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(a real estate investment trust constituted on 1 November 2013 under the laws of the Republic of Singapore)

ANNOUNCEMENT

PROPOSED ACQUISITION, RIGHTS ISSUE AND RECEIPT OF APPROVAL IN-PRINCIPLE FOR THE LISTING OF NEW UNITS IN IREIT GLOBAL

Unless otherwise stated, all conversions of € amounts into S\$ and vice versa in this announcement are based on the illustrative exchange rate of €1.00 : S\$1.51.

1. INTRODUCTION

IREIT Global Group Pte. Ltd., as manager of IREIT Global (“**IREIT**”, and as manager of IREIT, the “**Manager**”) is pleased to announce that certain wholly-owned subsidiaries of IREIT (the “**Purchasers**”) have on 29 June 2015 entered into a conditional sale and purchase agreement (the “**Property SPA**”) with H.F.S. Immobilienfonds Deutschland 6 GmbH & Co. KG (the “**Vendor**”) in relation to the acquisition of Schreiberhauer Straße 2, 4, 6, 8, 10, 12, 14, 16, 18, 20 and 22, Berlin 10317, Germany (the “**Berlin Property**”, and the acquisition of the Berlin Property, the “**Acquisition**”), a property with a net lettable area of 79,097 sq m (851,392 sq ft)¹ comprising two connected office buildings of eight and 13 storeys respectively, located in the city of Berlin, Germany for a purchase consideration of €144.2 million (S\$217.7 million) (the “**Purchase Consideration**”).

The Manager proposes to partially finance the Acquisition through a renounceable rights issue of 189,607,567 new units in IREIT (“**Units**”, and the new Units, the “**Rights Units**”) to Eligible Unitholders (as defined herein) (the “**Rights Issue**”, and together with the Acquisition, the “**Transactions**”) on a pro rata basis of forty-five (45) Rights Units for every one hundred (100) existing Units held as at a date and time to be determined by the Manager for the purpose of determining the entitlements of unitholders of IREIT (“**Unitholders**”) under the Rights Issue (the “**Rights Issue Books Closure Date**”), at an issue price of S\$0.468 per Rights Unit (the “**Issue Price**”), fractional entitlements to be disregarded, to raise gross proceeds of approximately S\$88.7 million.

¹ Based on the conversion rate of 1 sq m : 10.7639 sq ft.

DBS Bank Ltd. was the sole global coordinator for the initial public offering and listing of the units in IREIT Global (the “**Offering**”). DBS Bank Ltd. and Barclays Bank PLC, Singapore Branch were the joint issue managers, bookrunners and underwriters for the Offering.

DBS Bank Ltd. (“**DBS**”) has been appointed as the sole lead manager, underwriter and bookrunner for the Rights Issue. As a demonstration of their support for IREIT and the Rights Issue, each of Mr Tong Jinqun (“**Summit Founder**”), Mr Lim Chap Huat (“**LCH**”) and IREIT Global Management Pte. Ltd. (“**IREIT Global Management**”), who in aggregate own, directly or indirectly, approximately 76.5% of the existing Units in issue as at the date of this announcement, has undertaken to subscribe and pay in full for their respective total provisional allotment of Rights Units. In addition, LCH has undertaken that he will, directly and/or indirectly, make excess applications for up to approximately 10.0% of the total number of Rights Units.

These commitments represent in aggregate approximately 86.5% of the Rights Units to be issued pursuant to the Rights Issue. (Please refer to the paragraph entitled “Commitments of Certain Unitholders” for further information.)

2. RATIONALE FOR THE TRANSACTIONS

The Manager believes that the Transactions will bring the following key benefits to unitholders of IREIT (“**Unitholders**”):

2.1 Accretive Acquisition

The Acquisition is consistent with the Manager’s strategy to achieve portfolio growth through the acquisition of quality income-producing office properties which fits IREIT’s ‘ABBA’ investment strategy² and the Manager’s investment criteria to enhance return to Unitholders and to pursue opportunities for future income and capital growth.

For illustrative purposes only, assuming the Acquisition was completed on 13 August 2014, being the listing date of IREIT (the “**Listing Date**”), and the Berlin Property was held by IREIT through to 31 December 2014, the annualised pro forma net property income (“**NPI**”) yield of Berlin Property for the financial period from the Listing Date to 31 December 2014 (the “**Pro Forma Financial Period 2014**”) is approximately 7.1%³, which compares favourably to the annualised NPI yield of IREIT’s existing portfolio (the “**Existing Portfolio**”) of 6.7%⁴. For the same period, annualised pro forma distribution per Unit (“**DPU**”) yield of the enlarged portfolio (comprising the Existing Portfolio and the Berlin Property) (the “**Enlarged Portfolio**”) would increase to approximately 9.6%⁵ compared to the DPU yield of the Existing Portfolio of approximately 8.3%⁶.

2 The ‘ABBA’ investment strategy refers to IREIT’s investment strategy of investing in income-producing properties with growth potential, namely in core assets in second tier cities and core plus assets in primary locations or first-tier cities (‘A’ properties in ‘B’ cities and ‘B’ properties in ‘A’ cities).

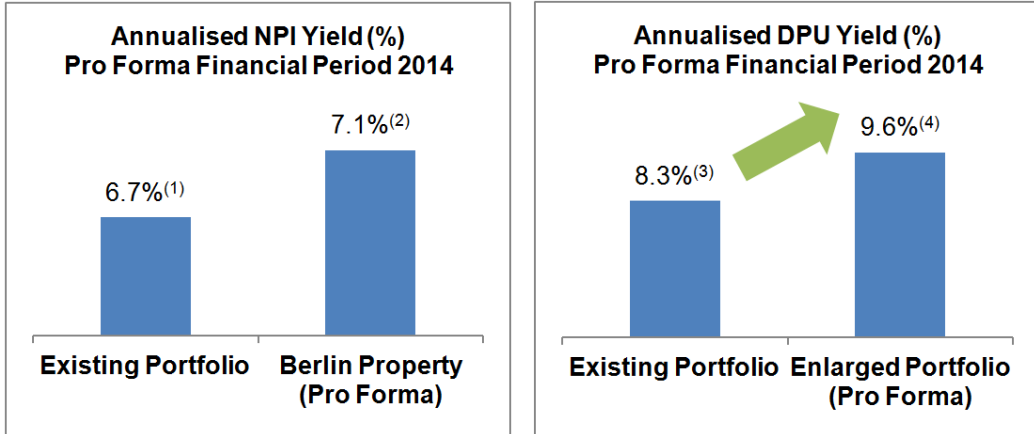
3 Based on the annualised pro forma NPI of the Berlin Property for the Pro Forma Financial Period 2014 divided by the purchase consideration of €144.2 million, excluding any real estate taxes and professional and other fees and expenses.

4 Based on the annualised NPI of the Existing Portfolio for the Pro Forma Financial Period 2014 (derived from the FP2014 Audited Consolidated Financial Statements (as defined herein)) divided by the appraised value of the Existing Portfolio of €290.6 million as at 31 December 2014 (see announcement dated 27 February 2015).

5 For the Enlarged Portfolio, the annualised pro forma DPU yield is calculated based on the pro forma DPU of 2.58 Singapore cents for the Pro Forma Financial Period 2014 and annualised, divided by TERP (as defined herein) of S\$0.700 per Unit.

6 For the Existing Portfolio, the annualised DPU yield is calculated based on the actual DPU of 2.57 Singapore cents declared for the Pro Forma Financial Period 2014 and annualised, divided by the Closing Price (as defined herein) on 29 June 2015 of S\$0.805 per Unit.

The annualised NPI yield and DPU yield for the Existing Portfolio and the annualised pro forma NPI yield for the Berlin Property and DPU yield for the Enlarged Portfolio are set out in the charts below.



Notes:

- (1) Based on the annualised NPI of the Existing Portfolio for the Pro Forma Financial Period 2014 (derived from the FP2014 Audited Consolidated Financial Statements) divided by the appraised value of the Existing Portfolio of €290.6 million as at 31 December 2014 (see announcement dated 27 February 2015).
- (2) Based on the annualised pro forma NPI of the Berlin Property for the Pro Forma Financial Period 2014 divided by the purchase consideration of €144.2 million, excluding any real estate taxes and professional and other fees and expenses.
- (3) For the Existing Portfolio, the annualised DPU yield is calculated based on the actual DPU of 2.57 Singapore cents declared for the Pro Forma Financial Period 2014 and annualised, divided by the Closing Price on 29 June 2015 of S\$0.805 per Unit.
- (4) For the Enlarged Portfolio, the annualised pro forma DPU yield is calculated based on the pro forma DPU of 2.58 Singapore cents for the Pro Forma Financial Period 2014 and annualised, divided by TERP of S\$0.700 per Unit.

(Please refer to the paragraph entitled “Pro Forma Financial Effects of the Transactions” for further information.)

2.2 Expansion of IREIT’s Footprint to Berlin and Acquisition of a Well Located Asset within Berlin

(a) Expansion of IREIT’s footprint to Berlin, one of the top five office investment and rental markets in Germany

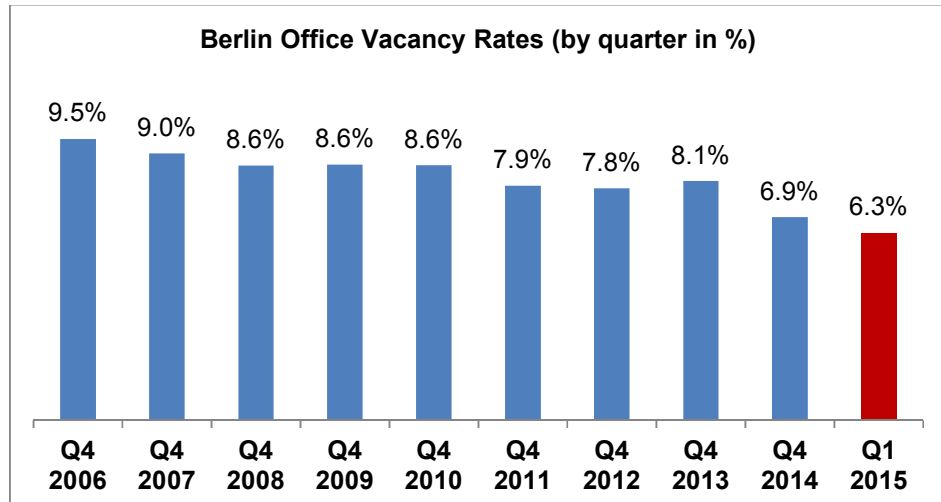
Berlin is the capital of Germany and its largest city with a population of approximately 3.5 million⁷. The federal government and numerous ministries are based in Berlin, whose economy is characterised by the establishment of government functions as well as a transition from an industry-based to a service-based one. With the Acquisition, IREIT will expand its footprint to Berlin, one of the top five office investment and rental markets in Germany.

According to the independent property valuer appointed by the Manager to value the Berlin Property, Debenham Tie Leung Limited (“DTZ”), the Berlin office sector continues to experience yield compression where the average yield for high

⁷ Source: DTZ.

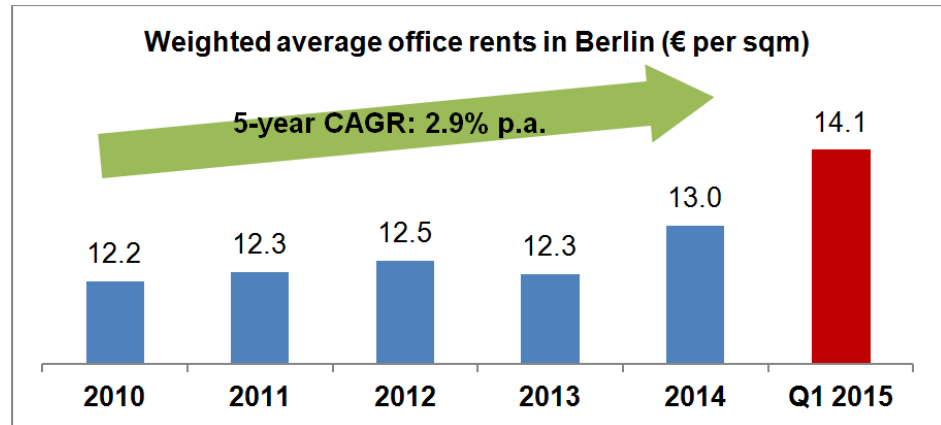
quality secondary office space has decreased by 30 basis points in the last 12 months. Amidst healthy demand and supply dynamics, office vacancy rate in the first quarter of 2015 (“**Q1 2015**”) in Berlin has dropped to 6.3%, its lowest in the last 10 years. In addition, weighted average office rent in Berlin has increased to €14.1 per sq m in Q1 2015, representing a 5-year compounded annual growth rate of 2.9% per annum.

The following chart sets out the office vacancy rates in Berlin in the fourth quarter of 2006 to 2014 and Q1 2015.



Source: DTZ

The following chart shows the weighted average office rents in Berlin from 2010 to Q1 2015.

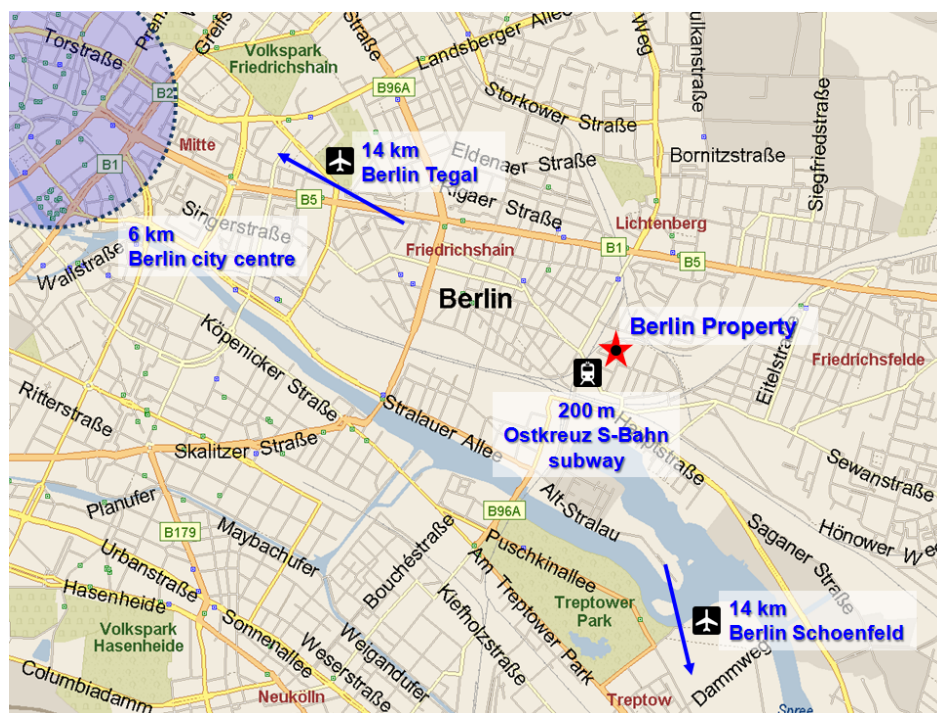


Source: DTZ

(b) Well located within Berlin with Good Transportation Links

The Berlin Property is located in the district of Lichtenberg, approximately 6 km east of Berlin city centre. The Berlin Property is within walking distance to the Ostkreuz railway station, which provides regular local train services (including to the Berlin central station) and will expand to offer regional train services across

Germany in 2017/2018⁸. With the ongoing expansion of the Ostkreuz railway station, the district of Lichtenberg has experienced substantial growth, which has led to increased commercial office developmental and occupancy demand in recent years. The Manager expects this trend to continue in the medium term.



Source: DTZ, Manager

2.3 Increase in Portfolio Size and Diversification

Post-Acquisition, the valuation of IREIT's Enlarged Portfolio⁹ will increase from €290.6 million to €438.0 million, representing an increase of approximately 50.7%.

The properties in IREIT's Existing Portfolio are located in Bonn, Darmstadt, Münster and Munich. The addition of the Berlin Property will provide IREIT with exposure to the Berlin office market and greater diversification in the German office market.

2.4 Addition of a Strong Tenant, Enhanced Tenant Diversification and Increased WALE

The principal tenant of the Berlin Property is Deutsche Rentenversicherung Bund ("DRB"), which occupies 98.8%¹⁰ of the Berlin Property's total lettable area on a lease expiring in June 2024 and contributed 99.6%¹¹ to the Berlin Property's gross rental income ("Gross Rental Income")¹². DRB is a federal pension fund which provides compulsory pension services under the German social security statutes, and is the largest

⁸ Source: DTZ.

⁹ Based on the appraised values of the Existing Portfolio comprising Bonn Campus, Darmstadt Campus, Münster Campus and Concor Park as at 31 December 2014 and the appraised value of Berlin Property as at 1 May 2015.

¹⁰ As at 1 May 2015.

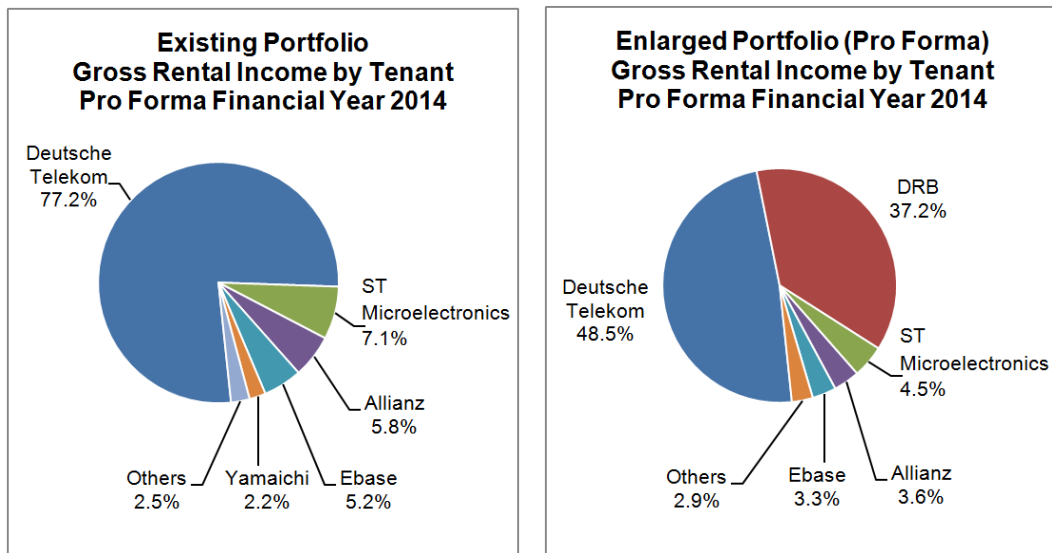
¹¹ For the month of May 2015.

¹² "Gross Rental Income" comprises rental income received from rental of office space and ancillary technical, storage and general spaces, as well as car park revenue.

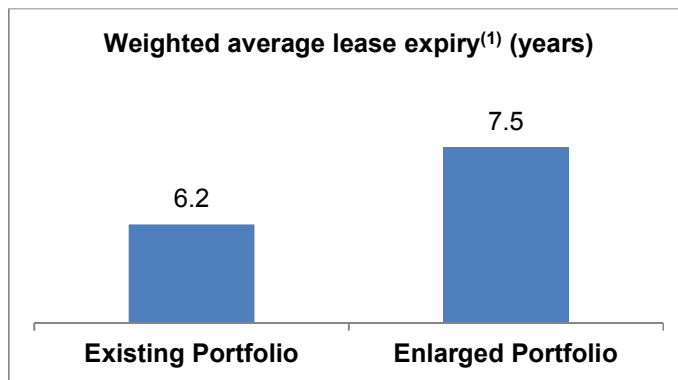
of the 16 federal pension institutions in Germany. With the addition of DRB, IREIT will have a stronger and more diversified tenant base, better income diversification and a longer weighted average lease expiry (“WALE”).

For illustrative purposes only, assuming that the Acquisition was completed on the Listing Date and the Berlin Property was held by IREIT through to 31 December 2014, for the Pro Forma Financial Period 2014, DRB would contribute approximately 37.2% towards the Gross Rental Income of the Enlarged Portfolio. Correspondingly, Deutsche Telekom’s contribution would decrease from 77.2% to approximately 48.5%. As a result, no single tenant will contribute more than 50% of the Gross Rental Income of IREIT.

The following charts show a breakdown in the Gross Rental Income of IREIT by tenant for the Existing Portfolio and Enlarged Portfolio (on a pro forma basis) for the Pro Forma Financial Period 2014.



Following the Acquisition, IREIT’s portfolio WALE¹³ would also increase from 6.2 years to 7.5 years.



Note:

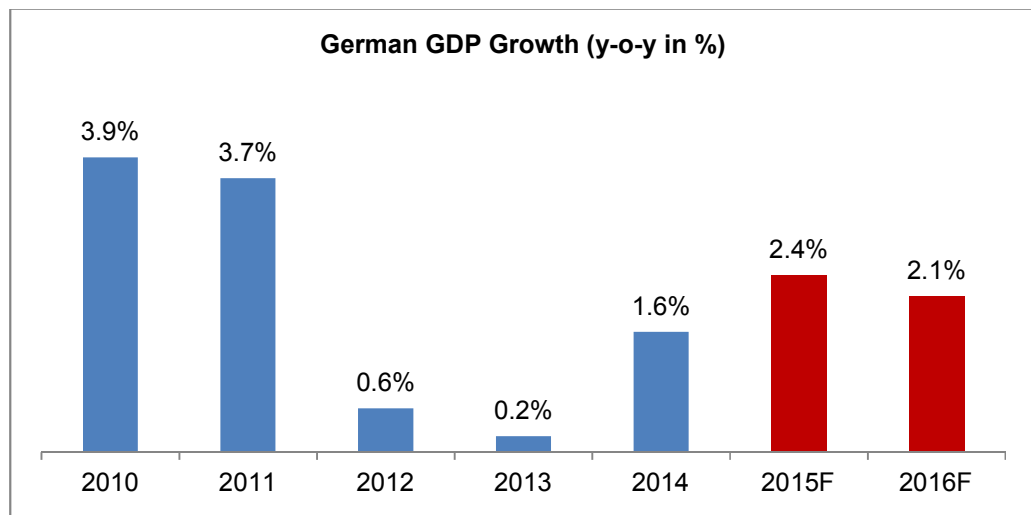
(1) As at 31 March 2015.

13 As at 31 March 2015.

2.5 Resilient German Economy with Sound Economic Fundamentals

With a gross domestic product in 2014 of €3.5 trillion, Germany continues to be the largest economy in the Eurozone, representing approximately 28% of Eurozone's gross domestic product¹⁴. The German economy has remained largely resilient, maintaining its AAA credit rating with stable outlook from Fitch Inc, Moody's and Standard & Poor's. Businesses continue to profit from the considerable drop in oil prices and the correction of the Euro, which is increasing demand for export goods. The recent rise in official wages and the low inflation rate are also contributing to increased demand domestically. DTZ forecasts the German economy to grow year-on-year by 2.4% in 2015 and 2.1% in 2016.

The following chart sets out the year-on-year growth in the gross domestic product of Germany for the years 2010 to 2014 and DTZ's forecasts for the years 2015 and 2016.



Source: DTZ

The Euro's recent correction against the Singapore dollar and the continued low interest rate environment offers an opportunity for attractive post-leveraged equity return. The Manager may adopt financing and hedging policies, where appropriate, to manage interest rate volatility and foreign exchange exposure for IREIT and optimise risk-adjusted returns to Unitholders.

2.6 Provides Unitholders with Pro Rata Entitlement to Rights Units

The Rights Issue provides Unitholders with the opportunity to subscribe for their *pro rata* entitlement to the Rights Units.

Unitholders who do not wish to subscribe for the Rights Units may choose to sell their Rights Entitlements during the Rights Entitlements trading period to realise the value of their Rights Entitlements. In addition, Unitholders are entitled to apply for excess Rights Units.

¹⁴ Source: DTZ.

2.7 Potential Increase in Trading Liquidity of Units

The Rights Issue will increase the number of Units in issue by 189,607,567 Units or 45.0% from 421,350,150 Units to 610,957,717 Units. The increase in the total number of Units in issue pursuant to the Rights Issue may improve the trading liquidity of the Units after the Rights Issue.

3. THE ACQUISITION

3.1 The Acquisition

IREIT, through the Purchasers, intends to acquire the Berlin Property, which is located in the city of Berlin, Germany, from the Vendor for the Purchase Consideration of €144.2 million (S\$217.7 million). The Vendor is a leading real estate fund manager in Germany.

3.2 Valuation

The independent property valuer, DTZ, has been appointed by the Manager to value the Berlin Property. The appraised value of the Berlin Property as at 1 May 2015 is €147.4 million (S\$222.6 million), based on the discounted cash flow analysis. The Purchase Consideration is €144.2 million (S\$217.7 million), representing a discount of approximately 2.2% to the appraised value of the Berlin Property by DTZ. The Purchase Consideration was arrived at on a willing-buyer willing-seller basis after taking into account the independent valuation of the Berlin Property by DTZ.

3.3 Information on the Berlin Property

The Berlin Property is located in Berlin, the capital of Germany. Situated in the district of Lichtenberg and approximately 6 km east of Berlin city centre, the Berlin Property comprises two connected building sections of eight storeys and 13 storeys, respectively, with a total lettable area of 79,097 sq m (851,392 sq ft)¹⁵. The principal tenant of the Berlin Property is DRB, a federal pension fund and the largest of the 16 federal pension institutions in Germany, which occupies 98.8%¹⁶ of the Berlin Property's total lettable area on a lease expiring in June 2024 and contributed 99.6%¹⁷ to the Berlin Property's Gross Rental Income.

The table below sets out a summary of the key information on the Berlin Property:

Address	Schreiberhauer Straße 2, 4, 6, 8, 10, 12, 14, 16, 18, 20 and 22, Berlin 10317, Germany
Land Tenure	Freehold
Site Area	25,018 sq m (269,291 sq ft) ⁽¹⁾
Completion Year	1994

¹⁵ Based on the conversion rate of 1 sq m : 10.7639 sq ft.

¹⁶ As at 1 May 2015.

¹⁷ For the month of May 2015.

Number of Floors	8 or 13 (depending on section of the property)
Car Park Spaces	496
Lettable Area	79,097 sq m (851,392 sq ft) ⁽¹⁾ comprising: <ul style="list-style-type: none"> • Office space: 70,121 sq m (754,775 sq ft)⁽¹⁾ • Retail space: 911 sq m (9,806 sq ft)⁽¹⁾ • Storage/Ancillary: 8,065 sq m (86,811 sq ft)⁽¹⁾
Committed Occupancy as at 1 May 2015⁽²⁾	99.2%
Number of Tenants as at 1 May 2015	5
WALE by Lettable Area as at 1 May 2015	9.1 years
WALE by Gross Rental Income for May 2015	9.1 years
Independent Appraisal by DTZ as at 1 May 2015	€147.4 million (S\$222.6 million)
Purchase Consideration	€144.2 million (S\$217.7 million) (being a discount of approximately 2.2% to the appraised value of the Berlin Property by DTZ)

Note:

(1) Based on the conversion rate of 1 sq m : 10.7639 sq ft.

(2) "**Committed Occupancy**" means the occupancy rate based on all current leases in respect of the Berlin Property as at 1 May 2015, based on total lettable area.

3.4 Conditions Precedent for the Completion of the Acquisition and Certain Other Terms of the Property SPA

Completion of the sale and purchase of the Berlin Property is conditional upon the fulfilment or waiver (as the case may be) of, among others, the following conditions precedent:

- (i) the provisional entry on the Berlin Property securing the right of the Purchasers to acquire the Berlin Property against interim dispositions and insolvency risks on the part of the Vendors (the "**Provisional Entry**") being registered in the land register, and the Provisional Entry being only subject to or subordinated to the encumbrances specified in the Property SPA as well as such encumbrances that were registered with the Purchasers' consent or cooperation;
- (ii) the waiver or negative clearance issued by the Federal State of Berlin concerning possible statutory pre-emption rights being presented to the notary; and

- (iii) proper documentation for the deletion of all encumbrances registered in the land register that are not assumed by the Purchasers that are ranking prior or equal to the Provisional Entry, as well as the written release by the land charge creditor of all rent and insurance claims of the Vendor concerning the Berlin Property being presented to the notary.

In addition, the Property SPA contains, *inter alia*, the following terms and conditions:

- (i) In order to secure the Vendor's claim to *inter alia* payment of the Purchase Consideration, the Purchasers have on 29 June 2015 transferred the amount of €450,000 (the "**Security Sum**") to the notary to be held in trust for both the Purchasers and the Vendor. The final Purchase Consideration (less the Warranty Retention Sum (as defined below)) payable to the Vendor upon completion shall be net of this Security Sum.
- (ii) An amount of €668,000 (the "**Warranty Retention Sum**") will be retained by the Purchasers to secure the carrying out by the Vendor of certain technical works and repair measures (which includes the technical separation of the Berlin Property from an adjacent property). The Warranty Retention Sum shall be paid to the Vendor upon receipt of the confirmation by an independent expert agreed by the parties that the relevant works and repair measures have been carried out properly in accordance with the requirements as stipulated under the Property SPA.
- (iii) The Purchasers will fully indemnify Vendor against all obligations and claims under public and private law as well as against all disadvantages arising from the rights of authorities and/or other third parties related to environmental damage or archeological sites, in particular against claims for examination, monitoring, securing, cleanup or disposal of such environmental damage or archeological sites and all related costs. If the Vendor is held liable under public or private law with regard to any examination, monitoring, securing, cleanup or disposal, the Purchasers will carry out such measures for the Vendor and at his own expense including all involved components (e.g. information duty towards authorities or affected parties). Alternatively, the Purchasers will reimburse Vendor for all costs accrued after having been prompted by the Vendor to do so. This does not apply to environmental damages that are known to but were not disclosed by the Vendor or that have been intentionally or negligently caused by the Vendor.
- (iv) Under the Property SPA, certain limited representations and warranties are made by the Vendor, which are in most cases qualified by the Vendor's knowledge. Claims for breach of warranties are subject to an aggregate maximum amount of €5 million.

The terms and conditions set out above are in accordance with the current German market practice.

3.5 Completion

The Purchase Consideration (less the Warranty Retention Sum) shall be payable fifteen Banking Days¹⁸ after the certifying notary has confirmed to the Vendor in writing (or via fax) that all the conditions precedent under the Property SPA have been satisfied (but not before 17 August 2015). The Purchasers are entitled to determine a payment date before 17 August 2015 with a notification period of 5 Banking Days. Completion of the sale and purchase of the Berlin Property shall be the date of the full payment of the Purchase Consideration (including the payment of the Security Sum from the notary account to the Vendor, but less the Warranty Retention Sum).

3.6 Acquisition Fee

The Manager will receive an acquisition fee of €1.2 million (S\$1.8 million) for the Acquisition, payable to the Manager pursuant to Clause 15.2.1 of the trust deed dated 1 November 2013 constituting IREIT (as amended) (the “**Trust Deed**”).

3.7 Other Fees and Expenses in connection with the Acquisition

IREIT is expected to incur other estimated professional and other fees and expenses¹⁹ of approximately €11.5 million (S\$17.4 million) in connection with the Acquisition.

The total cost of the Acquisition, inclusive of the Purchase Consideration, the Acquisition Fee as well as other estimated professional and other fees and expenses incurred in connection with the Acquisition²⁰, is expected to be approximately €156.9 million (S\$236.9 million) (the “**Total Acquisition Cost**”).

3.8 Method of Financing the Acquisition

The Manager intends to finance the Total Acquisition Cost of approximately €156.9 million (S\$236.9 million) as follows:

- (i) S\$84.2 million (which is equivalent to approximately 94.9% of the gross proceeds of the Rights Issue) from the proceeds of the Rights Issue; and
- (ii) S\$152.7 million from external borrowings. The Manager has received a binding letter of offer from HSH Nordbank AG in relation to the offer of a bank loan facility (the “**New Loan Facility**”), pursuant to which the Manager currently intends to draw down a gross amount of €102.0 million²¹ to fund the balance of the Total Acquisition Cost.

Post-Acquisition, the gearing ratio of IREIT is expected to increase from 31.8% to 43.7%²² on a pro forma basis.

18 “**Banking Day**” means any day (except Saturdays and Sundays) on which banks in Munich, Amsterdam and Singapore are open for ordinary business (irrespective of stock market trading).

19 Including a German-Berlin real estate transfer tax of 6.0% levied on the Purchase Consideration.

20 Including a German-Berlin real estate transfer tax of 6.0% levied on the Purchase Consideration.

21 This includes debt upfront transaction costs of approximately €0.9 million.

22 Based on the gearing ratio of 31.8% as at 31 March 2015 (based on the unaudited financial statements of IREIT for the financial period from 1 January 2015 to 31 March 2015) and assuming that the Acquisition and Rights Issue were completed on 31 March 2015.

4. THE RIGHTS ISSUE

The Manager proposes to issue 189,607,567 Units through the Rights Issue to Eligible Unitholders on a *pro rata* basis of forty-five (45) Rights Units for every one hundred (100) existing Units held as at the Rights Issue Books Closure Date, at an Issue Price of S\$0.468 per Rights Unit, fractional entitlements to be disregarded.

The Rights Units will be issued pursuant to the general mandate that was given by Unitholders to the Manager for the issue of new Units, pursuant to an ordinary resolution obtained at an annual general meeting of Unitholders held on 27 April 2015.

The Rights Issue would provide Unitholders with the opportunity to subscribe for their *pro rata* entitlement to the Rights Units at the Issue Price, which is at a discount of:

- (i) approximately 41.9% to the closing price of S\$0.805 per Unit on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 29 June 2015, being the last trading day of the Units prior to the announcement of the Rights Issue (“**Closing Price**”);
- (ii) approximately 24.5% to IREIT’s pro forma net asset value (“**NAV**”) per Unit of €0.41 (approximately S\$0.62) after taking into account the latest valuation of the existing properties of IREIT as at 31 December 2014 and the effects of the Rights Issue; and
- (iii) approximately 33.1% to the theoretical ex-rights price (“**TERP**”) of S\$0.700 per Unit which is calculated as follows:

$$\text{TERP} = \frac{\text{Market capitalisation of IREIT based on the Closing Price} + \text{Gross proceeds from the Rights Issue}}{\text{Units outstanding after the Rights Issue}}$$

As disclosed in IREIT’s prospectus dated 4 August 2014 (the “**Prospectus**”), the Manager has elected to receive 100.0% of the base fee and performance fee in the form of Units for the Forecast Period 2014, Projection Year 2015 and Projection Year 2016 (each as defined in the Prospectus). As the Manager has been receiving its fees in Units instead of cash, the Manager is proposing to monetise the Units received by selling them to its shareholders.

As at the date of this announcement, the Manager holds 2,013,150 Units. Prior to the Units being traded ex-rights for the Rights Issue, the Manager will sell its unitholdings in IREIT (the “**Manager Units**”) to its shareholders and/or entities related to its shareholders, namely IREIT Global Management, Wealthy Fountain Holdings Inc (“**Summit SPV**”) (which is wholly-owned by Shanghai Summit Pte. Ltd. (“**Summit**”)) and LCH, in the proportion of 322,104 Units, 1,308,547 Units and 382,499 Units respectively.

4.1 Status of Rights Units

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 January 2015 to 30 June 2015 as well as all distributions thereafter.

4.2 Use of Proceeds

The Manager expects to raise gross proceeds of approximately S\$88.7 million and net proceeds of approximately S\$86.9 million from the Rights Issue.

Subject to relevant laws and regulations, the Manager intends to utilise the gross proceeds from the Rights Issue as follows:

- (i) approximately S\$78.2 million (equivalent to 88.2% of the gross proceeds) will be used to part finance the Purchase Consideration and the applicable real estate transfer tax²³;
- (ii) approximately S\$0.3 million (equivalent to 0.3% of the gross proceeds) will be used to pay for the underwriting commission;
- (iii) approximately S\$7.6 million (equivalent to 8.6% of the gross proceeds) will be used to pay the estimated professional fees and expenses and other fees and expenses expected to be incurred in connection with the Acquisition²⁴ and the Rights Issue; and
- (iv) approximately S\$2.6 million (equivalent to 2.9% of the gross proceeds) will be used for working capital and capital expenditure purposes.

Notwithstanding its current intention, should the Acquisition not be completed, the Manager may, subject to relevant laws and regulations, use the gross proceeds from the Rights Issue at its absolute discretion for other purposes, including funding other acquisitions and/or reducing IREIT's debt.

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

The above allocation of proceeds is only indicative and the Manager will announce the reasons for any material deviation from the above stated use of proceeds. The Manager will also make periodic announcements on the utilisation of the net proceeds from the Rights Issue via SGXNET as and when such funds are materially utilised and will provide a status report on the use of proceeds from the Rights Issue in the annual reports of IREIT.

²³ German-Berlin real estate transfer tax of 6.0% levied on the Purchase Consideration.

²⁴ This includes the Acquisition Fee but does not include the German-Berlin real estate transfer tax of 6.0% levied on the Purchase Consideration.

4.3 Underwriting of the Rights Issue

The Rights Issue is underwritten by DBS on the terms and subject to the conditions of the management and underwriting agreement entered into between the Manager and DBS on 30 June 2015 (the “**Underwriting Agreement**”). Pursuant to the Underwriting Agreement, DBS has agreed, subject to the terms and conditions of the Underwriting Agreement to subscribe for, and/or procure the subscription for, at the Issue Price, the Rights Units (less the number of Rights Units subscribed for by (i) the Summit Relevant Entities pursuant to the Summit Pro Rata Undertaking, (ii) the LCH Relevant Entities pursuant to the LCH Undertaking and (iii) the IGM Relevant Entities pursuant to the IGM Pro Rata Undertaking (each as defined herein)) for which valid applications have not been submitted.

DBS will be entitled to a commission of 2.4% of the Issue Price multiplied by the total number of Rights Units less the number of Rights Units subscribed for by (i) the Summit Relevant Entities pursuant to the Summit Pro Rata Undertaking, (ii) the LCH Relevant Entities pursuant to the LCH Undertaking and (iii) the IGM Relevant Entities pursuant to the IGM Pro Rata Undertaking (which is equivalent to approximately S\$0.3 million), together with any goods and services tax payable thereon.

It should be noted that the Underwriting Agreement may be terminated upon the occurrence of certain events, including those of a *force majeure* nature, but DBS will not be 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 “**Listing Manual**”).

4.4 Commitments of Certain Unitholders

Commitment of Summit Founder

To demonstrate support for IREIT and the Rights Issue, Summit Founder, who directly and through Summit SPV and Summit, which are wholly-owned by Summit Founder, is expected to have interests in 241,826,547 Units²⁵ (the “**Summit Units**”) representing approximately 57.4% of the issued units in IREIT prior to the Rights Issue Books Closure Date, has provided an irrevocable undertaking (the “**Summit Pro Rata Undertaking**”) to each of (a) the Manager and (b) DBS that:

- (i) as at the Rights Issue Books Closure Date, Summit Founder, Summit and Summit SPV, entities wholly-owned by Summit Founder and Summit’s or Summit SPV’s subsidiaries will together have an interest (either actual or deemed) in not less than the number of Summit Units credited to securities accounts with The Central Depository (Pte) Limited (the “**CDP**”) which are held in Summit Founder’s name and in the name of Summit and Summit SPV or, as the case may be, the nominees(s) or custodian(s) of such subsidiary/entity (the “**Summit Relevant Entities**”) (each with registered addresses with CDP in Singapore);

²⁵ Includes the 1,308,547 Units to be sold by the Manager to Summit SPV prior to the Units being traded ex-rights for the Rights Issue.

- (ii) in accordance with the terms and conditions of the Rights Issue and in any case not later than the last day for acceptance and payment of the Rights Units (“**Closing Date**”), Summit Founder will accept, procure that the Summit Relevant Entities accept, and/or procure one or more of entities wholly-owned by Summit Founder or Summit’s or Summit SPV’s existing subsidiaries and/or new subsidiaries/entities set up by them to hold Units (together with the Summit Relevant Entities, the “**Summit Subscribing Entities**”), to subscribe and pay in full for, the Summit Relevant Entities’ total provisional allotment of Rights Units; and
- (iii) unless required by applicable law or regulations or by an order of a court of competent jurisdiction, Summit Founder will not, and will procure that the Summit Relevant Entities will not, during the period commencing from the date of this announcement up to and including the date of the listing of the Rights Units (the “**Rights Issue Period**”), make any public statement or announcement regarding the Rights Issue, without first obtaining the prior written consent of the Manager and DBS (such consent not to be unreasonably withheld or delayed).

Commitment of LCH

To demonstrate support for IREIT and the Rights Issue, LCH, who is expected to have direct interests in 80,057,499 Units²⁶ (the “**LCH Units**”) representing approximately 19.0% of the issued Units prior to the Rights Issue Books Closure Date, has provided an irrevocable undertaking (the “**LCH Undertaking**”) to each of (a) the Manager and (b) DBS that:

- (i) as at the Rights Issue Books Closure Date, LCH, Dolphin Two Pte. Ltd. (“**LCH SPV**”), entities wholly-owned by LCH and LCH SPV’s subsidiaries, will together have an interest (either actual or deemed) in not less than the number of LCH Units credited to securities accounts with CDP which are held in LCH’s name and in the name of LCH SPV or, as the case may be, the nominee(s) or custodian(s) of such subsidiary/entity (the “**LCH Relevant Entities**”) (each with registered addresses with CDP in Singapore);
- (ii) in accordance with the terms and conditions of the Rights Issue and in any case not later than the Closing Date, LCH will accept, procure that the LCH Relevant Entities accept and/or procure one or more of entities wholly-owned by LCH or LCH SPV’s existing subsidiaries and/or new subsidiaries/entities set up by them to hold Units (together with the LCH Relevant Entities, the “**LCH Subscribing Entities**”), to subscribe and pay in full for, the LCH Relevant Entities’ total provisional allotment of Rights Units;
- (iii) in addition to paragraph (ii) directly above, LCH will, and/or procure that LCH SPV, one or more entities wholly-owned by LCH, and LCH SPV’s subsidiaries, make excess applications for up to 18,960,757 Rights Units (representing approximately 10.0% of the total number of Rights Units), after satisfaction of all other applications and excess applications (if any) for the Rights Units (the

²⁶ Includes the 382,499 Units to be sold by the Manager to LCH prior to the Units being traded ex-rights for the Rights Issue.

- “**Excess Rights Commitment**”), and LCH will, and/or procure that LCH SPV, one or more entities wholly-owned by LCH, and LCH SPV’s subsidiaries, subscribes and pays in full for, the Excess Rights Commitment; and
- (iv) unless required by applicable law or regulations or by an order of a court of competent jurisdiction, LCH will not, and will procure that the LCH Relevant Entities will not, during the Rights Issue Period, make any public statement or announcement regarding the Rights Issue, without first obtaining the prior written consent of the Manager and DBS (such consent not to be unreasonably withheld or delayed).

Commitment of IREIT Global Management

To demonstrate support for IREIT and the Rights Issue, IREIT Global Management, who is expected to have a direct interest in 322,104 Units²⁷ (the “**IGM Units**”) representing approximately 0.1% of the issued Units prior to the Rights Issue Books Closure Date, has provided an irrevocable undertaking (the “**IGM Pro Rata Undertaking**”) to each of (a) the Manager and (b) DBS that:

- (i) as at the Rights Issue Books Closure Date, IREIT Global Management will have an interest (either actual or deemed) in not less than the number of IGM Units credited to securities accounts with the CDP which are held in IREIT Global Management’s name or, as the case may be, the nominee(s) or custodian(s) of IREIT Global Management (the “**IGM Relevant Entities**”) (each with registered addresses with CDP in Singapore);
- (ii) in accordance with the terms and conditions of the Rights Issue and in any case not later than the Closing Date, IREIT Global Management will accept, procure that the IGM Relevant Entities accept and/or procure one or more of IREIT Global Management’s existing subsidiaries and/or new subsidiaries set up by it to hold Units (together with the IGM Relevant Entities, the “**IGM Subscribing Entities**”), to subscribe and pay in full for, the IGM Relevant Entities’ total provisional allotment of Rights Units; and
- (iii) unless required by applicable law or regulations or by an order of a court of competent jurisdiction, IREIT Global Management will not, during the Rights Issue Period, make any public statement or announcement regarding the Rights Issue, without first obtaining the prior written consent of the Manager and DBS (such consent not to be unreasonably withheld or delayed).

Moratorium

Pursuant to the lock-up undertakings provided by Summit Founder, Summit SPV and LCH, 50.0% of their respective effective interest in the Units they held on the date of listing of IREIT are still under moratorium. The moratorium will not be extended to the Rights Units.

²⁷ Includes the 322,104 Units to be sold by the Manager to IREIT Global Management prior to the Units being traded ex-rights for the Rights Issue.

4.5 Approval in-principle from the SGX-ST

Approval in-principle has been obtained from the SGX-ST on 29 June 2015 for the listing and quotation of the Rights Units on the Main Board of the SGX-ST. The SGX-ST's approval in-principle is not an indication of the merits of IREIT and/or its subsidiaries, the Manager, the Units, the Rights Issue or the Rights Units.

The Manager has provided undertakings to the SGX-ST to:

- (i) make periodic announcements on the use of the proceeds from the Rights Issue as and when such proceeds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated in IREIT's announcements, and where there is any material deviation from the stated use of proceeds, to announce the reasons for such deviation;
- (ii) provide a status report on the use of the proceeds from the Rights Issue in the annual reports of IREIT; and
- (iii) where proceeds from the Rights Issue are to be used for working capital, disclose a breakdown with specific details on the use of proceeds for working capital in the announcements and annual reports of IREIT.

The SGX-ST's in-principle approval of the listing and quotation of the Rights Units 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 IREIT's announcements on use of proceeds and in the annual report of IREIT;
- (iii) a written undertaking from the Manager that it will comply with the confirmation given in Listing Rule 877(10) with regards to the allotment of any excess Rights Units;
- (iv) a written confirmation from financial institution(s) as required under Listing Rule 877(9) that the Substantial Unitholders²⁸ who have given the irrevocable undertakings have sufficient financial resources to fulfil their obligations under its undertakings;
- (v) disclosure via SGXNET on the rationale and details of the disposal of Units from the Manager to Summit, LCH and IREIT Global Management in conjunction with the Rights Issue; and
- (vi) disclosure via SGXNET of whether any moratorium will be applied to the Rights Units arising from the Units under moratorium held by Summit and LCH.

28 "Substantial Unitholders" refers to Unitholders with an interest in not less than 5.0% of all Units in issue.

4.6 Eligibility to Participate in the Rights Issue

Eligible Unitholders are Unitholders with Units standing to the credit of their securities account with CDP (but do not include securities sub-accounts) (“**Securities Account**”) and whose registered addresses with CDP are in Singapore as at the Rights Issue Books Closure Date or who have, at least three Market Days²⁹ prior to the Rights Issue Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents, but excludes Unitholders who are otherwise located, resident or with a registered address in any jurisdiction in which the offering of the Rights Entitlements and Rights Units may not be lawfully made (“**Eligible Unitholders**”).

Eligible Unitholders will receive their Rights Entitlements under the Rights Issue on the basis of their unitholdings in IREIT as at the Rights Issue Books Closure Date and are entitled to participate in the Rights Issue and to receive the Offer Information Statement (as defined herein) (including the ARE and the ARS) at their respective Singapore addresses.

Eligible Unitholders are at liberty to accept in part or in full, decline or otherwise renounce or trade (during the Rights Entitlements trading period prescribed by the SGX-ST) their Rights Entitlements and are eligible to apply for Excess Rights Units.

No provisional allotments of Rights Units will be made to Ineligible Unitholders (as defined herein) and no purported acceptance thereof or application for Excess Rights Units thereof by Ineligible Unitholders will be valid.

The Rights Units represented by the provisional allotments (A) of (i) Eligible Unitholders who decline, do not accept, and elect not to renounce or sell their Rights Entitlements under the Rights Issue (during the Rights Entitlements trading period prescribed by the SGX-ST) and/or (ii) Unitholders who are not Eligible Unitholders (the “**Ineligible Unitholders**”) which have not been sold during the Rights Entitlements 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 (collectively, “**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 absolute discretion, deem fit.

Subject to the requirements of or otherwise waived by the SGX-ST, in the allotment of Excess Rights Units, preference will be given to the rounding of odd lots (if any) followed by allotment to the Unitholders who are neither directors of the Manager (“**Directors**”) nor Substantial Unitholders. Directors and Substantial Unitholders who have control or influence over IREIT or the Manager in connection with the day-to-day affairs of IREIT or the terms of the Rights Issue, or have representation (direct or through a nominee) on the board of Directors, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Units.

²⁹ “**Market Day**” refers to any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading.

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.

4.7 Offer Information Statement

In connection with the Rights Issue, the Manager will, following the lodgement of the offer information statement ("**Offer Information Statement**") with the Monetary Authority of Singapore (the "**MAS**"), issue and despatch the Offer Information Statement to Unitholders setting out, among other things, the details of the Rights Issue.

5. PRO FORMA FINANCIAL EFFECTS OF THE TRANSACTIONS

5.1 Pro Forma Financial Effects

The pro forma financial effects of the Transactions presented below are strictly for illustrative purposes only and were prepared based on IREIT and its subsidiaries' audited consolidated financial statements for the financial period from 1 November 2013, being the date of constitution of IREIT, to 31 December 2014 ("**FP2014**", and the audited consolidated financial statements of IREIT and its subsidiaries for FP2014, the "**FP2014 Audited Consolidated Financial Statements**")

and assuming:

- (i) the Total Acquisition Cost is €156.9 million (S\$236.9 million);
- (ii) 189,607,567 Rights Units are issued at an Issue Price of S\$0.468 per Rights Unit;
- (iii) net proceeds of approximately S\$86.9 million are raised from the Rights Issue after taking into account the estimated costs of the Rights Issue of approximately S\$1.8 million; and
- (iv) the remainder of the Total Acquisition Cost of approximately S\$152.7 million is funded by the New Loan Facility.

It is to be noted that while IREIT was constituted on 1 November 2013, it was only listed on the Main Board of the SGX-ST on 13 August 2014 and only commenced operations on and from that date. Accordingly, the pro forma financial effects, presented for illustrative purposes only, are based on the financial period from 13 August 2014 (being the Listing Date) to 31 December 2014.

5.2 Pro Forma NPI and NPI Yield

The pro forma financial effects of the Transactions on the NPI and NPI yield for IREIT for FP2014, as if IREIT had purchased the Berlin Property and completed the Rights Issue on the Listing Date, and held and operated the Berlin Property through to 31 December 2014, are as follows:

	<u>Existing Portfolio</u>	<u>The Berlin Property</u>
NPI (€'000)	7,525 ⁽¹⁾	3,924 ⁽²⁾
Appraised Value/Purchase Consideration (€'000)	290,600 ⁽³⁾	144,234 ⁽⁴⁾
Annualised NPI yield ⁽⁵⁾	6.7%	7.1%

Notes:

- (1) Based on the FP2014 Audited Consolidated Financial Statements.
- (2) The pro forma NPI is for the Pro Forma Financial Period 2014, based on leases with existing tenants.
- (3) Based on the appraised values of the Existing Portfolio as at 31 December 2014.
- (4) Based on the Purchase Consideration of the Berlin Property, excluding any real estate taxes and professional and other fees and expenses.
- (5) Based on annualised NPI divided by the respective appraised value or Purchase Consideration, excluding any real estate taxes and professional and other fees and expenses.

5.3 Pro Forma DPU and Distribution Yield

The pro forma financial effects of the Transactions on the DPU and distribution yield for IREIT for FP2014, as if IREIT had purchased the Berlin Property and completed the Rights Issue on the Listing Date, and held and operated the Berlin Property through to 31 December 2014, are as follows:

	<u>Actual⁽¹⁾</u>	<u>Pro Forma</u>
Distributable income (€'000) ⁽²⁾	6,417	9,333
Units in issue	419,337,000	608,944,567 ⁽⁵⁾
DPU (€ cents) ⁽³⁾	1.53	1.53
DPU (Singapore cents) ⁽⁴⁾	2.57	2.58
Annualised Distribution yield	8.3% ⁽⁶⁾	9.6% ⁽⁷⁾

Notes:

- (1) Based on the FP2014 Audited Consolidated Financial Statements.
- (2) Distributable income is derived based on accounting income adjusted for the relevant adjustments as set out in the Trust Deed.
- (3) The computation of DPU is based on the number of Units in issue which are entitled to distribution as at 31 December 2014.
- (4) Based on the exchange rate of €1.00 : S\$1.68 hedged by IREIT for 100.0% of its distributable income for the financial period from the Listing Date to 31 December 2014.
- (5) The number of Units is arrived at after taking into account the total units in issue and entitled to distribution as at 31 December 2014 of 419,337,000 Units and the issuance of 45 Rights Units for every 100 existing Units under the Rights Issue amounting to an aggregate of 189,607,567 Units.
- (6) Based on the DPU for the Pro Forma Financial Period 2014 and annualised, divided by the Closing Price on 29 June 2015 of S\$0.805 per Unit.
- (7) Based on the pro forma DPU for the Pro Forma Financial Period 2014 and annualised, divided by TERP of S\$0.700 per Unit.

5.4 Pro forma NAV per Unit

The pro forma financial effects of the Acquisition on the NAV per Unit as at 31 December 2014, as if IREIT had purchased the Berlin Property and completed the Rights Issue on 31 December 2014, are as follows:

	Actual⁽¹⁾	Pro Forma
NAV (€ '000).....	199,974	249,323
Units in issue and to be issued.....	420,501,704	610,109,271 ⁽²⁾
NAV per Unit (€ cents) ⁽³⁾	0.48	0.41

Notes:

- (1) Based on the FP2014 Audited Consolidated Financial Statements.
- (2) The number of Units is arrived at after taking into account the total existing units in issue and to be issued of 420,501,704 Units as at 31 December 2014 and the issuance of 45 Rights Units for every 100 existing Units under the Rights Issue amounting to an aggregate of 189,607,567 Units.
- (3) The NAV per Unit is computed based on Units in issue and to be issued as at 31 December 2014.

5.5 Pro forma Capitalisation

The following table sets forth the pro forma capitalisation of IREIT as at 31 December 2014, as if IREIT had purchased the Berlin Property and completed the Rights Issue on 31 December 2014.

	As at 31 December 2014	
€'000	Actual⁽¹⁾	Pro Forma⁽²⁾
Long-term debt:		
Secured	96,594	198,594
Total long-term debt	96,594	198,594
Total debt.....	96,594	198,594
Unitholders funds.....	199,974	249,323
Total Capitalisation.....	296,568	447,917

Notes:

- (1) Based on the FP2014 Audited Consolidated Financial Statements.
- (2) Based on the gross borrowings drawn down on the New Loan Facility of €102.0 million.

6. OTHER INFORMATION

6.1 Relative Figures Computed on the Bases set out in Rule 1006 of the Listing Manual

A proposed acquisition by IREIT may fall into any of the categories set out in Rule 1004 of the Listing Manual depending on the size of the relative figures computed on the following bases of comparison as stated below:

- (i) the net asset value of the assets to be disposed of, compared with net asset value (not applicable to the Acquisition);
- (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 equity securities issued as consideration for an acquisition, compared with the number of equity securities previously in issue (not applicable to the Acquisition).

Where any of the relative figures computed on the bases set out above is 20.0% or more, the transaction is classified as a "major transaction" under Rule 1014 of the Listing Manual which would be subject to the approval of Unitholders, unless such transaction is in the ordinary course of IREIT's business.

The Manager is of the view that the Acquisition is within IREIT's ordinary course of business as it is within the investment mandate of IREIT and the Berlin Property is of the same class and within the same geographical market as IREIT's Existing Portfolio. Accordingly, Unitholders' approval for the Acquisition is not required. However, solely for the purposes of illustration to Unitholders, the relative figures for the Acquisition using the applicable bases of comparison described in sub-paragraphs 6.1(ii) and 6.1(iii) are set out in the table below.

Comparison of:	The Berlin Property	IREIT	Relative Figure
Net Property Income ⁽¹⁾	€3.9 million ⁽²⁾	€7.5 million ⁽³⁾	52.0%
Purchase Consideration against IREIT's market capitalisation	€144.2 million (S\$217.7 million) ⁽⁴⁾	Market capitalisation: S\$337.9 million ⁽⁵⁾	64.4%

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) The pro forma NPI is for the Pro Forma Financial Period 2014, based on leases with existing tenants.
- (3) Based on the FP2014 Audited Consolidated Financial Statements.
- (4) Based on an illustrative exchange rate of €1.00 : S\$1.51.
- (5) The market capitalisation of IREIT has been calculated on the basis of 421,350,150 Units in issue by the volume weighted average price of the Units transacted on 26 June 2015 (being the market day preceding the date of the Property SPA) of S\$0.8019.

6.2 Interests of Directors

As at the date of this announcement, the details of the unitholdings of the Directors are as follows:

Director	Direct Interest	Deemed Interest	Total Interest	% Interest ⁽¹⁾
Mr Lim Kok Min (John).....	200,000	-	200,000	0.05
Mr Tan Wee Peng Kelvin	200,000	-	200,000	0.05
Mr Nir Ellenbogen	100,000	-	100,000	0.02
Mr Tong Jinquan.....	51,137,000	191,394,150	242,531,150	57.56
Mr Ho Toon Bah	-	-	-	-
Mr Itzhak Sella.....	1,000	-	1,000	0.00

Note:

(1) The percentage interest is based on the total number of 421,350,150 issued Units as at the date of this announcement.

Save as disclosed above and based on information available to the Manager, none of the Directors has an interest, direct or indirect, in the Acquisition.

6.3 Interests of Substantial Unitholders

As at the date of this announcement, and based on information available to the Manager, the details of the unitholdings of the Substantial Unitholders are as follows:

Substantial Unitholder	Direct Interest	Deemed Interest	Total Interest	% Interest ⁽¹⁾
Wealthy Fountain Holdings Inc.....	189,381,100	-	189,381,000	44.95
Tong Jinquan.....	51,137,000	191,394,150 ⁽²⁾	242,531,150	57.56
Shanghai Summit Pte. Ltd.	-	189,381,000 ⁽³⁾	189,381,000	44.95
Lim Chap Huat.....	79,675,000	-	79,675,000	18.91

Notes:

(1) The percentage interest is based on the total number of 421,350,150 issued Units as at the date of this announcement.

(2) Mr. Tong Jinquan wholly owns Shanghai Summit Pte. Ltd., which in turn wholly owns Wealthy Fountain Holdings Inc and 65.0% equity interest in IREIT Global Group Pte. Ltd. Mr. Tong Jinquan is deemed to be interested in 189,381,000 and 2,013,150 Units held by Wealthy Fountain Holdings Inc and IREIT Global Group Pte. Ltd., respectively.

(3) Wealthy Fountain Holdings Inc is a wholly-owned subsidiary of Shanghai Summit Pte. Ltd. Accordingly, Shanghai Summit Pte. Ltd. has a deemed interest in the Units held by Wealthy Fountain Holdings Inc.

Save as disclosed above and based on information available to the Manager, none of the Substantial Unitholders has an interest, direct or indirect, in the Acquisition.

6.4 Directors' Service Contracts

No person is proposed to be appointed as a Director in relation to the Acquisition or any other transactions contemplated in relation to the Acquisition.

7. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager at 156 Cecil Street #08-01, Singapore 069544³⁰ from the date of this announcement up to and including the date falling three months thereafter:

- (i) the Property SPA; and
- (ii) the full valuation on the Berlin Property by DTZ.

The Trust Deed will also be available for inspection at the registered office of the Manager for so long as IREIT continues to be in existence.

By Order of the Board

IREIT Global Group Pte. Ltd.

(Company Registration No. 201331623K)

As manager of IREIT Global

Itzhak Sella

Chief Executive Officer and Executive Director

30 June 2015

³⁰ Prior appointment with the Manager will be appreciated.

IMPORTANT NOTICE

This announcement is for information purposes only and does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of IREIT 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.

Any offering of Rights Units will be made in and accompanied by the Offer Information Statement to be lodged with the MAS. 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 IREIT. 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.

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, 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 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.

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 is not an offer of securities for sale in the United States. The nil-paid rights and Rights Units are not being 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 absent registration except pursuant to an exemption from registration under the Securities Act. There will be no public offering of securities in the United States. Any public offering of the Rights Units in the United States would be made by means of a prospectus that would contain detailed information about IREIT, the Manager and their management, as well as financial statements.