(a real estate investment trust constituted on 1 November 2013 under the laws of the Republic of Singapore)
Managed by IREIT Global Group Pte. Ltd. (Company Registration No: 201331623K)

ANNOUNCEMENT

PROPOSED ACQUISITION OF FOUR OFFICE BUILDINGS LOCATED IN SPAIN

1. INTRODUCTION

1.1 The Proposed Transactions

IREIT Global Group Pte. Ltd., as manager of IREIT Global ("**IREIT**" and the manager of IREIT, the "**Manager**"), is pleased to announce that DBS Trustee Limited, in its capacity as trustee of IREIT (the "**Trustee**"), has entered into:

(i) an agreement to jointly incorporate a Singapore company (the "**JVCo**"), which would be 40.0% held by IREIT and 60.0% held by Tikehau Capital SCA ("**Tikehau Capital**") for the purposes of acting as the purchaser in relation to each of the Share Purchase Agreements (as defined below) (the "**Joint Venture**"), and such agreement contains the form of the shareholders' agreement to be entered into upon the incorporation of the JVCo (the "**Shareholders' Agreement**"); and

(ii) together with Tikehau Capital, three separate conditional share sale and purchase agreements (the "**Share Purchase Agreements**") for the purposes of acquiring the shares representing 100.0% of the issued share capital in each of (a) Chameleon (Esplugues), S.L.U. which holds the Il·lumina building; (b) Chameleon (Sant Cugat Investment 2014), S.L.U. which holds the Sant Cugat Green building; and (c) Gloin Investments, S.L.U. which holds the Delta Nova IV and Delta Nova VI buildings (the "**Target Entities**" and the shares of the target of the Target Entities, the "**Shares**") from Corona Patrimonial SOCIMI, S.A. (the "**Vendor**") (the "**Proposed Acquisition**"). The Il·lumina, Sant Cugat Green, Delta Nova IV and Delta Nova VI buildings (the "**Target Portfolio**" or the "**Properties**", and each of the office buildings, a "**Property**") are located in Spain. Further details of the Properties are set out in paragraph 2.1 of this announcement.

In connection with the Proposed Acquisition, the Trustee, in its capacity as trustee of IREIT has entered into a loan agreement with City Strategic Equity Pte. Ltd. ("**CSEPL**") (the "**Loan Agreement**"), whereby CSEPL has agreed to extend a loan of an aggregate amount of €32.0 million to IREIT for the purposes of funding IREIT's proportionate share of the Proposed Acquisition (the "**CDL Loan**"). IREIT has drawn down approximately €5.4 million of the CDL Loan to fund IREIT's proportionate share of the Initial Payment (as defined below), with the remaining loan amount to be drawn down on Closing (as defined below). The remaining loan amount will be used to fund IREIT's proportionate share of the Proposed Acquisition in the form of further equity and/or shareholder loans to the JVCo and pay other fees and expenses in connection with its investment in the JVCo.

(The Proposed Acquisition, the Joint Venture and the CDL Loan shall be referred to as the "**Proposed Transactions**").

1.2 Disclosure Requirements

(i) The Joint Venture

As at the date of the announcement, Tikehau Capital holds an aggregate interest in 106,691,698 units in IREIT ("**Units**"), which is equivalent to approximately 16.74% of the total number of Units in issue, and is therefore regarded as a "controlling Unitholder" of IREIT under both the Listing Manual of the SGX-ST (the "**Listing Manual**") and the Property Funds Appendix. In addition, the Manager is owned by (i) City REIT Management Pte Ltd ("**CRMPL**") and (ii) Tikehau Capital in equal proportions. Tikehau Capital is therefore regarded as a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

Accordingly, Tikehau Capital is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of IREIT.

Therefore, the entry into the Shareholders' Agreement by IREIT with Tikehau Capital in connection with the Joint Venture will constitute an "interested person transaction" under Chapter 9 of the Listing Manual.

These transactions when aggregated with the existing interested person transactions with Tikehau Capital and its associates for the current financial year would exceed 5.0% of the latest audited net tangible assets ("**NTA**") of IREIT. Accordingly under Rules 905 and 906 of the Listing Manual, the Manager is required to make an announcement of such interested person transaction and obtain the approval of the unitholders of IREIT ("**Unitholders**"), respectively. However, the entry into the Shareholders' Agreement in connection with the Joint Venture falls within the exception under Rule 916(2) of the Listing Manual and, accordingly, the approval of the Unitholders for the entry into the Shareholders' Agreement in connection with the Joint Venture is not required.

(ii) CDL Loan

As at the date of the announcement, the Manager is owned by CRMPL and (ii) Tikehau Capital in equal proportions. CRMPL is in turn a wholly-owned subsidiary of City Developments Limited ("**CDL**") and accordingly, CDL is therefore regarded as a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

As CSEPL is a wholly-owned subsidiary of CDL, CSEPL (being a wholly-owned subsidiary of a "controlling shareholder" of the Manager) is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of IREIT.

Therefore, the entry into the Loan Agreement by IREIT with CSEPL constitutes an "interested person transaction" under Chapter 9 of the Listing Manual.

The interested person value of the CDL Loan, when aggregated with the existing interested person transactions with CDL and its subsidiaries and associates for the current financial year would not exceed 3.0% of the latest audited NTA of IREIT.

For avoidance of doubt, no Unitholder approval is necessary for the entry into the Loan Agreement pursuant to Rule 906 of the Listing Manual, given that the aggregated value of the interested person transactions with CDL would not exceed 5.0% of the latest audited NTA of IREIT.

2. DETAILS OF THE PROPOSED ACQUISITION

2.1 The Properties

The Target Portfolio consists of four office buildings in Spain with a total gross lettable area ("**GLA**") of 72,028 square metres ("**sqm**") and an overall occupancy rate of 80.9% as at 1 December 2019.

Target Entity	Property	Address	City	GLA (sqm)	Land Tenure	Occupancy as at 1 December 2019
Gloin Investments, S.L.U.	Delta Nova IV	Avenida de Manoteras 46 bis, Madrid	Madrid	10,117	Freehold	94.6%
Gloin Investments, S.L.U.	Delta Nova VI	Avenida de Manoteras 46 bis, Madrid	Madrid	14,855	Freehold	94.5%
Chameleon (Esplugues), S.L.U.	Il·lumina	Baronesa de Maldà, in Esplugues de Llobregat	Barcelona	20,922	Freehold	69.2%
Chameleon (Sant Cugat Investment 2014), S.L.U.	Sant Cugat Green	Parque de Actividades Eonómicas Can Joan, in Sant Cugat del Vallès	Barcelona	26,134	Freehold	77.1%

2.1.1 Delta Nova IV and Delta Nova VI

Delta Nova IV and Delta Nova VI are two office buildings forming an office complex located in the consolidated business office area of Manoteras, north of Madrid. Delta Nova IV comprises a ground floor, four upper floors and two basement parking levels with 249 parking spaces, while Delta Nova VI comprises a ground floor, six upper floors and two basement parking levels with 384 parking spaces. Built in 2005, the Delta Nova office complex has flexible and modular floor plates with high capacity and efficiency (up to one workstation per 10 sqm), benefitting from natural light. In 2015, the two office buildings had renovations done to their facades, awnings, atriums, lobbies, central patio and green areas and were awarded the Gold certification under the Leadership in Energy & Environmental Design ("**LEED**") rating system from the U.S. Green Building Council.

Manoteras is a well-connected office submarket that is approximately 15 minutes away by car to both the Madrid Barajas International Airport and Madrid financial centre and approximately 25 minutes from the city centre of Madrid. Located in between the M-30 ring road and the A1 motorway as well as in close proximity to several bus stops, train and metro stations, the Delta Nova office complex is easily accessible by both private and public transportation systems. The closest metro station is within a five-minute walk away from the two office buildings. In addition, the area benefits from a wide range of services such as hotels, restaurants, a health centre and a cinema.

Delta Nova IV and Delta Nova VI are currently multi-tenanted and are leased to a number of blue-chip companies including Clece (service provider of logistics, facility management, cleaning, education, social, hotel, catering, public administration, laundry, and waste management services in Spain, Portugal and the United Kingdom), Digitex (a multinational company providing integrated management solutions across its offices in Spain and Americas), Gesif (part of Cabot Credit Management Group, the United Kingdom and Ireland's largest servicer of non-performing loans) and Almaraz Nuclear Power Plant (largest electricity generation plant in Spain). As at 1 December 2019, Delta Nova IV has 11 tenants and a weighted average lease to expiry ("**WALE**") of 4.3 years, while Delta Nova VI has nine tenants and a WALE of 2.8 years.

2.1.2 Il·lumina

Il·lumina is an office building located in Esplugues de Llobregat, a mixed use office and industrial area including a technology and audio-visual office cluster which is five kilometres away from the financial district of Barcelona (Avenida Diagonal) and has a total GLA of 20,922 sqm over two basements, a lower ground floor, a ground floor, three upper floors and 310 parking spaces (of which 87 are for motorbikes). Il·lumina was originally built in the 1970s and was fully refurbished in 2004 into an office building, maintaining its original exterior whilst enhancing its functionality and design. Further recent investment was made to provide for recent technologies, earning it the LEED Silver certification. It provides flexible office floors with ceilings from 2.7 metres up to four metres high and supplies a wide variety of services including meeting rooms, gym, changing rooms, a cafeteria and an auditorium with 90 seats for its tenants. Il·lumina also offers over 3,800 sqm of fully equipped TV studios.

Il·lumina is currently home to 12 tenants, including the Catalan Media Corporation (public radio and television company in Catalonia owned by the Government of Catalunya), Digitex and Coca-Cola European Partners plc (multinational bottling company dedicated to the marketing, production and distribution of Coca-Cola products) as its main tenants. As at 1 December 2019, Il·lumina has a WALE of 3.2 years.

2.1.3 Sant Cugat Green

Sant Cugat Green is a modern office building in Barcelona with GLA of 26,134 sqm, comprising three basement levels, a ground floor and four upper floors, and 580 parking spaces (of which 30 are for motorbikes). It is also equipped with a 5,146 sqm data centre space and a restaurant for internal use by its tenants. Sant Cugat Green has floor plates with more than 3,000 sqm situated around a central atrium and enjoys good natural light throughout the building. Sant Cugat Green is LEED Gold certified.

Sant Cugat is an attractive periphery office submarket within the metropolitan area of Barcelona. This has attracted a number of well-known companies such as Hewlett-Packard, Grifols, Roche, Sabadell Bank, Ricoh to be situated in the area. Located in Sant Cugat del Vallés, Sant Cugat Green is approximately 20 minutes away by car from the financial district of Barcelona (Avenida Diagonal) and has a bus stop at the foot of the building providing regular access to public transportation (FCC train station).

Originally built in 1993 as Deutsche Bank's Southern Europe headquarters, it then become the main local office for two important international companies, DXC Technology (spin-off from Hewlett-Packard) and Roche (Swiss multinational healthcare company). As at 1 December 2019, Sant Cugat Green has four tenants and a WALE of 6.8 years.

2.2 Purchase Consideration and Valuation

The current estimated purchase consideration payable to the Vendor in connection with the Proposed Acquisition is approximately €138.2 million[1] (based on the net asset value of the Target Entities on a debt-free and cash free basis, as adjusted for the Agreed Property Value of the Properties of €133.8 million) on a 100% basis (the "**Purchase Consideration**").

The Purchase Consideration was negotiated on a willing-buyer and willing-seller basis taking into account the independent valuation of each of the Properties. Cushman & Wakefield Spain Limited, Sucursal en España (the "**Independent Valuer**") was appointed to provide an independent valuation of the Properties. In arriving at the open market value of the Properties, the Independent Valuer has used the income capitalisation approach supported by the sales comparison approach. The agreed value and the independent valuation of each of the Properties are as follows:

In €'million	Agreed Property Value (on a 100% basis)	Independent Valuation (on a 100% basis)
Delta Nova IV	28.7	30.1
Delta Nova VI	39.8	40.4
Il·lumina	25.4	26.1
Sant Cugat Green	39.9	41.7
Total	**133.8**	**138.3**

An initial payment amounting to approximately €13.4 million has been paid to the Vendor on signing of the Share Purchase Agreements (the "**Initial Payment**").

The remaining balance of the Purchase Consideration (the "**Balance Purchase Consideration**") will be paid to the Vendor on closing of the Proposed Acquisition which is expected to take place by the end of December 2019 ("**Closing**" and the date of Closing shall be referred to as the "**Closing Date**").

1 This amount is subject to post-Closing adjustments provided for under the terms of the Share Purchase Agreements.

2.3 Estimated Total Acquisition Cost

The total acquisition cost of the Target Portfolio to the JVCo (the "**Total Acquisition Cost**") is currently estimated to be approximately €142.3 million, comprising:

(a) the Purchase Consideration of approximately €138.2 million[1]; and

(b) the estimated professional and other transaction fees and expenses of approximately €4.1 million incurred or to be incurred by the JVCo in connection with the Proposed Acquisition.

The total cost of IREIT's investment in the JVCo (the "**IREIT Total Acquisition Cost**") is currently estimated to be approximately €57.6 million, comprising:

(a) IREIT's proportionate share of the Purchase Consideration of approximately €55.3 million[2] (the "**IREIT Purchase Consideration**");

(b) IREIT's proportionate share of the estimated professional and other transaction fees and expenses of approximately €1.6 million incurred or to be incurred by the JVCo in connection with the Proposed Acquisition; and

(c) the acquisition fee payable to the Manager (the "**Acquisition Fee**") which amounts to of €0.5 million representing an Acquisition Fee based on 1.0% of the IREIT's proportionate share of the Agreed Property Value), which the Manager has elected to be paid in cash; and

(d) other fees and expenses in connection with IREIT's investment in the JVCo of approximately €0.2 million.

3. CERTAIN TERMS OF THE PROPOSED ACQUISITION AND THE JOINT VENTURE

3.1 Principal Terms and Conditions of the Share Purchase Agreements

The principal terms of the Share Purchase Agreements, include among others, the following conditions precedent:

(i) obtaining the authorisation by the general shareholders' meeting of the Vendor for the Proposed Acquisition by the Vendor; and

(ii) the discharge and cancellation of the senior facility agreement granted by Euro Dinero S.à r.l. to the Target Entities. This condition precedent will be satisfied on the Closing Date.

Should Closing fail to occur as a result of a breach by the JVCo (including failure to make payment of the Balance Purchase Consideration and/or failure to appear before the Notary Public on the Closing Date), the Vendor shall be entitled to retain the full amount of the Initial Payment. On the contrary, if Closing fails to occur as a result of a breach by the Vendor (including failure to appear before the Notary Public on the Closing Date and/or refusal to execute the transfer deed), the Vendor shall reimburse to the JVCo the Initial Payment and compensate the JVCo for all reasonable costs and expenses incurred from the third party advisers engaged by the JVCo to conduct the due diligence exercise for the purposes of the

1 This figure includes the mortgage financing that the Manager intends to obtain to refinance the existing debt of the Target Entities. Please see paragraph 5 of this announcement for further details.

2 This figure includes IREIT's proportionate share of the mortgage financing that the Manager intends to obtain to refinance the existing debt of the Target Entities. Please see paragraph 5 of this announcement for further details.

Proposed Acquisition.

3.2 Principal Terms and Conditions of the Shareholders' Agreement

The Trustee and Tikehau Capital have agreed to govern their relationship as shareholders of the JVCo pursuant to the terms of the Shareholders' Agreement.

The form of the Shareholders' Agreement contains a set of matters in relation to the key operational and management issues affecting the JVCo.

3.2.1 Reserved Matters

Under the terms of the Shareholders' Agreement, the following matters require unanimous approval of the shareholders:

(i) amendment of the Shareholders' Agreement, amendment to or adoption of a new the constitution of the JVCo, or the memorandum and articles of association or other constitutive documents of the subsidiaries of the JVCo (together, the "**Group Companies**");

(ii) modification of any rights attached to any shares in any Group Companies or the issue of securities by any Group Companies;

(iii) cessation or change of the present nature of business of any Group Companies or the commencement of any new type of business by the Group Companies;

(iv) any change to the equity capital structure of any Group Companies;

(v) the making of any arrangement with creditors, application for administration, appointment of receiver or administrator, winding up or dissolution of any Group Companies;

(vi) creation of security interest, guarantee or encumbrance over the assets of any Group Companies;

(vii) transfer or disposal of any of the Properties or any Group Companies or the acquisition of any additional real estate properties (other than the Properties) by any Group Companies;

(viii) changes to the dividend distribution policy of any Group Companies;

(ix) approval of asset enhancement and capital expenditure plans for any of the Properties otherwise than in accordance with the business plan or annual budget;

(x) incurring of any third party borrowings by any Group Companies otherwise than in accordance with the business plan or annual budget;

(xi) entry into interested party transactions (as defined in the Property Funds Appendix);

(xii) the appointment or removal of asset manager(s) and/or property manager(s) for any or all of the Properties;

(xiii) approval of the annual operating budget and annual capital budget of the JVCo and any amendments thereto;

(xiv) approval of the leasing plan for the Properties; and

(xv) the commencement or settlement of any litigation, arbitration or other dispute proceedings (except for collection of debts in the ordinary course of business of the Group Companies).

3.2.2 Call Option

Pursuant to the Shareholders' Agreement, Tikehau Capital has granted the Trustee a call option to acquire its 60.0% shares in the JVCo for the period of 18 months following completion of the Proposed Acquisition ("**Call Option Period**") at the Call Option Price (as defined below), subject to the following conditions:

(i) approval of the Unitholders (if required); and

(ii) Tikehau Capital shall have no obligation to transfer its shares pursuant to the call option unless the Minimum Threshold is zero or positive, where "**Minimum Threshold**" means:

Minimum Threshold = (60% x A) – (B - C + D)

where:

"**A**" is the Call Option Price;

"**B**" is the amount invested by Tikehau Capital into the JVCo (whether pursuant to shareholder loans or the subscription of shares in the JVCo);

"**C**" is the amount of any distributions by the JVCo received by Tikehau Capital (not including distributions made out of operating profits or capital gains); and

"**D**" is the aggregate of all costs and expenses incurred by Tikehau Capital in connection with the Share Purchase Agreements, other than those incurred through the JVCo;

"**Call Option Price**" means the consolidated net asset value of the JVCo and the Group Companies as adjusted based on the Call Option Agreed Property Value; and

"**Call Option Agreed Property Value**" means the average of the market values of the Properties as determined by two independent property valuers, with one to be appointed by each of the Trustee and the Manager, respectively.

Pursuant to the Shareholders' Agreement, Tikehau Capital shall not transfer its shares in the JVCo prior to the expiry of the Call Option Period.

3.2.3 Drag-Along Right

Under the terms of the Shareholders' Agreement, if Tikehau Capital proposes to sell all (and not some only) of its shares in the JVCo to a third party purchaser ("**Drag-Along Purchaser**") after the Call Option Period, Tikehau Capital has the right to require the Trustee to sell all of the Trustee's shares in the JVCo ("**Dragged Shares**") on the same terms and conditions as Tikehau has agreed to sell its shares to the Drag-Along Purchaser ("**Drag-Along Right**"). The Drag-Along Right is subject to the following conditions:

(i) all liability to the Drag-Along Purchaser shall be on a several basis only;

(ii) the price at which the Dragged Shares are to be sold cannot be less than the consolidated net asset value of the JVCo and the Group Companies, as adjusted based on the Call Option Agreed Property Value; and

(iii) the approval of the Unitholders (if required).

3.2.4 Tag-Along Right

Under the terms of the Shareholders' Agreement, if Tikehau Capital proposes to sell all (and not part only) of its shares in the JVCo to a third party purchaser after the Call Option Period ("**Tag-Along Purchaser**") and Tikehau Capital has not exercised its Drag-Along Right, the Trustee shall have the right to tag-along and offer to sell all of its shares in the JVCo ("**Tag-Along Shares**") to the Tag-Along Purchaser on the same terms and conditions as Tikehau Capital. If the Tag-Along Purchaser refuses to purchase the Tag-Along Shares from the Trustee, Tikehau Capital may not sell its shares in the JVCo to the Tag-Along Purchaser.

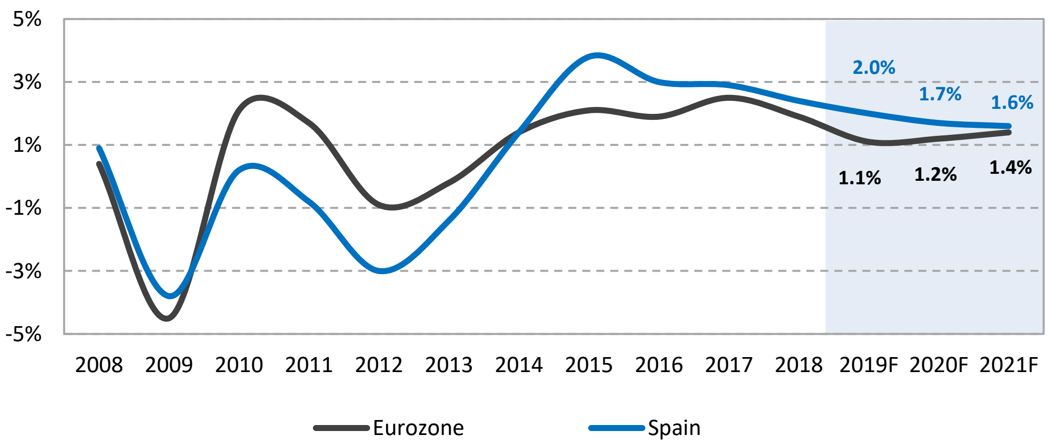
4. RATIONALE AND BENEFITS OF THE PROPOSED TRANSACTIONS

The Manager believes that the Proposed Transactions will bring the following key benefits to Unitholders:

4.1 Foray into Spain, the fifth largest economy in Europe by GDP[1]

The Target Portfolio will provide IREIT exposure to Spain, a recovering economy with sound fundamentals and investment climate. Spain is the fifth largest economy in Europe by gross domestic product ("**GDP**"). Since 2014, the country has experienced a trend of economic expansion, driven by lower unemployment rate (down from 24.5% in 2014 to 15.3% in 2018), strong tourist arrivals (82.6 million visitors in 2018, making Spain the second most visited country worldwide) and healthy private consumption. In 2018, Spain's GDP growth came in at 2.4%, coming 0.5% points above the Eurozone average in 2018. In addition, Spain has been reducing its budget deficit since 2009 as a consequence of the austerity measures applied by the Spanish government. It is expected to see its budget deficit improve from 2.5% of GDP in 2018 to 1.5% by 2021, according to Bank of Spain.

GDP Growth (%)[1]



1 Eurostat, European Central Bank, Bank of Spain

Led by the improving fundamentals of the Spanish economy, the office real estate market has also experienced strong take-up in office space and investor interest. In the first nine months of 2019, the office market in Madrid and Barcelona saw 785,000 sqm in aggregate take-up of leased space, only 60,000 sqm short of matching the 2018 take-up.[1] On the back of the healthy leasing activity, the vacancy rates in Madrid and Barcelona have fallen to 8.8% and 4.8%, respectively at the end of third quarter of 2019.[1] In the same period, the total investment volume in Madrid and Barcelona topped €2.25 billion, just 10% lower than that for 2018.[1] While the Spanish economy is showing moderation in growth, healthy occupier activity and investor demand are expected to continue to support the office real estate market.

4.2 Quality office portfolio that complements IREIT's existing portfolio

The Properties are freehold office buildings that are located in the established secondary office areas of Madrid and Barcelona. They have easily divisible floor plates and enjoy natural lighting and connectivity to major commercial areas via different modes of transportation systems. All of the Properties have also been awarded the LEED certification from the U.S. Green Building Council.

The Properties are currently multi-tenanted and leased to a number of large reputable companies that will not only add strength and diversification to IREIT's tenant base, but also provide it with stable recurring cash flows from a well-staggered lease expiry profile. Hence, the Manager is of the view that the quality and tenants of the Target Portfolio would fit strategically with IREIT's existing portfolio.

4.3 Attractive value proposition with upside from active asset management

The Manager believes that the Target Portfolio provides an attractive value proposition in the current market, as the Agreed Property Value of the Target Portfolio of €133.8 million represents a 3.3% discount to the aggregate independent valuation of €138.3 million by the Independent Valuer.

The overall occupancy rate of the Target Portfolio stands at 80.9%[2], while the passing rents of the Properties are generally below the current market rents. As such, there is potential to bring the under-rented Properties nearer to market levels and to reduce the vacant spaces through active asset management efforts. Aided by healthy occupier demand and expected future rental growth, the Manager believes that IREIT would benefit from higher rental income and positive rental reversions as it fills up the vacant spaces and renews existing leases at potentially higher rental rates.

4.4 Strengthen the resilience, diversification and quality of IREIT's portfolio

The Properties have a diversified tenant base that is anchored by a number of blue-chip tenants from various industries. With the Proposed Acquisition, the Properties will introduce 28 new tenants into IREIT's tenant profile, thereby increasing its tenant and trade sector diversification.

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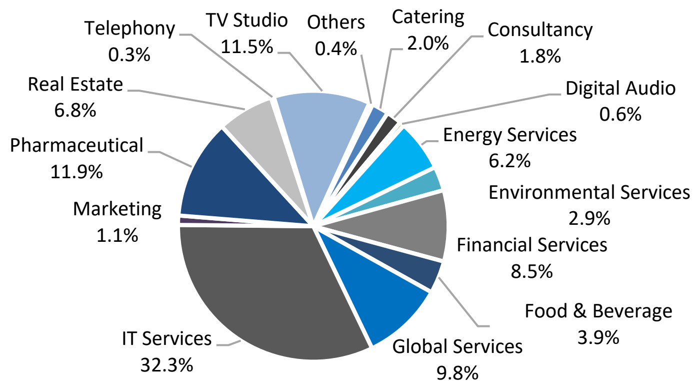
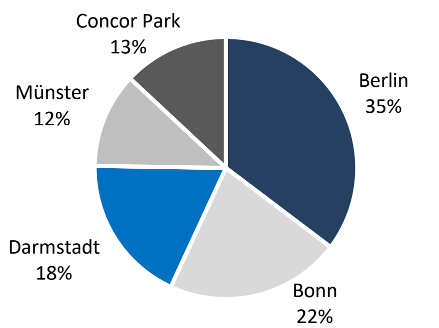
1 JLL 3Q2019 Spain Office Market
2 As at 1 December 2019

Rental Income Contribution of Spanish Properties by Trade Sector (as at 30 September 2019)

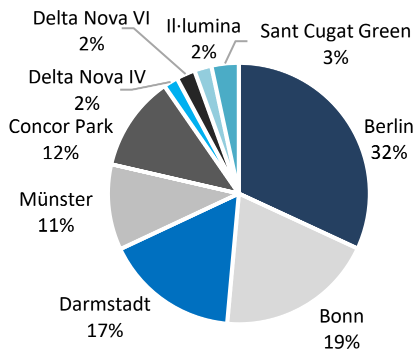


The Proposed Acquisition is expected to reduce the reliance on any single property, tenant as well as geographical location, benefitting Unitholders from increased scale and diversification in its portfolio and income streams. Upon the completion of the Proposed Acquisition, IREIT's portfolio valuation is expected to increase by 10.5% from €526.4 million as at 30 June 2019 to €581.7 million[1].

Rental Income of Existing Portfolio (as at 30 September 2019)



Rental Income of Enlarged Portfolio[2]



In addition, the rental income contribution from the two key tenants, GMG Generalmietgesellschaft mbH and Deutsche Rentenversicherung Bund, of the existing portfolio will decrease from 50.9% and 35.1% to 46.0% and 31.7%, respectively.[2] As such, the Manager believes that the acquisition of the Target Portfolio is in line with the Manager's strategy to acquire complementary assets with a diversified blue-chip tenant profile that adds scale and resilience to IREIT's portfolio.

4.5 Leveraging on strategic investors' strong platform and resources

Tikehau Capital, one of the key strategic investors of IREIT, has deep asset and investment management experience across Europe. Since its inception in 2004, Tikehau Capital's asset under management ("**AUM**") has scaled up to €24.3 billion as at 30 September 2019, with its real estate business being the second largest operating segment at €8.5 billion of AUM. To date, Tikehau Capital has more than 500 staff, including professionals with investment,

1 Includes the proportionate share of independent valuations of the Properties dated December 2019.
2 Includes the proportionate share of rental income from the Properties as at 30 September 2019.

legal, finance and technical expertise in its Paris, London, Amsterdam, Brussels, Luxembourg, Madrid, Milan, New York, Seoul, Singapore and Tokyo offices.

CDL is a leading Singapore listed real estate operating company with a global network spanning 103 locations in 29 countries and regions and proven track record of over 55 years in real estate development, investment and management. CDL's London-based subsidiary, Millennium & Copthorne Hotels plc, is one of the world's largest hotel chains, with over 145 hotels worldwide, many in key gateway cities.

The Target Portfolio is being acquired from a third-party vendor through a sale process which requires speed and certainty of execution. By leveraging Tikehau Capital's extensive pan-European network and sourcing capabilities, intricate knowledge of the local markets and disciplined investment approach, the Manager has managed to successfully negotiate and secure the Target Portfolio at a discount to its independent valuation.

On the other hand, CDL's strong support by extending the CDL Loan to IREIT to fund its proportionate share of the Proposed Acquisition has enabled IREIT to commit to the tight acquisition timeline. The provision of the CDL Loan from CDL and Tikehau Capital's participation in the Joint Venture demonstrates their support and commitment as strategic investors of IREIT.

5. METHOD OF FINANCING

The Manager intends to finance the IREIT Total Acquisition Cost with the proceeds from the CDL Loan, debt financing including financing at the level of the Target Entities, internal cash resources and/or equity fund raising. The final decision regarding the proportion of the debt and equity will be made by the Manager at the appropriate time, taking into account, among other things, the then prevailing market conditions and overall impact on the distribution per Unit ("**DPU**") to Unitholders while maintaining an appropriate level of aggregate leverage. The Manager intends to refinance the existing debt of the Target Entities by obtaining mortgage financing from a financial institution ("**Mortgage Financing**").

For the purposes of completion certainty, the Manager intends to draw down the CDL Loan to fund the Proposed Acquisition in the interim period. Pursuant to the Loan Agreement, CSEPL has agreed to provide IREIT with a loan of an aggregate amount of €32.0 million. The CDL Loan will be for a tenure of 18 months and will bear interest at a rate of 3.875% above EURIBOR per annum. As at the date of this announcement, IREIT has drawn down approximately €5.4 million of the CDL Loan with the remaining loan amount to be drawn down on Closing.

6. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Proposed Transactions on the DPU and the NAV per Unit presented below are strictly for illustrative purposes and were prepared based on the audited financial statements of IREIT for the financial year ended 31 December 2018 ("**FY2018**") as well as based on the following scenarios:

(i) **Scenario 1**: the IREIT Total Acquisition Cost is fully financed with debt financing comprising the CDL Loan and IREIT's proportionate share of the Mortgage Financing ("**Scenario 1**"); and

(ii) **Scenario 2**: the IREIT Total Acquisition Cost is fully financed with a combination of equity (in place of the CDL Loan) and IREIT's proportionate share of the Mortgage

Financing ("**Scenario 2**"). For the purposes of Scenario 2, it is assumed that an estimated equity of approximately S$50.0 million will be raised from an illustrative issuance of 62.7 million new Units ("**New Units**, and each a "**New Unit**") at an illustrative issue price of S$0.7979[1] per New Unit (the "**Illustrative Issue Price**") and the exchange rate of €1.00 : S$1.5195 .

6.2 Pro Forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Proposed Transactions on IREIT's DPU for the FY2018, as if the Proposed Transactions were completed on 1 January 2018, and as if IREIT held and operated the Properties through to 31 December 2018, are as follows:

	Effects of the Proposed Transactions		
	Before the Proposed Transactions	**Scenario 1**	**Scenario 2**
Distributable Income (€ '000)	25,146	25,479(1)	26,719(1)
Units in issue ('000)	632,011	632,081(2)	695,046(2)
DPU (€ cents)	3.59	3.63	3.48
DPU (S$ cents)	5.80	5.87(3)	5.63(3)
Accretion/(Dilution) (%)	-	1.2	(2.9)

Notes:

(1) Includes IREIT's proportionate share of the pro forma distribution from the JVCo and the effects of the method of financing in Scenario 1 and Scenario 2 respectively. The pro forma distribution from the JVCo is based on the estimated profits to be generated from the leases with existing tenants of the Properties as at 30 September 2019.

(2) Includes new Units issuable as payment of the Manager's base fee in respect of IREIT's proportionate share in the JVCo.

(3) Based on the average exchange rate of €1.00 : S$1.6168 applicable to the actual reported DPU for FY2018.

6.3 Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Proposed Transactions on IREIT's NAV per Unit as at 31 December 2018, as if the Proposed Transactions were completed on 31 December 2018, are as follows:

	Effects of the Proposed Transactions		
	Before the Proposed Transactions	**Scenario 1**	**Scenario 2**
NAV (€ '000)	305,607	303,277(1)	335,277(1)
Issued Units ('000)	633,350	633,350	696,054(2)
NAV per Unit (€)	0.48	0.48	0.48

Notes:

(1) Includes IREIT's share of the Agreed Property Value of the Properties and does not include any fair value effects of the call option.

(2) Includes the illustrative 62.7 million New Units issued at the Illustrative Issue Price.

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1 Based on the weighted average traded price of S$0.7979 per Unit on the SGX-ST on 5 December 2019, being the market day prior to the entry of the Share Purchase Agreements.

6.4 Pro Forma Aggregate Leverage

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma aggregate leverage of IREIT as at 30 September 2019, based on its unaudited financial statements for the three-month period from 1 July 2019 to 30 September 2019, and as if the Proposed Transactions were completed on 30 September 2019, is as follows:

	Effects of the Proposed Transactions		
	Before the Proposed Transactions	**Scenario 1**	**Scenario 2**
Aggregate Leverage	36.5%[(1)]	42.9%[(2)]	37.6%[(2)]

Notes:

(1) Based on IREIT's aggregate leverage as at 30 September 2019 as announced on 12 November 2019.

(2) Includes IREIT's share of the JVCo's borrowings and deposited property values and does not include any fair value effects of the call option.

7. AUDIT AND RISK COMMITTEE STATEMENT

The audit and risk committee of the Manager (the "**Audit and Risk Committee**") has considered the Joint Venture and is of the view that the risks and rewards of the Joint Venture are in proportion to the equity of each joint venture partner and the terms of the Joint Venture are on normal commercial terms and not prejudicial to the interests of IREIT and its minority Unitholders.

The Audit and Risk Committee also confirms that Tikehau Capital does not have an existing equity interest in the Joint Venture prior to the participation of IREIT in the Joint Venture.

8. OTHER INTERESTED PERSON TRANSACTIONS

As at the date of this announcement, save for the Joint Venture, there were no other interested person transactions entered into between IREIT and Tikehau Capital and its subsidiaries and associates during the course of the current financial year.

As at the date of this announcement, save for the CDL Loan, there were no other interested person transactions entered into between IREIT and CDL and its subsidiaries and associates during the course of the current financial year.

Save as described above, there were no interested person transactions entered into for the current financial year.

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

As at the date of this announcement, certain directors of the Manager (the "**Directors**") hold Units.

Mr Bruno de Pampelonne is a Senior Partner at Tikehau Capital and Chairman of Tikehau Investment Management SAS. Mr Frank Khoo Shao Hong is the Group Chief Investment Officer of CDL.

Based on the Register of Directors' Unitholdings maintained by the Manager, the interests of the Directors in the Units as at the date of this announcement are as follows:

Name of Directors	Direct Interest		Deemed Interest		Total No. of Units held	%(1)
	No. of Units	%	No. of Units	%		
Mr Lim Kok Min John	290,000	0.05	-	-	290,000	0.05
Mr Tan Wee Peng Kelvin	300,000	0.05	-	-	300,000	0.05
Mr Nir Ellenbogen	145,000	0.02	-	-	145,000	0.02
Mr Tong Jinquan	51,137,000	8.02	168,452,360	26.44	219,589,360	34.46
Mr Bruno de Pampelonne	-	-	-	-	-	-
Mr Frank Khoo Shao Hong	-	-	-	-	-	-

Note:

(1) The percentage is based on 637,222,785 Units in issue as at the date of this announcement.

Based on the Register of Substantial Unitholders' Unitholdings maintained by the Manager, the Substantial Unitholders of IREIT and their interests in the Units as at the date of the announcement are as follows:

Name of Substantial Unitholders	Direct Interest		Deemed Interest		Total No. of Units held	%(1)
	No. of Units	%	No. of Units	%		
Goodness Investments Limited	168,452,360	26.44	-	-	168,452,360	26.44
The Longemont (HongKong) Management Limited (2)	-	-	168,452,360	26.44	168,452,360	26.44
Shanghai Changfeng Real Estate Development Co., Ltd (2)	-	-	168,452,360	26.44	168,452,360	26.44
Shanghai Summit (Group) Co., Ltd (2)	-	-	168,452,360	26.44	168,452,360	26.44
Mr Tong Jinquan (2)	51,137,000	8.02	168,452,360	26.44	219,589,360	34.46
Tikehau Capital	105,449,060	16.55	1,242,638	0.20	106,691,698	16.74
CSEPL	79,915,256	12.54	1,242,638	0.20	81,157,894	12.74

Notes:

(1) The percentage is based on 637,222,785 Units in issue as at the date of this announcement.

(2) 168,452,360 Units are held by Goodness Investments Limited ("**Goodness Investments**"), which is a wholly-owned subsidiary of The Longemont (HongKong) Management Limited ("**The Longemont**"). The Longemont is a wholly-owned subsidiary of Shanghai Changfeng Real Estate Development Co., Ltd ("**Shanghai Changfeng**"), which is 51.3% owned by Shanghai Summit (Group) Co., Ltd ("**Shanghai Summit"**) and 48.7% owned by Mr Tong Jinquan. Shanghai Summit is wholly-owned by Mr Tong Jinquan. Accordingly, each of Mr Tong Jinquan, Shanghai Summit, Shanghai Changfeng and The Longemont has a deemed interest in the 168,452,360 Units held by Goodness Investments.

Save as disclosed in this announcement and based on information available to the Manager as at the date of this announcement, none of the Directors or the Substantial Unitholders have an interest, direct or indirect, in the Proposed Transactions.

10. OTHER INFORMATION

10.1 Directors' Service Contracts

No person is proposed to be appointed as a director of the Manager in connection with the Proposed Transactions or any other transactions contemplated in relation to the Proposed Transactions.

10.2 Disclosure under Rule 1006 of the Listing Manual

Chapter 10 of the Listing Manual governs the acquisition or divestment of assets, including options to acquire or dispose of assets, by IREIT. Such transactions are classified into the following categories:

(a) non-discloseable transactions;

(b) discloseable transactions;

(c) major transactions; and

(d) very substantial acquisitions or reverse takeovers.

A transaction by IREIT may fall into any of the categories set out above depending on the size of the relative figures computed on the following bases of comparison:

(i) the NAV of the assets to be disposed of, compared with IREIT's NAV;

(ii) the net profits attributable to the assets acquired, compared with IREIT's net profits;

(iii) the aggregate value of the consideration given, compared with IREIT's market capitalisation; and

(iv) the number of Units issued by IREIT as consideration for an acquisition, compared with the number of Units previously in issue.

The relative figures for the Joint Venture and Proposed Acquisition computed using the applicable bases set out in Rules 1006(b) and 1006(c) of the Listing Manual are set out in the table below:

Comparison of	IREIT's proportionate 40.0% share of the JVCo	IREIT	Relative figure
Net property income(1)	€2.3 million(2)	€30.6 million(3)	7.5%
IREIT Purchase Consideration against market capitalisation (S$ million)	€55.3 million (S$84.0 million)(4)	S$508.4 million(5)	16.5%

Notes:

(1) In the case of a real estate investment trust, the net property income is a close proxy to the net profits attributable to its assets.

(2) Pro forma net property income is estimated based on the leases with existing tenants of the Properties as at 30 September 2019.

(3) Based on the net property income for FY2018.

(4) Based on an illustrative exchange rate of €1.00 : S$1.5195.

(5) This figure is based on the weighted average traded price of S$0.7979 per Unit on the SGX-ST on 5 December 2019, being the market day prior to the entry of the Share Purchase Agreements.

The relative figures of the number of Units issued by IREIT as consideration for the Proposed Acquisition compared with the number of Units previously in issue as set out in Rule 1006(d) of the Listing Manual does not apply in relation to the Proposed Transactions as no Units will be issued to the Vendor as consideration for the Proposed Acquisition.

11. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager located at 8 Marina View, #15-07A Asia Square Tower 1, Singapore 018960 for a period of three months commencing from the date of this announcement, prior appointment would be appreciated:

(i) the Share Purchase Agreements; and

(ii) the independent valuation reports on the Properties issued by the Independent Valuer.

The trust deed dated 1 November 2013 constituting IREIT, as amended, varied or supplemented from time to time will also be available for inspection at the registered office of the Manager for so long as IREIT is in existence.

BY ORDER OF THE BOARD OF DIRECTORS

IREIT Global Group Pte. Ltd.
As manager of IREIT Global
(Company Registration No. 201331623K)

Wang Shin Lin, Adeline
Company Secretary
7 December 2019

Important Notice:

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in IREIT Global ("IREIT", and the units in IREIT, the "Units").

The value of the Units and the income derived from them may rise or fall. The Units are not obligations of, deposits in, or guaranteed by, IREIT Global Group Pte. Ltd., as manager of IREIT (the "Manager"), or any of its affiliates. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders of IREIT may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "SGX-ST"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of IREIT or the Manager is not necessarily indicative of the future performance of IREIT or the Manager. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

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. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition, shifts in expected levels of property rental income, changes in operating expenses, property expenses, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.