



Croesus Retail Trust

Croesus Retail Trust (“CRT”) is the first Asia-Pacific retail business trust with an initial portfolio located in Japan listed on Singapore Exchange Securities Trading Limited (the “SGX-ST”).

CRT’s principal investment strategy is to invest in a diversified portfolio of predominantly retail real estate assets located in Japan and across the Asia-Pacific region and real estate-related assets relating to the foregoing. The initial portfolio is located in Japan in order to create a core portfolio of stable income generating assets. This core portfolio would serve as a foundation for CRT to pursue development and acquisition opportunities in the Asia-Pacific region, including Japan, to generate long-term capital value and long-term returns.

As at 31 December 2015, CRT’s portfolio comprises 8 quality retail properties (the “Properties”) located across Japan with an aggregate net lettable area (“NLA”) of approximately 328,052.1 sqm and the occupancy rates as at 31 December 2015 are as follows.

Properties	Country / Prefecture	NLA (sqm)	Occupancy rate
Aeon Town Moriya	Japan / Ibaraki	68,046.8	100%
Aeon Town Suzuka	Japan / Mie	43,500.7	100%
Croesus Shinsaibashi	Japan / Osaka	2,342.4	100%
Croesus Tachikawa	Japan / Tokyo	7,140.8	100%
Luz Omori	Japan / Tokyo	9,285.1	97.7%
Mallage Shobu	Japan / Saitama	67,961.3	97.3%
One’s Mall	Japan / Chiba	52,848.6	99.7%
Torius	Japan / Fukuoka	76,926.4	95.8%

The acquisition of 4 properties, namely Aeon Town Moriya, Aeon Town Suzuka, Croesus Shinsaibashi and Mallage Shobu (the “Initial Portfolio”) was completed on 10 May 2013 (“Listing Date”), the day on which CRT was listed on the SGX-ST, while the further acquisition of 2 properties, namely Luz Omori and Croesus Tachikawa, was completed on 6 March 2014, the acquisition of One’s Mall was completed on 16 October 2014 and the acquisition of Torius was completed on 16 October 2015.

The Properties are held by Croesus Retail Asset Management Pte. Ltd. (in its capacity as trustee-manager of CRT, the “Trustee-Manager”) through a tokutei mokuteki kaisha (“TMK”) structure. The TMK is one of the common structures adopted for investment in real estate in Japan. The TMK may either acquire legal ownership rights of real properties or, as in the case of CRT’s investment in the Properties, may hold the trust beneficiary interest (“TBI”) in the Properties. In the case of CRT, the legal title to each of the Properties is held in trust by a trustee, which is typically a bank while the TBIs are held by the TMK. The TMK may obtain financing by issuing equity securities (preferred and specified equities) and debt securities (such as specified bonds), as well as by borrowing from entities which qualify as “Qualified Institutional Investors” under the Financial Instruments and Exchange Law of Japan. The TBIs in respect of the Initial Portfolio are held through Mangosteen TMK, while the TBIs in respect of the acquisition in March 2014 and October 2014 are held through Persimmon TMK and Durian TMK, respectively.

On 28 September 2015, the Trustee-Manager, through Apple TMK, entered into a purchase and sale agreement to acquire TBI in respect of Torius (the "Acquisition of Torius"), a completed retail property in Fukuoka, Japan. The Acquisition of Torius was completed on 16 October 2015.

CRT is managed by the Trustee-Manager which is a wholly-owned subsidiary of Evertrust Asset Management Pte. Ltd. ("Evertrust").

Evertrust is owned by Croesus Partners Pte. Ltd. and CRT's strategic partners, Daiwa House Industry Co. Ltd and Marubeni Corporation (together, the "Strategic Partners") in the proportion of 80%, 10% and 10%, respectively. The Trustee-Manager's key objectives are to deliver a competitive return on investment to unitholders of CRT through (i) regular and growing distributions and (ii) long-term capital value growth of CRT's portfolio of assets.

Distribution Policy

Notwithstanding CRT's commitment to distribute 100% of its Distributable Income (as stated in CRT's prospectus dated 2 May 2013) (the "Prospectus") from 1 July 2014 to 30 June 2015, CRT will continue to do the same for the period from 1 July 2015 and 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.

1 (a) Consolidated statement of comprehensive income and distribution statement for 2Q 2016 vs 2Q 2015 and 1H 2016 vs 1H 2015

Note	2Q 2016	2Q 2015	Variance	1H 2016	1H 2015	Variance
	1 Oct 2015 to 31 Dec 2015 (JPY'000)	1 Oct 2014 to 31 Dec 2014 (JPY'000)	Increase/ (Decrease) (%)	1 Jul 2015 to 31 Dec 2015 (JPY'000)	1 Jul 2014 to 31 Dec 2014 (JPY'000)	Increase/ (Decrease) (%)
Gross Revenue	2,433,621	1,952,061	24.7%	4,440,220	3,664,543	21.2%
Gross rental income	1,999,368	1,667,240	19.9%	3,679,729	3,063,187	20.1%
Utilities income	249,025	218,707	13.9%	500,274	412,325	21.3%
Other income	185,228	66,114	180.2%	260,217	189,031	37.7%
Property Operating Expenses	(1,065,707)	(752,699)	41.6%	(1,839,532)	(1,351,723)	36.1%
Property management expenses	(246,705)	(98,014)	151.7%	(342,315)	(176,270)	94.2%
Building management expenses	(177,501)	(150,699)	17.8%	(324,464)	(244,155)	32.9%
Repair expenses	(23,386)	(11,804)	98.1%	(38,580)	(20,575)	87.5%
Utilities expenses	(270,274)	(252,063)	7.2%	(553,746)	(480,938)	15.1%
Property tax expenses	(119,864)	(105,637)	13.5%	(225,774)	(191,720)	17.8%
Insurance expenses	(4,408)	(4,116)	7.1%	(7,390)	(7,667)	(3.6%)
Sales and promotion expenses	(112,371)	(82,389)	36.4%	(186,954)	(135,279)	38.2%
Other expenses	(111,198)	(47,977)	131.8%	(160,309)	(95,119)	68.5%
Net Property Income	1,367,914	1,199,362	14.1%	2,600,688	2,312,820	12.4%
Finance income	1,376	434	217.1%	3,654	1,373	166.1%
Finance costs	(269,792)	(255,885)	5.4%	(529,471)	(490,624)	7.9%
Other administrative expenses	(28,650)	(18,187)	57.5%	(44,850)	(29,244)	53.4%
Trustee-Manager's fees	(155,345)	(141,394)	9.9%	(296,527)	(276,442)	7.3%
Japan Asset Manager's fees	(24,343)	(20,614)	18.1%	(46,172)	(38,624)	19.5%
Other trust expenses	(32,418)	(41,805)	(22.5%)	(68,228)	(74,677)	(8.6%)
Foreign exchange (losses)/gains	(5,100)	12,251	(141.6%)	(21,759)	19,102	(213.9%)
Profit before changes in fair value	853,642	734,162	16.3%	1,597,335	1,423,684	12.2%
Fair value gains on investment properties	52,718	307,334	(82.8%)	52,718	307,334	(82.8%)
Fair value gains/ (losses) on derivative financial instruments	(a) 135,641	228,721	(40.7%)	(447,864)	394,649	(213.5%)
Profit before tax	1,042,001	1,270,217	(18.0%)	1,202,189	2,125,667	(43.4%)
Income tax expenses						
Current tax	(102,752)	(85,354)	20.4%	(161,323)	(176,967)	(8.8%)
Deferred tax	(145,165)	(251,709)	(42.3%)	(260,516)	(341,907)	(23.8%)
Profit after tax	794,084	933,154	(14.9%)	780,350	1,606,793	(51.4%)
Other comprehensive income						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Net losses on fair value changes on cash flow hedge	(b) (31,170)	(31,834)	(2.1%)	(137,493)	(6,620)	1976.9%
Total other comprehensive income	(31,170)	(31,834)	(2.1%)	(137,493)	(6,620)	1976.9%
Total comprehensive income for the period	762,914	901,320	(15.4%)	642,857	1,600,173	(59.8%)

1 (a) Consolidated statement of comprehensive income and distribution statement for 2Q 2016 vs 2Q 2015 and 1H 2016 vs 1H 2015 (Cont'd)

Consolidated distribution statement

	2Q 2016			2Q 2015			1H 2016			1H 2015		
	Note	1 Oct 2015 to 31 Dec 2015 (JPY'000)	1 Oct 2014 to 31 Dec 2014 (JPY'000)	Increase/ (Decrease) (%)	Note	1 Jul 2015 to 31 Dec 2015 (JPY'000)	1 Jul 2014 to 31 Dec 2014 (JPY'000)	Increase/ (Decrease) (%)	Note	1 Jul 2015 to 31 Dec 2015 (JPY'000)	1 Jul 2014 to 31 Dec 2014 (JPY'000)	Increase/ (Decrease) (%)
<u>Reconciliation of profit after tax to income available for distribution</u>												
Profit after tax		794,084	933,154	(14.9%)		780,350	1,606,793	(51.4%)		780,350	1,606,793	(51.4%)
<u>Adjustment for:</u>												
Trustee-Manager's fees paid/payable in												
Units		135,957	134,326	1.2%		266,365	256,772	3.7%		266,365	256,772	3.7%
Amortisation of upfront costs		77,361	72,722	6.4%		151,905	137,509	10.5%		151,905	137,509	10.5%
Amortisation of prepaid property tax		-	37,040	(100.0%)		-	54,506	(100.0%)		-	54,506	(100.0%)
Fair value gains on investment properties, net of tax	(c)	(41,844)	(243,944)	(82.8%)		(41,844)	(243,944)	(82.8%)		(41,844)	(243,944)	(82.8%)
Fair value (gains)/losses on derivative financial instruments	(a)	(135,641)	(228,721)	(40.7%)		447,864	(394,649)	(213.5%)		447,864	(394,649)	(213.5%)
Deferred tax expense		134,292	188,318	(28.7%)		249,643	278,516	(10.4%)		249,643	278,516	(10.4%)
Others		9,109	(18,140)	(150.2%)		37,572	(29,753)	(226.3%)		37,572	(29,753)	(226.3%)
Income available for distribution		973,318	874,755	11.3%		1,891,855	1,665,750	13.6%		1,891,855	1,665,750	13.6%

Notes:

- Fair value gains/(losses) on derivative financial instruments arose from mark to market of forward currency contracts (in accordance with FRS 39) used to hedge distributions.
- Net losses on fair value changes on cash flow hedge arose from re-measurement of cross currency swap and interest rate swaps entered into to hedge the interest rate risk and currency risk on borrowings.
- Fair value gains on investment property arose from unrealized gains on revaluation of the investment properties of the Group.

1 (b) (i) Balance sheets

	Note	31 Dec 2015		30 Jun 2015	
		CRT (JPY'000)	CRT Group (JPY'000)	CRT (JPY'000)	CRT Group (JPY'000)
Non-current assets					
Investment properties	(a)	-	96,318,181	-	87,930,000
Investment in subsidiaries		34,167,275	-	29,837,901	-
Loan to subsidiaries		8,210,816	-	8,536,696	-
Other receivables	(c)	-	620,239	-	97,242
Derivative financial instrument	(b)	191,535	191,535	885,548	885,548
Prepayments		-	293,829	-	300,279
Restricted cash		-	4,636,740	-	3,767,811
Deferred tax assets		-	7,535	-	11,990
		42,569,626	102,068,059	39,260,145	92,992,870
Current assets					
Cash and short-term deposits		1,490,321	2,565,312	1,115,077	2,941,662
Trade and other receivables	(c)	355,805	1,594,350	278,495	491,358
Derivative financial instruments	(b)	97,122	97,122	353,744	353,744
Prepayments		-	88,606	-	321,059
Restricted cash		-	3,602,947	-	3,300,260
		1,943,248	7,948,337	1,747,316	7,408,083
Total assets		44,512,874	110,016,396	41,007,461	100,400,953
Current liabilities					
Loans and borrowings		-	553,148	-	646,873
Trade and other payables		226,905	1,135,250	37,026	1,219,328
Derivative financial instruments	(b)	53,559	53,559	-	298
Income tax payable		54,010	303,022	65,841	255,408
Other liabilities		51,689	704,656	40,023	658,761
		386,163	2,749,635	142,890	2,780,668
Non-current liabilities					
Loans and borrowings	(a)	8,587,299	50,348,700	9,137,533	46,840,340
Trade and other payables	(c)	-	4,018,489	-	3,250,321
Derivative financial instruments	(b)	98,749	525,191	-	363,732
Other liabilities		129,720	652,715	128,546	580,868
Deferred tax liabilities		-	3,254,923	-	2,998,862
		8,815,768	58,800,018	9,266,079	54,034,123
Total liabilities		9,201,931	61,549,653	9,408,969	56,814,791
Net assets attributable to unitholders					
		35,310,943	48,466,743	31,598,492	43,586,162
Equity attributable to unitholders					
Units in issue	(a)	42,366,836	42,351,329	36,502,257	36,486,750
Accumulated (losses)/profits		(6,983,661)	6,614,088	(4,906,613)	7,460,593
Fair value adjustment reserve		(72,232)	(498,674)	2,848	(361,181)
		35,310,943	48,466,743	31,598,492	43,586,162

Notes:

- (a) CRT issued specified bonds on 16 October 2015 and issued 114,222,677 units pursuant to the Right Issue on 2 November 2015. The proceeds from the Right Issue and the bonds were partially used to finance the acquisition of Torius on 16 October 2015.
- (b) Derivative financial instruments relate to fair value of forward currency contracts, interest rate swaps and cross currency swap.
- (c) The increase in trade and other receivables and trade and payables are due mainly to contribution from the acquisition of Torius.

1 (b) (ii) Gross borrowings

	Note	Maturity	31 Dec 2015 CRT Group (JPY'000)	30 Jun 2015 CRT Group (JPY'000)
Amount payable within one year				
Specified bonds	(b)	2015	-	646,873
Specified bonds	(b)	2016	553,148	-
			553,148	646,873
Amount payable after one year				
Specified loans	(a)	2018-2019	29,023,217	28,933,726
Specified bonds	(b)	2018-2020	12,738,184	8,769,081
Medium Term Note	(c)	2017	8,587,299	9,137,533
			50,348,700	46,840,340
			50,901,848	47,487,213
Total loans and borrowings				

Notes:

Details of borrowings and collaterals

(a) Specified loans

Specified loans are secured by mortgages over certain investment properties of the Group. The interest rates range from 3-month Libor + 0.40% to 3-month Libor + 0.45% per annum. The loans are repayable upon maturity. The Group has entered into interest rate swaps to convert the floating interest rates to fixed interest rates.

(b) Specified bonds

Specified bonds are secured with general lien on certain assets of the Group. The interest rate range from 3-month Libor + 0.30% to 3-month Libor + 0.70% per annum. The bonds are repayable upon maturity. The Group has entered into interest rate swaps to convert the floating interest rates to fixed interest rates, except one year specified bonds due in 2016.

(c) Medium Term Notes at interest cost of 4.6% per annum

The S\$100,000,000 in principal amount of 4.60% Fixed Rate Notes due 2017 ("MTN") was issued in January 2014 pursuant to CRT's U.S. \$500,000,000 Euro Medium Term Note Programme established on 3 January 2014. This is unsecured and is repayable on 23 January 2017. CRT entered into a cross currency swap agreement to convert the principal and interest of the MTN from Singapore Dollar to Japanese Yen. The principal amount and interest were fixed at JPY 8,176,796,000 at 3.83% per annum.

1 (c) Consolidated cash flow statements for 2Q 2016 vs 2Q 2015 and 1H 2016 vs 1H 2015

	Note	2Q 2016	2Q 2015	1H 2016	1H 2015
		1 Oct 2015 to 31 Dec 2015 (JPY'000)	1 Oct 2014 to 31 Dec 2014 (JPY'000)	1 Jul 2015 to 31 Dec 2015 (JPY'000)	1 Jul 2014 to 31 Dec 2014 (JPY'000)
Operating activities					
Profit before tax		1,042,001	1,270,217	1,202,189	2,125,667
Adjustment for:					
Changes in fair value of investment properties	(a)	(52,718)	(307,334)	(52,718)	(307,334)
Changes in fair value of derivative financial instruments		(135,641)	(228,721)	447,864	(394,649)
Finance income		(1,376)	(434)	(3,654)	(1,373)
Finance costs		269,792	255,885	529,471	490,624
Trustee-Manager's fees paid in units		129,905	123,395	122,615	127,166
Trustee-Manager's fees payable in units		13,343	7,160	143,751	129,606
Amortisation of property tax		-	37,040	-	54,506
Unrealised foreign exchange losses		(7,219)	(7,995)	24,512	(3,192)
		1,258,087	1,149,213	2,414,030	2,221,021
Changes in working capital					
Restricted cash		(1,211,650)	(2,083,677)	(1,171,616)	(3,171,553)
Prepayments		112,128	51,219	238,903	(38,377)
Trade and other receivables		(1,580,576)	(669,078)	(1,533,502)	(331,706)
Trade and other payables		791,605	1,641,554	646,764	1,780,913
Other liabilities		147,347	262,197	52,844	217,648
		(483,059)	351,428	647,423	677,946
Finance income received		1,376	434	3,654	1,373
Finance costs paid		(78,706)	(83,910)	(272,827)	(277,710)
Income taxes paid		48,964	20,699	(206,198)	(162,214)
Net cash flows (used in)/generated from operating activities		(511,425)	288,651	172,052	239,395
Investing activity					
Acquisition of investment properties	(a)	(8,247,282)	(11,298,156)	(8,247,282)	(11,298,156)
Subsequent expenditure on investment properties		(67,725)	(10,811)	(88,181)	(16,011)
Net cash flows used in investing activities		(8,315,007)	(11,308,967)	(8,335,463)	(11,314,167)
Financing activities					
Proceeds from issuance of units	(b)	5,845,581	-	5,845,581	6,085,912
Payment of issue costs		(247,368)	(4,890)	(247,368)	(179,122)
Distribution to unitholders		-	-	(1,626,855)	(1,984,063)
Proceeds from loans and borrowings	(c)	4,560,000	6,150,000	4,560,000	6,150,000
Payment of upfront costs of loans and borrowings		(69,844)	(155,509)	(69,844)	(155,509)
Repayment of loans and borrowings		(650,000)	-	(650,000)	-
Net cash flow generated from financing		9,438,369	5,989,601	7,811,514	9,917,218
Net increase/(decrease) in cash and cash equivalents		611,937	(5,030,715)	(351,897)	(1,157,554)
Cash and cash equivalents at beginning of the financial period		1,945,954	6,622,779	2,941,662	2,754,421
Effect of exchange rate change on cash and cash equivalents		7,421	7,995	(24,453)	3,192
Cash and cash equivalents at end of the financial period		2,565,312	1,600,059	2,565,312	1,600,059

Notes:

- (a) CRT completed the acquisitions of One's Mall on 16 October 2014 and Torius on 16 October 2015. These properties were revalued to the fair value of the properties.
- (b) In 1H 2015, on 11 September 2014, CRT issued 78,900,000 units at S\$0.915 each. These proceeds were mainly used for the acquisition of One's Mall on 16 October 2014.

In 1H 2016, CRT issued 114,222,677 Rights Units pursuant to the Right Issue at an Issue Price of S\$0.610 each on 2 November 2015. These proceeds were used mainly for the Acquisition of the Torius.

- (c) CRT issued specified bonds amounting to JPY 6,150 million and JPY 4,560 million on 16 October 2014 and 16 October 2015 respectively.

1 (d) (i) Statement of changes in unitholders' fund

Note	CRT		CRT Group	
	2Q 2016 (JPY'000)	1H 2016 (JPY'000)	2Q 2016 (JPY'000)	1H 2016 (JPY'000)
Units in issue				
	36,625,376	36,502,257	36,609,869	36,486,750
- Issue of new units	5,975,486	6,097,257	5,975,486	6,097,257
- Management fees payable in units	13,342	14,690	13,342	14,690
- Issue costs	(247,368)	(247,368)	(247,368)	(247,368)
Balance at end of the period	42,366,836	42,366,836	42,351,329	42,351,329
Accumulated (losses)/profit				
Balance at beginning of the period	(6,859,943)	(4,906,613)	5,820,004	7,460,593
- Net (loss)/profit for the period	(123,718)	(450,193)	794,084	780,350
- Distribution to unitholders	-	(1,626,855)	-	(1,626,855)
Balance at end of the period	(6,983,661)	(6,983,661)	6,614,088	6,614,088
Fair value adjustment reserve				
Balance at beginning of the period	(52,762)	2,848	(467,504)	(361,181)
- Net losses on fair value				
changes on cash flow hedge	(19,470)	(75,080)	(31,170)	(137,493)
Balance at end of the period	(72,232)	(72,232)	(498,674)	(498,674)
Equity attributable to unitholders	35,310,943	35,310,943	48,466,743	48,466,743

Note	CRT		CRT Group	
	2Q 2015 (JPY'000)	1H 2015 (JPY'000)	2Q 2015 (JPY'000)	1H 2015 (JPY'000)
Units in issue				
	35,914,713	29,876,815	35,899,206	29,861,308
- Issue of new units	123,395	6,331,484	123,395	6,331,484
- Management fees payable in units	7,160	11,201	7,160	11,201
- Issue costs	(4,890)	(179,122)	(4,890)	(179,122)
Balance at end of the period	36,040,378	36,040,378	36,024,871	36,024,871
Accumulated (losses)/profit				
Balance at beginning of the period	(4,040,578)	(2,386,145)	1,671,759	2,982,183
- Net (losses)/profit for the period	(1,982)	327,648	933,154	1,606,793
- Distribution to unitholders	-	(1,984,063)	-	(1,984,063)
Balance at end of the period	(4,042,560)	(4,042,560)	2,604,913	2,604,913
Fair value adjustment reserve				
Balance at beginning of the period	(5,075)	(1,904)	(424,743)	(449,957)
- Net losses on fair value				
changes on cash flow hedge	(7,734)	(10,905)	(31,834)	(6,620)
Balance at end of the period	(12,809)	(12,809)	(456,577)	(456,577)
Equity attributable to unitholders	31,985,009	31,985,009	38,173,207	38,173,207

Note:

- (a) These are additional units to be issued to the Trustee-Manager as partial consideration of Trustee-Manager's fees incurred for the period ended 31 December 2015 and 31 December 2014. The Trustee-Manager has opted to receive approximately 80% of the fees in units.

1 (d) (ii) Details of any changes in the units

	Note	2Q 2016	1H 2016	Year 2015
		1 Oct 2015 to 31 Dec 2015	1 Jul 2015 to 31 Dec 2015	1 Jul 2014 to 30 Jun 2015
Balance at beginning of the period		519,193,989	517,513,989	429,988,000
- Trustee-Manager's fees paid in units		1,830,000	3,510,000	6,000,000
- Private placement		-	-	78,900,000
- Distribution reinvestment plan		-	-	2,625,989
- Right Issue		114,222,677	114,222,677	-
Issued units at the end of the period		635,246,666	635,246,666	517,513,989
Units to be issued				
- Trustee-Manager's fees payable in units	(a)	2,200,000	2,200,000	1,680,000
Balance at end of the period		637,446,666	637,446,666	519,193,989

Note:

- (a) These are additional units to be issued to the Trustee-Manager as partial consideration of Trustee-Manager's fees incurred for the period ended 31 December 2015 and 30 June 2015. The Trustee-Manager has opted to receive approximately 80% of the fees in units. The price of the units to be issued will be computed based on the volume weighted average price of a unit for the period of ten business days immediately preceding the relevant business day of the issue of such units.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by our auditor.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been applied.

Same as described in paragraph 5, CRT has applied the same accounting policies and methods of computation with those applied in the audited financial statements for the financial year ended 30 June 2015.

- 5 If there are any changes in the accounting policies and methods of computation, what has changed, as well as the reasons for, and effect of the change.

There is no change in the accounting policies and methods of computation compared with the audited financial statements as at 30 June 2015 except for the adoption of new or revised FRS that are mandatory for financial year beginning on 1 July 2015. The adoption of those FRS has no significant impact to the financial position or performance of CRT for the current financial period.

- 6 Group earnings per unit (“EPU”) and income available for distribution per unit (“DPU”) for 2Q 2016 vs 2Q 2015 and 1H 2016 vs 1H 2015

Group earnings per unit

	Note	2Q 2016	2Q 2015	
		1 Oct 2015 to 31 Dec 2015	1 Oct 2014 to 31 Dec 2014	As restated ^(b)
Weighted average number of units	(a)	592,079,155	510,999,957	582,994,144
Earnings for the period (JPY'000)		794,084	933,154	933,154
EPU for the period based on the weighted average number of units in issue (JPY)		1.34	1.83	1.60

	Note	1H 2016	1H 2015	
		1 Jul 2015 to 31 Dec 2015	1 Jul 2014 to 31 Dec 2014	As restated ^(b)
Weighted average number of units	(a)	555,079,615	479,330,120	514,890,529
Earnings for the period (JPY'000)		780,350	1,606,793	1,606,793
EPU for the period based on the weighted average number of units in issue (JPY)		1.41	3.35	3.12

Notes:

- (a) The weighted average number of units is weighted for 2Q 2016, 2Q 2015, 1H 2016 and 1H 2015, respectively. The diluted EPU is the same as the basic EPU as no dilutive instruments were in issue during the respective reporting periods.
- (b) The weighted average number of units and EPU have been adjusted to reflect the effect of 114,222,677 units issued pursuant to the Rights Issue on 2 November 2015.

6 Group earnings per unit (“EPU”) and income available for distribution per unit (“DPU”) for 2Q 2016 vs 2Q 2015 and 1H 2016 vs 1H 2015 (Cont’d)

Group distribution per unit

Note	2Q 2016	2Q 2015	
	1 Oct 2015 to 31 Dec 2015	1 Oct 2014 to 31 Dec 2014	As restated ^(b)
Number of units issued and to be issued at end of period entitled to distribution	(a) 637,446,666	513,388,000	627,610,677
Income available for distribution for the period (JPY'000)	973,318	874,755	874,755
DPU for the period based on the number of units entitled to distribution (Singapore cent)	(c) 1.79	2.08	1.70

Note	1H 2016	1H 2015	
	1 Oct 2015 to 31 Dec 2015	1 Jul 2014 to 31 Dec 2014	As restated ^(b)
Number of units issued and to be issued at end of period entitled to distribution	(a) 637,446,666	513,388,000	627,610,677
Income available for distribution for the period (JPY'000)	1,891,855	1,665,750	1,665,750
DPU for the period based on the number of units entitled to distribution (Singapore cent)	(c) 3.50	4.16	3.40

Notes:

- (a) The computation of DPU for the period is based on the number of units entitled to distribution. This comprises:
- (i) The number of units in issue as at 31 December 2015 and 31 December 2014 of 635,246,666 and 511,788,000, respectively; and
 - (ii) The estimated number of units to be issued to the Trustee-Manager as partial consideration of the Trustee-Manager’s fees payable for the period from 1 October 2015 to 31 December 2015 and for the period from 1 October 2014 to 31 December 2014 of 2,200,000** and 1,600,000 (as reflected in the results announcement on 11 February 2015), respectively.
- ** As provided for in the trust deed dated 7 May 2012 constituting CRT, as amended (the “Trust Deed”), the price of the units issued shall be computed based on the volume weighted average price of a unit for the period of ten business days immediately preceding the relevant business day of the issue of such units.
- (b) The number of units issued and to be issued at the end of period and DPU for the period based on the number of units entitled to distribution have been restated to reflect the effect of 114,222,677 units issued pursuant to the Rights Issue on 2 November 2015.
- (c) CRT had entered into forward currency contracts to hedge the currency risk on distributions to the unitholders. The distribution per unit for the period from 1 July 2015 to 31 December 2015 is computed based on an average SGD/JPY exchange rate of 84.81. The average exchange rate takes into consideration the forward currency contracts rate and spot rate at the end of the period.

7 Group net asset value (“NAV”) per unit based on existing units in issue and to be issued

	Note	As at 31 Dec 2015	As at 30 Jun 2015
Number of units issued and to be issued at end of period entitled to distribution	(a)	637,446,666	519,193,989
NAV as at end of period (JPY'000)		48,466,743	43,586,162
Net asset value per unit (JPY)		76.03	83.95

Notes:

(a) The number of units used to compute net asset value per unit as at 31 December 2015 and 30 June 2015 is 637,446,666 and 519,193,989, respectively. This comprises:

- (i) The number of units in issue as at 31 December 2015 and 30 June 2015 of 635,246,666 and 517,513,989, respectively; and
- (ii) The estimated number of units to be issued to the Trustee-Manager as partial consideration of the Trustee-Manager’s fees payable for the period from 1 October 2015 to 31 December 2015 and for the period from 1 April 2015 to 30 June 2015 of 2,200,000** and 1,680,000 (as reflected in the results announcement on 26 August 2015), respectively.

** As provided for in the Trust Deed, the price of the units issued shall be computed based on the volume weighted average price of a unit for the period of ten business days immediately preceding the relevant business day of the issue of such units.

8 Review of performance

8 (a) Statement of net property income and distribution

2Q 2016 vs 2Q 2015

	2Q 2016	2Q 2015		Variance (%)
	1 Oct 2015 to 31 Dec 2015	1 Oct 2014 to 31 Dec 2014	As restated (a)	
Gross revenue (JPY'000)	2,433,621	1,952,061	1,952,061	24.7%
Net property income (JPY'000)	1,367,914	1,199,362	1,199,362	14.1%
Income available for distribution (JPY'000)	973,318	874,755	874,755	11.3%
Income available for distribution per unit (Singapore cent)	1.79	2.08	1.70	5.3%

Notes:

(a) The income available for distribution per unit has been restated to reflect the effect of 114,222,677 units issued pursuant to the Rights Issue on 2 November 2015.

8 Review of performance (Cont'd)

8 (a) Statement of net property income and distribution (Cont'd)

1H 2016 vs 1H 2015

	1H 2016	1H 2015		Variance (%)
	1 Jul 2015 to 31 Dec 2015	1 Jul 2014 to 31 Dec 2014	As restated ^(a)	
Gross revenue (JPY'000)	4,440,220	3,664,543	3,664,543	21.2%
Net property income (JPY'000)	2,600,688	2,312,820	2,312,820	12.4%
Income available for distribution (JPY'000)	1,891,855	1,665,750	1,665,750	13.6%
Income available for distribution per unit (Singapore cent)	3.50	4.16	3.40	2.9%

Notes:

(a) The income available for distribution per unit has been restated to reflect the effect of 114,222,677 units issued pursuant to the Rights Issue on 2 November 2015.

8 (b) Review of performance (Actual to Actual)

2Q 2016 actual compared to 2Q 2015 actual

Gross revenue for 2Q 2016 was JPY 2,434 million, 24.7% higher than 2Q 2015. This positive variance is due mainly to the acquisition of One's Mall on 16 October 2014 and Torius on 16 October 2015, as well as the tenants renewal exercise at Mallage Shobu. The tenants renewal exercise was completed in October 2015.

Net property income for 2Q 2016 was JPY 1,368 million, 14.1% higher than 2Q 2015 as a result of higher expense ratio in One's Mall and Torius.

Income available for distribution for 2Q 2016 is JPY 973 million, 11.3% higher than 2Q 2015. The lower variance is due to higher property tax add back for the acquisition in FY2014.

The total number of units for 2Q 2016 increased as compared to 2Q 2015. The increase in units is due to the 114,222,677 units issued pursuant to the Right Issue on 2 November 2015 and the units issued for the Trustee-Manager's fees paid in units. The average SGD/JPY foreign exchange rate of 2Q 2016 DPU computation is 84.81 and is higher than 2Q 2015.

Overall, the income available for distribution per unit for 2Q 2016 is 1.79 Singapore cents, 5.3% higher than 2Q 2015 (as restated to reflect the effect of the 114,222,677 units issued pursuant to the Rights Issue on 2 November 2015).

8 Review of performance

8 (b) Review of performance (Actual to Actual)

1H 2016 actual compared to 1H 2015 actual

Gross revenue for 1H 2016 was JPY 4,440 million, 21.2% higher than 1H 2015. This positive variance is due mainly to the acquisition of One's Mall on 16 October 2014 and Torius on 16 October 2015, and the tenants renewal exercise at Mallage Shobu. However, the increase is partially offset by the absence of a one-off income at Mallage Shobu recorded in 1H2015. The tenants renewal exercise at Mallage Shobu was completed in October 2015.

Net property income for 1H 2016 was JPY 2,601 million, 12.4% higher than 1H 2015 as a result of higher expense ratio in One's Mall and Torius.

Income available for distribution for 1H 2016 is JPY 1,892million, 13.6% higher than 1H 2015. The higher positive variance compared to the net property income is due mainly to decrease in income tax expense.

The total number of units for 1H 2016 increased as compared to 1H 2015. The increase in units is due to the 114,222,677 units issued pursuant to the Right Issue on 2 November 2015 and the units issued for the Trustee-Manager's fees paid in units. The average SGD/JPY foreign exchange rate of 1H 2016 DPU computation is 84.81 and is higher than 1H 2015.

Overall, the income available for distribution per unit for 1H 2016 is 3.50 Singapore cents, 2.9% higher than 1H 2015 (as restated to reflect the effect of the 114,222,677 units issued pursuant to the Rights Issue on 2 November 2015).

9 Variance between the forecast and actual results

CRT has not disclosed any forecast.

10 **Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

Japan's gross domestic product (GDP) rose an annualised 1.0% in the third quarter of 2015 and increased 0.3% on a quarter-on-quarter basis. The growth exceeded the market expectation, suggesting that the Japan economy was in better shape than forecasted. Capital expenditure, which was the key contributor to the GDP growth, was up 0.6 percent in the third quarter of 2015 as a result of increasing business investment. Private consumption also increase 0.4% on a quarter-on-quarter basis.

The Bank of Japan had, on 29 January 2016 introduced a negative interest rate on deposit with the central bank to encourage fund flowing through the economy. The policy caused the three-month JPY TIBOR to drop below 0.15%. This provides CRT opportunity to finance or refinance its borrowing at lower interest rate. Not to mention, MTN of CRT will be due in next 12 months. The decrease in interest rate is also expected to lead to further rise in real estate prices in Japan. The aggregate value of CRT's seven properties as at 30 June 2015 increased 7.9% as compared to prior valuation.

10 Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months (cont'd)

The competition for acquiring real estate assets in Japan has been keen in recent quarters. Notwithstanding the aforementioned, on 16 October 2015, CRT successfully completed the Acquisition of Torius. CRT is continuously looking into opportunities for further acquisition.

CRT had financed the acquisitions with five-year Japanese Yen debt maturing in 2018 to 2020 and Singapore Dollar 4.6% Fixed Rate Notes due 2017 (the "Notes") pursuant to its U.S.\$500,000,000 Euro Medium Term Note Programme as well as equity fund raising. In order to hedge its interest rate and foreign currency exposure, CRT has entered into interest rate swaps for each of the Japanese Yen debt and has entered into swap transaction to swap the Singapore dollar proceeds of the Notes into Japanese Yen at a JPY fixed interest rate of 3.83% per annum.

With a view of enhancing portfolio yield, the Trustee-Manager is concurrently exploring asset enhancement opportunities for the properties. It will be undertaking asset enhancement initiatives for One's Mall and Torius, two of CRT latest acquisitions, to enhance their attractiveness to both consumers and tenants.

CRT receives its distributable income in Japanese Yen but pays out distributions in Singapore Dollars to its unitholders semi-annually. To minimize the exposure to fluctuations in exchange rates, CRT has hedged close to 100% of the distributions up to June 2017.

Barring any unforeseen circumstances, CRT's properties are expected to continue generating robust and stable cash flows in the next reporting period and in the next 12 months.

11 Distributions

(a) Current financial period

Any distribution declared for the current financial period?	3.50 cents for the period from 1 July 2015 to 31 December 2015.
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(b) Corresponding period of the immediately preceding year

Any distributions declared for the corresponding period of the immediate preceding financial period?	2.50 cents for the period from 11 September 2014 to 31 December 2014.
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1.66 cents advance distribution for the period from 1 July 2014 to 10 September 2014 was paid on 26 September 2014.

(c) Date Payable

30 March 2016

(d) Books closure date

19 February 2016

12 If no distribution has been declared (recommended), a statement to that effect

Refer to paragraph 11.

13 If the Group has obtained a general mandate from unitholders for IPT, the aggregate value of such transactions are required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

CRT has not obtained a general mandate from unitholders for IPTs other than the fees and charges payable by CRT under the Trust Deed, which are 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, as disclosed in the Prospectus.

14 Negative confirmation pursuant to Rule 705 (5)

Pursuant to Listing Rule 705(5) of the Listing Manual, the Board of Directors of Trustee-Manager confirms that, to the best of the knowledge of the directors, nothing has come to their attention which may render these financial results for the period from 1 July 2015 to 31 December 2015 to be false or misleading in any material respect.

15 Confirmation that the issuer has procured undertakings from all of its directors and executive officers (in the format set out in appendix 7.7) under rule 720(1)

The Company confirms that it has procured undertakings from all of its directors and executive officers in the format set out in Appendix 7.7 of the Listing Manual.

16 Use of proceeds

(i) Use of IPO proceeds raised on Listing Date

The Trustee-Manager had on 2 November 2015 made an announcement in respect of the IPO proceeds, which have been fully utilised and disbursed.

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

A summary of the utilisation of proceeds from the placement has been reported on Page 58 of the Annual Report 2015.

As at 30 September 2015, JPY 373,414,000 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 requirement of the SGX-ST, as and when required.

16 Use of proceeds (Cont'd)

(iii) Use of Rights Issue proceeds raised on 3 November 2015

The Trustee-Manager had on 3 November 2015 made an announcement in respect of the use of proceeds from the Rights Issue.

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.

On behalf of the Board

Croesus Retail Asset Management Pte. Ltd.
(as trustee-manager of Croesus Retail Trust)

Lim Teck Leong, David
Chairman

Chang Cheng-Wen, Jim
Chief Executive Officer and Executive Director

11 February 2016

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

This release may include market and industry data and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such information. While the Trustee-Manager has taken reasonable steps to ensure that the information is extracted accurately and in its proper context, the Trustee-Manager has not independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein.