July 2006, CIT was admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST"). On 3 April 2006, CIT was included under the Central Provident Fund ("CPF") Investment Scheme.

The principal activity of CIT is to invest in a diverse portfolio of properties with the primary objective of achieving an attractive level of return from rental income and long-term capital growth.

CIT has entered into several service agreements in relation to the management of CIT and its property operations. The fee structures of these services are as follows:

(A) Trustee's fees

Pursuant to the Trust Deed, the Trustee's fees shall not exceed 0.1% per annum of the value of all the gross assets of CIT ("Deposited Property"), excluding out-of-pocket expenses and GST. The actual fee payable will be determined between the Manager and the Trustee from time to time. The Trustee's fee is presently charged on a scaled basis of up to 0.025% per annum of the value of the Deposited Property.

(B) Manager's management fees

Under the Trust Deed, the Manager is entitled to receive the base fee and performance fee as follows:

(i) A base fee ("Base Fee") of 0.5% per annum of the value of the Deposited Property or such higher percentage as may be fixed by an Extraordinary Resolution of Meeting of Unitholders.

1 General (Cont'd)

(B) Manager's management fees (Cont'd)

- (ii) A performance fee ("Performance Fee"), where the total return (comprising capital gains and accumulated distributions and assuming all distributions are reinvested in CIT) of the Units (expressed as the Trust Index) in any six-month period ending 30 June or 31 December ("Half-Year") exceeds the total return of a benchmark index (the "Cambridge Benchmark Index"). The Cambridge Benchmark Index, compiled and calculated independently by FTSE, currently comprises of seven of the largest Singapore Real Estate Investment Trusts. The Performance Fee is calculated in two tiers as follows:
 - a Tier 1 Performance Fee equal to 5.0% of the amount by which the total return of the Trust Index exceeds
 the total return of the Cambridge Benchmark Index, multiplied by the equity market capitalisation of
 CIT; and
 - a Tier 2 Performance Fee which is applicable only where the total return of the Trust Index is in excess of 2.0% per annum (1.0% for each Half Year) above the total return of the Cambridge Benchmark Index. This tier of the fee is calculated at 15.0% of the amount by which the total return of the Trust Index is in excess of 2.0% per annum above the total return of the Cambridge Benchmark Index, multiplied by the equity market capitalisation of CIT.

For the purposes of the Tier 1 Performance Fee and the Tier 2 Performance Fee, the amount by which the total return of the Trust Index exceeds the total return of the Cambridge Benchmark Index shall be referred to as "outperformance".

The outperformance of the Trust Index is assessed on a cumulative basis and any prior underperformance of CIT will need to be recovered before the Manager is entitled to any Performance Fee.

The Performance Fee, whether payable in any combination of cash and Units or solely in cash or Units will be payable six monthly in arrears. If a trigger event occurs in any Half-Year, resulting in the Manager being removed, the Manager is entitled to payment of any Performance Fee (whether in cash or in the form of Units) to which it might otherwise have been entitled for that Half-Year in cash, which shall be calculated, as if the end of the Half-Year was the date of occurrence of the trigger event, in accordance with the Trust Deed. If a trigger event occurs at a time when any accrued Performance Fee has not been paid, resulting in the Manager being removed, the Manager is entitled to payment of such accrued Performance Fee in cash.

Management fees (Base Fee and Performance Fee, including any accrued Performance Fee which have been carried forward from previous financial years but excluding any acquisition fee or disposal fee) to be paid to the Manager in respect of a financial year, whether in cash or in Units or a combination of cash and Units, are capped at an amount equivalent to 0.8% per annum of the value of Deposited Property as at the end of the financial year (referred to as the "annual fee cap").

If the amount of such fees for a financial year exceeds the annual fee cap, the Base Fee of the financial year shall be paid to the Manager and only that portion of the Performance Fee equal to the balance of an amount up to the annual fee cap will be paid to the Manager. The remaining portion of the Performance Fee, which will not be paid, shall be accrued and carried forward for payment to the Manager in future Half-Years. If, at the end of a Half-Year, there is any accrued Performance Fee which has been accrued for a period of at least three years prior to the end of that Half-Year, such accrued Performance Fee shall be paid to the Manager if the accumulated return of the Trust Index in that three-year period exceeds the accumulated return of the Cambridge Benchmark Index over the same period. The payment of such accrued Performance Fee shall not be subject to the annual fee cap.

1 General (Cont'd)

(B) Manager's management fees (Cont'd)

In the current and previous financial year, the Manager elected to receive the entire base fee in cash.

(C) Manager's acquisition and disposal fees

The Manager is also entitled to receive the following fees:

- (i) An acquisition fee of 1.0% of each of the following as is applicable, subject to there being no double-counting:
 - (a) the purchase price, excluding GST, of any real estate acquired, whether directly by CIT or indirectly through a special purpose vehicle;
 - (b) the value of any underlying real estate (pro-rata, if applicable, to the proportion of CIT's interest in such real estate) where CIT invests in any class of real estate related assets, including any class of equity, equity-linked securities and/or securities issued in real estate securitisation, of any entity directly or indirectly owning or acquiring such real estate, provided that:
 - CIT shall hold or invest in at least 50.0% of the equity of such entity; or
 - if CIT holds or invests in 30.0% or more but less than 50.0% of the equity of such entity, CIT shall have management control of the underlying real estate and/or such entity;
 - (c) the value of any shareholder's loan extended by CIT to the entity referred to in paragraph (b) above, provided that the provision in paragraph (b) is complied with; and
 - (d) the value of any investment by CIT in any loan extended to, or in debt securities of, any property corporation or other special purpose vehicle owning or acquiring real estate, (where such investment does not fall within the ambit of paragraph (b)) made with the prior consent of the Unitholders passed by ordinary resolution at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.
- (ii) A disposal fee of 0.5% of each of the following as is applicable, subject to there being no double-counting:
 - (a) the sale price, excluding GST, of any investment of the type referred to in paragraph (C)(i)(a) above for the acquisition fee;
 - (b) in relation to an investment of the type referred to in paragraph (C)(i)(b) above for the acquisition fee, the value of any underlying real estate (pro-rata, if applicable, to the proportion of CIT's interest in such real estate);
 - (c) the proceeds of sale, repayment or (as the case may be) redemption of an investment in a loan referred to in paragraph (C)(i)(c) above for the acquisition fee; and
 - (d) the value of an investment referred to in paragraph (C)(i)(d) above for the acquisition fee.

The Manager can opt to receive acquisition and disposal fees in the form of cash or Units or a combination as it may determine.

1 General (Cont'd)

(D) Property Manager's fees (Cont'd)

Cambridge Industrial Property Management Pte. Ltd. (the "Property Manager") as property manager of CIT is entitled to receive the following fees:

- (i) A property management fee of 2.0% per annum of the gross revenue of the relevant property;
- (ii) A lease management fee of 1.0% per annum of the gross revenue of the relevant property;
- (iii) A marketing services commission equivalent to:
 - (a) one month's gross rent, inclusive of service charge, for securing a tenancy of three years or less;
 - (b) two month's gross rent, inclusive of service charge, for securing a tenancy of more than three years;
 - (c) half month's gross rent, inclusive of service charge, for securing a renewal of tenancy of three years or less; and
 - (d) one month's gross rent, inclusive of service charge, for securing a renewal of tenancy of more than three years.
- (iv) A project management fee in relation to development or redevelopment (if not prohibited by the Property Funds Guidelines or if otherwise permitted by the MAS), the refurbishment, retrofitting and renovation works on a property, as follows:
 - (a) where the construction costs are \$2.0 million or less, a fee of 3.0% of the construction costs;
 - (b) where the construction costs exceed \$2.0 million but do not exceed \$20.0 million, a fee of 2.0% of the construction costs;
 - (c) where the construction costs exceed \$20.0 million but do not exceed \$50.0 million, a fee of 1.5% of the construction costs; and
 - (d) where the construction costs exceed \$50.0 million, a fee to be mutually agreed by the Manager, the Property Manager and the Trustee.
- (v) A property tax services fee in respect of property tax objections submitted to the tax authority on any proposed annual value of a property if, as a result of such objections, the proposed annual value is reduced resulting in property tax savings for the relevant property:
 - (a) where the proposed annual value is \$1.0 million or less, a fee of 7.5% of the property tax savings;
 - (b) where the proposed annual value is more than \$1.0 million but does not exceed \$5.0 million, a fee of 5.5% of the property tax savings; and

1 General (Cont'd)

(D) Property Manager's fees (Cont'd)

(c) where the proposed annual value is more than \$5.0 million, a fee of 5.0% of the property tax savings.

The above-mentioned fee is a lump sum fixed fee based on the property tax savings calculated over a 12-month period.

2 Basis of preparation

2.1 Statement of compliance

The financial statements are prepared in accordance with the recommendations of Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore and the applicable requirements of the Code on Collective Investment Schemes ("CIS Code") issued by the MAS and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards ("FRS").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except for investment properties and certain financial liabilities, which are stated at fair value.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars, which is the Trust's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with RAP 7 requires the Manager to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 4 valuation of investment properties
- Note 22 valuation of financial instruments

2 Basis of preparation (Cont'd)

2.5 Changes in accounting policies

Identification of related party relationships and related party disclosures

From 1 January 2011, the Trust has applied the revised FRS 24 *Related Party Disclosures* (2010) to identify parties that are related to the Trust to determine the disclosures to be made on transactions and outstanding balances, including commitments, between the Trust and its related parties. FRS 24 (2010) improved the definition of a related party in order to eliminate inconsistencies and ensure symmetrical identification of relationships between two parties.

The adoption of FRS 24 (2010) has not resulted in additional parties being identified as related to the Trust. Transactions and outstanding balances, including commitments, with the related parties for the current and comparative years have been disclosed accordingly in Note 21 to the financial statements.

The adoption of FRS 24 (2010) affects only the disclosures made in the financial statements. There is no financial effect on the results and financial position of the Trust for the current and previous financial years.

3 Significant accounting policies

There has been no significant change in the accounting policies from the previous financial year, except for the change as explained in Note 2.5 which addresses change in accounting policies.

3.1 Investment properties

Investment properties are accounted for as non-current assets, except if they meet the conditions to be classified as held for divestment (see Note 3.3 below). These properties are stated at initial cost on acquisition, and at valuation thereafter. The cost of a purchased property comprises its purchase price and any directly attributable expenditure. Transaction costs shall be included in the initial measurements. Valuations are determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers in the following manner:

- (i) in such manner and frequency required under the CIS code issued by MAS; and
- (ii) at least once in each period of 12 months following the acquisition of each investment property.

Any increase or decrease on revaluation is credited or charged directly to the Statement of Total Return as a net change in fair value of investment properties.

Subsequent expenditure relating to investment properties that have already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of originally assessed standard of performance of the existing asset, will flow to CIT. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

3 Significant accounting policies (Cont'd)

3.1 Investment properties (Cont'd)

When an investment property is disposed of, the resulting gain or loss recognised in the Statement of Total Return is the difference between net disposal proceeds and the carrying amount of the property.

Investment properties are not depreciated. The properties are subject to continued maintenance and regularly revalued on the basis set out above.

3.2 Investment properties under development

Investment properties under development are properties constructed or developed for future use as investment property. Investment properties under development are measured at fair value. The difference between the fair value and cost (including acquisition costs, development expenditure, borrowing costs and other related expenditures) is credited or charged to the Statement of Total Return as a change in fair value of investment properties under development. Upon completion, the carrying amounts are reclassified to investment properties.

3.3 Investment properties held for divestment

Investment properties that are expected to be recovered primarily through divestment rather than through continuing use, are classified as held for divestment and accounted for as current assets. These investment properties are measured at fair value and any increase or decrease on revaluation is credited or charged directly to the Statement of Total Return as a net change in fair value of investment properties.

Upon disposal, the resulting gain or loss recognised in the Statement of Total Return is the difference between net disposal proceeds and the carrying amount of the property.

3.4 Financial instruments

Non-derivative financial assets

The Trust initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Trust becomes a party to the contractual provisions of the instrument.

The Trust derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Trust is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Trust has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial assets comprise loans and receivables.

3 Significant accounting policies (Cont'd)

3.4 Financial instruments (Cont'd)

Non-derivative financial assets (Cont't)

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and trade and other receivables.

Cash and cash equivalents consists of cash balances.

Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date at which the Trust becomes a party to the contractual provisions of the instrument.

The Trust derecognises a financial liability when its contractual obligations are discharged or cancelled or when they expire

The Trust has the following non-derivative financial liabilities: loans and borrowings and trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Unitholders' funds

Unitholders' funds are classified as equity. Incremental costs directly attributable to the issue of units are recognised as a deduction from equity, net of any tax effects.

Derivative financial instruments and hedging activities

The Trust held derivative financial instruments to hedge its interest rate risk exposure. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through Statement of Total Return. Derivatives are not used for trading purposes.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the Statement of Total Return when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised immediately in the Statement of Total Return.

Other non-trading derivatives

When a derivative financial instrument is not held for trading, and is not designated in a qualifying hedge relationship, all changes in its fair value are recognised immediately in the Statement of Total Return.

3 Significant accounting policies (Cont'd)

3.4 Financial instruments (Cont'd)

Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Trust on terms that the Trust would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the Statement of Total Return.

Impairment losses in respect of financial assets measured at amortised cost are reversed to the Statement of Total Return, if the subsequent increase in fair value can be related objectively to an event occurring after the impairment loss was recognised.

3.5 Impairment - non-financial assets

The carrying amounts of the Trust's non-financial assets, other than investment properties and investment properties under development, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated at each balance sheet date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the Statement of Total Return unless it reverses a previous revaluation, credited to Unitholders' funds, in which case it is charged to Unitholders' funds.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3 Significant accounting policies (Cont'd)

3.6 Revenue recognition

(i) Rental income from operating leases

Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease, except when an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental to be received. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period on a receipt basis. No contingent rental is recognised if there are uncertainties due to the possible return of the amounts received.

(ii) Interest income

Interest income is accrued using the effective interest method.

3.7 Expenses

(i) Property expenses

Property expenses are recognised on an accrual basis. Included in property expenses is Property Manager's fee which is based on the applicable formula stipulated in Note 1.

(ii) Manager's management fees

Manager's management fees are recognised on an accrual basis based on the applicable formula stipulated in Note 1. Manager's management fee paid and payable in Units is recognised as an expense in the Statement of Total Return and a corresponding increase in Unitholders' funds.

(iii) Trust expenses

Trust expenses are recognised on an accrual basis. Included in trust expenses is the trustee's fees which are based on the applicable formula stipulated in Note 1.

(iv) Borrowing costs

Interest expense and similar charges are recognised in the Statement of Total Return, using the effective interest rate method over the period of borrowings.

3.8 Taxation

Taxation for the year comprises current and deferred tax. Income tax is recognised in the Statement of Total Return except to the extent that it relates to items directly related to Unitholders' funds, in which case it is recognised in Unitholders' funds.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date.

3 Significant accounting policies (Cont'd)

3.8 Taxation (Cont'd)

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The temporary differences on initial recognition of assets or liabilities in a transaction that is not a business combination and that affect neither accounting nor taxable profit are not provided for. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same entity.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In the ordinary course of business, there are many transactions and calculations for which the ultimate tax treatment is uncertain. Therefore, CIT recognises tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognised when the Trust believes that certain positions may not be fully sustained upon review by tax authorities, despite CIT's belief that its tax return positions are supportable. CIT believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of multifaceted judgments about future events. New information may become available that causes CIT to change its judgement regarding the adequacy of existing tax liabilities, such changes to tax liabilities will impact tax expense in the period that such a determination is made.

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling on the taxation of CIT and its Unitholders. Subject to meeting the terms and conditions of the tax ruling issued by IRAS, the Trustee will not be assessed to tax on the taxable income of CIT on certain types of income. Instead, the Trustee and the Manager will deduct income tax at the prevailing corporate tax rate (currently 17.0%) from the distributions made to Unitholders that are made out of the taxable income of CIT, except:

- (i) where the beneficial owners are individuals or Qualifying Unitholders, the Trustee and the Manager will make the distributions to such Unitholders without deducting any income tax; or
- (ii) where the beneficial owners are foreign non-individual Unitholders, the Trustee and the Manager will deduct Singapore income tax at the reduced tax rate of 10.0% for distributions made during the period from 18 February 2010 to 31 March 2015 (both dates inclusive).

A "Qualifying Unitholder" is a Unitholder who is:

- A Singapore-incorporated company which is a tax resident in Singapore;
- A body of persons other than a company or a partnership, registered or constituted in Singapore (e.g. a town council, a statutory board, a registered charity, a registered cooperative society, a registered trade union, a management corporation, a club and a trade industry association); or

3 Significant accounting policies (Cont'd)

3.8 Taxation (Cont'd)

A Singapore branch of a foreign company which has been presented a letter of approval from IRAS granting
waiver from tax deducted at source in respect of distributions from CIT.

A "foreign non-individual Unitholder" is one which is not a resident of Singapore for income tax purposes and;

- who does not have a permanent establishment in Singapore; or
- who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used to acquire the Units are not obtained from that operation in Singapore.

The above tax transparency ruling does not apply to gains from sale of real estate properties, if considered to be trading gains derived from a trade or business carried on by CIT or distribution income received or receivable from its quoted investments. Tax on such gains or profits will be assessed, in accordance to section 10(1)(a) of the Income Tax Act, Chapter 134 and collected from the Trustee. Where the gains are capital gains, it will not be assessed to tax and the Trustee and the Manager may distribute the capital gains without tax being deducted at source.

3.9 Distribution policy

CIT's distribution policy is to distribute 100% of its taxable income available for distribution to Unitholders. Distributions are made on a quarterly basis at the discretion of the Manager.

3.10 Finance costs

Finance costs comprise interest expense on borrowings, amortisation of borrowings and related transaction costs which are recognised in the Statement of Total Return using the effective interest method over the period of borrowings.

3.11 Earnings per unit

The Trust presents basic earnings per unit ("EPU") data for its units. Basic EPU is calculated by dividing the total return for the period after tax by the weighted average number of units outstanding during the year, adjusted for own units held. Diluted EPU is determined by adjusting the total return for the period after tax and the weighted average number of units outstanding, adjusted for own units held and for the effects of all dilutive potential units.

3.12 Segment reporting

An operating segment is a component of CIT that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of CIT's other components. All operating segments' operating results are reviewed regularly by CIT's Chief Operating Decision Makers ("CODM"s) which comprise mainly the Board of Directors and the Chief Executive Officer of the Manager, to make decisions about resources to be allocated to the segments and assess its performance and for which discrete financial information is available.

3 Significant accounting policies (Cont'd)

3.13 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2011, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Trust, except for the amendments to FRS 107 *Financial Instruments: Disclosures – Transfers of Financial Assets* which will become mandatory for the Trust's financial statements for 2012. The adoption of these amendments would result in additional disclosures in the financial statements with respect to transferred financial assets that are not derecognised in their entirety, and transferred financial assets that are derecognised in their entirety but for which the entity retains continuing involvement. The adoption of these amendments would only affect the disclosures made in the financial statements. There will be no effect on the results and financial position of the Trust. The Trust does not plan to adopt these amendments early.

4 Investment properties

	2011	2010
	\$'000	\$′000
At 1 January	928.450	874,200
Acquisition of investment properties	60,900	69,710
Disposal of investment properties	(22,000)	(68,153)
Acquisition related costs	932	1,107
Capital expenditure incurred	4,812	3,323
	973,094	880,187
Change in fair value during the year	50,506	48,263
At 31 December	1,023,600	928,450
Investment properties (non-current)	1.005.300	906,450
Investment properties held for divestment (current)	18,300	22,000
	1,023,600	928,450

Investment properties are stated at fair value based on valuations performed by independent professional valuers as at 31 December 2011, except for the investment property at 1 Tuas Avenue 3. The fair value of this property approximates its carrying amount at the reporting date.

On 11 January 2011, CITM received a notice of compulsory land acquisition from the Singapore Land Authority ("SLA") stating that it will be acquiring 100% of the land on which the 1 Tuas Avenue 3 property is located and approximately 35% of the land on which the 30 Tuas Road property is located. On 8 February 2012, CITM received a notice of compulsory land acquisition from SLA stating that it will be acquiring the full lot of land on which the 30 Tuas Road property is located, instead of a part-lot as previously notified. CIT is entitled to receive compensation based on the market value of the acquired land as at the date of publication of the notification of acquisition which is 11 January 2011 for the 1 Tuas Avenue 3 property and 8 February 2012 for the 30 Tuas Road property, and any applicable costs and damages as provided for in the Land Acquisition (Amendment) Act 2007.

The 1 Tuas Avenue 3 property has been carried at its 31 December 2010 valuation amount and the 30 Tuas Road property has been carried at its 31 December 2011 valuation amount, as these dates are very close to the SLA's notifications of acquisition dates of 11 January 2011 and 8 February 2012 respectively.

4 Investment properties (Cont'd)

In determining the fair value, the valuers have used valuation methods which involve certain estimates. The Manager has exercised its judgment and is satisfied that the valuation methods and estimates are reflective of the current market conditions.

The independent professional valuers have considered valuation techniques including direct comparison method, capitalisation approach and/or discounted cash flow analysis in arriving at the open market value as at the reporting date. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation yield, terminal yield, discount rate and average growth rate.

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties.

The capitalisation approach capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The discounted cash flows method involves the estimation and projection of an income stream over a period and discounting the income stream with an expected internal rate of return.

Security

As at the reporting date, investment properties with a carrying value of \$801.3 million and \$132.3 million have been mortgaged as security for term loan facilities granted by a syndicate of four financial institutions and National Australia Bank Limited respectively to the Trust (refer to Note 9).

In the previous financial year, investment properties with a carrying value of \$858.7 million and \$69.8 million have been mortgaged as security for term loan facilities granted by Alhambra Pte. Ltd. and National Australia Bank Limited respectively to the Trust (refer to Note 9).

5 Investment properties under development

During the financial year, CIT has been assigned and allocated two pieces of land to develop two built-to-suit facilities on these sites. The estimated total cost of development is \$21.9 million. CIT has commenced construction on these built-to-suit facilities, with costs capitalised up to the reporting date totalling \$3.6 million (2010: \$nil).

For the investment properties under development, CIT did not recognise any fair value gain or loss on the basis that actual cost approximated the fair value as at 31 December 2011.

6 Trade and other receivables

	2011	2010
	\$′000	\$'000
Trade receivables	516	321
Deposits	193	95
Amounts due from the Manager (non-trade)	_	1
Amounts due from the Property Manager (trade)	54	_
Other receivables	12	160
Loans and receivables	775	577
Prepayments	620	372
Option fees paid	40	135
	1,435	1,084

6 Trade and other receivables (Cont'd)

The amounts due from the Property Manager are unsecured, interest-free and repayable on demand. Option fees paid in the current financial year are in respect of the proposed acquisitions of properties as disclosed in Note 20(c).

Concentration of credit risk relating to trade receivables is limited due to the Trust's large number and diverse range of tenants. The Manager believes that no significant credit risk is inherent in the Trust's trade receivables based on the Trust's historical experience in the collection of trade receivables. The maximum exposure to credit risk for trade and other receivables is represented by the carrying amount at the reporting date.

Impairment losses

The ageing of trade receivables at the reporting date is as follows:

	Impairment		Impairment	
	Gross 2011	losses 2011	Gross 2010	losses
				2010
	\$'000	\$'000	\$'000	\$'000
Past due 0 – 30 days	238	_	320	_
Past due 31 – 120 days	234	_	1	_
More than 120 days past due	44	_	_	_
	516	_	321	_

The Manager believes that no allowance is necessary in respect of the trade receivables during the financial year as these receivables mainly arise from tenants that have good records and have sufficient security in the form of bankers' guarantees, insurance bonds or cash security deposits as collaterals.

7 Cash and cash equivalents

	2011	2010 \$'000
	\$′000	
Cash at bank and in hand	78,763	70,419
Fixed deposits with financial institutions	_	650
Cash and cash equivalents	78,763	71,069

In the previous financial year, the weighted average effective interest rates relating to the fixed deposits at the reporting date was 0.23%. Interest rates reprice at intervals ranging from 2 weeks to 2 months.

8 Derivative financial instruments (non-current liability)

	2011	2010
	\$'000	\$'000
Interest rate swaps	3,578	_
Derivative financial instruments as a percentage of net assets	0.48%	_

Interest rate swaps

The Trust manages its exposure to interest rate movements on its floating rate loans and borrowings by entering into interest rate swaps. As at reporting date, the Trust has interest rate swaps with a total notional amount of \$320.0 million (2010: nil) to provide fixed rate funding for approximately 2.5 years at a weighted average effective interest rate of 1.15% (2010: nil) per annum.

9 Interest-bearing borrowings

	2011	2010 \$'000
	\$'000	
Non-current liabilities		
Secured loans	366,530	347,499
Unamortised loan transaction costs	(9,922)	(8,308)
	356,608	339,191

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

			· 20	11	· ·20	10
	Nominal interest rate %	Year of maturity	Face value \$'000	Gross carrying amount \$'000	Face value \$'000	Gross carrying amount \$'000
Syndicated term loan facility - S\$ fixed rate loan ^	3.88 - 4.18	2012	-	_	323,100	323,100
Term loan facility - S\$ floating rate loan	SOR* + margin	2014-2016	320,000	320,000	_	_
Acquisition term loan facility - S\$ floating rate loan	SOR* + margin	2014	46,530 366,530	46,530 366,530	24,399 347,499	24,399 347,499

 ^{*} Swap Offer Rate.

The nominal interest rate for the S\$ floating rate loans is determined by a margin plus SOR per annum.

[^] Syndicated term loan facility was repaid in June 2011.

9 Interest-bearing borrowings (Cont'd)

The following are the expected contractual undiscounted cash inflows/(outflows) of interest-bearing borrowings including interest payments and other borrowing costs, and trade and other payables:

		(Cash flow	
	Gross carrying amount \$′000	Contractual cash flows \$'000	Within 1 year \$'000	Within 1 to 5 years \$'000	More than 5 years \$'000	
2011						
Non-derivative financial liabilities						
Term loan facility - S\$ floating rate loan Acquisition term loan facility	320,000	(349,705)	(9,356)	(340,349)	-	
- S\$ floating rate loan	46,530	(48,956)	(1,028)	(47,928)	_	
Trade and other payables	9,292	(9,292)	(9,292)	_	_	
	375,822	(407,953)	(19,676)	(388,277)	_	
Derivative financial liability						
Interest rate swaps	3,578	(5,875)	(2,432)	(3,443)	_	
	379,400	(413,828)	(22,108)	(391,720)		
2010						
Non-derivative financial liabilities						
Syndicated term loan facility - S\$ fixed rate loan Acquisition term loan facility	323,100	(345,759)	(18,077)	(327,682)	-	
- S\$ floating rate loan	24,399	(25,767)	(473)	(25,294)	_	
Trade and other payables*	19,144	(19,144)	(18,777)	(367)	_	
	366,643	(390,670)	(37,327)	(353,343)	_	

^{*} Trade and other payables excludes rent received in advance.

Details of the outstanding borrowings and collaterals are as follows:

(A) Term Loan Facility

The Trust has in place a secured \$320 million term loan facility from a syndicate of four financial institutions (the "Term Loan Facility"). The Term Loan Facility, which was fully drawn as at 31 December 2011, was used to refinance the previous outstanding syndicated loan of \$303.1 million as well as to settle the upfront fees relating to the refinancing exercise.

The Term Loan Facility, which bears a margin plus SOR per annum, consists of two tranches as follows:

- 3-year tranche term loan of \$220 million, maturing in June 2014; and
- 5-year tranche term loan of \$100 million, maturing in June 2016.

9 Interest-bearing borrowings (Cont'd)

(A) Term Loan Facility (Cont'd)

The two tranches in the Term Loan Facility are secured by way of the following:

- (i) Mortgage over a single pool of 38 investment properties ("Portfolio Properties 1") with an aggregate carrying value amounted to \$801.3 million as at 31 December 2011;
- (ii) Assignment of all tenancy agreements, sales agreements, insurance policies, rental assignments, bankers' guarantees and property management agreement in relation to the Portfolio Properties 1;
- (iii) Assignment of all rental, sale and insurance proceeds and all sums from time to time which the Trust is entitled to receive from Portfolio Properties 1; and
- (iv) A debenture creating fixed and floating charge on all present and future assets in relation to the Portfolio Properties 1.

(B) Acquisition Term Loan Facility

On 12 August 2010, the Trustee in its capacity as trustee of CIT, entered into a facility agreement with National Australia Bank Limited to obtain financing of \$70.0 million ("Acquisition Term Loan Facility") for the purpose of financing the acquisition growth of CIT.

The Acquisition Term Loan Facility, which comprises a term loan facility of \$50.0 million and a revolving credit facility of \$20.0 million ("Revolving Credit Facility"), has a tenor of three years from the date of drawdown.

On 2 March 2011, the Trust entered into a supplemental agreement with National Australia Bank Limited to amend and restate the Acquisition Term Loan Facility and Revolving Credit Facility to increase from \$50 million to \$120 million, including the \$20 million Revolving Credit Facility being converted and incorporated into the Acquisition Term Loan Facility. The revised Acquisition Term Loan Facility will mature in March 2014.

Interest payable on the Acquisition Term Loan Facility is calculated based on a margin plus SOR per annum.

The Acquisition Term Loan Facility is secured by way of the following:

- a mortage over six investment properties ("Portfolio Properties 2") with an aggregate carrying value amounted to \$132.3 million (2010: \$69.8 million);
- a debenture creating fixed and floating charges on all present and future assets in relation to the Portfolio Properties 2;
- an assignment of all tenancy agreements, sales agreements, insurance policies, rental assignments, bankers' guarantees and property management agreement in relation to the Portfolio Properties 2; and
- an assignment of all rental, sale and insurance proceeds and all sums from time to time which the Trust is entitled to receive from Portfolio Properties 2.

As at 31 December 2011, the total amount outstanding under the Acquisition Term Loan Facility was \$46.5 million (2010: \$24.4 million).

9 Interest-bearing borrowings (Cont'd)

(C) Syndicated Term Loan Facility

The \$390.1 million syndicated term loan facility with a tenor of 3 years (maturing in February 2012), was granted by a Special Purpose Vehicle ("SPV"), Alhambra Pte. Ltd. on 13 February 2009.

The facility consisted of two rated tranches being:

- Tranche A facility with an aggregate principal of \$263.1 million rated AAA; and
- Tranche B facility with an aggregate of \$60.0 million rated AA.

In the previous financial year, total loan prepayments amounting to \$67.0 million were made to the Syndicated Term Loan Facility, thus reducing the loan amount from \$390.1 million to \$323.1 million.

During the financial year, the Syndicated Term Loan Facility was fully repaid with funds from the new term loan facility (see Note 9(A)).

The facility was secured by the following:

- (i) Mortgage of 40 investment properties ("Portfolio Properties") with an aggregate carrying value amounted to \$858.7 million as at 31 December 2010;
- (ii) Assignment by way of security of the rights, titles and interests of the CIT's Trustee and charged in favour of the SPV, in respect of the building agreements, property management agreements, insurances and proceeds relating to the 40 mortgaged investment properties; and
- (iii) A debenture creating by way of a first fixed and floating charge on all present and future assets of CIT.

10 Trade and other payables

	2011 \$′000	2010 \$′000
Current liabilities		
Trade payables and accrued operating expenses	3,058	3,156
Amounts due to related parties (trade):		
- the Manager	496	485
- the Property Manager	218	221
- the Trustee	126	43
Interest and loan commitment fee payable	985	2,537
Rental deposits received	2,849	3,356
Rent received in advance	15	92
Deposits and option fees received	189	1,749
Other payables	1,371	7,230
	9,307	18,869
Non-current liability		
Other payables	_	367
. ,	_	367
Total trade and other payables	9,307	19,236

10 Trade and other payables (Cont'd)

The amounts due to related parties are unsecured. Transactions with related parties are priced on terms agreed between the parties.

Included in other payables (current) are retention sums of approximately \$1.2 million (2010: \$1.1 million) relating to certain investment properties acquired and investment properties under development during the year.

The contractual undiscounted cash flows for trade and other payables are included in Note 9.

11 Units in issue

	2011	2010	
	Number of units ′000		Number of units
		′000	
Units in issue:			
At 1 January	1,057,065	867,546	
Units created:			
- Rights Issue	132,133	_	
- Private placement/Preferential offering	_	178,664	
- Distribution Reinvestment Plan		10,855	
At 31 December	1,189,198	1,057,065	

In April 2011, the Trust issued 132,133,152 new units pursuant to a fully underwritten and renounceable 1-for-8 rights issue ("Rights Units") at an issue price of \$0.429 per Rights Unit.

These Rights Units, upon issue, ranked pari passu in all respects with the existing united including the right to the Trust's distributable income for the period beginning from 1 January 2011.

During the previous financial year, the Trust issued the following new units:

(i) a total of 10,854,928 new units in lieu of distribution payments pursuant to a Distribution Reinvestment Plan, whereby the Unitholders have the option to receive their distribution payment in units instead of cash or a combination of units and cash as follows:

Date of Issue	Number of units issued	Issue price per unit (\$)	Period relating to
25 March 2010	2,585,239	0.445	1 October to 31 December 2009
15 June 2010	3,086,787	0.493	1 January to 31 March 2010
8 September 2010	5,182,902	0.488	1 April to 30 June 2010

(ii) a total of 140,181,000 new units pursuant to private placement exercises to third party investors as follows:

Date of issue	Number of units issued	Issue price per unit (\$)
23 August 2010	83,683,000	0.478
1 November 2010	56,498,000	0.531

11 Units in issue (Cont'd)

(iii) 38,483,584 units, on the basis of 1 preferential unit for every 25 existing units, pursuant to a preferential offering exercise were issued to third party investors and related parties (refer to Note 21) at an issue price of \$0.531 on 18 November 2010.

Each unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- receive income and other distributions attributable to the units held;
- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer to it of any assets (or part thereof) or any estate or interest in any asset (or part thereof) of the Trust;
- attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or one-tenth in number of Unitholders, whichever is lesser) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed; and
- one vote per unit.

The limitations on a Unitholder's rights include the following:

- a Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- a Unitholder has no right to request the Manager to redeem his units while the units are listed on the SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any unit in the Trust. The provisions of the Trust Deed provide that no Unitholder will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that the liabilities of the Trust exceed its assets.

12 Gross revenue

	2011	2010 \$'000
	\$′000	
Property rental income	80,310	74,050
Other income	63	160
	80,373	74,210

13 Property expenses

	2011	2010
	\$'000	\$'000
Londonatel	2.275	0.100
Land rental	3,375	3,196
Property and lease management fees	2,552	2,222
Property tax	3,148	2,648
Repair and maintenance expenses	1,264	475
Other property operating expenses	922	574
	11,261	9,115

14 Manager's management fees

	2011	2010
	\$'000	\$'000
Manager's management fees (base fees) paid and payable in cash	5,332	4,668

No performance fees were payable to the Manager for the current financial year and the previous financial year.

15 Trust expenses

	2011 \$'000	2010 \$'000
Trustee's fees	233	165
Professional fees	992	710
Other expenses	599	662
	1,824	1,537

Included in the professional fees are audit fees paid to the auditors of the Trust amounting to \$140,000 (2010: \$140,000) and non-audit fees paid/payable to the auditors of the Trust amounting to \$45,000 (2010: \$65,000).

16 Borrowing costs

	2011 \$′000	2010 \$'000
Borrowing costs paid and payable on loans		
- bank loans	11,050	15,587
- financial derivatives	1,827	_
Amortisation of transaction costs relating to debt facilities	9,206	8,531
Other loan transaction cost	4,138	1,382
	26,221	25,500

Other loan transaction cost relates to break costs incurred from prepayment of the Syndicated Term Loan Facility.

17 Income tax expense

	2011 \$′000	2010 \$′000
Reconciliation of effective tax rate		
Total return for the year before income tax	85,173	85,846
Income tax using Singapore tax rate of 17% (2010: 17%) Income not subject to tax	14,479 (373)	14,594 (676)
Non-tax deductible items	(5,539)	(6,311)
Tax transparency	(8,567)	(7,586)
	_	21

18 Earnings and distribution per unit

Earnings per unit

The calculation of basic earnings per unit is based on weighted average number of units in issue during the year and total return after tax for the year.

	2011	2010
	\$'000	\$'000
Total return before income tax	85,173	85,846
Less: Income tax attributable to total return	-	(21)
Total return after income tax	85,173	85,825
	Number of Units	Number of Units
	′000	′000
Weighted average number of units:		
- Outstanding during the period Effect of issue of new units:	1,057,065	867,546
- Private placement/Preferential offering	_	44,115
- Rights Issue	94,484	_
- Distribution Reinvestment Plan	_	5,322
- Adjustment for effects of rights issue	19,583	15,594
	1,171,132	932,577
Basic earnings per unit	7.27	9.20

Diluted earnings per unit is the same as the basic earnings per unit as there were no dilutive instruments in issue during the financial year and in the previous financial year.

18 Earnings and distribution per unit (Cont'd)

Distribution per unit

The calculation of distribution per unit is based on the net income available for distribution for the year and the applicable number of units which is either the number of units on issue at the end of each period or the applicable number of units on issue during the period.

	2011 \$'000	2010 \$'000
Net income available for distribution	50,397	44,727
	Number of Units	Number of Units
	′000	′000
Applicable number of units for the calculation of DPU	1,189,198	914,352
Distribution per unit (cents)	4.24	4.89

19 Equity issue costs

	2011 \$′000	2010 \$'000
	000	057
Professional fees	290	957
Underwriting and selling commissions	2,356	3,841
Miscellaneous issue costs	409	171
	3,055	4,969

These expenses incurred are deducted directly against Unitholders' fund. Included in the professional fees are non-audit fees paid/payable to the auditors amounting to \$60,000 (2010: \$145,000).

20 Commitments

(a) Lease commitments

CIT leases out its investment properties. Non-cancellable operating lease rentals are receivable as follows:

	2011	2010 \$′000
	\$'000	
Receivable:		
- Within 1 year	80,596	76,868
- After 1 year but within 5 years	180,583	211,495
- After 5 years	10,326	31,794
	271,505	320,157

20 Commitments (Cont'd)

(b) Operating lease commitments

CIT is required to pay annual land rent to Jurong Town Corporation ("JTC") and Housing & Development Board ("HDB") for 22 (2010: 21) properties. Land rents for the remaining properties are either not applicable as the upfront land premium has already been paid by the vendors or borne by the tenants of these properties based on the contractual lease agreements.

The annual land rent is based on market rent for the relevant year and any increase in annual land rent from year to year shall not exceed 5.5% of the annual land rent for the respective properties for the immediate preceding year. The land rent paid based on prevailing rental rates during the financial year was \$3,693,000 in relation to 22 properties (2010: \$3,262,000 in relation to 21 properties).

(c) Capital commitments

During the current financial year, the Trustee entered into conditional put and call options for the acquisition of the following properties:

Property	Vendor	Acquisition value	
		2011	2010
		\$'000	\$'000
25 Pioneer Crescent Singapore 628554	Oxley Opportunity#9 Pte Ltd	15,000	_
3C Toh Guan Road East Singapore 608832	Tye Soon Limited	35,500	-
29 Tai Seng Avenue Singapore 534119	Natural Cool Investments Pte Ltd	_	21,100
60 Tuas South Street 1 Singapore 639925	Peter's Polyethylene Industries Pte Ltd	_	6,400
Tuas View Circuit	Peter's Polyethylene Industries Pte Ltd		12,200
		50,500	39,700

Option fees paid for the proposed acquisition of these properties are disclosed in Note 6.

(d) As at reporting date, CIT had \$42.1 million (2010: \$nil) of capital expenditure commitments that had been authorised and contracted for but not provided in the financial statements. The various projects are expected to be completed by the financial year ending 31 December 2013.

21 Related parties

For the purposes of these financial statements, parties are considered to be related to CIT if CITM has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where CITM and the party are subject to common significant influence. Related parties may be individuals or other entities.

Other than as disclosed elsewhere in the financial statements, there were the following significant related party transactions carried out in the normal course of business on terms agreed between the parties:

	2011 \$′000	2010 \$'000
Cambridge Industrial Trust Management Limited (the Manager)		
Management fees paid and payable	5,332	4,668
Acquisition fee paid relating to the purchase of investment properties	609	697
Disposal fee paid relating to the divestment of investment properties	122	364
Issue of units from Rights Issue/Preferential Offering	440	169
Cambridge Industrial Property Management Pte. Ltd. (Subsidiary of immediate holding company of the Manager)		
Property Manager's fees paid and payable	2,409	2,222
Marketing services commission paid and payable	547	74
Project management fees paid and payable	29	_
RBC Dexia Trust Services Singapore Limited (the Trustee)		
Trustee fees paid and payable	233	165
Antares nablnvest Trust (Related company of the Manager) (Note 1)		
Issuance of units from Preferential Offering	-	287
Oxley Securities (S) Pte Ltd (Related company of the Manager) (Note 2)		
Advisory fee on loan refinancing	90	_

21 Related parties (Cont'd)

	2011 \$′000	2010 \$′000
National Australia Bank Limited (Related company of the Manager) (Note 3)	Ų data	
Loan disbursed	142,131	24,399
Loan transaction costs paid and payable	5,239	1,460
Commitment fee paid and payable	620	210
Interest paid and payable	3,070	75
Note 1: nablnyest Capital Partners Pty Ltd ("nablnyest Capital"), which manages Anta	ares nablnvest Trust, is a sha	reholder of the

- Note 1: nabInvest Capital Partners Pty Ltd ("nabInvest Capital"), which manages Antares nabInvest Trust, is a shareholder of the ultimate holding company of the Manager with an indirect equity interest in the Manager of 56%.
- Note 2: Oxley Securities (S) Pte Ltd ("Oxley Securities"), which is a subsidiary of the Oxley Holdings Limited ("Oxley Holdings"), is related to the Manager by virtue of Oxley Holdings' indirect equity interest in the Manager of 24%. Oxley Securities disposed of its entire interest in CIT in December 2010.
- Note 3: National Australia Bank Limited ("NAB") is the ultimate holding company of nablnvest Capital in Australia, is related to the Manager by virtue of nablnvest Capital's indirect equity interest in the Manager of 56%.

22 Financial instruments

Capital management

As part of its finance policy, the Board of the Manager proactively reviews the Trust's capital and debt management regularly so as to optimise the Trust's funding structure. The Board also monitors the Trust's exposure to various risk elements and externally imposed requirements by closely adhering to clearly established management policies and procedures.

The Trust is subject to the Aggregate Leverage limit as defined in the Property Fund Guidelines of the CIS code. The CIS code stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 35.0% of the fund's deposited property. The aggregate leverage of a property fund may exceed 35.0% of the fund's deposited property (up to a maximum of 60.0%) only if a credit rating of the property fund from Fitch Inc., Moody's or Standard and Poor's is obtained and disclosed to the public. The property fund should continue to maintain and disclose a credit rating so long as its aggregate leverage exceeds 35.0% of the fund's deposited property.

22 Financial instruments (Cont'd)

Capital management (Cont'd)

The Trust has maintained its corporate rating of "BBB-/Stable/--" with Standard and Poor's and complied with the Aggregate Leverage limit of 60.0% during the financial year. There were no changes in the Trust's approach to capital management during the financial year.

As at the reporting date, the gross amounts of loans and borrowings as a percentage of total assets was 33.1% (2010: 34.7%).

Overview

The Trust has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. Management continually monitors the Trust's risk management process to ensure an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Trust's activities.

The Audit, Risk Management and Compliance Committee ("ARCC") oversees how management monitors compliance with the Trust's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Trust. The ARCC is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the ARCC.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to CIT, as and when they fall due.

The Manager has established credit limits for tenants and monitors their balances on an on-going basis. Credit evaluations are performed by the Manager before lease agreements are entered into with the lessees. In addition, CIT requires the lessees to provide tenancy security deposits or corporate guarantees, or to assign rental proceeds from sub-lessees to CIT. Cash and fixed deposits are placed with financial institutions which are regulated.

At the reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset on the Statement of Financial Position.

Interest rate risk

CIT's exposure to changes in interest rates relate primarily to its interest-bearing financial liabilities. Interest rate risk is managed by the Manager on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates. CIT adopts a policy of ensuring that majority of its exposures to changes in interest rates on borrowings is on a fixed-rate basis. This is achieved by entering into interest rate swaps.

Eivad interest

Notes to the Financial Statements

22 Financial instruments (Cont'd)

Interest rate risk (Cont'd)

(a) Effective interest rates and repricing analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates the effective interest rates as at 31 December 2011 and 31 December 2010 and the periods at which they reprice.

	Effective interest rate %	Floating interest \$'000	rate maturing within 1 to 5 years \$'000	Total \$'000
2011				
Financial liabilities				
Interest-bearing borrowings				
- S\$ variable rate	1.87	46,530	_	46,530
- S\$ variable rate	2.62	320,000	_	320,000
Derivative financial instruments	1.15	_	3,578	3,578
		366,530	3,578	370,108
2010				
Financial asset				
Fixed deposits with financial institutions	0.23	650		650
Financial liabilities				
Interest-bearing borrowings				
- S\$ variable rate	1.93	24,399	_	24,399
- S\$ fixed rate	4.06		323,100	323,100
	_	24,399	323,100	347,499

(b) Sensitivity analysis

In managing the interest rate risk, CIT aims to reduce the impact of short term fluctuations on its earnings.

As at 31 December 2011 and 31 December 2010, a change of 100 basis point in interest rate would increase/ (decrease) Unitholders' funds and total return by the amounts shown below:

	Profi	Profit or loss		quity
	100 bp increase \$'000	100 bp decrease \$'000	100 bp increase \$'000	100 bp decrease \$'000
31 December 2011		7 000		7 000
Variable rate instruments				
- Interest expense	(3,665)	2,028	(3,665)	2,028
Interest rate swaps				
- Interest expense	3,200	(1,770)	3,200	(1,770)
- Change in fair value of financial derivatives	4,584	(3,565)	4,584	(3,565)
	4,119	(3,307)	4,119	(3,307)

22 Financial instruments (Cont'd)

Interest rate risk (Cont'd)

(b) Sensitivity analysis (Cont'd)

	Profi	Profit or loss		Equity	
	100 bp increase \$'000	100 bp decrease \$'000	100 bp increase \$'000	100 bp decrease \$'000	
31 December 2010					
Variable rate instruments					
- Interest expense	(244)	244	(244)	244	

The Trust does not designate interest rate swaps as hedging instrument under a cash flow hedge accounting model. Therefore a change in interest rates at the reporting date would not affect equity.

Currency risk

At present, all transactions involving the Trust are denominated in Singapore dollars and the Trust faces no currency risk. If this were to change in the future, the Manager would consider currency hedging to the extent appropriate.

Liquidity risk

The Manager monitors the liquidity risk of CIT and maintains a level of cash and cash equivalents deemed adequate by management to finance CIT's operations. Typically, the Trust ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot be reasonably be predicted, such as natural disasters.

The Manager monitors and observes the Code on Collective Investment Schemes issued by the MAS concerning limits on total borrowings.

Fair values

The following summarises the significant methods and assumptions used in estimating the fair values.

(a) Financial derivatives

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

22 Financial instruments (Cont'd)

Fair values (Cont'd)

(a) Financial derivatives (Cont'd)

Fair value hierarchy (Cont'd)

31 December 2011 Interest rate swaps	3.578	3.578

The fair values of derivative financial instruments such as interest rate swaps are based on valuation reports from financial institutions.

(b) Floating interest-bearing borrowings

Fair value is calculated based on discounted expected future principal and interest cash flows. The carrying amounts of interest-bearing borrowings which are repriced quarterly approximate the corresponding fair values (refer to Note 9).

(c) Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

Interest rates used in determining fair values

The aggregate net fair values of the recognised financial liability of the Trust which were not carried at fair value in the Statement of Financial Position at 31 December 2010 were represented in the following table:

	Note	Carrying amount 2010 \$'000	Fair value 2010 \$′000
Financial liability Secured loan	9	347,499	351,729
Unrecognised loss		-	4,230

In the previous financial year, the interest rate used to determine the fair value of the secured loan was margin plus SOR. The SOR used approximates to the remaining loan period to maturity of the respective borrowings at the end of the reporting date on the expected contractual cash flows of the secured loans (see Note 9).

22 Financial instruments (Cont'd)

Financial instruments by category

	Note	Loans and receivables \$'000	Fair value through profit or loss \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Fair value \$′000
		+ 000	+ + + + + + + + + + + + + + + + + + + +	 	 	
31 December 2011						
Trade and other receivables*	6	775	_	_	775	775
Cash and cash equivalents	7	78,763	_	_	78,763	78,763
Derivative financial instruments	8	_	(3,578)	_	(3,578)	(3,578)
Loans and borrowings	9	_	_	(356,608)	(356,608)	(356,608)
Trade and other payables ^	10	_	_	(9,292)	(9,292)	(9,292)
		79,538	(3,578)	(365,900)	(289,940)	(289,940)
31 December 2010						
Trade and other receivables*	6	577	_	_	577	577
Cash and cash equivalents	7	71,069	_	_	71,069	71,069
Loans and borrowings	9	_	_	(339,191)	(339,191)	(351,729)
Trade and other payables ^	10	_	_	(19,144)	(19,144)	(19,144)
		71,646	_	(358,335)	(286,689)	(299,227)

Excludes prepayments and option fees paid.

23 Segment reporting

Segment information is presented based on the information reviewed by CIT's CODMs for performance assessment and resource allocation.

As each investment property is mainly used for industrial (including warehousing) purposes, these investment properties are similar in terms of economic characteristics, nature of services and type of customers. The CODMs are of the view that CIT has only one reportable segment – Leasing of investment properties. This forms the basis of identifying the operating segments of CIT under FRS 108 *Operating Segments*. CIT has only one tenant which contributed more than 10% of its total revenue during the financial year. The revenue contributed by this tenant was approximately \$8.3 million (2010: \$8.1 million).

Accordingly, no operating segment information has been prepared as CIT has only one reportable segment. CIT operates in Singapore as the investment properties are all located locally. To ensure CIT provides a stable return to its Unitholders, the CODMs have been diligently monitoring major key operating and performance indicators which include, amongst many others, net property income, distribution per unit, gearing, cost of borrowings and cash flows.

[^] Excludes rental received in advance.

24 Financial ratios

	2011	2010
	%	%
Expenses to weighted average net assets ¹		
- Expense ratio excluding performance-related fee	1.01	1.13
- Expense ratio including performance-related fee	1.01	1.13
Portfolio turnover rate ²	3.45	12.92

¹ The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of CIT, excluding property related expenses, borrowing costs and income tax expense.

25 Subsequent events

Subsequent to the financial year:

Acquisition

On 31 January 2012, the acquisition of 3C Toh Guan Road East was completed for a purchase price of S\$35.5 million (excluding acquisition costs) financed wholly by cash.

Divestment

On 30 January 2012, the divestment of 7 Ubi Close was completed for a sale price of S\$18.8 million.

Medium Term Note Programme

On 2 February 2012, CIT established a wholly-owned subsidiary incorporated in Singapore, Cambridge-MTN Pte. Ltd. (the "Issuer"), with an initial share capital of S\$1, in connection with the establishment of the MTN Programme.

On the same date the Issuer established a S\$500 Million Multicurrency Medium Term Note Programme (the "MTN Programme"), under which the Issuer may issue notes in Singapore dollars, United States dollars or any other currency.

The net proceeds arising from the issue of the Notes under the MTN Programme (after deducting issue expenses) will be used for (i) the purpose of on-lending to the CIT Trustee to (a) refinance the existing borrowings of CIT and its subsidiaries, (b) finance or refinance the acquisitions and/or investments of CIT and any development and asset enhancement works initiated by CIT or (c) finance general working capital and capital expenditure requirements of CIT and its subsidiaries, or (ii) such other purpose as may be specified in the pricing supplement relevant to each issue.

² The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of CIT expressed as a percentage of daily average net asset value.

25 Subsequent events (Cont'd)

Medium Term Note Programme (Cont'd)

In connection with the MTN Programme, a sixth supplemental deed was entered into with the Trustee to amend the trust deed to enable the CIT Trustee to establish treasury companies for the purposes of, *inter alia*, borrowing or raising moneys, foreign exchange trading, financial futures trading, financial derivatives trading and other risk management activities in foreign currency.

Singapore Land Authority – Compulsory Land Acquisition

Further to the announcements dated 18 January 2011 and 7 February 2011 in relation to the notice of compulsory land acquisition by the Singapore Land Authority ("SLA"), the Manager of CIT was notified by the SLA on 10 February 2012 that it will be acquiring the full lot of land on which the 30 Tuas Road property is located, instead of a part-lot as previously announced.

The total land area to be acquired by the SLA for the three properties affected is now 109,344 sq m (previously 58,439 sq m) and will be possessed by the Government by January 2013.

CIT is entitled to receive compensation based on the market value of the acquired land as at the date of publication of the notification of acquisition (i.e. 11 January 2011), and any applicable costs and damages as provided for in the Land Acquisition (Amendment) Act 2007. The value of compensation awarded will be announced once CIT receives notification from the Collector.

Additional Information

Related Party Transactions

The transactions entered into with related parties during the financial year and fall within the Listing Manual of the SGX-ST and the Property Funds Guidelines under the Code of Collective Investment Schemes are:

Name of entity	Aggregate value of all interested party transactions (IPTs) during the financial year under review \$'000	Aggregate value of all IPTs under the IPT mandate (or a unitholders' mandate for IPTs under Rule 920 of the Listing Manual) during the financial year under review \$'000
Cambridge Industrial Trust Management Limited (the Manager)		
Management fees paid and payable	5,332	_
Acquisition fee paid relating to the purchase of investment properties	609	_
Disposal fee paid relating to the divestment of investment properties	122	_
Issue of units from Rights Issue/Preferential Offering	440	-
Cambridge Industrial Property Management Pte. Ltd. (Subsidiary of immediate holding company of the Manager)		
Property Manager's fees paid and payable	2,409	_
Marketing services commission paid and payable	547	_
Project management fees paid and payable	29	_
RBC Dexia Trust Services Singapore Limited (the Trustee)		
Trustee fees paid and payable	233	_
Oxley Securities (S) Pte Ltd (Related company of the Manager) (Note a)		
Advisory fee on loan refinancing	90	_
National Australia Bank Limited (Related company of the Manager) (Note b)		
Loan disbursed	142,131	_
Loan transaction costs paid and payable	5,239	_
Commitment fee paid and payable	620	_
Interest paid and payable	3,070	_

Notes

- a. Oxley Securities (S) Pte Ltd ("Oxley Securities"), which is a subsidiary of the Oxley Holdings Limited ("Oxley Holdings"), is related to the Manager by virtue of Oxley Holdings' indirect equity interest in the Manager of 24%. Oxley Securities disposed of its entire interest in CIT in December 2010.
- b. National Australia Bank Limited ("NAB") is the ultimate holding company of nablnvest Capital in Australia, is related to the Manager by virtue of nablnvest Capital's indirect equity interest in the Manager of 56%.

Additional Information

Except as disclosed above, there were no additional related party transactions (excluding transactions of less than \$100,000 each) entered into up to and including 31 December 2011.

Please also see Significant Related Party Transactions in Note 21 to the financial statements.

Rule 905 and 906 of the Listing Manual of the SGX-ST are not applicable if such related party transactions are made on the basis of, and in accordance with, the terms and conditions set out in the IPO prospectus.

Use of Proceeds for FY2011

The Manager undertook various private placements, a preferential offering and a rights issue during FY2009 to FY2011 ("Equity Fund Raisings") to finance the acquisitions of properties, asset enhancement initiatives, built-to-suit developments and to provide working capital. During FY2011, a total of S\$103.3 million has been used of the remaining net proceeds of S\$105.8 million as follows:

Purpose	Amount \$ million
Net proceeds remaining from the Equity Fund Raisings (gross proceeds net of expenses relating to Equity Fund Raisings)	105.8
Use of proceeds in FY2011:	
Property acquisitions	(74.4)
Asset enhancement initiatives	(23.7)
Progressive payments on built-to-suit ("BTS") developments	(2.6)
General working capital	(2.6)
Total proceeds used in FY2011	(103.3)
Remaining balance of net proceeds	2.5

Sale of Properties in FY2011

During FY2011, 36 units at Enterprise Hub (48 Toh Guan Road East) have been divested at a carrying cost of S\$22.0 million. The strata units in Enterprise Hub (48 Toh Guan Road East) were either sold subjected to existing tenancies or to existing users of the units.

Acquisition of Properties in FY2011

During FY2011, CIT acquired and completed the acquisitions of 4 & 6 Clementi Loop, 60 Tuas South Street 1 and 5 & 7 Gul Street 1, at the purchase consideration of S\$40.0 million, S\$6.4 million and S\$14.5 million respectively. 4 & 6 Clementi Loop, 60 Tuas South Street 1 and 5 & 7 Gul Street 1 were valued at S\$40.0 million, S\$6.4 million and S\$14.5 million respectively. These properties were purchased from the respective vendors, Hoe Leong Corporation Ltd, Peter's Polyethylene Industries Pte Ltd and Precise Industries Pte Ltd.

Statistics of Unitholders

As at 2 March 2012

Issued and Fully Paid-Up Units

1,189,198,368 Units (voting rights: one vote per Unit)
Market Capitalisation S\$618,383,151 (based on closing price of S\$0.520 as at 2 March 2012)

Size of Unitholdings	No. of Unitholders	% of Unitholders	No. of Units	% of Units in Issue
1 - 999	92	1.02	34,267	0.00
1,000 - 10,000	3,471	38.47	17,833,091	1.50
10,001 - 1,000,000	5,401	59.86	313,404,424	26.36
1,000,001 and above	59	0.65	857,926,586	72.14
Total	9,023	100.00	1,189,198,368	100.00

TWENTY LARGEST UNITHOLDERS

As shown in the Register of Unitholders

			% of Units
No.	Name	No. of Units	In Issue
1	DBS NOMINEES PTE LTD	166,734,275	14.02
2	CITIBANK NOMINEES S'PORE PTE LTD	130,223,084	10.95
3	DBSN SERVICES PTE LTD	117,366,617	9.87
4	HSBC (SINGAPORE) NOMINEES PTE LTD	77,038,808	6.48
5	RAFFLES NOMINEES (PTE) LTD	42,852,667	3.60
6	UNITED OVERSEAS BANK NOMINEES (PTE) LTD	41,988,495	3.53
7	CWT LIMITED	24,000,000	2.02
8	MERRILL LYNCH (S'PORE) PTE LTD	22,368,543	1.88
9	MITSUI & CO. LTD	19,118,412	1.61
10	DB NOMINEES (S) PTE LTD	18,172,133	1.53
11	DMG & PARTNERS SECURITIES PTE LTD	17,979,265	1.51
12	NOMURA SINGAPORE LIMITED	16,245,106	1.37
13	BANK OF SINGAPORE NOMINEES PTE LTD	11,896,547	1.00
14	COSMIC INSURANCE CORPORATION LIMITED - SIF	11,765,737	0.99
15	BNP PARIBAS SECURITIES SERVICES	10,486,000	0.88
16	DBS VICKERS SECURITIES (S) PTE LTD	9,246,242	0.78
17	SNG KAY BOON TERENCE	9,210,625	0.78
18	CAMBRIDGE INDUSTRIAL TRUST MANAGEMENT LIMITED	9,096,904	0.76
19	S C MERAH PTE LTD	8,602,875	0.72
20	OCBC SECURITIES PRIVATE LTD	8,004,481	0.67
		772,396,816	64.95

Statistics of Unitholders

As at 2 March 2012

Unitholdings of Substantial Unitholders as at 2 March 2012

	Direct Inter	rest	Deemed Into	erest
Name of Substantial Unitholder	No. of Units	%	No. of Units	%
Franklin Resources, Inc ⁽¹⁾	_	_	83,247,116	7.00
Templeton Worldwide, Inc	_	_	83,680,640	7.04
Templeton International, Inc	_	_	83,680,640	7.04
Franklin Templeton Capital Holdings Private Limited	_	_	83,680,640	7.04
Franklin Templeton Asia Holdings Private Limited	_	_	83,680,640	7.04
Franklin Templeton Investment (Asia) Limited	_	_	83,680,640	7.04
Chan Wai Kheong	54,083,500	4.55	29,292,600	2.46

⁽¹⁾ Franklin Resources, Inc. is deemed to be interested in units held by DBS Bank Ltd, Singapore.

Unitholdings of Directors as at 21 January 2012

	Direct Inte	Direct Interest Deemed		erest
Name of Directors	No. of Units	%	No. of Units	%
Dr Chua Yong Hai	_	_	_	_
Prof Ong Seow Eng	63,000	0.01	_	_
Mr Michael Patrick Dwyer ⁽¹⁾	_	_	9,096,904	0.76
Mr Victor Ong Wei Tak (alternate director to Michael Patrick Dw	vyer) –	_	9,096,904	0.76
Mr Tan Guong Ching	_	_	_	_
Mr Ian Keith Crow	_	_	_	_
Mr Masaki Kurita	_	_	_	_
Mr Ian Andrew Smith	_	_	_	_
Mr Christopher Dale Calvert	3,900	_ (2)	_	_

⁽¹⁾ Michael Patrick Dwyer is deemed to be interested in the 9,096,904 units held by Cambridge Industrial Trust Management Limited ("the Manager") by virtue of his interest in Cambridge Real Estate Investment Management Pte. Ltd., which holds 80% interest in the Manager.

Free Float

Under Rule 723 of the Listing Manual of the SGX-ST, a listed issuer must ensure that at least 10% of its listed securities are at all times held by the public. Based on the information made available to the Manager as at 2 March 2012, approximately 85% of CIT's Units are held in the hands of the public and therefore, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

⁽²⁾ Less than 0.01%.

NOTICE IS HEREBY GIVEN that the 3rd Annual General Meeting of Cambridge Industrial Trust ("**CIT**") will be held at NTUC Auditorium, Level 7, NTUC Centre, One Marina Boulevard, Singapore 018989 on 20 April 2012 at 10.00 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:

Routine Business

1. Ordinary Resolution

To receive and adopt the statement by the Manager and the audited financial statements of CIT for the financial year ended 31 December 2011.

2. Ordinary Resolution

To re-appoint KPMG LLP as Auditors of CIT to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors of Cambridge Industrial Trust Management Limited, as manager of CIT (the "**Manager**"), to fix their remuneration.

Special Business

To consider and, if thought fit, to pass the following Resolutions, with or without any modifications:

3. Ordinary Resolution

That approval be and is hereby given to the Manager, to:

- (a) (i) issue units in CIT ("Units") whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

- (b) issue Units in pursuance of any Instrument made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force), provided that:
 - (i) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuant of instruments made or granted pursuant to this Resolution) shall not exceed ten per cent (10%) of the total number of issued Units excluding treasury Units, if any)(as calculated in accordance with sub-paragraph (2) below), such Units of which may be issued: (a) on a pro rata basis to Unitholders or (b) on a non-pro rata basis to Unitholders; or (c) to such other persons as the Manager shall deem fit (the "General Mandate");

Special Business (Cont'd)

3. Ordinary Resolution (Cont'd)

- (ii) subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Limited ("SGXST") for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units (excluding treasury Units, if any) shall be based on the number of issued Units (excluding treasury Units, if any) at the time this Resolution is passed, after adjusting for:
 - (a) any new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and
 - (b) any subsequent bonus issue, consolidation or subdivision of Units,

and that:

- (A) in exercising the authority conferred by this Resolution, the Manager shall comply with the provision of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed constituting CIT (as amended) (the "**Trust Deed**") for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore ("**MAS**"));
- (B) unless revoked or varied by CIT in a general meeting, the authority conferred by this Resolution shall continue in force until (i) the conclusion of any subsequent Extraordinary General Meeting approving a new General Mandate for CIT; or (ii) the conclusion of the next Annual General Meeting of CIT or (iii) the date by which the next Annual General Meeting of CIT is required by law to be held, whichever is earlier;
- (C) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments in the event of rights, bonus or other capitalisation issues or any other events, the Manager may issue additional Instruments notwithstanding that the General Mandate may have ceased to be in force at the time the Instruments are issued; and
- (D) the Manager and RBC Dexia Trust Services Singapore Limited, as trustee of CIT (the "**Trustee**"), be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interest of CIT to give effect to the authority conferred by this Resolution.

Other Business

To transact any other business which may properly be brought forward.

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 & Executive Director

Singapore 29 March 2012

Notice:

Unitholder entitled to attend the meeting and vote is entitled to appoint up to two proxies to attend and vote instead of him; a proxy need not be a Unitholder. The instrument appointing the proxy or proxies (a form is enclosed) must be deposited with B.A.C.S. Private Limited, the Unit Registrar, at its office at 63 Cantonment Road, Singapore 089758 not less than 48 hours before the time appointed for holding the meeting.

Explanatory Notes:

Resolution 3

The Manager's rationale in seeking the Ordinary Resolution 3 is to provide it with the flexibility to transact any potential value adding and yield accretive acquisition opportunities or, any asset enhancement initiatives, without incurring additional expense in having to go back to Unitholders from time to time, for their approval. The competitive real estate landscape may require equity funds to be raised promptly and efficiently for these purposes, otherwise, the Manager may be at a disadvantage to transact ordinary business opportunities relative to its competitors.

For determining the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the issue Units at the time the Ordinary Resolution 3 above is passed, after adjusting for new Units arising from the conversion or exercise of any instruments which are outstanding at the time this Resolution is passed and any subsequent bonus issue, consolidated or subdivision of Units.

Fund raising by issuance of new Units may be required in instances of property acquisitions, debt repayments or other similar permitted transactions. If the approval of Unitholders is required under the Listing Manual of the SGX-ST and the Trust Deed or any applicable laws and regulations in any such instances, the Manager will then obtain the approval of Unitholders accordingly.

Important Notice

The value of Units and the income derived from them may fall as well as rise. Units are not investments, liabilities or obligations of, or deposits in, the Manager, the Trustee, or any of their respective related corporations and affiliates (including but not limited to National Australia Bank Limited, nablnvest 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 should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that Unitholders may only deal in their Units through trading on the SGXST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to Proxy Form

- 1. A unitholder of CIT ("Unitholder") entitled to attend and vote at the Annual General Meeting is entitled to appoint one or two proxies to attend and vote in his stead.
- 2. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.

Important Notice (Cont'd)

Notes to Proxy Form (Cont'd)

- 3. A proxy need not be a Unitholder.
- 4. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against his name in the Depository Register maintained by the Central Depository (Pte) Limited ("CDP"), he should insert that number of Units. If the Unitholder has Units registered in his name in the Register of Unitholders of CIT, he should insert that number of Units. If the Unitholder has Units entered against his name in the said Depository Register and registered in his name in the Register of Unitholders, he should insert the aggregate number of Units. If no number is inserted, this form of proxy will be deemed to relate to all the Units held by the Unitholder.
- 5. The instrument appointing a proxy or proxies must be deposited at the Unit Registrar's Office at 63 Cantonment Road, Singapore 089758, not less than 48 hours before the time set for the Annual General Meeting.
- 6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
- 7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the Manager) be lodged with the instrument of proxy; failing which the instrument may be treated as invalid.
- 8. Agent Banks acting on the request of CPF investors who wish to attend the meeting as Observers are required to submit in writing, a list with details of the investors' name, NRIC/Passport numbers, addresses and numbers of shares held. The list, signed by an authorised signatory of the Agent Bank, should reach the Unit Registrar of Cambridge Industrial Trust not later than 48 hours before the time appointed for holding the meeting.
- 9. The Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by CDP to the Manager.
- 10. All Unitholders will be bound by the outcome of the Annual General Meeting regardless of whether they have attended or voted at the Annual General Meeting.
- 11. At any meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded (before or on the declaration of the result of the show of hands) by the Chairman, or by five or more Unitholders present in person or by proxy, or by Unitholders holding or representing one-tenth in value of the Units represented at the meeting. Unless a poll is so demanded, a declaration by the Chairman that such a resolution has been carried or carried unanimously or by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 12. On a show of hands, every Unitholder who (being an individual) is present in person or by proxy or (being a corporation) is present by one of its officers as its proxy shall have one vote. On a poll, every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he is the Unitholder. A person entitled to more than one vote need not use all his votes or cast them the same way.

CAMBRIDGE INDUSTRIAL TRUST

(a unit trust constituted on 31 March 2006 under the laws of the Republic of Singapore)

Proxy Form Annual General Meeting

IMPORTANT:

- For investors who have used their CPF moneys to buy units in Cambridge Industrial Trust, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.
- This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.
- CPF investors who wish to attend the Annual General Meeting as OBSERVERS have
 to submit their requests through their respective Agent Banks so that their Agent
 Banks may register, in the required format, with the Unit Registrar of Cambridge
 Industrial Trust (Agent Banks, please see Note No. 8 on required format).
- 4. PLEASE READ THE NOTES TO THE PROXY FORM.

/e				ne) (N	(Addre
ng a	unitholder/unitho	olders of Cambridge Ind	dustrial Trust ("CIT"), hereb	y appoint:	
	Name	Address	NRIC/Passport	Proportion of Unitholdings	
	Ivaille	Address	Number	No. of Units	%
/or (delete as approp	riate)			
	Name	Address	NRIC/Passport	Proportion of Unitholdings	
Name		Address	Number	No. of Units	%
			nnual General Meeting as r	ny/our proxy/proxies to att	end and to vote for
on m April reof. ndic ir dis	ny/our behalf and I 2012 at NTUC A I I/We direct my/o cated hereunder. I scretion, as he/th Resolution Adoption of Re	I if necessary, to demand the control of the contro	nd a poll, at the Annual Ge UC Centre, One Marina Bo e for or against the resoluti as to voting is given, the pr atter arising at the Annual C	my/our proxy/proxies to atteneral Meeting of CIT to boulevard, Singapore 01898 on to be proposed at the Acoxy/proxies will vote or abs	end and to vote for e held at 10.00 a.m 9 and any adjournn Annual General Mee
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Affix Postage Stamp

B.A.C.S. Private Limited

(as unit registrar of Cambridge Industrial Trust)
63 Cantonment Road
Singapore 089758

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Note about paper and printing

As part of CIT's efforts to be a responsible corporate citizen and to promote environmental sustainability, the 2011 annual report is printed on Forest Stewardship Council (FSC) mixed paper: 9 Lives Silk (55% recycled) and Ozone Offset.

If you would like additional hard copies of the annual report, we encourage you to download the soft copy in order to reduce consumption of resources from printing and distributing hard copies. A soft copy (PDF format) is available for downloading via Cambridge Industrial Trust's website at: www.cambridge-itrust.com

About the Forest Stewardship Council
The Forest Stewardship Council (FSC) is an international organisation that brings people together to find solutions which promote responsible stewardship of the world's forests. Its trademark provides international recognition to organisations that support the growth of responsible forest management. Its Chain of Custody (COC) Certificate provides a guarantee on the production of FSC certified products.

COC is the path taken by raw materials from the forest to the consumer, including all successive stages of processing, transformation, manufacturing and distribution. For more information, please visit: www.fsc.org

Cambridge Industrial Trust Management Limited

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