

**NOT FOR DISTRIBUTION, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, EUROPEAN ECONOMIC AREA, CANADA, JAPAN OR AUSTRALIA**

This announcement is not for publication or distribution, directly or indirectly, in or into the United States, European Economic Area, Canada, Japan or Australia. This announcement is not an offer of securities for sale in the United States, European Economic Area, Canada, Japan, Australia or any other jurisdiction. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold in the United States unless registered under the Securities Act, or pursuant to an applicable exemption from registration. There will be no public offering of securities in the United States.



**38 FOR 100 RIGHTS ISSUE TO RAISE GROSS PROCEEDS OF  
APPROXIMATELY €224.1 MILLION**

Goldman Sachs (Singapore) Pte. and UBS AG, Singapore Branch were the joint issue managers for the initial public offering of CEREIT. DBS Bank Ltd., Goldman Sachs (Singapore) Pte., and UBS AG, Singapore Branch were the joint global coordinators for the initial public offering of CEREIT. DBS Bank Ltd., Goldman Sachs (Singapore) Pte., UBS AG, Singapore Branch, Daiwa Capital Markets Singapore Limited and CLSA Singapore Pte Ltd were the joint bookrunners and underwriters for the initial public offering of CEREIT.

**1. INTRODUCTION**

**1.1 The Acquisitions**

Cromwell EREIT Management Pte. Ltd., in its capacity as manager of Cromwell European Real Estate Investment Trust (“**CEREIT**”, and the manager, the “**Manager**”), refers to the announcement on 30 October 2018 relating to:

- (i) CEREIT’s proposed acquisition of 16 properties located in the Netherlands, Finland and Poland (the “**New Properties**”, and the proposed acquisition of the New Properties (the “**Proposed Acquisition**”); and
- (ii) (a) CEREIT’s acquisition of two office properties located in Bari, Italy and Genova, Italy and (b) CEREIT making a binding offer (which has been accepted) to acquire four logistics properties and one retail big box located in Greater Paris, France (collectively and together with the acquisition of the property located at 13 Via Jervis, Ivrea, Italy which was announced on 27 June 2018<sup>1</sup>, the “**Recently**

<sup>1</sup> In relation to properties listed in paragraph (b), the vendor has accepted a binding offer made by CEREIT but the proposed acquisition is still subject to legally binding sale and purchase agreement to be entered into by CEREIT and the vendor.

## **Announced Acquisition”).**

### **1.2 The Rights Issue**

To partially finance the Proposed Acquisition and the Recently Announced Acquisition, the Manager proposes to undertake an underwritten and renounceable rights issue (the “**Rights Issue**”) of 600,834,459 new units in CEREIT (“**Units**”, and such new units, the “**Rights Units**”) to raise gross proceeds of approximately €224.1 million.

UBS AG, Singapore Branch, DBS Bank Ltd., Morgan Stanley Asia (Singapore) Pte., and Daiwa Capital Markets have been appointed as the joint global co-ordinators and bookrunners for the Rights Issue (the “**Joint Global Co-ordinators**”). UBS AG, Singapore Branch, DBS Bank Ltd., Morgan Stanley Asia (Singapore) Pte., and Daiwa Capital Markets are also the joint underwriters for the Rights Issue (the “**Joint Underwriters**”).

To demonstrate its support for CEREIT and the Rights Issue, Cromwell Singapore Holdings Pte. Ltd. (“**CSHPL**”) which, together with its related corporations, owns an aggregate interest of approximately 35.3% of the total number of Units in issue as at 30 October 2018, has irrevocably undertaken to the Manager and the Joint Global Co-ordinators on 30 October 2018 (the “**CSHPL Irrevocable Undertaking**”) that, among others:

- (i) subject to any prohibitions or restrictions imposed by the relevant regulatory authorities (including the SGX-ST<sup>2</sup>), it will vote and/or procure that its related corporations vote (in respect of all Units beneficially owned by it or its related corporations) in favour of the resolution to approve the proposed issue of up to 600,834,459 Rights Units under the proposed Rights Issue at the extraordinary general meeting and such other resolutions necessary or expedient for the purposes of the proposed Rights Issue; and
- (ii) it will accept and/or procure that it and its related corporation (collectively, the “**Relevant Entities**”) to subscribe and pay in full for the Relevant Entities’ total provisional allotments of Rights Units.

It should be noted that the CSHPL Irrevocable Undertaking may be terminated upon the occurrence of certain events, including if the Underwriting Agreement (as defined herein) is terminated for any reason whatsoever (other than for reasons due or attributable to any breach of, or failure by CSHPL to perform its obligations under, the CSHPL Irrevocable Undertaking).

It should be noted that the Rights Issue is conditional upon the resolution for the Rights Issue being passed at the extraordinary general meeting of unitholders of CEREIT (“**Unitholders**”) as set out in the circular to Unitholders dated 30 October 2018 (the “**Circular**”).

## **2. THE RIGHTS ISSUE**

### **2.1 Principal Terms of the Rights Issue**

Pursuant to the Rights Issue, 600,834,459 Rights Units will be offered at the rights ratio

---

<sup>2</sup> “**SGX-ST**” refers to Singapore Exchange Securities Trading Limited.

(“**Rights Ratio**”) of 38 Rights Units for every 100 existing units of CEREIT (“**Existing Units**”) held as at the time and date on which the transfer books and register of Unitholders of CEREIT (“**Unitholders**”) will be closed to determine the provisional allotments of Rights Units to the Eligible Unitholders (as defined below) (the “**Books Closure Date**”) (fractional entitlements to be disregarded).

The Rights Issue would provide Unitholders with the opportunity to subscribe for their *pro rata* entitlement to the Rights Units at an issue price of €0.373 per Rights Unit (“**Issue Price**”), which represents a discount of:

- (i) approximately 31.6% to the closing price of €0.545 per Unit on the SGX-ST on 30 October 2018, being the last trading day of the Units prior to the announcement of the Rights Issue (“**Closing Price**”); and
- (ii) approximately 25.0% to the theoretical ex-rights price (“**TERP**”) of €0.498 per Unit which is calculated as follows:

$$\text{TERP} = \frac{\text{Market capitalisation of CEREIT}^3 + \text{Gross proceeds from the Rights Issue}^4}{\text{Units in issue after the Rights Issue}}$$

For the avoidance of doubt, the Manager will not be relying on the general mandate that was deemed to have been obtained by the Manager from Unitholders by subscribing for the Units under the initial public offering of CEREIT.

The Rights Units will, upon allotment and issue, rank *pari passu* in all respects with the Existing Units in issue as at the date of issue of the Rights Units, including the right to any distributions which may accrue for the period from 1 July 2018 to 31 December 2018 as well as all distributions thereafter.

## 2.2 Use of Proceeds

The proposed Rights Issue is expected to raise gross proceeds of approximately €224.1 million and net proceeds of approximately €219.9 million. Based on the Manager’s current estimates, the Manager expects to use the gross proceeds from the proposed Rights Issue as follows:

- (i) approximately €170.8 million (which is equivalent to 76.2% of the gross proceeds of the proposed Rights Issue) to partially fund the total cost of the Proposed Transaction<sup>5</sup>; and
- (ii) approximately €53.3 million (which is equivalent to 23.8% of the gross proceeds of the proposed Rights Issue) to partially fund the total cost of the Recently Announced Acquisitions<sup>6</sup>.

3 Based on the Closing Price.

4 Comprising the Existing Units and the Rights Units.

5 “**Proposed Transaction**” means the Proposed Acquisition, the proposed Rights Issue, the proposed Payment of the GTCT Sub-Underwriting Commission (as defined in the Circular) to the GTCT Sub-Underwriter (as defined in the Circular) and the proposed Payment of the Hillsboro Sub-Underwriting Commission (as defined in the Circular) to the Hillsboro Sub-Underwriter (as defined in the Circular).

Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, use the gross proceeds from the proposed Rights Issue at its absolute discretion for other purposes.

Pending deployment, the net proceeds from the Rights Issue may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions, or used for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit.

The Manager will make periodic announcements on the utilisation of the net proceeds of the Rights Issue via SGXNET as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated. The Manager will also provide a status report on the use of the proceeds from the Rights Issue in the annual report of CEREIT. Where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

### **2.3 Rationale**

See the announcement dated 30 October 2018 titled “(1) Acquisition of 16 Office Assets in Netherlands, Finland, and Poland; (2) Acquisition of Two Office Assets in Italy and (3) Binding Offer to Acquire Four Logistics Assets and One Retail Big Box in France” for the rationale of the Proposed Acquisition and the Recently Announced Acquisitions.

The Rights Issue will partly fund the total cost of the Proposed Transaction and the total cost of the Recently Announced Acquisitions and is also expected to increase the market capitalisation of CEREIT which may help to improve the trading liquidity of the Units on the SGX-ST.

### **2.4 CSHPL Irrevocable Undertaking**

The Sponsor holds an aggregate deemed interest in 558,338,114 Units representing approximately 35.3% of the issued Units as at 30 October 2018.

To demonstrate its support for CEREIT and the Rights Issue, CSHPL, has, on 30 October 2018, provided the CSHPL Irrevocable Undertaking to the Manager and the Joint Global Co-ordinators that, among others:

- (i) subject to any prohibitions or restrictions imposed by the relevant regulatory authorities (including the SGX-ST), it will vote and/or procure that its related corporations vote (in respect of all Units beneficially owned by it or its related corporations) in favour of the resolution to approve the proposed issue of up to 600,834,459 Rights Units under the proposed Rights Issue at the extraordinary general meeting and such other resolutions necessary or expedient for the purposes of the proposed Rights Issue; and
- (ii) it will accept and/or procure that it and the Relevant Entities to subscribe and pay in full for the Relevant Entities total provisional allotments of Rights Units.

It should be noted that the CSHPL Irrevocable Undertaking may be terminated upon the occurrence of certain events, including if the Underwriting Agreement is terminated for any

---

6 The proceeds set aside to fund the acquisition may be used to repay bridging loans taken up to fund such acquisition.

reason whatsoever (other than for reasons due or attributable to any breach of, or failure by CSHPL to perform its obligations under, the CSHPL Irrevocable Undertaking).

## **2.5 Underwriting of the Rights Issue**

The Rights Units (less the Rights Units to be subscribed for under the CSHPL Irrevocable Undertaking) will be underwritten by UBS AG, Singapore Branch, DBS Bank Ltd., Morgan Stanley Asia (Singapore) Pte., and Daiwa Capital Markets in the proportion of 30.0%, 30.0%, 20.0%, and 20.0% respectively, pursuant to the terms and subject to the conditions contained in the underwriting agreement entered into by the Manager and the Joint Underwriters on 30 October 2018 (the “**Underwriting Agreement**”). The Underwriting Agreement contains such representations, warranties, indemnities and terms as are customary for a transaction of this nature.

Under the Underwriting Agreement, the Joint Underwriters will be entitled to:

- (i) a base underwriting commission of 2.0% of the Issue Price multiplied by the total number of Rights Units excluding the Rights Units which are the subject of the CSHPL Irrevocable Undertaking (the “**Underwritten Rights Units**”); and
- (ii) an incentive fee, payable at the sole discretion of the Manager, of up to 0.5% of the Issue Price multiplied by the total number of Underwritten Rights Units.

It should be noted that the Underwriting Agreement may be terminated upon the occurrence of certain events, including breaches by the Manager of certain terms of the Underwriting Agreement, certain material adverse changes relating to CEREIT and events of a *force majeure* nature. However, each of the Joint Underwriters are not entitled to rely on *force majeure* to terminate the Underwriting Agreement on or after the date on which ex-rights trading commences (in compliance with Rule 818 of the Listing Manual of the SGX-ST).

**The actual terms and conditions of the Rights Issue will be set out in the Offer Information Statement (as defined herein) in connection with the Rights Issue to be lodged with the Monetary Authority of Singapore (“MAS”) and issued to Eligible Unitholders.**

The Rights Issue is conditional upon the lodgement of the Offer Information Statement with the MAS.

## **2.6 GTCT Sub-underwriting**

In connection with the proposed Rights Issue and the Underwriting Agreement, Tang Gordon @ Tang Yigang and Celine Tang @ Chen Huaidan, acting jointly and severally (the “**GTCT Sub-Underwriter**”) have entered into a sub-underwriting agreement with the Joint Global Co-ordinators (the “**GTCT Sub-Underwriting Agreement**”) pursuant to which it has agreed, on the terms and conditions of the GTCT Sub-Underwriting Agreement, to the extent that, inter alia, valid applications and valid excess applications for the Rights Units have not been received in the Rights Issue such that the Joint Global Coordinators are required to subscribe and pay for any Underwritten Rights Units pursuant to their underwriting obligations in the Underwriting Agreement, the GTCT Sub-Underwriter will subscribe and pay for:

- (a) 82,908,770 of the total number of Rights Units offered under the Rights Issue, representing the number of Rights Entitlements to which the GTCT Sub-Underwriter is entitled, and only to the extent which the GTCT Sub-Underwriter has not validly accepted, subscribed and paid for such Rights Entitlements in accordance with the terms of the Rights Issue (the “**GTCT Base Sub-Underwriting Units**”); and
- (b) 24,329,000 of the total number of Rights Units offered under the Rights Issue (the “**GTCT Additional Sub-Underwriting Units**”, and collectively with the GTCT Base Sub- Underwriting Units, the “**GTCT Sub-Underwriting Rights Units**”).

In consideration of the GTCT Sub-Underwriting Commitment, the Joint Global Co-ordinators have agreed to pay the GTCT Sub-Underwriting Commission of 1.5% of the Rights Issue Price multiplied by the total number of GTCT Additional Sub-Underwriting Rights Units to the GTCT Sub-Underwriter. For the avoidance of doubt, no fees or commissions are payable in respect of the GTCT Base Sub-Underwriting Units.

As at the Latest Practicable Date, the GTCT Sub-Underwriter’s aggregate interest, direct and deemed, in the unitholdings of CEREIT is approximately 13.9%.

Assuming that the GTCT Sub-Underwriter takes up in full the GTCT Sub-Underwriting Rights Units, the GTCT Sub-Underwriter will hold approximately 14.9% of the enlarged CEREIT unitholding base immediately following completion of the Rights Issue.

## **2.7 Hillsboro Sub-underwriting**

In connection with the proposed Rights Issue and the Underwriting Agreement, Hillsboro Capital, Ltd. (the “**Hillsboro Sub-Underwriter**”) has entered into a sub-underwriting agreement with the Joint Global Co-ordinators (the “**Hillsboro Sub-Underwriting Agreement**”), pursuant to which it has agreed, on the terms and conditions of the Hillsboro Sub-Underwriting Agreement, to the extent that, inter alia, valid applications and valid excess applications for the Rights Units have not been received in the Rights Issue such that the Joint Global Coordinators are required to subscribe and pay for:

- (a) 69,091,590 of the total number of Rights Units offered under the Rights Issue representing the number of Rights Entitlements to which the Hillsboro Sub-Underwriter is entitled, and only to the extent which the Hillsboro Sub-Underwriter has not validly accepted, subscribed and paid for such Rights Entitlements in accordance with the terms of the Rights Issue (the “**Hillsboro Base Sub-Underwriting Units**”); and
- (b) 69,091,000 of the total number of Rights Units offered under the Rights Issue (the “**Hillsboro Additional Sub-Underwriting Units**”, and collectively with the Hillsboro Base Sub-Underwriting Units, the “**Hillsboro Sub-Underwriting Rights Units**”).

In consideration of the Hillsboro Sub-Underwriting Commitment, the Joint Global Co-ordinators have agreed to pay the Hillsboro Sub-Underwriting Commission of 1.5% of the Rights Issue Price multiplied by the total number of Hillsboro Additional Sub-Underwriting Rights Units to the Hillsboro Sub-Underwriter. For the avoidance of doubt, no fees or commissions are payable in respect of the Hillsboro Base Sub-Underwriting Units.

As at the Latest Practicable Date, the Hillsboro Sub-Underwriter's aggregate interest, direct and deemed, in the Unitholdings of CEREIT is approximately 11.5%.

Assuming that the Hillsboro Sub-Underwriter takes up in full the Hillsboro Sub-Underwriting Rights Units, the Hillsboro Sub-Underwriter will hold approximately 14.7% of the enlarged CEREIT unitholding base immediately following completion of the Rights Issue.

## 2.8 Approval in-Principle

The SGX-ST has on 30 October 2018 given its approval in-principle for the listing and quotation of the Rights Units on the Main Board of the SGX-ST.

The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Rights Issue, the Rights Units, CEREIT and/or its subsidiaries.

The listing approval is subject to the following conditions:

- (i) compliance with the SGX-ST's listing requirements;
- (ii) a written undertaking from the Manager that it will comply with Listing Rules 704(30), 815 and 1207(20) in relation to the use of the proceeds from the Rights Issue and where proceeds are to be used for working capital purposes, the Manager will disclose a breakdown with specific details on the use of proceeds for working capital in CEREIT's announcements on use of proceeds and in the annual report;
- (iii) a written undertaking from the Manager that it will comply with Listing Rule 877(10) with regard to the allotment of any Excess Rights Units<sup>7</sup>; and
- (iv) a written confirmation from financial institution(s) as required under Listing Rule 877(9) that the undertaking Unitholder(s) who have given the CSHPL Irrevocable Undertaking have sufficient financial resources to fulfil their obligations under their undertakings.

## 2.9 Eligibility to Participate in the Rights Issue

### 2.9.1 Eligible Unitholders

Eligible Unitholders comprise Eligible Depositors and Eligible QIBs.

**"Eligible Depositors"** are Unitholders with Units standing to the credit of their securities account with the Central Depository (Pte) Limited (the **"CDP"**) and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least three Market Days<sup>8</sup> prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents, but exclude, subject to certain exceptions, Unitholders located, resident or with a registered address outside of Singapore.

---

7 **"Excess Rights Units"** means Rights Units represented by the provisional allotments of (A) (i) Eligible Unitholders who decline, do not accept, and elect not to renounce or trade their Rights Entitlements under the proposed Rights Issue (during the "nil-paid" rights trading period prescribed by the SGX-ST) and/or (ii) Ineligible Unitholders (as defined herein) which have not been sold during the "nil-paid" rights trading period; or (B) that have not been validly taken up by the original allottees, renounees of the Rights Entitlements or the purchasers of Rights Entitlements

8 **"Market Day"** as defined in the Listing Manual refers to a day on which the SGX-ST is open for securities trading.

**“Eligible QIBs”** are qualified institutional buyers (as defined in Rule 144A under the Securities Act (a) whose identities have been agreed upon by the Manager and the Joint Global Co-ordinators, (b) who have each provided the Manager with a signed investor representation letter (in the form to be attached to the offer information statement in connection with the proposed Rights Issue to be lodged with the MAS and issued to Eligible Unitholders (the **“Offer Information Statement”**)), and (c) who are Eligible Depositors.

Eligible Unitholders are at liberty to accept in part or in full, decline or otherwise renounce or trade (during the “nil-paid” rights trading period prescribed by the SGX-ST) their Rights Entitlements and are eligible to apply for the Rights Units represented by the provisional allotments (A) of (i) Eligible Unitholders who decline, do not accept, and elect not to renounce or trade their Rights Entitlements under the proposed Rights Issue (during the “nil-paid” rights trading period prescribed by the SGX-ST) and/or (ii) Ineligible Unitholders (as defined herein) which have not been sold during the “nil-paid” rights trading period; or (B) that have not been validly taken up by the original allottees, renouncees of the Rights Entitlements or the purchasers of Rights Entitlements (the **“Excess Rights Units”**).

The procedures for acceptance, excess applications and payment by Eligible Unitholders will be set out in the Offer Information Statement.

Eligible Unitholders who hold odd lots of Units (that is, lots other than board lots of 100 Units) and who wish to trade in odd lots are able to trade odd lots of Units on the SGX-ST’s Unit Share Market<sup>9</sup>.

All dealings in and transactions of the Rights Entitlements through the SGX-ST will be effected under the book-entry (scripless) settlement system.

Unitholders who have subscribed for or purchased Units under the SRS<sup>10</sup> or through a finance company and/or Depository Agent<sup>11</sup> can only accept their Rights Entitlements and (if applicable) apply for Excess Rights Units by instructing the relevant banks, finance company and/or Depository Agent in which they hold their SRS Accounts<sup>12</sup> to do so on their behalf in accordance with the Offer Information Statement. Any application made directly by the abovementioned Unitholders through CDP or through ATMs<sup>13</sup> will be rejected.

### 2.9.2 Ineligible Unitholders

No provisional allotment of Rights Units will be made to Unitholders other than the Eligible Unitholders (**“Ineligible Unitholders”**) and no purported acceptance thereof or application for Excess Rights Units therefor by Ineligible Unitholders will be valid.

---

9 **“Unit Share Market”** refers to the ready market of the SGX-ST for trading of odd lots of Units with a minimum size of one Unit.

10 **“SRS”** means the Supplementary Retirement Scheme.

11 **“Depository Agent”** shall have the meaning ascribed to it in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

12 **“SRS Account”** refers to an account opened by a participant in the SRS from which money may be withdrawn for, *inter alia*, payment of the Issue Price of the Rights Units and/or, Excess Rights Units.

13 **“ATM”** refers to an automated teller machine.



The offer, sale and delivery of the Rights Units and the Rights Entitlements may be prohibited or restricted in certain jurisdictions under their relevant securities laws. Thus, for practical reasons and in order to avoid any violation of the securities legislation or other relevant laws applicable in countries (other than in Singapore) where Unitholders may have as their addresses registered with CDP, the Rights Issue will not be extended to Ineligible Unitholders.

In reliance on certain exemptions from registration under the Securities Act applicable to an offer and sale of securities which does not involve a public offering in the United States, the Manager may offer, by way of private placement, the Rights Units to a limited number of Eligible QIBs. The Manager reserves absolute discretion in determining whether to allow such participation as well as the identity of the persons who may be allowed to do so.

The Rights Entitlements and the Rights Units have not been and will not be registered under the Securities Act, or under the securities laws of any state of the U.S. and, accordingly, they may not be offered, sold, resold, granted, delivered, allotted, taken up, transferred or renounced, directly or indirectly, within the U.S. except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the U.S.. The Rights Units and the Rights Entitlements will only be offered and sold in offshore transactions in reliance on Regulation S under the Securities Act.

If it is practicable to do so, the Manager may, in its absolute discretion, arrange for Rights Entitlements which would otherwise have been allotted to Ineligible Unitholders to be sold "nil-paid" on the SGX-ST as soon as practicable after dealings in the Rights Entitlements commence.

Such sales may, however, only be effected if the Manager, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account all expenses to be incurred in relation thereto.

Where such Rights Entitlements are sold "nil-paid" on the SGX-ST, they will be sold at such price or prices as the Manager may, in its absolute discretion, decide and no Ineligible Unitholder or persons acting for the account or benefit of any such persons, shall have any claim whatsoever against the Manager, Perpetual (Asia) Limited, in its capacity as trustee of CEREIT (the "**Trustee**"), each of the Joint Global Co-ordinators, Boardroom Corporate & Advisory Services Pte. Ltd. (the "**Unit Registrar**") or CDP or their respective officers in respect of such sales or the proceeds thereof, the Rights Units or the Rights Entitlements represented by such provisional allotments.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Ineligible Unitholders in proportion to their respective unitholdings in CEREIT ("**Unitholdings**", and in relation to each Unitholder, "**Unitholding**") determined as at the Books Closure Date and sent to them at their own risk by ordinary post, without interest or any share of revenue or other benefit arising therefrom, provided that where the amount to be distributed to any single Ineligible Unitholder is less than S\$10.00, the Manager shall be entitled

to retain or deal with such net proceeds as the Manager may, in its absolute discretion, deem fit for the sole benefit of CEREIT and no Ineligible Unitholder shall have any claim whatsoever against the Manager, each of the Joint Global Co-ordinators, the Unit Registrar, the Trustee or CDP and their respective officers in connection therewith.

If such Rights Entitlements cannot be or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the Rights Entitlements, the Rights Units represented by such Rights Entitlements will be issued to satisfy applications for Excess Rights Units or dealt with in such manner as the Manager may, in its absolute discretion, deem fit in the interest of CEREIT and no Ineligible Unitholder or persons acting for the account or benefit of any such persons, shall have any claim whatsoever against the Manager, the Trustee, each of the Joint Global Co-ordinators, the Unit Registrar or CDP and their respective officers in connection therewith.

### 2.9.3 Excess Rights Units

The Excess Rights Units will be aggregated and used to satisfy Excess Rights Units applications (if any) or disposed of or otherwise dealt with in such manner as the Manager may, in its discretion, deem fit.

In the allotment of Excess Rights Units, preference will be given to the rounding of odd lots (if any). Directors of the Manager (“**Directors**”) and Substantial Unitholders<sup>14</sup> who have control or influence over CEREIT or the Manager in connection with the day-to-day affairs of CEREIT or the terms of the proposed Rights Issue, or have representation (direct or through a nominee) on the board of Directors of the Manager, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Units. The Manager reserves the right to refuse any application for Excess Rights Units, in whole or in part, without assigning any reason whatsoever therefor. In the event that the number of Excess Rights Units allotted to an Eligible Unitholder is less than the number of Excess Rights Units applied for, the Eligible Unitholder shall be deemed to have accepted the number of Excess Rights Units actually allotted to him.

### 2.10 Offer Information Statement

In connection with the Rights Issue, the Manager will, following the lodgement of the Offer Information Statement with the MAS, issue and despatch the Offer Information Statement to Unitholders setting out, among other things, the details of the Rights Issue.

## 3. INDICATIVE TIMETABLE

The indicative timeline for the Rights Issue is set out below (all references are to Singapore dates and times):

Event	Date and Time
Extraordinary general meeting to, among others,	15 November 2018

<sup>14</sup> “**Substantial Unitholders**” refers to Unitholders with interests in not less than 5.0% of all Units in issue.

approve the Rights Issue	
Notice of Books Closure Date to determine rights entitlements (subject to the resolutions being passed at the EGM)	15 November 2018

The Manager may, in consultation with the Joint Underwriters and with the approval of the SGX-ST, modify the above timetable subject to any limitation under any applicable laws. In such an event, the Manager will announce the same via SGXNET. However, as at the date of this announcement, the Manager does not expect the above timetable to be modified.

#### 4. WAIVER FROM LISTING RULE 704(25)

4.1 The Manager has applied and the SGX-ST has granted a waiver with regard to compliance with Listing Rule 704(25) based on the following reasons:

- (i) CEREIT'S financial performance has been stable and consistent
  - (a) **Stability of Income:** CEREIT enjoys stable income as its assets comprise primarily office and light industrial/logistics assets in various countries in Europe, underpinned by a long portfolio lease profile. Based on the available financial results of CEREIT since its listing, it can be seen that its gross revenue and net property income have been stable over the first two financial quarters of 2018. It is also noted that the financial performance of CEREIT over the first two financial quarters can be effectively compared on a like-for-like basis as its first acquisition of an additional office asset ("Ivrea") located in the city of Ivrea in Italy was completed only on 27 June 2018.
  - (b) **No Material Changes to the Financial Position of CEREIT:** based on the available financial results of CEREIT since its listing, it can be seen that there has been no material changes to the financial position of CEREIT. It is also noted that the financial position of CEREIT over the first two financial quarters can be effectively compared on a like-for-like basis as its first acquisition of Ivrea was completed only on 27 June 2018 (and its contribution to CEREIT's financial position as at 30 June 2018 would be relatively immaterial for the reasons elaborated in paragraph 3.2(ii) of this letter)
  - (c) **Financial performance of CEREIT has exceeded profit forecast in the IPO Prospectus:** CEREIT's financial performance since listing has exceeded that set out in the profit forecast and projection (the "IPO Forecast") disclosed in the prospectus dated 22 November 2017 (the "Prospectus") for the corresponding periods.
  - (d) **CEREIT derives passive income:** CEREIT's business is the ownership of properties and it derives passive income from over 700 leases, and it does not undertake any active operations.

- (e) **CEREIT's past results announcements have not resulted in movement in the trading price:** When the First Financial Period 2018 Results and the 2Q 2018 Results were announced on 10 May 2018 and 13 August 2018 respectively, the trading price of CEREIT's units closed at the same price as the opening price and with no significant change in volume on the day of the announcement, demonstrating that CEREIT's financial results have been predictable to investors.
- (ii) The Manager expects the financial performance of CEREIT in the financial period from 1 July 2018 to 30 September 2018 ("**3Q 2018**") to be in line with its financial performance in the first two financial quarters of 2018
- (iii) Investors can evaluate financial performance of CEREIT for 3Q 2018 from other sources of information
- (iv) Deferring the announcement of the Proposed Acquisition and the Rights Issue until its 3Q Results are announced would result in CEREIT being unable to proceed with the Proposed Acquisition
- (v) As the Rights Issue is conditional upon approval of Unitholders, by the time the notice of books closure date of the Rights Issue is announced (and prior to the opening of the period for acceptance of the rights and trading of rights entitlements under the Rights Issue), the 3Q Results would have been announced. Unitholders would be able to review the 3Q Results prior to making their decision on whether to accept the rights entitlement and/or apply for excess Rights Units under the Rights Issue

**4.2** The conditions for the grant of the waiver are as follows:

- (i) the waiver granted, the reasons for seeking the waiver, the conditions as required under Listing Rule 107 and if the waiver conditions have been satisfied. If the waiver conditions have not been met on the date of the announcement, CEREIT must make an update announcement when the conditions have all been met;
- (ii) the waiver does not contravene any laws and resolutions governing CEREIT and the trust deed of CEREIT;
- (iii) confirmations from the Manager that:
  - (a) it is not aware of any information that will have a material bearing on investors decision in whether to trade on the Units which has yet to be announced by CEREIT;
  - (b) it expects the 3Q 2018 results to be in line with the IPO Forecast disclosed in the Prospectus;
  - (c) it expects the 3Q 2018 results to be in line with its financial performance in the first two financial quarters of 2018;
  - (d) it does not expect any material adverse change to CEREIT's financial position; and
  - (e) the respective resolutions on the Rights Issue and the Proposed

Acquisition being put forth at the EGM of CEREIT for unitholders' approval are inter-conditional on one another.

#### **4.3 Confirmations from the Manager**

The Manager confirms that:

- (a) it is not aware of any information that will have a material bearing on investors decision in whether to trade on the Units which has yet to be announced by CEREIT;
- (b) it expects the 3Q 2018 results to be in line with the IPO Forecast disclosed in the Prospectus;
- (c) it expects the 3Q 2018 results to be in line with its financial performance in the first two financial quarters of 2018;
- (d) it does not expect any material adverse change to CEREIT's financial position; and
- (e) the respective resolutions on the Rights Issue and the Proposed Acquisition being put forth at the EGM of CEREIT for unitholders' approval are inter-conditional on one another.

By Order of the Board

Simon Garing  
Executive Director and Chief Executive Officer

**Cromwell EREIT Management Pte. Ltd.**  
(Company Registration No: 201702701N)  
as manager of Cromwell European Real Estate Investment Trust

30 October 2018

#### **IMPORTANT NOTICE**

**This announcement is not for distribution, directly or indirectly, in or into the United States and is not an offer of securities for sale in the United States or any other jurisdictions.**

This announcement is for information purposes only and does not constitute or form part of an offer, invitation or solicitation of any securities of CEREIT in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

The value of the 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, Perpetual (Asia) Limited, in its capacity as trustee of CEREIT, the Cromwell Property Group<sup>15</sup> as the sponsor of CEREIT or any of their

---

<sup>15</sup> Cromwell Property Group, a stapled group comprising Cromwell Corporation Limited and Cromwell Diversified Property Trust (the responsible entity of which is Cromwell Property Securities Limited).

respective affiliates.

Any offering of Rights Units will be made in and accompanied by the Offer Information Statement. A potential investor should read the Offer Information Statement before deciding whether to subscribe for Rights Units under the Rights Issue. The Offer Information Statement may be accessed online at the website of the MAS at <http://masnet.mas.gov.sg/operasdrprosp.nsf> when it is lodged with the MAS. The MAS assumes no responsibility for the contents of the Offer Information Statement. The availability of the Offer Information Statement on the MAS website does not imply that the Securities and Futures Act, Chapter 289 of Singapore, or any other legal or regulatory requirements, have been complied with. The MAS has not, in any way, considered the investment merits of CEREIT. This announcement is qualified in its entirety by, and should be read in conjunction with the full text of the Offer Information Statement when it is lodged with the MAS.

An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Unitholders have no right to request that the Manager redeem or purchase their Units while the Units are listed. 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.

This announcement 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. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of CEREIT. The forecast financial performance of CEREIT is not guaranteed. A potential investor is cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

This announcement is not an offer for sale of securities in CEREIT in the United States or any other jurisdiction. The securities in CEREIT have not been and will not be registered under the Securities Act and may not be offered or sold in the United States unless registered under the Securities Act, or pursuant to an applicable exemption from registration. There is no intention to register any portion of the offering in the United States or to conduct a public offering of securities in the United States. Neither this announcement nor any part thereof may be (a) used or relied upon by any other party or for any other purpose, (b) copied, photocopied, duplicated or otherwise reproduced in any form or by any means, or (c) forwarded, published, redistributed, passed on or otherwise disseminated or quoted, directly or indirectly, to any other person either in your organisation or elsewhere.

**Notification under Section 309B of the Securities and Futures Act, Chapter 289 of Singapore:** The Units are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).