



港 CROESUS
RETAIL TRUST

ON THE RISE

ANNUAL REPORT 2016





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CORPORATE PROFILE

THE RETAIL BUSINESS TRUST

Croesus Retail Trust ("CRT") is the first Asia-Pacific retail business trust listed on Singapore Exchange Securities Trading Limited (the "SGX-ST"), with portfolio located in Japan. CRT principally focused on investing in a diversified portfolio of predominantly retail real estate assets located in the Asia-Pacific region, with an initial focus on Japan. CRT's core portfolio of stable income generating assets serves as a foundation for the Trust to pursue development and acquisition opportunities in the Asia-Pacific region, including Japan, to generate long-term capital value and returns.

During financial year ended 30 June 2016 ("FY2016"), the Sponsor of CRT is Croesus Merchants International Pte. Ltd., part of the Croesus group of companies (the "Croesus Group"). CRT is also backed by its strategic partners, Daiwa House Industry Co. Ltd. ("Daiwa House") and Marubeni Corporation ("Marubeni"). Daiwa House is one of Japan's leading real estate business conglomerates while Marubeni is one of Japan's largest general trading companies. With a right of first refusal ("ROFR") granted by its Sponsor and strategic partners, CRT has greater access to retail real estate assets across Asia-Pacific to grow its portfolio with.

On 30 June 2016, Croesus Retail Asset Management Pte. Ltd. (the "Trustee-Manager") passed a resolution to subsume its functions under CRT. The first-of-its-kind internalisation process within Singapore's business trust and real estate investment trust space was completed on 31 August 2016.

Key management from the Trustee-Manager have committed to stay on to drive the key objective of delivering competitive returns on investment to its unitholders ("Unitholders") through:

- Regular and growing distributions; and
- Long-term capital value growth of CRT's portfolio of assets.

CRT is part of the FTSE ST Small Cap Index, the TR/GPR/ APREA Composite Index, FTSE Real Estate Index and the FTSE REIT index. For more information on CRT, please visit www.croesusretailtrust.com.





BROADENING OUR TENANT POOL

GROWING OUR PRESENCE

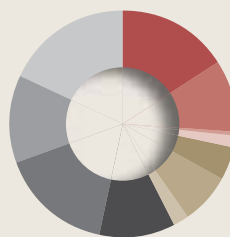
STRENGTHENING OUR Foothold IN JAPAN

Since listing in 2013, CRT has seen its retail asset portfolio grow from an initial four malls, to 11 today, bringing our total assets under management from JPY57.7 billion to JPY131.2 billion over a span of three years.

Over the past year alone, we succeeded in acquiring four assets, comprising Torius, Fuji Grand Natalie, Mallage Saga, and Feeeal Asahikawa. We focused on expanding our footprint across the different prefectures in Japan through the strategic acquisitions of yield-accretive retail properties. With a larger asset count, we also achieved greater income diversification, which together with our portfolio's high occupancy rate and long weighted average lease to expiry ("WALE"), strengthened our ability to generate resilient cash flows for our Unitholders.

Looking ahead, we plan to continue pursuing organic and inorganic growth opportunities as and when they arise, to enable us to reach new highs in the years to come.

AS AT 30 JUNE 2016



■ 16.0% Aeon Town Moriya	■ 2.2% Luz Omori
■ 10.2% Aeon Town Suzuka	■ 10.9% Mallage Saga
■ 0.5% Croesus Shinsaibashi	■ 16.0% Mallage Shobu
■ 1.7% Croesus Tachikawa	■ 12.4% One's Mall
■ 4.8% Feeeal Asahikawa	■ 18.0% Torius
■ 7.3% Fuji Grand Natalie	

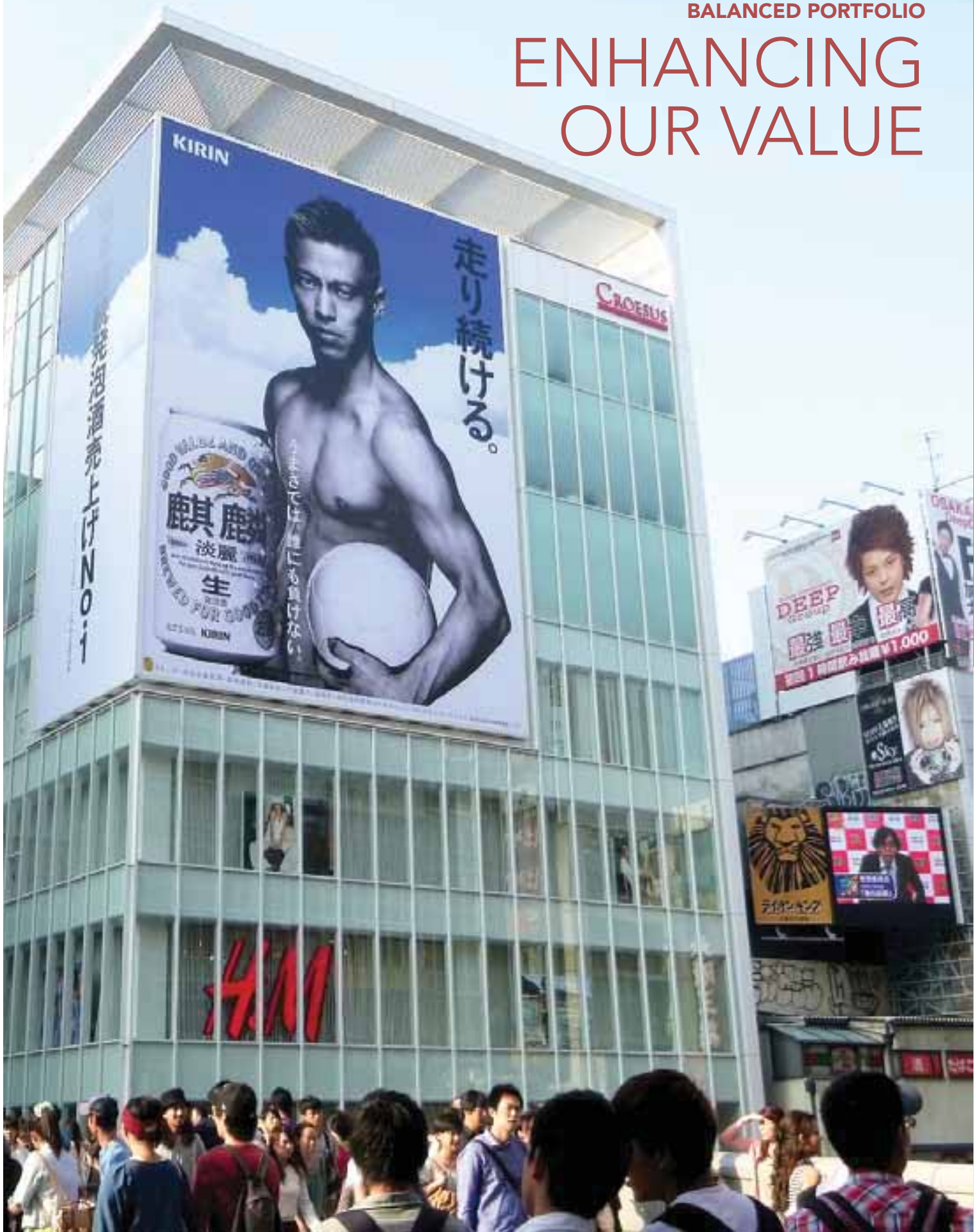
FY2016
TOTAL NET LETTABLE AREA

426,100.5 sq m



BALANCED PORTFOLIO

ENHANCING OUR VALUE





MANAGING OUR CAPITAL STRATEGICALLY

Our priority is to manage our capital strategically, allowing us the flexibility to react to any opportunities and challenges that may come our way.

To protect the interests of our Unitholders, we continue to maintain a prudent stance towards managing our finances, as this better enables us to provide sustainable and resilient distributions in the times ahead. We are constantly working on diversifying our funding sources, while exploring optimal financing methods to procure a lower cost of debt. In testament of our efforts, we attained an average all-in cost of debt of 1.90% and lowered our gearing to 45.3% from 47.3% over the year.

Meanwhile, to fund our growth strategies, we will continue to build on our networks, to broaden our investor base to tap fresh capital for growth.

TOTAL PORTFOLIO VALUE

JPY112,640 m

FINANCIAL HIGHLIGHTS DURING FY2016**GROWING
NUMBERS**

CRT turned in another strong performance in FY2016, unlocking new achievements in revenue, net property income, distribution per unit and net asset value.

We have exhibited continuous growth in our financials over the last three years, and have grown from strength to strength in all aspects.

Going forward, CRT will continue to leverage on its expertise in core asset management to optimise returns from its existing assets, while executing asset enhancement initiatives to keep its assets competitive, to stand out to shoppers. We will also continue to seek growth opportunities through the acquisition of strategically-located retail assets, when the right window of opportunity arises.

REVENUE

+25.5% year-on-year

JPY **9,581** m**NET PROPERTY INCOME**

+16.4% year-on-year

JPY **5,449** m**DISTRIBUTABLE INCOME**

+18.5% year-on-year

JPY **3,981** m**DISTRIBUTION PER UNIT**+11.2% year-on-year¹SGD **7.06** cents

¹ Based on the restated DPU in FY2015 which reflects the effect of 114,222,677 units issued pursuant to the rights issue on 2 November 2015 and 27,682,070 units issued pursuant to the preferential offering on 25 August 2016.





YEAR IN REVIEW

A LOOK BACK
AT 2015/16

TOGETHER WITH THE SUPPORT FROM OUR STAKEHOLDERS, WE HAVE ACHIEVED NEW MILESTONES IN FY2016, AND WE HOPE TO CONTINUE DELIVERING ROBUST RESULTS IN THE YEAR AHEAD.

2015

28 SEPTEMBER

Announced proposed acquisition of Torius to be partially funded via a renounceable rights issue

26 OCTOBER

FY2015 Annual General Meeting

11 NOVEMBER

Announced first quarter results ("1Q FY2016")

- Revenue: JPY2,007 million
- NPI: JPY1,233 million
- DPU: 1.71 Singapore cents¹

16 OCTOBER

Acquisition of Torius completed

**2 NOVEMBER**

Issued 114,222,677 new CRT units in relation to renounceable rights issue

31 AUGUST

Internalisation of Trustee-Manager completed

8 AUGUST

Announced launch of preferential offering

26 AUGUST

Announced fourth quarter and full year results ("4Q FY2016" and "FY2016" respectively)

- | | |
|-----------------------------|-----------------------------|
| • 4Q FY2016 | • FY2016 |
| - Revenue: JPY2,675 million | - Revenue: JPY9,581 million |
| - NPI: JPY1,439 million | - NPI: JPY5,449 million |
| - DPU: 1.70 Singapore cents | - DPU: 7.06 Singapore cents |

Issued preferential offering 27,682,070 new CRT units

11 JULY

Completed revaluation of assets

Total portfolio value increased 28.1% year-on-year to JPY112,640 million (approximately S\$1.5 billion)² as at 30 June 2016

¹ DPU in 1Q FY2016 was restated to reflect the effects from the number of units issued and to be issued at the end of period and 114,222,677 units issued pursuant to the rights issue on 2 November 2015. DPU in 1Q FY2016 was previously reported 2.08 Singapore cents as per announcement dated 11 November 2015.

² Based on an exchange rate of JPY76.29 = SGD1.00 as at 30 June 2016.

2016

11 FEBRUARY

Announced second quarter results ("2Q FY2016")

- Revenue: JPY2,433 million
- NPI: JPY1,368 million
- DPU: 1.79 Singapore cents

4 APRIL

Issued 70,000,000 new CRT units in relation to private placement

13 APRIL

Issued S\$60,000,000 5.0% Fixed Rate Notes under the Euro Medium Term Note ("EMTN") Programme

23 MARCH

Announced launch of private placement

7 APRIL

Announced proposed acquisition of Fuji Grand Natalie

30 JUNE

Extraordinary General Meeting

- Proposed internalisation of Trustee-Manager approved by Unitholders

12 JUNE

Announced proposed internalisation of Trustee-Manager

Established the Nominating and Remuneration Committee

13 MAY

Announced third quarter results ("3Q FY2016")

- Revenue: JPY2,466 million
- NPI: JPY1,409 million
- DPU: 1.86 Singapore cents

Announced proposed acquisition of Mallage Saga and Feeeal Asahikawa

23 JUNE

Announced sponsor undertakings in relation to proposed internalisation

27 MAY

Acquisition of Mallage Saga and Feeeal Asahikawa completed



18 APRIL

Acquisition of Fuji Grand Natalie completed



CHAIRMAN'S MESSAGE

CREATING
MILESTONES

ON THE BACK OF A RELATIVELY CHALLENGING MACRO ENVIRONMENT, CRT HAS CONTINUED ON A STEADY PATH OF GROWTH.

Dear Unitholders,

On behalf of the Board of Directors, I am pleased to present to you the annual report of Croesus Retail Trust ("CRT" or the "Trust") for the financial year ended 30 June 2016 ("FY2016").

The year in review marked a significant milestone for us.

On 30 June 2016, our Unitholders approved our proposal to internalise our Trustee-Manager. The aim of this initiative is to better align Unitholders' interests with the Trustee-Manager and for us to unlock greater value for our Unitholders. The internalisation was completed on 31 August 2016.

In addition, in FY2016 our portfolio of assets grew from seven to 11 income-producing properties today, valued at S\$1.5 billion.

High liquidity in the market and a conducive interest rate environment have also steadily improved activity in Japan's domestic real estate scene, resulting in significant cap rate compression for core assets. This has boded well for CRT, which has seen the value of its pre-FY2016 acquisition portfolio rise 6.6% over the past year.

Certainly, the heightened competition has also led to greater challenges in sourcing for retail

properties for acquisitions. However, we have fostered strong relationships with our strategic partners and sponsor. These relationships are instrumental in our continued efforts to build a pipeline of properties for future acquisitions.

As we chart our course for the next financial year, we look to optimise our income via a combination of new asset acquisitions, asset enhancement initiatives, and refinancing exercises. In the year ahead, we intend to work to increase net lettable area of certain assets, such as Torius. We continue proactively to engage retailers on a regular basis, in preparation for the next tenant renewal exercise. The goal of which is to achieve maximum occupancy and positive rental reversions to grow our distribution to Unitholders.

The overall financing environment in Japan is also expected to remain conducive for borrowings. For instance, the three-month JPY LIBOR interest rate continues to decline, and is now in negative territory. To capitalise on this, we plan to explore new financing and refinancing options for our debt, adding greater debt headroom for the CRT to explore new opportunities when they arise.

In the coming financial year, we continue to adopt prudent measures against forex exposure,

as CRT receives its distributable income in JPY, but pays out distributions in Singapore Dollars ("SGD"). To fend against this, we have hedged close to 100% of CRT's expected distribution up to June 2018 to minimise our exposure to exchange rate fluctuations, ensuring stable and sustainable distributions for our Unitholders.

Looking ahead, we are mindful of the uncertainty surrounding Japan's fiscal stimulus plans, and will remain vigilant to developments across our operating landscape. With a greater push towards greater corporate governance and sustainability reporting globally, we will also work to better align ourselves with the market's best practices.

More importantly, we would like to assure you that our long term commitment towards CRT and our Unitholders remains steadfast, and we hope you will continue to invest your trust in us. We are heartened by your continued support, and together with our team of experienced management and employees, we look forward to delivering another positive report card in the year to come.



DAVID LIM
Chairman



LETTER TO UNITHOLDERS

CULTIVATING GROWTH

WE HOPE TO STRENGTHEN OUR PORTFOLIO FURTHER UNDER THE INTERNALISED STRUCTURE.

Dear Unitholders,

It was a groundbreaking year for CRT, especially against a backdrop of uncertain global economic conditions.

In FY2016, we set the precedent by being the first trust in Singapore to internalise the management functions of its Trustee-Manager.¹ This marks a step towards unlocking value in CRT, as the internalisation will help us realise cost savings and a greater alignment of interests between management and Unitholders.

On the macro front, the Bank of Japan introduced negative interest rates in January 2016. This helped lower our cost of JPY-denominated debt relating to recent acquisitions made in April and May 2016. Should this trend continue, we are likely to achieve further savings when we refinance our existing local Japanese debt which is maturing in FY2018.

The JPY appreciated approximately 16%² against the SGD during FY2016, translating positively to CRT's net asset value ("NAV") in SGD terms. However, we continue to hedge close to 100% of expected distributable income until FY2018, to mitigate against currency fluctuations.

YEAR IN REVIEW

We stayed focused on executing the objectives stated at the start of the financial year, which was to continue to deliver stable and robust cash flows, and to grow CRT's portfolio responsibly.

The revaluation of our existing portfolio saw an appreciation in value by approximately 6.6%³. In addition to this, we acquired four yield-accretive retail assets in Japan, boosting our portfolio value to JPY113 billion as of 30 June 2016.

We were glad to have been able to further expand our presence beyond the regions of Tokyo and Osaka, with the acquisitions of four new malls, comprising Torius, Fuji Grand Natalie, Mallage Saga and Feeeal Asahikawa. This brings our aggregate net lettable area ("NLA") across 11 quality assets to 426,100.5 sq m with a robust average occupancy rate of 98.1%.

To finance these acquisitions, we successfully completed various fund raising exercises during the year, on the back of strong support from our banks and investors. These include a rights issue, private placement and the issuance of euro medium term notes and Japanese onshore specified bonds.

From an organic level, we accomplished a successful and significant tenant renewal exercise at Mallage Shobu, which has since seen a 2.4%⁴ increase in net property income ("NPI") following the introduction of new brands and concepts at its premises.

¹ CRT completed the internalisation of the Trustee-Manager as per announcement dated 31 August 2016.

² Based on MAS's historical exchange rate of SGD/JPY 90.79 as at 30 June 2015, and SGD/JPY 76.18 as at 30 June 2016.

³ Comparison of existing portfolio as at 30 June 2016 to the prior valuations. For full details on asset valuations, please refer to announcement dated 11 July 2016.

⁴ Mallage Shobu's annual NPI for FY2016 was JPY1,488.2 million and FY2015 was recorded JPY1,453.4 million.



JIM CHANG
Executive Director and
Chief Executive Officer

JEREMY YONG
Managing Director⁶

In FY2016, CRT generated gross revenue of JPY9,581 million, exceeding last year's performance by 25.5%. We also posted a higher NPI of JPY5,449 million, up 16.4% from FY2015, due to the contribution from newly-acquired assets, and positive rental reversions from Mallage Shobu's successful tenant renewal exercise. As a result, CRT's income available for distribution to Unitholders came in 18.5% higher in FY2016 at JPY3,981 million.

Through prudent capital management strategies and positive asset valuations, we have also managed to lower our gearing from 47.3% in FY2015, to 45.3% in FY2016.

As a result, we posted an 11.2%⁵ growth in total distribution per unit ("DPU") to 7.06 Singapore cents in FY2016, as compared to an adjusted DPU of 6.35 Singapore cents in FY2015.

IN THE YEAR AHEAD

With much uncertainty surrounding the long-term efficacy of Japan's monetary stimulus plans, we remain prudent in our business approach, with the goal of staying adaptable to any changes that may come our way.

We strive to continue exploring fresh pipelines of quality assets to acquire, to develop a resilient chest of properties that build on the strong

fundamentals we have. However, our priority remains in core asset management, with the aim of creating safe, yet robust cash flows for our Unitholders. In this regard, we are currently working on a detailed asset enhancement plan, which we hope to unveil in due course. In addition, we expect NPI to increase as we realise full-year contributions from recent acquisitions in the coming year.

Taking into account the above factors and barring any unforeseen circumstances, we expect our properties to continue generating stable cash flows in the next reporting period and in the next 12 months.

WITH APPRECIATION

All our achievements this year are a reflection of the confidence and support that we have received from our Unitholders, business partners, bankers, financial advisers and tenants. We are also thankful for the hard work, commitment and dedication put in by our property managers and staff.

As an organisation that grounds itself in trust, we treasure our relationships with all parties, and look forward to creating further value for all as we journey ahead.

Thank you.

JIM CHANG
Executive Director and
Chief Executive Officer

JEREMY YONG
Managing Director⁶

⁵ Based on the restated DPU in FY2015 which reflects the effect of 114,222,677 units issued pursuant to the rights issue on 2 November 2015 and 27,682,070 units issued pursuant to the preferential offering on 25 August 2016.

⁶ Mr Yong was re-designated as Managing Director upon the completion of the internalisation of the Trustee-Manager on 31 August 2016.

BOARD OF DIRECTORS

TAKING THE LEAD



1. MR LIM TECK LEONG DAVID

Chairman, Independent Director and Member of the Audit and Risk Committee, and Member of the Nominating and Remuneration Committee

Mr Lim was appointed as an Independent Director of the Trustee-Manager on 22 October 2012.

Mr Lim is an independent director of several companies publicly listed on the SGX-ST, namely, G.K. Goh Holdings Limited, LH Group Limited and New Toyo International Holdings Limited. He also sits on the boards of private companies in Singapore, Indonesia and Thailand in non-executive capacities and on the executive committees of several private equity investments.

Mr Lim is the founder of David Lim & Partners LLP and has been the Managing Partner since 1990. He began his career at Rodyk & Davidson in 1982 with a focus in commercial litigation, corporate finance, restructuring and mergers & acquisitions up till 1989. Mr Lim has represented multinationals and corporations from

the financial and banking sectors, fund management, private equity, manufacturing, tobacco, information technology and telecommunications, infrastructure, property development, food, hospitality, healthcare, shipping and electronics. He previously lectured at the Institute of Banking & Finance from 1999 to 2000 and tutored at the Faculty of Law, National University of Singapore from 1992 to 1994. He was a council member of the Law Society of Singapore.

Mr Lim is an honorary legal adviser (for David Lim & Partners LLP) of the Singapore Physiotherapy Association.

Mr Lim graduated from King's College London in 1980 with a Bachelor of Laws and obtained his professional qualification as a barrister from Gray's Inn, London in 1981.

Present principal directorships/commitments and past principal directorships for a period of approximately three years prior are as follows:

PRESENT PRINCIPAL DIRECTORSHIP

Other Listed Companies	G.K. Goh Holdings Limited LH Group Limited New Toyo International Holdings Limited Tien Wah Press Holdings Berhad
Others	Cepu Pte. Ltd. Dandelion Investments Holdings Limited Eastlog Holding Pte. Ltd. Eastlog Projects Limited Growth Asia Investments Limited Indo Port Holding Pte. Ltd. LCG Holdings Pte. Ltd. Mahakarya Offshore Services Pte. Ltd. Mezzanine Holdings Limited PT Bahari Sindo Persada PT Eastern Logistics PT Peak Energy Quad Energy Pte. Ltd. Racha Resort Co. Ltd. PT East Java Development Argo Group Pte. Ltd. Brixham Services Limited Eastlog Project Services Sdn Bhd

Director
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Director
Director
Director
Director
Commissioner
President Commissioner
Commissioner
Director
Director
President Commissioner
Director
Director
Director

PAST PRINCIPAL DIRECTORSHIP

National Volunteer and Philanthropy Centre Orange Valley Healthcare Pte. Ltd. Samudera Shipping Line Limited The Community Foundation of Singapore Z-Obee Holdings Limited Inventa Technologies (S) Pte. Ltd. India Roads Trust Investments Pte. Ltd.

PRINCIPAL COMMITMENTS (OTHER THAN DIRECTORSHIP)

David Lim & Partners LLP	Founder and Managing Partner
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2. MR JIM CHANG CHENG-WEN

Executive Director and Chief Executive Officer

Mr Chang was appointed as Executive Director and Chief Executive Officer on 8 March 2012.

Mr Chang is the Chairman and Co-founder of Croesus Merchants International, the Sponsor of Croesus Retail Trust, in February 2010 and Croesus International Inc. in August 2004. He has more than a decade of experience in global real estate and investments.

Mr Chang started his career in 1990 negotiating sea port control rights, airline landing rights and strategic investments with foreign governments on behalf of the Evergreen Group. In 2001, he rose to become Managing Director of the Evergreen Group focused on its investments. During his stint in Evergreen Group from 1997 to 2005, Mr Chang led the regional and international investment and management team in real estate, transportation and infrastructure. His extensive experience includes managing Evergreen Group's real estate businesses

across the different asset class such as hospitality, office and logistics.

Mr Chang has sat on the Advisory Board of leading Asian institutions and organisations, notably Taiwan High Speed Rail Corporation (2004 to 2010) and Evergreen (2007 to 2011).

From 2007 to 2010, he managed a residential real estate fund in Japan for Citi Property Investors with combined equity and debt of US\$500 million. He partnered with and advised world class players on their acquisition strategy for two real estate portfolios totalling over US\$2 billion of Asian hospitality assets in 2006.

Mr Chang has a Bachelor of Arts in International Studies from Temple University (Pennsylvania, USA).

Present principal directorships/commitments and past principal directorships for a period of approximately three years prior are as follows:

PRESENT PRINCIPAL DIRECTORSHIP

Others	Croesus International Inc.	Director
	Croesus Merchants International Pte. Ltd.	Director
	Croesus Retail Asset Management K.K.	Director
	Everglory Group Limited	Director
	Soarfame Corporation	Director
	Unison Pacific Limited	Director
	Trust Capital Co., Ltd.	Director

PAST PRINCIPAL DIRECTORSHIP

Amazeme Pte. Ltd.
Croesus Japan, Inc.

3. MR ENG MENG LEONG

Independent Director, Chairman of the Audit and Risk Committee, and Member of the Nominating and Remuneration Committee

Mr Eng was appointed as an Independent Director of the Trustee-Manager on 22 October 2012.

Mr Eng is currently a non-executive director of Religare Health Trust Trustee Manager Pte. Ltd and ACTS College Ltd.

Mr Eng was previously an executive director with KPMG Tax Services Pte. Ltd. He also served as the head of financial services in the tax practice. Mr Eng joined KPMG Tax from 1984 up till 2009 and has been involved with taxation for 25 years. His experience in taxation covers Singapore, Malaysia, Hong Kong and the United Kingdom.

Mr Eng worked in London for nine years prior to joining KPMG in Singapore and was an examiner at ACCA Advanced Tax. Mr Eng is also a consultant for the Kong Siang group of companies.

Mr Eng was admitted in 1984 as an associate member of the Institute for Chartered Accountants of England and Wales. He is a member of the Institute of Singapore Chartered Accountants and an Accredited Tax Advisor of the Singapore Institute of Accredited Tax Professionals Ltd.

Present principal directorships/commitments and past principal directorships for a period of approximately three years prior are as follows:

PRESENT PRINCIPAL DIRECTORSHIP

Other Listed Companies	Religare Health Trust Trustee Manager Pte. Ltd. (Trustee-Manager of Religare Health Trust)	Director
Others	ACTS College Ltd.	Director

PAST PRINCIPAL DIRECTORSHIP

Kreuz Holdings Limited
3Cnergy Limited
Libra Group Limited

BOARD OF DIRECTORS continued

4. MR QUAH BAN HUAT

Independent Director, Chairman of the Nominating and Remuneration Committee, and Member of the Audit and Risk Committee

Mr Quah was appointed as an Independent Director of the Trustee-Manager on 22 October 2012.

Mr Quah has more than two decades of experience in investments, finance and accounting, including fund raising, listing and initial public offerings, debt financing, corporate finance, restructuring and tax planning. Mr Quah is a consultant for KPMG Services Pte Ltd providing advice to clients on matters such as mergers and acquisitions, restructuring, and capital raising, and sits on the board of several public and private companies.

Mr Quah has held various key finance positions in the past including amongst others, as Regional Business Area Controller at Deutsche Bank Investment Banking, Group Finance Director of the IMC Group, and Chief Financial Officer of City Gas Pte Ltd and Rickmers Trust Management Pte Ltd.

Mr Quah is a member of the Institute of Chartered Accountants in England and Wales and a fellow member of the Association of Chartered Certified Accountants.

Present principal directorships/commitments and past principal directorships for a period of approximately three years prior are as follows:

PRESENT PRINCIPAL DIRECTORSHIP		PAST PRINCIPAL DIRECTORSHIP	
Other	AP Oil International Ltd.	Director	Ennea Resources Pte. Ltd.
Listed	mDR Ltd.	Director	KPPCS Pte. Ltd.
Companies	Samudera Shipping Line Ltd.	Director	Midsource Ltd.
Others	Eurex Clearing Asia Pte. Ltd.	Director	
	Deutsche Boerse Asia Holding Pte. Ltd.	Director	
	Primeur Cellars Pte. Ltd.	Director	
	Primeur Holdings Pte. Ltd.	Director	
PRINCIPAL COMMITMENTS (OTHER THAN DIRECTORSHIP)			
	KPMG Services Pte. Ltd.	Consultant	

5. MR YONG CHAO HSIEN JEREMY

Managing Director

Mr Yong was appointed as a Non-Executive Director of the Trustee-Manager on 1 March 2012. He was re-designated as Managing Director upon the completion of the internalisation of the Trustee-Manager on 31 August 2016.

He is also the Co-founder of Croesus Merchants International, the Sponsor of Croesus Retail Trust, and oversees all corporate operations and the strategic development of Croesus Merchants International. He is also Co-founder and Director of a number of Croesus group companies including Croesus Group Pte. Ltd., Croesus Partners Pte. Ltd., Croesus Retail Asset Management Pte. Ltd. and Evertrust Asset Management Pte. Ltd.

Mr Yong began his career at JP Morgan Singapore in the mid-1990s. Over the past two decades, he has founded or

co-founded a number of companies involved in various types of investment strategies, including Jael Capital Ltd, a privately owned investment vehicle, involved in equities, global markets, foreign exchange and real estate investments, and ICG Japan, a private equity technology investment company, which subsequently merged with ICG Asia (a publicly listed company on the Stock Exchange of Hong Kong).

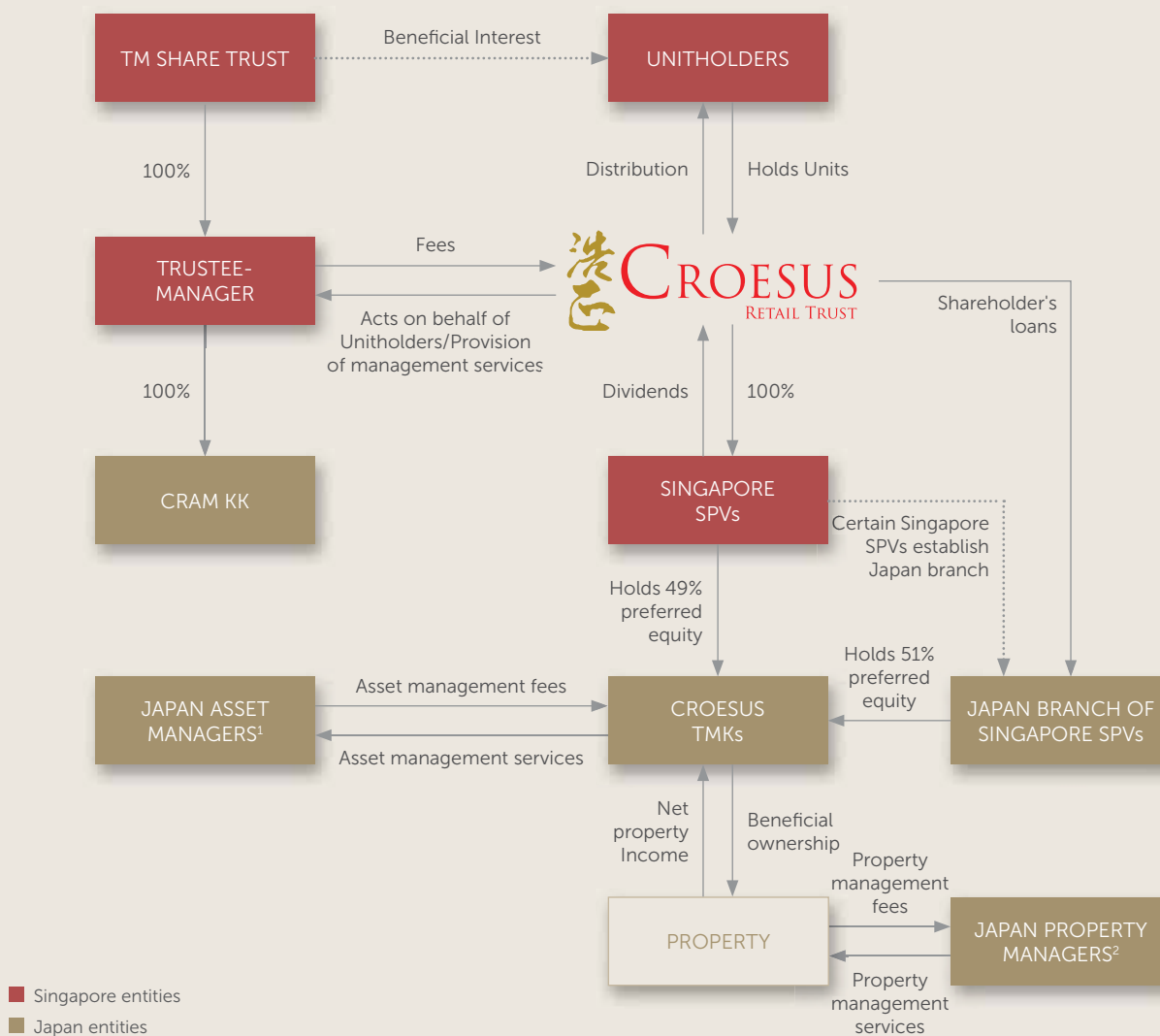
Mr Yong graduated from the London School of Economics, U.K. in 1991 with a Bachelor of Science (Hons) in Industrial and Business Economics.

Present principal directorships/commitments and past principal directorships for a period of approximately three years prior are as follows:

PRESENT PRINCIPAL DIRECTORSHIP		PAST PRINCIPAL DIRECTORSHIP	
Others	Croesus Merchants International Pte. Ltd.	Director	P&E Directions Asia Pte. Ltd.
	Croesus Group Pte. Ltd.	Director	Yukern Pte. Ltd.
	Evertrust Asset Management Pte. Ltd.	Director	
	Croesus Retail Asset Management K.K.	Director	

CORPORATE STRUCTURE

HOLDING STRUCTURE OF TRUSTEE-MANAGER AND CRT



1 Japan Asset Managers

- CMI Realty Management Co., Ltd.
- Marubeni Asset Management Co., Ltd.
- Tozai Asset Management Co., Ltd.

2 Japan Property Managers

- AIM CREATE Co., Ltd. (Aeon Town Moriya, Aeon Town Suzuka and Croesus Tachikawa)
- KAFER Co., Ltd. (Torius)
- Marubeni Real Estate Management Co., Ltd. (Croesus Shinsaibashi and Luz Omori)
- PROD-ex CO., LTD. (Feeeal Asahikawa)
- Sojitz Commerce Development Corporation (Mallage Saga and Mallage Shobu)
- XYMAX KYUSHU Corporation (Fuji Grand Natalie)
- XYMAX ALPHA Corporation (One's Mall)

KEY MANAGEMENT

DRIVING
OUR
BUSINESS

1.

1. MR JIM CHANG CHENG-WEN

Executive Director and Chief Executive Officer

Mr Chang was appointed as the Executive Director and Chief Executive Officer of Croesus Retail Trust on 8 March 2012. He is also the Chairman and Co-founder of Croesus Merchants International and Croesus International Inc. since February 2010 and August 2004 respectively, and has over two decades of experience in global real estate and strategic investments.

Mr Chang began his career in 1990 negotiating sea port control rights, airline landing rights and strategic investments with foreign governments, on behalf of Taiwan-based Evergreen Group. In 2001, he rose to become the Managing Director of the Group's investment activities, leading the investment and management team, in both regional and international investments, across the fields of real estate, transportation and infrastructure. He also managed Evergreen Group's hospitality, office and logistics real estate businesses in Asia, building a wealth of experience across the various asset classes.

Mr Chang previously sat on the Advisory Board of leading Asian institutions and organisations, including Taiwan High Speed Rail Corporation (2004 to 2010) and Evergreen (2007 to 2011).

From 2007 to 2010, he managed a residential real estate fund in Japan for Citi Property Investors with combined equity and debt of US\$500 million. He partnered with and advised world class players on their acquisition strategy for two real estate portfolios totalling over US\$2 billion of Asian hospitality assets in 2006.

Mr Chang has a Bachelor of Arts in International Studies from Temple University (Pennsylvania, USA).



2.

2. MR TETSUO ITO

Chief Financial Officer and Head of Investor Relations

Mr Ito was appointed as the Chief Financial Officer and Head of Investor Relations in 2014 and 2015 respectively, and is responsible for the finance and accounting functions, as well as investor and media relations for the Croesus Retail Trust. Prior to this, Mr Ito has served as the Deputy Chief Financial Officer from 2012 to 2014.

Mr Ito has 19 years of financing, accounting and corporate audit experience. He first started his career at KPMG Japan in 1997 and performed financial audits and due diligence projects of major Japanese companies, mainly in the financial industry, as well as financial and corporate advisory services in various industries. During his career at KPMG Japan from 1997 to 2004, he dealt with a merger of two Japanese listed insurance companies having JPY6 trillion of total assets, as well as an acquisition of a Japanese insurance company by a US financial institution having JPY2 trillion of total assets.

From 2004 to 2005, he was with KPMG LLP New York and provided various accounting services to US and Japanese companies. From 2006 to 2007, Mr Ito was a representative director of the Phoenix Accounting Group Inc.

Mr Ito has served as Deputy Chief Financial Officer for Croesus Japan Inc. from 2007 to 2012.

Mr Ito graduated from the University of Tokyo in 1998 with a Bachelor of Arts in Economics. Mr Ito is a Japan Certified Public Accountant with the Japanese Institute of Certified Public Accountants. He is a Japan Certified Tax Accountant with the Japan Federation of Certified Public Tax Accountants' Association and is a Chartered Accountant with the Institute of Singapore Chartered Accountants.



3.

3. MR SHUNJI MIYAZAKI

Chief Asset Management Officer

Mr Miyazaki was appointed as the Chief Asset Management Officer in 2012 and has more than 18 years of experience in the Japanese real estate industry. He is currently responsible for the planning and implementation of asset management strategies to maximise, and potentially increase contributions, from Croesus Retail Trust's existing portfolio. Mr Miyazaki first joined the Croesus Group in October 2011.

Mr Miyazaki started his career as a manager with Mitsui Trust Bank (now Sumitomo Mitsui Trust Bank) in 1986, where he garnered more than a decade of experience in the fields of banking and securitisation. From 1998 to 2004, he was the Senior Fund Manager at Chuo Mitsui Asset Management Co., Ltd, and was in charge of investments in real estate securitised products, including Japanese real estate investment trusts ("J-REITs"). Subsequently, he joined Consonant Investment Management Co., Ltd (formerly known as LCP REIT Advisors Co., Ltd) in 2004, and became the Senior Managing Director / Chief Planning and Financial Officer from 2010 to 2011. Concurrently, Mr Miyazaki was also the Chief Executive Officer of Asset Management at J-REIT, LCP Investment Corporation (currently Invincible Investment Corporation), from 2005 to 2007.

Mr Miyazaki graduated from Hiroshima University in 1986 with a Bachelor of Economics.



4.

4. MR KIYOSHI SATO

Chief Investment Officer

Mr Sato was appointed as Chief Investment Officer in 2012, and is responsible for the development and implementation of investment strategies for Croesus Retail Trust. Mr Sato first joined the Croesus Group in November 2011.

With 18 years of corporate finance experience, Mr Sato began his career at the Long-Term Credit Bank of Japan (now Shinsei Bank, Limited) as a manager from 1987 to 1999. Following which, he joined HSBC Tokyo where he was the Head of Syndicated Finance from 1999 to 2001, before moving to Merrill Lynch Japan where he was a Director of IBK / Relationship Management from 2001 to 2005.

Mr Sato has over ten years of real estate experience, including two years as a Director of investment advisory company, RISA Partners from 2005 to 2007, and two years as the head of CMBS origination of Nikko Citigroup Securities from 2007 to 2009. During the two years at RISA Partners, Mr Kiyoshi Sato was responsible for sourcing and underwriting more than 100 real estate investment opportunities.

During his two years at Nikko Citigroup Securities, where he was the head of the CMBS origination team, Mr Sato originated more than US\$3 billion of non-recourse loans and bonds backed by Japanese real estate, including hotels, retail malls, offices and residential assets. Mr Sato was also General Manager of the Corporate Finance division at Capital Partners Securities Co., Ltd from 2009 to 2011, where he acted as the adviser to several real estate funds for their capital raising efforts and restructuring of their present capital structure to resolve the issues of each client fund.

Mr Sato graduated from Waseda University in 1987 with a Bachelor of Economics and holds a Master of Business Administration and Diplome de l'ESSEC from Ecole Supérieure des Sciences Economiques et Commerciales.

OUR PORTFOLIO

OUR ASSETS THROUGHOUT JAPAN

CRT's total portfolio of 11 assets comprises four retail properties as at listing date, and seven retail properties acquired subsequent to the initial public offering. As at 30 June 2016, the portfolio is valued at approximately JPY112,640 million (equivalent to approximately S\$1.5 billion). Aeon Town Moriya, Aeon Town Suzuka, Mallage Shobu, Luz Otori, One's Mall, Croesus Shinsaibashi and Croesus Tachikawa were valued by independent valuer CBRE K.K.. The more recently acquired properties, namely, Torius, Fuji Grand Natalie, Mallage Saga and Feeeal Asahikawa were valued by independent valuer Cushman & Wakefield K.K.¹

The key competitive strengths of the properties are the stable yields they generate, their high occupancy rates and their proximity to train stations and key shopping districts. The 11 properties have an aggregate NLA of approximately 426,100.5 sq m and an average occupancy rate of 98.1% as at 30 June 2016.



1 AEON TOWN MORIYA



2 AEON TOWN SUZUKA

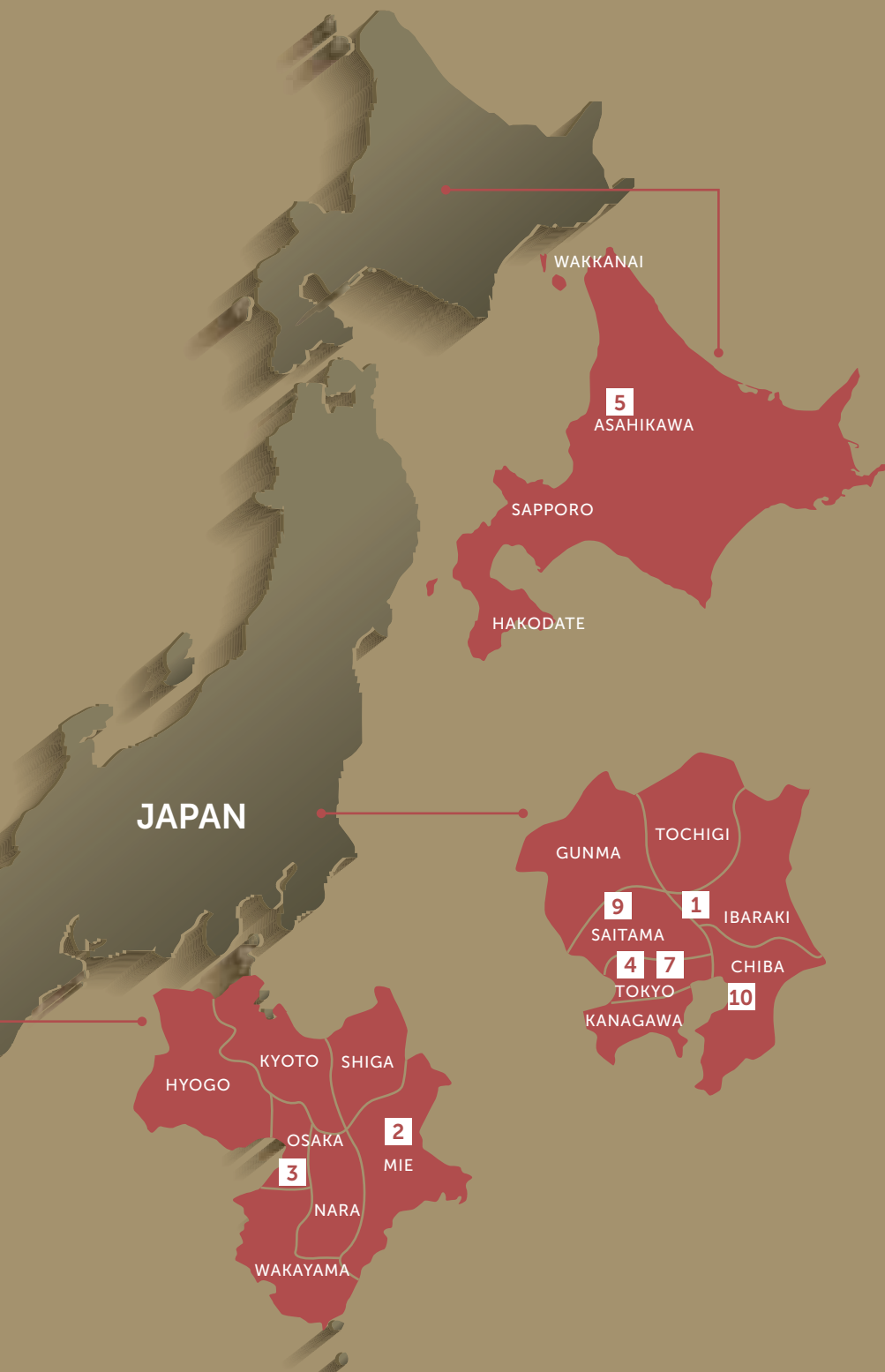


3 CROESUS SHINSAIBASHI



4 CROESUS TACHIKAWA

¹ Valuations by independent valuer, Cushman & Wakefield K.K. were completed for Torius, Fuji Grand Natalie, Mallage Saga and Feeeal Asahikawa on 30 June 2016, 31 March 2016, 15 April 2016, and 15 April 2016 respectively.



11 TORIUS



10 ONE'S MALL



9 MALLAGE SHOBU



8 MALLAGE SAGA



5 FEEEAL ASAHIKAWA



6 FUJI GRAND NATALIE



7 LUZ OMORI

PROPERTY OVERVIEW

AEON TOWN MORIYA

Aeon Town Moriya comprises a large shopping mall with more than 100 retail units across a NLA of around 68,047 sq m.

The property also boasts a diverse mix of tenants, ranging from family fashion and sporting goods, to electronic goods and various food & beverage options. The mall also offers the convenience of everyday amenities, as Aeon Town Moriya's anchor tenant is a supermarket.

With all its stores located under a single-roof, Aeon Town Moriya is also seen to be a popular destination during the weekends, with a high proportion of families with young children visiting the property. Due to its varied offerings, the mall is also frequented by teenagers and senior couples.

FINANCIAL PERFORMANCE

GROSS REVENUE

JPY 943.7 m

NET PROPERTY INCOME

JPY 814.8 m



PROPERTY INFORMATION

ADDRESS	3-249-1 Yurigaoka, Moriya-shi, Ibaraki Prefecture
YEAR OF COMPLETION	2007
TITLE	Freehold
NET LETTABLE AREA	68,047 sq m
VALUATION <i>As at 30 June 2016</i>	JPY15,200 million
FY2016 ACTUAL NET PROPERTY INCOME (NPI) <i>From 1 July 2015 to 30 June 2016</i>	JPY814.8 million
PURCHASE PRICE	JPY12,154 million
NPI YIELD <i>(Based on Actual NPI divided by the purchase price)</i>	6.7%
OCCUPANCY RATE <i>As at 30 June 2016</i>	100%
WEIGHTED AVERAGE LEASE EXPIRY <i>As at 30 June 2016</i>	11.0 years
KEY TENANTS	Aeon Cinema, Sports DEPO, Food Square Kasumi, Futaba-Tosho, Uniqlo, Nojima, Aeon Bike, MUJI



PROPERTY OVERVIEW

AEON TOWN SUZUKA

Aeon Town Suzuka comprises a large scale shopping centre with a NLA of approximately 43,501 sq m. Opened in June 2007, the property was built adjacent to Aeon Mall Suzuka, the second largest retail facility in Mie Prefecture, exceeded only by Aeon Kuwana Shopping Centre.

The property was designed to complement Aeon Mall Suzuka, which also has the same operator, with both facilities featuring a diversified tenant mix and allowing for synergies with each other. The property comprises 11 standalone structures located within a site area of approximately 90,000 sq m. The largest building is an open air mall located on the western side of the site with a diverse range of tenants focused on apparel and interior goods, including furniture, fashion and children's and maternity wear.

The second largest building on the southern side has two units, comprising a home centre at ground level, while the second floor is used for parking. A hot spring facility, a chiropractor and six restaurant buildings are located on the eastern side of the property.

**FINANCIAL
PERFORMANCE****GROSS REVENUE**

JPY 664.2 m

**NET PROPERTY
INCOME**

JPY 597.1 m



PROPERTY INFORMATION

ADDRESS	4-20-1 Shonohayama, Suzuka-shi, Mie Prefecture
YEAR OF COMPLETION	2007
TITLE	Freehold
NET LETTABLE AREA	43,501 sq m
VALUATION <i>As at 30 June 2016</i>	JPY9,990 million
FY2016 ACTUAL NET PROPERTY INCOME (NPI) <i>From 1 July 2015 to 30 June 2016</i>	JPY597.1 million
PURCHASE PRICE	JPY8,439 million
NPI YIELD <i>(Based on Actual NPI divided by the purchase price)</i>	7.1%
OCCUPANCY RATE <i>As at 30 June 2016</i>	100%
WEIGHTED AVERAGE LEASE EXPIRY <i>As at 30 June 2016</i>	11.0 years
KEY TENANTS	Kahma Home Centre, APINA, Nitori, Hana-Shobu, Uniqlo, Shimamura, G.U.



PROPERTY OVERVIEW

CROESUS SHINSAIBASHI

Croesus Shinsaibashi consists of one basement level and seven floors above ground. Completed in September 2009, the property is one of the few new retail buildings along Shinsaibashisuji Avenue.

Originally constructed in 1987, the reconstruction and opening of Croesus Shinsaibashi has completely changed the image of the area into a trendier and more modern atmosphere. The property features an attractive façade with an eye-catching billboard, which displays advertisements by the anchor tenant, Hennes & Mauritz AB (H&M), or other leading brands in Japan. As it faces the Dotonbori River and the bridge connecting Namba and Shinsaibashi stations along Shinsaibashisuji Avenue, the property boasts good visibility and is well positioned to attract the shoppers in the area.

FINANCIAL PERFORMANCE

GROSS REVENUE

JPY 538.8 m

NET PROPERTY INCOME

JPY 463.0 m



PROPERTY INFORMATION

ADDRESS	7-2, Soemoncho, Chuo-ku, Osaka-shi, Osaka
YEAR OF COMPLETION	2009
TITLE	Freehold
NET LETTABLE AREA	2,342 sq m
VALUATION <i>As at 30 June 2016</i>	JPY11,900 million
FY2016 ACTUAL NET PROPERTY INCOME (NPI) <i>From 1 July 2015 to 30 June 2016</i>	JPY463.0 million
PURCHASE PRICE	JPY9,021 million
NPI YIELD <i>(Based on Actual NPI divided by the purchase price)</i>	5.1%
OCCUPANCY RATE <i>As at 30 June 2016</i>	100%
WEIGHTED AVERAGE LEASE EXPIRY <i>As at 30 June 2016</i>	5.7 years
KEY TENANTS	H&M

TRADE SECTOR ANALYSIS (%)

BY NET LETTABLE AREA

(AS AT 30 JUNE 2016)



- 58% Fashion
- 28% F&B
- 14% Entertainment

BY GROSS RENTAL INCOME

(FOR THE MONTH OF JUNE 2016)



- 85% Fashion
- 9% F&B
- 6% Entertainment



PROPERTY OVERVIEW

CROESUS TACHIKAWA

Croesus Tachikawa is an income-producing retail property located in Tachikawa City, Tokyo, which was ranked the third most desirable city to live in due to its easy access to central Tokyo and is directly connected to the JR Tachikawa Station. Croesus Tachikawa's leisure and food & beverage-oriented tenant mix appeals to commuters travelling through the JR Tachikawa Station, as well as to an increasing number of residents who are moving into Tachikawa City.

The property consists of three basement floors and eight floors above ground. Distribution of floor levels are however unique, with B1 located at street level while level 1 is positioned between the ground level and the pedestrian deck connecting to level 2.

FINANCIAL PERFORMANCE

GROSS REVENUE

JPY 878.9 m

NET PROPERTY INCOME

JPY 656.5 m



PROPERTY INFORMATION

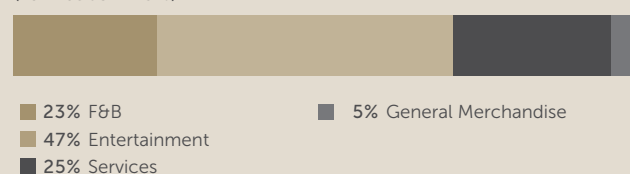
ADDRESS	2-4-5 Akebonocho, Tachikawa-shi, Tokyo
YEAR OF COMPLETION	2007
TITLE	Freehold / Leasehold expiring in Dec 2029 ¹
NET LETTABLE AREA	7,141 sq m
VALUATION <i>As at 30 June 2016</i>	JPY13,300 million
FY2016 ACTUAL NET PROPERTY INCOME (NPI) <i>From 1 July 2015 to 30 June 2016</i>	JPY656.5 million
PURCHASE PRICE	JPY10,800 million
NPI YIELD <i>(Based on Actual NPI divided by the purchase price)</i>	6.1%
OCCUPANCY RATE <i>As at 30 June 2016</i>	100%
WEIGHTED AVERAGE LEASE EXPIRY <i>As at 30 June 2016</i>	4.1 years
KEY TENANTS	NEXUS Holdings, Sumitomo Mitsui Trust Bank

¹ Croesus Tachikawa comprises four plots of amalgamated land. Three parcels are freehold and owned by CRT, while one parcel is leasehold with an expiry in December 2029.

TRADE SECTOR ANALYSIS (%)

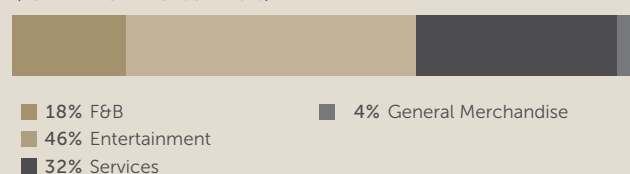
BY NET LETTABLE AREA

(AS AT 30 JUNE 2016)



BY GROSS RENTAL INCOME

(FOR THE MONTH OF JUNE 2016)



PROPERTY OVERVIEW

FEEEAL ASAHIKAWA

Feeeal Asahikawa is a large scale shopping centre with office space located in Asahikawa City, the second largest city in Hokkaido, Japan. Feeeal Asahikawa is widely recognised by the local community as the leading fashion shopping centre with a wide range of fashion goods for shoppers of all ages.

The property has a NLA of 20,276 sq m with 50 retail tenants comprising a mix of food and groceries, fashion and accessories, education services and financial/ insurance sectors, and two office tenants. The top four floors are mainly occupied by the Asahikawa City government, which operates an indoor children's playground, administrative office and community centre, as well as Bell System 24, which operates a call centre.

The property is well within walking distance from JR Asahikawa Station on the JR Hakodate Honsen Line and is situated along the Heiwa-dori Kaimono Koen Shopping Street of Asahikawa City, which is a major commercial and shopping area in the city. The property enjoys significant street frontage with high visibility and is considered an established shopping destination for residents of Asahikawa City and its neighbouring areas.

FINANCIAL PERFORMANCE

GROSS REVENUE

JPY 51.4 m

NET PROPERTY INCOME

JPY 10.1 m



PROPERTY INFORMATION

ADDRESS	8-108, Ichijo-dori, Asahikawa City, Hokkaido
YEAR OF COMPLETION	Completed in stages between November 1978 to September 1992
TITLE	Freehold
NET LETTABLE AREA	20,276 sq m
VALUATION <i>As at 30 June 2016</i>	JPY2,500 million
FY2016 ACTUAL NET PROPERTY INCOME (NPI) <i>From 27 May 2016 to 30 June 2016</i>	JPY10.1 million ¹
PURCHASE PRICE	JPY2,500 million
ANNUALISED NPI YIELD <i>(Based on annualising the Actual NPI divided by the purchase price)</i>	4.2% ¹
OCCUPANCY RATE <i>As at 30 June 2016</i>	93.5%
WEIGHTED AVERAGE LEASE EXPIRY <i>As at 30 June 2016</i>	3.1 years
KEY TENANTS	Junkudo, Asahikawa City, Bell System 24

¹ The acquisition of Feeeal Asahikawa was completed on 27 May 2016.

TRADE SECTOR ANALYSIS (%)

BY NET LETTABLE AREA

(AS AT 30 JUNE 2016)



BY GROSS RENTAL INCOME

(FOR THE MONTH OF JUNE 2016)



PROPERTY OVERVIEW

FUJI GRAND NATALIE

Fuji Grand Natalie is one of the most prominent, large-scale retail facilities in Hatsukaichi City, and comprises a three-storey main building and two two-storey annexes, with approximately 31,065 sq m of NLA.

Fuji Grand Natalie operates under the Fuji branding, with Fuji as its anchor tenant. Fuji's operations at the mall comprises a general merchandise store that consists of a supermarket section, and a fashion and goods section. Besides Fuji, the property is sub-leased to a variety of tenants hailing from the fashion, services, foods and goods sectors. The mall also has two fitness gyms and an amusement centre. The scale and diversified tenant mix caters well to the general and specific needs of a captive population, and allows it to function as the one-stop shopping, dining and leisure destination for residents in the area. With Fuji as the anchor tenant, the asset is viewed as the most established shopping centre in Hatsukaichi City.

FINANCIAL PERFORMANCE

GROSS REVENUE

JPY 52.2 m

NET PROPERTY INCOME

JPY 43.7 m



PROPERTY INFORMATION

ADDRESS	3-1-1 Ajina, Hatsukaichi City, Hiroshima Prefecture
YEAR OF COMPLETION	1999
TITLE	Freehold
NET LETTABLE AREA	31,065 sq m
VALUATION <i>As at 30 June 2016</i>	JPY3,520 million
FY2016 ACTUAL NET PROPERTY INCOME (NPI) <i>From 18 April 2016 to 30 June 2016</i>	JPY43.7 million ¹
PURCHASE PRICE	JPY3,300 million
ANNUALISED NPI YIELD <i>(Based on annualising the Actual NPI divided by the purchase price)</i>	6.5% ¹
OCCUPANCY RATE <i>As at 30 June 2016</i>	100%
WEIGHTED AVERAGE LEASE EXPIRY <i>As at 30 June 2016</i>	7.8 years
KEY TENANTS	Fuji, Daiso, Tsutaya, Namco, Mac House, Shoe Plaza, Edion

¹ The acquisition of Fuji Grand Natalie was completed on 18 April 2016.



PROPERTY OVERVIEW

LUZ OMORI

Luz Omori is located in Ota Ward, the third most populated ward in Tokyo. It is strategically located at the intersection of a traditional shopping street and a retail street, and enjoys high shopper traffic. Luz Omori, with its large tenant base of service offerings, caters well to families in the residential neighbourhood, and complements the retail areas nearby.

The property consists of two basement floors and eight floors above ground. Completed in February 2011, the property comprises a mix of tenants, including a government office and public library, and is one of the few new buildings in the surrounding retail market which generally consists of traditional small single tenant shops at street level. As such, Luz Omori stands out from the rest of the buildings nearby.

Luz Omori is located approximately three minutes' walking distance from the JR Omori Station, which is along the JR Keihin Tohoku Line, connecting to Shinagawa Station (one of the largest train hubs in Tokyo and a stop for the Shinkansen), Tokyo Station, Yokohama Station and Kawasaki Station.

FINANCIAL PERFORMANCE

GROSS REVENUE

JPY 504.9 m

NET PROPERTY INCOME

JPY 249.3 m



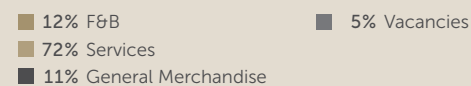
PROPERTY INFORMATION

ADDRESS	1-10-14 Omori-Kita, Ota-ku, Tokyo
YEAR OF COMPLETION	2011
TITLE	Leasehold expiring in July 2059
NET LETTABLE AREA	9,285 sq m
VALUATION <i>As at 30 June 2016</i>	JPY4,040 million
FY2016 ACTUAL NET PROPERTY INCOME (NPI) <i>From 1 July 2015 to 30 June 2016</i>	JPY249.3 million
PURCHASE PRICE	JPY3,450 million
NPI YIELD <i>(Based on Actual NPI divided by the purchase price)</i>	7.2%
OCCUPANCY RATE <i>As at 30 June 2016</i>	95.2%
WEIGHTED AVERAGE LEASE EXPIRY <i>As at 30 June 2016</i>	15.4 years
KEY TENANTS	Ota Ward, Docomo, Daiso

TRADE SECTOR ANALYSIS (%)

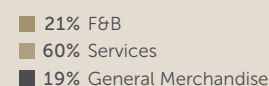
BY NET LETTABLE AREA

(AS AT 30 JUNE 2016)



BY GROSS RENTAL INCOME

(FOR THE MONTH OF JUNE 2016)



PROPERTY OVERVIEW

MALLAGE SAGA

Mallage Saga is the second largest shopping mall in Saga City, which started its operations in 2003. With a NLA of 46,650 sq m, it comprises two sections, north and south, housing a well-diverse range of tenant mix of 133 tenants in food & beverage, interior goods, ladies' and men's fashion and entertainment. Key tenants include Mr Max (discount store), Food Way (supermarket), 109 Cinemas and Sanki (fashion retailer).

Mallage Saga has excellent road frontage – being strategically located at the intersection of Prefectural Road 51, Kanjo Higashi Dori and Prefectural Road 264, which makes it very accessible and convenient for drivers. The main access to the property is by car which has ample parking space with 2,032 car park lots.

**FINANCIAL
PERFORMANCE****GROSS REVENUE**

JPY 123.3 m

**NET PROPERTY
INCOME**

JPY 35.6 m



PROPERTY INFORMATION

ADDRESS	730, Ooaza Ushijima, Kosemachi, Saga-shi, Saga Prefecture
YEAR OF COMPLETION	Completed in stages between March 2003 and November 2006
TITLE	Freehold + Leasehold ¹
NET LETTABLE AREA	46,650 sq m
VALUATION <i>As at 30 June 2016</i>	JPY4,200 million
FY2016 ACTUAL NET PROPERTY INCOME (NPI) <i>From 27 May 2016 to 30 June 2016</i>	JPY35.6 million ²
PURCHASE PRICE	JPY3,610 million
ANNUALISED NPI YIELD <i>(Based on annualising the Actual NPI divided by the purchase price)</i>	10.3% ²
OCCUPANCY RATE <i>As at 30 June 2016</i>	97.6%
WEIGHTED AVERAGE LEASE EXPIRY <i>As at 30 June 2016</i>	4.3 years
KEY TENANTS	Mr Max, 109 Cinema, Food Way, Sanki, Amipara, G.U.

¹ The leasehold land parcel area of 70,832 sq m expires 26 May 2056.

² The acquisition of Mollage Saga was completed on 27 May 2016.

TRADE SECTOR ANALYSIS (%)

BY NET LETTABLE AREA

(AS AT 30 JUNE 2016)



■ 30% Fashion
■ 14% F&B
■ 19% Entertainment
■ 6% Services
■ 30% General Merchandise
■ 1% Vacancies

BY GROSS RENTAL INCOME

(FOR THE MONTH OF JUNE 2016)



■ 36% Fashion
■ 16% F&B
■ 11% Entertainment
■ 9% Services
■ 28% General Merchandise



PROPERTY OVERVIEW

MALLAGE SHOBU

Mallage Shobu is a suburban shopping centre developed and managed by Sojitz Commerce Development Corporation ("Sojitz"). Sojitz previously developed and currently manages two other suburban shopping centres located in Saga and Chiba prefectures.

Mallage Shobu is the most recently completed facility under the Mallage branding. It comprises a large scale shopping mall with more than 200 retail tenants across a net lease area of around 68,000 sq m. Opened in November 2008, Mallage Shobu is the second largest retail facility in Saitama Prefecture, superseded only by Aeon Laketown, which is the largest shopping centre in Japan.

At the end of June 2015, Mallage Shobu completed its tenant renewal exercise, which was conducted in conjunction with the asset enhancement initiative to renew the mall's facilities.

The facility accommodates a wide variety of tenants, including a supermarket, a DIY store, electronics retailers and a cinema operator.

FINANCIAL PERFORMANCE

GROSS REVENUE

JPY 3,061.9 m

NET PROPERTY INCOME

JPY 1,488.2 m



PROPERTY INFORMATION

ADDRESS	3555 Shobu, Shobu-machi, Kuki-shi, Saitama Prefecture
YEAR OF COMPLETION	2008
TITLE	Freehold
NET LETTABLE AREA	68,075 sq m
VALUATION <i>As at 30 June 2016</i>	JPY26,400 million
FY2016 ACTUAL NET PROPERTY INCOME (NPI) <i>From 1 July 2015 to 30 June 2016</i>	JPY1,488.2 million
PURCHASE PRICE	JPY20,584 million
NPI YIELD <i>(Based on Actual NPI divided by the purchase price)</i>	7.2%
OCCUPANCY RATE <i>As at 30 June 2016</i>	98.9%
WEIGHTED AVERAGE LEASE EXPIRY <i>As at 30 June 2016</i>	5.6 years
KEY TENANTS	Nafco, 109 Cinemas, Himaraya, York Mart, Nojima, Academia, Sanki, Play Land, Uniqlo, Muji, Toys 'R' Us, Old Navy

TRADE SECTOR ANALYSIS (%)

BY NET LETTABLE AREA

(AS AT 30 JUNE 2016)



31% Fashion

12% F&B

11% Entertainment

3% Services

42% General Merchandise

1% Vacancies

BY GROSS RENTAL INCOME

(FOR THE MONTH OF JUNE 2016)



31% Fashion

20% F&B

9% Entertainment

7% Services

33% General Merchandise



PROPERTY OVERVIEW

ONE'S MALL

One's Mall opened to the public in 2000. It is one of the largest retail malls in Chiba, a city that is 40km southeast of Tokyo. Comprising a large scale shopping mall with 50 retail tenants across a sales area of around 53,000 sq m, it has easy access to major transportation routes by train (three major train lines are within proximity) and by road (a major arterial road of the Chiba prefecture).

One's Mall features an attractive tenant mix, comprising a supermarket, a sports club with spa facilities, a furniture store and a major toy chain, catering well to the needs of the nearby residential population, health-conscious people, and families with children.

FINANCIAL PERFORMANCE

GROSS REVENUE

JPY 1,383.8 m

NET PROPERTY INCOME

JPY 649.2 m



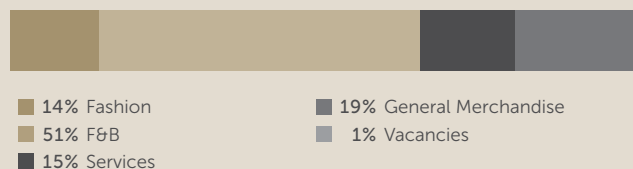
PROPERTY INFORMATION

ADDRESS	330-50, Naganumacho, Inage-ku, Chiba-shi, Chiba Prefecture
YEAR OF COMPLETION	2000
TITLE	Freehold
NET LETTABLE AREA	52,849 sq m
VALUATION <i>As at 30 June 2016</i>	JPY12,900 million
FY2016 ACTUAL NET PROPERTY INCOME (NPI) <i>From 1 July 2015 to 30 June 2016</i>	JPY649.2 million
PURCHASE PRICE	JPY11,000 million
NPI YIELD <i>(Based on Actual NPI divided by the purchase price)</i>	5.9%
OCCUPANCY RATE <i>As at 30 June 2016</i>	99.1%
WEIGHTED AVERAGE LEASE EXPIRY <i>As at 30 June 2016</i>	4.1 years
KEY TENANTS	Aeon Retail, Central Sports, Toys 'R' Us, Nitori, Sports DEPO, Tam Tam

TRADE SECTOR ANALYSIS (%)

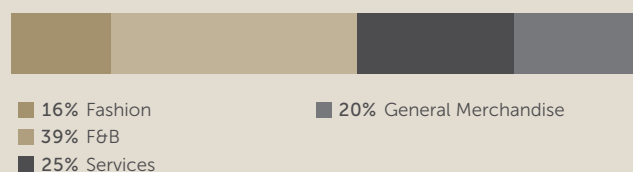
BY NET LETTABLE AREA

(AS AT 30 JUNE 2016)



BY GROSS RENTAL INCOME

(FOR THE MONTH OF JUNE 2016)



PROPERTY OVERVIEW

TORIUS

Torius is a large-scale suburban retail mall located in the satellite town of Hisayama-machi of Kasuya-gun, which is approximately 13 km from central Fukuoka City in Fukuoka Prefecture, on Japan's Kyushu Island. Comprising 36 buildings, Torius occupies a land area of 257,173 sq m and has a NLA of 76,871 sq m.

Located in proximity to major roads, as well as train stations along the JR Kashii Line and JR Sasaguri Line, Torius offers good accessibility to a growing captive population within a 30 minutes' drive radius. It is also one of the largest retail facilities in Fukuoka City, with few retail facilities nearby.

In addition, Torius offers a diverse and unique mix of 142 tenants. Some of Torius' tenants include Costco (wholesale supermarket), Nafco (interior and furniture, DIY), United Cinema (cinema), Rakuichi Rakuza (amusement centre) and Daiso (100 yen shop). Other notable facilities at Torius include a petting zoo, as well as an outdoor barbecue park.

FINANCIAL PERFORMANCE

GROSS REVENUE

JPY 1,377.9 m

NET PROPERTY INCOME

JPY 441.4 m



PROPERTY INFORMATION

ADDRESS	1111 Oaza Yamada Hisayama-machi, Kasuya-gun, Fukuoka Prefecture
YEAR OF COMPLETION	Completed in stages between April 1999 to November 2009
TITLE	Leasehold expiring on 9 February 2060 ¹
NET LETTABLE AREA	76,871 sq m
VALUATION <i>As at 30 June 2016</i>	JPY8,690 million
FY2016 ACTUAL NET PROPERTY INCOME (NPI) <i>From 16 October 2015 to 30 June 2016</i>	JPY441.4 million ²
PURCHASE PRICE	JPY7,997 million
ANNUALISED NPI YIELD <i>(Based on annualising the Actual NPI divided by the purchase price)</i>	7.8% ²
OCCUPANCY RATE <i>As at 30 June 2016</i>	95.1%
WEIGHTED AVERAGE LEASE EXPIRY <i>As at 30 June 2016</i>	6.2 years
KEY TENANTS	Costco, Nafco, United Cinema, Rakuichi Rakuza, Daiso, G.U., GAP Outlet, Sweet Villa Garden, Book Off / Hard Off

¹ The leasehold land area for the main land parcel of 205,543 sq m expires 9 February 2060.

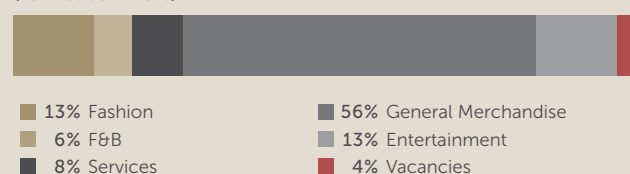
² The acquisition of Torius was completed on 16 October 2015.



TRADE SECTOR ANALYSIS (%)

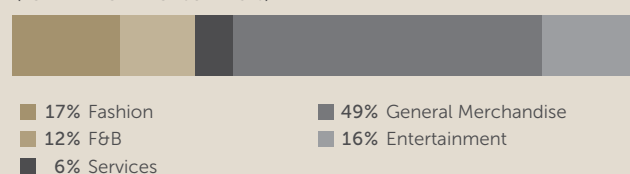
BY NET LETTABLE AREA

(AS AT 30 JUNE 2016)



BY GROSS RENTAL INCOME

(FOR THE MONTH OF JUNE 2016)



OPERATIONAL & FINANCIAL REVIEW

WHERE IT ALL HAPPENS

LEASE STRUCTURE AND PROFILE

Two types of leases are predominant in Japan, namely Fixed-Term Leases and Standard Leases.

Fixed-Term Leases have prescribed terms and cannot be renewed automatically at the option of the tenant at the end of the term. In comparison, Standard Leases are renewable at the option of the tenant, and rental rates determined upon renewal are subject to negotiation between the tenant and the landlord.

Within CRT's portfolio, a substantial portion of Gross Rental Income ("GRI") is derived from Fixed Term Leases, offering the Trust greater flexibility to adjust rentals and tenant composition as and when required.

The lease type profile of CRT's tenants, as a percentage of total GRI for the month of June 2016, can be found appended in the table below.

LEASE TYPE	NUMBER	TENANCIES AS A % OF TOTAL GRI
Fixed-Term Lease	572	62.0%
Standard Lease	73	38.0%
TOTAL	645	100.0%

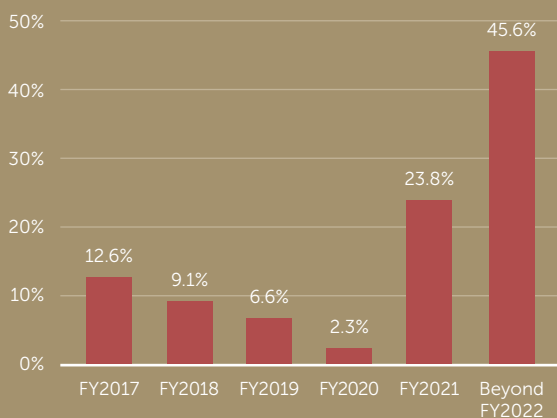
MALL OCCUPANCY

The average portfolio occupancy as at 30 June 2016 stood at 98.1%.

PROPERTY	FY2015	FY2016
Aeon Town Moriya	100%	100%
Aeon Town Suzuka	100%	100%
Croesus Shinsaibashi	100%	100%
Croesus Tachikawa	100%	100%
Feeeal Asahikawa	NA	93.5%
Fuji Grand Natalie	NA	100%
Luz Omori	96.8%	95.2%
Mallage Saga	NA	97.6%
Mallage Shobu	98.1%	98.9%
One's Mall	99.6%	99.1%
Torius	NA	95.1%
Average Portfolio Occupancy	99.3%	98.1%

LEASE EXPIRY PROFILES AS PERCENTAGE OF TOTAL GRI FOR THE MONTH OF JUNE 2016

This shows the expiry profile of the tenancies in CRT as a percentage of total GRI for the month of June 2016.



LEASE EXPIRY PROFILES OF CRT'S PORTFOLIO FOR THE MONTH OF JUNE 2016

The weighted average lease duration to expiry ("WALE") as at 30 June 2016 for CRT's portfolio of properties was 7.0 years.

CRT PORTFOLIO	FY2017	FY2018	FY2019	FY2020	BEYOND FY2020
Number of leases expiring	212	107	63	36	227
Total NLA of expiring leases (sq m)	42,824.8	27,733.3	22,314.5	6,976.7	313,266.6
NLA of expiring leases as a % of the portfolio's NLA	10.2	6.6	5.3	1.7	74.3
GRI of expiring leases as a % of the portfolio's GRI	12.6	9.1	6.6	2.3	69.4

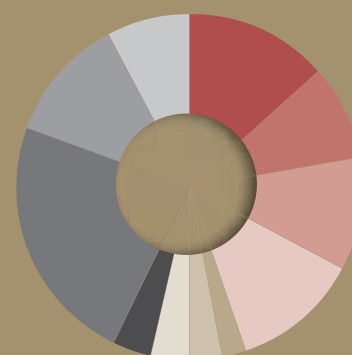


TOP TEN TENANTS BY GROSS RENTAL INCOME

The top ten largest tenants in CRT's portfolio accounted for 40.9% of the total GRI for the month of June 2016. Aeon Town, one of Japan's leading developers and manager of shopping malls, supermarkets and restaurants, remains CRT's largest tenant, accounting for 17.0% of the portfolio GRI for the month of June 2016.

TENANT	PORTFOLIO ASSET	TRADE SECTOR	PROPORTION OF TOTAL MONTHLY GRI
Aeon Town	Aeon Town Moriya & Aeon Town Suzuka	-	17.0%
H&M	Croesus Shinsaibashi	Fashion	4.0%
Aeon Retail	One's Mall	-	4.0%
Nexus Holdings	Croesus Tachikawa	Entertainment	3.1%
Nafco	Mallage Shobu & Torius	Home Furnishing, Home Centre	2.7%
Fuji	Fuji Grand Natalie	General Merchandise	2.6%
Costco	Torius	Home Centre, General Merchandise	2.2%
Central Sports	One's Mall	Sporting Goods	1.9%
Sumitomo Mitsui Trust Bank	Croesus Tachikawa	Service	1.9%
Toys 'R' Us	Mallage Shobu & One's Mall	General Merchandise	1.6%

CRT PORTFOLIO BY ASSET VALUATION AS AT 30 JUNE 2016



13.5%	Aeon Town Moriya
8.9%	Aeon Town Suzuka
10.6%	Croesus Shinsaibashi
11.8%	Croesus Tachikawa
2.2%	Feeeal Asahikawa
3.1%	Fuji Grand Natalie
3.6%	Luz Omori
3.7%	Mallage Saga
23.4%	Mallage Shobu
11.5%	One's Mall
7.7%	Torius

OPERATIONAL & FINANCIAL REVIEW

INCREASE IN ASSET PORTFOLIO VALUATION ON PROPERTIES AS AT 30 JUNE 2016

Based on valuations, the total value of CRT's portfolio of eleven properties amounted to approximately JPY112,640 million (approximately S\$1.5 billion) as at 30 June 2016.

PROPERTY	VALUATION (JPY MM) AS AT 30 JUNE 2015	VALUATION (JPY MM) AS AT 30 JUNE 2016	CHANGE IN VALUATION
Assets acquired before FY2016			
Aeon Town Moriya	14,400	15,200	+5.6%
Aeon Town Suzuka	9,650	9,990	+3.5%
Croesus Shinsaibashi	10,700	11,900	+11.2%
Croesus Tachikawa	12,800	13,300	+3.9%
Luz Omori	3,880	4,040	+4.1%
Mallage Shobu	24,500	26,400	+7.8%
One's Mall	12,000	12,900	+7.5%
Total Portfolio	87,930	93,730	+6.6%
Assets acquired in FY2016			
Feeeal Asahikawa	N.A.	2,500 ²	N.A.
Fuji Grand Natalie	N.A.	3,520 ¹	N.A.
Mallage Saga	N.A.	4,200 ²	N.A.
Torius	N.A.	8,690	N.A.
Total Portfolio	-	112,640	N.A.

¹ The acquisition of Fuji Grand Natalie was completed on 18 April 2016, and the property was last valued on 31 March 2016.

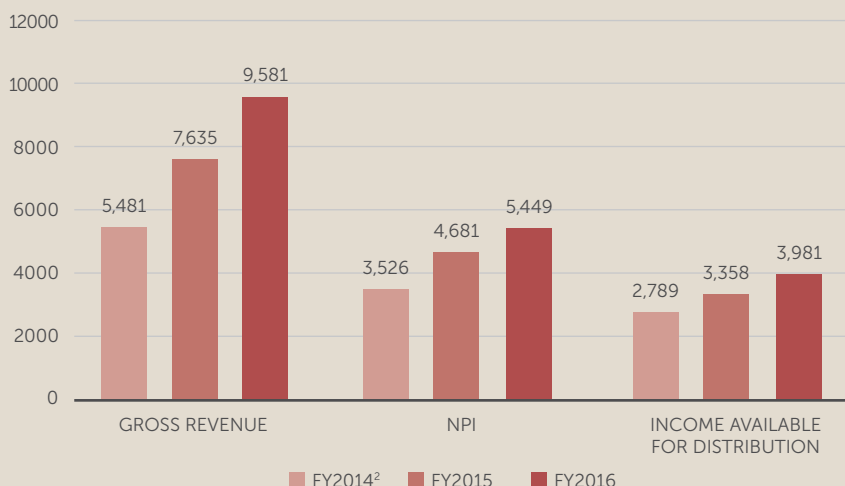
² The acquisitions of Feeeal Asahikawa and Mallage Saga were completed on 27 May 2016, and the properties were last valued on 15 April 2016.

FINANCIAL OVERVIEW

CRT's gross revenue for FY2016 of JPY9,581.2 million came in 25.5% higher than the JPY7,635.4 million reported in the previous corresponding period, due to higher contributions from an enlarged portfolio of properties.

On the back of fresh contributions from four new acquisitions during the year, comprising Torius, Fuji Grand Natalie, Mallage Saga and Feeeal Asahikawa, NPI for FY2016 grew by 16.4% to JPY5,448.8 million as compared to JPY4,681.1 million in FY2015. In addition, positive rental reversions from a successful tenant renewal exercise at Mallage Shobu completed in October 2015 also boosted the Trust's topline.

As a result, income available for distribution climbed 18.5% higher to JPY3,980.9 million in FY2016, as compared to JPY3,358.2 million in FY2015. This translates to a FY2016 DPU of 7.06 Singapore cents, marking an 11.2% increase from FY2015's adjusted DPU of 6.35 Singapore cents¹.



¹ Based on the restated DPU in FY2015 which reflects the effect of 114,222,677 units issued pursuant to the rights issue on 2 November 2015 and 27,682,070 units issued pursuant to the preferential offering on 25 August 2016.

² For a more meaningful comparison, the results from 1 July 2013 to 30 June 2014 (which are prorated to 365 days based on the actual results for the 417-day period from 10 May 2013 to 30 June 2014) are presented as the comparative period for the period from 1 July 2014 to 30 June 2015.

TOTAL ASSETS AND NET ASSET VALUE

Total assets of the Group grew 30.7% from JPY100,401 million as at 30 June 2015, to JPY131,175 million as at 30 June 2016. The increase is more significant when compared to the Group's total assets at listing of JPY57,686 million, marking a growth of 127.4% since.

For FY2016, asset growth was achieved through four new acquisitions, and a 6.6% increase in valuation in CRT's pre-FY2016 portfolio of assets due mainly to a compression of cap rates.

As a result, net assets of the Group grew JPY11,727 million, from JPY43,586 million as at 30 June 2015 to JPY55,313 million as at 30 June 2016.

NAV per unit decreased to JPY76.87 as at 30 June 2016 from JPY83.95 as at 30 June 2015. The decrease of NAV per unit is due mainly to issuance of 114,222,677 units at unit price of S\$0.61 (approximately JPY51.11)¹, pursuant to the rights issue.

NAV PER UNIT (JPY'000)	ACTUAL AS AT 30 JUNE 2016	ACTUAL AS AT 30 JUNE 2015
Investment Properties	112,640,000	87,930,000
Other Non-current Assets	6,628,417	5,062,870
Current Assets	11,906,325	7,408,083
Total Assets	131,174,742	100,400,953
Loans and Borrowings (long-term)	51,057,438	46,840,340
Other Non-current Liabilities	12,203,574	7,193,783
Current Liabilities	12,600,294	2,780,668
Net Assets	55,313,436	43,586,162
Net Asset Value ("NAV") per Unit (JPY)	76.87	83.95

FINANCING ACTIVITIES (FY2016)

CRT underwent a series of fund-raising events during the year to finance its expansion plans, which included the acquisition of four new retail properties.

To fund the acquisition of Torius, CRT completed a rights issue on 2 November 2015 together with debt financing in the form of an issuance of Japanese onshore 5-year specified bonds of JPY4,000.0 million. Subsequently, CRT launched and completed three separate events, including a private placement, issuance of S\$60,000,000 5.0% medium-term notes due 2020 under the EMTN Programme, and an issuance of new Japanese onshore 5-year specified bonds, to finance the acquisitions of Fuji Grand Natalie, Mallage Saga and Feeal Asahikawa, in the later part of the year.

With the issuance of specified bonds and the issuance of medium-term notes during the year, all-in cost of debt decreased to 1.90% as at 30 June 2016, as compared to 2.02% a year ago.

In line with a prudent capital management policy, CRT continues to hedge all expected distributable income at attractive rates of SGD/JPY83.57 and SGD/JPY76.39 in FY2017 and FY2018 respectively.

	ACTUAL AS AT 30 JUNE 2016	ACTUAL AS AT 30 JUNE 2015
Gearing Ratio	45.30%	47.30%
Interest Coverage Ratio	3.7 times	3.8 times
% of Debt Hedged / Fixed Interest	100%	100%
Average All-In Cost of Debt	1.90%	2.02%
Debt Maturity	2.5 years	2.9 years
Additional Debt Headroom	JPY48.3 billion	JPY31.9 billion

FINANCING ACTIVITIES (POST-FY2016)

Taking advantage of Japan's negative interest rate environment, CRT continues to work on new ways to reduce its cost of debt, and is currently in talks to refinance its S\$100 million 4.6% Fixed Rate Notes, which comes due in January 2017.

In August 2016, the Trust also successfully completed a preferential share offering in relation to the internalisation transaction. 27,682,070 new units were issued at a price of S\$0.797 per share, raising gross proceeds of around S\$22 million.

¹ Based on exchange rate of SGD/JPY83.79 which was the exchange rate CRT exchange the substantial part of the right issue.

MARKET OVERVIEW

JAPAN

JAPAN'S ECONOMY AT A GLANCE

Japan's economy continued to see-saw in the face of uncertainty surrounding whether the government would undertake a second interest rate adjustment, or implement further monetary easing.

In August 2016, Japanese Prime Minister Shinzo Abe approved a JPY13.5 trillion¹ economic stimulus package with a total headline value of JPY28 trillion¹ to jumpstart the economy and allay concerns.

However, in the face of soft consumption data and price growth over the past few quarters, Japan's Cabinet Office expects the country's gross domestic product (GDP) to expand 1.3%² in the fiscal year starting April 2016, as compared with a January estimate of 1.7%². Likewise, the consumer price index growth forecast was cut to 0.4%², from 1.2%² previously.

PRIME RETAIL ACTIVITY SUSTAINED BY TOURISM

Amid a backdrop characterised by gloomy economic data, the outlook for Japan's retail sector offers a spark on the back of record tourist numbers. In 2015, the country set a new record, welcoming almost 20 million foreign visitors, marking a 47% increase over 2014, and a 217% jump since 2011⁴. Hailing mainly from Asia's growing middle class, the higher international footfall has proved to be a robust income

stream for retail businesses, especially in Tokyo and greater Osaka.³

RETAIL SALES TRENDS IN JAPAN

Despite a promising boost to retailers from the surge in tourist numbers to Tokyo and Osaka, the retail industry in other parts of Japan lacks the same momentum. According to the "Current Survey of Commerce" and "Census of Commerce" issued by Japan's Ministry of Economy, Trade and Industry (METI), retail sales in 2015 decreased by 0.4% year-on-year to JPY140,665 billion. Meanwhile, department stores and supermarket sales recorded a slight increase of 1.3% year-on-year to JPY20,048.7 billion. This marks a shift in household expenditure trends in a tightening global economy, as consumers are choosing to spend on necessities.

INVESTMENT VOLUME REMAINS STRONG

Regardless of retail market conditions, investors continue to pursue Japanese retail properties. Investments for Japan retail assets rose significantly to JPY1.1 trillion in 2015, which was 25% year-on-year growth as reported by Real Capital Analytics (RCA).³

SLOWDOWN IN RENTAL GROWTH IN TOKYO; OUTLYING CITIES STABLE

There was a marked slowdown in rental growth in Tokyo's major districts (defined

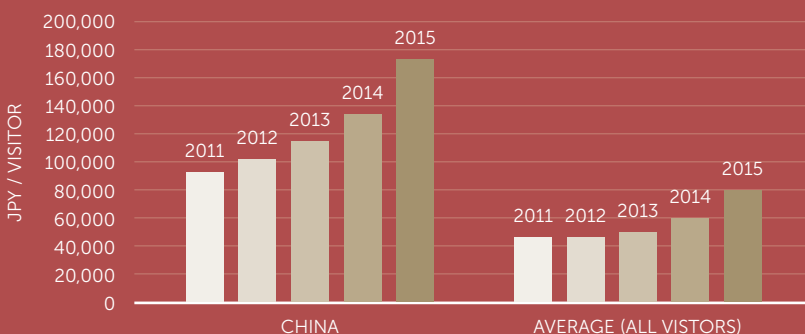
as Ginza, Omotesando, Shinjuku, and Shibuya) since the latter half of 2015 due to heightened uncertainty. Average ground floor asking rents in major Tokyo retail districts fell by 8% from June to December², recording the first decline in the past five years. However, non-ground floor units painted a more stable picture, with rents in the major districts remaining relatively flat since 2011.

Away from the capital, asking rents for ground floor units in outlying cities remained below pre-crisis levels. For non-ground floor units, average rents came in 2% lower than a year ago in the second half of 2015.³

However, this might all change following the government's new goal to attract 40 million foreign visitors to the country by 2020⁴, with an economic goal to draw JPY8 trillion in annual tourist spending by then. With the improvement of the country's transportation networks, and refurbishment of certain historical sites away from Tokyo, the government's efforts to draw tourists to outlying regions may help boost retail activity in suburban cities, lifting rents in these areas to new-highs.

In the near term, downside risks to rents across the various cities are mitigated in light of the upcoming Tokyo Olympics in 2020, as retailers seek to best position themselves to tap on an anticipated spike in tourist numbers.

AVERAGE TOURIST SHOPPING EXPENDITURE, 2011-2015



Source: Ministry of Land, Infrastructure, Transport, and Tourism, Savills Research & Consultancy

¹ The Business Times, 3 August 2016, "Tokyo okays 13.5 trillion yen fiscal package"

² Bloomberg, 13 July 2016, "Japan Cuts Forecasts as Abe Advisers Urge Coordinated Stimulus"

³ Savills World Research, April 2016, "Spotlight – Japan retail"

⁴ Japan Times, 4 May 2016, "Japan's tourism sector evolving but needs more work, cultural heritage expert says"

CORPORATE SOCIAL RESPONSIBILITY

OUR PEOPLE & THE ENVIRONMENT



Torius – Community Event

CRT strongly believes in giving back to society, especially in communities where we have a substantial presence in.

With 70% of our malls located in suburban areas, we strive to bring the convenience of big-city amenities to the community's doorstep. Notably, when we conduct rejuvenation works or tenant renewal exercises, our operations team looks into signing on retailers that are best served to meet the community's needs. This is part of CRT's dedication to its stakeholders.

For instance, Luz Omori, located in Ota Ward, hosts a public library and the city government office that serves educational and administrative needs of people in the community. Our recently-acquired Feeeal Asahikawa, in Asahikawa city, is also home to a community centre area which includes a senior citizen city university and indoor children's playground. We also offer free space for events held by the local government and non-profit organisations at our malls, including Mallage Saga, Mallage Shobu, One's Mall and Torius. For instance, we previously opened up Torius' premises to the Fukuoka Police Force, the fire brigade, and the civil service teams, to exhibit their work vehicles comprising ambulances, fire engines, patrol cars and other rescue

effort vehicles, as part of a community campaign to foster stronger ties with the community. The exhibition was also made free to the public to encourage a stronger turnout.

With the community at the forefront of our thoughts, we continually explore new ways to improve accessibility at and to our malls, especially for the elderly and less abled. For one, all our malls are fitted with both child and elderly-friendly toilet facilities, comprising safety handles and gentle ramps. In addition, we have specially-dedicated parking spaces for buses at some malls, to facilitate a more seamless flow of traffic for incoming and outgoing shoppers. To promote the ease of getting around a large mall, we also provide a free weekend shuttle service within Torius, where visitors can conveniently hop on and off a bus to access their stores of choice.

Mindful of the environment, CRT also encourages shoppers to use greener modes of transport, by offering an ample supply of complimentary parking for bicycles at the malls.

Within our buildings, we take pride in ensuring that the operations of our properties are aligned with Japan's clean

and green efforts. Current initiatives include working to implement the use of light-emitting diode ("LED") lighting, which is more energy efficient and environmentally friendly, across all our malls. To this end, we have since started changing most of the common area lighting at Aeon Town Moriya and Mallage Shobu, and all the light works at Torius' food court, to LED lights. In addition, we have also installed machines that are able to filter and recycle cooking oil at Mallage Shobu, conserving resources as and when we can.

At CRT, we also place great importance on safeguarding the safety and welfare of our employees, as we believe they form the core of our business, and play the most critical role in implementing our corporate social responsibility values. To stay in touch with the needs and challenges they face, we have regular employee reviews where they can voice out areas in which we can improve on as an employer, and from a business standpoint.

Beyond our business, CRT also seeks to give back to the wider community where possible. For instance, in the wake of the recent Kyushu earthquake, we proactively contributed funds to the Red Cross Society, which sought to provide food and shelter to the affected.



Display of work vehicles



INVESTOR RELATIONS

ENGAGING OUR STAKEHOLDERS

At CRT, we place great emphasis on maintaining strong ties with the investment community.

Over the years, we have fostered strong networks with analysts, brokers, fund managers and Unitholders, by keeping them abreast with CRT's latest corporate developments and financial performance in a timely manner.

To ensure that the contents of our SGX announcements are easily understood, we dedicate time and resources to extract the key messages from each development into a press release and/or presentation deck, to promote greater understanding amongst our stakeholders.

During the quarterly reporting season, we host teleconference sessions on the back of our first, second, and third quarter financial results, as well as a physical briefing for our full-year results to answer any questions that the investment community may have in relation to our performance.

Management also regularly engages in relevant investor roadshows, and one-on-one meetings, to stay in touch with the latest industry trends to grow the Trust, creating greater value for our Unitholders.

In FY2016, we participated in several roadshows and investor conferences in countries including Singapore, Japan, Malaysia, and Thailand. In addition, we also organised luncheons with various institutional investors and brokers to continually grow our base of contacts.

Separately, we convened an Extraordinary General Meeting in June 2016, where we spent time to engage our Unitholders, explaining to them the rationale and benefits behind the proposed internalisation of our Trustee-Manager. At the close of the meeting, the transaction was approved by Unitholders.

To provide better and user-friendly web information on CRT, we invested in revamping our corporate website as part of our commitment to offer an upgraded platform to communicate with our stakeholders. Our website is on a mobile-friendly enabled platform given how people access information using their mobile phones.

As at 31 August 2016, CRT is under the coverage of four brokerages, 100% of which have affirmed CRT with "buy" recommendations.





ANALYST COVERAGE AS OF 31 AUGUST 2016:

BROKERAGE	ANALYST	RECOMMENDATION	TARGET PRICE
CIMB Research	Lock Mun Yee	Buy	S\$0.98
DBS Vickers	Mervin Song	Buy	S\$0.99
Phillip Securities	Tan Dehong	Buy	S\$0.93
RHB Research	Jarick Seet	Buy	S\$0.93

INVESTOR EVENTS ATTENDED AS OF 30 JUNE 2016:

Date	Event	Organiser
26 August 2015	FY2015 Earnings Briefing	CRT (Singapore)
5 to 8 October 2015	Deal Roadshow – Rights issue and Torius Acquisition	DBS
26 October 2015	Annual General Meeting	CRT (Singapore)
11 November 2015	1Q Earnings Call	CRT via teleconference
11 February 2016	2Q Earnings Call	CRT via teleconference
16 February 2016	Non-Deal Roadshow	RHB (KL)
17 February 2016	Non-Deal Roadshow	CRT (Singapore)
14 to 15 March 2016	Non-Deal Roadshow	Citigroup & DBS (Singapore)
13 May 2016	3Q Earnings Call	CRT via teleconference
17 to 18 May 2016	Non-Deal Roadshow	RHB (Bangkok)
30 June 2016	Extraordinary General Meeting	CRT (Singapore)
30 June 2016	SGX Investor Conference	SGX (Tokyo)



CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman and Independent Director

Mr Lim Teck Leong David

Executive Director and Chief Executive Officer

Mr Jim Chang Cheng-Wen

Independent Director

Mr Eng Meng Leong

Mr Quah Ban Huat

Managing Director

Mr Yong Chao Hsien Jeremy

Company Secretary

Ms Kim Yi Hwa

AUDIT AND RISK COMMITTEE

Chairman

Mr Eng Meng Leong

Members

Mr Lim Teck Leong David

Mr Quah Ban Huat

NOMINATING AND REMUNERATION COMMITTEE

Chairman

Mr Quah Ban Huat

Members

Mr Lim Teck Leong David

Mr Eng Meng Leong

REGISTERED OFFICE

Croesus Retail Asset Management Pte. Ltd.

50 Raffles Place

#25-03 Singapore Land Tower

Singapore 048623

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F : +65-6532-4780

W : www.croesusretailtrust.com

TRUSTEE-MANAGER

Croesus Retail Asset Management Pte. Ltd.

50 Raffles Place

#25-03 Singapore Land Tower

Singapore 048623

Company Registration No.: 201205175K

UNIT REGISTRAR AND UNIT TRANSFER OFFICE

Boardroom Corporate & Advisory Services Pte. Ltd.

50 Raffles Place

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T : +65-6536-5355

F : +65-6536-1360

INDEPENDENT AUDITOR

Ernst & Young LLP

One Raffles Quay (North Tower)

#18-01 Singapore 048583

Audit Partner-in-Charge: Mr Nelson Chen

Date of Appointment: 3 May 2013

(for the financial year ended 30 June 2016)



CORPORATE GOVERNANCE

CRT is a business trust constituted on 7 May 2012 under the Business Trusts Act, Chapter 31A of Singapore (the "BTA"). CRT was listed on the Mainboard of Singapore Exchange Securities Trading Limited (the "SGX-ST") on 10 May 2013.

CRT is managed by Croesus Retail Asset Management Pte. Ltd. (the "Trustee-Manager") under the trust deed constituting CRT dated 7 May 2012, as amended by the first amending and restating deed dated 29 June 2012, the second amending and restating deed dated 7 November 2012, the third amending and restating deed dated 24 April 2013 and the fourth amending and restating deed dated 30 April 2013 (collectively, the "Trust Deed"). Aside from the Trust Deed, CRT is also principally regulated by:

- (a) the Securities and Futures Act, Chapter 289 of Singapore (the "SFA");
- (b) the BTA;
- (c) the Business Trusts Regulations, Chapter 31A of Singapore (the "BTR"); and
- (d) the listing manual of the SGX-ST (the "Listing Manual").

The Trustee-Manager is committed to upholding high standards of corporate governance, business integrity and professionalism in all its activities and has adopted corporate governance practices which are in line with the Singapore Code of Corporate Governance 2012 (the "Code") throughout the financial year ended 30 June 2016. This statement sets out the corporate governance practices of CRT with reference to the Code. Where there are deviations from the Code, appropriate explanations are provided. The Trustee-Manager also ensures that all applicable laws, rules and regulations including the SFA, the Listing Manual and the BTA including the relevant regulations thereunder, are duly complied with.

BOARD'S CONDUCT OF ITS AFFAIRS

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and management remains accountable to the Board.

The Board of Directors of the Trustee-Manager (the "Board") is responsible for the overall corporate governance of the Trustee-Manager.

The principal functions of the Board are to:

1. provide entrepreneurial leadership, set strategic business direction, approve board policies, key operational initiatives, financial objectives and ensure that the necessary financial and human resources are in place to meet its objectives;
2. establish a system of internal controls and a business risk management process to assess and manage financial, operational, compliance and information technology risks and safeguarding the unitholders of CRT ("Unitholders") interests and assets of CRT;
3. identify key stakeholder groups and recognise that their perceptions affect the reputation of the Trustee-Manager and CRT;
4. ensure compliance with the applicable laws, regulations, policies and guidelines;
5. approve annual budgets, investments, divestment proposals, monitor operations and assess the performance of the management;
6. set the Trustee-Manager's values and standards and ensure that obligations to Unitholders and other stakeholders are understood and met;
7. ensure accurate, adequate and timely reporting to, and communication with, Unitholders; and
8. consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

CORPORATE GOVERNANCE

The directors of the Trustee-Manager (the "Directors") oversee the affairs of the Trustee-Manager and participate in matters relating to corporate governance, business operations and risks, financial performance and the nomination and appointment of Directors.

All the Directors discharge their duties and responsibilities objectively at all times, in the best interests of Unitholders.

To assist the Board in the discharge of its functions, the Board is supported by the Audit and Risk Committee (the "ARC"). In connection with the internalisation of the Trustee-Manager, a Nominating and Remuneration Committee (the "NRC") was established on 12 June 2016. All matters discussed and agreed at the ARC and NRC meetings are presented to the Board for endorsement before implementation. Information on the ARC and the NRC and its respective terms of references can be found in the subsequent sections of this report.

The Board meets regularly, at least once every quarter, and more often if necessary, to review the performance of CRT and to deliberate and approve strategic directions and investment proposals submitted by the management of the Trustee-Manager (the "Management"). The annual budget is subject to approval by the Board. The Board also reviews and approves the release of quarterly and full-year results of CRT. In addition, the Board reviews the adequacy and effectiveness of CRT's internal controls and risk management practices and monitors the performance of Management. The Board meetings are scheduled well in advance and where expedient, participation by the Directors in meetings by way of telephone or video conference is also permitted by the Trustee-Manager's constitution (the "Constitution"). There were five (5) scheduled Board meetings and six (6) ad-hoc Board meetings in FY2016. At the ad-hoc meetings, the Board discussed and deliberated the internalisation of the Trustee-Manager, acquisitions and the strategic direction of CRT.

The attendance of the Directors at meetings of the Board and the ARC for the financial year ended 30 June 2016 ("FY2016") is set out in the table below.

		Board	ARC
Number of meetings held in FY2016		11	6
Board Members	Membership		
Mr Lim Teck Leong David (Appointed on 22 October 2012) (Last re-elected on 9 November 2015)	Chairman, Independent Director, Member of the ARC and Member of the NRC	11	6
Mr Jim Chang Cheng-Wen (Appointed on 8 March 2012) (Last re-elected on 9 November 2015)	Executive Director and Chief Executive Officer	11	Not Applicable
Mr Eng Meng Leong (Appointed on 22 October 2012) (Last re-elected on 11 November 2014)	Independent Director, Chairman of the ARC and Member of the NRC	11	6
Mr Quah Ban Huat (Appointed on 22 October 2012) (Last re-elected on 31 October 2013)	Independent Director, Chairman of the NRC and Member of the ARC	11	6
Mr Yong Chao Hsien Jeremy (Appointed on 1 March 2012) (Last re-elected on 11 November 2014)	Non-Executive Director ¹	11	Not Applicable

Note: The above table illustrates the meetings of the Board and the ARC held during FY2016. As at the date of this Annual Report, the NRC held one meeting, which was attended by all NRC members.

¹ In FY2016, Mr Yong Chao Hsien Jeremy served the Trustee-Manager as a Non-Executive Director. With effect from 31 August 2016, Mr Yong Chao Hsien Jeremy serves the Trustee-Manager as an Executive Director and the Managing Director (a management role).

CORPORATE GOVERNANCE

The Trustee-Manager has in place internal guidelines for matters that require the Board's approval. Some matters are reserved for the Board's approval and these matters include:

- matters involving overall corporate strategy and changes to the corporate structure;
- matters involving acquisitions and investments exceeding certain threshold limits and any divestments;
- matters involving funding strategy and annual budget;
- matters involving financial reporting and distributions;
- transactions between Trustee-Manager on behalf of CRT and any of its related parties; and
- matters specified under the Listing Manual, the BTA or other relevant laws and regulations.

The Board has approved a set of internal controls which sets out approval limits for capital expenditure, investments and divestments and bank borrowings as well as arrangements in relation to cheque signatories. In addition, sub-limits are also delegated to various management levels to facilitate operational efficiency.

The Trustee-Manager issues formal letters to new Directors upon their appointment setting out various information including their duties, obligations and responsibilities as Directors. As part of the orientation programme, each Director would be briefed and furnished with a legal and regulatory compliance manual prepared by professional advisers. To familiarise the Directors with the business and operations of CRT and its subsidiaries (the "Group"), a site visit to CRT's properties in Japan would be conducted. As part of continuous training, the Directors receive periodic briefings and updates by the professional advisers, auditors and Management on relevant practices, new laws, rules and regulations, changes to accounting standards, industry developments, business initiatives and risk management issues applicable and relevant to the performance of their duties and responsibilities as Directors. To stay abreast with recent developments, the Directors are encouraged to attend other appropriate courses, training programmes, conferences and seminars on matters that affect or may enhance their performance as Board or Board committee members. The Trustee-Manager allocates a budget for arranging and funding the training of the Directors.

There was no new Director appointed in FY2016. In FY2016, the Directors were briefed on developments in accounting and governance standards, regulatory matters, sustainability reporting and were given updates on business and strategic developments. A site visit to Japan was conducted where the Directors met with the Management team and auditors in Japan to gain more knowledge of the properties and have an overview of regulatory matters in Japan.

BOARD COMPOSITION AND GUIDANCE

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board consists of five (5) members, three (3) of whom are independent. The Chairman of the Board is Mr Lim Teck Leong David.

The composition of the Board complies with the requirements of the BTA and BTR and is determined on the following principles:

- at least a majority of the Directors shall be independent from the Management and business relationships with the Trustee-Manager;
- at least one-third of the Directors shall be independent from the Management and business relationships with the Trustee-Manager and from every substantial shareholder of the Trustee-Manager; and
- at least a majority of the Directors shall be independent from any single substantial shareholder of the Trustee-Manager.

In addition to compliance with requirements under the BTA and BTR, the composition of the Board is determined using the following principles:

- the Chairman of the Board should be a Non-Executive Director; and
- the Board should comprise Directors with a broad range of commercial experience including expertise in funds management and the property industry.

CORPORATE GOVERNANCE

The NRC conducts an annual review of the independence of the Directors for the purposes of the BTA and Regulation 12 of the BTR and has determined, for FY2016, that each of Mr Lim Teck Leong David, Mr Eng Meng Leong and Mr Quah Ban Huat is independent from the Management and business relationships with the Trustee-Manager, and independent from every substantial shareholder of the Trustee-Manager. All the independent directors are able to exercise independent judgement on the business activities of CRT in the interest of Unitholders. In assessing the independence of the Independent Directors, the NRC has considered the substance of their professionalism, integrity and objectivity as a director.

However, following the completion of the internalisation of the Trustee-Manager on 31 August 2016, the Unitholders are deemed to be shareholders of the Trustee-Manager in proportion to their unitholdings in CRT. Accordingly, GKGI Investments Holding Pte Ltd ("GKGI") is deemed to be a substantial shareholder of the Trustee-Manager pursuant to Section 81(1) of the Companies Act, Chapter 50 of Singapore (the "Companies Act"), due to its deemed interest in 6.0% of the units in CRT.

Mr Lim Teck Leong David is an independent director of G.K. Goh Holdings Limited ("GKG"), which is an associated company of GKGI as GKGI holds approximately 59.98% of the shares of GKG. Mr Lim is therefore considered to be connected to GKGI, being a substantial shareholder of the Trustee-Manager, pursuant to Regulation 4(b)(v) of the BTR. Although Mr Lim is not considered to be independent from GKGI according to the definition in the BTR, nonetheless, the Board determined that Mr Lim is independent from GKGI and is therefore an independent Director. After review, the Board is satisfied that the connection to GKGI will not interfere with Mr Lim's independent judgment and ability to act with regard to the interests of all the Unitholders as a whole. The Board reached its conclusion on the basis that Mr Lim has shown independent judgment in his deliberation of the interests of CRT. Mr Lim's participation in the Board will benefit CRT given his expertise. In addition, Mr Lim will continue to abstain from the Board's decisions in relation to any matter which involves GKGI or GKG.

None of the independent directors has served for more than nine years on the Board.

Mr Jim Chang Cheng-Wen is considered to be a Non-Independent Executive Director as he is the Chief Executive Officer of the Trustee-Manager and he has a 51% interest in Croesus Merchants International Pte. Ltd. ("CMI").

In FY2016, Mr Yong Chao Hsien Jeremy was considered a Non-Independent Non-Executive Director² as he had, and still has, a 49% interest in CMI.

The profiles of the Directors are set out on pages 14 to 16 of this Annual Report. Information on Directors' unitholdings in CRT are set out on pages 73 and 133 of this Annual Report.

The Trustee-Manager values diversity and recognizes the benefits that diversity can bring to its ability to achieve its goals. Each Director has been appointed based on his professional experience and potential to contribute to the proper guidance of CRT. The current Board comprises five (5) directors (all of whom are male directors) of which three (3) are independent. The composition of the Board includes a diversity of expertise and knowledge in areas such as real estate, accounting, finance, legal, tax, strategic planning and business management. This enables the Management of the Trustee-Manager to benefit from their external, diverse and objective perspectives on issues brought before the Board. There is a healthy interaction between the Board and Management, with a robust exchange of ideas and views.

The Board is of the view that the current number of Directors and composition are appropriate and effective, taking into consideration the scope and nature of operations of the Group. The Board may consider gender diversity in future.

The size and composition of the Board (including the independence of the existing Independent Directors) is reviewed at least once annually to ensure that the Board has the appropriate mix of expertise and experience and to ensure a strong presence of independence on the Board so that it is able to exercise objective judgement on corporate affairs independently.

The Independent Non-Executive Directors review the performance of Management and constantly provide constructive viewpoints to Management and assist to develop strategic proposals. To facilitate a more effective review, the Independent Non-Executive Directors communicate and have met regularly without the presence of the Management to discuss the performance of Management.

² With effect from 31 August 2016, Mr Yong Chao Hsien Jeremy is considered to be a Non-Independent Executive Director as he is the Managing Director of the Trustee-Manager and he has a 49% interest in CMI.

CORPORATE GOVERNANCE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives for managing the company's business. No one individual should represent a considerable concentration of power.

The positions of Chairman of the Board and Chief Executive Officer are separately held by two persons in order to ensure a balance of power and authority and to maintain an effective check and balance. The Chairman of the Board is Mr Lim Teck Leong David while the Chief Executive Officer is Mr Jim Chang Cheng-Wen. The Chairman and the Chief Executive Officer are not related to each other.

There is clear separation in the roles and responsibilities between the Chairman and the Chief Executive Officer.

The Chairman of the Board is responsible for the overall management of the Board and ensuring effective discharge of the Board's duties (including ensuring sufficient and timely information is provided to all Directors). At the same time, the Chairman ensures that all Directors and the Management work together with integrity and competency and engage the Management in constructive debate on strategy, business operations, risk management and other plans and activities. The Chairman promotes a culture of openness and debate at the Board and promotes high standards of corporate governance.

The Chief Executive Officer has full executive responsibilities over the business directions and operational decisions in the day-to-day management of CRT.

A Lead Independent Director has not been appointed. The Chairman of the Board is an independent director and he leads and co-ordinates all the activities of the independent non-executive directors. The Chairman responds to Unitholders' questions and concerns at general meetings.

BOARD MEMBERSHIP

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

In connection with the internalisation of the Trustee-Manager, the NRC was established on 12 June 2016. The NRC comprises Mr Quah Ban Huat, Mr Eng Meng Leong and Mr Lim Teck Leong David. Mr Quah Ban Huat is the Chairman of the NRC. All members of the NRC are Independent and Non-Executive Directors.

The key responsibilities of the NRC are:

- (i) to establish a formal and transparent process for the appointment and re-appointment of directors to the Board;
- (ii) to develop a process for evaluation of the performance and annual assessment of the effectiveness of the Board as a whole and its board committees, and the contribution of each director to the effectiveness of the Board;
- (iii) to review succession plans; and
- (iv) to review and recommend to the Board, for endorsement of the Board, a general framework of remuneration for the Board and key executive officers of the Trustee-Manager; and specific remuneration packages for each director and key executive officer of the Trustee-Manager.

The NRC is responsible for succession planning and the identification, review and appointment of suitable candidates to join the Board as its members, taking into consideration the skill, experience, ability, independence and needs of the Board. The search for candidates to be appointed as new Directors is conducted through a broad network of contacts. The following guidelines apply to selection and nomination of Directors:

- Integrity and values;
- Expertise that complements the existing skill sets of Board members;
- Reputation and standing in the market;
- Ability to devote time in carrying out duties as a Board member;
- In the case of Independent Directors, independence from the Management, the substantial shareholder of the Trustee-Manager and the substantial Unitholders.

CORPORATE GOVERNANCE

The NRC is responsible for identifying candidates to fill vacancies on the Board as and when they arise.

Following the internalisation of the Trustee-Manager which was completed on 31 August 2016, Unitholders are conferred with the right to endorse the appointment of each incumbent Director at the forthcoming annual general meeting ("AGM") of CRT, by way of ordinary resolution. Pursuant to the Deed of Trust constituting the Trustee-Manager Share Trust between Perpetual (Asia) Limited (as Trustee of the Trustee-Manager Share Trust) (the "**Trustee-Manager Share Trustee**") and the Trustee-Manager dated 12 June 2016 (the "**Trustee-Manager Share Trust Deed**"), the Trustee-Manager Share Trustee, subject to receiving the necessary assistance from the Trustee-Manager, undertakes to the Unitholders:

- (i) that resolutions to endorse the appointment of each person who is a Director shall be included in the agenda for the AGM of CRT;
- (ii) that Unitholders' re-endorsement for the appointment of each Director will be sought no later than every third AGM of CRT after the relevant general meeting at which such Director's appointment was last endorsed or re-endorsed, as the case may be;
- (iii) (where a person is appointed as Director, either to fill a vacancy or as an addition to the existing Directors, at any time) that Unitholders' endorsement for his appointment as Director will be sought at the next AGM of CRT immediately following his appointment; and
- (iv) that any person whose appointment as Director has not been endorsed or re-endorsed (as the case may be) by the Unitholders at the relevant general meeting of CRT where the endorsement or re-endorsement (as the case may be) for his appointment was sought, will be asked to resign or be otherwise removed from the Board either (i) within 21 days from the date of the relevant general meeting of CRT, or (ii) in the event that the Board determines that a replacement Director has to be appointed, no later than the date when such replacement Director is appointed, and the regulatory approval for such appointment (if any) has been obtained.

The Trustee-Manager Share Trust Deed shall not restrict the Trustee-Manager Share Trustee from appointing any Director from time to time in accordance with any or all laws, regulations and guidelines that apply to the Trustee-Manager Share Trust, including the Trustees Act, Chapter 337 of Singapore, the Companies Act, the BTA and the SFA, and all directions, guidelines or requirements imposed by any competent authority that apply to the Trustee-Manager Share Trust, as the same may be modified, amended, supplemented, revised or replaced from time to time, or any other applicable laws and regulations (including any applicable rule of the SGX-ST) and the Constitution.

Should the Directors be endorsed by way of ordinary resolution at this forthcoming AGM, the appointment of the Directors will continue until such time as they resign, are required to vacate their office as Directors, or are removed by way of an ordinary resolution of the Trustee-Manager Share Trustee, being the sole shareholder of the Trustee-Manager, in each case, in accordance with the Constitution. Under the Constitution, one-third of the directors shall retire from office at each AGM. These obligations on the Trustee-Manager are in addition to the undertakings of the Trustee-Manager Share Trustee under the Trustee-Manager Share Trust Deed as stated above.

From time to time, new Directors may be identified for appointment, if necessary, to complement the experience and competency of the existing members of the Board.

A Director with multiple board representations is expected to ensure that sufficient time and attention is given to the affairs of the Trustee-Manager. The NRC is of the view that the other board representations and principal commitments of the directors do not hinder them from carrying out their duties to the CRT and they have devoted sufficient time and attention towards the discharge of their duties and responsibilities as Directors and towards the affairs of CRT. The NRC and the Board are satisfied that sufficient time and attention have been accorded by the Directors to the affairs of the CRT.

No alternate Director has been appointed to the Board.

The NRC has considered the training and development programs of the Board and encouraged the Directors to attend appropriate courses, training programmes, conferences and seminars on matters that affect or may enhance their performance as Board or Board committee members.

CORPORATE GOVERNANCE

BOARD PERFORMANCE

Principle 5: There should be a formal assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

A review of the performances of the Board as a whole and the Board Committee is done annually where each Board member and committee member is required to complete evaluation questionnaires. In FY2016, the performance criteria covered, amongst other criteria, the composition, structure, processes, access to information, corporate strategy, internal controls, risk management and standard of conduct of the Board and its committees. The completed evaluation questionnaires were collated, evaluated and the findings from the evaluation were discussed by the NRC with recommendation to the Board for any need on changes or improvements to be made to help the Board and its committees to discharge its duties more effectively. Going forward, the NRC will decide on the performance criteria for the evaluation and may propose objective performance criteria, where applicable, which allows for comparison with industry peers and address how the Board has enhanced long-term Unitholder value.

To maintain objectivity and transparency in the performance evaluation process, an external party which provides corporate services to the Trustee-Manager, is engaged to assist in the conduct of the annual Board and Board committee evaluation and appraisal process.

The Directors are not evaluated individually. However, when considering the re-appointment or re-endorsement of Directors, factors taken into consideration in the nomination of the Directors include attendance and individual contributions at meetings held in the financial year. The NRC reviews the composition of the Board, taking into account the skills and diversity of expertise and the independence of each Director and will make a recommendation to the Board on whether the composition of the Board and its committees should be maintained.

Based on the review of the Board and ARC performance in FY2016, the NRC had recommended to the Board and the Board has concurred that the performance objectives and of each of its member have contributed to the overall effectiveness of the Board.

ACCESS TO INFORMATION

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

The Management provides the Board with information on a monthly basis and prior to Board meetings. The information provided includes background or explanatory information relating to matters to be brought before the Board, industry updates and property operating results. In addition, at the quarterly Board meetings, the Management provides quarterly management accounts to the Directors to keep them updated on the financial and operational performance and position of CRT. Such reports may include a comparison of actuals against budgets and explanatory notes for significant variances for the quarter and year-to-date performance. The Directors are also updated on developments and changes in the operating environment, including changes if any, in the accounting standards as well as any other laws and regulations affecting CRT and/or the Trustee-Manager. Where the situation requires, the Directors are entitled to request for any additional information.

The Board has independent access to the Management, the Company Secretary of the Trustee-Manager (the "Company Secretary") and internal and external auditors, at all times. The Company Secretary attends all board meetings and assists the Chairman of the Board to ensure the information flows within and among the Board, the ARC, the NRC and the Management. The appointment and removal of the Company Secretary is a matter to be decided by the Board.

The Trustee-Manager has procedures in place to enable the Directors to obtain independent professional advice as and when necessary, in furtherance of their duties, at the Trustee-Manager's expense. The appointment of such independent professional advisers is subject to approval by the Board.

CORPORATE GOVERNANCE

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Level and Mix of Remuneration

Principle 8: The level of remuneration should be aligned with the long-term interest and risk policies of the company and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Disclosure on Remuneration

Principle 9: Each company should provide clear disclosure of its remuneration policies, level and mix of remuneration, the procedure for setting remuneration in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The NRC is responsible for the review and recommendation to the Board, for its endorsement of, a general framework of remuneration for the Board and key executive officers of the Trustee-Manager (the "Executive Officers") and specific remuneration packages for each director and key executive officers of the Trustee-Manager.

The review of the Trustee-Manager's remuneration policy and remuneration-related matters by the NRC is ongoing. It is part of the Trustee-Manager's objective to implement an effective remuneration policy to incentivise and motivate, and retain its employees following the completion of the internalisation of the Trustee-Manager on 31 August 2016. The NRC would help to ensure that the remuneration policies are aligned with the interests of Unitholders.

The Trustee-Manager is guided by industry benchmarks from other local and international companies, the performance and profitability of CRT, and prevailing market conditions in setting the remuneration level of Executive Officers so as to be able to attract, motivate and retain staff. The performance conditions are tied to individual employee's performance and take into account the performance of CRT. The remuneration of Directors is benchmarked against companies in similar industries and of comparable scale. The Board is able to engage experts to provide advice in the field of executive compensation outside the Trustee-Manager, if the need for such advice arises. The Board has not engaged any such experts for FY2016.

The compensation paid to the Directors and Chief Executive Officer for services rendered to the Trustee-Manager on an individual basis in FY2016, and in remuneration bands, is as follows:

Directors	Directors' fees	Executive Remuneration
Mr Lim Teck Leong David	A	–
Mr Jim Chang Cheng-Wen	–	B
Mr Eng Meng Leong	A	–
Mr Quah Ban Huat	A	–
Mr Yong Chao Hsien Jeremy	A	–

Notes:

"A" refers to remuneration below the equivalent of S\$250,000. "B" refers to remuneration between S\$250,000 and S\$500,000.

CORPORATE GOVERNANCE

Mr Yong Chao Hsien Jeremy was appointed as Managing Director on 31 August 2016 and would receive executive remuneration from FY2017 onwards.

Mr Jim Chang Cheng-Wen is an Executive Officer of the Trustee-Manager. As such, he was paid remuneration by the Trustee-Manager for his contribution as an Executive Officer and no director's fees were paid to him in FY2016.

The Board has assessed and decided against the full disclosure of the Directors' and the CEO's remuneration on a named basis, as well as with a breakdown into base/fixed salary, variable or performance related income/bonuses, benefits in kind, etc., due to confidentiality and sensitivity of remuneration matters.

The Trustee-Manager has adopted a framework for Non-Executive Directors' fees. Within that framework, the NRC has recommended that the Directors' fees of up to S\$250,000 for the year ending 30 June 2017 to be paid quarterly in arrears. Following the internalisation of the Trustee-Manager on 31 August 2016, Unitholders are conferred with the right to endorse the payment of Directors' fees in respect of services as a director of the Trustee-Manager through the passing of resolution(s) by way of ordinary resolution at a general meeting of CRT. No Director is involved in deciding his own remuneration.

For FY2017, the Trustee-Manager has entered into service agreements dated 31 July 2016 (appointments with effect from 31 August 2016) (the "Service Agreements") with:

- (i) Mr Jim Chang Cheng-Wen, the Chief Executive Officer and Executive Director;
- (ii) Mr Yong Chao Hsien Jeremy, the Managing Director and Executive Director;
- (iii) Mr Tetsuo Ito, the Chief Financial Officer and Head of Investor Relations;
- (iv) Mr Kiyoshi Sato, the Chief Investment Officer; and
- (v) Mr Shunji Miyazaki, the Chief Asset Management Officer.

The Service Agreements for Mr Yong Chao Hsien Jeremy and Mr Jim Chang Cheng-Wen shall be valid for an initial term commencing from 31 August 2016 up to and until 30 June 2020, for so long as (a) CRT remains listed on the Mainboard of the SGX-ST and (b) (unless in the case of a voluntary resignation during the initial term) Mr Yong Chao Hsien Jeremy or, as the case may be, Mr Jim Chang Cheng-Wen remains a Director of the Trustee-Manager. The Service Agreements for the other Executive Officers of the Trustee-Manager, being Mr Tetsuo Ito, Mr Kiyoshi Sato and Mr Shunji Miyazaki shall be valid for an initial term commencing from 31 August 2016 up to and until 30 June 2018, for so long as CRT remains listed on the Mainboard of the SGX-ST.

For the initial term of the respective Service Agreements, each of the Service Agreements may only be terminated by the Trustee-Manager by six months' notice in writing or by the payment of six months' base salary in lieu of notice unless the conditions provided for above are triggered, upon which Mr Yong Chao Hsien Jeremy, Mr Jim Chang Cheng-Wen or the other key executive officers, as the case may be, may terminate their respective Service Agreements by three months' notice in writing. Thereafter, each of the Service Agreements may be terminated by written notice of three months given by either party to the other provided that the Trustee-Manager shall have the option to pay three months' base salary in lieu of any required period of notice.

Except for such payment in lieu of notice as provided for under the respective service agreements, no compensation or damages is payable by the Trustee-Manager to each of the Executive Officers in respect of their termination in accordance with the terms of their respective service agreements. Each of the Service Agreements may also be terminated by the Trustee-Manager at any time without notice or payment upon the occurrence of events such as gross misconduct or wilful neglect by the Executive Officer in the discharge of his duties, any serious or persistent breach of his obligations under the service agreement, non-observance with directions from the Board, non-performance of his obligations under the service agreement or disqualification of the Executive Officer from acting as a Director (if applicable) for any reason.

Save as disclosed above, there are no other existing service agreements between the Trustee-Manager, CRT or their subsidiaries and any of the Directors and Executive Officers which provide for benefits upon termination of employment or retirement or post-employment.

CORPORATE GOVERNANCE

For FY2016, the Trustee-Manager does not consider it necessary to disclose the top five Executive Officers' remuneration in bands of S\$250,000, including a breakdown and their aggregate remuneration, due to confidentiality and sensitivity of remuneration matters as well as the competitive nature of the business environment.

There are no employee option schemes currently in place in relation to CRT.

No compensation is payable to any Director or Executive Officer in the form of options in units or pursuant to any bonus or profit-sharing plan or any other profit-linked agreement or arrangement under the service agreements.

No employee of the Trustee-Manager was an immediate family member of a Director or the Chief Executive Officer and whose remuneration exceeded S\$50,000 during FY2016.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board is responsible for presenting a balanced and comprehensive assessment of CRT's performance, position and prospects, including interim and other price sensitive public reports and reports to the regulators (if required). Financial reports and other price sensitive information are disseminated to Unitholders through announcements via SGXNET, press releases, CRT's website and media and briefings to analysts. The annual report to Unitholders is sent to all Unitholders and is made available on CRT's website.

The Board is responsible for ensuring compliance with legislative and regulatory requirements, including requirements under the listing rules of SGX-ST. Policies have been established for setting forth internal procedures pertaining to anti-money laundering, announcements to SGX-ST and circular to Unitholders, interested and related party transaction, ARC reporting as well as other compliance matter pertaining to the rules of the SGX-ST and the Monetary Authority of Singapore (the "MAS").

The Management provides the Board with information with quarterly management accounts and monthly updates on performance on a timely basis, in order for the Board to effectively discharge its duties and make a balanced and informed assessment of the performance, position and prospects of CRT.

Risk Management and Internal Controls

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

The Trustee-Manager has appointed experienced and well-qualified management personnel to handle the day-to-day operations of the Trustee-Manager and CRT. The Management meets regularly to review the operation and performance of CRT. In assessing business risk, the Board will consider the economic environment and relevant risks related to the industry that is pertinent to CRT. It reviews management reports and feasibility studies on improvements to individual projects prior to approving major transactions.

The Trustee-Manager has put in place a sound risk management and internal controls system, and procedures and processes to identify, prioritise and manage risks, provide reasonable assurance against misstatement of loss, maintain reliable and proper accounting records, comply with relevant regulations as well as safeguard the assets of CRT and the Unitholders' interests.

During the period under review, the Trustee-Manager has identified CRT's strategic, operational, financial, information technology and compliance risks. These risks are prioritised based on risk appetite that the Board has adopted. Key risks are analysed and discussed more closely at the Board level whereas other risks are managed at management level and reported to the Board on an exception basis.

CORPORATE GOVERNANCE

In relation to foreign exchange hedging transactions, (a) the Trustee-Manager will seek the approval of the Board on the policy and procedures for entering into any such transactions, and (b) the ARC will monitor the implementation of such policy and procedures, including reviewing the instruments, processes and practices in accordance with the policy approved by the Board.

The Trustee-Manager has also instituted / established the following:

- procedures to deal with conflicts of interest issues; and
- internal controls system to ensure that all future interested person transactions will be undertaken on normal commercial terms and will not be prejudicial to the interests of CRT and its Unitholders.

At the end of the period, the Board, with assistance from the ARC, reviews the adequacy and effectiveness of existing controls implemented on the key risks.

Based on the existing practices and reviews conducted by the Management and CRT's internal auditors and external auditors, the Board opines, with concurrence from the ARC, that existing internal controls in place and the existing risk management system are adequate and effective to address strategic, financial, operational, information technology and compliance risks faced by CRT. The Board has received assurance from the Chief Executive Officer and the Chief Financial Officer that the financial records have been properly maintained and the financial statements give a true and fair view of CRT's operations and finances and that CRT's risk management and internal control systems are adequate and effective.

Please refer to the Risk Management section of this report for more information on the key risk management activities undertaken by the Trustee-Manager.

Audit Committee

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

The current ARC comprises Mr Eng Meng Leong, Mr Quah Ban Huat and Mr Lim Teck Leong David. Mr Eng Meng Leong is the Chairman of the ARC. All members of the ARC are Independent and Non-Executive Directors. None of the ARC members were previous partners or directors of the CRT's external auditor, Ernst & Young LLP, within the last twelve months or hold any financial interest in the external auditor.

The Board is of the view that the members of the ARC are appropriately qualified to discharge their responsibilities and all its members have accounting or related financial management expertise or experience.

The role of the ARC is to monitor and evaluate the effectiveness of the Trustee-Manager's internal controls. The ARC's responsibilities include, but are not limited to, the following:

1. monitoring:
 - (a) the procedures established to regulate interested person transactions, including ensuring compliance with the provisions of the Listing Manual relating to "interested person transactions"; and
 - (b) the procedures established to ensure compliance with applicable legislation and the Listing Manual;
2. deliberating on conflicts of interest situations involving CRT;
3. ensuring that the accounting function is adequately resourced;
4. reviewing with the internal and external auditors of CRT:
 - (a) the audit plans of CRT;
 - (b) the auditors' evaluation of the system of internal accounting controls of the Trustee-Manager; and
 - (c) the auditors' audit reports for CRT;

CORPORATE GOVERNANCE

5. reviewing:
 - (a) the assistance given by the officers of the Trustee-Manager to the auditors of CRT;
 - (b) the scope and results of the internal audit procedures put in place by the Trustee-Manager;
 - (c) the policies and practices put in place by the Trustee-Manager to ensure compliance with the BTA and the Trust Deed;
 - (d) the procedures put in place by the Trustee-Manager for managing any conflict that may arise between the interests of the Unitholders and the interests of the Trustee-Manager, including interested person transactions, the indemnification of expenses or liabilities incurred by the Trustee-Manager and the setting of fees or charges payable out of the property of CRT ("Trust Property");
 - (e) 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;
 - (f) the system of internal controls including strategic, financial, operational, information technology, compliance controls and risk management processes;
 - (g) all hedging policies and instruments to be implemented by CRT;
 - (h) and approving the procedures for entry into any foreign exchange and interest 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;
 - (i) transactions constituting interested person transactions
 - (j) the balance sheet and profit and loss account of the Trustee-Manager and the balance sheet, profit and loss; and
 - (k) account and cash flow statement of CRT submitted to it by the Trustee-Manager, and thereafter to submit them to the Board;
6. investigating any matters within the ARC's terms of reference, whenever it deems necessary;
7. reporting to the Board:
 - (a) any inadequacies, deficiencies or matters of concern of which the ARC becomes aware or that it suspects arising from its review of the items referred to in sub-paragraphs (1) to (4) above;
 - (b) any breach of the BTA or any breach of the provisions of the Trust Deed, of which the ARC becomes aware or that it suspects; and
 - (c) that prompt remedial action is taken by the Management;
8. reporting to the MAS if the ARC is of the view that the Board has not taken, or does not propose to take appropriate action to deal with a matter reported under sub-paragraph (7) above; and
9. nominating or removing a person or persons as auditor of CRT (including the review of their fees and scope of work), notwithstanding anything contained in the Trust Deed.

CORPORATE GOVERNANCE

The ARC is authorised to investigate any matters within its terms of reference. The ARC is entitled to full access to and co-operation by the Management and has full discretion to invite any Director or Executive Officer of the Trustee-Manager to attend its meetings and has full access to resources to enable it to discharge its functions fully. The ARC is briefed and updated by external auditors on relevant changes to accounting standards and issues that have direct impact on financial statements.

The ARC meets with the external auditors at least once a year to consider the results of the external auditor's independent reviews, without the presence of the Management.

During FY2016, the ARC has reviewed the quarterly and annual financial statements, the quality and reliability of information prepared for inclusion in financial reports, policies and practices put in place by Management, reviewed the volume and nature of interested person transactions, nominated and recommended the re-election of the external auditors and reviewed the adequacy of external audits in respect of cost, scope and performance. The ARC has reviewed the risk profiles and adequacy of the internal audit function, audit plans and scope and the effectiveness of the internal audit. The ARC has also met with the internal and external auditors, without the presence of the Management.

The aggregate amount of fees paid and payable by CRT to the external auditors for FY2016 was JPY78,846,000, comprising audit fees amounting to JPY37,145,000 and non-audit fees amounting to JPY41,701,000. The ARC has undertaken a review of all non-audit services which comprised mainly acquisition related due diligence services and other services such as tax filing fees and tax advisory fees for GST and tax due diligence provided by the external auditors and is satisfied that the nature and extent of such services would not affect the independence of the external auditors. The external auditors have also confirmed their independence in this respect.

CRT has complied with Rules 712 and 715 of the Listing Manual in relation to the appointment of its external auditors. All of CRT's subsidiaries are audited by Ernst & Young LLP or by member firms of Ernst & Young, which are suitable audit firms to meet the Group's audit obligations.

CRT has in place a whistle blowing policy and channel that allows employees and external parties, in confidence, to report possible improprieties directly to the ARC. The objective for such arrangement is to ensure independent investigation of such matters and for appropriate follow-up action to be taken. The policy sets up a formalised, secure and confidential procedures where employees or any individuals can disclose any wrongdoings such as fraud, misconduct, breach of any laws or any other illegal acts. All reported incidents are raised to the ARC for investigation. Employees making the report in good faith and without malice are protected from reprisals or victimization. Reports can be lodged via email to reporting@croesusretailtrust.com or directly to the designated officers, Mr Eng Meng Leong, the Independent Director and Chairman of the ARC or Mr Lim Teck Leong David, the Chairman of the Board and member of the ARC to investigate the matter.

INTERNAL AUDIT

Principle 13: The company should establish an internal audit function that is independent of the activities it audits.

The Trustee-Manager has engaged KPMG Services Pte Ltd ("KPMG") as the internal auditors for the Group. The selection and appointment of the internal audit firm for CRT was determined by the ARC, and the internal audit plan for each financial year is approved by the ARC. The role of KPMG is to assist the ARC by providing assurance that the Management maintains a sound system of internal controls by regular monitoring of key controls and procedures and ensuring their continued effectiveness. KPMG reports functionally and administratively to the ARC.

The scope of the internal audit is intended to cover key aspects of CRT's internal controls established to address risks in the areas of finance, operations, compliance and information technology. The internal auditor's activities are guided by KPMG's global internal auditing methodology which is consistent with those of the International Professional Practice Framework of The Institute of Internal Auditors, Inc. During the course of their work, the internal auditors are given full access to any documents, records or personnel.

The ARC is of the view that the internal auditor has adequate resources to perform its functions and is independent from the activities that it audits.

CORPORATE GOVERNANCE

COMMUNICATION WITH UNITHOLDERS

Unitholder Rights

Principle 14: Companies should 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.

Principle 15: Companies should actively engage their Unitholders and put in place an investor relations policy to promote regular, effective and fair communication with Unitholders.

The Trustee-Manager is committed to its Investor Relations Policy to communicate timely, consistent, regular and transparent credible information about CRT's performance and its corporate developments to its Unitholders, the investment community and the media. CRT has a dedicated investor relations person to handle and facilitate all communications between CRT and its Unitholders, analysts, media as well as the investment community.

At general meetings, all Unitholders are entitled to attend and vote in person or by proxy. The rules and voting procedures are set out in the notice of general meetings. Unitholders may appoint one or two proxies to attend and vote at general meetings in their absence. Proxy forms must be deposited at the office of Boardroom Corporate & Advisory Services Pte. Ltd., the Unit Registrar of CRT, not less than 48 hours before the time appointed for holding the general meetings.

The Trustee-Manager conducts regular meetings with analysts, institutional investors and fund managers to promote CRT, to give an update on CRT's performance and developments while gathering their opinion and feedback on CRT. During the year, the Trustee-Manager organised briefings and conference calls for analysts and the media, as and when deemed necessary. Management attended to all Unitholders, investors and media queries raised by via phone calls or emails promptly. Such regular interactions allowed Management to consider feedback from investing community before formulating capital management strategies and Unitholders' resolutions. Presentation slides prepared for analyst and media briefings are promptly released on SGXNET and are available on CRT's corporate website.

All material information including CRT's quarterly financial results are publicly available on the SGXNET and CRT's corporate website. For ease of access to CRT's key information, such as CRT's disclosed financial information, reports to Unitholders, investor presentation slides, distribution notices, annual reports, press releases and other material developments are made available on SGXNET and CRT's website (<http://www.croesusretailtrust.com>).

CRT's distribution policy is to distribute 100% of its Distributable Income for the period from 1 July 2015 to 30 June 2016, and at least 90% of its Distributable Income thereafter. CRT will make distributions to Unitholders on a semi-annual basis with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates.

More information on the Trustee-Manager's investor relations with Unitholders in FY2016 can be found on page 50 to 51 of the Annual Report.

CONDUCT OF UNITHOLDER MEETINGS

Principle 16: Companies should encourage greater Unitholder participation at general meetings of Unitholders, and allow Unitholders the opportunity to communicate their views on various matters affecting the company.

General meetings of Unitholders will be convened at least once a year in accordance with applicable laws and regulations and Unitholders will be allowed to vote in person or by proxy. There will be separate resolutions at general meetings on each distinct issue and all Directors will be present and available to address questions at the general meetings. The Chairman of the ARC and the NRC would be present and available to address shareholders' queries at the 2016 AGM of CRT. The external auditors would also be present to address queries from the Unitholders regarding the audit.

All resolutions proposed at general meetings shall be put to vote by way of poll pursuant to Rule 730A(2) of the Listing Manual of SGX-ST. Electronic polling would be employed for a more efficient voting system. The voting results of all votes cast in respect of each resolution would be displayed at the meeting and announced via SGXNET after the general meetings.

All Unitholders will receive a copy of the Annual Report, and notice of AGM of the Unitholders annually. Notice of the AGM will also be advertised in a major newspaper in Singapore and will be made available on SGXNET. Minutes of general meetings are available to Unitholders upon request.

Voting in absentia by email, mail or fax is not implemented due to authentication and other security related concerns.

CORPORATE GOVERNANCE

ADDITIONAL INFORMATION

Risk Management

The Board is responsible for determining the overall risk strategy and risk governance and ensuring that Management implements sound risk management and internal control practices, supported by the ARC whose collective experience and knowledge serves to guide and challenge Management.

The Management has in place a sound system of risk management to enable them to make informed business decisions and to achieve business objectives.

The goal of risk management at CRT is to:

- Create a culture of "proactive" risk management (e.g. identification, evaluation, treatment, monitoring, documentation and reporting of risks) in CRT, so as to minimise uncertainty and react to events.
- Define an ongoing and consistent process for identifying, evaluating, escalating, monitoring and reporting upon the significant risks faced by the business units, divisions, the executive and CRT.
- Integrate and provide a unified picture of risk for CRT's Management, ARC and the Board.
- Incorporate risk management considerations into CRT's culture and strategic decision-making to improve corporate governance practices and stakeholder confidence.
- Enhance business resilience, comply with regulatory obligations, protect assets and reputation, as well as the interests of CRT's customers, partners, employees (if any) and Unitholders.
- Establish clear roles and responsibilities on escalation and communication of risks and opportunities.

This structured risk management approach seeks to encourage continuous improvement through regular assessment of the adequacy of CRT's operations and processes in enabling CRT to meet its business goals and objectives.

The risk assessment is conducted at least quarterly and the risks identified are rated and documented in the risk register. The risk register is reported to ARC quarterly for its review.

Dealings in Units

The Trustee-Manager has adopted an internal compliance code of conduct with regard to dealings in securities of CRT in compliance with principles of Rule 1207(19) of the Listing Manual.

In general, the Trustee-Manager's policy encourages Directors and employees of the Trustee Manager to hold Units and not deal in such Units on short term considerations and also prohibits the Trustee-Manager, its Directors and employees from dealing in such Units:

- during the period commencing (i) two weeks before the public announcement of CRT's quarterly results; (ii) one month before the public announcement of CRT's annual results and (where applicable) any property valuations, and ending on the date of the announcement of the relevant results or, as the case may be, property valuations; and
- at any time while in possession of price sensitive information.

On 15 June 2016, the Trustee-Manager sold 2,841,580 Units it had received as payment of management fees under the Trust Deed (the "**Management Fee Units**"). On 11 July 2016, the Trustee-Manager released an announcement on SGXNET in relation to the valuations of CRT's properties. This was a deviation from the Trustee-Manager's policy of not dealing in Units during the period commencing one month before the public announcement of any property valuations. Such deviation arose due to a later-than-normal sale of the Management Fee Units which resulted in the period between the sale and the announcement of the valuations being less than one month.

The Trustee-Manager typically sells the management fee Units it holds shortly after the announcement of each quarter's financial results. However, as a result of the ongoing work for the internalisation of the Trustee-Manager, the Trustee-Manager could only sell the Management Fee Units after the announcement of the proposed internalisation on 12 June 2016. In addition, at the time of the sale of the Management Fee Units, there was no certainty to the Trustee-Manager as to the date that the property valuations will be ready.

CORPORATE GOVERNANCE

The valuation report for FY2016 was received on 8 July 2016 (Friday) and announced on SGXNET on 11 July 2016 (Monday) as the Trustee-Manager had to make the announcement on a timely basis.

In any case, the Trustee-Manager is of the view that the deviation from the policy is not prejudicial to the interests of Unitholders.

The Directors and employees of the Trustee-Manager are expected to observe insider-trading laws at all times.

Each Director and the Chief Executive Officer is required to give notice in writing to the Trustee-Manager of, among others, particulars of his interest in Units or of changes in the number of Units which he has an interest, within two business days in Singapore after the date on which the Director or Chief Executive Officer became a director or chief executive officer of the Trustee-Manager or the date on which he acquires an interest in the Units or he becomes aware of the occurrence of the event giving rise to changes in the number of Units which he has an interest.

The Trustee-Manager is required to announce to the SGX-ST the particulars of its holdings in the Units and any changes thereto as soon as practicable and in any case no later than the end of the business day following the day on which it acquires or, as the case may be, disposes of any Units.

Material Contracts

There are no material contracts entered into by CRT or any of its subsidiaries that involve the interests of the Chief Executive Officer, any Director, any controlling Unitholder or any controlling shareholder of the Trustee-Manager either still subsisting at the end of FY2016 or if not subsisting, entered into since the end of FY2015, except as disclosed below:

- (i) the asset management agreement entered into between Apple TMK¹ (a special purpose *tokutei mokuteki kaisha* incorporated under the Japan Law Regarding Securitisation of Assets (No. 105 of 1998 as amended) for investment holding purposes (a "TMK")) and CMI Realty Management Co., Ltd.² dated 7 October 2015 in relation to the engagement of CMI Realty Management Co., Ltd. to perform asset management services for Torius;
- (ii) the asset management agreement entered into between Orange TMK³ and CMI Realty Management Co., Ltd.² dated 8 April 2016 in relation to the engagement of CMI Realty Management Co., Ltd. to perform asset management services for Fuji Grand Natalie, Mallage Saga and Feeel Asahikawa;
- (iii) the share purchase agreement for the sale and purchase of shares of the Trustee-Manager from Evertrust Asset Management Pte. Ltd. to Perpetual (Asia) Limited (in its capacity as trustee of the Trustee-Manager Share Trust) dated 12 June 2016⁴, entered into by Evertrust Asset Management Pte. Ltd. (as seller), Perpetual (Asia) Limited (in its capacity as trustee of the Trustee-Manager Share Trust) (as purchaser), the Trustee-Manager and Croesus Merchants International Pte. Ltd. (as guarantor);
- (iv) the deed of undertaking entered into by Mr. Jim Chang Cheng-Wen and Mr. Yong Chao Hsien Jeremy with the Trustee-Manager in relation to the undertakings by Mr. Jim Chang Cheng-Wen and Mr. Yong Chao Hsien Jeremy to (1) maintain, acquire and hold Units amounting to an aggregate value of at least S\$16.0 million less the aggregate value of (a) 64.0% of the Units offered under the preferential offering launched on 8 August 2016 (the "**Preferential Offering**") and (b) the existing Units held by Mr. Jim Chang Cheng-Wen and Mr. Yong Chao Hsien Jeremy on 31 August 2016, and (2) lock up the Units held and acquired under the Preferential Offering and following the Internalisation, dated 23 June 2016 (as announced by the Trustee-Manager via SGXNET on 23 June 2016) and as amended and restated by the amending and restating deed of undertaking on 31 August 2016;

¹ Apple 1 TMK Holding Pte. Ltd., a subsidiary of CRT incorporated in Singapore, holds 25.0% of the specified equity (which are like common shares) of Apple TMK, and the remaining 75.0% of the specified equity of Apple TMK is held by Apple *ippan shadan hojin* ("**Apple ISH**"), of which the voting rights are held by a certified public accountant retained by the Trustee-Manager and the Trustee-Manager will have practical but not legal control over Apple ISH.

² CMI Realty Management Co., Ltd. is a wholly-owned subsidiary of Croesus Merchants International Pte. Ltd., which is 51% owned by Mr Jim Chang Cheng-Wen (Executive Director and Chief Executive Officer) and 49% owned by Mr Yong Chao Hsien Jeremy (Executive Director and Managing Director).

³ Orange 1 TMK Holding Pte. Ltd., a subsidiary of CRT incorporated in Singapore, holds 25.0% of the specified equity (which are like common shares) of Orange TMK, and the remaining 75.0% of the specified equity of Orange TMK is held by Orange *ippan shadan hojin* ("**Orange ISH**"), of which the voting rights are held by a certified public accountant retained by the Trustee-Manager and the Trustee-Manager will have practical but not legal control over Orange ISH.

⁴ The sale and purchase of shares under the Share Purchase Agreement was completed on 31 August 2016.

CORPORATE GOVERNANCE

- (v) the trade mark license agreement in relation to Croesus And Company Co., Ltd.⁵ granting the Trustee-Manager a licence to use the trade marks, which Croesus And Company Co., Ltd. has the sole right to license in Japan, in various forms including but not limited to block letters and certain stylized forms, in connection with the administration of CRT that the Trustee-Manager carries out in Japan, entered into between Croesus And Company Co., Ltd. and the Trustee-Manager on 28 July 2012; and
- (vi) the deed of licence in relation to Croesus Group Pte. Ltd.⁵ granting the Trustee-Manager a licence to use trademarks which Croesus Group Pte. Ltd. possesses and owns, and has the right and authority to licence the right to use, entered into between Croesus Group Pte. Ltd. and the Trustee-Manager on 25 August 2016, as supplemented by the supplemental letter dated 30 August 2016.

Conflicts of Interest

The Trustee-Manager has instituted procedures to deal with conflict of interest issues. Details of the procedures are set out on page 79 of this Annual Report.

Interested Person Transactions

CRT is regulated by the Listing Manual and the BTA. The Listing Manual and the BTA regulate all interested person transactions. Depending on the materiality of the transaction, CRT may be required to make a public announcement of the transaction (pursuant to Rule 905 of the Listing Manual), or to make a public announcement of and to obtain Unitholders' prior approval for the transaction (pursuant to Rule 906 of the Listing Manual). Section 86 of the BTA further requires (a) the Board to make a written statement in accordance with the resolution of the Board and signed by not less than two Directors on behalf of the Board certifying that, inter alia, the interested person transaction is not detrimental to the interests of all the Unitholders as a whole based on the circumstances at the time of the transaction, and (b) the Chief Executive Officer to, in his or her personal capacity, make a written statement certifying that he or she is not aware of any violation of duties of the Trustee-Manager which would have a material adverse effect on the business of CRT and the interests of all the Unitholders as a whole. These statements must be annexed to the profit and loss accounts of CRT in its annual financial statements.

In addition to these written statements, Section 87 of the BTA also requires the Board to attach to CRT's profit and loss accounts, a statement of policies and practices in relation to the management and governance of CRT containing such information prescribed by Regulation 20 of the BTR which includes, inter alia, a description of measures put in place by the Trustee-Manager to review interested person transactions in relation to CRT.

The Trust Deed requires the Trustee-Manager to comply with the provisions of the Listing Manual relating to interested person transactions as well as the BTA and such other guidelines relating to interested person transactions as may be prescribed by the Monetary Authority of Singapore (the "MAS") or the SGX-ST applicable to business trusts.

The Trustee-Manager may at any time in the future seek an annual general mandate from the Unitholders pursuant to Rule 920(1) of the Listing Manual for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations with interested persons, and all transactions conducted under such a general mandate for the relevant financial year will not be subject to the requirements under Rules 905 and 906 of the Listing Manual. In seeking such an annual general mandate, the Trustee-Manager will appoint an independent financial adviser pursuant to Rule 920(1)(b)(v) of the Listing Manual to render an opinion as to whether the methods or procedures for determining the transaction prices of the transactions contemplated under the annual general mandate are sufficient in an effort to ensure that such transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of CRT and the Unitholders.

Both the Listing Manual and BTA requirements will have to be complied with in respect of a proposed interested person transaction which is prima facie governed by both sets of rules. Where matters concerning CRT relate to transactions entered or to be entered into by the Trustee-Manager for and on behalf of CRT with an "Interested Person" under the Listing Manual and/or the BTA, the Trustee-Manager is required to ensure that such transactions are conducted in accordance with applicable requirements of the Listing Manual, the BTA and/or such other applicable guidelines relating to the transaction in question.

⁵ Croesus Group Pte. Ltd. is 51% owned by Mr Jim Chang Cheng-Wen (Executive Director and Chief Executive Officer) and 49% owned by Mr Yong Chao Hsien Jeremy (Executive Director and Managing Director).

CORPORATE GOVERNANCE

The Trustee-Manager has established an internal controls system to ensure that all future interested person transactions will be undertaken on normal commercial terms and will not be prejudicial to the interests of CRT and its Unitholders.

Further details on the Trustee-Manager's internal controls system to monitor interested person transactions are set out on Page 80 of this Annual Report.

The aggregate of transactions entered into with interested persons during FY2016 pursuant to Rule 907 of the Listing Manual is set out below. CRT does not have a Unitholders' mandate under Rule 920 of the Listing Manual.

Name of interested person	Aggregate value of all interested person transactions during the period under review (excluding transactions less than S\$100,000 and transactions conducted under Unitholders' mandate pursuant to Rule 920) JPY '000	Aggregate value of all interested person transactions conducted under Unitholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
<u>Croesus Retail Asset Management Pte. Ltd.</u>		
– Management fee	631,837	Not Applicable
– Acquisition fee	125,330	
<u>CMI Realty Management Co. Ltd.</u>		
Asset servicing and administration fee	7,933	Not Applicable
Acquisition fee	48,740	

The fees and charges payable by CRT under the Trust Deed, which constitute an interested person transaction, are deemed to have been specifically approved by the Unitholders upon subscription for the units at the initial public offering of CRT and are therefore not subject to Rules 905 and 906 of the Listing Manual to the extent that there is no subsequent change to the rates and/or bases of the fees charged thereunder which will adversely affect CRT.

Please also see Related Party Transactions in Note 25 to the Financial Statements.

Save as disclosed above, during FY2016, there were no additional interested person transactions (excluding transactions of less than S\$100,000 each).

Subscription of Units

During FY2016, an aggregate of 7,890,000 Units were issued to the Trustee-Manager as payment for management fees. The Trustee Manager subscribed for 492,580 Units under the rights issue on 2 November 2015. As at 30 June 2016, the total number of units in issue and units to be issued by CRT was 719,555,618.

Use of Proceeds

- (i) Use of IPO proceeds raised on Listing Date

The IPO proceeds were utilised and announced on 10 May 2013, 27 February 2015 and a summary of the utilisation of proceeds from the initial public offering of CRT (the "IPO", and such proceeds, the "IPO Proceeds") was reported in the last Annual Report 2015.

As further announced on 2 December 2015, the remaining IPO Proceeds of JPY615.5 million were utilised and disbursed for the tenant replacements and asset enhancement initiatives carried out at Mallage Shobu. Such use is in accordance with the intended use and is materially in accordance with the allocated percentage of the remaining IPO Proceeds as stated in the announcement dated 27 February 2015.

Following the announcement dated 2 December 2015, the IPO Proceeds have been fully utilised and disbursed.

CORPORATE GOVERNANCE

(ii) Use of placement proceeds raised on 11 September 2014

A summary of the utilisation of placement proceeds raised on 11 September 2014 has been reported on Page 58 of the Annual Report 2015.

As at 30 June 2016, JPY373,414,000 remains available for general corporate and working capital purposes by CRT. The Trustee-Manager will make the appropriate announcements on any material development on the use of the placement proceeds in compliance with the listing requirements of the SGX-ST, as and when required.

(iii) Use of rights issue proceeds raised on 3 November 2015

The use of rights issue proceeds as at 30 June 2016 is summarised in the table below.

	Actual^(a) (JPY '000)
To partially finance the acquisition of the trust beneficiary interest relating to Torius property	4,416,884
Deposit for the land lease of Torius property	523,144
Issuance expenses and transaction costs	378,087
	<u>5,318,115</u>

^(a) The use of proceeds disclosed in the announcement dated 3 November 2015 based on SGD to JPY exchange rate of SGD1.00 : JPY83.79 which was the exchange rate CRT exchange the substantial part of the proceeds.

The above use of proceeds was in accordance with the stated use and is materially in accordance with the percentage of gross proceeds of the placement allocated to such use, as set out in the announcement date 28 September 2015.

As at 30 June 2016, JPY520,127,000 remains available for general corporate and working capital purposes by CRT. The Trustee-Manager will make the appropriate announcements on any material development on the use of the rights issue proceeds in compliance with the listing requirements of the SGX-ST, as and when required.

(iv) Use of placement proceeds raised on 4 April 2016

The use of placement proceeds raised on 4 April 2016 is summarised in the table below.

	Actual^(b) (JPY '000)
To partially finance the acquisition of the trust beneficiary interest relating to Fuji Grand Natalie, Mallage Saga and Feeel Asahikawa	3,850,405
Issuance expenses and transaction costs	454,595
	<u>4,305,000</u>

^(b) The use of proceeds disclosed in the announcement dated 18 April 2016 and 27 May 2016 based on SGD to JPY exchange rate of SGD1.00 : JPY82.00.

The above use of proceeds was in accordance with the stated use and is materially in accordance with the percentage of net proceeds of the placement allocated to such use, as set out in the announcement date 23 March 2016.

Following the announcement dated 27 May 2016, the placement proceeds have been fully utilised and disbursed.

(v) Use of preferential offering proceeds raised on 26 August 2016

As announced on 31 August 2016, the entire of the gross proceeds of approximately S\$22.1 million from the preferential offering were utilised and disbursed to partially finance the internalisation of the Trustee-Manager.

Following the announcement dated 31 August 2016, the preferential offering proceeds have been fully utilised and disbursed.

SHAPING OUR FUTURE

FINANCIAL STATEMENTS

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STATEMENT OF THE TRUSTEE-MANAGER

FOR THE YEAR ENDED 30 JUNE 2016

The directors of Croesus Retail Asset Management Pte. Ltd. as Trustee-Manager of Croesus Retail Trust (the "Trust" and Croesus Retail Asset Management Pte. Ltd. as Trustee-Manager of the Trust, the "Trustee-Manager"), are pleased to present their statement to the unitholders together with the audited consolidated financial statements of the Trust and its subsidiaries (collectively, the "Group") for the year ended 30 June 2016 and the balance sheet as at 30 June 2016 and the statement of changes in unitholders' funds of the Trust for the year ended 30 June 2016.

OPINION OF THE DIRECTORS

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the balance sheet and the statement of changes in unitholders' funds of the Trust are drawn up so as to give a true and fair view of the financial position of the Group and of the Trust as at 30 June 2016, and of the financial performance, changes in unitholders' funds and cash flows of the Group and the changes in unitholders' funds of the Trust for the year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Trustee-Manager will be able to fulfil, out of the trust property of the Trust, the liabilities of the Trust as and when they fall due.

DIRECTORS

The directors of the Trustee-Manager in office at the date of this report are as follows:

Mr Lim Teck Leong David (Chairman)
 Mr Jim Chang Cheng-Wen (Chief Executive Officer)
 Mr Yong Chao Hsien Jeremy (Managing Director)
 Mr Eng Meng Leong
 Mr Quah Ban Huat

In accordance with Regulation 12(6) of the Singapore Business Trust Regulations ("BTR"), the Board of Directors of the Trustee-Manager may determine that a director who is not considered to be independent from management and business relationships with the Trustee-Manager under Regulation 3; or not considered to be independent from a substantial shareholder of the Trustee-Manager under Regulation 4, is nonetheless independent from management and business relationships with the Trustee-Manager or independent from a substantial shareholder of the Trustee-Manager, if the Board of Directors is satisfied that the director's independent judgment and ability to act with regard to the interests of all the unitholders of the Trust as a whole will not be interfered with, despite the relationships.

The details of the Board of Directors' review and determination under Regulation 12(7) of the BTR are disclosed in the Corporate Governance section of the Annual Report of the Trust at page 56 in accordance with Regulation 12(8) and 12(9) of the BTR.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE UNITS AND DEBENTURES

Except as described in the paragraph below, neither at the end of nor at any time during the financial year was the Trustee-Manager a party to any arrangement where the objective was to enable any or all directors of the Trustee-Manager to acquire benefits by means of the acquisition of units in, or debentures of, the Trust.

STATEMENT OF THE TRUSTEE-MANAGER

FOR THE YEAR ENDED 30 JUNE 2016

DIRECTORS' INTERESTS IN UNITS AND DEBENTURES

According to the register of directors' unitholdings and for the purpose of Section 76 of the Business Trusts Act, Chapter 31A of Singapore (the "BTA"), only those directors as shown below hold units in, or debentures of, the Trust:

Name of director	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Mr Lim Teck Leong David	–	–	1,450,000	1,769,000
Mr Jim Chang Cheng-Wen	–	–	5,984,000	6,618,500
Mr Yong Chao Hsien Jeremy	–	–	5,984,000	6,618,500

There was no change in any of the above-mentioned interests in the Trust between the end of the year and 21 July 2016.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in units, unit options, warrants or debentures of the Trust, or of related corporations, either at the beginning of the financial year, or at the end of the financial year.

UNIT OPTIONS

There were no options granted during the financial year to acquire unissued units in the Trust.

No units have been issued during the financial year by virtue of the exercise of options to take up unissued units in the Trust.

There were no unissued units in the Trust under option as at the end of the financial year.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee ("ARC") comprises three independent directors. The members at the end of the financial year were as follows:

Mr Eng Meng Leong (Chairman)
 Mr Quah Ban Huat
 Mr Lim Teck Leong David

The ARC carried out its functions in accordance with Regulation 13(6) of the Business Trusts Regulations, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group, and reviewed the internal auditor's evaluation of the adequacy of the Group's system of internal accounting controls and the assistance given by the Group's management to the external and internal auditors.
- Reviewed the quarterly and annual financial statements and the auditor's report on the annual financial statements of the Group and the Trust before their submission to the board of directors (the "Board").
- Reviewed effectiveness of the Group and the Trust's material internal controls, including strategic, financial, operational, information technology, compliance controls and risk management via reviews carried out by the internal auditor.
- Met with the external auditor and management in separate sessions to discuss any matters that these groups believe should be discussed privately with the ARC.

STATEMENT OF THE TRUSTEE-MANAGER

FOR THE YEAR ENDED 30 JUNE 2016

AUDIT AND RISK COMMITTEE (CONT'D)

- Reviewed the assistance provided by the Trustee-Manager's officers to the internal and external auditors.
- Reviewed the policies and practices put in place by management.
- Reviewed the cost effectiveness and the independence and objectivity of the external auditor.
- Reviewed the nature and extent of non-audit services provided by the external auditor.
- Recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit.
- Reported actions and minutes of the ARC to the Board with such recommendations as the ARC considered appropriate.
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.
- Recommending the appointment, re-appointment or removal of the external or internal auditors to the Board.
- Investigating any matters within the ARC's terms of reference, whenever it deems necessary.
- Undertaking such other functions as may be agreed to by the ARC and the Board.

The ARC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The ARC has also conducted a review of interested person transactions.

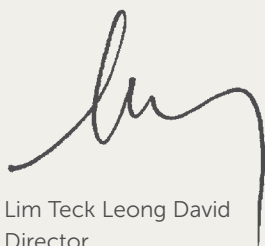
The ARC convened six meetings during FY2016 with full attendance from all members. The ARC has also met with internal and external auditors, without the presence of the Group's management, at least once a year.

Further details regarding the ARC are disclosed in the Report on Corporate Governance.

INDEPENDENT AUDITOR

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

For and on behalf of the Board of the Trustee-Manager,
Croesus Retail Asset Management Pte. Ltd.,



Lim Teck Leong David
Director



Jim Chang Cheng-Wen
Director

16 September 2016

TRUSTEE-MANAGER'S CERTIFICATE

FOR THE YEAR ENDED 30 JUNE 2016

The directors of Croesus Retail Asset Management Pte. Ltd. as trustee-manager of Croesus Retail Trust (the "Trust" and Croesus Retail Asset Management Pte. Ltd. as Trustee-Manager of the Trust, the "Trustee-Manager") hereby certify that:

- the fees or charges paid or payable out of the trust property of the Trust to the Trustee-Manager are in accordance with the Trust Deed of the Trust;
- the interested person transactions are not detrimental to the interests of all the unitholders of the Trust as a whole based on the circumstances at the time of the transactions; and
- the Board of Directors of the Trustee-Manager is not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of the Trust or the interests of all the unitholders of the Trust as a whole.

For and on behalf of the Board of Directors of the Trustee-Manager,
Croesus Retail Asset Management Pte. Ltd.,



Lim Teck Leong David
Director



Jim Chang Cheng-Wen
Director

16 September 2016

STATEMENT BY THE CHIEF EXECUTIVE OFFICER OF THE TRUSTEE-MANAGER

FOR THE YEAR ENDED 30 JUNE 2016

In accordance with Section 86 of the Business Trusts Act, Chapter 31A of Singapore, I, the Chief Executive Officer of Croesus Retail Asset Management Pte. Ltd., as trustee-manager of Croesus Retail Trust (the "Trust" and Croesus Retail Asset Management Pte. Ltd. as Trustee-Manager of the Trust, the "Trustee-Manager"), in my personal capacity, certify that I am not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of the Trust or on the interests of all the unitholders of the Trust as a whole.



Jim Chang Cheng-Wen
Chief Executive Officer

16 September 2016

STATEMENT OF POLICIES AND PRACTICES

FOR THE YEAR ENDED 30 JUNE 2016

Croesus Retail Asset Management Pte. Ltd. as trustee-manager of Croesus Retail Trust (the "Trust" or "CRT" and Croesus Retail Asset Management Pte. Ltd. as trustee-manager of the Trust, the "Trustee-Manager") and the board of directors (the "Board") are responsible for safeguarding the interests of the unitholders as a whole and managing the business conducted by CRT. The Trustee-Manager has general powers of management over the business and assets of the Trust and its main responsibility is to manage CRT's assets and liabilities for the benefit of the unitholders as a whole. In the event of a conflict between the interests of the unitholders as a whole and its own interests, the Trustee-Manager shall act in the best interests of all unitholders as a whole and give priority to the interests of all the unitholders as a whole over its own interests.

The Board is also obliged to exercise due care to comply with the relevant provisions of all applicable legislations and regulations, the Singapore Exchange Securities Trading Limited's Listing Manual (the "Listing Manual"), the Trust Deed and all relevant contracts entered into by CRT.

The Board, in exercising its powers and carrying out its duties as the Trustee-Manager of the Trust, has put in place measures to ensure that the following are met:

- the property of the Trust ("Trust Property") is properly accounted for and is kept distinct from the property held by the Trustee-Manager in its own capacity;
- adherence with the business scope of CRT as set out in the Trust Deed;
- potential conflicts between the interests of the Trustee-Manager and the interests of the unitholders of the Trust as a whole are appropriately managed;
- interested person transactions are transparent, properly recorded and reviewed;
- expenses and cost allocations payable to the Trustee-Manager out of the Trust Property, and that fees and expenses charged to the Trust are appropriate and in accordance with the Trust Deed; and
- compliance with the Business Trust Act, Chapter 31A of Singapore (the "BTA") and the listing rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST").

TRUST PROPERTY IS PROPERLY ACCOUNTED FOR

The Trust Property is properly accounted for and the Trust Property is kept distinct from the property of the Trustee-Manager held in its own capacity. Different bank accounts are maintained for the Trustee-Manager in its capacity as Trustee-Manager of CRT and the Trustee-Manager in its own capacity, and regular internal reviews are carried out to ascertain that all Trust Property has been fully accounted for.

The financial statements for CRT and the Trustee-Manager are kept separate and distinct and each of the financial statements are duly audited by the external auditor on an annual basis to ensure that the Trust Property is properly accounted for and kept distinct from the property of the Trustee-Manager held in its own capacity.

ADHERENCE TO THE BUSINESS SCOPE OF THE TRUST

The management provides regular updates to the Board and the Audit and Risk Committee (the "ARC") about potential projects that it is looking into on behalf of CRT and the Board and the ARC ensures that all such projects are within the permitted business scope under the Trust Deed. Prior to the carrying out of any significant business transaction, the Board, the ARC and/or the management will have careful regard to the provisions of the Trust Deed and when in doubt, seek advice from professional advisers.

STATEMENT OF POLICIES AND PRACTICES

FOR THE YEAR ENDED 30 JUNE 2016

POTENTIAL CONFLICTS OF INTEREST

The Trustee-Manager has instituted the following procedures to deal with conflicts of interest issues:

- the Trustee-Manager will not manage any other business trust;
- all resolutions in writing of the directors in relation to matters concerning CRT must be approved by a majority of the directors, including at least one Independent Director;
- in respect of matters in which the sponsor and/or their subsidiaries have an interest, direct or indirect, any nominees appointed by the sponsor and/or their subsidiaries to the Board to represent its/their interests will abstain from voting. In such matters, the quorum must comprise a majority of the Independent Directors and must exclude Nominee Directors of the sponsor and/or their subsidiaries;
- where matters concerning CRT relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of CRT with a related party of the Trustee-Manager (which would include relevant associates thereof) or CRT, the Board 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 CRT and the unitholders, and in accordance with all applicable requirements of the Listing Manual and the BTA relating to the transaction in question. If the Trustee-Manager is to sign any contract with a related party of the Trustee-Manager or CRT, the Trustee-Manager will review the contract to ensure that it complies with the provisions of the Listing Manual and the BTA relating to Interested Person 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 Monetary Authority of Singapore and SGX-ST to apply to business trusts.

Important safeguards that the Trustee-Manager has put in place to address any potential conflicts of interests with the Japan asset managers in respect of CRT's portfolio of properties and any other properties that will be managed by the Japan asset managers include the following:

- the team leaders for marketing, leasing and the day-to-day operations of the properties will be different from those managing the other properties not owned by CRT;
- the Japan asset managers managing the properties will select independent third-party property managers which in turn will select the group personnel of the independent third-party building managers who will be dedicated to the properties, on the basis that these third parties are deemed to be the most appropriate, taking into account the quality of services provided and associated costs; and
- critical strategic matters pertaining to mall management, such as leasing and operational policies, formulation of tenancy mix, and the determination of the rental rates, the key lease terms and the operating budget for running the retail assets, will be managed and controlled by the Trustee-Manager.

The Trustee-Manager will review the adequacy of the above safeguards from time to time, and will implement further safeguards and measures to ensure that the interests of CRT will not be prejudiced.

STATEMENT OF POLICIES AND PRACTICES

FOR THE YEAR ENDED 30 JUNE 2016

INTERESTED PERSON TRANSACTIONS

The Trustee-Manager has established an internal control system to ensure that all future interested person transactions will be undertaken on normal commercial terms and will not be prejudicial to the interests of CRT and the unitholders.

The Trustee-Manager maintains a register to record all interested person transactions which are entered into by CRT and the bases, including any quotations from unrelated parties and independent valuations obtained to support such bases, on which they are entered into.

The Trustee-Manager has also incorporated into its internal audit plan a review of all interested person transactions entered into by CRT. The ARC shall review the internal audit reports at least twice a year to ascertain that the guidelines and procedures established to monitor interested person transactions have been complied with.

Where matters concerning CRT relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of CRT with a related party of the Trustee-Manager (which would include relevant associates thereof) or CRT, the Trustee-Manager 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 CRT and the unitholders; and
- in accordance with all applicable requirements of the Listing Manual and the BTA relating to the transaction in question.

If the Trustee-Manager is to sign any contract with a related party of the Trustee-Manager or CRT, the Trustee-Manager will review the contract to ensure that it complies with the provisions of the Listing Manual and the BTA relating to interested person 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 Monetary Authority of Singapore and the SGX-ST to apply to business trusts.

FEES AND EXPENSES CHARGED TO THE TRUST ARE APPROPRIATE AND IN ACCORDANCE WITH THE TRUST DEED

The Trustee-Manager is entitled to receive for its own account out of the Trust Property a base fee calculated at a rate in accordance with the formula below:

- (i) if the value of the Trust Property is less than JPY100 billion, the base fee will be 0.60% per annum of the value of the Trust Property, subject to a cap on the base fee of JPY0.5 billion; and
- (ii) if the value of the Trust Property is equal to or greater than JPY100 billion, the base fee will be 0.50% per annum of the value of the Trust Property.

The Trustee-Manager shall be entitled to receive for its own account out of the Trust Property a performance fee of 3.0% per annum of net property income.

Any increase in the rates set out above or any change in the formula for calculation of the Trustee-Manager's management fees must be approved by an extraordinary resolution passed at a unitholders' meeting duly convened and held in accordance with the provisions of the Trust Deed.

The management fee (comprising the base fee and performance fee) is payable to the Trustee-Manager in the form of cash and/or units (as the Trustee-Manager may elect). The management fee to be received by the Trustee-Manager will be partly offset by the relevant Japan asset management fees to be paid directly to the relevant Japan asset managers, so as to reduce the amount of the management fee payable to the Trustee-Manager.

STATEMENT OF POLICIES AND PRACTICES

FOR THE YEAR ENDED 30 JUNE 2016

FEES AND EXPENSES CHARGED TO THE TRUST ARE APPROPRIATE AND IN ACCORDANCE WITH THE TRUST DEED (CONT'D)

The Trustee-Manager is entitled to:

- (i) an acquisition fee calculated at a rate not exceeding 1.0% of:
 - (a) in the case of an acquisition of real estate, the acquisition price of any real estate purchased, whether directly or indirectly through one or more special purpose vehicles ("SPVs"), by CRT (plus any other payments in addition to the acquisition price made by CRT or its SPVs to the vendor in connection with the purchase of the real estate) (pro-rated, if applicable, to the proportion of CRT's interest);
 - (b) in the case of an acquisition of (I) the trust beneficiary interests ("TBI") in respect of the real estate or (II) the equity interests of any vehicle holding directly or indirectly the real estate, the underlying value of any real estate which is taken into account when computing the acquisition price for (A) the TBI in respect of the real estate or (B) the equity interests in such vehicle holding directly or indirectly the real estate purchased by CRT, whether directly or indirectly through one or more SPVs (plus any additional payments made by CRT or its SPVs to the vendor in connection with the purchase of such TBI or, as the case may be, equity interests) (pro-rated, if applicable, to the proportion of CRT's interest);
 - (c) in the case of an acquisition of the contractual interest pursuant to a *tokumei kumiai* agreement, the underlying value of the real estate which is taken into account when computing the acquisition price payable for such contractual interest, whether directly or indirectly through one or more SPVs (plus any additional payments made by CRT or its SPVs to the vendor in connection with the purchase of such contractual interest) (pro-rated, if applicable, to the proportion of CRT's interest); or
 - (d) the acquisition price of any other asset forming a part of the Trust Property acquired from time to time by the Trustee-Manager on behalf of CRT; and
- (ii) a divestment fee calculated at a rate not exceeding 0.5% of:
 - (a) sale price of real estate sold or divested, whether directly or indirectly through one or more SPVs, by CRT (plus any other payments in addition to the sale price received by CRT or its SPVs from the purchaser in connection with the sale or divestment of the real estate) (pro-rated, if applicable, to the proportion of CRT's interest);
 - (b) the underlying value of any real estate which is taken into account when computing the sale price for (I) the TBI in respect of the real estate or (II) the equity interests in any vehicle holding directly or indirectly the real estate sold or divested by the Trustee-Manager on behalf of CRT, whether directly or indirectly (plus any additional payments received by CRT or its SPV from the purchaser in connection with the sale or divestment of such TBI or, as the case may be, equity interests) (pro-rated, if applicable, to the proportion of CRT's interest);
 - (c) in the case of a divestment of the contractual interest pursuant to a *tokumei kumiai* agreement, the underlying value of the real estate which is taken into account when computing the sale price payable for the divestment of such contractual interest, whether directly or indirectly one or more SPVs (plus any additional payments received by CRT or its SPVs from the purchaser in connection with the divestment of such contractual interest) (pro-rated, if applicable, to the proportion of CRT's interest); or
 - (d) the sale price of any other asset forming a part of the Trust Property sold or divested from time to time by the Trustee-Manager on behalf of CRT.

The acquisition fee and the divestment fee (regardless whether the real estate is acquired from, or disposed to, an interested person) is payable to the Trustee-Manager in the form of cash and/or units (as the Trustee-Manager may elect) at the prevailing market price. The acquisition fee and the divestment fee to be received by the Trustee-Manager will be partly offset by the relevant fees to be paid directly to the relevant Japan asset managers, so as to reduce the amount of fees payable to the Trustee-Manager.

STATEMENT OF POLICIES AND PRACTICES

FOR THE YEAR ENDED 30 JUNE 2016

FEES AND EXPENSES CHARGED TO THE TRUST ARE APPROPRIATE AND IN ACCORDANCE WITH THE TRUST DEED (CONT'D)

Any payment to third-party agents or brokers in connection with the acquisition or divestment of any asset of CRT shall be paid by the Trustee-Manager to such persons out of the Trust Property of CRT or the assets of the relevant *tokutei mokuteki kaisha* of CRT, and not out of the acquisition fee or divestment fee (as the case may be) received or to be received by the Trustee-Manager.

The Trustee-Manager believes that the acquisition fee is on an arm's length basis, is on normal commercial terms and not prejudicial to the interests of CRT and the unitholders.

Fees and expenses paid to the Trustee-Manager out of the Trust Property for the financial year ended 30 June 2016 are disclosed in Note 25 of the Notes to the Financial Statements.

The expenses which are payable to the Trustee-Manager in its capacity as the trustee-manager of CRT out of the Trust Property are appropriate and in accordance with the Trust Deed, and regular internal reviews are carried out to ensure that such expenses payable are in order.

COMPLIANCE WITH THE BTA AND THE LISTING MANUAL

The Trustee-Manager has engaged the services of and obtained advice from professional advisers and consultants from time to time to ensure compliance with the requirements of the BTA and the Listing Manual.

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2016

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF CROESUS RETAIL TRUST

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Croesus Retail Trust (the "Trust") and its subsidiaries (collectively the "Group") set out on pages 84 to 132, which comprise the consolidated balance sheet of the Group and balance sheet of the Trust as at 30 June 2016, the consolidated statement of comprehensive income, the consolidated statement of changes in unitholders' funds and the consolidated statement of cash flows of the Group and the changes in unitholders' funds of the Trust for the year ended 30 June 2016, and a summary of significant accounting policies and other explanatory information.

Trustee-Manager's Responsibility for the Financial Statements

The Trustee-Manager is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Business Trusts Act, (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's 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 auditor's 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 auditor considers internal controls 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 management, as well as evaluating the overall presentation of the financial statements.

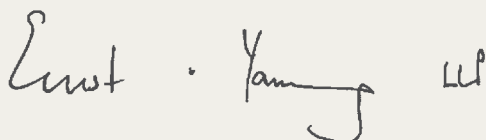
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group, the balance sheet and the statement of changes in unitholders' funds of the Trust are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Trust as at 30 June 2016, and of the financial performance, changes in unitholders' fund and cash flows of the Group and changes in unitholders' fund of the Trust for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Trustee-Manager on behalf of the Trust, have been properly kept in accordance with the provisions of the Act.



ERNST & YOUNG LLP
Public Accountants and
Chartered Accountants
Singapore

16 September 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

	Note	Group	
		2016 JPY'000	2015 JPY'000
Gross revenue	4	9,581,167	7,635,403
Property operating expenses	5	(4,132,333)	(2,954,282)
Net property income		5,448,834	4,681,121
Trustee-Manager's fees		(631,837)	(555,112)
Japan asset manager's fees		(95,944)	(79,448)
Other administrative expenses		(105,983)	(57,877)
Other trust expenses	6	(142,549)	(141,629)
Finance income		9,593	3,202
Finance costs	7	(1,106,069)	(1,004,177)
Foreign exchange (losses)/gains		(56,204)	113,939
Profit before changes in fair value		3,319,841	2,960,019
Fair value gains on investment properties	11	5,705,812	6,336,798
Fair value (losses)/gains on derivative financial instruments		(1,239,262)	369,590
Profit before tax	8	7,786,391	9,666,407
Income tax expense	9	(1,839,816)	(2,087,315)
Net profit for the year attributable to unitholders of the Trust		5,946,575	7,579,092
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Net (losses)/gains on fair value changes on cash flow hedge	23	(413,268)	88,776
Total other comprehensive income attributable to unitholders of the Trust		(413,268)	88,776
Total comprehensive income for the year		5,533,307	7,667,868
Earnings per unit attributable to unitholders of the Trust			
– basic and diluted (JPY)	10	9.68	13.26 *

* The figures have been restated to reflect the effect of the right issue units issued on 2 November 2015.

BALANCE SHEETS

AS AT 30 JUNE 2016

	Note	Group		Trust	
		2016 JPY'000	2015 JPY'000	2016 JPY'000	2015 JPY'000
Non-current assets					
Investment properties	11	112,640,000	87,930,000	–	–
Investment in subsidiaries	12	–	–	39,187,987	29,837,901
Loans to subsidiaries	13	–	–	8,410,746	8,536,696
Restricted cash	14	5,584,205	3,767,811	–	–
Prepayments	15	593,270	300,279	–	–
Trade and other receivables	16	437,341	97,242	–	–
Deferred tax assets	9	13,601	11,990	–	–
Derivative financial instruments	17	–	885,548	–	885,548
		<u>119,268,417</u>	<u>92,992,870</u>	<u>47,598,733</u>	<u>39,260,145</u>
Current assets					
Trade and other receivables	16	1,654,787	491,358	276,537	278,495
Prepayments	15	484,390	321,059	–	–
Restricted cash	14	4,287,146	3,300,260	–	–
Cash and short-term deposits	18	5,385,095	2,941,662	3,500,730	1,115,077
Derivative financial instruments	17	94,907	353,744	94,907	353,744
		<u>11,906,325</u>	<u>7,408,083</u>	<u>3,872,174</u>	<u>1,747,316</u>
Total assets		<u>131,174,742</u>	<u>100,400,953</u>	<u>51,470,907</u>	<u>41,007,461</u>
Current liabilities					
Trade and other payables	19	2,150,697	1,219,328	32,570	37,026
Loans and borrowings	20	8,337,184	646,873	7,734,059	–
Derivative financial instruments	17	1,109,698	298	1,109,698	–
Other liabilities	21	760,034	658,761	51,583	40,023
Income tax payables		242,681	255,408	53,109	65,841
		<u>12,600,294</u>	<u>2,780,668</u>	<u>8,981,019</u>	<u>142,890</u>
Non-current liabilities					
Trade and other payables	19	4,937,428	3,250,321	–	–
Loans and borrowings	20	51,057,438	46,840,340	4,527,265	9,137,533
Other liabilities	21	1,150,387	580,868	628,412	128,546
Deferred tax liabilities	9	4,521,444	2,998,862	–	–
Derivative financial instruments	17	1,594,315	363,732	947,056	–
		<u>63,261,012</u>	<u>54,034,123</u>	<u>6,102,733</u>	<u>9,266,079</u>
Total liabilities		<u>75,861,306</u>	<u>56,814,791</u>	<u>15,083,752</u>	<u>9,408,969</u>
Net assets		<u>55,313,436</u>	<u>43,586,162</u>	<u>36,387,155</u>	<u>31,598,492</u>
Unitholders' funds					
Units in issue	22	47,333,037	36,486,750	47,348,544	36,502,257
Fair value adjustment reserve	23	(774,449)	(361,181)	(127,191)	2,848
Accumulated profits/(losses)		8,754,848	7,460,593	(10,834,198)	(4,906,613)
Net assets attributable to unitholders		<u>55,313,436</u>	<u>43,586,162</u>	<u>36,387,155</u>	<u>31,598,492</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS

FOR THE YEAR ENDED 30 JUNE 2016

Group	Note	Units in issue JPY'000	Fair value adjustment reserve JPY'000	Accumulated profits JPY'000	Total JPY'000
At 1 July 2014		29,861,308	(449,957)	2,982,183	32,393,534
Net profit for the year		–	–	7,579,092	7,579,092
<u>Other comprehensive income</u>					
– Net gains on fair value changes on cash flow hedge	23	–	88,776	–	88,776
Total comprehensive income for the year		–	88,776	7,579,092	7,667,868
<u>Contributions by and distributions to unitholders</u>					
Issue of new units	22	6,804,052	–	–	6,804,052
Issue costs	22	(189,265)	–	–	(189,265)
Management fees payable in units	22	10,655	–	–	10,655
Distributions to unitholders	24	–	–	(3,100,682)	(3,100,682)
Total contributions by and distributions to unitholders		6,625,442	–	(3,100,682)	3,524,760
At 30 June 2015 and 1 July 2015		36,486,750	(361,181)	7,460,593	43,586,162
Net profit for the year		–	–	5,946,575	5,946,575
<u>Other comprehensive income</u>					
– Net losses on fair value changes on cash flow hedge	23	–	(413,268)	–	(413,268)
Total comprehensive income for the year		–	(413,268)	5,946,575	5,533,307
<u>Contributions by and distributions to unitholders</u>					
Issue of new units	22	11,176,171	–	–	11,176,171
Issue costs	22	(365,830)	–	–	(365,830)
Management fees payable in units	22	35,946	–	–	35,946
Distributions to unitholders	24	–	–	(4,652,320)	(4,652,320)
Total contributions by and distributions to unitholders		10,846,287	–	(4,652,320)	6,193,967
At 30 June 2016		47,333,037	(774,449)	8,754,848	55,313,436

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS

FOR THE YEAR ENDED 30 JUNE 2016

Trust	Note	Units in issue JPY'000	Fair value adjustment reserve JPY'000	Accumulated losses JPY'000	Total JPY'000
At 1 July 2014		29,876,815	(1,904)	(2,386,145)	27,488,766
Net profit for the year		–	–	580,214	580,214
<u>Other comprehensive income</u>					
– Net gains on fair value changes on cash flow hedge	23	–	4,752	–	4,752
Total comprehensive income for the year		–	4,752	580,214	584,966
<u>Contributions by and distributions to unitholders</u>					
Issue of new units	22	6,804,052	–	–	6,804,052
Issue costs	22	(189,265)	–	–	(189,265)
Management fees payable in units	22	10,655	–	–	10,655
Distributions to unitholders	24	–	–	(3,100,682)	(3,100,682)
Total contributions by and distributions to unitholders		6,625,442	–	(3,100,682)	3,524,760
At 30 June 2015 and 1 July 2015		36,502,257	2,848	(4,906,613)	31,598,492
Net loss for the year		–	–	(1,275,265)	(1,275,265)
<u>Other comprehensive income</u>					
– Net losses on fair value changes on cash flow hedge	23	–	(130,039)	–	(130,039)
Total comprehensive income for the year		–	(130,039)	(1,275,265)	(1,405,304)
<u>Contributions by and distributions to unitholders</u>					
Issue of new units	22	11,176,171	–	–	11,176,171
Issue costs	22	(365,830)	–	–	(365,830)
Management fees payable in units	22	35,946	–	–	35,946
Distributions to unitholders	24	–	–	(4,652,320)	(4,652,320)
Total contributions by and distributions to unitholders		10,846,287	–	(4,652,320)	6,193,967
At 30 June 2016		47,348,544	(127,191)	(10,834,198)	36,387,155

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

	Note	Group	
		2016 JPY'000	2015 JPY'000
Operating activities			
Profit before tax		7,786,391	9,666,407
Adjustments for:			
Changes in fair value of investment properties	11	(5,705,812)	(6,336,798)
Changes in fair value of derivative financial instruments		1,239,262	(369,590)
Finance income		(9,593)	(3,202)
Finance costs	7	1,106,069	1,004,177
Trustee-Manager's fees paid in units		408,364	388,107
Trustee-Manager's fees payable in units		165,007	129,061
Amortisation of property tax		30,249	54,506
Unrealised foreign exchange losses/(gains)		19,536	(46,500)
Operating cash flows before changes in working capital		5,039,473	4,486,168
Changes in working capital:			
Restricted cash		(2,803,280)	(2,259,921)
Prepayments		(486,572)	(438,999)
Trade and other receivables		(1,435,509)	264,294
Trade and other payables		2,539,651	1,897,570
Other liabilities		597,766	193,206
Cash flows from operations		3,451,529	4,142,318
Finance income received		9,593	3,202
Finance costs paid		(634,712)	(598,268)
Income taxes paid		(399,590)	(336,922)
Net cash flows generated from operating activities		2,426,820	3,210,330
Investing activities			
Acquisition of investment properties	11	(18,595,536)	(11,298,156)
Subsequent expenditure on investment properties	11	(408,652)	(413,382)
Net cash flows used in investing activities		(19,004,188)	(11,711,538)
Financing activities			
Proceeds from issuance of units		10,638,747	6,297,540
Payment of issue costs	22	(365,830)	(189,265)
Proceeds from loans and borrowings		14,815,222	6,150,000
Payment of upfront costs of loans and borrowings		(185,482)	(155,509)
Repayment of loans and borrowings		(1,210,000)	(360,000)
Distributions to unitholders	24	(4,652,320)	(3,100,682)
Net cash flows generated from financing activities		19,040,337	8,642,084
Net increase in cash and cash equivalents		2,462,969	140,876
Effect of exchange rate changes on cash and cash equivalents		(19,536)	46,365
Cash and cash equivalents at beginning of the year		2,941,662	2,754,421
Cash and cash equivalents at end of the year	18	5,385,095	2,941,662

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

1. CORPORATE INFORMATION

Croesus Retail Trust (the "Trust") is a Singapore-domiciled trust originally constituted as a private trust pursuant to the Trust Deed dated 7 May 2012, with Croesus Retail Asset Management Pte. Ltd. as its Trustee-Manager (the "Trustee-Manager"). The Trust Deed was amended by the first amending and restating deed dated 29 June 2012, the second amending and restating deed dated 7 November 2012, the third amending and restating deed dated 24 April 2013 and the fourth amending and restating deed dated 30 April 2013 ("Trust Deed") to comply with the requirements of, among others, the Monetary Authority of Singapore ("MAS") and the Singapore Exchange Securities Trading Limited ("SGX-ST"), for a listed Business Trust. The Trust is a registered business trust constituted by the Trust Deed and is principally regulated by the Securities and Futures Act ("SFA") and the Singapore Business Trusts Act. The Trust Deed is governed by the laws of the Republic of Singapore.

The Trust was listed on the Main Board of the SGX-ST on 10 May 2013. The Trust was a dormant private trust during the period from 7 May 2012 (date of constitution) to 9 May 2013.

The registered office and principal place of business of the Trustee-Manager is at 50 Raffles Place, #25-03 Singapore Land Tower, Singapore 048623.

The principal activity of the Trust is owning income-producing real estate used primarily for retail purposes located in the Asia-Pacific region and real estate-related assets relating to the foregoing. The principal activities of the subsidiary companies are as disclosed in Note 12 to the financial statements.

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

(a) *Trustee-Manager's fees*

Management fees

The Trustee-Manager is entitled to receive a base fee calculated at a rate in accordance with the formula below:

- (i) if the value of the trust property is less than JPY100 billion, the base fee will be 0.6% per annum of the value of the trust property, subject to a cap on the base fee of JPY0.5 billion; and
- (ii) if the value of the trust property is equal to or greater than JPY100 billion, the base fee will be 0.5% per annum of the value of the trust property.

The Trustee-Manager is entitled to receive a performance fee of 3.0% per annum of net property income.

Development management fees

The Trustee-Manager is entitled to a development management fee of 3.0% of the total project costs incurred in a development project undertaken on behalf of the Trust.

Acquisition/divestment fees

The Trustee-Manager is entitled to a fee upon the acquisition of an asset by the Group calculated as 1.0% of the acquisition value of the investment.

The Trustee-Manager is entitled to a fee upon the disposal/divestment of an asset by the Group calculated as 0.5% of the sale value of the investment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

1. CORPORATE INFORMATION (CONT'D)

(b) *Japan asset manager's fees*

The Japan asset manager's fees, acquisition fees and disposition fees referred to below will partly offset the Trustee-Manager's fees, so as to reduce the Trustee-Manager's fees paid to the Trustee-Manager.

Asset servicing and administration fees

The Japan asset managers are entitled to an asset servicing and administration fee comprising a property operation management fee and an incentive fee:

(i) Property operation management fee: Market price of the trust beneficiary interests ("TBI") x 0.00075, where market price of the TBI means the latest appraisal value of the TBI held by the Group (being its value as determined by an independent valuer as at the end of the preceding fiscal year); and

(ii) Incentive fee: Net property income of the TBI x 0.0045.

Acquisition fees

The Japan asset managers are entitled to an acquisition fee calculated through the acquisition value of the TBI x 0.0028.

Disposition fees

The Japan asset managers are entitled to a disposition fee calculated through the sale value of the investment (excluding consumption tax thereon) x 0.0014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The financial statements are presented in Japanese Yen (JPY) and all values in the tables are rounded to the nearest thousand (JPY'000) as indicated unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Standards issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 1: <i>Disclosure Initiative</i>	1 January 2016
Amendments to FRS 16 and FRS 38: <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to FRS 16 and FRS 41: <i>Agriculture: Bearer Plants</i>	1 January 2016
Amendments to FRS 27: <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to FRS 111: <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28: <i>Investment Entities: Applying the Consolidation Exception (Editorial correction in June 2015)</i>	1 January 2016
FRS 114 <i>Regulatory Deferral Accounts</i>	1 January 2016
Improvements to FRSs (November 2014)	
– FRS 105 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 January 2016
– FRS 107 <i>Financial Instruments: Disclosures</i>	1 January 2016
– FRS 19 <i>Employee Benefits</i>	1 January 2016
– FRS 34 <i>Interim Financial Reporting</i>	1 January 2016
Amendments to FRS 7: <i>Disclosure Initiative</i>	1 January 2017
Amendments to FRS 12: <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2018
FRS 109 <i>Financial Instruments</i>	1 January 2018
Amendments to FRS 115: <i>Clarifications to FRS 115 Revenue from Contracts with Customers</i>	1 January 2018
FRS 116 <i>Leases</i>	1 January 2019
Amendments to FRS 110 and FRS 28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined ^a

^a The mandatory effective date of this Amendment will be revised from 1 January 2016 to a date to be determined by the Accounting Standards Council

Except for FRS 115, FRS 109 and FRS 116, the Trustee-Manager expects that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 115, FRS 109 and FRS 116 are described below.

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the Group include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Standards issued but not yet effective (cont'd)

FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Group to make changes to its current systems and processes.

Under FRS 109, the Group will be required to measure the investment at fair value. Any difference between the previous carrying amount and the fair value would be recognised in the opening retained earnings when the Group apply FRS 109.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

FRS 116 Leases

FRS 116 requires lessees to recognise for most leases, a liability to pay rentals with a corresponding asset, and recognise interest expense and depreciation separately. The new standard is effective for annual periods beginning on or after 1 January 2019. The Group is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date.

2.3 Basis of consolidation and business combinations

(a) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Trust and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Trust. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- derecognises the carrying amount of any non-controlling interest;
- derecognises the cumulative translation differences recorded in equity;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Basis of consolidation and business combinations (cont'd)

(a) *Basis of consolidation (cont'd)*

- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) *Business combinations*

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

2.4 Foreign currency

The financial statements are presented in Japanese Yen, which is also the Trust's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Trust and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Foreign currency (cont'd)

(b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into Japanese Yen at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. Revenue is recognised as follows:

(a) *Gross rental income*

Gross rental income consists of base rent, variable rent and other rental income.

Base rent is rental income due from tenancies but excludes variable rent.

Variable rent is rental income due from tenancies that are based on a percentage of gross turnover.

Other rental income includes common area maintenance fees, carpark income and signage and billboard fees.

Gross rental income is recognised in profit or loss on a straight-line basis over the term of the lease except variable rent recognized in profit or loss when earned.

(b) *Utilities income*

Utilities income includes revenue earned from the operations of the utility facilities, which is recognised when the services are rendered.

(c) *Other income*

Other income includes parking charges, vending machine income and other revenue from the operation of the investment properties. Other income is recognised when the services are rendered.

2.6 Investment properties

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Trust's balance sheet, investments in subsidiaries are accounted for at cost less impairment losses.

2.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.9 Financial instruments

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Financial instruments (cont'd)

(a) *Financial assets (cont'd)*

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group. Derivatives, including separated embedded derivatives are also classified as held for trading.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

(ii) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Financial instruments (cont'd)

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) *Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

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 to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) *Financial assets carried at cost*

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost had been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and deposits with financial institutions which are subject to an insignificant risk of changes in value.

2.12 Leases

(a) *As lessee*

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) *As lessor*

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.5 (a). Contingent rents are recognised as revenue in the period in which they are earned.

2.13 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.14 Taxes

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Taxes (cont'd)

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) *Sales tax*

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Provision

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past event, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.16 Units on issue and issue costs

Proceeds from issuance of units are recognised as unit in issue in unitholders' funds. Incremental costs directly attributable to the issuance of units are deducted against unitholders' funds.

2.17 Distributions to Trust's unitholders

Distributions to the Trust's unitholders are recognised when the distributions are declared payable by the Trustee-Manager.

2.18 Operating segments

The Group's investment properties are primarily tenanted for use as retail space and are all located in Japan. The revenues of the Group are derived primarily from retail tenants. No separate business segment and geographical segment information has been prepared as the Group's assets and operations are all located in Japan.

2.19 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for asset retirement obligations and contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Hedge accounting

The Group applies hedge accounting for certain hedging transactions which qualify for hedge accounting.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (except for foreign currency risk); or
- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the fair value adjustment reserve, while any ineffective portion is recognised immediately in profit or loss in other expenses.

The Group uses interest rate swaps and cross currency swaps to hedge its exposure to interest rate risk and foreign currency risk for loans and borrowings. Details of interest rate swaps and cross currency swaps are disclosed in Note 17.

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in equity is transferred to the profit or loss. If the hedging instrument has expired or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in other comprehensive income remains in other comprehensive income until the forecast transaction or firm commitment affects profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Determination of lease classification

The Group has entered into commercial property leases on its investment properties. The Group evaluated the terms and conditions of the arrangements and assessed that the lease term does not constitute a substantial portion of the economic life of the commercial property and the minimum lease payment is not substantially all of the fair value of the leased asset. The Group determined that it retains all the significant risks and rewards of ownership of these properties and so accounts for the contracts as operating leases.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) *Fair value of financial instruments*

Where the fair values of financial instruments recorded on the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flow model. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of liquidity and model inputs regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The valuation of financial instruments is described in more detail in Note 27.

(b) *Revaluation of investment properties*

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. The Group engaged real estate valuation experts to assess fair value as at 30 June 2016. The fair values of investment properties are determined by independent real estate valuation experts using Discounted Cash Flow Method ("DCF"). The key assumptions used to determine the fair value of these investment properties and sensitivity analysis are provided in Note 27.

The carrying amount of the investment properties carried at fair value is disclosed in Note 11 to the financial statements. The Trustee-Manager is of the view that the valuation methods and estimates are reflective of the current market condition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainty (cont'd)

(c) *Taxes*

The Group is subject to income taxes in two jurisdictions. Significant estimate is required in determining the taxability of certain income, capital allowances and deductibility of certain expenses during the estimation of the provision for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. These are based on management's best estimates of the most likely outcome of the tax liability. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax and the relevant tax provisions in the period in which such determination is made. The carrying amount of income tax payables and deferred tax assets/liabilities are disclosed in Note 9 to the financial statements.

(d) *Asset retirement obligations*

The Group has recognised an asset retirement obligation ("ARO") associated with the investment properties. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove plant from the site and the expected timing of those costs. The carrying amount of the provision as at 30 June 2016 is JPY628,412,000 (2015: JPY128,546,000). If the estimated pre-tax discount rate used in the calculation had been 0.1% higher than management's estimate, the carrying amount of the provision would have been JPY25,319,000 (2015: JPY5,454,000) lower.

4. GROSS REVENUE

	Group	
	2016	2015
	JPY'000	JPY'000
Gross rental income	7,847,501	6,427,214
Utilities income	1,040,706	860,878
Other income	692,960	347,311
	9,581,167	7,635,403

5. PROPERTY OPERATING EXPENSES

	Group	
	2016	2015
	JPY'000	JPY'000
Property management expenses	831,657	386,005
Building management expenses	710,213	550,232
Repair expenses	136,686	163,790
Utilities expenses	1,136,446	980,333
Property tax expenses	527,602	403,563
Insurance expenses	17,273	15,223
Sales and promotions expenses	362,538	260,137
Other expenses	409,918	194,999
	4,132,333	2,954,282

Included in property management expenses are payments to property managers of JPY506,774,000 (2015: JPY345,942,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

6. OTHER TRUST EXPENSES

Other trust expenses comprise the following:

	Group	
	2016	2015
	JPY'000	JPY'000
Audit fees	6,866	6,816
Non-audit fees	7,970	12,155
Legal and professional fees	109,271	93,764
Others	18,442	28,894
	142,549	141,629

7. FINANCE COSTS

	Group	
	2016	2015
	JPY'000	JPY'000
Interest expenses on:		
– Specified loans	273,732	275,108
– Specified bonds	92,144	63,232
– Medium-term notes	342,060	313,171
	707,936	651,511
Amortisation of upfront costs on:		
– Specified loans	178,224	176,973
– Specified bonds	76,306	55,377
– Medium-term notes	59,094	51,456
	313,624	283,806
Others	84,509	68,860
	1,106,069	1,004,177

8. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Group	
	2016	2015
	JPY'000	JPY'000
Audit fees *		
– Auditor of the Trust	13,045	10,906
– Other auditor	24,100	15,200
Non-audit fees *		
– Auditor of the Trust	10,259	14,054
– Other auditor	8,400	6,700

* These amounts are included in "Other administrative expenses" of JPY40,968,000 (2015: JPY27,889,000) and "Other trust expenses" of JPY14,836,000 (2015: JPY18,971,000) in the consolidated statement of comprehensive income.

Included in arriving at fair value gains on investment properties are JPY15,717,000 (2015: Nil) of non-audit fees paid to the auditors.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

9. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the years ended 30 June 2016 and 2015 are:

	Group	
	2016	2015
	JPY'000	JPY'000
Current income tax		
– Current income taxation	334,682	406,986
– Over provision in respect of previous year	(15,837)	(37,091)
Deferred income tax		
– Origination of temporary differences	1,520,971	1,717,420
Income tax expense recognised in profit or loss	1,839,816	2,087,315

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 30 June 2016 and 2015 are as follows:

	Group	
	2016	2015
	JPY'000	JPY'000
Profit before tax	7,786,391	9,666,407
Tax at statutory tax rate of 17% (2015: 17%)	1,323,686	1,643,289
Adjustments:		
Income not subject to taxation	(243,861)	(219,111)
Non-deductible expenses	457,807	173,256
Different tax rates arising from foreign jurisdiction	234,371	467,967
Withholding tax	73,838	64,008
Effect of partial tax exemption	(3,504)	(4,174)
Over provision in respect of previous year	(15,837)	(37,091)
Others	13,316	(829)
Income tax expense recognised in profit or loss	1,839,816	2,087,315

Income not subject to taxation mainly pertains to profit made by Tokutei Mokuteki Kaisha ("TMK") and declared to be distributed as dividend satisfying the conditions set forth under the Special Taxation Measures Law of Japan. The TMK is a special purpose corporation specifically designed for the purpose of issuing asset-backed securities under TMK Laws.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

9. INCOME TAX EXPENSE (CONT'D)

Deferred tax

Deferred tax as at 30 June 2016 and 2015 relates to the following:

	Group			
	2016 Consolidated balance sheet JPY'000	Consolidated income statement JPY'000	2015 Consolidated balance sheet JPY'000	Consolidated income statement JPY'000
Deferred tax liabilities:				
Revaluation to fair value of investment properties	3,282,313		2,227,481	
Capital allowance of investment properties	1,239,131		771,381	
	<u>4,521,444</u>	(1,522,582)	<u>2,998,862</u>	(1,723,640)
Deferred tax assets:				
Unutilised tax losses	<u>13,601</u>	1,611	<u>11,990</u>	6,220
Deferred tax expenses		<u>(1,520,971)</u>		<u>(1,717,420)</u>

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable.

10. EARNINGS PER UNIT

The calculation of basic earnings per unit is based on:

	Group	
	2016	2015
Total profit attributable to unitholders (JPY'000)	5,946,575	7,579,092
Weighted average number of units in issue during the year ('000)	614,490	571,422 *
Earnings per unit (JPY)	9.68	13.26 *

* The figures have been restated to reflect the effect of the right issue units issued on 2 November 2015.

Diluted earnings per unit are the same as the basic earnings per unit as there are no dilutive instruments in issue during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

11. INVESTMENT PROPERTIES

	Group	
	2016 JPY'000	2015 JPY'000
At 1 July	87,930,000	69,881,664
Acquisitions during the year	18,595,536	11,298,156
Capital expenditures capitalised	408,652	413,382
Fair value gain on revaluation	5,705,812	6,336,798
At 30 June	<u>112,640,000</u>	<u>87,930,000</u>

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties.

Valuation of investment properties

Investment properties are stated at fair value based on valuation performed as at 30 June 2016 except for Fuji Grand Natalie, Mallage Saga and Feeeal Asahikawa. Valuation of Fuji Grand Natalie was performed as at 31 March 2016 and valuation of Mallage Saga and Feeeal Asahikawa were performed as at 15 April 2016.

The valuations were performed by CBRE K.K. and Cushman & Wakefield K.K., independent valuers with a recognised and relevant professional qualification and with recent experience in the location and category of the properties being valued. Details of valuation techniques and inputs used are disclosed in Note 27.

Properties pledged as security

All investment properties are mortgaged to secure specified loans and specified bonds (Note 20).

The investment properties held by the Group as at 30 June 2016 are as follows:

	Country/Prefecture	Aggregate net lettable area (sqm)	Existing use	Percentage of interest
Aeon Town Moriya	Japan/Ibaraki	68,046.8	Retail property	100%
Aeon Town Suzuka	Japan/Mie	43,500.7	Retail property	100%
Croesus Shinsaibashi	Japan/Osaka	2,342.4	Retail property	100%
Croesus Tachikawa	Japan/Tokyo	7,140.8	Retail property	100%
Feeeal Asahikawa	Japan/Hokkaido	20,275.9	Retail property	100%
Fuji Grand Natalie	Japan/Hiroshima	31,064.6	Retail property	100%
Luz Omori	Japan/Tokyo	9,285.2	Retail property	100%
Mallage Saga	Japan/Saga	46,650.0	Retail property	100%
Mallage Shobu	Japan/Saitama	68,074.6	Retail property	100%
One's mall	Japan/Chiba	52,848.6	Retail property	100%
Torius	Japan/Fukuoka	76,870.9	Retail property	100%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

12. INVESTMENT IN SUBSIDIARIES

	Trust	
	2016 JPY'000	2015 JPY'000
Unquoted equity, at cost	–#	–#
Preference shares, at cost	39,187,987	29,837,901
	<u>39,187,987</u>	<u>29,837,901</u>

Less than JPY1,000

The subsidiaries of the Trust are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2016	2015
<i>Direct subsidiaries</i>				
Apple 1 TMK Holding Pte. Ltd. ("A1TH") ⁽¹⁾	Singapore	Investment vehicle of listed trust	100%	–
Apple 2 TMK Holding Pte. Ltd. ("A2TH") ⁽¹⁾	Singapore	Investment vehicle of listed trust	100%	–
Croesus TMK Holding Pte. Ltd. ("CTH") ⁽¹⁾	Singapore	Investment vehicle of listed trust	100%	100%
Durian 1 TMK Holding Pte. Ltd. ("D1TH") ⁽¹⁾	Singapore	Investment vehicle of listed trust	100%	100%
Durian 2 TMK Holding Pte. Ltd. ("D2TH") ⁽¹⁾	Singapore	Investment vehicle of listed trust	100%	100%
Mangosteen TMK Holding Pte. Ltd. ("MTH") ⁽¹⁾	Singapore	Investment vehicle of listed trust	100%	100%
Orange 1 TMK Holding Pte. Ltd. ("O1TH") ⁽¹⁾	Singapore	Investment vehicle of listed trust	100%	–
Orange 2 TMK Holding Pte. Ltd. ("O2TH") ⁽¹⁾	Singapore	Investment vehicle of listed trust	100%	–
Persimmon TMK Holding Pte. Ltd. ("PTH") ⁽¹⁾	Singapore	Investment vehicle of listed trust	100%	100%
<i>Held through Apple 2 TMK Holding Pte. Ltd.</i>				
Apple Tokutei Mokuteki Kaisha ("ATMK") ⁽²⁾	Japan	Development, owning and management of retail mall	100%	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

12. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2016	2015
<i>Held through Durian 2 TMK Holding Pte. Ltd.</i>				
Durian Tokutei Mokuteki Kaisha ("DTMK") ⁽²⁾	Japan	Development, owning and management of retail mall	100%	100%
<i>Held through Mangosteen TMK Holding Pte. Ltd.</i>				
Mangosteen Tokutei Mokuteki Kaisha ("MTMK") ⁽²⁾	Japan	Development, owning and management of retail mall	100%	100%
<i>Held through Orange 2 TMK Holding Pte. Ltd.</i>				
Orange Tokutei Mokuteki Kaisha ("OTMK") ⁽²⁾	Japan	Development, owning and management of retail mall	100%	–
<i>Held through Persimmon TMK Holding Pte. Ltd.</i>				
Persimmon Tokutei Mokuteki Kaisha ("PTMK") ⁽²⁾	Japan	Development, owning and management of retail mall	100%	100%

⁽¹⁾ Audited by Ernst & Young LLP, Singapore.

⁽²⁾ Audited by member firm of Ernst & Young Global in Japan.

Acquisition of subsidiaries

On 2 October 2015, the Trust acquired 100% issued and paid-up capital of A1TH and A2TH, each comprising of SGD1 in share capital and SGD1 in cash, for a nominal consideration of SGD1. Upon the acquisition, A1TH and A2TH became subsidiaries of the Trust.

On 30 March 2016, the Trust acquired 100% issued and paid-up capital of O1TH and O2TH, each comprising of SGD1 in share capital and SGD1 in cash, for a nominal consideration of SGD1. Upon the acquisition, O1TH and O2TH became subsidiaries of the Trust.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

13. LOANS TO SUBSIDIARIES

Loans to subsidiaries are unsecured, bears interest at 5.9% p.a., repayable on 10 May 2018, 28 February 2019, 9 October 2019, 13 October 2020 and 17 May 2021. The loans are to be settled in cash and may be repaid partially or fully before its repayment date.

14. RESTRICTED CASH

Restricted cash relates to the amount of cash reserve which is required to be maintained based on the agreements with the banks providing specified loans and specified bonds. Restricted cash are restricted for use in specific operating expenses, capital expenditures in the business plan and repayment of tenant rental deposit and the bank's approval is required for their use.

15. PREPAYMENTS

	Group	
	2016	2015
	JPY'000	JPY'000
Non-current:		
Prepaid operating expenses		
– Lease deposits	404,894	119,020
– Lease commissions	61,933	55,709
– Lease incentives	123,067	121,691
– Others	3,376	3,859
	593,270	300,279
Current:		
Prepaid operating expenses		
– Property tax expenses	362,474	255,819
– Lease commissions	18,407	14,784
– Lease deposits	10,806	2,768
– Lease incentives	33,755	25,693
– Others	58,948	21,995
	484,390	321,059
Total prepayments	1,077,660	621,338

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

16. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2016 JPY'000	2015 JPY'000	2016 JPY'000	2015 JPY'000
Non-current:				
Lease deposits	426,913	86,815	–	–
Other receivables	10,428	10,427	–	–
	437,341	97,242	–	–
Current:				
Trade receivables	530,469	321,795	–	–
Consumption tax recoverable	615,913	41,073	25,367	14,518
Interest receivables	–	–	242,088	256,012
Income tax receivables	68,019	–	–	–
Refundable deposits	170,429	79,319	–	–
Amounts due from subsidiaries	–	–	8,594	7,965
Other receivables	269,957	49,171	488	–
	1,654,787	491,358	276,537	278,495
Total trade and other receivables	2,092,128	588,600	276,537	278,495
<i>Add:</i>				
Restricted cash	9,871,351	7,068,071	–	–
Cash and short-term deposits (Note 18)	5,385,095	2,941,662	3,500,730	1,115,077
Total loans and receivables	17,348,574	10,598,333	3,777,267	1,393,572

Trade receivables

Trade receivables are non-interest bearing and are generally on 15 to 30 days' credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition. The carrying amounts of current trade and other receivables approximate their fair values.

Trade and other receivables denominated in foreign currencies other than the respective entities' functional currencies as at 30 June are as follows:

	Group		Trust	
	2016 JPY'000	2015 JPY'000	2016 JPY'000	2015 JPY'000
Singapore Dollars	25,367	14,518	25,367	14,518

Trade and other receivables that are neither past due nor impaired are substantially from companies with a good collection track record with the Group.

Amounts due from subsidiaries

Amounts due from subsidiaries are unsecured, non-interest bearing, and repayable upon demand.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

17. DERIVATIVE FINANCIAL INSTRUMENTS

Group 2016	Maturity	Contract/ Notional amount JPY'000	Assets JPY'000	Liabilities JPY'000
Cross currency swaps	2017 – 2020	13,127,017	94,907	1,142,731
Forward currency contracts	2016 – 2018	11,058,000	–	914,023
Interest rate swaps	2018 – 2020	42,500,000	–	647,259
		66,685,017	94,907	2,704,013
			Assets JPY'000	Liabilities JPY'000

Represented by:

Derivative financial instruments

– Non-current

– Current

– 1,594,315
94,907 1,109,698

Total derivative financial instruments

94,907 2,704,013

2015	Maturity	Contract/ Notional amount JPY'000	Assets JPY'000	Liabilities JPY'000
Cross currency swap	2017	8,176,796	914,052	–
Forward currency contracts	2015 – 2016	4,944,000	325,240	–
Interest rate swaps	2015 – 2019	39,150,000	–	364,030
		52,270,796	1,239,292	364,030
			Assets JPY'000	Liabilities JPY'000

Represented by:

Derivative financial instruments

– Non-current

– Current

885,548 363,732
353,744 298

Total derivative financial instruments

1,239,292 364,030

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

17. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

Trust 2016	Maturity	Contract/ Notional amount JPY'000	Assets JPY'000	Liabilities JPY'000
Cross currency swaps	2017 – 2020	13,127,017	94,907	1,142,731
Forward currency contracts	2016 – 2018	11,058,000	–	914,023
		<u>24,185,017</u>	<u>94,907</u>	<u>2,056,754</u>
			Assets JPY'000	Liabilities JPY'000
<i>Represented by:</i>				
Derivative financial instruments				
– Non-current			–	947,056
– Current			94,907	1,109,698
Total derivative financial instruments			<u>94,907</u>	<u>2,056,754</u>

Trust 2015	Maturity	Contract/ Notional amount JPY'000	Assets JPY'000	Liabilities JPY'000
Cross currency swap	2017	8,176,796	914,052	–
Forward currency contracts	2015 – 2016	4,944,000	325,240	–
		<u>13,120,796</u>	<u>1,239,292</u>	<u>–</u>
			Assets JPY'000	Liabilities JPY'000
<i>Represented by:</i>				
Derivative financial instruments				
– Non-current			885,548	–
– Current			353,744	–
Total derivative financial instruments			<u>1,239,292</u>	<u>–</u>

Forward currency contracts

Forward currency contracts are used to hedge foreign currency risk arising from the cash flow of the Group's foreign investment properties in Japan. The Group entered into forward currency contracts to manage its distributions to unitholders. A net unrealised (loss)/gain of (JPY1,239,262,000) (2015: JPY369,590,000) was included in profit and loss in respect of these contracts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

17. DERIVATIVES FINANCIAL INSTRUMENTS (CONT'D)

Interest rate swaps

Interest rate swaps are used to hedge interest rate risk arising from the underlying floating interest rates of specified loans and specified bonds. Under the interest rate swaps, the Group receives floating interest at specific contracted intervals and pays fixed rates of interest ranging from 0.60% to 1.19% (2015: 0.64% to 1.19%) per annum.

The Group designates these interest rate swaps as cash flow hedges which were assessed to be highly effective. An unrealised loss of JPY647,258,000 (2015: JPY364,030,000) was included in fair value adjustment reserve in unitholders' funds in respect of these contracts. Fair value loss on the interest rate of JPY151,415,000 (2015: JPY128,620,000) recognised in the hedging reserve was transferred to profit or loss as part of finance costs during the year.

Cross currency swaps

Cross currency swaps are used to hedge foreign exchange risk arising from the principal and the interest of medium-term notes. The Group entered into cross currency swaps to convert the principal of SGD160 million (2015: SGD100 million) to JPY13,127 million (2015: JPY8,176 million) and exchanged its SGD interest obligation of fixed-rate of 4.60% and 5.00% (2015: 4.60%) per annum into JPY interest obligations of fixed-rate of 3.83% and 2.65% (2015: 3.83%) per annum.

The Group designates the cross currency swaps as cash flow hedges which were assessed to be highly effective. An unrealised (loss)/gain of (JPY127,191,000) (2015: JPY2,848,000) was included in fair value adjustment reserve in unitholders' funds in respect of these contracts.

18. CASH AND SHORT-TERM DEPOSITS

	Group		Trust	
	2016 JPY'000	2015 JPY'000	2016 JPY'000	2015 JPY'000
Cash at banks and on hand	5,385,095	2,371,969	3,500,730	545,384
Short-term deposits	–	569,693	–	569,693
	<u>5,385,095</u>	<u>2,941,662</u>	<u>3,500,730</u>	<u>1,115,077</u>

Certain balance of cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits were made for varying periods of between one month to three months, and earns interest at the respective short-term deposit rates ranging from 0.02% to 1.04% per annum.

Cash and short-term deposits denominated in foreign currencies as at 30 June are as follows:

	Group		Trust	
	2016 JPY'000	2015 JPY'000	2016 JPY'000	2015 JPY'000
Singapore Dollars	<u>229,241</u>	<u>504,563</u>	<u>227,595</u>	<u>502,639</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

19. TRADE AND OTHER PAYABLES

	Group		Trust	
	2016 JPY'000	2015 JPY'000	2016 JPY'000	2015 JPY'000
Non-current:				
Security deposits received	4,937,428	3,250,321	–	–
Current:				
Trade payables	1,117,222	746,987	–	–
Security deposits received	825,077	364,421	–	–
Amounts due to related companies	22,413	25,268	20,414	25,268
Other payables	185,985	82,652	12,156	11,758
	2,150,697	1,219,328	32,570	37,026
Total trade and other payables	7,088,125	4,469,649	32,570	37,026
<i>Add:</i>				
Other liabilities (Note 21) (exclude asset retirement obligations and deferred revenue)	182,114	186,930	51,583	40,023
Loans and borrowings (Note 20)	59,394,622	47,487,213	12,261,324	9,137,533
Total financial liabilities carried at amortised cost	66,664,861	52,143,792	12,345,477	9,214,582

Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 to 60 days' credit terms.

Trade and other payables denominated in foreign currencies as at 30 June are as follows:

	Group		Trust	
	2016 JPY'000	2015 JPY'000	2016 JPY'000	2015 JPY'000
Singapore Dollars	12,332	15,671	12,332	15,671

Amounts due to related companies

These amounts are non-trade related, unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

20. LOANS AND BORROWINGS

	Maturity	Group		Trust	
		2016 JPY'000	2015 JPY'000	2016 JPY'000	2015 JPY'000
Non-current:					
Specified loans	2018 – 2019	29,111,950	28,933,726	–	–
Specified bonds	2018 – 2021	17,418,223	8,769,081	–	–
Medium-term notes	2020	4,527,265	–	4,527,265	–
Medium-term notes	2017	–	9,137,533	–	9,137,533
		51,057,438	46,840,340	4,527,265	9,137,533
Current:					
Specified bonds	2015	–	646,873	–	–
Specified bonds	2017	603,125	–	–	–
Medium-term notes	2017	7,734,059	–	7,734,059	–
		8,337,184	646,873	7,734,059	–
Total loans and borrowings		59,394,622	47,487,213	12,261,324	9,137,533

Specified loans

Specified loans amounting to JPY29,111,950,000 (2015: JPY28,933,726,000) are secured by mortgage over certain investment properties of the Group. The interest rates range from 3 months Libor + 0.40% to 3 months Libor + 0.45% (2015: 3 months Libor + 0.40% to 3 months Libor + 0.45%) per annum. The loans are repayable upon maturity. The Group has entered into interest rate swaps (Note 17) to fully hedge the specified loans that are on floating interest rates.

Specified bonds

Specified bonds amounting to JPY18,021,348,000 (2015: JPY9,415,954,000) are secured with general lien on certain assets of the Group. The floating interest rates range from 3 months Libor + 0.35% to 3 months Libor + 0.70% (2015: 3 months Libor + 0.30% to 3 months Libor + 0.70%) per annum. The bonds are repayable upon maturity. The Group has entered into interest rate swaps (Note 17) to hedge JPY12,771,711,000 (2015: JPY8,769,081,000) of the specified bonds that are on floating interest rates. The remaining specified bonds amounting to JPY5,249,637,000 (2015: Nil) are on fixed interest rates of 0.50%.

Medium-term notes

The medium-term notes are unsecured and issued by the Trust pursuant to USD500 million Euro Medium-Term Note Programme established on 3 January 2014. The aggregate balance amounted to SGD160 million (2015: SGD100 million), consisting of:

- (i) SGD100 million notes payable on 23 January 2017 with an interest rate of 4.60% per annum.
- (ii) SGD60 million notes payable on 13 April 2020 with an interest rate of 5.00% per annum.

The Trust entered into cross currency swaps (Note 17) to convert the principal and the interest of the medium-term notes from Singapore Dollar to Japanese Yen.

The Trust is currently in the planning stage to refinance the SGD100 million notes payable on 23 January 2017 and is exploring the various options available.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

21. OTHER LIABILITIES

	Group		Trust	
	2016 JPY'000	2015 JPY'000	2016 JPY'000	2015 JPY'000
Non-current:				
Deferred revenue on deposits received	521,975	452,322	–	–
Asset retirement obligations	628,412	128,546	628,412	128,546
	1,150,387	580,868	628,412	128,546
Current:				
Deferred revenue on deposits received	577,920	471,831	–	–
Accrued interest for loans and borrowings	49,987	45,964	–	–
Accrued operating expenses	84,730	60,986	51,583	40,023
Other liabilities	47,397	79,980	–	–
	760,034	658,761	51,583	40,023
Total other liabilities	1,910,421	1,239,629	679,995	168,569

Deferred revenue on deposits received

Tenants deposits liabilities are initially recognized at fair value and the difference between the fair value and the nominal amount is included as a component of rent income over the lease term.

Asset retirement obligations

Asset retirement obligations are associated with investment properties of the Group. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rate, the expected cost to dismantle and remove plant from the site and the expected timing of those costs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

22. UNITS IN ISSUE

2016	Number of units '000	Group JPY'000	Trust JPY'000
At 1 July	519,194	36,486,750	36,502,257
Issue of units:			
Trustee-Managers' fees paid in units	7,890	537,425	537,425
Right issue	114,223	5,845,581	5,845,581
Distribution reinvestment plan	7,339	477,665	477,665
Private placement	70,000	4,315,500	4,315,500
	199,452	11,176,171	11,176,171
Units issued as at 30 June	718,646	47,662,921	47,678,428
Trustee-Managers' fees payable in units	910	35,946	35,946
Issue costs	–	(365,830)	(365,830)
At 30 June	719,556	47,333,037	47,348,544
2015	Number of units '000	Group JPY'000	Trust JPY'000
At 1 July	431,438	29,861,308	29,876,815
Issue of units:			
Trustee-Managers' fees paid in units	6,000	506,512	506,512
Private placement	78,900	6,085,912	6,085,912
Distribution reinvestment plan	2,626	211,628	211,628
	87,526	6,804,052	6,804,052
Units issued as at 30 June	518,964	36,665,360	36,680,867
Trustee-Managers' fees payable in units	230	10,655	10,655
Issue costs	–	(189,265)	(189,265)
At 30 June	519,194	36,486,750	36,502,257

During the year, the following units were issued:

- 7,890,000 (2015: 6,000,000) units were issued at unit prices ranging between 80.00 – 84.39 (2015: 93.82 – 101.14) Singapore cents as payment of management fees to the Trustee-Manager.
- 114,223,000 units were issued at unit price 61.00 Singapore cents pursuant to right issue to partially fund the proposed acquisition of Torius.
- 7,339,000 (2015: 2,626,000) units were issued at unit price 76.75 (2015: 92.60) Singapore cents pursuant to CRT's distribution reinvestment plan.
- 70,000,000 (2015: 78,900,000) units were issued at unit price 75.00 (2015: 91.50) Singapore cents pursuant to private placement to partially fund the acquisition of investment properties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

22. UNITS IN ISSUE (CONT'D)

Each unit in the Trust represents an undivided interest in the Trust. The rights and interests of unitholders are contained in the Trust Deed and include the rights to:

- receive income and other distributions attributable to the units held;
- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a unitholder does not have the right to require any assets (or part thereof) of the Trust be returned to him;
- attend all unitholders' meeting. The Trustee-Manager may at any time convene a meeting of unitholders in accordance with the provisions of the Trust Deed;
- vote at unitholders' meetings. Every unitholder has one vote for each unit of which he is the unitholder.

The restrictions of a unitholder include the following:

- a unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- a unitholder has no right to request to redeem his units while his units are listed on SGX-ST.

A unitholder's liability is limited to the amount paid or payable for any unit in the Trust. The provisions for the Trust Deed provide that no unitholders will be personally liable to indemnify the Trustee-Manager or any creditor of the Trust in the event that the liabilities of the Trust exceed its assets.

Issue costs include professional and other fees, underwriting, selling and management commission, and miscellaneous offering expenses. Included in issue costs are JPY7,325,000 (2015: JPY6,843,000) of non-audit fees paid to the auditors.

23. FAIR VALUE ADJUSTMENT RESERVE

	Group		Trust	
	2016 JPY'000	2015 JPY'000	2016 JPY'000	2015 JPY'000
At 1 July	(361,181)	(449,957)	2,848	(1,904)
Net (losses)/gains on fair value changes on cash flow hedge	(413,268)	88,776	(130,039)	4,752
At 30 June	<u>(774,449)</u>	<u>(361,181)</u>	<u>(127,191)</u>	<u>2,848</u>

Fair value adjustment reserve represents the cumulative fair value changes of derivative financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

24. DISTRIBUTION TO UNITHOLDERS

	Group and Trust	
	2016	2015
	JPY'000	JPY'000
Distribution of 3.74 Singapore cents per unit for the period from 1 January 2014 to 30 June 2014	–	1,369,360
Advance distribution of 1.66 Singapore cents per unit for the period from 1 July 2014 to 10 September 2014	–	614,703
Distribution of 2.50 Singapore cents per unit for the period from 11 September 2014 to 31 December 2014	–	1,116,619
Distribution of 3.92 Singapore cents per unit for the period from 1 January 2015 to 30 June 2015	1,693,805	–
Distribution of 3.50 Singapore cents per unit for the period from 1 July 2015 to 31 December 2015	1,891,855	–
Advance distribution of 1.95 Singapore cents per unit for the period from 1 January 2016 to 3 April 2016	1,066,660	–
Total distribution	<u>4,652,320</u>	<u>3,100,682</u>

The Trustee-Manager proposed a distribution of 1.61 Singapore cents (2015: 3.92 Singapore cents) per unit or SGD11,585,000 (equivalent to JPY1,022,415,000) (2015: SGD20,352,000 (equivalent to JPY1,626,855,000)) to unitholders in respect of the period from 4 April 2016 to 30 June 2016 (2015: 1 January 2015 to 30 June 2015).

The income available for distribution for the year is JPY3,980,929,000 (2015: JPY3,358,177,000) and in accordance with its distribution policy, the Trustee-Manager distributes 100% (2015: 100%) of the income available for distribution to unitholders.

25. RELATED PARTY TRANSACTIONS

In addition to related party transactions disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the year:

	2016	2015
	JPY'000	JPY'000
Management fees paid/payable to the Trustee-Manager	631,837	555,112
Acquisition fees paid to the Trustee-Manager ⁽¹⁾	125,330	79,200
Asset servicing and administration fee paid/payable to related parties of the Trustee-Manager ⁽²⁾	7,933	–
Acquisition fees paid to related parties of the Trustee-Manager ⁽¹⁾	<u>48,740</u>	<u>–</u>

⁽¹⁾ These amounts are included in arriving at fair value gains on investment properties.

⁽²⁾ This amount is included in Japan asset manager's fees.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

26. COMMITMENTS

(a) *Operating lease commitments – as lessee*

The Group has entered into commercial leases on carpark and land for its investment properties. These leases have remaining lease terms of up to about 44 years (2015: 44 years).

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 30 June 2016 amounted to JPY318,269,000 (2015: JPY147,552,000).

Future minimum rental payable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2016	2015
	JPY'000	JPY'000
Not later than one year	485,352	121,890
Later than one year but not later than five years	1,827,749	487,560
Later than five years	14,366,235	2,700,931
	16,679,336	3,310,381

(b) *Operating lease commitments – as lessor*

The Group has entered into commercial property leases on its investment properties. These non-cancellable leases have remaining lease terms of up to about 18 years (2015: 13 years). Future minimum rental receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2016	2015
	JPY'000	JPY'000
Not later than one year	9,327,807	6,174,026
Later than one year but not later than five years	6,529,984	5,253,532
Later than five years	4,448,482	1,626,536
	20,306,273	13,054,094

(c) *Other commitment*

Following the approval of the unitholders obtained at the Extraordinary General Meeting dated 30 June 2016, Trustee-Manager Share Trust ("TM Share Trust") will acquire all of the issued shares of the Trustee-Manager for a purchase consideration of JPY 4,100 million, which will be funded by the Trust. The Trust established TM Share Trust for the principal purpose of holding the issued shares of the Trustee-Manager on behalf of the unitholders of CRT.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

27. FAIR VALUE OF ASSETS AND LIABILITIES

(a) *Fair value hierarchy*

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) *Assets and liabilities measured at fair value*

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

Group 2016	Quoted prices in active markets for identical instruments (Level 1) JPY'000	Significant observable inputs other than quoted prices (Level 2) JPY'000	Significant unobservable inputs (Level 3) JPY'000	Total JPY'000
Assets measured at fair value				
Non-financial assets				
Investment properties (Note 11)	–	–	112,640,000	112,640,000
Total non-financial assets	–	–	112,640,000	112,640,000
Financial assets				
<u>Derivative financial instruments</u> (Note 17)				
Cross currency swaps	–	94,907	–	94,907
Total financial assets	–	94,907	–	94,907
Total financial and non-financial assets	–	94,907	112,640,000	112,734,907
Liabilities measured at fair value				
Financial liabilities				
<u>Derivative financial instruments</u> (Note 17)				
Cross currency swaps	–	1,142,731	–	1,142,731
Forward currency contracts	–	914,023	–	914,023
Interest rate swaps	–	647,259	–	647,259
Total financial liabilities	–	2,704,013	–	2,704,013

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

27. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(b) *Assets and liabilities measured at fair value (cont'd)*

Group 2015	Quoted prices in active markets for identical instruments (Level 1) JPY'000	Significant observable inputs other than quoted prices (Level 2) JPY'000	Significant unobservable inputs (Level 3) JPY'000	Total JPY'000
Assets measured at fair value				
Non-financial assets				
Investment properties (Note 11)	–	–	87,930,000	87,930,000
Total non-financial assets	–	–	87,930,000	87,930,000
Financial assets				
<u>Derivative financial instruments</u> (Note 17)				
Forward currency contracts	–	325,240	–	325,240
Cross currency swap	–	914,052	–	914,052
Total financial assets	–	1,239,292	–	1,239,292
Total financial and non-financial assets	–	1,239,292	87,930,000	89,169,292
Liabilities measured at fair value				
Financial liabilities				
<u>Derivative financial instruments</u> (Note 17)				
Interest rate swaps	–	364,030	–	364,030
Total financial liabilities	–	364,030	–	364,030

(c) *Level 2 fair value measurements*

As at 30 June 2016, the Group has forward currency contracts, interest rate swaps and cross currency swaps, which are categorised in Level 2. The fair value of forward currency contracts is determined using mark-to-market valuation, which is calculated on the basis of quoted forward exchange rates at the balance sheet date, received from respective banking and financial institutions. The fair value of interest rate swaps and cross currency swaps are also determined using mark-to-market valuation, which is calculated as the present value of the estimated future cash flows, received from respective banking and financial institutions. These derivative financial instruments are recognised at fair value in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

27. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(d) *Level 3 fair value measurements*

The following table shows the information about fair value measurements using significant unobservable inputs as applied by the external valuation expert:

Description and location	Fair value (JPY'000)	Valuation technique	Unobservable inputs	Rate (per annum)
Aeon Town Moriya (Ibaraki)	15,200,000	Discounted cash flow	– Discount rate – Terminal capitalisation rate	5.1% 5.4%
Aeon Town Suzuka (Mie)	9,990,000	Discounted cash flow	– Discount rate – Terminal capitalisation rate	5.6% 5.9%
Croesus Shinsaibashi (Osaka)	11,900,000	Discounted cash flow	– Discount rate – Terminal capitalisation rate	3.5% 3.8%
Croesus Tachikawa (Tokyo)	13,300,000	Discounted cash flow	– Discount rate – Terminal capitalisation rate	4.3% 4.7%
Feeeal Asahikawa (Hokkaido)	2,500,000	Discounted cash flow	– Discount rate – Terminal capitalisation rate	5.5% 5.8%
Fuji Grand Natalie (Hiroshima)	3,520,000	Discounted cash flow	– Discount rate – Terminal capitalisation rate	5.6% 5.9%
Luz Omori (Tokyo)	4,040,000	Discounted cash flow	– Discount rate – Terminal capitalisation rate	4.5% 4.7%
Mallage Saga (Saga)	4,200,000	Discounted cash flow	– Discount rate – Terminal capitalisation rate	6.8% 7.1%
Mallage Shobu (Saitama)	26,400,000	Discounted cash flow	– Discount rate – Terminal capitalisation rate	5.4% 5.7%
One's Mall (Chiba)	12,900,000	Discounted cash flow	– Discount rate – Terminal capitalisation rate	4.9% 5.2%
Torius (Fukuoka)	8,690,000	Discounted cash flow	– Discount rate – Terminal capitalisation rate	6.1% 6.4%
	112,640,000			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

27. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(d) *Level 3 fair value measurements (cont'd)*

The fair values are determined using the DCF approach with reference to the direct capitalisation approach value as a cross check. The DCF and direct capitalisation approach involve the estimation of income and expenses, taking into account expected future changes in economic and social conditions, which may affect the value of the properties. The direct comparison approach is not applied due to a lack of comparable transactions. The Group is of the view that the valuation methods and estimates are reflective of the current market condition.

Total property expenses, recognised in the consolidated profit or loss, represent direct operating expenses arising from investment properties that generated rental income. The Group does not have any investment properties that did not generate rental income.

Sensitivity analysis for investment properties

The investment properties categorised under Level 3 of the fair value hierarchy are generally sensitive to the various unobservable inputs tabled above. A significant movement of each input would result in significant change to the fair value of the respective investment properties. A significant increase in the discount rate and the terminal capitalisation rate would result in a significantly lower fair value measurement, and vice versa.

Valuation policies and procedures

For all significant financial reporting valuations using valuation models and input unobservable to the Trustee-Manager, the Group engages external valuation experts to perform the valuation. The Trustee-Manager is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and FRS 113 fair value measurement guidance.

For valuations performed by external valuation experts, the Trustee-Manager reviews the appropriateness of the valuation methodologies and assumptions adopted. The Trustee-Manager also evaluates the appropriateness and reliability of the input used in the valuations. External valuation experts are required, to the extent practicable, to use a minimum of one methodology to cross-check valuations that are sensitive to unobservable input.

Significant changes in fair value measurements from period to period are evaluated by management for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent external sources, or internal sources if necessary and appropriate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Trust is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer. The Audit and Risk Committee provides independent oversight to the effectiveness of the risk management process.

The Trustee-Manager is responsible for setting the objectives and underlying principles of financial risk management for the Group. This is supported by comprehensive internal processes and procedures which are formalised in the Trustee-Manager's organisational and reporting structure, operating manuals and delegation of authority guidelines.

The following sections provide details regarding the Group's and the Trust's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Trust's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and short-term deposits and derivative financial instruments), the Group and the Trust minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. Credit evaluations are performed by the Group before lease agreements are entered into with lessees. In addition, the Group requires lessees to provide tenancy security deposits. Cash and short-term deposits are placed with financial institutions which are regulated.

At the end of the reporting period, the maximum exposure to credit risk is represented by the net carrying amount of that class of financial instruments, being offset by any tenancy security deposits.

The credit risk for trade receivables based on the information provided to key management is as follows:

Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks which are regulated. Trade and other receivables that are neither past due nor impaired are substantially from companies with a good collection track record with the Group.

Financial assets that are past due and/or impaired

There is no other class of financial assets that are past due and/or impaired.

(b) *Liquidity risk*

Liquidity risk is the risk that the Group or the Trust will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Trust's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Trust's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations. In addition, the Group also monitors and observes the bank covenants imposed by the banks on the various borrowings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) *Liquidity risk (cont'd)*

The table below summarises the maturity profile of the Group's and the Trust's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Group 2016	Within 1 year JPY'000	1 to 5 years JPY'000	Over 5 years JPY'000	Total JPY'000
<u>Financial assets</u>				
Trade and other receivables	1,552,910	3,500	555,265	2,111,675
Restricted cash	4,287,146	3,152,780	2,431,425	9,871,351
Cash and short-term deposits	5,385,095	–	–	5,385,095
Derivative financial instruments	119,208	272,726	–	391,934
Total undiscounted financial assets	<u>11,344,359</u>	<u>3,429,006</u>	<u>2,986,690</u>	<u>17,760,055</u>
<u>Financial liabilities</u>				
Trade and other payables	2,155,625	3,130,567	2,431,425	7,717,617
Loans and borrowings	9,406,193	52,678,766	–	62,084,959
Other liabilities (exclude deferred revenue)	84,730	–	672,272	757,002
Derivative financial instruments	190,185	317,087	–	507,272
Total undiscounted financial liabilities	<u>11,836,733</u>	<u>56,126,420</u>	<u>3,103,697</u>	<u>71,066,850</u>
Total net undiscounted financial liabilities	<u>(492,374)</u>	<u>(52,697,414)</u>	<u>(117,007)</u>	<u>(53,306,795)</u>
Group 2015	Within 1 year JPY'000	1 to 5 years JPY'000	Over 5 years JPY'000	Total JPY'000
<u>Financial assets</u>				
Trade and other receivables	401,115	6,927	213,500	621,542
Restricted cash	3,300,260	653,623	3,114,188	7,068,071
Cash and short-term deposits	2,941,662	–	–	2,941,662
Derivative financial instruments	104,877	60,053	–	164,930
Total undiscounted financial assets	<u>6,747,914</u>	<u>720,603</u>	<u>3,327,688</u>	<u>10,796,205</u>
<u>Financial liabilities</u>				
Trade and other payables	1,248,551	653,622	3,114,188	5,016,361
Loans and borrowings	1,230,174	47,265,340	–	48,495,514
Other liabilities (exclude deferred revenue)	60,986	–	286,000	346,986
Derivative financial instruments	136,340	307,968	–	444,308
Total undiscounted financial liabilities	<u>2,676,051</u>	<u>48,226,930</u>	<u>3,400,188</u>	<u>54,303,169</u>
Total net undiscounted financial assets/(liabilities)	<u>4,071,863</u>	<u>(47,506,327)</u>	<u>(72,500)</u>	<u>(43,506,964)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) *Liquidity risk (cont'd)*

Trust 2016	Within 1 year JPY'000	1 to 5 years JPY'000	Over 5 years JPY'000	Total JPY'000
<u>Financial assets</u>				
Trade and other receivables	9,082	–	–	9,082
Cash and short-term deposits	3,500,730	–	–	3,500,730
Loan to subsidiaries	496,234	9,066,810	–	9,563,044
Derivative financial instruments	119,208	272,726	–	391,934
Total undiscounted financial assets	4,125,254	9,339,536	–	13,464,790
<u>Financial liabilities</u>				
Trade and other payables	32,570	–	–	32,570
Loans and borrowings	8,605,650	5,166,219	–	13,771,869
Other liabilities	51,583	–	672,272	723,855
Total undiscounted financial liabilities	8,689,803	5,166,219	672,272	14,528,294
Total net undiscounted financial (liabilities)/assets	(4,564,549)	4,173,317	(672,272)	(1,063,504)
<hr/>				
Trust 2015	Within 1 year JPY'000	1 to 5 years JPY'000	Over 5 years JPY'000	Total JPY'000
<u>Financial assets</u>				
Trade and other receivables	7,965	–	–	7,965
Cash and short-term deposits	1,115,077	–	–	1,115,077
Loan to subsidiaries	503,665	9,569,947	–	10,073,612
Derivative financial instruments	104,877	60,053	–	164,930
Total undiscounted financial assets	1,731,584	9,630,000	–	11,361,584
<u>Financial liabilities</u>				
Trade and other payables	25,268	–	–	25,268
Loans and borrowings	418,048	8,416,171	–	8,834,219
Other liabilities	40,023	–	–	40,023
Total undiscounted financial liabilities	483,339	8,416,171	–	8,899,510
Total net undiscounted financial assets	1,248,245	1,213,829	–	2,462,074

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Trust's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Trust's exposure to interest rate risk arises primarily from their loans and borrowings.

The Group constantly monitors its exposure to changes in interest rates for its interest-bearing financial liabilities. Interest rate risk is managed on an ongoing basis with the primary objective of limiting the extent to which net interest expense can be affected by adverse movements in interest rates through the use of interest rate swaps.

The Group has outstanding interest rate swaps with notional amounts totaling JPY42,500,000,000 (2015: JPY39,150,000,000) (Note 17). As at the reporting date, financial derivative liabilities of JPY647,259,000 (2015: JPY364,030,000) were recorded on the balance sheets based on the net fair value of these interest rate swaps.

Sensitivity analysis for interest rate risk

At the reporting date, the Group has minimal interest rate exposure as the Group had fully hedged its floating rate financial liabilities, and its profits after tax and operating cash flows are fully independent of changes in market interest rates.

(d) *Foreign currency risk*

Foreign currency risk arises when transactions are denominated in currencies other than the respective functional currencies of the various entities in the Group and impact the Group's total return for the year.

The Group's foreign currency risk relates mainly to its distribution to unitholders in Singapore Dollar. The Group monitors its foreign currency exposure on an on-going basis and manages its exposure to adverse movements in foreign currency exchange rates through financial instruments or other suitable financial products.

The Group has outstanding forward currency contracts and cross currency swaps with notional amounts totaling JPY11,058,000,000 and JPY13,127,017,000 (2015: JPY4,944,000,000 and JPY8,176,796,000) respectively (Note 17). As at the reporting date, net financial derivative (liabilities)/ assets of (JPY1,961,847,000) (2015: JPY1,239,292,000) were recorded on the balance sheets based on the net fair value of these forward currency contracts and cross currency swaps.

Sensitivity analysis for foreign currency risk

At the reporting date, if the Japanese Yen strengthened/weakened against Singapore Dollar by 10% (2015: 10%) with all other variables constant, the Group's total return before tax would have been JPY21,691,000 (2015: JPY50,341,000) lower/higher due to exchange differences arising from appreciation/depreciation of Japanese Yen against Singapore Dollar.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

29. OPERATING SEGMENT

The Group's investment properties are primarily tenanted for use as retail space and are all located in Japan. The revenues of the Group are derived primarily from retail tenants. Therefore, the Trustee-Manager considers that the Group operates within a single business segment and within a single geographical segment in Japan.

	2016 JPY'000	2015 JPY'000
Revenue from a major retail tenant	1,962,492	1,872,116

Geographical segment

Revenue and non-current assets information based on the geographical location of assets respectively are as follows:

	2016 Non-current		2015 Non-current	
	Revenue JPY'000	assets JPY'000	Revenue JPY'000	assets JPY'000
Japan	9,581,167	119,268,417	7,635,403	92,992,870

30. CAPITAL MANAGEMENT

The Trustee-Manager looks at the depository assets as defined under the Property Fund Guidelines to manage as capital. The Trustee-Manager's objective when managing capital is to optimise the Group's capital structure within the borrowing limits set out in the Trust Deed to fund future acquisitions and asset enhancement works at the Group's properties. To maintain or achieve an optimal capital structure, the Trustee-Manager may issue new units or source additional borrowing.

The Trustee-Manager monitors capital based on gearing ratio. The gearing ratio is calculated as total loans and borrowings divided by total depository assets.

The gearing ratios of the Group as at the end of the reporting periods are as follows:

	2016 JPY'000	2015 JPY'000
Total loans and borrowings (Note 20)	59,394,622	47,487,213
Total depository assets	131,174,742	100,400,953
Gearing ratio	45.3%	47.3%

The banks providing specified loans and specified bonds to subsidiaries require the subsidiaries to keep certain level of cash reserve and gearing ratio in the agreements. The Trustee-Manager monitors and manages the working capital of the Group and financial position of the subsidiaries to satisfy these requirements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

31. SUBSEQUENT EVENTS

Issuance of 27,682,070 preferential offering units

On 25 August 2016, the Trust issued an aggregate of 27,682,070 new units at an issue price of 79.70 Singapore cents pursuant to the the pro-rata and non-renounceable preferential offering.

Completion of the internalisation of the Trustee-Manager

On 31 August 2016, the Trust completed the internalisation of the Trustee-Manager with a consideration of JPY4,100 million.

The Trust established the TM Share Trust for the principal purpose of holding the issued shares of the Trustee-Manager on behalf of the unitholders. With the completion of the internalisation, all of the issued shares of the Trustee-Manager were acquired and were held by the TM Share Trust.

Payment of management fee by way of issue of units

On 1 September 2016, the Trust made payment of management fees by way of issue of 2,590,000 new units to the Trustee-Manager at the issue price of 85.76 Singapore cents per unit.

32. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 30 June 2016 were authorised for issue in accordance with a resolution of the Board of Directors of the Trustee-Manager, Croesus Retail Asset Management Pte. Ltd., on 16 September 2016.

STATISTICS OF UNITHOLDINGS

AS AT 8 SEPTEMBER 2016

There were 747,237,688 issued and fully paid units (voting rights: 1 vote per unit) in issue as at 8 September 2016. There is only one class of units in Croesus Retail Trust ("CRT"). CRT does not have any treasury units.

UNITHOLDINGS OF THE DIRECTORS OF THE TRUSTEE-MANAGER

(Based on the Register of Directors' Unitholdings)

Name of Director	Direct Interest		Deemed Interest		Total No. of Units	%
	No. of Units	%	No. of Units	%		
Mr Lim Teck Leong David	–	–	1,837,301	0.25	1,837,301	0.25
Mr Jim Chang Cheng-Wen	–	–	16,245,040	2.17	16,245,040	2.17
Mr Eng Meng Leong	–	–	–	–	–	–
Mr Quah Ban Huat	–	–	–	–	–	–
Mr Yong Chao Hsien Jeremy	–	–	16,245,040	2.17	16,245,040	2.17

SUBSTANTIAL UNITHOLDERS

(As recorded in the Register of Substantial Unitholders)

	Direct Interest	%	Deemed Interest	%
DBS Bank Ltd.	38,728,028	5.18	–	–
DBS Group Holdings Ltd ¹	–	–	38,728,028	5.18
Temasek Holdings (Private) Limited ²	–	–	38,728,028	5.18
GKG Investment Holdings Pte Ltd ³	–	–	44,864,282	6.00
Goh Geok Khim ⁴	5,193,050	0.69	47,980,112	6.42
Goh Yew Lin ⁵	3,942,568	0.53	47,022,327	6.29
Value Partners High-Dividend Stocks Fund	43,689,827	5.85	–	–
Value Partners Limited ⁶	–	–	46,318,506	6.20
Value Partners Hong Kong Limited ⁷	–	–	46,318,506	6.20
Value Partners Group Limited ⁸	–	–	46,318,506	6.20
Cheah Capital Management Limited ⁹	–	–	46,318,506	6.20
Cheah Company Limited ¹⁰	–	–	46,318,506	6.20
BNP Paribas Jersey Trust Corporation Ltd as trustee of The C H Cheah Family Trust ¹¹	–	–	46,318,506	6.20
BNP Paribas Jersey Nominee Company Limited ¹¹	–	–	46,318,506	6.20
Cheah Cheng Hye ¹²	–	–	46,318,506	6.20
To Hau Yin ¹³	–	–	46,318,506	6.20

1. DBS Group Holdings Ltd is deemed to be interested in 38,728,028 units held directly by DBS Bank Ltd., a wholly-owned subsidiary of DBS Group Holdings Ltd.
2. Temasek Holdings (Private) Limited ("Temasek") is deemed to be interested in the 38,728,028 units held directly by DBS Bank Ltd., a wholly-owned subsidiary of DBS Group Holdings Ltd ("DBSH"). Temasek has more than 20% interest in DBSH, an independently managed Temasek portfolio company. Temasek is not involved in the business or operating decisions of DBSH, including those regarding their positions in the units.
3. GKG Investment Holdings Pte Ltd ("GKGI") is deemed to be interested in the units of CRT held by its subsidiaries.
4. Mr Goh Geok Khim ("GGK") is a controlling shareholder of GKGI and is deemed to be interested in the units held by GKGI and his spouse.
5. Mr Goh Yew Lin is deemed to be interested in the units held by GKGI and his spouse.
6. Value Partners Limited ("VPL") is a fund manager deemed to be interested in the units of CRT by reason of shares held directly by the Funds under its management.
7. Value Partners Hong Kong Limited ("VPHK") is deemed to be interested in the units of CRT via its 100% ownership in VPL.
8. Value Partners Group Limited ("VPGL") is deemed to be interested in the units of CRT via its 100% ownership in VPHK.
9. Cheah Capital Management Limited ("CCML") is deemed to be interested in the units of CRT via its 21.83% ownership in VPGL.
10. Cheah Company Limited ("CCL") is deemed to be interested in the units of CRT via its 100% ownership in CCML.
11. BNP Paribas Jersey Trust Corporation Limited ("BNP Trust") as trustee of The C H Cheah Family Trust is deemed to be interested in the units of CRT (via its holding in BNP Paribas Jersey Nominee Company Limited which in turn holds the shares in CCL as nominee for BNP Trust).
12. Mr Cheah Cheng Hye is deemed to be interested in the units of CRT in his capacity as the founder of a discretionary trust (The C H Cheah Family Trust) with BNP Trust as the Trustee.
13. Ms To Hau Yin is deemed to be interested in the units of CRT in her capacity as the beneficiary of a discretionary trust (The C H Cheah Family Trust) with BNP Trust as the Trustee.

FREE FLOAT

Based on the information made available to the Trustee-Manager, as at 8 September 2016, approximately 79.76% of the number of Units issued is held in the hands of the public. Accordingly, CRT has complied with Rule 723 of the Listing Manual of the SGX-ST.

STATISTICS OF UNITHOLDINGS

AS AT 8 SEPTEMBER 2016

ADDITIONAL INFORMATION

	Total Volume '000	Highest Price (\$)	Lowest Price (\$)
Unit performance for the financial year ended 30 June 2016	275,177.9	0.94	0.765
		As at 30 June 2016	As at 30 June 2015
Closing Price		0.815	0.935

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 – 99	40	0.51	1,390	0.00
100 – 1,000	594	7.49	533,922	0.07
1,001 – 10,000	3,997	50.41	17,591,743	2.36
10,001 – 1,000,000	3,262	41.14	159,039,443	21.28
1,000,001 AND ABOVE	36	0.45	570,071,190	76.29
TOTAL	7,929	100.00	747,237,688	100.00

TWENTY LARGEST UNITHOLDERS

No.	Name	No. of Units	%
1	DBS NOMINEES (PRIVATE) LIMITED	118,420,922	15.85
2	HSBC (SINGAPORE) NOMINEES PTE LTD	100,511,807	13.45
3	CITIBANK NOMINEES SINGAPORE PTE LTD	86,083,947	11.52
4	RAFFLES NOMINEES (PTE) LIMITED	49,712,718	6.65
5	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	46,720,575	6.25
6	SOLANUM INVESTMENT PTE LTD	23,800,408	3.19
7	DBSN SERVICES PTE. LTD.	21,761,314	2.91
8	ALPHA SECURITIES PTE LTD	15,536,230	2.08
9	DB NOMINEES (SINGAPORE) PTE LTD	13,099,864	1.75
10	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	11,051,036	1.48
11	CIMB SECURITIES (SINGAPORE) PTE. LTD.	10,412,954	1.39
12	NTUC FAIRPRICE CO-OPERATIVE LTD	9,818,823	1.31
13	UOB KAY HIAN PRIVATE LIMITED	5,486,713	0.73
14	GOH GEOK KHIM	5,193,050	0.69
15	PHILLIP SECURITIES PTE LTD	5,191,167	0.69
16	G K GOH STRATEGIC HOLDINGS PTE LTD	5,029,112	0.67
17	GOH YEW LIN	3,942,568	0.53
18	OCBC SECURITIES PRIVATE LIMITED	3,924,723	0.53
19	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	3,394,747	0.45
20	MAYBANK KIM ENG SECURITIES PTE. LTD.	3,136,442	0.42
TOTAL		542,229,120	72.54

NOTICE OF ANNUAL GENERAL MEETING

CROESUS RETAIL TRUST

(a business trust constituted on 7 May 2012 under the laws of the Republic of Singapore)

Registration Number: 2013004

Managed by Croesus Retail Asset Management Pte. Ltd.

(Registration Number 201205175K)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the holders of units of Croesus Retail Trust (“**CRT**”, and the holders of units of CRT, the “**Unitholders**”) will be held at Ballroom 2, Lower Lobby, The Fullerton Hotel, 1 Fullerton Square, Singapore 049178, on Thursday, 27 October 2016 at 2.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Statement of the Trustee-Manager issued by Croesus Retail Asset Management Pte. Ltd., as trustee-manager of CRT (the “**Trustee-Manager**”) and the Audited Financial Statements of CRT Group for the financial year ended 30 June 2016 together with the Independent Auditor’s Report thereon. **(Ordinary Resolution 1)**
2. To re-appoint Ernst & Young LLP as the Independent Auditor of CRT to hold office until the conclusion of the next Annual General Meeting of CRT and to authorise the Directors of the Trustee-Manager to fix its remuneration. **(Ordinary Resolution 2)**

SPECIAL BUSINESS

To consider and if thought fit, to pass, with or without any modifications, the following resolutions as Ordinary Resolutions:

3. To endorse the appointments of the following Directors of the Trustee-Manager:

Mr Lim Teck Leong David	(Ordinary Resolution 3)
Mr Jim Chang Cheng-Wen	(Ordinary Resolution 4)
Mr Yong Chao Hsien Jeremy	(Ordinary Resolution 5)
Mr Eng Meng Leong	(Ordinary Resolution 6)
Mr Quah Ban Huat	(Ordinary Resolution 7)

[See Explanatory Note (i)]

4. To endorse the payment of Directors’ fees of up to S\$250,000 for the financial year ending 30 June 2017 to the Directors of the Trustee-Manager, to be paid quarterly in arrears.

[See Explanatory Note (ii)]

(Ordinary Resolution 8)

5. **General mandate to issue units in CRT (“Units”)**

That pursuant to Clause 6.1.1 of the trust deed constituting CRT dated 7 May 2012 (as amended) (the “**Trust Deed**”), Section 36 of the Business Trusts Act, Chapter 31A of Singapore (the “**BTA**”) and Rule 806 of the Listing Manual of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Trustee-Manager, on behalf of CRT, be authorised and empowered to:

- (a)
 - (i) issue 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 Trustee-Manager may in its absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

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

provided that:

- (1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of the 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 (2) below), of which the aggregate number of Units to be issued other than on a pro-rata basis to Unitholders (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) 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 (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units (excluding treasury Units, if any) shall be based on the total number of issued Units (excluding treasury Units, if any) at the time of the passing of this Resolution, 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;
- (3) in exercising the authority conferred by this Resolution, the Trustee-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), the Trust Deed for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore) and the BTA;
- (4) 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 Annual General Meeting of the Unitholders of CRT or (ii) the date by which the next Annual General Meeting of the Unitholders of CRT is required by applicable laws and regulations to be held, whichever is earlier;
- (5) 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 Trustee-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
- (6) the Trustee-Manager and any director of the Trustee-Manager ("**Director**") 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 Trustee-Manager or, as the case may be, the Director may consider expedient or necessary or in the interest of CRT to give effect to the authority conferred by this Resolution.

[See Explanatory Note (iii)]

(Ordinary Resolution 9)

By Order of the Board of Directors of Croesus Retail Asset Management Pte. Ltd.
(as Trustee-Manager of Croesus Retail Trust)



Kim Yi Hwa
Company Secretary
Singapore, 5 October 2016

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTE:

- (i) Ordinary Resolutions 3 to 7 are to endorse the appointment of each Director pursuant to clause 4.4.1(ii) of the Deed of Trust entered into between Perpetual (Asia) Limited (as trustee of the Trustee-Manager Share Trust) and the Trustee-Manager constituting Trustee-Manager Share Trust dated 12 June 2016.

Following the completion of the internalisation of the Trustee-Manager on 31 August 2016, Unitholders are conferred with the right to endorse the appointment of each incumbent Director at the Annual General Meeting of CRT, by way of ordinary resolution. The Directors who have been endorsed by Unitholders by way of ordinary resolution at this Annual General Meeting shall remain as Directors. The resignation or removal of any Director whose appointment has not been endorsed shall be procured by the sole shareholder of the Trustee-Manager, i.e. Perpetual (Asia) Limited (as trustee of the Trustee-Manager Share Trust).

Mr Lim Teck Leong David will, upon re-appointment as Director of the Trustee-Manager, remain as Chairman of the Board of Directors and member of the Audit and Risk Committee and member of the Nominating and Remuneration Committee and will be considered independent.

Mr Eng Meng Leong will, upon re-appointment as Director of the Trustee-Manager, remain as Chairman of the Audit and Risk Committee and member of the Nominating and Remuneration Committee and will be considered independent.

Mr Quah Ban Huat will, upon re-appointment as Director of the Trustee-Manager, remain as member of the Audit and Risk Committee and Chairman of the Nominating and Remuneration Committee and will be considered independent.

Please refer to the "Board of Directors" section as set out on pages 14 to 16 of CRT's Annual Report 2016 for information on the Directors. None of the Directors is an immediate family member of any Director or the Chief Executive Officer.

- (ii) Ordinary Resolution 8 is to endorse the payment of Directors' fees pursuant to clause 4.4.5(xi) of the Deed of Trust entered into between Perpetual (Asia) Limited (as trustee of the Trustee-Manager Share Trust) and the Trustee-Manager constituting Trustee-Manager Share Trust dated 12 June 2016.

Following the completion of the internalisation of the Trustee-Manager on 31 August 2016, Unitholders are conferred the right to endorse the payment of Directors' fees at the Annual General Meeting of CRT, by way of ordinary resolution.

- (iii) The Ordinary Resolution 9 in item 5 above, if passed, will empower the Trustee-Manager from the date of this Annual General Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by applicable laws and regulations to be held, or the date on which such authority is varied or revoked by CRT in a general meeting of the Unitholders, whichever is the earliest, to issue Units, make or grant Instruments (such as securities, warrants or debentures) convertible into Units and to issue Units pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued Units (excluding treasury Units, if any) in CRT, of which up to 20% of the total number of issued Units (excluding treasury Units, if any) may be issued other than on a pro-rata basis to Unitholders.

For the purpose of determining the aggregate number of Units that may be issued, the total number of issued Units (excluding treasury Units, if any) will be calculated based on the total number of issued Units (excluding treasury Units, if any) at the time the Ordinary Resolution 9 in item 5 above is passed, after adjusting for (a) any new Units arising from the conversion or exercise of any Instruments which are outstanding or subsisting at the time this Resolution is passed, and (b) any subsequent bonus issue, consolidation or subdivision of Units.

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

1. A Unitholder entitled to attend and vote at the Annual General Meeting of Unitholders (the "**Meeting**") is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder.
2. Where a Unitholder appoints two proxies, he/she must specify the proportion of his/her unitholding (expressed as a percentage of the whole) to be represented by each proxy. Where a Unitholder appoints two proxies and does not specify the proportion of his/her unitholding to be represented by each proxy, then the Units held by the Unitholder are deemed to be equally divided between the proxies.
3. The instrument appointing a proxy or proxies must be deposited at the office of Boardroom Corporate & Advisory Services Pte. Ltd., the Unit Registrar of CRT, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for holding the Meeting.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Trustee-Manager (or its agents) for the purpose of the processing and administration of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Trustee-Manager (or its 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 Trustee-Manager (or its agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Trustee-Manager (or its 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 Trustee-Manager in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

PROXY FORM

(Please see notes overleaf before completing this Form)

CROESUS RETAIL TRUST

(a business trust constituted on 7 May 2012 under the laws of the Republic of Singapore)

Registration Number: 2013004

Managed by Croesus Retail Asset Management Pte. Ltd.

(Registration Number 201205175K)

I/We (Name), _____

(NRIC/Passport No./Company Registration No.) _____

of (Address) _____

being a unitholder/unitholders of Croesus Retail Trust ("CRT"), hereby appoint:

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

and/or (delete as appropriate)

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

or failing the person, or either or both of the persons, referred to above, the Chairman of the Annual General Meeting (the "AGM") of CRT as *my/our *proxy/proxies to attend and to vote for *me/us and on *my/our behalf and if necessary, to demand a poll, at the AGM to be held at Ballroom 2, Lower Lobby, The Fullerton Hotel, 1 Fullerton Square, Singapore 049178, on Thursday, 27 October 2016 at 2.00 p.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Ordinary Resolutions proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

* Please delete accordingly.

No.	Resolutions	For**	Against**
1	To receive and adopt the Statement of the Trustee-Manager and the Audited Financial Statements of CRT Group for the financial year ended 30 June 2016 together with the Independent Auditor's Report thereon		
2	To re-appoint Ernst & Young LLP as the Independent Auditor of CRT and to authorise the Trustee-Manager to fix its remuneration		
3	To endorse the appointment of Mr Lim Teck Leong David as Director of the Trustee-Manager		
4	To endorse the appointment of Mr Jim Chang Cheng-Wen as Director of the Trustee-Manager		
5	To endorse the appointment of Mr Yong Chao Hsien Jeremy as Director of the Trustee-Manager		
6	To endorse the appointment of Mr Eng Meng Leong as Director of the Trustee-Manager		
7	To endorse the appointment of Mr Quah Ban Huat as Director of the Trustee-Manager		
8	To endorse the payment of Directors' fees		
9	To authorise the Trustee-Manager to issue new Units in CRT		

** 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 _____ 2016

Total number of Units in:	No. of Units
(a) CDP Register	
(b) Register of Unitholders	

Signature of Unitholder(s)
or, Common Seal of Corporate Unitholder

NOTES:

1. Please insert the total number of units in CRT ("**Units**") held by you. If you have Units entered against your name in the Depository Register maintained by The Central Depository (Pte) Limited (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of Units. If you have Units registered in your name in the Register of Unitholders of CRT, you should insert that number of Units. If you have Units entered against your name in the Depository Register and Units registered in your name in the Register of Unitholders, you should insert the aggregate number of Units entered against your name in the Depository Register and registered in your name in the Register of Unitholders. If no number is inserted, this instrument appointing a proxy or proxies (the "**Proxy Form**") shall be deemed to relate to all the Units held by you.
2. A Unitholder of CRT entitled to attend and vote at the AGM is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder of CRT.
3. Where a Unitholder appoints two proxies, he/she must specify the proportion of his/her unitholding (expressed as a percentage of the whole) to be represented by each proxy. Where a Unitholder appoints two proxies and does not specify the proportion of his/her unitholding to be represented by each proxy, then the Units held by the Unitholder are deemed to be equally divided between the proxies.
4. Completion and return of this Proxy Form shall not preclude a Unitholder from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a Unitholder attends the AGM in person, and in such event, the Trustee-Manager reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the AGM.
5. The Proxy Form must be deposited at the office of Boardroom Corporate & Advisory Services Pte. Ltd., the Unit Registrar of CRT, at the following address: Croesus Retail Trust, c/o Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for holding the AGM.
6. The Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
7. A corporation which is a Unitholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
8. All Unitholders will be bound by the outcome of the AGM regardless of whether they have attended.

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 5 October 2016.

GENERAL:

The Trustee-Manager shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Trustee-Manager may reject the Proxy Form lodged 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 AGM, as certified by The Central Depository (Pte) Limited to the Trustee-Manager.



CROESUS RETAIL TRUST

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