
LETTER TO UNITHOLDERS DATED 10 APRIL 2023



(a real estate investment trust constituted on 28 April 2017 under the laws of the Republic of Singapore)

10 April 2023

To: The Unitholders of Cromwell European Real Estate Investment Trust

Dear Sir/Madam

1 INTRODUCTION

1.1 Summary

We refer to the proposed Ordinary Resolution 4 of the notice dated 10 April 2023 convening the annual general meeting of Cromwell European Real Estate Investment Trust ("**CEREIT**") to be convened and held on Wednesday, 26 April 2023 at 3.00 p.m. (Singapore Time) at Room 801, Level 8, 1 Marina Boulevard Singapore 018989 ("**AGM**").

The purpose of this Letter is to provide Unitholders (as defined herein) with information relating to the proposed renewal of the Unit Buy-Back Mandate (as defined herein).

Ordinary Resolution 4 relates to the proposed renewal of the unit buy-back mandate of Cromwell EREIT Management Pte. Ltd., as manager of CEREIT (the "**Manager**"). The Manager's existing mandate to exercise its powers to procure the repurchases of units in CEREIT ("**Units**") for and on behalf of CEREIT without the prior specific approval of the holders of Units ("**Unitholders**") in a general meeting was approved by Unitholders at the annual general meeting of CEREIT that was held on 26 April 2022, and such mandate expires on 26 April 2023, being the date of the AGM. In this regard, the Manager seeks approval from Unitholders at the AGM in relation to the renewal of the mandate to exercise its powers to procure the repurchases of Units (including, but not limited to, odd lots of Units) without the prior specific approval of Unitholders in a general meeting (the "**Unit Buy-Back Mandate**").

1.2 This Letter

The Manager seeks approval from Unitholders at the AGM in relation to the renewal of the Unit Buy-Back Mandate. The purpose of this Letter is to provide Unitholders with information relating to the above proposal which will be tabled at the AGM.

1.3 Advice to Unitholders

Unitholders should note that by approving the resolution relating to the Unit Buy-Back Mandate, they will be renewing the authority of the Manager to procure the repurchases of Units on the terms and conditions set out in paragraph 2 of this Letter and in accordance with all applicable laws and regulations, including but not limited to the provisions of the trust deed dated 28 April 2017 constituting CEREIT (as amended, varied or supplemented from time to time) (the "**Trust Deed**") and the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**", and the Listing Manual of the SGX-ST, the "**Listing Manual**").

(See "The Proposed Renewal of the Unit Buy-Back Mandate" in paragraph 2 of this Letter for further details.)

If a Unitholder is in any doubt as to the action he should take, he/she should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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1.4 Singapore Exchange Securities Trading Limited

The SGX-ST assumes no responsibility for the accuracy of any statements or opinions made, or reports contained, in this Letter.

1.5 Legal Adviser for the Unit Buy-Back Mandate

The Manager has engaged Allen & Gledhill LLP as its legal adviser in relation to the Unit Buy-Back Mandate.

2 THE PROPOSED RENEWAL OF THE UNIT BUY-BACK MANDATE

2.1 Rationale for the Unit Buy-Back Mandate

The approval of the renewal of the Unit Buy-Back Mandate authorising the Manager to repurchase Units for and on behalf of CEREIT would give the Manager the flexibility to undertake repurchases of Units ("**Unit Buy-Back**") of up to the 10.0% limit described in paragraph 2.2.1 of this Letter at any time, during the period when the Unit Buy-Back Mandate is in force.

The rationale for seeking the Unit Buy-Back Mandate is as follows:

- (i) the Unit Buy-Back Mandate would be a flexible and cost-effective capital management tool to enhance return on equity for Unitholders and/or the net asset value ("**NAV**") per Unit; and
- (ii) the Unit Buy-Back Mandate, when exercised at appropriate times, would help mitigate short-term market volatility, off-set the effects of short-term speculative trading of the Units and bolster market confidence in the Units.

While the Unit Buy-Back Mandate would authorise Unit Buy-Backs of up to the said 10.0% limit during the period when the Unit Buy-Back Mandate is in force, Unitholders should note that Unit Buy-Backs may not necessarily be carried out to the entire 10.0% limit as authorised by Unitholders.

Repurchases of Units will be made only when the Manager considers it to be in the best interests of CEREIT and the Unitholders.

Rule 723 of the Listing Manual requires CEREIT to ensure that at least 10.0% of its Units are at all times held by the public¹ (the "**Public Float**"). As at 15 March 2023, being the latest practicable date prior to the issuance of this Letter (the "**Latest Practicable Date**"), the Public Float is approximately 50.12%, and accordingly, the Manager is of the view that the orderly trading and the listing status of the Units on the SGX-ST is not likely to be affected by the Unitholders' approval of the Unit Buy-Back Mandate and the repurchases of Units thereunder. As at the Latest Practicable Date, approximately 72.21% of the issued Units in CEREIT is held by Unitholders with less than 10% unitholdings, with only Cromwell Property Group ("**CPG**") and its associates and directors owning the balance of 27.79% of the issued Units in CEREIT.

¹ Under the Listing Manual, "**public**" means persons other than: -

- (a) directors, chief executive officer, substantial unitholders/shareholders (any party holding greater than 5% interest in the total number of units/shares in issue), or controlling unitholders/shareholders of the issuer or its subsidiary companies; and
- (b) associates of the persons in paragraph (a).

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2.2 Authority and Limits on the Unit Buy-Back Mandate

The authority conferred on the Manager and the limits placed on the repurchases of Units by the Manager under the Unit Buy-Back Mandate are set out below:

2.2.1 Maximum Limit

The total number of Units which may be repurchased pursuant to the Unit Buy-Back Mandate is limited to that number of Units representing not more than 10.0% of the total number of issued Units as at the date of the AGM².

FOR ILLUSTRATIVE PURPOSES ONLY: On the basis of 562,392,116 Units in issue as at the Latest Practicable Date, and assuming that no further Units are issued on or prior to the AGM at which the Unit Buy-Back Mandate is approved, not more than 56,239,211 Units (representing 10.0% of the issued Units) may be repurchased by the Manager pursuant to the Unit Buy-Back Mandate during the Mandate Duration (as defined herein).

2.2.2 Duration of Authority

Unless revoked or varied by Unitholders in a general meeting, the Unit Buy-Back Mandate, if approved by Unitholders, will be in force from the period commencing from the date on which the AGM is held and the Unit Buy-Back Mandate is approved and expiring on the earliest of the following dates:

- (i) the date on which the next annual general meeting of CEREIT is held;
- (ii) the date by which the next annual general meeting of CEREIT is required by applicable laws and regulations or the provisions of the Trust Deed to be held; or
- (iii) the date on which the repurchases of Units by the Manager pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated,

(the "**Mandate Duration**").

Under the Trust Deed and the prevailing laws and regulations of Singapore, subject to any waiver by the relevant regulatory authorities, CEREIT is required to convene an annual general meeting of Unitholders once every calendar year and not more than 15 months after the holding of the last preceding annual general meeting, and in any case within four months from the financial year end of CEREIT.

The authority conferred on the Manager under the Unit Buy-Back Mandate to repurchase Units may be renewed at the next annual general meeting of Unitholders. When seeking the approval of Unitholders for any subsequent Unit buy-back mandate, the Manager shall disclose details of each Unit buy-back made during the Mandate Duration in respect of the Unit buy-back mandate immediately preceding such Unit buy-back mandate being sought, including the total number of Units repurchased, the repurchase price per Unit or the highest and lowest prices paid for such repurchases of Units, where relevant, and the total consideration paid for such repurchases.

² Pursuant to the Listing Manual, a unit buy-back shall not exceed 10.0% of the total number of issued units excluding treasury units and subsidiary holdings in each class as at the date of the resolution passed by unitholders for the unit buy-back. For the avoidance of doubt, CEREIT does not hold any treasury units and there are no subsidiary holdings as none of the subsidiaries of CEREIT hold any Units. There is also only one class of units in CEREIT.

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2.2.3 Manner of Repurchase

Repurchases of Units may be made by way of:

- (i) market repurchase(s) ("**Market Repurchases**"); and/or
- (ii) off-market repurchase(s) ("**Off-Market Repurchases**").

Market Repurchases refer to repurchases of Units by the Manager effected on the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, through one or more duly licensed stockbrokers appointed by the Manager for the purpose.

Off-Market Repurchases refer to repurchases of Units by the Manager (which are not Market Repurchases) made under an equal access scheme or schemes for the repurchase of Units from Unitholders in accordance with the Trust Deed. In this regard, an Off-Market Repurchase must satisfy all the following conditions:

- (i) offers for the repurchase or acquisition of Units shall be made to every person who holds Units to repurchase or acquire the same percentage of their Units;
- (ii) all of the above-mentioned persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded:
 - (a) differences in consideration attributable to the fact that offers may relate to Units with different accrued distribution entitlements;
 - (b) differences in consideration attributable to the fact that the offers may relate to Units with different amounts remaining unpaid; and
 - (c) differences in the offers introduced solely to ensure that each Unitholder is left with a whole number of Units.

Additionally, the Listing Manual provides that, in making an Off-Market Repurchase, the Manager must issue an offer document to all Unitholders which must contain, *inter alia*:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the proposed Unit repurchases;
- (iv) the consequences, if any, of Unit repurchases by the Manager that will arise under the Singapore Code on Take-overs and Mergers (the "**Code**") or other applicable takeover rules;
- (v) whether the Unit repurchases, if made, could affect the listing of the Units on the SGX-ST;
- (vi) details of any Unit repurchases made by the Manager in the previous 12 months (whether Market Repurchases or Off-Market Repurchases in accordance with an equal access scheme), giving the total number of Units repurchased, the repurchase price per Unit or the highest and lowest prices paid for the repurchases, where relevant, and the total consideration paid for the repurchases; and
- (vii) whether the Units repurchased by the Manager will be cancelled or kept as treasury Units.

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2.2.4 Repurchase Price

The Manager has the discretion to determine the repurchase price for a repurchase of Units under a unit buy-back mandate, subject to such repurchase price not exceeding 105.0% of the Average Closing Price (as defined herein) of the Units for both a Market Repurchase and an Off-Market Repurchase (the "**Maximum Price**"), excluding Related Expenses (as defined below) of such repurchase.

For the purposes of this paragraph 2.2.4:

"**Average Closing Price**" means the average of the closing market prices of the Units over the last five Market Days (as defined herein), on which transactions in the Units were recorded, immediately preceding the date of the Market Repurchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Repurchase, and deemed to be adjusted for any corporate action that occurs during the relevant five Market Days and the date on which the Market Repurchase(s) or, as the case may be, the date on which the offer pursuant to the Off-Market Repurchase(s), is made;

"**date of the making of the offer**" means the date on which the Manager makes an offer for an Off-Market Repurchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an Off-Market Repurchase calculated on the foregoing basis) for each Unit and the relevant terms of the equal access scheme for effecting the Off-Market Repurchase.

2.3 Status of Repurchased Units

Under the Trust Deed, a Unit repurchased by way of a Unit buy-back shall be deemed cancelled immediately on repurchase (and all rights and privileges attached to such Unit will expire on such cancellation).

2.4 Reporting Requirements

Rule 886 of the Listing Manual specifies that an issuer shall notify the SGX-ST of all repurchases or acquisitions of its Units not later than 9.00 a.m.:

- (i) in the case of a Market Repurchase, on the Market Day following the day on which the Market Repurchase was made; or
- (ii) in the case of an Off-Market Repurchase under an equal access scheme, on the second Market Day after the close of acceptance of the offer for the Off-Market Repurchase.

The notification of any such repurchases of Units to the SGX-ST (in the form of an announcement on the SGXNet) shall be in such form and shall include such details as the SGX-ST may prescribe.

The Manager shall make arrangements with the appointed stockbrokers and/or custodians to ensure that they provide the Manager in a timely fashion the necessary information which will enable the Manager to make the notifications to the SGX-ST.

2.5 Sources of Funds

The Manager may only apply funds for the repurchase of Units as provided in the Trust Deed and in accordance with the applicable laws and regulations in Singapore. The Manager may not repurchase Units for a consideration other than in cash.

The Manager intends to utilise CEREIT's internal sources of funds, external borrowings, proceeds from sale of assets, or a combination of any to finance the Manager's repurchase of Units on behalf of CEREIT pursuant to the Unit Buy-Back Mandate, subject always to the requirements of the applicable laws and/or regulations in force at the relevant time.

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2.6 Financial Effects

It is not possible for the Manager to calculate realistically or quantify the impact of repurchases of Units that may be made pursuant to the Unit Buy-Back Mandate on the NAV per Unit and distribution per Unit ("**DPU**") as the resultant effect would depend on, among others, the aggregate number of Units repurchased and the repurchase prices paid for such Units.

CEREIT's total number of issued Units will be diminished by the total number of Units repurchased by way of a Unit Buy-Back as such Units will be cancelled.

The Manager will only exercise the Unit Buy-Back Mandate when it considers it to be in the best interests of CEREIT and the Unitholders. The Manager will consider factors such as the working capital requirements, availability of financial resources, the investment and growth strategies of CEREIT and the prevailing market conditions before repurchasing Units under the Unit Buy-Back Mandate. The Unit Buy-Back Mandate would be a flexible and cost-effective capital management tool to enhance return on equity for Unitholders and/or the NAV per Unit. The Manager does not intend to exercise the Unit Buy-Back Mandate to such an extent as would have a material adverse effect on the financial position of CEREIT.

FOR ILLUSTRATIVE PURPOSES ONLY: The financial effects of a Unit buy-back on CEREIT are based on the assumptions set out below:

- (i) 56,239,211 Units (representing approximately 10.0% of the issued Units as at the Latest Practicable Date) are repurchased by the Manager pursuant to the Unit Buy-Back Mandate on 1 January 2022;
- (ii) 562,392,116 Units are in issue as at the Latest Practicable Date (assuming no further Units are issued on or prior to the AGM at which the Unit Buy-Back Mandate is approved);
- (iii) Units are repurchased by the Manager at the Maximum Price of €1.71 per Unit (being 105.0% of the Average Closing Price of the Units immediately preceding the Latest Practicable Date), and accordingly, the maximum amount of funds required for the repurchase of the 56,239,211 Units, representing 10.0% of the issued Units as at the Latest Practicable Date (excluding Related Expenses) is approximately €96,169,051;
- (iv) the Unit Buy-Back Mandate has been effective since 1 January 2022;
- (v) all Units repurchased under the Unit Buy-Back Mandate are cancelled;
- (vi) the repurchases of Units are funded by CEREIT's proceeds from the sale of assets and/or such other methods of financing as the Manager may determine; and
- (vii) there are no changes to the distribution policy to Unitholders.

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Based on the assumptions set out above, the financial effects of the repurchase of 56,239,211 Units (representing 10.0% of the issued Units as at the Latest Practicable Date) by the Manager pursuant to the Unit Buy-Back Mandate are set out below based on the audited consolidated financial statements of CEREIT and its subsidiaries (the "CEREIT Group") for the financial year ended 31 December 2022 ("FY 2022", and the audited consolidated financial statements of the CEREIT Group for FY 2022, the "FY 2022 Audited Financial Statements"):

	FY 2022 Audited Financial Statements	Pro Forma financial effects of Unit repurchases on the FY 2022 Audited Financial Statements
Net Assets (€ '000)	1,422,921	1,326,752
Current Assets (€'000)	52,732	52,732
Current and Long-Term Liabilities (€'000)	1,167,063	1,167,063
Number of issued Units as at Latest Practicable Date ('000s)	562,392	506,153
Financial Ratios		
Adjusted NAV per Unit (excluding outstanding distributable income) (€)	2.33	2.40
Distribution per Unit (€ cents)	17.189	19.098
Aggregate Leverage (%)	39.4%	40.9%

Unitholders should note that the financial effects set out in the table above are based on the FY 2022 Audited Financial Statements and are presented strictly for simple illustrative purposes only and by no means reflects the Manager's intentions or change in the Board's gearing policy of 35% to 40%. The results of the CEREIT Group for FY 2022 may not be representative of future performance. Although the Unit Buy-Back Mandate would authorise the Manager to repurchase up to 10.0% of the total number of issued Units, the Manager may not necessarily repurchase or be able to repurchase the entire 10.0% of the total number of issued Units at any time while the Unit Buy-Back Mandate is in force.

2.7 Taxation

Unitholders who are in doubt as to their respective tax positions or the tax implications of Unit repurchases by the Manager, or, who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

2.8 Units Repurchased by the Manager

As at the Latest Practicable Date, the Manager has not repurchased any Units under the existing Unit Buy-Back mandate immediately preceding the AGM.

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2.9 Black-Out Periods

The Manager will not repurchase any Units for and on behalf of CEREIT at any time after a material price sensitive development has occurred or has been the subject of a decision until such time the price sensitive information has been publicly announced. In addition, the Manager will not repurchase Units for and on behalf of CEREIT during the period commencing one month before the announcement of the CEREIT Group's semi-annual and full year financial statements.

2.10 Take-over Implications

The circumstances under which Unitholders and persons acting in concert with them will incur an obligation to make a mandatory take-over offer under Rule 14 of the Code after a repurchase of Units by the Manager are set out in Appendix 2 of the Code. The take-over implications which may arise from any repurchase by the Manager of Units by way of a Unit buy-back are set out below.

2.10.1 Obligation to make a Take-over Offer

If, as a result of any repurchase by the Manager of the Units, the proportionate interest in the voting rights of a Unitholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Code. Consequently, a Unitholder or a group of Unitholders acting in concert could obtain or consolidate effective control of CEREIT and become obliged to make a mandatory take-over offer under Rule 14 of the Code.

2.10.2 Persons Acting in Concert

Applying the Code to CEREIT, to the extent possible, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of Units (or otherwise), to obtain or consolidate effective control of CEREIT.

Unless the contrary is established, the following persons, among others, will be presumed to be acting in concert, namely:

- (i) the following companies:
 - (a) a company ("**(A)**");
 - (b) the parent company of (A) ("**(B)**");
 - (c) the subsidiaries of (A) (each, "**(C)**");
 - (d) the fellow subsidiaries of (A) (each, "**(D)**");
 - (e) the associated companies of any of (A), (B), (C), or (D) (each, "**(E)**");
 - (f) companies whose associated companies include any of (A), (B), (C), (D) or (E); and
 - (g) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights; and
- (ii) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts).

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For this purpose, a company is an “**associated company**” (as defined in the Code) of another company if the second company owns or controls at least 20.0% but not more than 50.0% of the voting rights of the first-mentioned company.

2.10.3 Effect of Rule 14 and Appendix 2 of the Code

In general terms, the effect of Rule 14 and Appendix 2 of the Code is that, unless exempted³, Unitholders and/or persons acting in concert with them will incur an obligation to make a mandatory take-over offer under Rule 14 of the Code if, as a result of the Manager repurchasing Units by way of a Unit buy-back, the voting rights of such Unitholders and/or their concert parties would increase to 30.0% or more, or in the event that such Unitholders and/or their concert parties hold between 30.0% and 50.0% of the voting rights in CEREIT, if the voting rights of such Unitholders and/or their concert parties would increase by more than 1.0% in any period of six months.

Under Appendix 2 of the Code, a Unitholder not acting in concert with the directors of the Manager (the “**Directors**”) will not be required to make a mandatory take-over offer under Rule 14 of the Code if, as a result of the Manager repurchasing Units by way of a Unit buy-back, the voting rights of such Unitholder would increase to 30.0% or more, or, if such Unitholder holds between 30.0% and 50.0% of the voting rights in CEREIT, the voting rights of such Unitholder would increase by more than 1.0% in any period of six months. Such Unitholder need not abstain from voting in respect of the resolution relating to the renewal of the Unit Buy-Back Mandate.

Based on the above and on the interests of the Substantial Unitholders (as defined herein) in Units recorded in the Register of Substantial Unitholders as at the Latest Practicable Date, the unitholdings of CPG and Cromwell Singapore Holdings Pte. Ltd. (“**CSHPL**”) (direct and deemed) before the purchase of Units are 156,303,667 Units (27.79%) and 153,886,856 Units (27.36%) respectively. The unitholdings of CPG and CSHPL (direct and deemed) after the repurchase of Units assuming (a) the Manager purchases 56,239,211 Units, being the maximum limit of 10.0% of the issued Units under the Unit Buy-Back Mandate and (b) there are no changes in the number of Units held by CPG and CSHPL as at the Latest Practicable Date, will be 156,303,667 Units (30.88%) and 153,886,856 Units (30.40%) respectively.

In the above illustration, as at the Latest Practicable Date, the voting rights of CPG may increase from 27.79% to 30.88% and the voting rights of CSHPL may increase from 27.36% to 30.40% in the event the Manager purchases 56,239,211 Units, being the maximum limit of 10.0% of the issued Units under the Unit Buy-Back Mandate. In the event that their voting rights increase to 30.0% or more, CPG, CSHPL and persons acting in concert with them will become obligated to make a mandatory take-over offer under Rule 14 of the Code.

The Manager intends to monitor and limit the extent of its repurchases under the Unit Buy-Back Mandate such that the voting rights of CPG, CSHPL and persons acting in concert with them will not increase to 30.0% or more of the issued Units.

Save as disclosed above, none of the other Substantial Unitholders would become obliged to make a take-over offer for CEREIT under Rule 14 of the Code as a result of any repurchase of Units by the Manager pursuant to the Unit Buy-Back Mandate of the maximum limit of 10.0% of its issued Units as at the Latest Practicable Date.

³ Unitholders and/or persons acting in concert with them will be exempt from the requirement to make a mandatory take-over offer under Rule 14 of the Code upon the satisfaction of the conditions set out in paragraph 3(a) of Appendix 2 of the Code.

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Important:

The statements herein do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all the implications that may arise under the Code. Unitholders are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity as to whether an obligation to make a mandatory take-over offer would arise by reason of any Unit repurchases by the Manager.

2.11 Unitholders' Approval

In view of the foregoing, the Manager is seeking the approval of Unitholders for the resolution relating to the renewal of the Unit Buy-Back Mandate.

Important:

Unitholders should note that by voting in favour of the resolution relating to the renewal of the Unit Buy-Back Mandate, they will be authorising the Manager to procure the repurchases of Units on the terms and conditions set out in paragraph 2 of this Letter and in accordance with the provisions of the Trust Deed and all applicable laws and regulations including, but not limited to the Listing Manual.

3 INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

3.1 Interests of Directors

As at the Latest Practicable Date, none of the Directors have an interest in the Units, save for Lim Swe Guan and Simon Garing. Based on the Register of Directors' Unitholdings maintained by the Manager, the direct and deemed interests and voting rights of the Directors as at the Latest Practicable Date are as follows:

Name of Director	Direct Interest		Deemed Interest		Total No. of	
	No. of Units held	% ⁽¹⁾	No. of Units held	% ⁽¹⁾	Units held	% ⁽¹⁾
Mr Lim Swe Guan	111,000	0.02	-	-	111,000	0.02
Mr Simon Garing	191,789	0.03	-	-	191,789	0.03
Mr Christian Delaire	-	-	-	-	-	-
Mrs Fang Ai Lian	-	-	-	-	-	-
Mr Ooi Eng Peng	-	-	-	-	-	-

Note:

(1) The percentage is based on 562,392,116 Units in issue as at the Latest Practicable Date.

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3.2 Interests of Substantial Unitholders

Based on the information available to the Manager, the direct and deemed interests and voting rights of the Substantial Unitholders of CEREIF as at the Latest Practicable Date are as follows:

Name of Substantial Unitholders ⁽¹⁾	Direct Interest		Deemed Interest		Total No. of Units held	
	No. of Units	% ⁽²⁾	No. of Units	% ⁽²⁾		% ⁽²⁾
Cromwell Property Group ⁽³⁾	-	-	156,303,667	27.79	156,303,667	27.79
Cromwell Singapore Holdings Pte. Ltd.	153,886,856	27.36	-	-	153,886,856	27.36
CDPT Finance No.2 Pty Ltd ⁽⁴⁾	-	-	153,886,856	27.36	153,886,856	27.36
Cromwell Property Securities Limited (as Responsible Entity for Cromwell Diversified Property Trust) ⁽⁴⁾	-	-	153,886,856	27.36	153,886,856	27.36
ARA Real Estate Investors XXI Pte. Ltd. ⁽⁵⁾	-	-	156,303,667	27.79	156,303,667	27.79
ARA RE Investment Group (Singapore) Pte. Ltd. ⁽⁵⁾	-	-	156,303,667	27.79	156,303,667	27.79
ARA Asset Management Limited ⁽⁵⁾	-	-	156,303,667	27.79	156,303,667	27.79
ESR Cayman Limited ⁽⁶⁾	-	-	156,303,667	27.79	156,303,667	27.79
Mr Gordon Tang and Mrs Celine Tang ⁽⁷⁾	51,094,956	9.09	-	-	51,094,956	9.09
Hillsboro Capital, Ltd	40,757,460	7.25	-	-	40,757,460	7.25
Mr Andrew L. Tan ⁽⁸⁾	-	-	44,728,460	7.95	44,728,460	7.95
UBS Group AG ⁽⁹⁾	-	-	28,099,463	5.00	28,099,463	5.00
UBS AG ⁽¹⁰⁾	78,950	0.01	28,020,513	4.99	28,099,463	5.00

Notes:

- (1) "Substantial Unitholder" means a person with an interest in Units constituting not less than 5.0% of the total number of Units in issue.
- (2) The percentage is based on 562,392,116 Units in issue as at the Latest Practicable Date.
- (3) Cromwell Singapore Holdings Pte. Ltd. ("CSHPL") is a wholly-owned subsidiary of CDPT Finance No. 2 Pty Ltd., which is in turn a wholly-owned subsidiary of Cromwell BT Pty Ltd (as custodian (aka bare trustee) for Cromwell Property Securities Limited as responsible entity for Cromwell Diversified Property Trust ("CDPT"). CDPT is part of Cromwell Property Group ("CPG") which is a stapled entity comprising Cromwell Corporation Limited and CDPT. Accordingly, CPG is deemed to be interested in CSHPL's interests in the Units. Additionally, the Manager which holds 1,854,828 Units, is a wholly-owned subsidiary of Cromwell Corporation Limited. Cromwell CEREIF Holdings Limited which holds 561,983 Units, is a wholly-owned subsidiary of Cromwell Europe Limited, which is in turn a wholly-owned subsidiary of Cromwell European Holdings Limited, which is in turn a wholly-owned subsidiary of Cromwell Corporation Limited. As such, CPG's deemed interest in 156,303,667 Units also comprises its deemed interest in 1,854,828 Units held by the Manager and 561,983 Units held by Cromwell CEREIF Holdings Limited.
- (4) CSHPL is a wholly-owned subsidiary of CDPT Finance No. 2 Pty Ltd., which is in turn a wholly-owned subsidiary of Cromwell BT Pty Ltd (as custodian (aka bare trustee) for Cromwell Property Securities Limited as responsible entity for Cromwell Diversified Property Trust ("CDPT"). CDPT is part of CPG which is a stapled group comprising Cromwell Corporation Limited and CDPT. Accordingly, CDPT Finance No. 2 Pty Ltd. and Cromwell Property Securities Limited, respectively, are deemed to be interested in CSHPL's interests in the Units.
- (5) ARA Real Estate Investors XXI Pte. Ltd. holds more than 20.0% of interest in CPG and is therefore deemed interested in the units in CEREIF through CPG's interests. ARA Real Estate Investors XXI Pte. Ltd. is wholly owned by ARA RE Investment Group (Singapore) Pte. Ltd., which is in turn wholly owned by ARA Asset Management Limited. ARA RE Investment Group (Singapore) Pte. Ltd. and ARA Asset Management Limited are therefore deemed interested in ARA Real Estate Investors XXI Pte. Ltd.'s deemed interest in the units in CEREIF.
- (6) As ESR Cayman Limited holds 100% of the voting shares of ARA Asset Management Limited, ESR Cayman Limited is deemed to have an interest in the units in CEREIF that ARA Asset Management Limited has a deemed interest in.
- (7) The Units are held by joint account of Mr. Gordon Tang and Mrs. Celine Tang. Mr. Gordon Tang is the spouse of Mrs. Celine Tang.
- (8) Mr Andrew L. Tan is the beneficial owner of 44,728,460 units held through Hillsboro Capital, Ltd. and Worldwide Property Financing Limited.
- (9) Deemed interests arising by virtue of (a) UBS AG having an interest, or (b) Section 7(4) or 7(4A) of the Companies Act 1967 in units over which subsidiaries/affiliates of UBS Group AG have an interest, by reason of the ability to exercise voting discretion and to acquire/dispose of shares.
- (10) Deemed interests arising by virtue of (a) UBS AG having an interest, or (b) Section 7(4) or 7(4A) of the Companies Act 1967 in units over which subsidiaries/affiliates of UBS AG have an interest, by reason of the ability to exercise voting discretion and to acquire/dispose of shares.

LETTER TO UNITHOLDERS DATED 10 APRIL 2023

4 DIRECTORS' RECOMMENDATION

Having considered the relevant factors, including the rationale for the proposed renewal of the Unit Buy-Back Mandate as set out in paragraph 2 of this Letter, the Directors recommend that Unitholders vote at the AGM in favour of the resolution relating to the renewal of the Unit Buy-Back Mandate.

5 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the proposed renewal of the Unit Buy-Back Mandate, CEREIT and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading.

Where information in this Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Letter in its proper form and context.

6 DOCUMENT ON DISPLAY

The Trust Deed will be available for inspection at the registered office of the Manager⁴ for so long as CEREIT is in existence.

Yours faithfully

Cromwell EREIT Management Pte. Ltd.
(Registration Number: 201702701N)
as manager of **Cromwell European Real Estate Investment Trust**

SIMON GARING
Chief Executive Officer and Executive Director

⁴ Prior appointment with the Manager is appreciated.

IMPORTANT NOTICE

This Letter does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of CEREIT in Singapore or any other jurisdictions. The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Unitholders 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 SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of CEREIT is not indicative of the future performance of CEREIT. Similarly, the past performance of the Manager is not indicative of the future performance of the Manager.

This Letter may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.

GLOSSARY

%	:	Per centum or Percentage
AGM	:	The annual general meeting of Unitholders to be convened and held on Wednesday, 26 April 2023 at 3.00 p.m. (Singapore Time) at Training Room 801, Level 8, 1 Marina Boulevard Singapore 018989, to approve the matters set out in the Notice of Annual General Meeting
Average Closing Price	:	The average of the closing market prices of the Units over the last five Market Days, on which transactions in Units were recorded, immediately preceding the date of the Market Repurchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Repurchase, and deemed to be adjusted for any corporate action that occurs during the relevant five Market Days and the date on which the Market Purchase(s) or, as the case may be, the date on which the offer pursuant to the Off-Market Purchase(s), is made
CDP	:	The Central Depository (Pte) Limited
CEREIT	:	Cromwell European Real Estate Investment Trust
CEREIT Group	:	CEREIT and its subsidiaries
Code	:	The Singapore Code on Take-overs and Mergers
CPG	:	Cromwell Property Group
CSHPL	:	Cromwell Singapore Holdings Pte. Ltd.
date of the making of the offer	:	The date on which the Manager makes an offer for an Off-Market Repurchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an Off-Market Repurchase) for each Unit and the relevant terms of the equal access scheme for effecting the Off-Market Repurchase
Directors	:	Directors of the Manager
DPU	:	Distribution per Unit
FY 2022	:	The financial year ended 31 December 2022
FY 2022 Audited Financial Statements	:	The audited consolidated financial statements of the CEREIT Group for FY 2022
Latest Practicable Date	:	15 March 2023, being the latest practicable date prior to the printing of this Letter
Letter	:	This Letter dated 10 April 2023
Listing Manual	:	The Listing Manual of the SGX-ST
Manager	:	Cromwell EREIT Management Pte. Ltd., in its capacity as manager of CEREIT

GLOSSARY

Mandate Duration	: Unless revoked or varied by Unitholders in a general meeting, the period commencing from the date on which the AGM is held and the Unit Buy-Back Mandate is approved and expiring on the earliest of the following dates:
	(i) the date on which the next annual general meeting of CEREIT is held;
	(ii) the date by which the next annual general meeting of CEREIT is required by applicable laws and regulations or the provisions of the Trust Deed to be held; or
	(iii) the date on which the repurchases of Units by the Manager pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated
Market Day	: A day on which the SGX-ST is open for trading in securities
Market Repurchases	: Repurchases of Units made by way of market repurchases
Maximum Price	: Means 105.0% of the Average Closing Price of the Units in accordance with Rule 884 of the Listing Manual
NAV	: Net asset value
Off-Market Repurchases	: Repurchases of Units made by way of off-market repurchases
Ordinary Resolution	: A resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
Public Float	: Refers to the percentage of Units held by the public
Related Expenses	: Brokerage, stamp duty, commission, applicable goods and services tax and other related expenses
S\$ and cents	: Singapore dollars and cents
SGX-ST	: Singapore Exchange Securities Trading Limited
Substantial Unitholder	: A person with an interest in Units constituting not less than 5.0% of the total number of Units in issue
Trust Deed	: The trust deed dated 28 April 2017 constituting CEREIT, as amended, varied, or supplemented from time to time
Unit	: A unit representing an undivided interest in CEREIT
Unit Buy-Back	: The repurchase of Units pursuant to the Unit Buy-Back Mandate
Unit Buy-Back Mandate	: The proposed unit buy-back mandate to be given to the Manager by way of an Ordinary Resolution in a general meeting, to exercise its powers to procure the repurchases of Units for and on behalf of CEREIT without the prior specific approval of Unitholders at a general meeting

GLOSSARY

Unitholders : The registered holders for the time being of a Unit, including person(s) so registered as joint holders, except where the registered holder is CDP, the term “**Unitholder**” shall, in relation to Units registered in the name of CDP, mean, where the context requires, the Depositor whose Securities Account with CDP is credited with Units

The terms “**Depositor**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act 2001.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Letter to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Letter shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Unless otherwise stated in this Letter, figures and percentages are rounded off where applicable.