



(a business trust constituted on 7 May 2012 under the laws of the Republic of Singapore)  
Managed by Croesus Retail Asset Management Pte. Ltd. (Registration Number 201205175K)

*Unless otherwise indicated in this announcement, all conversions from Japanese Yen amounts into Singapore Dollar amounts in this announcement are based on an exchange rate of JPY82.00 : S\$1.00.*

## COMPLETION OF ACQUISITION OF FUJI GRAND NATALIE

### 1. Completion of Acquisition

Further to the announcement dated 7 April 2016 (the “**Announcement**”) in relation to the proposed acquisition by Croesus Retail Trust (“**CRT**”), through Orange TMK, of the trust beneficiary interest (“**TBI**”) in respect of Fuji Grand Natalie, a completed retail property located in Hatsukaichi City, Hiroshima Prefecture, Japan (the “**Fuji Grand Natalie**”, and the acquisition of TBI in Fuji Grand Natalie, the “**Acquisition**”), Croesus Retail Asset Management Pte. Ltd., in its capacity as trustee-manager of CRT (the “**Trustee-Manager**”), is pleased to announce that the Acquisition was completed today, after the satisfaction of all the conditions precedent under the purchase and sale agreement entered into on 7 April 2016 in respect of Fuji Grand Natalie.

In connection with the Acquisition completed today:

- (i) the asset management agreement in respect of Fuji Grand Natalie which was entered into on 8 April 2016 with CMI Realty Management Co., Ltd. (the “**Fuji Grand Natalie Asset Manager**”) as asset manager (the “**Asset Management Agreement**”) will continue to take effect; and
- (ii) the previous property management agreement in respect of Fuji Grand Natalie with XYMAX ALPHA Corporation was terminated on 17 April 2016, and has been replaced with the new property management agreement (the “**Property Management Agreement**”) entered into on 18 April 2016 between XYMAX Kyushu Corporation (the “**Property Manager**”), the trustee of the TBI in Fuji Grand Natalie (the “**Property Trustee**”) and Orange TMK.

The Acquisition has been fully financed through equity financing in the form of part of the net proceeds from the Private Placement (as defined in the Announcement).

### 2. Asset Management Agreement in respect of Fuji Grand Natalie

The term of the Asset Management Agreement for Fuji Grand Natalie commences from 8 April 2016 and expires on 30 April 2018 and shall be automatically renewed for one more additional

two-year term unless Orange TMK or the Fuji Grand Natalie Asset Manager gives a written notice of nonrenewal to the counterparty not less than 90 days prior to the termination date.

Pursuant to the Asset Management Agreement, the Fuji Grand Natalie Asset Manager is entitled to an asset servicing and administration fee, an acquisition fee and a disposition fee as set out below:

- (a) 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 TBI x 0.00075 (0.075%), where “Market Price of the TBI” means the aggregate of the appraisal value obtained immediately before the commencement of the relevant fiscal year with respect to each TBI held by Orange TMK, provided, that, in the case where any of the TBIs or Fuji Grand Natalie is sold during the relevant period, (i) with respect to the Property Operation Management Fee for the month of such sale, the portion of the Property Operation Management Fee corresponding to the sold TBI or Fuji Grand Natalie, in the amount obtained by the above formula and divided by twelve (12), shall be prorated based upon the actual number of days Orange TMK held such TBI or Fuji Grand Natalie and (ii) with respect to the Property Operation Management Fee for the months after the sale, the appraisal value of the sold TBI or Fuji Grand Natalie shall not be included in the “Market Price of the TBI”; and
  - (ii) **Incentive Fee:** Net Property Income<sup>1</sup> of all of the TBIs x 0.0045 (0.45%);
- (b) an acquisition fee calculated as the purchase price of a new trust beneficial interest or property (excluding consumption tax thereon) x 0.0028 (0.28%), payable by Orange TMK within 30 days of the invoice date and which shall not be refunded in any event; and
- (c) a disposition fee calculated as the sales price of the TBI (excluding consumption tax thereon) x 0.0014 (0.14%), payable by Orange TMK within 30 days of the invoice date and which shall not be refunded in any event.

Other than as set out above, there are no other fees payable to the Fuji Grand Natalie Asset Manager under the Asset Management Agreement. The Trustee-Manager’s fees will also be reduced by an amount equivalent to the fees payable to the Fuji Grand Natalie Asset Manager under the Asset Management Agreement.

#### **Interested Person Transactions under Chapter 9 of the Listing Manual**

As the Fuji Grand Natalie Asset Manager is a wholly-owned subsidiary of Croesus Merchants International Pte. Ltd. (the “**Sponsor**”) which is a controlling shareholder of the Trustee-Manager, the Fuji Grand Natalie Asset Manager is an “interested person” of CRT for purposes of Chapter

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<sup>1</sup> “**Net Property Income**” means the amount (per annum) of gross income of any real property, less the property management expenses, building management expenses, repair expenses, utilities expenses, taxes and public charges, insurance premiums, sales promotion expenses and other expenses related to such real property.

9 of the Listing Manual of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

As such, the entry into the Asset Management Agreement is an “interested person transaction” under Chapter 9 of the Listing Manual of the SGX-ST. However, the aggregate value of the “interested person transaction” falls under 3.0% of CRT’s last audited net tangible assets (aggregated with other interested person transactions with the Sponsor and its subsidiaries for the financial year ending 30 June 2016).

The Audit and Risk Committee of the Trustee-Manager has reviewed the Asset Management Agreement and is satisfied that the Asset Management Agreement is on normal commercial terms and that the entry into the Asset Management Agreement is not prejudicial to the interests of CRT and its minority unitholders.

### **3. Property Management Agreement in respect of Fuji Grand Natalie**

The term of the Property Management Agreement for Fuji Grand Natalie commences on 18 April 2016 and expires on 17 April 2017 and shall be automatically renewed for a further term of one year for each subsequent expiry on the same terms and conditions unless one of the parties to the Property Management Agreement expresses its intention not to renew the term in writing not less than one month prior to expiry. Under the Property Management Agreement, there is a base fee of JPY360,000 (excluding tax) payable monthly to the Property Manager.

### **4. Use of Proceeds from the Private Placement**

Further to the announcement dated 23 March 2016 in relation to the private placement of 70,000,000 new units in CRT (the “**Private Placement Announcement**”), the board of directors of the Trustee-Manager wishes to announce that out of the gross proceeds of S\$52.5 that has been raised from the Private Placement, approximately S\$44.3 million raised from the Private Placement (which is equivalent to 84.4% of the gross proceeds of the Private Placement) have been utilised for the financing of the Acquisition, comprising:

- (i) the Purchase Consideration of JPY3,300.0 million (approximately S\$40.2 million);
- (ii) Japan consumption tax of approximately JPY155.3 million (approximately S\$1.9 million) which will be refunded to CRT within 12 months from the date of completion of the Acquisition;
- (iii) the acquisition fee payable to the Trustee-Manager, being 1.0% of the Purchase Consideration, which amounts to approximately JPY33.0 million (approximately S\$0.4 million); and
- (iv) the estimated professional and other transaction fees and expenses incurred or to be incurred in connection with the Acquisition (including due diligence costs, brokerage fee and costs to be incurred in relation to the valuation report) of approximately JPY143.2 million (approximately S\$1.8 million).

In addition, S\$1.6 million has been used to pay the professional fees and expenses and other fees and expenses incurred by CRT in connection with the Private Placement.

Such use is in accordance with the intended use and is in accordance with the allocated percentage of the net proceeds of the Private Placement as stated in the Announcement.

The Trustee-Manager will make further announcements on the utilisation of the remaining proceeds from the Private Placement as and when such funds are materially utilised.

## **5. Adoption and Implementation of an Optimal Financing Plan**

Notwithstanding the foregoing, the Trustee-Manager wishes to announce that the Trustee-Manager is also in the process of concurrently adopting and implementing an optimal financing plan for CRT for purposes of funding any further potential acquisitions of income-producing retail assets located in Japan, or other asset enhancement initiatives (“**AEI**”) of existing and/or to be acquired assets, or for general corporate and working capital purposes. In connection with such plans, the Trustee-Manager has issued S\$60,000,000 in principal amount of 5.0% fixed rate notes due 2020 (the “**Notes**”)<sup>1</sup> under its U.S.\$500,000,000 Euro Medium Term Note Programme established on 3 January 2014, and is currently in the process of securing debt financing in the form of a Japanese local bank loan and/or an issuance of new Japanese onshore 5- year specified bonds which when drawn down, would be applied towards such purposes.

By Order of the Board

Kim Yi Hwa

Company Secretary

**Croesus Retail Asset Management Pte. Ltd.**

(Registration No. 201205175K)

(as trustee-manager of Croesus Retail Trust)

18 April 2016

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<sup>1</sup> Please refer to the announcement dated 13 April 2016 on the Notes.

**Important Notice**

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The value of the Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, the Trustee-Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Trustee-Manager to redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of CRT is not necessarily indicative of the future performance of CRT.