



## **CITYSPRING INFRASTRUCTURE TRUST**

(Business Trust Registration No. 2007001)

### **CITYSPRING RIGHTS ISSUE TO RAISE GROSS PROCEEDS OF S\$235.2 MILLION**

**Singapore, 14 August 2009** - CitySpring Infrastructure Management Pte. Ltd., as trustee-manager ("Trustee-Manager") of CitySpring Infrastructure Trust ("CitySpring"), today announces a fully-underwritten renounceable 1-for-1 rights issue ("Rights Issue") to raise gross proceeds of approximately S\$235.2 million.

The Rights Issue will enable CitySpring and its subsidiaries ("Group") to strengthen its balance sheet and enhance its financial flexibility to position for potential investment opportunities for organic and inorganic growth, as well as provide unitholders of CitySpring with the pre-emptive opportunity to subscribe for new units ("Rights Units") at a discount.

The Rights Issue is fully underwritten by DBS Bank Ltd. ("DBS Bank") and UBS AG, acting through its business division, UBS Investment Bank, which have also been appointed as Joint Financial Advisers and Lead Managers of the Rights Issue.

CitySpring's largest unitholder, Temasek Holdings (Private) Limited ("Temasek"), which holds an aggregate of 27.77% of the units in issue through its wholly-owned subsidiaries, is supportive of the Rights Issue and is sub-underwriting 32.01% of the Rights Issue. As Temasek's interest in CitySpring will remain below 30% of the total number of units after the Rights Issue, it will not incur an obligation to make a mandatory general offer for CitySpring. The Directors of the Trustee-Manager intend to take up their entitlements under the Rights Issue in full.

#### **Key Rationale of the Rights Issue**

##### ***Strengthen Balance Sheet of CitySpring and Enhance Financial Flexibility for Growth***

The net proceeds of the Rights Issue of S\$227.5 million, after taking into account the estimated fees and expenses in connection with the Rights Issue, will be applied to repay part of the S\$370 million term loan facility ("TLF") granted by DBS Bank to CitySpring in 2008. CitySpring has received in-principle credit approval from DBS Bank for a new S\$370 million revolving credit facility ("RCF"). It is intended that the TLF will be replaced by the RCF, so that on completion of the Rights Issue and subject to the terms of the RCF, CitySpring will have a S\$370 million RCF, of which approximately S\$142.5 million (equal to the remaining outstanding amount under the TLF) will be utilised with the balance S\$227.5 million under the RCF being available on a committed basis.

The Rights Issue will reduce the borrowings at the CitySpring level, resulting in net savings of approximately S\$4.7 million per annum. This will help to free up the credit facility available to the Group, thereby enhancing its financial flexibility to position for potential investment opportunities.

##### ***Provide Unitholders with a Pre-emptive Opportunity to Subscribe for New Units***

The Rights Issue also provides unitholders with the pre-emptive opportunity to subscribe for their *pro rata* entitlements at the Rights Issue Price of S\$0.48, which is priced at a discount of approximately 38.5% to the closing price of S\$0.78 per Unit on 13 August 2009 ("Closing Price"), the last SGX-ST market day before the

date of this Press Release, and 23.8% to the theoretical ex-rights price (“TERP”) of S\$0.63<sup>1</sup> per unit. Unitholders who decide not to accept in full their provisional allotments of Rights Units can trade their “nil-paid” rights during the “nil-paid” rights trading period to realise the value for their “nil-paid” rights. Unitholders may also apply for excess Rights Units.

Mr Fai Au Yeung, CEO of Trustee-Manager, said, “We very much value the support of our unitholders. This renounceable rights issue allows all unitholders to participate in the capital raising, and at the same time, gives them the flexibility to monetize their nil-paid rights if they so choose. With the proceeds from the Rights Issue, CitySpring will be in a better position to pursue organic and inorganic growth opportunities.”

The Rights Units will be entitled to any distribution declared for the second quarter ending 30 September 2009 (“2Q FY10”) as well as all distributions thereafter.

An application will be submitted to the Singapore Exchange Securities Trading Limited for the listing of the Rights Units. Upon receipt of the approval for listing, the Trustee-Manager will lodge an offer information statement (“OIS”) for the Rights Issue with the Monetary Authority of Singapore.

Full details of the terms and conditions of the Rights Issue will be set out in the OIS which will be despatched to entitled unitholders.

### Key Terms of the Rights Issue

<b>Offer Structure</b>	<ul style="list-style-type: none"> <li>Fully-underwritten and renounceable Rights Issue</li> <li>Gross proceeds of approximately S\$235.2 million</li> <li>Number of Rights Units to be issued: 489,965,504</li> <li>Rights Ratio: 1 for 1</li> </ul>
<b>Rights Issue Price</b>	<ul style="list-style-type: none"> <li>S\$0.48 per Rights Unit <ul style="list-style-type: none"> <li>38.5% discount to Closing Price of S\$0.78</li> <li>23.8% discount to TERP of S\$0.63</li> </ul> </li> </ul>
<b>Distribution</b>	<ul style="list-style-type: none"> <li>The Rights Units will be entitled to any distribution declared for the quarter ending 30 September 2009 and thereafter</li> </ul>
<b>Temasek’s Commitment</b>	<ul style="list-style-type: none"> <li>Temasek is committed to sub-underwrite up to 32.01% of the Rights Units, inclusive of its undertaking to subscribe for its <i>pro-rata</i> entitlements of 27.77% of the Rights Units as well as any other Rights Units that it acquires pursuant to the terms of the Rights Issue.</li> </ul>
<b>Joint Financial Advisors, Lead Managers and Underwriters</b>	<ul style="list-style-type: none"> <li>DBS Bank Ltd. and UBS AG, acting through its business division, UBS Investment Bank.</li> </ul>

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<sup>1</sup> The “theoretical ex-rights price” per Unit is equal to (1) the sum of (a) the market capitalisation of CitySpring based on the pre-Rights Issue closing price of S\$0.78 per Unit and (b) the gross proceeds of the Rights Issue, divided by (2) the total number of Units in issue following the completion of the Rights Issue.

## **About CitySpring Infrastructure Trust**

CitySpring ([www.cityspring.com.sg](http://www.cityspring.com.sg)) is the first infrastructure trust registered with the Monetary Authority of Singapore. As a pioneer in a new asset class in Singapore, CitySpring aims to position itself as a leading player in a growing sector and achieve growth through acquisitions. It has been established with the principal objective of investing in infrastructure assets and providing unitholders with long-term, regular and predictable distributions. CitySpring's assets comprise 100% of City Gas Trust ([www.citygas.com.sg](http://www.citygas.com.sg)), the sole producer and retailer of town gas and the sole user of the low-pressure piped town gas network in Singapore, 70% of SingSpring Trust ([www.cityspring.com.sg/assets\\_ss.html](http://www.cityspring.com.sg/assets_ss.html)), the sole supplier of desalinated water to the Public Utilities Board, Singapore's national water agency and 100% of Basslink ([www.basslink.com.au](http://www.basslink.com.au)), the electricity interconnector linking Tasmania to mainland Australia.

CitySpring (Reuters: CITY.SI, Bloomberg: CITY SP) has been listed on the Main Board of the Singapore Exchange Securities Trading Limited ([www.sgx.com](http://www.sgx.com)) since 12 February 2007.

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