Committed to Growth

ANNUAL REPORT 2014

IREIT Global

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Corporate **Profile**

About IREITGlobal

- IREIT Global ("IREIT") is the first Singapore-listed real estate investment trust ("REIT") established with the investment strategy of principally investing, directly or indirectly, in a portfolio of income-producing real estate in Europe which is used primarily for office purposes, as well as real estate-related assets

- IREIT's initial portfolio consists of four properties in Germany

- IREIT is managed by IREIT Global Group Pte. Ltd. (the "Manager")

Key **Objectives**

The Manager's key financial objectives are to provide unitholders of IREIT ("Unitholders") with regular and stable distributions and the potential for sustainable long-term growth in distribution per Unit ("DPU") and net asset value ("NAV") per Unit, while maintaining an appropriate capital structure for IREIT.

Chairman & CEO
Letter to Unitholders

Chairman & CEO
Letter to Unitholders

MR LIM KOK MIN, JOHN (right)
Chairman

MR ITZHAK SELLA (left)
Chief Executive Officer

Dear Unitholders,

On behalf of the Board of Directors of the Manager, we are pleased to present IREIT's inaugural annual report as a listed entity and welcome you as Unitholders of IREIT.

2014 has been an exciting and challenging year for IREIT. IREIT was successfully listed on the Singapore Exchange Securities Trading Limited in August. Hence, this inaugural annual report covers the financial and operating results for the period from 13 August 2014 to 31 December 2014.

FINANCIAL HIGHLIGHTS FOR 2014

We are pleased with the successful completion of our Initial Public Offering ("IPO") and are delighted with the strong level of interest from our investors. IREIT's placement tranche was fully subscribed while the public offer was 7.6 times oversubscribed. The gross proceeds of S$369.0 million raised together with bank borrowings of €96.6 million were primarily used to fund the acquisition of the initial portfolio of properties in IREIT.

Total gross revenue for the financial period was approximately €8.3 million, which was in line with the forecast at IPO. Property operating expenses were 17.2% lower than forecast but the decrease was in tandem with the lower service charge income recognised for the financial period.

RETURNS TO UNITHOLDERS

Both the net property income and distributable income were in line with our forecast. We are delighted to have delivered a DPU of S$0.0257 to our Unitholders which met our forecast.

Chairman & CEO
Letter to Unitholders

IREIT's property valuations as at 31 December 2014 improved by €6.5 million as compared with that as at 31 March 2014. The net asset value per Unit as at 31 December 2014 was €0.48[1].

INVESTING IN OUR FUTURE

We are committed to grow IREIT further as well as improve our distribution yield and to achieve greater synergies through actively pursuing acquisition opportunities. Our key priority market remains Germany.

In evaluating a property for acquisition, we will take into consideration the location of the property, lease terms and conditions, tenant profile, marketability of the space and other relevant factors.

ASSET MANAGEMENT INITIATIVES

We are continuing to maintain and enhance our strong relationships with our tenants, as tenant retention and organic growth is important to us.

In our pursuit to be the preferred real estate partner to our tenants, we are in discussions with our existing tenants to explore how we can assist them to expand their space requirements within our existing portfolio. To this end, we have reached a good understanding with several tenants at Concor Park and we are working closely with them to achieve their expansion plans over the next few quarters in 2015.

MARKET CONDITIONS

Currently, Germany is IREIT's key priority market. The German economy has remained buoyant in 2014. The main contributing factors were lower unemployment rate, business growth and lower interest rates. This has lent support to the property market, as businesses are expanding which translates to higher demand for office space. This is the case with some of our tenants.

In terms of the investment market, we are seeing more competitors from Europe as well as from Asia entering the market. We also observed an increase in acquisition transactions; however we believe that our "ABBA" investment strategy continues to be relevant, resilient and gives us our edge in this market. By applying this strategy in our pursuit for growth, we can source yield accretive assets which fit IREIT's overall investment profile. We are confident that our "ABBA" strategy will enable us to deliver beneficial growth to Unitholders.

MARKET OUTLOOK FOR 2015

Despite the economic uncertainties and political instability currently in Europe, Germany has retained its status as a relatively safe haven for investments and businesses. According to the German Institute for Economic Research (DIW Berlin), Germany's projected real gross domestic products is estimated to grow by 1.4% in 2015.[2] While the economic growth in Europe continues to strengthen, throughout 2015, it is expected to be weighed down by the lingering predicaments such as the tensions in Ukraine and Russia, the deteriorating economic situation in Greece, weakened oil prices and fears of deflation.

However, the office space demand is projected to rise while the European economy gently recovers. Rents are expected to increase in all key German cities on an average rate of 1.5%.[3] Although the recovery in the European markets is expected to be slow at the start of

[1] The net asset value per Unit is computed based on the Units in issue and to be issued as at 31 December 2014 of 420,501,706.
[2] Press release by the German Institute for Economic Research (DIW Berlin), December 2014.
[3] Research publication by DG HYP, October 2014.

Chairman & CEO Letter to Unitholders

2015, the prospects for the German market seem to be bright and we are optimistic that we are able to secure investment opportunities.

The Euro has weakened considerably in the later part of 2014. On the back of the quantitative easing program launched by the European Central Bank, the market expectation is that the Euro will continue to remain weak against most currencies in 2015. As IREIT's cash flows from its property leasing operations in Germany are denominated in Euros, and its properties are also funded by Euro-denominated bank borrowings, this provides a natural hedge. In contrast, at the trust level, IREIT receives its distributable income in Euros but pays out distributions to Unitholders in Singapore dollars on a semi-annual basis. In view of the weakening of the Euro, we made the decision to fully hedge the distributable income for 2014 and 2015 at the average hedge rate of approximately S$1.68 per Euro and S$1.55 per Euro, respectively. Furthermore, we are closely monitoring the Euro-Singapore dollar exchange rate and will hedge distributable income for future periods, when and if appropriate.

On the other hand, the weak Euro is helping to fuel the real estate investment market. Investor sentiment is rising and the cost of lending from German banks is trending lower. This augurs well for our acquisition plans going forward.

In conclusion, we believe our investment strategy coupled with our prudent capital management will succeed in fulfilling our commitment to deliver the best possible returns to our Unitholders in future.

APPRECIATION

On behalf of the Board, we thank the IREIT team, professionals and advisors for their contributions to the IPO and IREIT's daily operations. We would also like to thank our Board colleagues for their insights and commitment to IREIT.

To all our Unitholders, thank you for sharing our vision, and to our tenants, business partners and investors, thank you for your support. The Board looks to the future with optimism and believes IREIT has the market reach and the strategy to build our portfolio and to achieve its goals.

MR LIM KOK MIN, JOHN
Chairman

MR ITZHAK SELLA
Chief Executive Officer ("CEO")

31 March 2015

主席与首席执行长
致单位持有人之信函

亲爱的单位持有人：

我们谨代表IREIT Global Group Pte. Ltd. 董事会，很高兴发布IREIT Global（“IREIT”）作为上市公司的第一份常年报告，并且欢迎你们成为IREIT的单位持有人。

对IREIT来说，2014年是振奋人心和具有挑战性的一年。IREIT于8月13日在新加坡交易所成功上市。因此，这第一份常年报告涵盖的是2014年8月13日至2014年12月31日的财务与营运业绩。

2014年财务摘要

对于成功完成首次公开售股（“IPO”）以及投资者的热烈反应，我们感到高兴和欣慰。IREIT的配股获得全面认购，而公众献议也超额认购7.6倍。筹集到的3亿6900万新元的IPO资金及9660万欧元的银行贷款，主要用在收购IREIT初始房地产组合。

这一财务时期的总营收约830万欧元，跟IPO时的预测保持一致。房地产营运支出虽然比预测低了17.2%，但这项跌幅跟这一财务时期所实现的服务收费收入较低是相应的。

给予单位持有人的回报

净房地产收入和可派发收入都跟预测保持一致。欣喜的是，0.0257新元的每单位派息达到我们的预测。

跟2014年3月31日的独立估价相比，IREIT截至2014年12月31日的房地产估价，提高了650万欧元。截至2014年12月31日，每单位净资产值是0.48欧元[1]。

对未来作出投资

我们承诺尽力继续发展IREIT以及增加派息率，并通过积极寻找收购机会取得更大的协同效应。德国仍然是我们首要的市场。

对房地产收购进行评估时，我们会把房地产的地点、租约条件与条款、租户身份、空间是否易于推销等其他相关因素考虑在内。

资产管理计划

由于留住租户和取得有机增长对我们至关重要，我们因此继续维持和加强跟租户的良好关系。

在追求成为租户首选房地产伙伴的过程中，我们跟现有租户进行讨论，探讨如何协助他们在我们现有的组合当中扩大空间要求。在这方面，我们已跟Concor Park的多个租户取得共识，跟他们密切合作，在2015年接下来的几个季度达成扩展计划。

市场情况

目前，德国是IREIT的主要市场。德国经济在2014年保持活力，主要是失业率较低、业务增长和利率较低所促成的。由于企业扩充，促使对办公空间的需求提高，因此支撑了房地产市场。这是我们的其中一些租户经历的情形。

从投资市场来说，我们看到更多来自欧洲和亚洲的竞争者进入市场。我们也观察到收购交易有所增加，但是我们相信我们的“ABBA”投资策略将继续切用、具有韧性和为我们在市场中带来优势。通过在追求增长时采用这项策略，我们可以寻找符合IREIT整体投资情况的创造收益的资产。我们有信心“ABBA”投资策略能够让我们为单位持有人带来有益的增长。

1　每单位净资产值是根据截至2014年12月31日已发行和将发行的420,501,706单位而计算的。

主席与首席执行长
致单位持有人之信函

2015年市场展望

尽管欧洲目前面对经济不明朗和政治不稳定的局面，但相对来说，德国维持了作为投资和经商的避风港地位。根据德国经济研究所（DIW柏林），德国在2015年的实际国内生产总值预计增长1.4%[2]。由于被一些挥之不去的困境所拖累，例如乌克兰和俄国的紧张关系、希腊持续恶化的经济局面、油价走低和通缩恐惧，欧洲2015年的经济增长预料将继续挣扎。

不过，随著欧洲经济稍微复苏，对于办公空间的需求预计将上扬。所有主要德国城市的租金预料将平均上涨1.5%[3]。尽管欧洲市场在2015年初的复苏情况预料将会缓慢，但德国市场的前景看起来一片光明，我们也有把握能够取得投资机会。

欧元在2014年较迟时候大幅度走软。在欧洲央行推出量化宽松政策的背景下，市场预料欧元跟多数货币相比将保持疲弱。由于IREIT来自德国房地产出租业务的现金流是以欧元计价的，而其房地产又是由欧元计价的银行贷款所资助，因此提供了自然的对冲。相比之下，在信托的层面上，IREIT是以欧元取得可派发收入，但却在一年两次的基础上以新元派息。基于欧元疲软，我们决定为2014和2015年的可派发收入进行全面对冲，平均对冲率分别约每一欧元1.68新元和每一欧元1.55新元。此外，我们也密切留意欧元-新元兑换率，并会在适当时候对未来的可派发收入进行对冲。

另一方面，疲软的欧元也在推动房地产投资市场。投资者情绪正在上扬，而向德国银行借贷的成本则趋向下行。这对我们未来的收购计划来说是一件好事。

总的来说，我们相信我们的投资计划配合谨慎的资本管理，将能够让我们顺利履行在未来为我们的单位持有人尽可能带来最佳回报的承诺。

致谢

我们谨代表董事会感谢IREIT团队、专业人士和顾问对IPO和IREIT的日常运作所作出的贡献。我们也要感谢我们的董事会同事所提出的洞见以及对IREIT的付出。

对所有的单位持有人，感谢你们跟我们拥有同样的愿景；对我们的租户、商业伙伴和投资者，感谢你们的支持。董事会对未来充满憧憬，并且坚信IREIT具备建立我们的组合和达成目标的市场渗透力与策略。

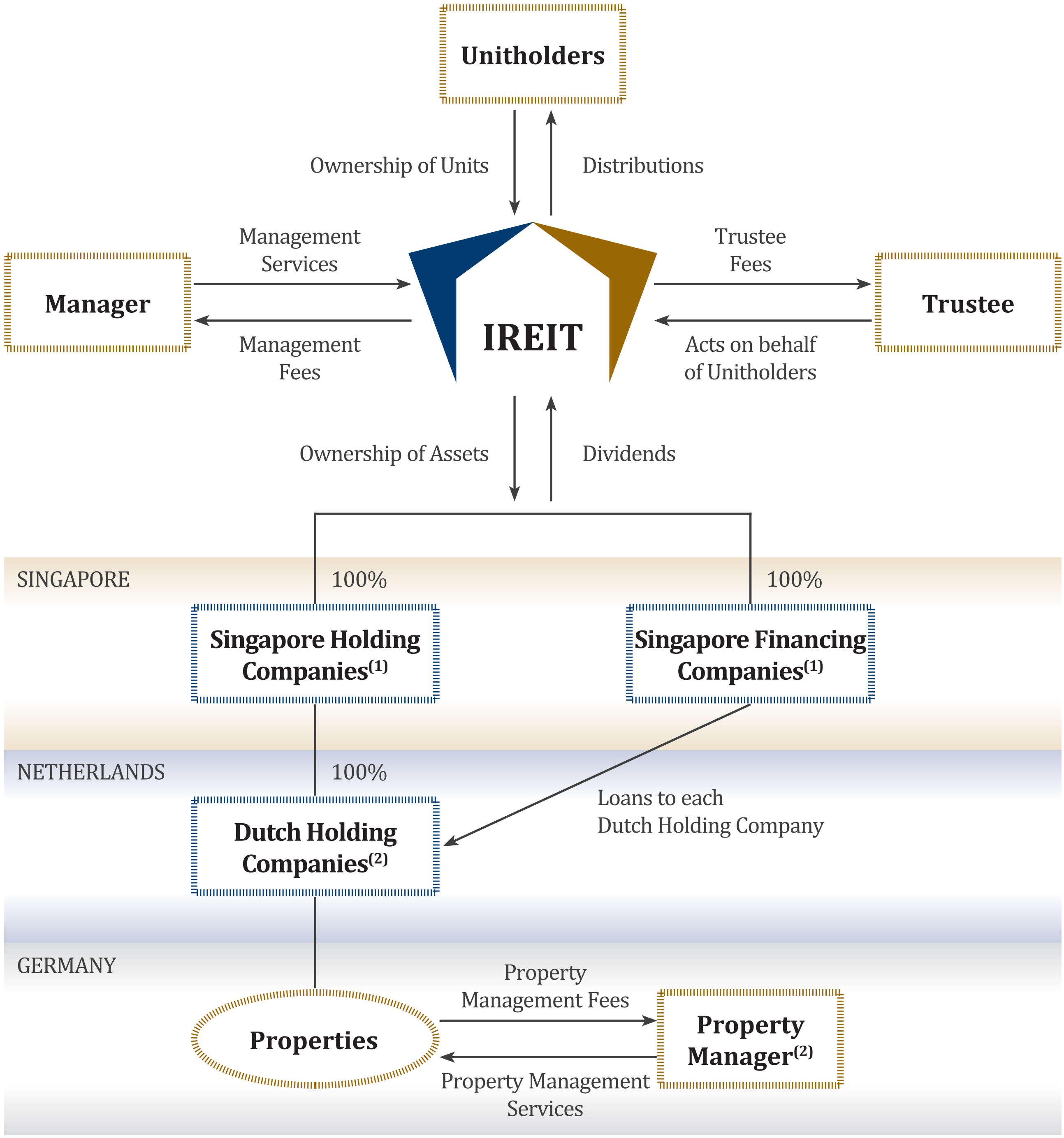
林国鸣先生
主席

MR ITZHAK SELLA
首席执行官

2015年3月31日

2 德国经济研究所（DIW柏林）发布的新闻稿，2014年12月
3 DG HYP研究刊物，2014年10月

Trust **Structure**



Notes:

1 A separate Singapore Holding Company and Singapore Financing Company has been established for each property.

2 A professional third party property manager has been appointed pursuant to the property management agreements entered into between the relevant Dutch Holding Company and the property manager.

Board of Directors

Left to right:
Mr Tan Wee Peng Kelvin
Mr Nir Ellenbogen
Mr Itzhak Sella
Mr Lim Kok Min, John
Mr Tong Jinquan
Mr Ho Toon Bah

Board of Directors

Mr Lim Kok Min, John

Chairman and
Independent Non-Executive Director

Mr Lim has more than 45 years of private and public sector experience. From 2004 to 2010, he was President and Deputy Group Chairman of LMA International N.V., a global medical device company. From 1997 to 2000, he was Group Managing Director of Pan-United Corporation Ltd, a diversified marine and building materials group. From 1993 to 1997, he also served as Group Managing Director of JC-MPH Ltd, a diversified retail and industrial group. Prior to that from 1981 to 1993, he was with Cold Storage Holdings Ltd, where his last held position was Chief Executive Officer.

Mr Lim currently sits on the boards of several private and public listed companies, including Boustead Singapore Limited and Silverlake Axis Ltd which are listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). He was the lead independent director of Forterra Real Estate Pte Ltd, the trustee-manager of Forterra Trust, which was a listed business trust on the SGX-ST. Mr Lim was also the immediate past Chairman of the Singapore Institute of Directors and the Building and Construction Authority. He was awarded the Public Service Medal by the President of Singapore in 2006. He was also the former President and Honorary Secretary of the Singapore Institute of Directors.

Academic & Professional Qualifications

Bachelor of Economics (Honours), University of Malaya
Honorary Fellow of the Singapore Institute of Directors

Current Directorships

Boustead Projects Ltd
Boustead Singapore Limited
Silverlake Axis Limited
Forterra Real Estate Pte. Ltd.
Taylor's Education Pte. Ltd.
Nexus International School Pte. Ltd.
Klassik Investment Limited
Integrity Media Asia Pte Ltd
Econ Healthcare Pte. Ltd.
IREIT Global Group Pte. Ltd.

Past Directorships (over the last five years)

LMA International NV
Hsu Fu Chi International Limited
Securities Industry Council
Singapore Institute of Management
Ned Advisory Services Pte. Ltd.
Agrifood Technologies Pte Ltd
The Laryngeal Mask Company (Singapore) Pte. Ltd.
NTUC Fairprice Co-operative
Singapore Institute of Directors
Gas Supply Pte Ltd

Mr Tan Wee Peng Kelvin

Independent Non-Executive Director
and Chairman of the Audit and Risk Committee

Mr Tan has more than 20 years of professional experience in the private and public sector. He has held senior management positions, including the position of President of AETOS Security Pte Ltd from 2004 to 2008 and Global Head of Business Development of PSA International from 2003 to 2004. From 1996 to 2003, Mr Tan was with Temasek Holdings Pte. Ltd., where his last held position was as Managing Director of its Private Equity Funds Investment Unit. He also sits on the boards of WE Holdings Ltd and Viking Offshore and Marine Limited, which are listed on the SGX-ST.

Academic & Professional Qualifications

Member of the Singapore Institute of Directors
Member of the Institute of Singapore Chartered Accountants
Bachelor of Accountancy (First Class Honours), National University of Singapore
Master of Business Administration, National University of Singapore
Programme for Management Development at the Harvard Business School

Current Directorships

Asia Business Development Pte. Ltd.
DBE Consulting Pte. Ltd.
GBE Holdings Pte. Ltd.

Board of Directors

GBE Investments Pte. Ltd.
Marshal Systems Private Limited
NL Consulting Pte. Ltd.
Viking Offshore and Marine Limited
WE Holdings Ltd.
YK Management Pte. Ltd.
Golden Equator Capital Pte. Ltd.
IREIT Global Group Pte. Ltd.

Past Directorships (over the last five years)
Soilbuild Group Holdings Ltd
Great Wall Majestic Pte. Ltd.
Asero Worldwide Pte. Ltd.

Mr Nir Ellenbogen

Independent Non-Executive Director

Mr Ellenbogen has more than 13 years of experience in the medical and research and development industries. Since 2009, Mr Ellenbogen has been the Chief Executive Officer of CeePro Pte Ltd, a medical devices manufacturer, and the Senior Vice President of Eye-Lens Pte Ltd, a medical devices distributor. He is also the Managing Director of FocalPoint Asia, a sole proprietorship providing medical consultancy services.

Prior to this, from 2000 to 2009, Mr Ellenbogen held various senior management positions with NeuroVision, a medical devices manufacturer specialising in a visual learning programme, including Vice President R&D and Chief Operating Officer and his last held position was Chief Executive Officer.

Academic & Professional Qualifications
Bachelor of Science, The Technion – Israel Institute of Technology
Master of Business Administration, Tel Aviv University

Current Directorships
CeePro Pte. Ltd.
Asia WorldCare (Private) Limited
Focalpoint Asia
Eye-Lens Pte. Ltd.
IREIT Global Group Pte. Ltd.

Past Directorships (over the last five years)
Neurovision Pte. Ltd.
IREIT Global Management Pte. Ltd.
Danir Financial Services Pte. Ltd.
Isela Pte. Ltd.

Mr Tong Jinquan

Non-Executive Director

Mr Tong has over 20 years of experience in property investment, property development and property management in the People's Republic of China. He is the founder and Chairman of the Summit Group and the Chairman of Summit Property Development Co., Ltd. Having established Summit Group in 1994, he has been responsible for overseeing the growth of Summit Group which, as at 31 December 2013, had total assets of RMB 64.9 billion.

Mr Tong's experience through Summit Group encompasses industrial, commercial and residential investments, investment management, trading, property development, hotel management, property management, business consultancy, convention and exhibition services, goods export and technology import, software services and maintenance of office equipment.

Summit Group holds and operates a total of 943,800 square metres ("sqm") of commercial properties in Shanghai. These include two five-star and four four-star hotels, with a total of 4,500 hotel rooms, including Rayfront Hotel and Apartment, Longemont Hotel and Rayfront Hotel – Nanpu, six serviced apartments, four office buildings and one shopping mall, Cloud Nine Shopping Mall. Summit Group also owns a total of 7.15 million sqm of properties outside Shanghai, comprising one project of approximately 4 million sqm in Shenyang, four projects of approximately 1 million sqm in Chengdu and one project of approximately 600,000 sqm in Anshan City.

Board of Directors

Mr Tong also holds an indirect interest in the manager of Viva Industrial Real Estate Investment Trust and the trustee-manager of Viva Industrial Business Trust, which are responsible for managing Viva Industrial Trust, a stapled group listed on the SGX-ST in November 2013.

Current Directorships

Shanghai Summit Pte. Ltd.
Wealthy Fountain Holdings Inc.
Starray Global Limited
Total Succeed Ventures Limited
Skyline Horizon Consortium Ltd
Viva Investment Management Pte. Ltd.
Maxi Capital Pte. Ltd.
New Century Asset Management Limited
Longemont Real Estate Pte. Ltd.
The Longemont (Hongkong) Management Limited
上海长峰(集团)有限公司
上海长泉物业管理所
上海长峰房地产开发有限公司
上海龙之梦酒店管理有限公司
上海瑞峰酒店管理有限公司
上海南峰房地产开发有限公司
沈阳长峰房地产开发公司
上海汇峰房地产开发有限公司
上海鼎繁酒店管理有限公司
上海鼎荣酒店管理有限公司
上海鼎富酒店管理有限公司
上海鼎强酒店管理有限公司
上海馨峰酒店管理有限公司
上海鼎园酒店管理有限公司
上海新峰投资有限公司
上海长峰酒店管理有限公司
上海龙之梦购物中心管理有限公司
上海龙之梦龙兴百货有限公司
上海龙之梦龙盛超市有限公司
上海龙之梦百货有限公司
上海龙之梦广告有限公司
上海长峰物业管理有限公司
沈阳畅峰房地产开发有限公司
沈阳轩峰房地产开发有限公司
沈阳景峰房地产开发有限公司
沈阳霓峰房地产开发有限公司
沈阳虹峰房地产开发有限公司
沈阳瀚峰房地产开发有限公司
沈阳龙之梦置业有限公司
沈阳龙之梦物业有限公司
沈阳浩峰房地产开发有限公司
沈阳龙之梦购物中心有限公司
沈阳龙之梦超市有限公司
沈阳龙之梦家居有限公司
沈阳龙之梦数码有限公司
沈阳龙之梦雅仕时尚百货有限公司
沈阳龙之梦百味餐饮管理有限公司
沈阳龙之梦游乐管理有限公司
沈阳雅仕酒店管理有限公司
沈阳鹏瑞利长峰购物中心有限公司
沈阳鹏瑞利长峰家居有限公司
鞍山龙之梦长峰房地产开发有限公司
鞍山龙之梦置业有限公司
鞍山龙之梦购物中心置业有限公司
成都长峰房地产开发有限公司
成都晓峰商业置业有限公司
成都汇峰商业置业有限公司
成都瑞峰商业置业有限公司
杭州龙之梦实业投资有限公司
西安铁路北客站广场建设运营有限公司
Ruifeng 1 Pte. Ltd.
Ruifeng 2 Pte. Ltd.
上海璟峰房地产开发有限公司
鞍山龙之梦轩峰房地产开发有限公司
上海龙之梦餐饮管理有限公司
IREIT Global Group Pte. Ltd.

Past Directorships (over the last five years)

上海凯峰房地产开发有限公司
上海碧峰房地产发展有限公司
上海岳峰置业有限公司

Board of Directors

Mr Ho Toon Bah
Non-Executive Director

Mr Ho has more than 20 years of experience in the banking and real estate industry. He is currently an Executive Director of Soilbuild Construction Group Ltd, a general construction group with three decades of operating history. He supports the strategic growth of the company's operations, and drives the development and execution of its business strategies. His responsibilities also include capital management, human resources and investor relations. From 2009 to 2013, he served as an Executive Director of Soilbuild Group Holdings Ltd. He is also currently a Non-Executive Director of Soilbuild Business Space REIT.

Prior to joining Soilbuild Group, he held different senior management roles in Standard Chartered Bank and United Overseas Bank. His latest appointment was Head of Consumer Banking of Standard Chartered Bank, Malaysia.

Current Directorships
SB REIT Management Pte. Ltd.
Solstice Development Pte. Ltd.
Forte Builder Pte. Ltd.
Europtronic Group Ltd
Soil-Build (Pte.) Ltd.
SB Procurement Pte. Ltd.
SB Project Services Pte. Ltd.
Soilbuild Construction Group Ltd.
Soilbuild (Myanmar) Co. Ltd.
Soilbuild Construction International Pte. Ltd.
Soilbuild Construction Engineering Pte. Ltd.
Soilbuild E&C Pte. Ltd.
IREIT Global Group Pte. Ltd.

Past Directorships (over the last five years)
Soilbuild Group Holdings Ltd

Academic & Professional Qualifications
Chartered Financial Analyst (CFA)
Bachelor of Business Administration Degree, National University of Singapore.

Mr Itzhak Sella
Executive Director and Chief Executive Officer

Mr Sella has more than 25 years of international real estate experience, including establishing a REIT in Israel. He has been involved in over US$2 billion worth of real estate acquisitions. He was instrumental in the development of the REIT market and framework in Israel, while serving as Managing Director of Steer Up Investments Ltd. This included supporting the introduction of the REIT legislation in Israel in 2006 and creating the relevant financial models and advising the Israeli government officials on the legal and tax implications of the REIT structure.

From 2004 to 2006, as Managing Director of Steer Up Investments Ltd, he oversaw the acquisition of Aspen Building Ltd., Aspen Properties (1990) Ltd. and Aspen Real Estate Ltd. (the "Aspen Group"), a public real estate group with properties in Israel and Europe, including logistics, retail and office properties in Germany, Switzerland and the Netherlands.

In November 2006, he founded Sella Capital Investments Ltd as the REIT manager for Sella Capital Real Estate Ltd, an Israel-based REIT. He was responsible for bringing in partners and investors from the Israel capital markets to purchase the initial real estate portfolio in Israel, comprising office and logistics properties. In 2008, despite the global financial crisis, he led Sella Capital Real Estate Ltd through a successful initial public offering on the Tel Aviv Stock Exchange. Under his management, Sella Capital Real Estate Ltd tripled its growth in real estate acquisitions within three years.

Mr Sella left the direct management of Sella Capital Investments Ltd in 2011 and continues to be a non-executive director.

Mr Sella has been involved in the Israeli and European real estate market since 1994. From 1996 to 2004, he was Executive Vice-President of Sales and Marketing of Amot Investments Ltd, one of the largest real estate holding companies in Israel and which is listed on the Tel Aviv Stock Exchange.

Board of Directors

Mr Sella started his real estate career in the United States in 1988, where he was certified as a Real Estate Agent by the Maryland Association of Realtors and in 1990 as a Maryland Board certified Broker. He also served as an external advisor to a private REIT in the Washington, D.C. area in the United States.

Current Directorships

Sella Capital Investments Ltd
IDOMY Ltd
IREIT Global Management Pte. Ltd.
IREIT Global Holdings Pte. Ltd.
IREIT Global Holdings 1 Pte. Ltd.
IREIT Global Holdings 2 Pte. Ltd.
IREIT Global Holdings 3 Pte. Ltd.
IREIT Global Investments Pte. Ltd.
IREIT Global Investments 1 Pte. Ltd.
IREIT Global Investments 2 Pte. Ltd.
IREIT Global Investments 3 Pte. Ltd.
Sella Holdings Pte. Ltd.
IREIT Global Group Pte. Ltd.

Past Directorships (over the last five years)

Sella Capital Real Estate Ltd
Laughing Rock 1 B.V.
Laughing Rock 2 B.V.
Laughing Rock 3 B.V.
Laughing Rock 4 B.V.
Laughing Rock 5 B.V.
Laughing Rock 6 B.V.
Laughing Rock 7 B.V.
Laughing Rock 8 B.V.
Laughing Rock 9 B.V.
Laughing Rock 10 B.V.

Summary of Board of Directors

Name of Directors	Date of first appointment	Nature of Appointment	Membership of Board Committee	Directorship/Chairmanship both present and those held over the preceding three years in other listed companies and other major appointments
Lim Kok Min, John	14 July 2014	Independent Non-Executive Director	Member of Audit and Risk Committee	Boustead Projects Ltd Boustead Singapore Limited Silverlake Axis Limited
Tan Wee Peng Kelvin	14 July 2014	Independent Non-Executive Director	Chairman of Audit and Risk Committee	Viking Offshore and Marine Limited WE Holdings Ltd. Soilbuild Group Holdings Ltd
Nir Ellenbogen	5 December 2013	Independent Non-Executive Director	Member of Audit and Risk Committee	None
Tong Jinquan	14 July 2014	Non-Executive Director	None	New Century Asset Management Limited
Ho Toon Bah	17 February 2015	Non-Executive Director	None	Soilbuild Construction Group Ltd. Soilbuild Group Holdings Ltd
Itzhak Sella	22 November 2013	Executive Director and Chief Executive Officer	None	Sella Capital Real Estate Ltd

Management Team

Left to right:

Mr Choo Boon Poh
Mr Itzhak Sella
Mrs Jeremy Adina Bard Cooper

Mr Itzhak Sella

Chief Executive Officer

Please refer to his profile under the Board of Directors on page 13.

Mrs Jeremy Adina Bard Cooper

Chief Investment Officer and Asset Manager

Mrs Cooper has more than 25 years' experience in the real estate industry and has been involved in over €1 billion in European real estate transactions. She has pan-European experience including the real estate markets of Western, Central and Eastern Europe.

Management **Team**

Since 2011, she established the European operations for the Manager and served as CEO Europe of IREIT Global Management Pte. Ltd. prior to the listing of IREIT Global on the SGX-ST.

From 2008 to 2013, she served as the CEO of The International Institute of Real Estate Valuation (A.C.) Ltd., which is an international valuation and investment advisory firm. In this capacity she also acted as an advisor to the Israel Securities Authority as an expert on international real estate valuation. From 2008 to 2010, Mrs Cooper joined the European Board of Colliers International. During this period, she worked with corporations and regulators in rationalising real estate valuation policy and investment processes.

From 1995 to 2010, she was a Partner and Managing Director in Natam Colliers International, where she ran the international real estate operations for the firm from its Israeli headquarters. There, she grew the company into a leader in corporate real estate solutions, serving the real estate arms of companies such as Google, Yahoo and Computer Associates. During this time, she was active in real estate investments globally, with a focus on the US and Western and Central Europe.

Academic & Professional Qualifications

Bachelor of Arts, University of California, Berkeley

Certification in Real Estate Law and Consultancy, University of Tel Aviv

Diploma in Valuation and Real Estate Management, Technion Israel Institute of Technology

Member of the Royal Institution of Chartered Surveyors – Registered Valuer

Israel Ministry of Justice – Registered Valuer

Mr Choo Boon Poh

Chief Financial Officer and Head of Investor Relations

Mr Choo has more than 15 years of experience in audit, banking and corporate finance-related work. From 1998 to 2009, he was with BNP Paribas Capital (Singapore) Ltd., where he served in various positions. His last position held there was Director, Corporate Finance, South East Asia. In his role as a senior member of the corporate finance origination and execution team covering South East Asia, he successfully completed numerous domestic and cross-border mergers and acquisitions. Focusing mainly on the real estate sector and REIT transactions, he and his team successfully launched several initial public offerings of REITs in Singapore.

From 1994 to 1998, he was a supervisor with Price Waterhouse (now known as PricewaterhouseCoopers) in Singapore, where he led the financial audits of several high profile corporations and public listed companies. At PricewaterhouseCoopers, he was also involved in transactions services including operational audits, due diligence reviews and special assignments for various corporates.

Academic & Professional Qualifications

Bachelor of Accountancy (First Class Honours), Nanyang Technological University

Chartered Accountant of Singapore

Chartered Financial Analyst (CFA)

Financial and Capital **Management Review**

FINANCIAL HIGHLIGHTS

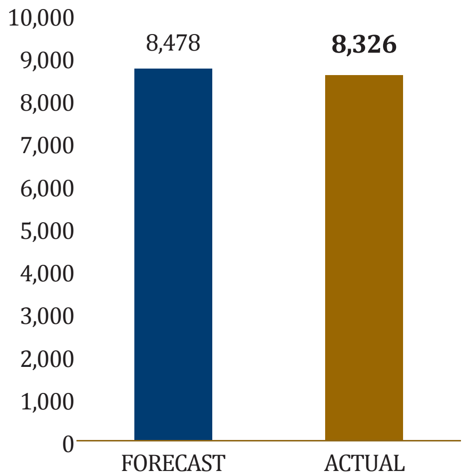
(€'000)	For the period from 1 November 2013 (constitution date) to 31 December 2014[1]		
	Forecast[2]	Actual[1]	Variance (%)
Gross revenue	8,478	8,326	(1.8)
Net property income	7,511	7,525	0.2
Distributable income	6,381	6,417	0.6
Available distribution per unit			
– € cents	1.52	1.53	0.7
– S$ cents	2.55	2.57	0.8

Notes:

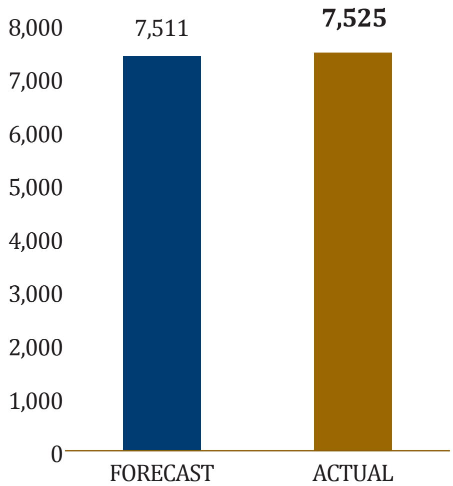
1 IREIT was constituted as a private trust on 1 November 2013 under a trust deed but was dormant until it completed the acquisition of the properties and the initial public offering on 13 August 2014 (the "Listing Date"). As such, the financial statements of IREIT incorporated the financial results of IREIT from the Listing Date to 31 December 2014.

2 The forecast results for the period from the Listing Date to 31 December 2014 were derived from the prospectus of IREIT dated 4 August 2014 (the "Prospectus") and have been pro-rated for the 141 days in the period.

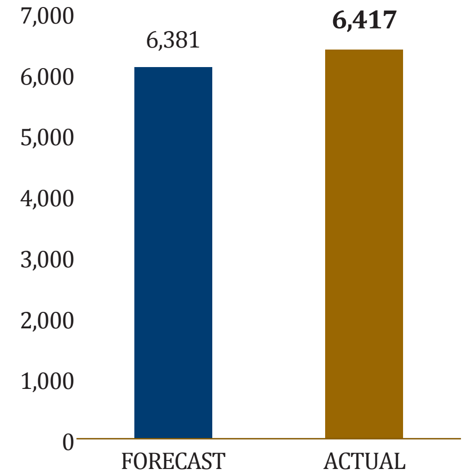
GROSS REVENUE €'000



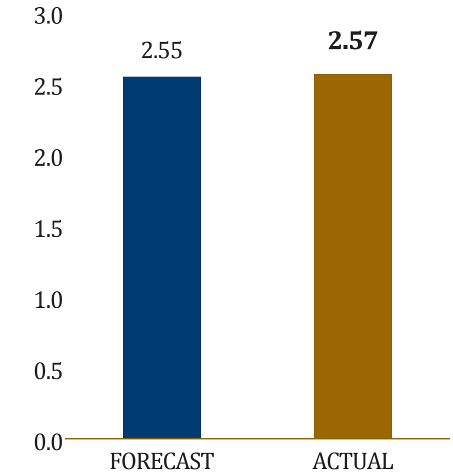
NET PROPERTY INCOME €'000



DISTRIBUTABLE INCOME €'000



DISTRIBUTION PER UNIT S$ cents



Financial and Capital Management Review

AS AT 31 DECEMBER 2014

INVESTMENT PROPERTIES (€'000)
290,600

TOTAL ASSETS (€'000)
306,514

TOTAL DEBT (€'000)
96,594

TOTAL LIABILITIES (€'000)
106,540

NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (€'000)
199,974

NAV PER UNIT (€/unit)
0.48[1]

GEARING RATIO[2]
31.5%

EFFECTIVE INTEREST RATE
2.1% PER ANNUM

INTEREST COVER RATIO[3]
13 TIMES

Notes:

1) The NAV per Unit is computed based on the Units in issue and to be issued as at 31 December 2014 of 420,501,706
2) Based on total debt over total assets as at 31 December 2014
3) Based on net operating income over interest expense for the period from the Listing Date to 31 December 2014

IREIT's inaugural financial reporting is for the period from 13 August 2014 to 31 December 2014. For this financial period, IREIT reported income distribution to Unitholders of €6.4 million which was in line with forecast.

DPU of S$0.0257 was marginally higher than forecast. IREIT was forecasted to pay an annualised distribution yield of 7.6% for the period from 13 August 2014 to 31 December 2014 based on the IPO offer price of S$0.880. Based on the closing price of S$0.770 as at 24 March 2015 (being the latest practicable date prior to the publication of this Annual Report), IREIT was trading at an annualised distribution yield of 8.6%.

BORROWINGS

IREIT has in place a 5-year secured term loan facility (the "Facility"). The Facility was drawn down in an amount of €96.6 million as part payment for the acquisition of the properties.

The Facility bears fixed interest rates throughout the tenure of the Facility and the average effective interest rate of the Facility including the amortisation of the debt upfront transaction costs is approximately 2.1% per annum until the maturity date of the Facility.

The loan amount drawn down under the Facility is repayable on a bullet basis in 2019 and is secured on IREIT's existing properties, the assignment of rental proceeds and a fixed charge over the rent and deposit accounts related to the existing properties.

GEARING

As at 31 December 2014, IREIT has gross borrowings of €96.6 million, representing a gearing ratio of approximately 31.5%.

HEDGING

IREIT has entered into forward foreign currency exchange contracts to hedge the currency risk for distribution to Unitholders. The distributable income for the period from 13 August 2014 to 31 December 2014 was fully hedged at an average exchange rate of approximately S$1.68 per Euro.

IREIT has also hedged the distributable income for 2015 at an average exchange rate of approximately S$1.55 per Euro. When and if appropriate, the Manager may enter into hedging transactions in respect of distributions for future periods.

As at 31 December 2014, IREIT's exposure to derivatives related to the forward foreign currency exchange contracts represents a negligible percentage of its net assets and market capitalisation. The fair value of the derivatives as at 31 December 2014 is disclosed under Note 6 on pages 84 and 85 of this Annual Report.

	%	Average Hedge Rate
Distributable Income 2014	100	EUR/SGD 1.68
Distributable Income 2015	100	EUR/SGD 1.55

Portfolio **Summary**

TOTAL NET LETTABLE AREA (sqm)
121,506

CAR PARK SPACES
2,945

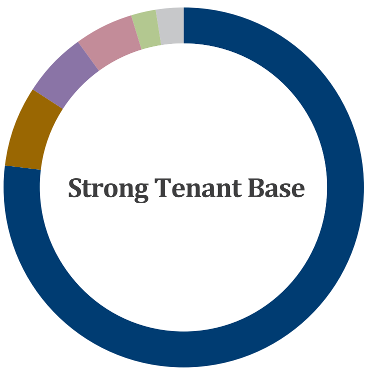
NUMBER OF TENANTS
13

NUMBER OF PROPERTIES
4

TRADE SECTOR[1]

- Telecommunications (77.2%)
- Banking & Finance (5.2%)
- Real Estate (5.8%)
- Others (2.5%)
- IT & Electronics (9.3%)

TOP 5 TENANTS[1, 2]



- Deutsche Telekom (77.2%)
- Ebase (5.2%)
- ST Microelectronics (7.1%)
- Yamaichi (2.2%)
- Allianz (5.8%)
- Others (2.5%)

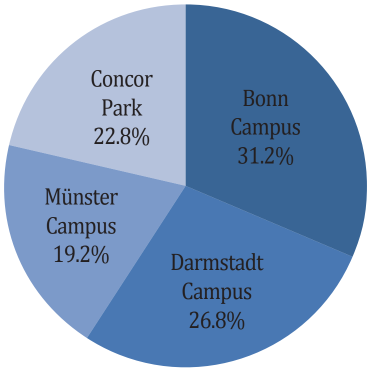
[1] By total Gross Rental Income for the financial period ended 31 December 2014
[2] As IREIT only has 13 tenants, it would not be meaningful to present top 10 tenants. Tenants below the top five contribute less than 1% of gross rental income to the portfolio.

Portfolio **Summary**

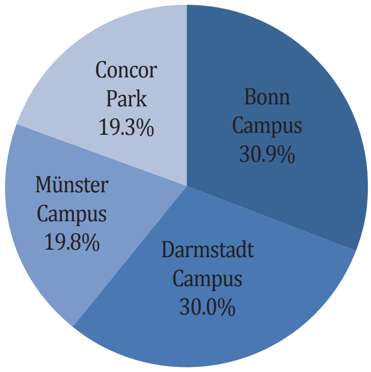
	Bonn Campus	Darmstadt Campus	Münster Campus	Concor Park	IREIT
Date of Building Completion	2008	2007	2007	1978 and refurbished in 2011	
Purchase Price (€ million)	99.5	74.1	50.9	58.6	283.1
Vendor	TC Bonn Objektgesellschaft mbH & Co. KG	TC Darmstadt Objektgesellschaft mbH & Co. KG	TC Münster Nord Objektgesellschaft mbH & Co. KG and TC Münster Süd Objektgesellschaft mbH & Co. KG	Münchner Grand Immobilien Bauträger AG	
Book Value / Valuation as at 31 Mar 2014 (€ million)	100	74.1	50.9	59.1	284.1
Book Value / Valuation as at 31 Dec 2014 (€ million)	100	80.3	49.8	60.5	290.6
Gross Rental Income for the period ended 31 Dec 2014 (€ million)	2.2	1.9	1.3	1.6	7.0
% of Total Gross Rental Income (%)	31.2	26.8	19.2	22.8	100
Occupancy Rate as at 31 Dec 2014 (%)	100	100	100	100	100
Weighted Average Lease Expiry ("WALE") (by gross rental income) as at 31 Dec 2014 (years)	8.3	7.9	4.8	4.7	6.7
Land Tenure	Freehold	Freehold	Freehold	Freehold	
Number of Tenants	1	1	1	12	13
Major Tenants	GMG, a wholly-owned subsidiary of Deutsche Telekom	GMG, a wholly-owned subsidiary of Deutsche Telekom	GMG, a wholly-owned subsidiary of Deutsche Telekom	ST Microelectronics, Allianz, Ebase, Yamaichi	

Portfolio Summary

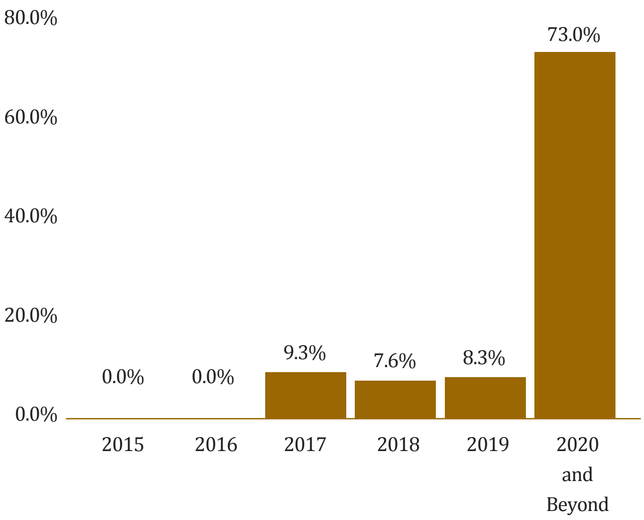
GROSS RENTAL INCOME BY PROPERTY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014



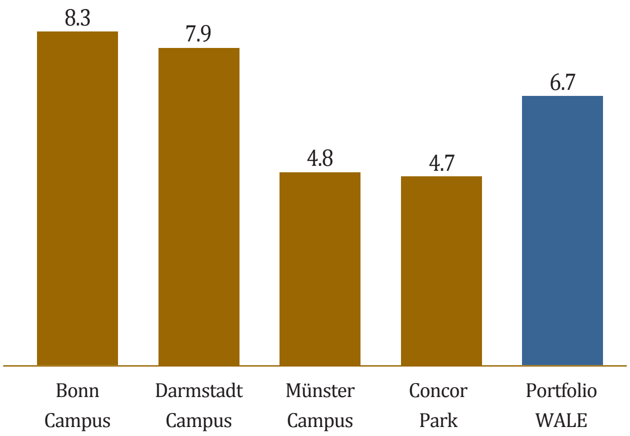
NET PROPERTY INCOME BY PROPERTY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014



LEASE EXPIRY[1]
AS AT 31 DECEMBER 2014

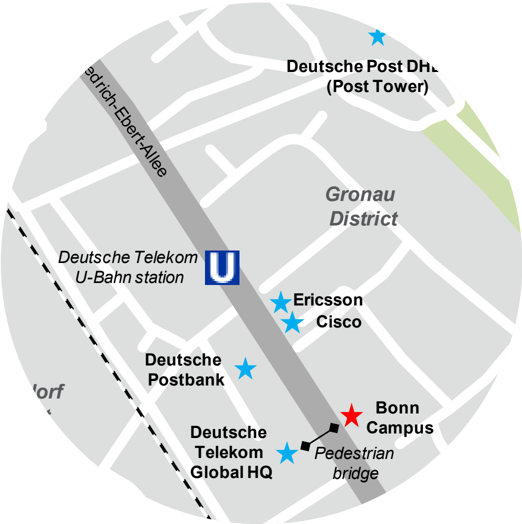


PORTFOLIO WITH WALE OF 6.7 YEARS[1]
NO. OF YEARS



1) By Gross Rental Income as at 31 December 2014

BONN CAMPUS



- Located in Bundesviertel (federal quarter), the prime office area within the city
- Directly opposite and linked to the global headquarters of Deutsche Telekom, underscoring its importance to the Deutsche Telekom Group
- Four U-shape office buildings with two-, four- or six- storey that are able to function as independent self-contained buildings, with subdivision flexibility
- High standard of office accommodation and building specification with extensive and state of the art technical equipment

AS AT 31 DECEMBER 2014

GROSS RENTAL INCOME

€2.2 million

TOTAL NET LETTABLE AREA (sqm)

32,736

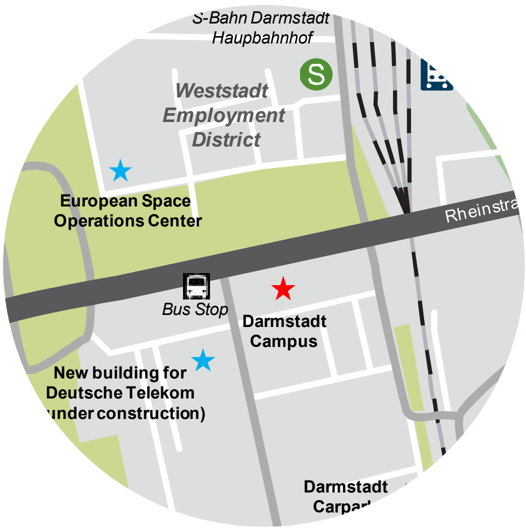
CAR PARK SPACES

656

OCCUPANCY

100%

DARMSTADT CAMPUS



AS AT 31 DECEMBER 2014

GROSS RENTAL INCOME
€1.9 million

TOTAL NET LETTABLE AREA (sqm)
30,371

CAR PARK SPACES
1,189

OCCUPANCY
100%

- Darmstadt is the city with the largest concentration of Deutsche Telekom offices outside Bonn
- Approximately 30 kilometres ("km") from Frankfurt
- Located in the TZ Rhein Main Business Park, one of the largest and most modern business parks in the city
- Six connected five- and seven-storeys office buildings in the shape of a double-H, with subdivision flexibility
- Highly specified modern open plan office
- Includes a modern multi-story car park building with a total of 826 spaces

MÜNSTER CAMPUS

- Located in Zentrum Nord, one of the largest office locations in Münster and approximately 2.5 km to the city centre
- One of the few high-quality office assets with a large lot size in the Münster office market
- Comprises North and South components of two six-storey office buildings, and a separate car park building
- Floor plates of modern configuration with high quality finishing and fit-out specification

AS AT 31 DECEMBER 2014

GROSS RENTAL INCOME
€1.3 million

TOTAL NET LETTABLE AREA (sqm)
27,183

CAR PARK SPACES
588

OCCUPANCY
100%

CONCOR PARK

AS AT 31 DECEMBER 2014

GROSS RENTAL INCOME

€1.6 million

TOTAL NET LETTABLE AREA (sqm)

31,216

CAR PARK SPACES

512

OCCUPANCY

100%

- First redevelopment project in Germany to have received the Green Building Silver Certificate from the Germany Society for Sustainable Building in July 2014
- Located in the commercial area of Aschheim-Dornach, within a large business park
- Located 10 km from Munich City Centre and 4 km from Messe Munchen International Exhibition Centre
- Five-storey building with three wings, with independent entrances
- Fully refurbished in 2011 with modern fit-out

German Market Review

QUICK FACTS

Population (as at 30 June 2014)	80.9 million
GDP 2014	€3.5 trillion
GDP Growth Rate 2014	1.6%
Unemployment (as at January 2015)	4.8%
Inflation (CPI) (2014)	0.9%

Source: www.destatis.de

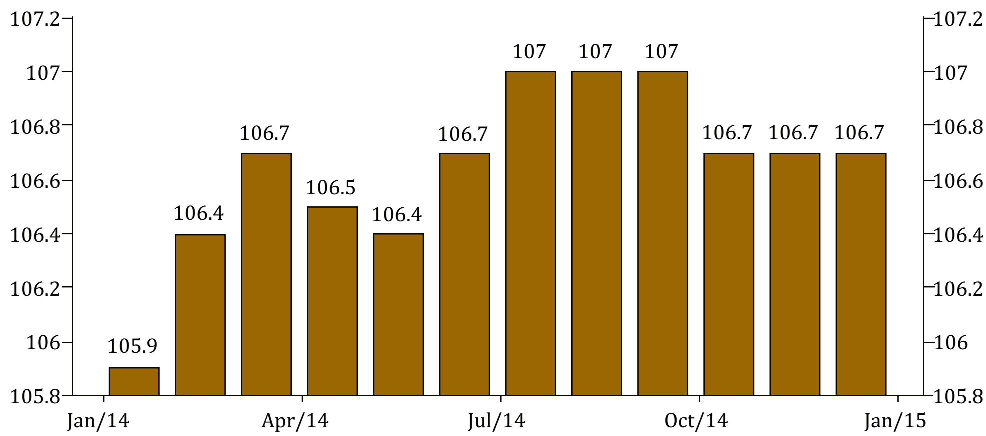
ECONOMIC OVERVIEW

Germany's economy has remained very resilient, despite certain European wide economic indicators. In 2014, Germany's GDP recorded an increase of 1.5%[1]. In the last quarter of 2014, the increase in GDP was predominantly backed by domestic demand and consumer spending which rose by 1.1% year-on-year. In addition to this, government spending was 1% higher year-on-year. German companies invested 3.7% more in plant, machinery and vehicles while construction spending also rose by 3.4%. Moreover, the balance of imports and exports also contributed to the rosy economic outlook with an increase of 0.4% growth in GDP in 2014. This was largely due to the exports of goods and services which recorded a price adjusted uplift of 3.7% year-on-year while imports increased by 3.3%.

CONSUMER PRICE INDEX (CPI)

The consumer price index in Germany increased by 0.9% in 2014 compared to 2013. The Federal Statistical Office (Destatis) reported that the increase on a year-on-year basis has been declining since 2011 (2011: +2.1%; 2012: +2.0%; 2013: +1.5%). A month-on-month comparison, for the three consecutive months from October to December 2014 showed that the CPI has remained unchanged. This can be attributed to the decline in the prices of energy products, consumables and electronic products.

GERMANY CONSUMER PRICE INDEX (CPI)



1. Based on Bloomberg's article, Germany lifts Economic Outlook as Oil, QE Spell Stimulus dated 28 January 2015.

German
Market Review

GERMAN OFFICE MARKET
Strong Office Leasing Activity in Germany

The latest figures from Colliers International Research Germany showed an increased take up rate in the fourth quarter in 2014 in the German office leasing market. Approximately 3 million square metres ("sqm") of office space was leased in the seven key German real estate hubs: Berlin, Düsseldorf, Frankfurt, Hamburg, Cologne, Munich and Stuttgart.

While the office markets in Berlin, Hamburg, Cologne, Munich and Stuttgart all reported an increase in leasing in 2014 compared with 2013, office take up dropped in Frankfurt and Düsseldorf. The reason for this has been identified as the lack of availability of large-scale leasing deals in Frankfurt and Düsseldorf.

Berlin is undoubtedly the market leader at this time. With a total take-up of over 700,000 sqm, an increase of 27% when compared to the previous year, Berlin proved to be the most robust office market. The strong take-up was primarily driven by demand from occupiers from the IT and consulting industries which accounted for approximately one-third of the total take-up.

Munich came in second with a total take-up of 620,900 sqm, an increase of approximately 4% year-on-year. The high demand was largely driven by an increase in lettings rather than take-up by owner occupiers. Hamburg recorded a take-up of approximately 525,000 sqm in 2014, an increase of 19% year-on-year.

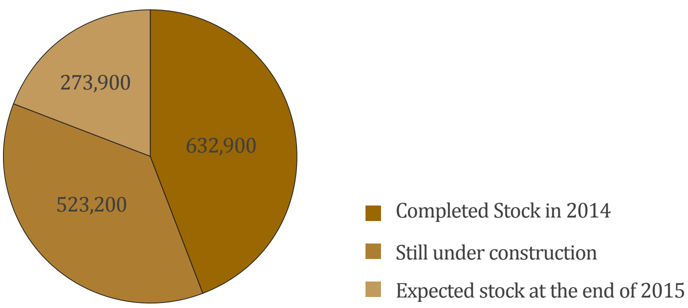
In Stuttgart, the take up was recorded at 278,900 sqm, an increase of 8% year-on-year and in contrast to the other major hubs was driven completely by owner occupiers. The largest owner occupier transaction recorded was for Daimler AG, who purchased 40,000 sqm.

The occupier market in Cologne continued to be fairly stable with a take-up of 269,000 sqm. Frankfurt recorded a decline in take-up of 18% at approximately 367,500 sqm. The majority of transactions in the city related to smaller office suites, and there were no significant transactions on a large scale. The largest decline was recorded in Düsseldorf. A total take-up of 241,000 sqm signified a decrease of 30% year-on-year. While the number of lettings in the city increased by 10%, the majority of transactions related to smaller office suites.

SUPPLY OF NEW OFFICE SPACE

In 2014, the total amount of stock under construction was approximately 1.43 million sqm. Approximately 44% of the total office stock under construction was completed in five key cities, namely Berlin, Dusseldorf, Frankfurt, Munich and Hamburg[1].

Office stock under construction in 2014



Source: Cushman & Wakefield LLP

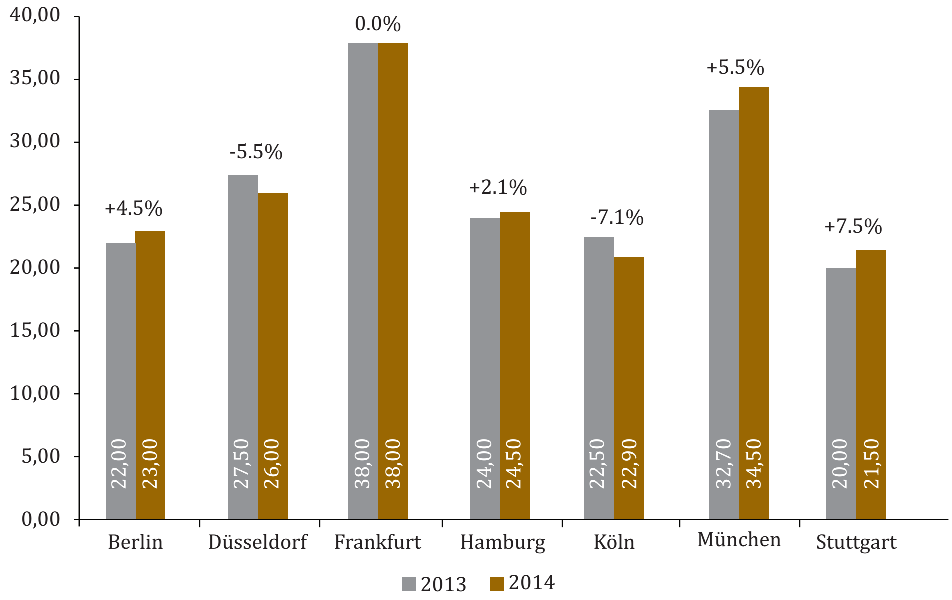
[1] Based on Cushman & Wakefield LLP

German
Market Review

PRIME AND AVERAGE RENTS

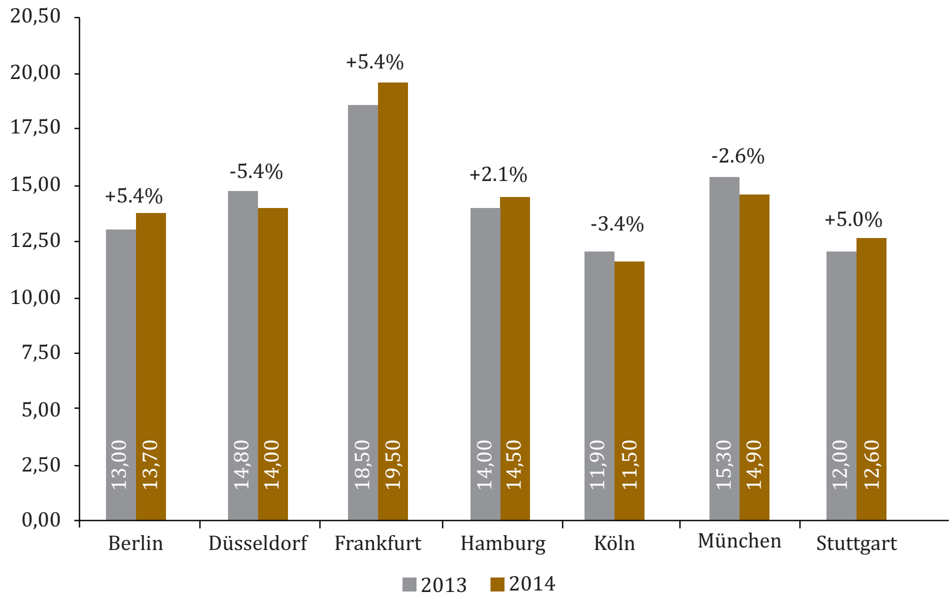
In nearly all the office locations, prime rents have improved or remained stable with a reduction in prime rent recorded in only two markets. Developments in average rents in the top leasing markets were fairly similar.

Prime Rents (€/sqm)



Source: Colliers International

Average Rents (€/sqm)



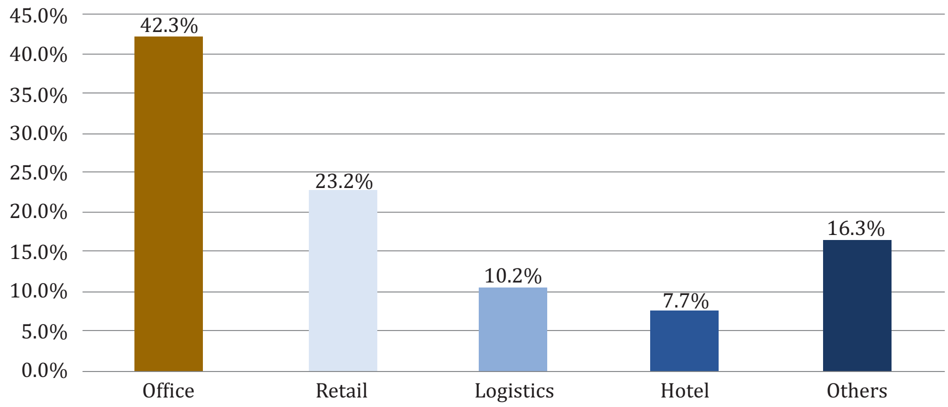
Source: Colliers International

German Market Review

INVESTMENTS IN 2014

The favourable financing environment, low interest rates, massive liquidity, and Germany's overall stable economic status, were the main reasons for the increase in real estate investment.

Top Sector in 2014: Office property sector



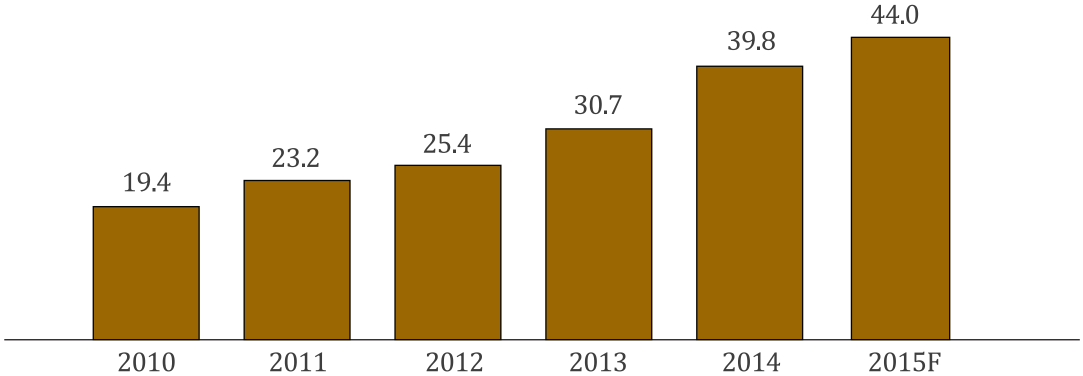
Source: BNP Paribas Real Estate – Investment Market Germany – Property Report 2015

The Office property sector investment transactions accounted for €5.85 billion in the fourth quarter and the yearly volume hit €17.7 million, accounting for 42.3% of total investment activity across all sectors. Office properties that are well-located, and contemporary in appearance and layout continue to be favoured by investors. The fall in the net initial yield for all asset classes in most of the major locations in 2014 was triggered by the increase in demand and relaxed rules on borrowings.

The investment market in Germany grew significantly in 2014. Approximately €14 billion of real estate investments were processed in the fourth quarter of 2014 which helped end the year with a total transaction volume of €39.8 billion[1]. The largest increase in investment volume was partially driven by the high proportion of portfolio transactions.

The total investment in portfolios amounted to €12.4 billion which is a third of the total investment volume and a 57% increase year-on-year. International investors continue to drive the market and expand their market share. In 2014, international investors spent over €17 billion which translates to an increase of 86% in the total investment volume. Among some of the major transactions in 2014 were the sale of the Leo I portfolio and the Portigon portfolio for approximately €350 million[2].

Commercial Transaction Volume in Germany (€ billions)

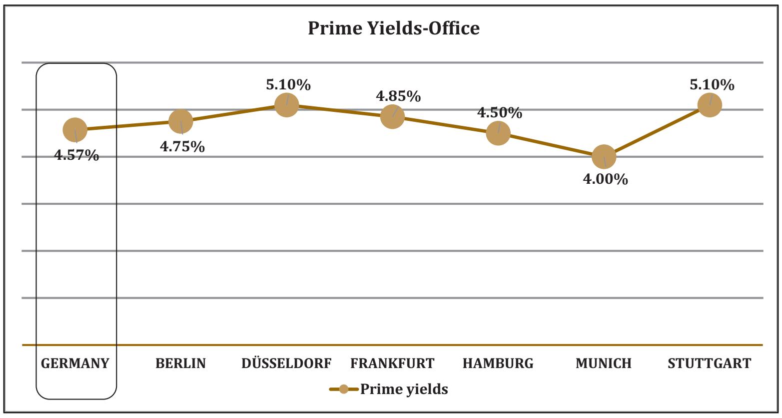


Source: Colliers International – Germany Office Letting and Investment – Market Report 2014/2015

1) Colliers International – Germany Office Letting and Investment – Market Report 2014/2015

2) NAI Apollo Group Investment Market Germany Q1 2014 report

German Market Review



Source: Colliers International

SECONDARY CITIES AND IREIT'S PORTFOLIO

According to a Deka Bank report from December 2014 and cited by Colliers International, many of the leading locations for real estate in Germany are held by the secondary cities. The survey included cities with populations of more than 200,000. Among the cities surveyed, which included the big A cities such as Munich, Bonn was ranked seventh and Munster eleventh as the most attractive places for real estate. Munich retained the number one spot. Darmstadt's population fell below the 200,000 mark and was therefore not included in the survey, however market indicators showed that Darmstadt is also a leading and vibrant real estate market in Germany.

Colliers International reported that Darmstadt has had strong leasing and investment activity during 2014, with an increase in take-up of 40% year on year. It was also reported that most of the take-up was due to leasing as opposed to purchasers. It is important to note that 80% of the letting is attributed to second-hand rather than newly built properties. The vacancy rate in Darmstadt remains low at 3.6%. Most of the newly built offices have been pre-let including the Deutsche Telekom Building in the TZ Rhein Main business park. In general Colliers reports that office rents are stable, with a slightly downward trend in the average rental price due to the extensive number of second hand lettings of varying quality.

Bonn and its Federal Quarter have shown a very strong market performance for 2014. Colliers International reported that there were seven significant lease transactions of between 2,000 and 4,100 sqm during 2014 in a current market where most lettings are to smaller tenants less than 500 sqm. The most popular location was the Federal District, which absorbed 45% of the 37,500 sqm let during 2014. Colliers International reports that office rents in Bonn are stable and vacancy remains low at 3.9%.

According to Colliers International the Munster office market has remained stable. The letting market remains the bastion of local and regional companies. The data on exact vacancy levels has not been reported, however IREIT estimates that the overall vacancy remains low at circa 5%. Significant building starts and developments have not been reported in the area except for the Induna property which was built in the 1960's and is slated for redevelopment during the coming years.

MARKET OUTLOOK FOR 2015

According to Colliers International, 2014 ended with a transaction volume just above the ten year average. As uncertainty continues to loom in Europe and the slowing down in the German economy, analysts are expecting a stable performance of the office occupational market in 2015. The market is anticipating that occupiers may delay relocations or large scale lettings. However, as construction activity in the sector remains at a very low level, vacant office stock will likely continue to decrease.

Cushman & Wakefield LLP's Marketbeat Office Snapshot Report for Q4 2014 has forecast that the office take-up levels in 2015 will probably match, if not exceed, those of 2014. The demand is backed by positive growth in the employment market and a high number of office leases expiring in 2015. The same report also mentioned that falling vacancy rates should boost higher investment volumes in 2015 as investors compete for the best assets, while the same occupiers may opt for more cost-effective opportunities in secondary markets due to the expected increase in prime rents.

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IREIT Global ("IREIT") is a trust constituted by a deed of trust (as amended, the "Trust Deed") entered into between IREIT Global Group Pte. Ltd., as manager of IREIT (the "Manager"), and DBS Trustee Limited, as trustee of IREIT (the "Trustee").

It is the duty and responsibility of the Manager to uphold high standards of corporate governance. The Manager believes that it has good corporate governance in place as there is proper oversight, good communication, a focus on risks and a commitment to transparency.

The Board of the directors of the Manager (the "Board") has ensured that the Manager has implemented corporate governance policies and industry best practices to protect IREIT's assets and the interests of IREIT's unitholders ("Unitholders") while enhancing and delivering value to its Unitholders. The Manager is committed to uphold the standards stipulated in the Code of Corporate Governance 2012 (the "Code"). The Manager also ensures that all applicable requirements, laws and regulations are duly complied with, which include, but are not limited to, the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), the Listing Manual of Singapore Exchange Securities Trading Limited (the "SGX-ST") (the "Listing Manual"), Appendix 6 to the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the "MAS") (the "Property Funds Appendix"), the Code on Collective Investment Schemes issued by the MAS, (the "CIS Code") and the Trust Deed.

The Manager is responsible for managing IREIT's investments and liabilities as well as carry out strategic expansion plans for the benefit of Unitholders. The Manager's investment strategy is detailed and defined in pages 47 to 50. The property manager's performance is also under the care of the Manager to ensure that it meets the objectives pursuant to the property management agreement. The Manager has been issued a capital market services licence ("CMS Licence") by the MAS on 1 August 2014 to carry out REIT management under the SFA. Under its CMS Licence, the Manager appoints certain of its officers, staff and contractors as its representatives to conduct the same regulated activities on its behalf.

This report is focused on providing insights on the Manager's corporate governance framework and practices in compliance with the Code. Although IREIT is a listed REIT, not all principles of the Code may be applicable to IREIT and the Manager. Any deviations from the Code are explained.

BOARD MATTERS

The Board's Conduct Of Affairs

Principle 1: *An effective Board to lead and control the Manager*

The Board is collectively responsible for the long term success of IREIT. The Board works with management of the Manager who remains accountable to the Board for the achievement of this objective.

The Board is responsible for the overall corporate governance of the Manager, to lead and to supervise the management of the business and affairs of the Manager. The prime stewardship responsibility of the Board is to ensure that IREIT is managed in the best interest of all stakeholders, which includes protecting IREIT's assets and Unitholders' interests and enhancing the value of Unitholders' investment in IREIT.

The functions of the Board are defined broadly as follows:

- To guide the corporate strategy and directions of the Manager

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- To ensure that senior management discharges business leadership and demonstrates the highest quality of management skills with integrity and enterprise; and
- To oversee the proper conduct of the Manager.

The Board oversees a system of internal controls and business risk management processes that set the guidelines which govern matters reserved for the Board's decision and approval including approval limits for investments and divestments, bank borrowings, capital expenditure and cheque signatories. Appropriate delegation of authority for approval of capital and operating expenditure and specific financial transactions are also provided to the Manager to facilitate operational efficiency.

The Board meets at least once every quarter and as and when its involvement is required; as deemed appropriate and necessary by the Board. The meetings are to review the key activities and business strategies of IREIT, including acquisitions and divestments, funding and hedging activities, approval of the annual budget and review of the performance of IREIT. Additionally, the Board will review IREIT's key financial risk areas and the outcome will be disclosed in the annual report or where the findings are material, immediately announced via SGXNET.

The Manager's Memorandum and Articles of Association permits Board meetings to be held also by way of telephone conferences or by means of similar communication equipment by which all persons participating in the meeting are able to hear and be heard by all other participants.

The number of meetings of the Manager's Board and its Audit and Risk Committee ("ARC") held during the period from 13 August 2014 to 31 December 2014, as well as the attendance of each director at the Board and the ARC meetings are as follows:

	Board Meetings		Audit and Risk Committee Meetings	
Name of Directors	No. of meetings	Attendance	No. of meetings	Attendance
Mr Lim Kok Min, John	2	2	1	1
Mr Tan Wee Peng Kelvin	2	2	1	1
Mr Nir Ellenbogen	2	2	1	1
Mr Tong Jinquan	2	1	N.A.	N.A.
Mr Ho Toon Bah*	N.A.	N.A.	N.A.	N.A.
Mr Itzhak Sella	2	2	N.A.	N.A.

* Appointed with effect from 17 February 2015

The ARC was established to assist the Board in its oversight of IREIT and the Manager's governance in relation to financial, risk, audit and compliance matters. The scope of authority and responsibilities of the ARC are defined in its terms of reference.

Composition Of the Board

Principle 2: *A strong and independent element on the Board*

No individual or small group of individuals should be allowed to dominate the Board's decision making.

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The Board is represented by members with a breadth of expertise in finance and accounting, real estate and business management. It comprises six members, of whom three are Independent Non-Executive Directors. The Chief Executive Officer ("CEO") is the only Executive Director on the Board.

The Board members as at the date of this Annual Report are as follows; the profiles of the directors are found on pages 10 to 14:

Board Members	Designation
Mr Lim Kok Min, John	Chairman and Independent Non-Executive Director
Mr Tan Wee Peng Kelvin	Chairman of the Audit and Risk Committee and Independent Non-Executive Director
Mr Nir Ellenbogen	Independent Non-Executive Director
Mr Tong Jinquan	Non-Executive Director
Mr Ho Toon Bah*	Non-Executive Director
Mr Itzhak Sella	Chief Executive Officer and Executive Director

* Appointed with effect from 17 February 2015

The Board believes that the current board size, composition and balance between executive, non-executive and independent non-executive director is adequate and provides sufficient diversity without interfering with efficient and effective decision-making. It allows for a balanced exchange of views, robust deliberations and debate among members and effective oversight over management, ensuring no individual or small group dominates the Board's decisions or its process.

The Board is of the view that the background, skills, experience and core competencies of its members provide an appropriate mix of expertise, experience and skills needed in the strategic direction and planning of the business of IREIT.

The composition of the Board will be reviewed periodically to ensure that the board size is appropriate and comprises directors with an appropriate mix of expertise, skills, experience and diversity to discharge their duties and responsibilities.

The Board also reviews periodically and at least annually the independence of its directors based on guidelines set out under the Code. In respect of the financial period ended 31 December 2014, the Board is of the view that its independent non-executive directors are considered independent.

To enable the Board to be able to properly discharge its duties and responsibilities, the Board is provided with regular updates on developments and changes in the operating environment, including revisions to accounting standards, and laws and regulations affecting IREIT and/or the Manager. The Board participates regularly in industry conferences, seminars and training programmes in connection with its duties.

Newly appointed directors are given induction training and are provided with comprehensive information and constitutional documents on IREIT and the Manager, contact information of each Board member, management staff and the company secretary. The training covers business activities of IREIT, its strategic directions and policies, the regulatory environment in which IREIT and the Manager operate, and the Manager's corporate governance practices, and statutory and other duties and responsibilities as directors. Where a director has no prior experience as a director of a listed company, further training in areas such as accounting, legal and industry specific knowledge is provided.

All directors are currently appointed for an initial period of three years and may be re-elected at the discretion of the Board. The letter of appointment

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that are issued to each director sets out the duties and responsibilities to the Manager and IREIT, which includes seeking the Chairman's approval as a director of the Manager. All directors are subject to an annual review of their commitment and performance to the Board.

None of the directors of the Manager has entered into any service contract directly with IREIT.

Chairman and CEO

Principle 3: *A clear division of responsibilities between the leadership of the Board and executives responsible for management*

The roles of the Chairman and the CEO are separate. The Chairman and the CEO of the Manager are not related to each other and there is no business relationship between them. This is consistent with the principle of instituting an appropriate balance of power and authority.

The Chairman of the Board, Mr Lim Kok Min, John is an Independent Non-Executive Director. He is responsible for leading the Board and overall management of the Manager. He is tasked to ensure the Board and management work together with integrity and competency. His role also includes:

- promoting constructive debate and open discussions at the Board with management on strategy, business operations, enterprise risk and other plans; and
- promoting high standards of corporate governance in general.

The CEO of the Manager, Mr Itzhak Sella, has full executive responsibilities over the business direction and operational decisions in the day-to-day management of IREIT. He ensures the quality and timeliness of the flow of information between management and the Board, Unitholders and other stakeholders.

Board Membership

Principle 4: *A formal and transparent process for the appointment and re-appointment of directors to the Board*

Due to the current scale of operations of the Manager, the Board has deemed it unnecessary at this point to establish a nominating committee. The Board shall retain the responsibility for the identification, review and appointment of suitable candidates to join the Board as its members. Any appointment of new directors will be carefully evaluated. The candidate's skill, experience, ability to perform, commitments, independence and the needs of the Board will be taken into consideration. All appointments and resignations of Board members are approved by the Board.

The directors of the Manager are not subject to periodic retirement by rotation. For good corporate governance, the directors may be subject to re-nomination and re-election. Any nomination, which may be made by any of the Manager's shareholders, are carefully evaluated by the Board before any appointment is made. All appointment of directors is also subject to MAS's approval.

The Manager does not currently set a limit on the maximum number of listed company board directorships each Board member may hold so long as each of the Board members is able to commit and carry out his duties effectively as a director of the Manager.

Board Performance

Principle 5: *A formal annual assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board*

An annual review of the Board is carried out to assess the effectiveness of the Board and the ARC. The review process include getting feedback from

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individual directors on areas relating to the Board's and the ARC's competencies and effectiveness. Directors are requested to complete an assessment and evaluation form that is tailored to seek their input on the various aspects of the performance of the Board and the ARC. The purpose is for the Board to evaluate their overall effectiveness.

The feedback, comments and recommendations by all the directors will be reviewed and discussed by the Board collectively. Attendance at meetings as well as the contributions of each director to the Board form part of the evaluation.

The directors have completed the assessment and evaluation form for the financial period ended 31 December 2014. The Board has conducted an evaluation on the performance of the directors and found that the directors are contributing effectively and efficiently.

Access to Information

Principle 6: *Board members to be provided with complete, adequate and timely information prior to Board meetings and on an ongoing basis*

All directors have access to IREIT's and the Manager's records and information.

The Board is provided complete and adequate information on a timely basis so as to allow the Board to make informed decisions to discharge its duties and responsibilities. Usually, board papers are sent out at least one week prior to the Board meetings to ensure that directors have sufficient time to review. However, sensitive matters may be tabled at the meeting itself, or discussed without papers being distributed.

The Board has separate and independent access to the Manager's senior management and the company secretary at all times. The company secretary or a representative of the company secretary attends to all corporate secretarial administration matters and attends all Board meetings. The appointment and removal of the company secretary is a matter for the Board as a whole. The Board also has access to independent professional advice where appropriate and when requested.

As and when necessary, the Board can also seek independent professional advice, where appropriate and when requested at the Manager's expense, with consent from the Chairman.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: *A formal and transparent procedure for developing a policy on executive remuneration and for fixing remuneration packages for individual directors*

Level and Mix of Remuneration

Principle 8: *The level and structure of remuneration should be appropriate to attract, retain and motivate, but not excessive*

Disclosure on Remuneration

Principle 9: *Disclosure on remuneration policies, the level and mix of remuneration and the procedure for setting remuneration*

Constituted as a trust, IREIT is externally managed by the Manager and it has no personnel of its own. IREIT does not pay directors' fees and remuneration of the CEO and employees of the Manager. Their fees and remuneration are paid by the Manager. The CEO does not receive any directors' fees. Independent Directors and Non-Executive Directors are paid basic fees for their board and board committee membership. Directors' fees are reviewed periodically to benchmark such fees against the amounts paid by other managers of listed REITs. The Manager's directors do not decide on their own fees.

The Manager has adopted a balanced remuneration policy, aimed to ensure market competitiveness and alignment to best industry practices and Unitholders' interests.

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For the non-executive directors, the Manager has adopted a director's fee structure and level which are aimed to be both market-competitive and internally equitable.

Individual non-executive directors' fees were determined based on the following factors:

- Roles and responsibilities;
- Benchmarking against peers;
- Effort committed; and
- Skills and expertise.

The total costs of governance, as well as the average director's fees were targeted around the median of the market.

The remuneration policy for management and key employees is:

- to provide a fair and competitive compensation;
- to motivate higher level of performance;
- to ensure quality staff retention; and
- to correlate with the individuals' performance as well as IREIT and the Manager's performance.

Individual executives, remuneration levels were determined based on the following factors:

- Roles and responsibilities;
- Benchmarking against industry peers;
- Unique skills and expertise; and
- Experience.

The compensation consists of a guaranteed component and an incentive component. The incentive component is determined as a significant component in the remuneration of the C-level executives and should be paid in full upon full achievement of all IREIT's Key Performance Indicators ("KPIs") or proportionally to the percentage of KPIs achieved.

The Manager has engaged an independent human resources consultant to conduct a review of the Manager's remuneration structure, for its non-executive directors, management and employees. Comparison is made against industry benchmarks and comparable Singapore-listed REITs.

The consultant has provided the Manager its observations and recommendations which confirms the adequacy of IREIT's remuneration structure and remuneration levels, and their alignment with IREIT's remuneration policy.

Accountability and Audit Accountability

Principle 10: *Presentation of a balanced and understandable assessment of performance, position and prospects*

The Board is responsible to give a balanced and comprehensive report on the performance, position, prospects, strategy and market outlook including other price sensitive reports to the regulators (if required). To ensure this is accomplished efficiently, management provides timely, accurate and adequate information to the Board.

The Board is required to release quarterly results and full year results of IREIT as well as price sensitive announcements and all other regulatory announcements, as required by regulators. Quarterly financial results and price sensitive information and regulatory required announcements are disseminated to Unitholders via SGXNET, press releases, IREIT's website, media and analyst briefings.

Risk Management and Internal Controls

Principle 11: *The Board is responsible for the governance of risk. The Board should ensure that the Manager maintains a sound system of risk management and internal controls to safeguard IREIT's assets and Unitholders' interests and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives*

The Manager has put in place sufficient and effective risk control measures to address financial, operational, compliance, information technology security, and other potential risks. This is to safeguard Unitholders' interests and manage risk. The Board

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is responsible for the governance of risks and for overseeing the enforcement of risk management strategy and framework of the Manager.

The Board meets every quarter to review and track the financial performance of the Manager and IREIT against approved budgets and taking note of any significant changes on quarter-on-quarter and year-to-date results. During the review and analysing business risk, the Board takes into consideration the property market and economic conditions where IREIT's properties are located and other related risks. Apart from this, the Board also reviews the risks to the assets of IREIT, examines the management of liabilities, and will act upon any comments from internal and external auditors of IREIT.

In view of the importance of compliance and risk management, the ARC is assigned the duty to oversee this aspect of the Manager's and IREIT's operations. The ARC reviews and assesses the adequacy of the Manager's risk management control measures that are established by management. Additionally, the ARC supervises the implementation and operation of the risk management system, including going through the adequacy of risk management practices for material risks, such as commercial and legal, financial and economical, operational and technology risks, from time to time; and reviewing major policies for effective risk management and relevance.

The Manager has appointed experienced and well-qualified management personnel to handle the day-to-day operations of the Manager and IREIT. In assessing business risk, the Board will consider the economic environment and risks relevant to the property industry. It reviews management reports and feasibility studies on individual investment projects prior to approving major transactions. The Board meets regularly to review the operations of the Manager and IREIT and discuss any disclosure issues.

The Manager has provided an undertaking to the SGX-ST that:

(i) the Manager will make periodic announcements on the use of the proceeds from the public offering as and when such proceeds are materially disbursed and provide a status report on the use of such proceeds in the annual report;

(ii) in relation to foreign exchange hedging transactions (if any)

  (a) the Manager will seek the approval of the Board on the policy for entering into any such transactions,

  (b) the Manager will put in place adequate procedures which must be reviewed and approved by the ARC and

  (c) the ARC will monitor the implementation of such policy, including reviewing the instruments, processes and practices in accordance with the policy approved by the Board; and

(iii) the ARC will review and provide their views on all hedging policies and instruments (if any), to be implemented by IREIT to the Board, and the trading of such financial and foreign exchange instruments will require the specific approval of the Board.

The Manager has organised a risk management workshop for the Board and management. During the workshop, directors and management identified potential risks and documented the findings for future periodic reviews.

The Board has received assurance from the CEO and Chief Financial Officer that (i) the financial records of IREIT have been properly maintained and the financial statements give a true and fair view of IREIT's operations and finances, and (ii) the Manager's risk management and internal controls systems are effective.

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The Board, with the concurrence of the ARC, is of the opinion that the Manager's internal controls were adequate as at 31 December 2014 to address financial, operational, compliance and information technology security risks of IREIT, based on the risk management and internal controls framework established and maintained by the Manager, work performed by both internal and external auditors as well as reviews performed by management and the ARC.

Anti-Money Laundering and Countering the Financing of Terrorism Measures

The Manager as holder of a CMS Licence needs to comply with MAS' Notice on the Prevention of Money Laundering and Countering the Financing of Terrorism (the "Notice"). Under the Notice, the main obligations of the Manager include:

- Customer due diligence;
- Ongoing customer monitoring;
- Suspicious transaction reporting;
- Record keeping; and
- Staff training.

The Manager organised an anti-money laundering training session for the Board members, its licensed representatives and employees which covered the applicable regulations on anti-money laundering and countering the financing of terrorism under the Notice.

Compliance Officer

The Manager has engaged KPMG Services Pte. Ltd. ("KPMG") to carry out certain compliance activities on a quarterly basis[1]. KPMG's scope of engagement covers assessing the Manager's compliance with applicable provisions of the SFA through the conduct of quarterly checks on:

(i) whether the representatives of the Manager have fulfilled their regulatory obligations; and

(ii) whether the Manager, in its role as REIT manager, has prepared returns and other documents accurately for submission to the MAS.

KPMG will report the results of its activities to the CEO and the Board on a quarterly basis.

KPMG will also provide advice and training on compliance requirements under the SFA to representatives of the Manager.

KPMG will also provide regulatory compliance advice from time to time as may be required by the Manager.

Notwithstanding the engagement of KPMG to carry out certain compliance activities on a quarterly basis, the Manager is responsible for ensuring compliance with all applicable laws, regulations and guidelines.

Dealings in Units

Each director and the CEO of the Manager is to give notice to the Manager of his acquisition of or any changes in the number of Units which he holds or in which he has an interest, within two business days after such acquisition or the occurrence of the event giving rise to changes in the number of Units which he holds or in which he has an interest.

All dealings in units in IREIT by the directors will be announced via SGXNET, with the announcement to be posted on the SGX-ST website at http://www.sgx.com.

The directors and employees of the Manager are prohibited from dealing in the Units:

- in the period commencing one month before the public announcement of IREIT's annual results and property valuations, and two weeks before the public announcement of IREIT's quarterly results and ending on the date of announcement of the relevant results or, as the case may be, property valuations; and

[1] The cost of such engagement of KPMG to carry out compliance activities is borne by the Manager out of its own funds and not out of Unitholders' funds.

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- at any time while in possession of undisclosed price sensitive information.

The directors and employees of the Manager are also prohibited from dealing with the Units on short-term basis and communicating price sensitive information to any person. They are expected to observe the insider trading laws at all times even when dealing with Units within permitted trading periods.

Pursuant to Section 137ZC of the SFA, the Manager is required to, inter alia, announce to the SGX-ST the particulars of any acquisition or disposal of interest in Units by the Manager as soon as practicable, and in any case no later than the end of the business day following the day on which the Manager became aware of the acquisition or disposal. In addition, all dealings in Units by the CEO will also need to be announced by the Manager via SGXNET, with the announcement to be posted on the SGX-ST website at http://www.sgx.com and in such form and manner as the authority may prescribe.

Dealing with Conflicts of Interest

The Manager has instituted the following procedures to deal with potential conflict of interest issues:

- The Manager will not manage any other REIT which invests in the same type of properties as IREIT;

- Management will be working exclusively for the Manager and will not hold other executive positions in other entities;

- All resolutions in writing of the directors in relation to matters concerning IREIT must be approved by at least a majority of the directors (excluding any interested director), including at least one independent director;

- At least one-third of the Board shall comprise independent directors;

- In respect of matters in which a director or his associates (as defined in the Listing Manual) has an interest, direct or indirect, such interested director will abstain from voting. In such matters, the quorum must comprise a majority of the directors and must exclude such interested director;

- In respect of matters in which Sella Holdings Pte. Ltd. (the "Sponsor") and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by the Sponsor and/or its subsidiaries to the Board to represent their interests will abstain from deliberation and voting on such matters. In such matters, the quorum must comprise a majority of the independent directors and must exclude nominee directors of the Sponsor and/or its subsidiaries;

- In respect of matters in which Shanghai Summit (Group) Co., Ltd. and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by Summit and/or its subsidiaries to the Board to represent their interests will abstain from deliberation and voting on such matters. In such matters, the quorum must comprise a majority of the independent directors and must exclude nominee directors of Summit and/or its subsidiaries;

- Except for resolutions relating to the removal of the Manager, the Manager and its associates are prohibited from voting or being counted as part of a quorum for any meeting of the Unitholders convened to approve any matters in which the Manager and/or any of its associates has a material interest; and

- It is also provided in the Trust Deed that if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of IREIT with a related party of the Manager ("Related Party"), the Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) who shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee, on behalf of IREIT, has a prima

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facie case against the party allegedly in breach under such agreement, the Manager shall be obliged to take appropriate action in relation to such agreement. The directors (including its independent directors) will have a duty to ensure that the Manager so complies. Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee for and on behalf of IREIT with a Related Party of the Manager, and the Trustee may take such action as it deems necessary to protect the rights of the Unitholders and/or which is in the interests of the Unitholders. Any decision by the Manager not to take action against a Related Party of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such Related Party.

RELATED PARTY TRANSACTIONS

The Manager's Internal Control System

The Manager has established an internal control system to ensure that all future Related Party Transactions (which term includes an "Interested Person Transaction" as defined under the Listing Manual and an "Interested Party Transaction" as defined under the Property Funds Appendix):

- will be undertaken on normal commercial terms; and
- will not be prejudicial to the interests of IREIT and the Unitholders.

As a general rule, the Manager must demonstrate to the ARC that such transactions satisfy the foregoing criteria. This may entail:

- obtaining (where practicable) quotations from parties unrelated to the Manager; or
- obtaining two or more valuations from independent professional valuers (in compliance with the Property Funds Appendix).

The Manager will maintain a register to record all Related Party Transactions which are entered into by IREIT and the basis, including any quotations from unrelated parties and independent valuations, on which they are entered into.

The Manager will also incorporate into its internal audit plan a review of all Related Party Transactions entered into by IREIT. The ARC shall review the internal audit reports at least twice a year to ascertain that the guidelines and procedures established to monitor Related Party Transactions have been complied with. The Trustee will also have the right to review such audit reports to ascertain that the Property Funds Appendix has been complied with. The following procedures will be undertaken:

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding S$100,000 in value but below 3.0% of the value of IREIT's net tangible assets will be subject to review by the ARC at regular intervals;
- transactions (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of IREIT's net tangible assets will be subject to the review and prior approval of the ARC. Such approval shall only be given if the transactions are on normal commercial terms and not prejudicial to the interests of IREIT and the Unitholders and are consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the Manager; and
- transactions (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding 5.0% of the value of IREIT's net tangible assets will be reviewed and approved prior to such transactions being entered into, on the basis described in the preceding paragraph, by the ARC which may, as

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it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers. Furthermore, under the Listing Manual and the Property Funds Appendix, such transactions would have to be approved by the Unitholders at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

Where matters concerning IREIT relate to transactions entered into or to be entered into by the Trustee for and on behalf of IREIT with a Related Party of the Manager (which would include relevant Associates (as defined in the Listing Manual) thereof) or IREIT, the Trustee is required to consider the terms of such transactions to satisfy itself that such transactions are conducted:

- on normal commercial terms;
- are not prejudicial to the interests of IREIT and the Unitholders; and
- are in accordance with all applicable requirements of the Property Funds Appendix and/or the Listing Manual relating to the transaction in question.

The Trustee has the discretion under the Trust Deed to decide whether or not to enter into a transaction involving a Related Party of the Manager or IREIT. If the Trustee is to sign any contract with a Related Party of the Manager or IREIT, the Trustee will review the contract to ensure that it complies with the relevant requirements relating to Related Party Transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to REITs.

IREIT will comply with Rule 905 of the Listing Manual by announcing any Interested Person Transaction in accordance with the Listing Manual if the value of such transaction, by itself or when aggregated with other Interested Person Transactions entered into with the same Interested Person during the same financial year, is 3.0% or more of IREIT's latest audited net tangible assets.

The aggregate value of all Related Party Transactions which are subject to Rules 905 and 906 of the Listing Manual in a particular financial year will be disclosed in the annual report of IREIT for the relevant financial year.

The ARC will periodically review all Related Party Transactions to ensure compliance with the Manager's internal control systems, the relevant provisions of the Listing Manual, and the Property Funds Appendix. The review will include the examination of the nature of the transaction and supporting documents or such other data deemed necessary by the ARC.

AUDIT AND RISK COMMITTEE

Principle 12: *The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.*

The ARC comprises Mr Lim Kok Min, John, Mr Nir Ellenbogen and Mr Tan Wee Peng Kelvin (Chairman of the ARC), all of whom are independent non-executive directors. The key role of the ARC is to monitor and evaluate the effectiveness of the Manager's internal controls. The ARC also reviews the quality and reliability of information prepared for inclusion in financial reports, and is responsible for the nomination of external auditors and reviewing the adequacy of external auditors in respect of cost, scope and performance.

The ARC's responsibilities also include:

- monitoring the procedures established to regulate Related Party Transactions, including ensuring compliance;
- reviewing transactions constituting Related Party Transactions;
- deliberating on resolutions relating to conflict of interest situations involving IREIT;

Corporate Governance Report

- reviewing external audit reports to ensure that where deficiencies in internal controls have been identified, appropriate and prompt remedial action is taken by management;

- reviewing arrangements by which staff and external parties may, in confidence, raise probable improprieties in matters of financial reporting or other matters, with the objective that arrangements are in place for the independent investigation of such matters and for appropriate follow up action;

- reviewing internal audit reports at least twice a year to ascertain that the guidelines and procedures established to monitor Related Party Transactions have been complied with;

- ensuring that the internal audit and accounting function is adequately resourced and has appropriate standing with IREIT;

- reviewing, on an annual basis, the adequacy and effectiveness of the internal audit function;

- the appointment, re-appointment or removal of internal auditors (including the review of their fees and scope of work);

- monitoring the procedures in place to ensure compliance with applicable legislation, including the Listing Manual and the Property Funds Appendix;

- reviewing the appointment, re-appointment or removal of external auditors;

- reviewing the nature and extent of non-audit services performed by external auditors;

- reviewing, on an annual basis, the independence and objectivity of the external auditors;

- meeting with external and internal auditors, without the presence of management, at least on an annual basis;

- reviewing the system of internal controls including financial, operational, compliance and information technology controls and risk management processes;

- reviewing the financial statements and the internal audit report;

- reviewing and providing their views on all hedging policies and instruments to be implemented by IREIT to the Board;

- reviewing and approving the procedures for the entry into of any foreign exchange hedging transactions and monitoring the implementation of such policy, including reviewing the instruments, processes and practices in accordance with the policy for entering into foreign exchange hedging transactions;

- investigating any matters within the ARC's terms of reference, whenever it deems necessary;

- reporting to the Board on material matters, findings and recommendations

The ARC has full access to and co-operation from management and enjoys full discretion to invite any director and executive officer of the Manager to attend its meetings. The ARC also has full access to reasonable resources to enable it to discharge its function properly.

Corporate Governance Report

The ARC has conducted a review of all non-audit services provided by the external auditors of IREIT, Deloitte & Touche LLP and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. For the financial period ended 31 December 2014, the aggregate amount of fees paid and payable by IREIT to the external auditors was €130,000, comprising audit service fees of €68,000 and non-audit service fees of €62,000. The external auditors were also paid approximately €363,000 for services rendered in connection with the listing of IREIT on the SGX-ST.

ARC meetings are generally held after the end of every quarter before the official announcement of results pertaining to that quarter. The ARC has also met with the external and internal auditors separately, without the presence of management.

In appointing the external auditors for IREIT, the ARC is satisfied that IREIT has complied with the requirement of Rules 712 and 715 of the Listing Manual. The ARC has assessed the performance of the external auditor based on factors such as the performance and quality of their audit and the independence of the auditor.

The ARC is briefed regularly on the impact of new accounting standards on IREIT's financial statements by the external auditors.

None of the members of the ARC are former partners or directors of the Manager's and/or IREIT's external auditors.

Principle 13: *Establishment of an internal audit function that is independent of the activities it audits*

The Manager has put in place a system of internal controls of procedures, including financial, operational, compliance and information technology controls, and risk management systems to safeguard IREIT's assets, Unitholders' interests as well as to manage risk.

The internal audit function of the Manager is outsourced to an independent assurance service provider and the ARC reviews the adequacy and effectiveness of the internal auditor at least once a year. The ARC is satisfied that the internal auditor has the relevant qualifications and experience and has met the standards established by internationally recognised professional bodies including the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The internal auditor reports directly to the ARC on audit matters and the ARC approves the hiring, removal, evaluation and fees of the internal auditor. The ARC also reviews and approves the annual internal audit plan and reviews the internal audit reports and activities. The ARC meets with the internal auditor, without the presence of management, at least once a year. The ARC is of the view that the internal auditor has adequate resources to perform its functions and has to the best of its ability, maintained its independence from the activities that it audits.

UNITHOLDERS' RIGHTS AND RESPONSIBILITIES

Unitholders' Rights

Principle 14: *Treat all Unitholders fairly and equitably, and should recognise, protect and facilitate the exercise of unitholders' rights, and continually review and update such governance arrangements*

Communications with Unitholders

Principle 15: *Actively engage Unitholders and put in place an investor relations policy to promote regular, effective and fair communication with Unitholders*

Conduct of Unitholders' Meetings

Principle 16: *Greater Unitholders participation at annual general meetings and the opportunity to communicate views*

Corporate Governance Report

The Manager upholds a strong culture of continuous disclosure and transparent communication with Unitholders, the investing community and other stakeholders. The Manager has developed a disclosure policy, which requires timely and full disclosure of financial reports and all material information relating to IREIT by way of public releases or announcements via SGXNET. The published materials will also be posted on IREIT's website at www.ireitglobal.com. IREIT's website also has the option for visitors to subscribe for a free email alert service on public materials released by the Manager.

The Manager believes in providing transparent communication. The Manager conducts regular briefings for analysts and media, which generally coincide with the release of IREIT's financial results. During these briefings, the Manager will review IREIT's most recent performance, as well as discuss the business outlook for IREIT. To achieve the Manager's objective of providing transparent communication, briefing materials are released on SGXNET and made available on IREIT's website.

The Manager will also meet investors through selected investor corporate day events.

In compliance with the Property Funds Appendix, an AGM will be held after the close of the financial year to allow the Manager to interact with Unitholders. The notice of the AGM will be published on SGXNET, newspapers and IREIT's website. The AGM results will be screened at the meeting and announced via SGXNET after the meeting. All Unitholders are sent a copy of IREIT's annual report prior to the AGM.

As and when an extraordinary general meeting ("EGM") is to be convened, a circular containing details of the matters proposed for the Unitholders' consideration and approval will also be sent to Unitholders. The notice of the EGM will also be published on SGXNET, newspapers and IREIT's website.

The management of the Manager and the external auditors of IREIT will be present at the AGM or EGM to address questions and concerns of Unitholders. Separate resolutions are proposed for each distinct issue at the AGM or EGM. Unitholders will be invited to vote on each of the resolution by poll.

To encourage Unitholders' participation at the AGM or EGM, a question and answer session will be held during the AGM or EGM to allow Unitholders the opportunity to put forth any questions and clarify any issues they may have with the Board, management or external auditors regarding the business operations, strategy and financial standing of IREIT.

Whistle-Blowing Policy

The Manager has also set in place a Whistle-Blowing Policy, providing an avenue for its employees and external parties to raise concerns about possible improprieties in matters of financial reporting or other matters in good faith, with the confidence that the relevant persons making the reports will be treated fairly and protected from reprisal. External parties are able to lodge their concerns via IREIT's website at www.ireitglobal.com. All whistle-blower complaints will be reviewed by the ARC to ensure that investigations and follow-up actions are carried out, if needed.

Corporate Governance Report

Utilisation of Initial Public Offering ("IPO") Proceeds

The use of proceeds raised from the IPO is in accordance with the stated uses as disclosed in the Prospectus, and is set out below:–

	(€'000)
Purchase consideration of investment properties	283,100
Transaction costs	28,905
Working capital	3,958
Total[1]	315,963

Note:
1 Made up of S$369.0 million of gross proceeds raised from the IPO and bank borrowings of €96.6 million

A substantial amount of the Singapore dollars raised as proceeds from the IPO was converted into Euro to part finance the acquisition of the IPO portfolio. IREIT was able to achieve savings arising from a better exchange rate realised for the said conversion. IREIT has entered into forward foreign currency exchange contracts to fully hedge the distributable income for the financial period ended 31 December 2014. Part of these savings, amounting to approximately €281,000, have been incurred for this purpose as at 31 December 2014, and disbursed after 31 December 2014.

Strategies for **Sustained Growth**

IREIT is the first Singapore-listed REIT established with the investment strategy of principally investing, directly or indirectly, in a portfolio of income-producing real estate in Europe which is used primarily for office purposes, as well as real estate-related assets. The initial focus is Germany and the United Kingdom. The Manager's key financial objectives are to provide Unitholders with regular and stable distributions and the potential for sustainable long-term growth in DPU and NAV per Unit, while maintaining an appropriate capital structure for IREIT. The Manager will seek growth on several levels.

Strategies for Sustained Growth

Expanding and growing IREIT as a global market leader, is one of the top priorities for the Manager. The Manager will seek to achieve portfolio growth through the acquisition of quality income-producing properties used mainly for office purposes that are aligned with IREIT's 'ABBA' investment strategy and fit within the Manager's investment criteria to enhance the return to Unitholders and to pursue opportunities for future income and capital growth.

ABBA STRATEGY AT WORK

In order to achieve this target, the Manager is actively pursuing acquisition opportunities. The Manager firmly believes in its 'ABBA' strategy. The goal is to invest in income-producing properties with long-term letting potential, namely in core assets in second tier cities and core-plus assets in primary locations or first-tier cities.

In Germany, there are seven major cities comprising the major real estate markets and a multitude of secondary cities with a variety of strong business activities. Whereas, in the United Kingdom, London is the only truly 'A' city, with all other metropolitan areas being considered 'B' and/or 'C' cities.

Taking into consideration the type of asset class, and the Manager's asset management capabilities, the 'ABBA' investment approach is considered to be a resilient and appropriate strategy to be rolled out across Germany. IREIT's investment process is spearheaded by the Chief Investment Officer and Asset Manager ("CIO"). The CIO spends most of her time working in Germany, while dedicating part of her time to tracking the real estate markets in other target investment countries such as the United Kingdom.

THE 'ABBA' STRATEGY

'A' properties in 'B' cities and 'B' properties in 'A' cities, known as the 'ABBA' strategy

ABBA strategy	AB ("A" assets in "B" cities)...	...BA ("B" assets in "A" cities)
Assets	**Core assets** • Modern building(s) • Prime location(s) • Long term lease(s) • Tenant(s) with good lease covenants	**Core-plus assets** Possess most but not all of the qualities on the left
Cities	**Second-tier cities**	**First-tier cities**

Strategies for Sustained Growth

PREFERRED OFFICE LANDLORD

The Manager is also committed to implementing processes that will encourage organic growth. To achieve this vision, the Manager is set to carry out asset management initiatives in order to improve gross rental income and net property income. Some of these initiatives include building stronger tenant relationships, providing value-added property-related services and actively maintaining strong occupancy rates.

Building stronger tenant relationships will help the Manager understand IREIT's tenants and enable the Manager to work proactively with the tenants so that their plans for expansion and growth may be achieved. Providing value-added property-related services will help us achieve our targets on tenant retention. These efforts are focused on making IREIT the office landlord of choice in the geographies where it has a foothold in.

Other asset enhancement initiatives that the Manager may undertake to improve income include space optimisation and, creating areas that are easier to lease. Identifying sub-optimal and ancillary areas that can be converted for higher returns and, therefore improving the efficiency and running of the building.

It is the Manager's intention to undertake asset enhancement initiatives to the extent possible, subject to laws and permitted by law and regulations, as well as the improvements required to satisfy projected levels of feasibility and profitability.

EFFECTIVE AND EFFICIENT OPERATING COSTS

The Manager will also work closely with the property manager to improve efficiency and keep the property operating and maintenance costs low. All efforts will also be made to maintain a high level of service, enabling IREIT to deliver optimal returns to Unitholders.

The Manager will constantly review cost-effectiveness and cost-efficiency of the property operations. Cost management initiatives will include:

- constant review of the workflow process to boost productivity;
- lower operational costs;
- close partnership with service providers to control costs and potential escalation; and
- exploit the economies of scale associated with operating a portfolio of properties by, for example, the bulk purchasing of supplies and cross-implementation of successful cost-saving programmes.

Strengthening of IREIT's financial position through careful and prudent capital management is as important as improving revenue and managing costs. It is, therefore, vital to the long-term sustainability of IREIT that the Manager have strategies in place to deal with this.

Strategies for **Sustained Growth**

STRONG FINANCIAL STANDING

The Manager has adopted a careful and prudent capital management approach to maintain a strong balance sheet. The Manager will establish new relationships with different financial institutions as a strategy to diversify the source of funds. While doing so, the Manager will tap into funds from diversified sources.

In order to achieve its aim of further strengthening and building upon IREIT's stable financial position, the Manager will employ an appropriate mix of debt and equity in financing acquisitions. It will also adopt financing and hedging policies, when and if appropriate.

The Manager will actively manage interest rate fluctuations and foreign exchange exposure for IREIT by adopting strategic hedging policies to optimise risk-adjusted returns to Unitholders. To the extent possible and appropriate, all borrowings are to be in the relevant local currency. This will provide a natural hedge against foreign exchange risk. The Manager will implement a policy of proactive interest rate management in order to manage the risk associated with changes in the interest rates on loan facilities. They will also seek to ensure that IREIT's ongoing cost of debt capital remains competitive.

At this current time, IREIT is unrated and as such the maximum permitted aggregate leverage will be no more than 35% of the value of the deposited property. This is in line with the Code on Collective Investment Schemes Appendix 6 – Investment: Property Funds. The Manager will consider obtaining a credit rating for IREIT when the need arises. Upon obtaining and disclosing a credit rating, the maximum permitted aggregate leverage will increase to 60%. However, the Manager intends to adopt a prudent approach by maintaining an aggregate leverage ratio of not more than 45%.

PEOPLE & IREIT

Building up a REIT is as much about the people who make it a success, as it is about the REIT. The Manager has a capable team with the right mix of expertise, experience and proven track record to manage the REIT. The Manager is fully committed to its core aims and strategies. In order to fulfil IREIT's objectives the Manager will leverage on its extensive business network.

The Manager is committed to investing in the development of its team through on-the-job and professional training, performance incentives, and team building exercises.

STRATEGIC BUSINESS PARTNERS

IREIT is supported by its strategic partner, Shanghai Summit Pte. Ltd. ("Summit"), a Singapore-incorporated company that is ultimately owned by Mr Tong Jinquan, founder of Shanghai Summit (Group) Co., Ltd. ("Summit Group") and a 20-year veteran in property investment, development and management. Summit is experienced and well-connected in the real estate industry, and the Manager believes that Summit will be able to bring its expertise to IREIT's growth strategy.

In addition, IREIT also has support from its other substantial Unitholder, Mr Lim Chap Huat, co-founder of Soilbuild Group, a leading integrated property group with close to four decades of operating history.

To demonstrate their support for the growth of IREIT, the Sponsor, Sella Holdings Pte. Ltd. together with its strategic partners, Summit Group and Mr Lim Chap Huat, have each granted a right of first refusal to IREIT, subject to certain conditions. This gives IREIT access to future acquisition opportunities in Europe.

IREIT's excellent assets, team and strategy provide the ideal conditions for the Manager to deliver on its commitment to grow IREIT to the next level.

Investor Relations

DELIVERING TRANSPARENT AND TIMELY DISCLOSURES

The Manager is committed to deliver transparent and timely disclosures to all IREIT stakeholders. IREIT stakeholders consists of Unitholders, board of directors, analysts, potential investors, media and the general public. As part of the Manager's commitment, materials such as announcements, press releases, presentation slides, annual reports and circulars on IREIT's latest developments will be released via SGXNET and our corporate website.

In addition to releasing disclosures in a timely fashion, the Manager also believes that regular face-to-face communication is required. In December 2014, the Manager organised an introductory session with Singapore REITs and property sector analysts so they can better understand IREIT.

FINANCIAL RESULTS REPORTING

IREIT made its debut on the SGX-ST in August 2014. As part of its initiative to engage the investment community, the Manager took the opportunity to meet with investors, analysts and media after the release of results for the financial period ended 31 December 2014.

In future, IREIT will be holding half yearly results briefing sessions with the investment community. All quarterly results and corporate development announcements will be disseminated to all who have signed up to be on IREIT's mailing list.

On an ongoing basis, the Manager would provide corporate development and financial performance updates to IREIT stakeholders via corporate day events, one-on-one meetings, conference calls, media interviews and analysts briefings.

Financial Calendar 2014/2015

	2014	2015 (Tentative)
1Q Results Announcement	N/A	May 2015
2Q Results Announcement	N/A	August 2015
Half Year Distribution to Unitholders	N/A	September 2015
3Q Results Announcement	N/A	October 2015
Full Year Results Announcement	27 February 2015	February 2016
Final Distribution to Unitholders	27 March 2015	March 2016

Investor **Relations**

As at 24 March 2015

IREIT Global Trading Performance Since IPO

Source: Shareinvestor

Units in Issue	420,501,704
Highest Unit Price Traded	S$0.905
Lowest Unit Price Traded	S$0.745
30-Day Average Daily Trading Volume ('000)	354
IPO Unit Price	S$0.88
Free Float	23.5%

For the financial period ended 31 December 2014, the highest and lowest unit price traded were S$0.880 and S$0.905 respectively. The total volume traded was 32,142,000. As at 31 December 2014, IREIT's market capitalisation was S$373.2 million based on the closing unit price of S$0.890 on 30 December 2014.

Corporate Directory

The Manager
IREIT Global Group Pte. Ltd.
156 Cecil Street
#08-01 Far Eastern Bank Building
Singapore 069544
Tel: +65 6718 0590
Fax: +65 6718 0599

Trustee
DBS Trustee Limited
12 Marina Boulevard
Level 44, DBS Asia Central
@ Marina Bay Financial Centre Tower 3
Singapore 018982
Tel: +65 6878 8888
Fax: +65 6878 3977

Board of Directors (The Manager)
Mr Lim Kok Min, John
Chairman and Independent Non-Executive Director

Mr Tan Wee Peng Kelvin
Independent Non-Executive Director

Mr Nir Ellenbogen
Independent Non-Executive Director

Mr Tong Jinquan
Non-Executive Director

Mr Ho Toon Bah
Non-Executive Director

Mr Itzhak Sella
Executive Director and Chief Executive Officer

Company Secretaries
Low Siew Tian, ACIS

Lee Pay Lee, ACIS

Audit and Risk Committee
Mr Tan Wee Peng Kelvin
Chairman

Mr Lim Kok Min, John
Member

Mr Nir Ellenbogen
Member

Auditors
Deloitte & Touche LLP
6 Shenton Way
#32-00 OUE Downtown
Singapore 068809
Partner-in-charge: Cheng Ai Phing
(appointed with effect from financial period ended 31 December 2014)

Property Manager
LEOFF Asset Management GmbH
Weißliliengasse 7
55116 Mainz
Germany

Unit Trust Registrar
Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623
Tel: +65 6536 5355
Fax: +65 6438 8710

Stock Exchange Quotation
SGX Stock Code: UD1U.SI
Bloomberg Code: IREIT:SP
Reuters Code: IREIta.SI

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Report of the Trustee

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

DBS Trustee Limited (the "Trustee") is under a duty to take into custody and hold the assets of IREIT Global ("IREIT") held by it or through its subsidiaries (the "Group") in trust for the holders ("unitholders") of units in IREIT. In accordance with the Securities and Futures Act (Chapter 289) of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of IREIT Global Group Pte. Ltd. (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 1 November 2013 and as amended and restated by an amending and restating deed dated 14 July 2014 (the "Trust Deed") made between the Manager and the Trustee in each annual accounting period and report thereon to the unitholders.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed IREIT and the Group during the financial period covered by these financial statements set out on pages 58 to 102, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
DBS Trustee Limited

Jane Lim
Director

Singapore
31 March 2015

Statement by the Manager

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

In the opinion of the Directors of IREIT Global Group Pte. Ltd. (the "Manager"), the financial statements of IREIT Global ("IREIT") and its subsidiaries (collectively referred to as the "Group") as set out on pages 58 to 102, which comprise the consolidated financial statements of the Group and the statement of financial position of IREIT as at 31 December 2014, and the statement of changes in net assets attributable to unitholders of IREIT for the financial period from 1 November 2013 (date of constitution) to 31 December 2014 ("financial period"), and a summary of significant accounting policies and other explanatory information, are properly drawn up in accordance with the International Financial Reporting Standards and the Trust Deed so as to give a true and fair view of the disposition of the assets and liabilities of the Group and of IREIT as at 31 December 2014 and of its results, changes in net assets attributable to unitholders and cash flows of the Group for the financial period then ended. At the date of this statement, there are reasonable grounds to believe that IREIT Group will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager,
IREIT Global Group Pte. Ltd.

Itzhak Sella
Executive Director and CEO

Singapore
31 March 2015

Independent Auditors' Report

TO THE UNITHOLDERS OF IREIT GLOBAL

Report on the Financial Statements

We have audited the accompanying financial statements of IREIT Global ("IREIT") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated financial statements of the Group and the statement of financial position of IREIT as at 31 December 2014, and the statement of distribution and statement of changes in net assets attributable to unitholders of IREIT for the financial period from the date of constitution on 1 November 2013 to 31 December 2014 ("financial period"), and a summary of significant accounting policies and other explanatory information, as set out on pages 58 to 102.

Manager's Responsibility for the Financial Statements

IREIT Global Group Pte. Ltd (the "Manager" of IREIT) is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and comply with the relevant provisions of the Trust Deed dated 1 November 2013 (the "Trust Deed") and amended by the amending and restating deed dated 14 July 2014, the relevant requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditors' Report

TO THE UNITHOLDERS OF IREIT GLOBAL

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of distribution and statement of changes in net assets attributable to unitholders of IREIT give a true and fair view of the financial position of the Group and of IREIT as at 31 December 2014, and of the financial performance, changes in net assets attributable to unitholders and cash flows of the Group, distribution and changes in net assets attributable to unitholders of IREIT for the financial period then ended in accordance with International Financial Reporting Standards.

Report under Other Legal and Regulatory Requirements

In our opinion, the financial statements have been properly prepared in accordance with the relevant provisions of the Trust Deed and the relevant requirements of the CIS Code.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants

Singapore
31 March 2015

Statements of Financial Position

AS AT 31 DECEMBER 2014

	Notes	Group 31 December 2014 EUR'000	IREIT 31 December 2014 EUR'000
ASSETS			
Current assets			
Cash and cash equivalents	4	12,277	2,156
Trade and other receivables	5	1,967	6,047
Financial derivatives	6	279	279
		14,523	8,482
Non-current assets			
Investment properties	7	290,600	–
Investment in subsidiaries	8	–	208,309
Deferred tax assets	9	1,391	–
		291,991	208,309
Total assets		**306,514**	**216,791**
Current liabilities			
Trade and other payables	10	4,528	737
Distribution payable		6,417	6,417
		10,945	7,154
Non-current liabilities			
Borrowings	11	95,359	–
Deferred tax liabilities	9	236	–
		95,595	
Total liabilities		**106,540**	**7,154**
Net assets attributable to unitholders		**199,974**	**209,637**
Units in issue and to be issued ('000)	12	**420,502**	**420,502**
Net asset value per unit (€) attributable to unitholders	13	**0.48**	**0.50**

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

	Notes	Group Period from 1 November 2013 (date of constitution) to 31 December 2014 EUR'000
Gross revenue	14	8,326
Property operating expenses	15	(801)
Net property income		**7,525**
Foreign exchange gain		391
Finance costs	16	(793)
Manager's fees		(642)
Trustee's fees		(24)
Administrative costs		(154)
Other trust expenses	17	(1,202)
Change in fair value of financial derivatives		(2)
Change in fair value of investment properties	7	(12,434)
Loss before taxation and transactions with unitholders		**(7,335)**
Income tax benefit	18	1,155
Loss for the period, before transactions with unitholders		**(6,180)**
Distributions to unitholders		(6,417)
Loss for the period, after transactions with unitholders, representing total comprehensive loss for the period		**(12,597)**
Basic and diluted loss per unit (EUR cents)	19	**(7.53)**

The accompanying notes form an integral part of these financial statements.

Statement of Distribution

FOR THE PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

	Note	Group Period from 1 November 2013 (date of constitution) to 31 December 2014 EUR'000
Distribution to unitholders		
Loss for the period, before transactions with unitholders		(6,180)
Adjustments:		
Amortisation of upfront debt transaction costs		212
Manager's management fee payable in units		642
Foreign exchange gain		(391)
Initial Public Offering expenses		853
Change in fair value of financial derivatives		2
Change in fair value of investment properties		12,434
Deferred tax benefit		(1,155)
Income available for distribution to unitholders		**6,417**
Units in issue at the end of the period	**12**	**419,337**
Distribution per unit (EUR cents)		**1.53**

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Net Assets Attributable to Unitholders

FOR THE PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

Group	Units in issue and to be issued EUR'000	Unit issue costs EUR'000	Accumulated losses EUR'000	Total EUR'000
OPERATIONS				
Loss for the period, before transactions with unitholders	–	–	(6,180)	**(6,180)**
Distribution payable of €1.53 cents per unit for the period from 1 November 2013 (date of constitution) to 31 December 2014	–	–	(6,417)	**(6,417)**
Total comprehensive loss for the period	–	–	(12,597)	**(12,597)**
UNITHOLDERS' TRANSACTIONS				
Issue of units:				
As at 1 November 2013 (date of constitution)	1*	–	–	**1***
Issue of units at Listing Date on 13 August 2014	219,368	(7,440)	–	**211,928**
Manager's base fee payable in units	642	–	–	**642**
Net assets resulting from unitholders' transactions	220,011	(7,440)	–	**212,571**
Net assets attributable to unitholders as at 31 December 2014	220,011	(7,440)	(12,597)	**199,974**

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Net Assets Attributable to Unitholders

FOR THE PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

IREIT	Units in issue and to be issued EUR'000	Unit issue costs EUR'000	Accumulated losses EUR'000	Total EUR'000
OPERATIONS				
Profit for the period, before transactions with unitholders	–	–	3,483	**3,483**
Distribution payable of €1.53 cents per unit for the period from 1 November 2013 (date of constitution) to 31 December 2014	–	–	(6,417)	**(6,417)**
Total comprehensive loss for the period	–	–	(2,934)	**(2,934)**
UNITHOLDERS' TRANSACTIONS				
Issue of units:				
As at 1 November 2013 (date of constitution)	1*	–	–	**1***
Issue of units at Listing Date 13 August 2014	219,368	(7,440)	–	**211,928**
Manager's base fee payable in units	642	–	–	**642**
Net assets resulting from unitholders' transactions	220,011	(7,440)	–	**212,571**
Net assets attributable to unitholders as at 31 December 2014	220,011	(7,440)	(2,934)	**209,637**

* Denotes an amount of EUR 594 representing the paid up amount of 1,000 units in IREIT.

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

	Note	Group Period from 1 November 2013 (date of constitution) to 31 December 2014 EUR'000
Cash flows from operating activities		
Loss for the period, after transactions with unitholders		(12,597)
Adjustment for:		
Manager's management fees payable in units		642
Finance costs		793
Change in fair value of financial derivatives		2
Change in fair value of investment properties		12,434
Income tax benefit		(1,155)
Operating profit before working capital changes		119
Changes in working capital:		
Trade and other receivables		(1,967)
Trade, other and distribution payables		9,870
Cash generated from operations, representing net cash from operating activities		8,022
Cash flows from investing activity		
Acquisition of investment properties		(303,034)
Net cash used in investing activity		(303,034)
Cash flows from financing activities		
Proceeds from issuance of units		219,368
Expenses related to the issuance of units		(7,440)
Proceeds from bank borrowings		96,594
Costs related to bank borrowings		(1,235)
Net cash from financing activities		307,289
Cash and cash equivalents at the end of the period	4	**12,277**

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

1. GENERAL

IREIT Global ("IREIT") is a real estate investment trust constituted by a trust deed entered into on 1 November 2013 and as amended and restated by an amending and restating deed dated 14 July 2014 (the "Trust Deed") made between IREIT Global Group Pte. Ltd. as the manager of IREIT (the "Manager"), and DBS Trustee Limited, as the trustee of IREIT (the "Trustee"). IREIT was listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 13 August 2014 ("Listing Date").

The registered office and principal place of business of the Manager is 156 Cecil Street #08-01, Singapore 069544.

The registered office and principal place of business of the Trustee is 12 Marina Boulevard, Level 44, Marina Bay Financial Centre Tower 3, Singapore 018982.

The principal activity of IREIT is investment holding whereas its subsidiaries (together with IREIT referred to as the "Group") are to own and invest in a portfolio of office properties in Europe with current primary focus on Germany. Collectively, the principal activity of the Group is to provide unitholders with regular and stable distributions and the potential for sustainable long-term growth in distribution and appreciation in investment value, while maintaining an appropriate capital structure for IREIT.

The consolidated financial statements of the Group and the statement of financial position and statements of distribution and changes in net assets attributable to unitholders of IREIT for the financial period ended 31 December 2014 were authorised for issue by the Manager on 31 March 2015.

The financial statements are presented in Euro ("€" or "EUR").

The Group has entered into several service agreements in relation to the management of IREIT and its property operations. The fee structures of these services are as follows:

(a) Manager's fees

The Manager is entitled to receive the following remuneration for the provision of asset management services:

Base fee

Pursuant to the Trust Deed, the Manager is entitled to a Base Fee of 10.0% per annum of IREIT's Annual Distributable Income (calculated before accounting for the Performance Fee but after accounting for the Base Fee in each financial period). The Base Fee is payable to the Manager either in the form of cash or units as the Manager may elect.

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

1. GENERAL (CONTINUED)

(a) Manager's fees (Continued)

Base fee (Continued)

The Manager has elected to receive 100.0% of its Base Fee in the form of units for the financial period from the Listing Date to 31 December 2014 and thereafter, for the financial years ending 31 December 2015 and 2016.

The portion of the Base Fee, payable either in the form of cash or units, is payable quarterly in arrears. Where the Base Fee is payable in units, the units will be issued based on the volume weighted average price for a unit for all trades transacted on SGX-ST in the ordinary course of trading for a period of 10 Business Days (as defined in the Trust Deed) immediately preceding the relevant Business Day.

Performance fee

Pursuant to the Trust Deed, the Manager is entitled to a Performance Fee of 25.0% of the difference in Distribution Per Unit ("DPU") in a financial period with the DPU in the preceding financial period (calculated before accounting for the Performance Fee but after accounting for the Base Fee in each financial period) multiplied by the weighted average number of units in issue for such financial period.

The Performance Fee is payable if the DPU in any financial period exceeds the DPU in the preceding financial period, notwithstanding that the DPU in such financial period may be less than the DPU in any preceding financial period.

The Manager has agreed to receive 100% of its Performance Fee, when entitled, in the form of units for the financial period from Listing Date to 31 December 2014 and thereafter, for financial years ending 31 December 2015 and 2016.

Acquisition fee

Under the Trust Deed, the Manager is entitled to receive an acquisition fee not exceeding a maximum of 1% of the acquisition price for any real estate purchased directly or indirectly by IREIT (pro-rated if applicable to the proportion of IREIT's interest in the real estate acquired) in the form of cash and/or units.

Divestment fee

Under the Trust Deed, the Manager is entitled to receive a divestment fee not exceeding a maximum of 0.5% of the sale price of any real estate directly or indirectly sold or divested by IREIT (pro-rated if applicable to proportion of IREIT's interest in the real estate sold) in the form of cash and/or units.

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

1. GENERAL (CONTINUED)

(b) Trustee's fees

The Trustee's fees shall not exceed 0.1% per annum of the value of all the assets of IREIT Group ("Deposited Property"), subject to a minimum of S$10,000 per month, excluding out-of-pocket expenses and GST in accordance with the Trust Deed. The Trustee will also be paid a one-time inception fee as may be agreed between the Trustee and the Manager, subject to a maximum of S$60,000.

(c) Property management fees

The Property Manager is entitled to the following fees on each property of IREIT under its management:

- 0.6% per annum of the Gross Revenue excluding service charge of Bonn Campus, subject to a minimum of €3,168.87 per month;
- 0.6% per annum of the Gross Revenue excluding service charge of Darmstadt Campus, subject to a minimum of €2,739.57 per month;
- 0.6% per annum of the Gross Revenue excluding service charge of Münster North, subject to a minimum of €1,006.04 per month;
- 0.6% per annum of the Gross Revenue excluding service charge of Münster South, subject to a minimum of €886.67 per month; and
- 2.1% per annum of the Gross Revenue excluding service charge of Concor Park, subject to a minimum of €7,431.62 per month.

(d) Leasing and marketing services fee

The Property Manager provides leasing and management services to the property owing subsidiaries in the Group. This enables IREIT to maximise rental returns and to achieve long term capital appreciation, market leadership in the respective asset classes and maintain its brand position. The Property Manager will carry out the day to day maintenance and leasing activities for the investment properties. The Manager and the Manager's local asset management team will oversee the Property Manager's activities and monitor its performance. In addition, the Manager will determine appropriate leasing policies and maintain direct contact with all major tenants.

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

1. GENERAL (CONTINUED)

(d) Leasing and marketing services fee (Continued)

For leasing and marketing services, the Property Manager is entitled to the following marketing services commissions:

- 0.5 month of Gross Revenue excluding service charge if a third party broker is involved; or

- 1.5 months of Gross Revenue excluding service charge if there is no third party broker involved.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB"), and are drawn up in accordance with the relevant provisions of the Trust Deed and the relevant requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS").

The financial statements have been prepared on historical cost basis, except for investment properties and certain financial instruments which are measured at fair values.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of IAS 17, and the measurements that have same similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation of financial statements (Continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

At the date of authorisation of these financial statements, the following IFRSs and amendments to IFRS that are relevant to the Group were issued but not effective:

IFRS 9	Financial Instruments[1]
IFRS 15	Revenue from Contracts with Customers[2]
Amendments to IAS 1	Disclosure Initiative[3]
Amendment to IFRSs	Annual Improvements to IFRSs 2011-2013 Cycle[4]
Amendment to IFRSs	Annual Improvements to IFRSs 2012-2014 Cycle[3]
Amendments to IAS 27	Equity Method in Separate Financial Statements[3]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for annual periods beginning on or after 1 January 2017
3 Effective for annual periods beginning on or after 1 January 2016
4 Effective for annual periods beginning on or after 1 July 2014

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a “fair value through other comprehensive income” (FVTOCI) measurement category for certain simple debt instruments.

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation of financial statements (Continued)

NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

IFRS 9 Financial Instruments (Continued)

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation of financial statements (Continued)

NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

IFRS 9 Financial Instruments (Continued)

Key requirements of IFRS 9: (Continued)

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014, which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supercede the current revenue recognition guidance including IAS18 *Revenue*, IAS11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation of financial statements (Continued)

NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

IFRS 15 Revenue from Contracts with Customers (Continued)

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15. The management is currently evaluating the impact of IFRS 15.

Amendments to IAS 1 Disclosure Initiatives

The International Accounting Standards Board (IASB) has published 'Disclosure Initiative (Amendments to IAS 1)'. The amendments aim at clarifying IAS 1 to address perceived impediments to preparers exercising their judgement in presenting their financial reports. They are effective for annual periods beginning on or after 1 January 2016, with earlier application being permitted. The Disclosure Initiative makes the following changes:

- **Materiality**: The amendments clarify that information should not be obscured by aggregating or by providing immaterial information, as well as materiality considerations apply to all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply.

- **Statement of financial position and statement of profit or loss and other comprehensive income**: The amendments introduce a clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarify that an entity's share of Other Comprehensive Income of equity- accounted associates and joint ventures should be presented in aggregate as single line item based on whether or not it will subsequently be reclassified to profit or loss.

The amendments add additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation of financial statements (Continued)

NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

Annual Improvements to IFRSs 2011-2013 Cycle

The Annual Improvements to IFRSs 2011-2013 Cycle include a number of amendments to various IFRSs, which include the amendments to IAS 40 to clarify that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of IAS 40; and

(b) the transaction meets the definition of a business combination under IFRS 3.

Annual Improvements to IFRSs 2012- 2014 Cycle

The Annual Improvements to IFRSs 2012-2014 Cycle include a number of amendments to various IFRSs, which include the amendments to:

(a) IFRS 5 to clarify that reclassifications from held-for-sale to held-for-distribution to owners (or vice versa) should not be considered changes to a plan of sale or a plan of distribution to owners, and the classification, presentation and measurement requirements applicable to the new method of disposal should be applied. Assets that no longer meet the criteria for held-for-distribution to owners (and do not meet the criteria for held-for-sale) should be treated in the same way as assets that cease to be classified as held-for-sale.

(b) IFRS 7 to clarify whether servicing contracts result in continuing involvement in a transferred asset for the purpose of determining the disclosures required. It also clarifies that offsetting disclosures are not explicitly required for all interim periods.

(c) IFRS 34 clarifies that the meaning of ‘elsewhere in the interim report’ encompasses other statements besides the interim financial statements (e.g. management commentary or risk reports) that is available to users on the same terms and at the same time as the interim financial statements. Cross-references between the interim financial statements and those other statements are required where disclosures are made in the latter.

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation of financial statements (Continued)

NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

Equity Method in Separate Financial Statements

The amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements:

- at cost;
- in accordance with IFRS 9 Financial Instruments (or IAS 39 Financial Instruments: recognition and measurement for entities that have not yet adopted IFRS 9); or
- using the equity method as described in IAS 28 Investments in Associates and Joint Ventures.

The accounting option must be applied by category of investments.The amendments also clarify that when a parent ceases to be an investment entity, or becomes an investment entity, it shall account for the change from the date when the change in status occurred.

Consequential amendments were also made to various standards as a result of these new/revised standards.

The management anticipates that the adoption of the above IFRSs, and amendments to IFRS in future periods will not have a material impact on the financial statements of the Group in the period of their initial adoption.

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of IREIT and entities controlled by IREIT ("subsidiaries"). Control is achieved when IREIT:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

IREIT reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of consolidation (Continued)

Consolidation of a subsidiary begins when IREIT obtains control over the subsidiary and ceases when IREIT loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the date IREIT gains control until the date when IREIT ceases to control the subsidiary.

Profit or loss and each component of the other comprehensive income are attributed to the owners of IREIT and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the unitholders of IREIT and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

On acquisition, the assets and liabilities of the relevant subsidiaries are measured at their fair values at the date of acquisition. Income and expenses of the subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition or disposal.

Where necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with those used by IREIT.

All intra-group assets and liabilities, income, expenses and cash flows are eliminated in full on consolidation.

(c) Investments in subsidiaries

Investments in subsidiaries are included in IREIT's statement of financial position at cost less any identified impairment loss. Results of subsidiaries are accounted for by IREIT on the basis of dividends received or receivable during the period.

(d) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured using the fair value model. Gains and losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Investment properties (Continued)

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the investment property is derecognised.

(e) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs, including front-end fees and commitment fees, that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a debt instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Interest income or expense is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables and bank balances and cash) are measured at amortised cost using the effective interest rate method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial instruments (Continued)

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial instruments (Continued)

Impairment of financial assets *(Continued)*

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group entity after deducting all of its liabilities.

Financial liabilities

Financial liabilities (including trade and other payables, distributable payable and borrowings) are initially measured at fair value and subsequently measured at amortised cost, using the effective interest rate method.

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial instruments (Continued)

Borrowing

Borrowing is initially recognised at fair value (net of transaction costs incurred) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to expenses over the period of borrowing using the effective interest rate method.

Borrowing is presented as a current liability unless the Group has an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case, they are presented as non-current liabilities.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Derivative financial instruments

The Group uses derivative financial instruments (primarily foreign exchange forward contracts) to economically hedge its significant future transactions and cash flows in the management of its exchange rate exposures. The Group does not use any financial derivative instruments to manage its interest rates exposure. The Group does not use derivative financial instruments for speculative purposes.

Derivative financial instruments are initially measured at fair value on the trade date, and are remeasured to fair value at the end of each reporting period. All changes in fair value are taken to profit or loss.

(f) Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in an active market (such as exchange traded or over the counter derivatives) are based on quoted market prices prevailing on reporting date.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. IREIT uses a variety of methods and makes assumptions that are based on market conditions existing at the reporting date. Where appropriate, quoted market prices or dealer quotes for similar financial instruments are used.

The fair values of forward currency swaps are calculated based on estimated future cash flows discounted at actively quoted currency rates.

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(h) Issue costs

Unit issue costs are transactions costs relating to issuance of units in IREIT which are accounted for as a deduction from the proceeds raised to the extent they are incremental costs directly attributable to the transaction that otherwise would have been avoided. Other transaction costs are recognised as an expense in profit or loss.

(i) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for services and facilities provided in the course of the ordinary activities, net of discounts.

Rental income under operating leases, except for contingent rentals, is recognised in the profit or loss on a straight-line basis over the term of the relevant lease.

Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period on a receipt basis. No contingent rentals are recognised if there are uncertainties due to the possible return of amounts received.

Service charges income, which consist of payments in respect of the operation of the properties which are payable by the tenants, are recognised as income when the services and facilities are provided.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and the relevant effective interest rate.

Dividend income from subsidiaries is recognised when IREIT's right to receive payment has been established.

(j) Foreign currencies

The functional currency (the currency of the primary economic environment in which the entity operates) of IREIT and its subsidiaries is Euro.

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Foreign currencies (Continued)

In preparing the financial statements of each individual entity within the Group, transactions in currencies other than Euro are recorded in Euro at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

(k) Impairment of investments in subsidiaries

At the end of the reporting period, IREIT reviews the carrying amounts of its investments in each of the subsidiaries to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of investments in subsidiaries is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of investments in subsidiaries is estimated to be less than its carrying amount, the carrying amount of investments in subsidiaries is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of investments in subsidiaries is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for investments in subsidiaries in prior years. A reversal of an impairment loss is recognised as income immediately.

(l) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before taxation" as reported in the statement of profit or loss and other comprehensive income because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Taxation (Continued)

Deferred tax is recognised on the temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all temporary difference to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such deferred assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Current and deferred tax are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Taxation (Continued)

The Inland Revenue Authority of Singapore ("IRAS") has issued a provisional tax ruling to IREIT pursuant to which the Singapore holding companies, which are wholly owned by IREIT, have been granted in-principle tax exemption under Section 13(12) of the Singapore Income Tax Act ("SITA") on the dividend income from IREIT's wholly-owned Dutch subsidiary companies (Dutch Subsidiaries). The tax exemption has been granted by the IRAS based on certain representations made by IREIT and subject to certain conditions being satisfied.

The IRAS has also issued a provisional tax ruling to IREIT pursuant to which the Singapore financing companies, which are wholly owned by IREIT, have been granted tax exemption under Section 13(12) of the SITA on the interest income from the Dutch Subsidiaries which are wholly owned by the Singapore holding companies. The tax exemption has been granted by the IRAS based on certain representations made by the Manager and subject to certain conditions being satisfied.

(m) Segment reporting

Segment information is reported in a manner consistent with the internal reporting provided to the management of the Manager who conducts a regular review for allocation of resources and assessment of the performance of the operating segments.

(n) Distribution policy

Distributions for the financial period from the date of constitution of IREIT on 1 November to 31 December 2014 is based on 100% of IREIT Group's specified non-taxable income comprising rental and other property related income from its business of property letting after deducting allowance expenses ("Distributable Income").

IREIT will distribute 100% of Distributable Income for financial years ending 31 December 2015 and 2016 and thereafter, IREIT will distribute at least 90% of the annual Distributable Income.

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

3. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, the Manager is required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the Group's accounting policies, the Manager is of the opinion that there are no instances of application of judgments or the use of estimation techniques which may have a significant effect on the amounts recognised in the financial statements other than valuation of investment properties.

As described in Notes 2(d) and 7, investment properties are stated at fair value based on the valuation performed by independent professional valuers. In determining the fair values of the Properties, the valuers have used and considered the income capitalisation method and discounted cash flows method, which involve the making of certain assumptions and estimates. The Manager has exercised its judgment and is satisfied that the valuation methods, assumptions and estimates are reflective of the prevailing conditions in Germany, where the investment properties are located.

Information about the assumptions, estimation, uncertainties that have significant effect on the amounts recognised and the fair values of the investment properties are set out in Note 7 to the financial statements.

4. CASH AND CASH EQUIVALENTS

	Group	IREIT
	31 December 2014 EUR'000	31 December 2014 EUR'000
Cash at bank and in hand	**12,277**	**2,156**

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

5. TRADE AND OTHER RECEIVABLES

	Group 31 December 2014 EUR'000	IREIT 31 December 2014 EUR'000
(a) Trade receivables		
Outside parties	553	–
(b) Other receivables and prepayments		
Other receivables	1,146	6,047
Prepayments	268	–
	1,414	6,047
Total	**1,967**	**6,047**

The average aging of trade receivables is between 1 – 5 days, with no amounts past due or impaired. The average credit period on billing for rental of properties is 2 days. No interest is charged on the trade receivables.

In determining the recoverability of a trade receivable the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The trade receivables as at the end of the reporting period include EUR 497,231 owing by a vendor of the investment properties in relation to the settlement of property operating expenses.

Included in other receivables at IREIT level is an amount of approximately EUR 4.8 million of dividend receivable from subsidiaries.

6. FINANCIAL DERIVATIVES

	Group 31 December 2014 EUR'000	IREIT 31 December 2014 EUR'000
Foreign currency forward contract	**279**	**279**

The functional and presentation currency of the IREIT is Euro, whereas the distributions to unitholders will be denominated in Singapore Dollar. In order to economically hedge the potential foreign currency fluctuation between Euro and Singapore Dollar, IREIT may enter into foreign currency forward contract (the "contract") to economically hedge the foreign currency exposure, when appropriate.

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

6. FINANCIAL DERIVATIVES (CONTINUED)

As at 31 December 2014, the notional amount of the contract entered into was approximately EUR 6.42 million at a forward EUR/SGD rate of 1.68 with a settlement date on 23 March 2015.

The fair value of the financial derivative falls under Level 2 of the fair value hierarchy.

7. INVESTMENT PROPERTIES

	Notes	Group 31 December 2014 EUR'000
At 1 November 2013 (date of constitution)		–
Acquisition of investment properties	(a)	283,100
Costs directly attributable to the acquisition of investment properties		19,934
Acquisition costs of investment properties		303,034
Change in fair value of investment properties during the period		(12,434)
Fair value of investment properties as at 31 December 2014	(b)	290,600

(a) This relates to the acquisition of the properties as at the Listing Date.

The fair values of the Group's investment properties at 31 December 2014 have been determined on the basis of valuations carried out on 31 December 2014 by independent valuers Messrs Colliers International Property Advisers UK LLP and Cushman & Wakefield LLP, having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued, and are not related to the Group. The fair value was determined based on the capitalisation of net income method and discounted cash flows method. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

7. INVESTMENT PROPERTIES (CONTINUED)

(b) Details of the investment properties as at 31 December 2014 which are all located in Germany are set out below:

Description of property	Type	Leasehold term	Location	Appraised value [(1)] EUR'000
Bonn Campus	Office	Freehold	Friedrich-Ebert-Allee, 71, 73, 75, 77, Bonn, Germany	100,000
Darmstadt Campus	Office	Freehold	Heinrich-Hertz-Straße 3, 5, 7, Darmstadt, Germany Mina-Rees- Straße 4, Darmstadt, Germany	80,300
Münster Campus	Office	Freehold	Gartenstraße 215, 217, Münster, Germany	49,800
Concor Park	Office	Freehold	Bahnhofstraße 12 and Dywidagstraße 1, Bahnhofstraße 16, 18, 20, München, Germany	60,500
Total				290,600

(1) Valuations for Bonn Campus, Darmstadt Campus and Münster Campus have been undertaken by Messrs Colliers International Property Advisers UK LLP, and the valuation for Concor Park has been undertaken by Messrs Cushman & Wakefield LLP.

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

7. INVESTMENT PROPERTIES (CONTINUED)

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy:

Valuation Techniques	Income Capitalisation Rate	Discount Rate	Terminal Capitalisation Rate	Price per square meter
Income capitalisation method	5.75% to 7.41%	–	–	–
Discounted cash flow	–	6.25% to 8.25%	5.5% to 7.5%	–
Depreciated replacement cost method	–	–	–	Building: €1,250 Car park: €375

There are inter-relationships between the above significant unobservable inputs. An increase in the income capitalisation rate, terminal capitalisation rate or discount rate will result in a decrease to the fair value of investment properties. An increase in the estimated price per square meter will result in an increase to fair value of the investment properties. An analysis of the sensitivity of each of the significant unobservable inputs is as follows:

Method	Impact on carrying value of properties
Income capitalisation method	If income capitalisation rate were to increase by 0.5%, the carrying value of investment properties would decrease by approximately EUR 19.90 million.
Discounted cash flow method	If discount rate were to increase by 0.5%, the carrying value of investment properties would decrease by approximately EUR 11.40 million.
Depreciated replacement cost method	If the price per square meter were to increase by 0.5%, the carrying value of investment properties would increase by approximately EUR 0.36 million.

Investment properties with a fair value of approximately EUR 290.6 million have been pledged as security for bank loans. All the investment properties are located in Germany.

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

8. INVESTMENT IN SUBSIDIARIES

	IREIT 31 December 2014 EUR'000
Unquoted equity shares, at cost	17,187
Loans to subsidiaries	191,122
Total	**208,309**

The loans to the financing subsidiaries are to fund the property investment holding subsidiaries for the purchase of the investment properties. The loans are long term in nature, unsecured, do not bear interest and are repayable at the sole discretion of the subsidiaries when they have the necessary cash flow to repay the loans. Repayment of the loans is not anticipated for the next 12 months.

IREIT has held the following wholly-owned subsidiaries as at 31 December 2014:

Name of entity	Principal activities	Country/ Place of incorporation	Particulars of issued share capital EUR	Interest held %
Directly held:				
IREIT Global Holdings Pte. Ltd.	Investment holding	Singapore	2,483,001	100
IREIT Global Holdings 1 Pte. Ltd.	Investment holding	Singapore	5,876,001	100
IREIT Global Holdings 2 Pte. Ltd.	Investment holding	Singapore	3,041,001	100
IREIT Global Holdings 3 Pte. Ltd.	Investment holding	Singapore	2,816,001	100
IREIT Global Investments Pte. Ltd.	Group lending	Singapore	1	100
IREIT Global Investments 1 Pte. Ltd.	Group lending	Singapore	1	100
IREIT Global Investments 2 Pte. Ltd.	Group lending	Singapore	1	100
IREIT Global Investments 3 Pte. Ltd.	Group lending	Singapore	1	100
Indirectly held				
Laughing Rock 1 B.V.[(a)]	Real estate investment	Netherlands	1,957,001	100
Laughing Rock 2 B.V.[(a)]	Real estate investment	Netherlands	1,957,001	100
Laughing Rock 3 B.V.[(a)]	Real estate investment	Netherlands	1,957,001	100
Laughing Rock 4 B.V.[(a)]	Real estate investment	Netherlands	1,518,001	100
Laughing Rock 5 B.V.[(a)]	Real estate investment	Netherlands	1,518,001	100
Laughing Rock 6 B.V.[(a)]	Real estate investment	Netherlands	1,819,001	100
Laughing Rock 7 B.V.[(a)]	Real estate investment	Netherlands	992,001	100
Laughing Rock 8 B.V.[(a)]	Real estate investment	Netherlands	1,239,001	100
Laughing Rock 9 B.V.[(a)]	Real estate investment	Netherlands	1,239,001	100

(a) Audited by Deloitte and Touche GmbH, Germany.

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

9. DEFERRED TAX ASSETS/LIABILITIES

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The following are the major components of deferred tax (liabilities)/assets recognised and movements therein during the period:

Group	Unutilised tax losses EUR'000	Revaluation difference of investment properties EUR'000	Total EUR'000
Deferred tax assets			
As at 1 November 2013 (date of constitution)	–	–	–
Recognised in profit or loss	116	1,275	1,391
Balance as at 31 December 2014	**116**	**1,275**	**1,391**
Deferred tax liabilities			
As at 1 November 2013 (date of constitution)	–	–	–
Recognised in profit or loss	–	(236)	(236)
Balance as at 31 December 2014	**–**	**(236)**	**(236)**

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

10. TRADE AND OTHER PAYABLES

	Group 31 December 2014 EUR'000	IREIT 31 December 2014 EUR'000
(a) Trade payables		
Outside parties	115	–
	115	**–**
(b) Other payables		
Accrued expense and other payables	3,832	737
Interest payable	581	–
	4,413	**737**
Total	**4,528**	**737**

11. BORROWINGS

	Group 31 December 2014 EUR'000
Secured loans	96,594
Less: Unamortised transaction costs	(1,235)
Total	95,359

IREIT has in place a bank facility agreement with a bank in Germany for a 5-year term loan facility (the "Facility"). The Facility has been fully drawn down as at 31 December 2014 as part payment of the acquisition of the investment properties.

The Facility bears fixed interest rates throughout the tenure of the Facility with an average effective interest rate of approximately 2.11% per annum including the amortisation of the debt upfront transaction costs. The Facility is repayable on a bullet basis in 2019 and is secured on the investment properties, the assignment of rental proceeds and a fixed charge over the rent and deposit accounts of the investment properties.

The fair value of the bank borrowings as at 31 December 2014 is approximately EUR 98.40 million.

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

12. UNITS IN ISSUE AND TO BE ISSUED

In accordance with the Trust Deed, IREIT's distribution policy provides the unitholders with a right to receive distribution which IREIT has a contractual obligation to distribute to unitholders. Accordingly, the units issued are compound instruments in accordance with IAS 32. The Manager considers the equity component of the issued units to be insignificant and that the net assets attributable to unitholders presented on the statement of financial position as at 31 December 2014 mainly represent financial liabilities.

	Group and IREIT 31 December 2014 Units
Units in issue:	
As at 1 November 2013 (date of constitution)	1,000
Issue of new units relating to:	
Initial public offering	167,733,000
Private placement	251,603,000
At the end of the period	419,337,000
Units to be issued:	
Manager's management fees payable in units	1,164,704
Total units in issue and to be issued at the end of the period	**420,501,704**

The units to be issued to the Manager as payment of Manager's fees were issued subsequent to the end of the reporting period.

13. NET ASSET VALUE PER UNIT

Net asset value per unit is based on:

	Group 31 December 2014 EUR'000	IREIT 31 December 2014 EUR'000
Net assets	199,974	209,637
Number of units in issue and to be issued at the end of the period ('000) (Note 12)	420,502	420,502
Net asset value per unit (EUR)	**0.48**	**0.50**

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

14. GROSS REVENUE

	Group
	Period from 1 November 2013 (date of constitution) to 31 December 2014
	EUR'000
Rental income	6,987
Service charges	384
Other income	955
Total	**8,326**

15. PROPERTY OPERATING EXPENSES

	Group
	Period from 1 November 2013 (date of constitution) to 31 December 2014
	EUR'000
Property management expenses	105
Repair and maintenance expenses	183
Utilities expenses	119
Property tax expenses	38
Other expenses	356
Total	**801**

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

16. FINANCE COSTS

	Group
	Period from 1 November 2013 (date of constitution) to 31 December 2014
	EUR'000
Interest on borrowings	581
Amortisation of debt upfront transaction costs	212
Total	**793**

17. OTHER TRUST EXPENSES

	Group
	Period from 1 November 2013 (date of constitution) to 31 December 2014
	EUR'000
Audit fees	68
Non-audit fees for auditors of IREIT	62
Legal and professional fees	757
Property valuation fees	145
Others	170
Total	**1,202**

The auditors were paid approximately EUR 363,000 for services rendered in connection with the listing of IREIT on SGX-ST on 13 August 2014. These expenses were included in Unit issue costs of EUR 7.44 million shown in the statement of changes in net assets attributable to unitholders.

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

18. INCOME TAX BENEFIT

	Group
	Period from 1 November 2013 (date of constitution) to 31 December 2014
	EUR'000
Current tax	–
Deferred taxation	
– Current year	1,155
Total	**1,155**

IREIT is subjected to Singapore income tax at 17% and the subsidiaries at approximately 15.85% which is the tax rate prevailing in Germany where all the properties are located.

The income tax benefit for the period can be reconciled to the accounting loss as follows:

	Group
	Period from 1 November 2013 (date of constitution) to 31 December 2014
	EUR'000
Loss before taxation and transactions with unitholders	(7,335)
Tax at 17%	1,247
Tax effect of expenses not deductible for tax purposes	(257)
Tax effect of income not taxable for tax purposes	867
Effect of different tax rate of overseas operations	(702)
Tax benefit for the period	**1,155**

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

19. BASIC AND DILUTED LOSS PER UNIT

The calculation of basic loss per unit is based on:

	Group Period from 1 November 2013 (date of constitution) to 31 December 2014 EUR'000
Loss for the period before transactions with unitholders	(6,180)
Weighted average number of units	82,008
Basic and diluted loss per unit (EUR cents)	**(7.53)**

Diluted loss per unit is the same as the basic loss per unit as there were no dilutive instruments issued during the period.

20. SEGMENTAL REPORTING

Operating segments are identified on the basis of internal reports on components of IREIT that are regularly reviewed by the chief operating decision maker, which is the management of the Manager, in order to allocate resources to segments and to assess their performance.

IREIT owns four properties which are all located in Germany. Revenue and net property income of the four properties (which constitute an operating segment on an aggregated basis) are the measures reported to the Manager for the purposes of resource allocation and performance assessment. The Manager considers that the four properties held by IREIT have similar economic characteristics and have similar nature in providing leasing services to similar type of tenants for rental income. In addition, the cost structure and the economic environment in which each of the four properties operate are similar. Therefore, the Manager concluded that the four properties should be aggregated into a single reportable segment and no further analysis for segment information is presented by property.

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

21. CAPITAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The Manager manages the capital of the Group to ensure that entities in the Group will be able to continue as a going concern while maximising the return to unitholders through the optimisation of debt and net assets attributable to unitholders, and to ensure that all other externally imposed capital requirements are complied with.

The capital structure of the Group consists of debts, which include bank borrowings and net assets attributable to unitholders comprising issued and issuable units, and reserves. IREIT and the Group are required to maintain the aggregate borrowing not exceeding 35% of the gross asset value of the Group in accordance with the CIS Code issued by MAS. As at 31 December 2014, the Group's aggregate borrowings amounted to EUR 96.6 million representing 31.5% of the gross asset value of the Group.

The Manager's strategy remains unchanged from the Listing Date. The Group is in compliance with the bank covenants as at 31 December 2014.

22. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	Group	IREIT
	31 December 2014 EUR'000	31 December 2014 EUR'000
Financial assets		
Loans and receivables		
– Bank balances and cash	12,277	2,156
– Trade and other receivables	1,967	6,047
Total	**14,244**	**8,203**
Fair value		
Derivative financial instruments	279	279
Financial liabilities		
Amortised cost		
– Trade and Other payables	4,528	737
– Distribution payable	6,417	6,417
– Borrowings	95,359	–
Total	**106,304**	**7,154**

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

22. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies

Details of the Group's and IREIT's financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include credit risk, interest rate risk, foreign currency risk and liquidity risk.

The policies on how to mitigate these risks are set out below. The Manager manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Interest rate risk

IREIT's exposure to changes in interest rates relates primarily to interest-bearing financial liabilities. IREIT's policy is to maintain its borrowings in fixed rate instruments and the terms of repayment of IREIT's borrowing and its interest rate are shown in Note 11. IREIT does not currently hold or issue derivative instruments to hedge its interest rate instruments.

Accordingly, no sensitivity analysis is prepared.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a tenant or counterparty to settle its financial and contractual obligations to the property companies, as and when they fall due. IREIT has adopted a policy of obtaining either banker guarantees or cash deposits from tenants to mitigate the risk of financial loss from default. Credit evaluations are performed by the Property Manager on behalf of the Manager.

The credit risk on liquid funds is limited as cash and cash equivalents are placed with reputable financial institutions which are regulated. The maximum exposure to credit risk of IREIT is represented by the carrying value of each financial asset on statement of financial position. As at 31 December 2014, there is no significant concentration of credit risk.

Approximately 10% of the Group receivables as at 31 December 2014 and 79% of Group revenue for the financial period are from a group of companies in Germany.

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

22. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk

The Manager monitors and maintains a level of cash and cash equivalents deemed adequate by the Manager to finance the Group's and IREIT's operations. In addition, the Manager also monitors and observes the CIS Code concerning limits of total borrowings.

The Manager is of the opinion that, taking into account the fair value of investment properties, presently available banking facilities and internal financial resources of the Group, the Group has sufficient working capital for its present requirements within one year from the end of the reporting period. Hence, financial statements have been prepared on a going concern basis.

Liquidity risk analysis

The following table details the Group's and IREIT's remaining contractual maturity for its financial liabilities (other than issued and issuable units) based on the agreed repayment terms. For non-derivative financial liabilities, the table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and IREIT can be required to pay.

The Group's derivative instruments are settled on a gross basis. When the amount payable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date. The liquidity analysis for derivative financial instruments is prepared based on the contractual maturities as the management considers the contractual maturities are essential for an understanding of the timing of the cash flows of the derivatives.

The Group's derivative financial instruments are foreign currency forwards with notional amount totaling EUR 6.42 million as at 31 December 2014 with contracted net cash flows due within 1 year from inception date.

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

22. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk *(Continued)*

Group	Weighted average interest rate %	On demand or less than 12 months EUR'000	Undiscounted cash flows 2 years to 5 years EUR'000	Carrying amount as at 31 December 2014 EUR'000
31 December 2014				
(i) Non-derivative financial instrument – liabilities				
Non-interest bearing		10,945	–	10,945
Fixed interest rate instrument	2.11%	1,626	103,219	95,359
		12,571	103,219	106,304
(ii) Derivative financial instrument – gross settled				
Foreign exchange forward contract		279	–	279

IREIT	On demand or less than 12 months EUR'000	Carrying amount as at 31 December 2014 EUR'000
31 December 2014		
(i) Non-derivative financial instrument – liabilities		
Non-interest bearing	7,154	7,154
(ii) Derivative financial instrument – gross settled		
Foreign exchange forward contract	279	279

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

22. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, other receivables and other payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The fair value of the other financial assets and financial liabilities is disclosed in the respective notes to the financial statements.

23. FUTURE MINIMUM COMMITMENTS

There are no capital expenditure commitments which are contracted but not provided for.

The Group lease out their investment properties. Non-cancellable operating lease rentals are receivable as follows:

	Group
	31 December 2014
	EUR'000
Within 1 year	20,281
After 1 year but within 5 years	74,080
After 5 years	53,829
Total	**148,190**

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

24. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability to directly or indirectly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or the Group with the Trustee, the Manager and substantial unitholders. Related parties may be individuals or other entities.

In the normal course of the operations of the Group, asset management fees and Trustee's fees have been paid or are payable to the Manager and Trustee respectively.

During the period, other than the transactions disclosed elsewhere in the financial statements, there were the following related party transactions:

	Group and IREIT
	Period from 1 November 2013 (date of constitution) to 31 December 2014
	EUR'000
<u>DBS Trustee Limited</u>	
One-time inception fee paid	19
Trustee's fee for the period from Listing Date on 13 August 2014 to 31 December 2014	24
<u>IREIT Global Group Pte. Ltd.</u>	
Acquisition fee paid	2,879
Base fee for the period from Listing Date on 13 August 2014 to 31 December 2014	642

Notes to the Financial Statements

FOR THE REPORTING PERIOD FROM 1 NOVEMBER 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2014

25. EVENTS OCCURRING AFTER FINANCIAL REPORTING DATE

On 21 January 2015, the Trustee has entered into currency forwards to economically hedge the distribution payable for the 6-month periods ending 30 June 2015 and 31 December 2015 which will be denominated in Singapore dollar. The foreign currency forwards have maturity dates that coincide within the expected occurrence of the distributions.

On 27 March 2015, the Trustee paid out a total of EUR 6.42 million of distributable income for the financial period ended 31 December 2014 to the unitholders in Singapore dollar amounting to S$10,777,000.

26. COMPARATIVE INFORMATION

IREIT was constituted on 1 November 2013. This being the first set of financial statements covering the period from the date of constitution on 1 November 2013 to 31 December 2014, there are no comparatives.

Statistics of Unitholdings

AS AT 13 MARCH 2015

DISTRIBUTION OF UNITHOLDINGS

SIZE OF UNITHOLDINGS	NO. OF UNITHOLDERS	%	NO. OF UNITS	%
1 – 99	1	0.03	25	0.00
100 – 1,000	1,193	31.68	1,189,200	0.29
1,001 – 10,000	1,982	52.63	9,990,875	2.38
10,001 – 1,000,000	583	15.48	33,140,200	7.90
1,000,001 AND ABOVE	7	0.18	375,016,700	89.43
TOTAL	**3,766**	**100.00**	**419,337,000**	**100.00**

LOCATION OF UNITHOLDERS

Country	NO. OF UNITHOLDERS	%	NO. OF UNITS	%
SINGAPORE	3,714	98.62	418,336,000	99.76
MALAYSIA	38	1.01	844,000	0.20
OTHERS	14	0.37	157,000	0.04
TOTAL	**3,766**	**100.00**	**419,337,000**	**100.00**

TWENTY LARGEST UNITHOLDERS

NO.	NAME	NO. OF UNITS	%
1	DBS NOMINEES (PRIVATE) LIMITED	160,582,900	38.29
2	CITIBANK NOMINEES SINGAPORE PTE LTD	141,784,700	33.81
3	ABN AMRO NOMINEES SINGAPORE PTE LTD	54,213,000	12.93
4	RAFFLES NOMINEES (PTE) LIMITED	10,458,700	2.49
5	MEREN PTE LTD	4,000,000	0.95
6	DB NOMINEES (SINGAPORE) PTE LTD	2,359,400	0.56
7	BANK OF SINGAPORE NOMINEES PTE. LTD.	1,618,000	0.39
8	CHAN LIAN CHIN	1,000,000	0.24
9	LEW FOON KEONG @CHARLES	1,000,000	0.24
10	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	831,000	0.20
11	ECICS LIMITED	800,000	0.19
12	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	638,100	0.15
13	NG LAY HOON	535,000	0.13
14	CHIA CHENG LIANG	500,000	0.12
15	LAI RUIXIAN DIONNE	500,000	0.12
16	LIM HONG MENG	500,000	0.12
17	XIAO ZHONGMIN	487,000	0.12
18	NG CHENG HWA	450,000	0.11
19	CHAN TUCK SING	405,000	0.10
20	LEONG HEE TECK PETER	338,000	0.08
	TOTAL	**383,000,800**	**91.34**

Issued and Fully Paid-Up Units

AS AT 13 MARCH 2015

ISSUED UNITS

There were 419,337,000 Units (voting rights: one vote per Unit) issued in IREIT as at 13 March 2015.

DIRECTORS' UNITHOLDINGS AS AT 21 JANUARY 2015

No.	Name of Directors	Units Held	Units in which the Directors are deemed to have an interest
1.	Lim Kok Min, John	200,000	–
2.	Tan Wee Peng Kelvin	200,000	–
3.	Nir Ellenbogen	100,000	–
4.	Tong Jinquan	51,137,000	189,381,000
5.	Ho Toon Bah	–	–
6.	Itzhak Sella	1,000	–

SUBSTANTIAL UNITHOLDERS AS AT 13 MARCH 2015

No.	Name of Substantial Unitholders		Direct Interest	Deemed Interest
1.	Wealthy Fountain Holdings Inc		189,381,000	–
2.	Tong Jinquan	Note 1	51,137,000	189,381,000
3.	Shanghai Summit Pte. Ltd.	Note 2	–	189,381,000
4.	Lim Chap Huat		79,675,000	–

Note 1 Wealthy Fountain Holdings Inc ("Wealthy Fountain") is a wholly-owned subsidiary of Shanghai Summit Pte. Ltd. ("Shanghai Summit"). Shanghai Summit is wholly-owned by Tong Jinquan. Accordingly, Tong Jinquan has a deemed interest in the units held by Wealthy Fountain.

Note 2 Wealthy Fountain Holdings Inc ("Wealthy Fountain") is a wholly-owned subsidiary of Shanghai Summit Pte. Ltd. ("Shanghai Summit"). Accordingly, Shanghai Summit has a deemed interest in the units held by Wealthy Fountain.

PUBLIC FLOAT

Under Rule 723 of the Listing Manual of the SGX-ST, a listed issuer must ensure that at least 10% of its listed securities are at all times held by the public. Based on the information made to the Manager as at 15 March 2015, approximately 23.52% of IREIT's Units were held in the hands of the public. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

IREIT's did not hold any treasury units as at 13 March 2015.

Notice of Annual General Meeting

IREITGlobal

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

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of the holders of units of IREIT Global ("**IREIT**", and the holders of units of IREIT, "**Unitholders**") will be held at Room Number 311, Suntec Convention Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Monday, 27 April 2015 at 2.00 p.m., to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Report of DBS Trustee Limited (the "**Trustee**"), the Statement by IREIT Global Group Pte. Ltd. (the "**Manager**") and the Audited Financial Statements of IREIT for the financial period from 1 November 2013 (constitution date) to 31 December 2014 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-appoint Deloitte & Touche LLP as the Independent Auditor of IREIT and to hold office until the conclusion of the next AGM and to authorise the Manager to fix their remuneration. **(Resolution 2)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution, with or without any modifications:

3. That authority be and is hereby given to the Manager, to:

(a) (i) issue units in IREIT ("**Units**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

(b) issue Units in pursuance of any Instruments made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

Notice of Annual General Meeting

provided that:

(A) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (B) below), of which the aggregate number of Units to be issued other than on a pro rata basis to Unitholders shall not exceed twenty per cent. (20%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (B) below):

(B) subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (A) above, the total number of issued Units (excluding treasury Units, if any) shall be based on the number of issued Units (excluding treasury Units, if any) at the time this Resolution is passed, after adjusting for:

(a) any new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and

(b) any subsequent bonus issue, consolidation or subdivision of Units;

(C) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed constituting IREIT (as amended) (the "**Trust Deed**") for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

(D) unless revoked or varied by the Unitholders in a general meeting the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of IREIT or (ii) the date by which the next AGM of IREIT is required by applicable regulations to be held, whichever is earlier;

(E) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and

(F) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interest of IREIT to give effect to the authority conferred by this Resolution. **(Resolution 3)**

(Please see Explanatory Note)

Notice of Annual General Meeting

BY ORDER OF THE BOARD
IREIT GLOBAL GROUP PTE. LTD.
(Company Registration No. 201331623K)
As manager of IREIT

Low Siew Tian
Lee Pay Lee
Company Secretaries

Singapore
10 April 2015

Notes:

1. A Unitholder entitled to attend and vote at the Annual General Meeting of the Unitholders of IREIT is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a Unitholder.

2. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his unitholding (expressed as a percentage of the whole) to be represented by each proxy.

3. The instrument appointing a proxy (the "**Proxy Form**") must be deposited at the registered office of the Manager at 156 Cecil Street #08-01 Far Eastern Bank Building, Singapore 069544, not less than 48 hours before the time appointed for the Annual General Meeting.

Explanatory Note:

Ordinary Resolution 3

Ordinary Resolution 3 above, if passed, will empower the Manager from the date of this AGM until (i) the conclusion of the next AGM of IREIT or (ii) the date by which the next AGM of IREIT is required by the applicable regulations to be held, whichever is earlier, to issue Units and to make or grant instruments (such as securities, warrants or debentures) convertible into Units and issue Units pursuant to such instruments, up to a number not exceeding 50.0% of the total number of issued Units (excluding treasury Units, if any), of which up to 20.0% may be issued other than on a *pro rata* basis to Unitholders (excluding treasury Units, if any).

For determining the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the issued Units at the time Ordinary Resolution 3 above is passed, after adjusting for new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Units.

Notice of Annual General Meeting

Fund raising by issuance of new Units may be required in instances of property acquisition or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual of the SGX-ST and the Trust Deed or any applicable laws and regulations in such instances, the Manager will then obtain the approval of Unitholders accordingly.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing and administration by the Manager and the Trustee (or their agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

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IREIT GLOBAL

(Constituted in the Republic of Singapore pursuant to a trust deed dated on 1 November 2013 (as amended))

IMPORTANT

1. For investors who have used their CPF money to buy units in IREIT, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.
3. CPF Investors who wish to attend the Annual General Meeting as observers have to submit their requests through their CPF Approved Nominees within the time frame specified. If they wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable the CPF Approved Nominees to vote on their behalf.
4. PLEASE READ THE NOTES TO THE PROXY FORM

Personal data privacy
By submitting an instrument appointing a proxy(ies) and/or representative(s), the unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 10 April 2015.

PROXY FORM
ANNUAL GENERAL MEETING

I/We ______________________________ (Name(s) and NRIC/Passport Number(s)/Company Registration Number) of ______________________________ (Address) being a unitholder/unitholders of IREIT Global ("**IREIT**"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Unitholdings (%)	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Unitholdings (%)	
			No. of Units	%

or, both of whom failing, the Chairman of the Annual General Meeting as my/our proxy/proxies to attend and vote for me/us on my/our behalf, at the Annual General Meeting of IREIT (the "**Meeting**") to be held at Room Number 311, Suntec Convention Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Monday, 27 April 2015 at 2.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given herein, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they may on any matter arising at the Meeting.

Note: The Chairman of the Meeting will be exercising his right under paragraph 11 of Schedule 1 of the trust deed dated 1 November 2013 (as amended) to demand a poll in respect of the resolutions to be put to the vote of Unitholders at the Meeting and at any adjournment thereof. Accordingly, such resolutions at the Meeting will be voted on by way of poll.

No.	Ordinary Resolutions	No. of Votes For*	No. of Votes Against*
	ORDINARY BUSINESS		
1.	To receive and adopt the Trustee's Report, the Manager's Statement, the Audited Financial Statements of IREIT for the financial period from 1 November 2013 (constitution date) to 31 December 2014 and the Auditors' Report thereon.		
2.	To re-appoint Deloitte & Touche LLP as the Independent Auditor of IREIT and authorise the Manager to fix the Auditor's remuneration.		
	SPECIAL BUSINESS		
3.	To authorise the Manager to issue Units and to make or grant convertible instruments.		

* If you wish to exercise all your votes "For" or "Against", please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this __________ day of ____________________ 2015.

Total number of Units held

____
Signature(s) of Unitholder(s)/Common Seal

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to Proxy Form:

1. A unitholder of IREIT ("**Unitholder**") entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend and vote in his stead.

2. A proxy need not be a Unitholder. The instrument appointing a proxy and power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority must be deposited with IREIT Global Group Pte. Ltd. (the "**Manager**") at its registered office at 156 Cecil Street #08-01 Far Eastern Bank Building, Singapore 069544, not less than 48 hours before the time appointed for holding the Meeting, and in default of which the instrument of proxy shall not be treated as valid.

3. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her unitholding (expressed as a percentage of the whole) to be represented by each proxy.

4. Completion and return of this instrument appointing a proxy or proxies ("**Proxy Form**") shall not preclude a Unitholder from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a Unitholder attends the Meeting in person, and in such event, the Manager reserves the right to refuse to admit any person or persons appointed under this instrument of proxy, to the Meeting.

5. A Unitholder should insert the total number of units in IREIT ("**Units**") held. If the Unitholder has Units entered against his/her name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), he/she should insert that number of Units. If the Unitholder has Units registered in his/her name in the Register of Unitholders of IREIT, he/she should insert that number of Units. If the Unitholder has Units entered against his/her name in the said Depository Register and registered in his/her name in the Register of Unitholders, he/she should insert the aggregate number of Units. If no number is inserted, this form of proxy will be deemed to relate to all the Units held by the Unitholder.

6. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

7. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the Manager) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

8. The Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the Proxy Form.

9. In addition, in the case of Units entered in the Depository Register, the Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by CDP to the Manager.

10. All Unitholders be bound by the outcome of the AGM regardless of whether they have attended or voted at the AGM.

11. The Chairman of the Meeting will be exercising his right under paragraph 11 of Schedule 1 of the trust deed dated 1 November 2013 (as amended) to demand a poll in respect of the resolutions to be put to the vote of Unitholders at the Meeting and at any adjournment thereof. Accordingly, such resolutions at the Meeting will be voted on by way of poll.

12. On a poll, every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he is the Unitholder. A person entitled to more than one vote need not use all his votes or cast them the same way.

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(As manager of IREIT Global)
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