



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 March 2016, CRT’s portfolio comprises 8 quality retail properties (the “Properties”) located across Japan with an aggregate net lettable area (“NLA”) of approximately 328,020.4 sqm and the occupancy rates as at 31 March 2016 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	9,285.2	95.2%
Mallage Shobu	Japan / Saitama	67,985.0	97.5%
One’s Mall	Japan / Chiba	52,848.6	99.2%
Torius	Japan / Fukuoka	76,870.9	95.4%

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 3Q 2016 vs 3Q 2015 and 3Q YTD 2016 vs 3Q YTD 2015

	3Q 2016	3Q 2015	Variance	3QYTD 2016	3QYTD 2015	Variance	
	Note	1 Jan 2016 to 31 Mar 2016 (JPY'000)	1 Jan 2015 to 31 Mar 2015 (JPY'000)	Increase/ (Decrease) (%)	1 Jul 2015 to 31 Mar 2016 (JPY'000)	1 Jul 2014 to 31 Mar 2015 (JPY'000)	Increase/ (Decrease) (%)
Gross Revenue		2,465,596	1,982,267	24.4%	6,905,816	5,646,810	22.3%
Gross rental income		1,998,345	1,683,253	18.7%	5,678,074	4,746,440	19.6%
Utilities income		252,815	213,638	18.3%	753,089	625,963	20.3%
Other income		214,436	85,376	151.2%	474,653	274,407	73.0%
Property Operating Expenses		(1,056,976)	(819,578)	29.0%	(2,896,508)	(2,171,301)	33.4%
Property management expenses		(230,517)	(109,609)	110.3%	(572,832)	(285,879)	100.4%
Building management expenses		(179,278)	(155,969)	14.9%	(503,742)	(400,124)	25.9%
Repair expenses		(41,142)	(87,847)	(53.2%)	(79,722)	(108,422)	(26.5%)
Utilities expenses		(265,134)	(236,803)	12.0%	(818,880)	(717,741)	14.1%
Property tax expenses		(141,174)	(108,736)	29.8%	(366,948)	(300,456)	22.1%
Insurance expenses		(4,645)	(4,139)	12.2%	(12,035)	(11,806)	1.9%
Sales and promotion expenses		(69,326)	(67,727)	2.4%	(256,280)	(203,006)	26.2%
Other expenses		(125,760)	(48,748)	158.0%	(286,069)	(143,867)	98.8%
Net Property Income		1,408,620	1,162,689	21.2%	4,009,308	3,475,509	15.4%
Finance income		4,238	1,351	213.7%	7,892	2,724	189.7%
Finance costs		(268,272)	(253,491)	5.8%	(797,743)	(744,115)	7.2%
Other administrative expenses		(23,911)	(20,236)	18.2%	(68,761)	(49,480)	39.0%
Trustee-Manager's fees		(154,673)	(137,852)	12.2%	(451,200)	(414,294)	8.9%
Japan Asset Manager's fees		(24,151)	(20,316)	18.9%	(70,323)	(58,940)	19.3%
Other trust expenses		(25,333)	(36,409)	(30.4%)	(93,561)	(111,086)	(15.8%)
Foreign exchange (losses)/gains		(26,882)	72,840	(136.9%)	(48,641)	91,942	(152.9%)
Profit before changes in fair value		889,636	768,576	15.8%	2,486,971	2,192,260	13.4%
Fair value gains on investment properties		-	-	-	52,718	307,334	(82.8%)
Fair value gains/ (losses) on derivative financial instruments	(a)	29,227	(258,734)	(111.3%)	(418,637)	135,915	(408.0%)
Profit before tax		918,863	509,842	80.2%	2,121,052	2,635,509	(19.5%)
Income tax expenses							
Current tax		(103,365)	(106,809)	(3.2%)	(264,688)	(283,776)	(6.7%)
Deferred tax		(83,691)	(103,628)	(19.2%)	(344,207)	(445,535)	(22.7%)
Profit after tax		731,807	299,405	144.4%	1,512,157	1,906,198	(20.7%)
Other comprehensive income							
<i>Items that may be reclassified subsequently to profit or loss</i>							
Net (losses)/ gains on fair value changes on cash flow hedge	(b)	(197,332)	21,777	(1006.1%)	(334,825)	15,157	(2309.0%)
Total other comprehensive income		(197,332)	21,777	(1006.1%)	(334,825)	15,157	(2309.0%)
Total comprehensive income for the period		534,475	321,182	66.4%	1,177,332	1,921,355	(38.7%)

1 (a) Consolidated statement of comprehensive income and distribution statement for 3Q 2016 vs 3Q 2015 and 3Q YTD 2016 vs 3Q YTD 2015 (Cont'd)

Consolidated distribution statement

Note	3Q 2016	3Q 2015	Variance	3QYTD 2016	3QYTD 2015	Variance
	1 Jan 2016 to 31 Mar 2016 (JPY'000)	1 Jan 2015 to 31 Mar 2015 (JPY'000)	Increase/ (Decrease) (%)	1 Jul 2015 to 31 Mar 2016 (JPY'000)	1 Jul 2014 to 31 Mar 2015 (JPY'000)	Increase/ (Decrease) (%)
<u>Reconciliation of profit after tax to income available for distribution</u>						
Profit after tax	731,807	299,405	144.4%	1,512,157	1,906,198	(20.7%)
<u>Adjustment for:</u>						
Trustee-Manager's fees paid/payable in Units	141,640	130,608	8.4%	408,005	387,380	5.3%
Amortisation of upfront costs	76,190	72,528	5.0%	228,095	210,037	8.6%
Amortisation of prepaid property tax	-	-	-	-	54,506	(100.0%)
Fair value gains on investment properties, net of tax	(c) -	-	-	(41,844)	(243,944)	(82.8%)
Fair value (gains)/losses on derivative financial instruments	(a) (29,227)	258,734	(111.3%)	418,637	(135,915)	(408.0%)
Deferred tax expense	83,691	103,628	(19.2%)	333,334	382,144	(12.8%)
Others	16,519	(49,174)	(133.6%)	54,091	(78,927)	(168.5%)
Income available for distribution	1,020,620	815,729	25.1%	2,912,475	2,481,479	17.4%

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 Mar 2016		30 Jun 2015	
		CRT (JPY'000)	CRT Group (JPY'000)	CRT (JPY'000)	CRT Group (JPY'000)
Non-current assets					
Investment properties	(a)	-	96,337,890	-	87,930,000
Investment in subsidiaries		33,279,886	-	29,837,901	-
Loan to subsidiaries		8,018,446	-	8,536,696	-
Other receivables	(c)	-	348,286	-	97,242
Derivative financial instrument	(b)	162,004	162,004	885,548	885,548
Prepayments		-	552,404	-	300,279
Restricted cash		-	4,656,053	-	3,767,811
Deferred tax assets		-	10,305	-	11,990
		41,460,336	102,066,942	39,260,145	92,992,870
Current assets					
Cash and short-term deposits		1,467,207	1,770,551	1,115,077	2,941,662
Trade and other receivables	(c)	143,715	1,454,439	278,495	491,358
Derivative financial instruments	(b)	113,950	113,950	353,744	353,744
Prepayments		-	517,898	-	321,059
Restricted cash		-	3,929,077	-	3,300,260
		1,724,872	7,785,915	1,747,316	7,408,083
Total assets		43,185,208	109,852,857	41,007,461	100,400,953
Current liabilities					
Loans and borrowings		8,349,765	8,904,950	-	646,873
Trade and other payables		18,319	1,508,822	37,026	1,219,328
Derivative financial instruments	(b)	232,363	232,363	-	298
Income tax payable		43,106	326,007	65,841	255,408
Other liabilities		55,322	702,818	40,023	658,761
		8,698,875	11,674,960	142,890	2,780,668
Non-current liabilities					
Loans and borrowings	(a)	-	41,822,094	9,137,533	46,840,340
Trade and other payables	(c)	-	4,050,894	-	3,250,321
Derivative financial instruments	(b)	25,107	672,990	-	363,732
Other liabilities		130,310	638,583	128,546	580,868
Deferred tax liabilities		-	3,341,384	-	2,998,862
		155,417	50,525,945	9,266,079	54,034,123
Total liabilities		8,854,292	62,200,905	9,408,969	56,814,791
Net assets attributable to unitholders					
		34,330,916	47,651,952	31,598,492	43,586,162
Equity attributable to unitholders					
Units in issue	(a)	42,976,376	42,960,869	36,502,257	36,486,750
Accumulated (losses)/profits		(8,597,337)	5,387,089	(4,906,613)	7,460,593
Fair value adjustment reserve		(48,123)	(696,006)	2,848	(361,181)
		34,330,916	47,651,952	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 Mar 2016 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	555,185	-
Medium Term Note	(c)	2017	8,349,765	-
			8,904,950	646,873
Amount payable after one year				
Specified loans	(a)	2018-2019	29,067,253	28,933,726
Specified bonds	(b)	2018-2020	12,754,841	8,769,081
Medium Term Note	(c)	2017	-	9,137,533
			41,822,094	46,840,340
Total loans and borrowings			50,727,044	47,487,213

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 3Q 2016 vs 3Q 2015 and 3Q YTD 2016 vs 3Q YTD 2015

	Note	3Q 2016	3Q 2015	3QYTD 2016	3QYTD 2015
		1 Jan 2016 to 31 Mar 2016 (JPY'000)	1 Jan 2015 to 31 Mar 2015 (JPY'000)	1 Jul 2015 to 31 Mar 2016 (JPY'000)	1 Jul 2014 to 31 Mar 2015 (JPY'000)
Operating activities					
Profit before tax		918,863	509,842	2,121,052	2,635,509
Adjustment for:					
Changes in fair value of investment properties	(a)	-	-	(52,718)	(307,334)
Changes in fair value of derivative financial instruments		(29,227)	258,734	418,637	(135,915)
Finance income		(4,238)	(1,351)	(7,892)	(2,724)
Finance costs		268,272	253,491	797,743	744,115
Trustee-Manager's fees paid in units		142,331	133,678	264,946	260,844
Trustee-Manager's fees payable in units		(692)	(3,072)	143,059	126,535
Amortisation of property tax		-	-	-	54,506
Unrealised foreign exchange losses		13,879	(40,095)	38,391	(43,287)
		1,309,188	1,111,227	3,723,218	3,332,249
Changes in working capital					
Restricted cash		(345,443)	694,854	(1,517,059)	(2,476,699)
Prepayments		(687,867)	(515,238)	(448,964)	(553,615)
Trade and other receivables		526,084	(32,938)	(1,007,418)	(364,645)
Trade and other payables		385,921	552,759	1,032,685	2,333,672
Other liabilities		(9,901)	(32,973)	42,943	184,675
		1,177,982	1,777,691	1,825,405	2,455,637
Finance income received		4,238	1,351	7,892	2,724
Finance costs paid		(257,829)	(250,084)	(530,656)	(527,794)
Income taxes paid		(194,599)	(175,672)	(400,797)	(337,886)
Net cash flows generated from operating activities		729,792	1,353,286	901,844	1,592,681
Investing activity					
Acquisition of investment properties	(a)	-	-	(8,247,282)	(11,298,156)
Subsequent expenditure on investment properties		(19,709)	(338,408)	(107,890)	(354,419)
Net cash flows used in investing activities		(19,709)	(338,408)	(8,355,172)	(11,652,575)
Financing activities					
Proceeds from issuance of units	(b)	477,666	211,628	6,323,247	6,297,540
Payment of issue costs		(9,766)	(10,143)	(257,134)	(189,265)
Distribution to unitholders		(1,958,806)	(1,116,619)	(3,585,661)	(3,100,682)
Proceeds from loans and borrowings	(c)	-	-	4,560,000	6,150,000
Payment of upfront costs of loans and borrowings		-	-	(69,844)	(155,509)
Repayment of loans and borrowings		-	(360,000)	(650,000)	(360,000)
Net cash flow (used in)/ generated from financing activities		(1,490,906)	(1,275,134)	6,320,608	8,642,084
Net decrease in cash and cash equivalents		(780,823)	(260,256)	(1,132,720)	(1,417,810)
Cash and cash equivalents at beginning of the financial period		2,565,312	1,600,059	2,941,662	2,754,421
Effect of exchange rate change on cash and cash equivalents		(13,938)	40,095	(38,391)	43,287
Cash and cash equivalents at end of the financial period		1,770,551	1,379,898	1,770,551	1,379,898

1 (c) Consolidated cash flow statements for 3Q 2016 vs 3Q 2015 and 3Q YTD 2016 vs 3Q YTD 2015 (Cont'd)

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 3Q YTD 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. On 31 March 2015, CRT issued 2,625,989 units at S\$0.926 pursuant to CRT's distribution reinvestment plan ("DRP") in respect of the distribution for the period from 11 September 2014 to 31 December 2014 of \$0.025 per unit in CRT.

In 3Q YTD 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. On 31 March 2016, CRT issued 7,338,952 units at S\$0.7675 pursuant to CRT's distribution reinvestment plan ("DRP") in respect of the distribution for the period from 1 July 2015 to 31 December 2015 of \$0.035 per unit in CRT.

- (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	
		3Q 2016 (JPY'000)	3Q YTD 2016 (JPY'000)	3Q 2016 (JPY'000)	3Q YTD 2016 (JPY'000)
Units in issue					
Balance at beginning of the period		42,366,836	36,502,257	42,351,329	36,486,750
- Issue of new units		619,997	6,717,254	619,997	6,717,254
- Management fees payable in units	(a)	(691)	13,999	(691)	13,999
- Issue costs		(9,766)	(257,134)	(9,766)	(257,134)
Balance at end of the period		42,976,376	42,976,376	42,960,869	42,960,869
Accumulated (losses)/profit					
Balance at beginning of the period		(6,983,661)	(4,906,613)	6,614,088	7,460,593
- Net profit/ (loss) for the period		345,130	(105,063)	731,807	1,512,157
- Distribution to unitholders		(1,958,806)	(3,585,661)	(1,958,806)	(3,585,661)
Balance at end of the period		(8,597,337)	(8,597,337)	5,387,089	5,387,089
Fair value adjustment reserve					
Balance at beginning of the period		(72,232)	2,848	(498,674)	(361,181)
- Net gains/ (losses) on fair value changes on cash flow hedge		24,109	(50,971)	(197,332)	(334,825)
Balance at end of the period		(48,123)	(48,123)	(696,006)	(696,006)
Equity attributable to unitholders		34,330,916	34,330,916	47,651,952	47,651,952

	Note	CRT		CRT Group	
		3Q 2015 (JPY'000)	3Q YTD 2015 (JPY'000)	3Q 2015 (JPY'000)	3QYTD 2015 (JPY'000)
Units in issue					
Balance at beginning of the period		36,040,378	29,876,815	36,024,871	29,861,308
- Issue of new units		345,306	6,676,790	345,306	6,676,790
- Management fees payable in units	(a)	(3,072)	8,129	(3,072)	8,129
- Issue costs		(10,143)	(189,265)	(10,143)	(189,265)
Balance at end of the period		36,372,469	36,372,469	36,356,962	36,356,962
Accumulated (losses)/profit					
Balance at beginning of the period		(4,042,560)	(2,386,145)	2,604,913	2,982,183
- Net profit for the period		153,890	481,538	299,405	1,906,198
- Distribution to unitholders		(1,116,619)	(3,100,682)	(1,116,619)	(3,100,682)
Balance at end of the period		(5,005,289)	(5,005,289)	1,787,699	1,787,699
Fair value adjustment reserve					
Balance at beginning of the period		(12,809)	(1,904)	(456,577)	(449,957)
- Net (losses)/ gains on fair value changes on cash flow hedge		(57,683)	(68,588)	21,777	15,157
Balance at end of the period		(70,492)	(70,492)	(434,800)	(434,800)
Equity attributable to unitholders		31,296,688	31,296,688	37,709,861	37,709,861

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 March 2016 and 31 March 2015. The Trustee-Manager has opted to receive approximately 80% of the fees in units.

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

	3Q 2016	3QYTD 2016	2015
Note	1 Jan 2016 to 31 Mar 2016	1 Jul 2015 to 31 Mar 2016	1 Jul 2014 to 30 Jun 2015
Balance at beginning of the period	635,246,666	517,513,989	429,988,000
- Trustee-Manager's fees paid in units	2,200,000	5,710,000	6,000,000
- Private placement	-	-	78,900,000
- Distribution reinvestment plan	7,338,952	7,338,952	2,625,989
- Right Issue	-	114,222,677	-
Issued units at the end of the period	644,785,618	644,785,618	517,513,989
Units to be issued			
- Trustee-Manager's fees payable in units	(a) 2,180,000	2,180,000	1,680,000
Balance at end of the period	646,965,618	646,965,618	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 March 2016 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 3Q 2016 vs 3Q 2015 and 3Q YTD 2016 vs 3Q YTD 2015

Group earnings per unit

	Note	3Q 2016	3Q 2015	
		1 Jan 2016 to 31 Mar 2016	1 Jan 2015 to 31 Mar 2015	As restated (b)
Weighted average number of units	(a)	636,415,226	512,652,733	626,846,233
Earnings for the period (JPY'000)		731,807	299,405	299,405
EPU for the period based on the weighted average number of units in issue (JPY)		1.15	0.58	0.48

	Note	3Q YTD 2016	3Q YTD 2015	
		1 Jul 2015 to 31 Mar 2016	1 Jul 2014 to 31 Mar 2015	As restated (b)
Weighted average number of units	(a)	581,994,308	489,976,963	551,664,300
Earnings for the period (JPY'000)		1,512,157	1,906,198	1,906,198
EPU for the period based on the weighted average number of units in issue (JPY)		2.60	3.89	3.46

Notes:

- (a) The weighted average number of units is weighted for 3Q 2016, 3Q 2015, 3Q YTD 2016 and 3Q YTD 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 3Q 2016 vs 3Q 2015 and 3Q YTD 2016 vs 3Q YTD 2015 (Cont’d)

Group distribution per unit

	3Q 2016		3Q 2015	
	Note	1 Jan 2016 to 31 Mar 2016	1 Jan 2015 to 31 Mar 2015	As restated (b)
Number of units issued and to be issued at end of period entitled to distribution	(a)	646,965,618	517,513,989	631,736,666
Income available for distribution for the period (JPY'000)		1,020,620	815,729	815,729
DPU for the period based on the number of units entitled to distribution (Singapore cent)	(c)	1.86	1.90	1.56

	3Q YTD 2016		3Q YTD 2015	
	Note	1 Jul 2015 to 31 Mar 2016	1 Jul 2014 to 31 Mar 2015	As restated (b)
Number of units issued and to be issued at end of period entitled to distribution	(a)	646,965,618	517,513,989	631,736,666
Income available for distribution for the period (JPY'000)		2,912,475	2,481,479	2,481,479
DPU for the period based on the number of units entitled to distribution (Singapore cent)	(c)	5.36	6.06	4.96

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 March 2016 and 31 March 2015 of 644,785,618 and 516,013,989, 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 January 2016 to 31 March 2016 and for the period from 1 January 2015 to 31 March 2015 of 2,180,000** and 1,500,000 (as reflected in the results announcement on 14 May 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 March 2016 is computed based on an average SGD/JPY exchange rate of 85.01. 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 Mar 2016	As at 30 Jun 2015
Number of units issued and to be issued at end of period entitled to distribution	(a)	646,965,618	519,193,989
NAV as at end of period (JPY"000)		47,651,952	43,586,162
Net asset value per unit (JPY)		73.65	83.95

Notes:

(a) The number of units used to compute net asset value per unit as at 31 March 2016 and 30 June 2015 is 646,965,618 and 519,193,989, respectively. This comprises:

(i) The number of units in issue as at 31 March 2016 and 30 June 2015 of 644,785,618 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 January 2016 to 31 March 2016 and for the period from 1 April 2015 to 30 June 2015 of 2,180,000** 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

3Q 2016 vs 3Q 2015

	3Q 2016	3Q 2015		Variance (%)
	1 Jan 2016 to 31 Mar 2016	1 Jan 2015 to 31 Mar 2015	As restated (a)	
Gross revenue (JPY"000)	2,465,596	1,982,267	1,982,267	24.4%
Net property income (JPY"000)	1,408,620	1,162,689	1,162,689	21.2%
Income available for distribution (JPY"000)	1,020,620	815,729	815,729	25.1%
Income available for distribution per unit (Singapore cent)	1.86	1.90	1.56	19.2%

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)

3Q YTD 2016 vs 3Q YTD 2015

	3Q YTD 2016	3Q YTD 2015		Variance (%)
	1 Jul 2015 to 31 Mar 2016	1 Jul 2014 to 31 Mar 2015	As restated (a)	
Gross revenue (JPY"000)	6,905,816	5,646,810	5,646,810	22.3%
Net property income (JPY"000)	4,009,308	3,475,509	3,475,509	15.4%
Income available for distribution (JPY"000)	2,912,475	2,481,479	2,481,479	17.4%
Income available for distribution per unit (Singapore cent)	5.36	6.06	4.96	8.1%

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)

3Q 2016 actual compared to 3Q 2015 actual

Gross revenue for 3Q 2016 was JPY 2,466 million, 24.4% higher than 3Q 2015. This positive variance is due mainly to the acquisition of 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 3Q 2016 was JPY 1,409 million, 21.2% higher than 3Q 2015 due to the addition of property and the tenants renewal exercise stated above.

Income available for distribution for 3Q 2016 is JPY 1,021 million, 25.1% higher than 3Q 2015. The higher positive variance compared to the net property income is due mainly to lower finance cost incurred on Japanese local bank debt issued in October 2015.

The total number of units for 3Q 2016 increased as compared to 3Q 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 3Q 2016 DPU computation is 85.01.

Overall, the income available for distribution per unit for 3Q 2016 is 1.86 Singapore cents, 19.2% higher than 3Q 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 (Cont'd)**

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

3Q YTD 2016 actual compared to 3Q YTD 2015 actual

Gross revenue for 3Q YTD 2016 was JPY 6,906 million, 22.3% higher than 3Q YTD 2015. This positive variance is due mainly to acquisition of Torius on 16 October 2015 and the tenants renewal exercise at Mallage Shobu. One's Mall has 9 months contribution in 3Q YTD 2016 while it had only 5.5 months contribution in 3Q YTD 2015. However, the increase is partially offset by the absence of a one-off income at Mallage Shobu recorded in 3Q YTD 2015. The tenants renewal exercise at Mallage Shobu was completed in October 2015.

Net property income for 3Q YTD 2016 was JPY 4,009 million, 15.4% higher than 3Q YTD 2015 due to the addition of properties and the tenants renewal exercise stated above.

Income available for distribution for 3Q YTD 2016 is JPY 2,912million, 17.4% higher than 3Q YTD 2015. The higher positive variance compared to the net property income is due mainly to lower finance cost incurred on Japanese local bank debt issued in October 2015.

The total number of units for 3Q YTD 2016 increased as compared to 3Q YTD 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 3Q YTD 2016 DPU computation is 85.01.

Overall, the income available for distribution per unit for 3Q YTD 2016 is 5.36 Singapore cents, 8.1% higher than 3Q YTD 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") contracted on annualised basis of 1.1%, slightly lower than its preliminary estimates of 1.4% in the fourth quarter of 2015. Due to economic slowdown in China and the emerging markets, Japan is expecting a slower economic recovery. The capital expenditure, the main contributor to the GDP growth for fourth quarter grew 1.4 percent. Due to the lack of results from its recent policies, the Bank of Japan ("BOJ") is under pressure to improve spending and economic analysts are speculating on additional injection of monetary easing stimuli into the economy. Although, the recent data indicated a slowdown in consumption, nevertheless the government is firm on their view that Japan's economic fundamentals remained in good shape.

Since the BOJ launched the negative interest rates policy, the three-month JPY TIBOR has continued to drop and is now below 0.07%. This provides CRT opportunity to finance or refinance its borrowing at an even more favourable interest rate.

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)

On 13 April 2016, CRT issued S\$60 million in principal amount of 5.0% Fixed Rate Notes due 2020 (the “Notes”) under the U.S.\$500,000,000 Euro Medium Term Note Programme (the “EMTN Programme”) established by the Issuer on 3 January 2014. To achieve a fixed interest rate of 2.65% per annum, CRT entered into swap transactions to swap the Singapore dollar proceeds of the Notes into Yen at the forward exchange rate of JPY 82.50 to SGD 1.

Apart from this, CRT has also successfully completed a private placement of \$52.5 million in March 2016. As part of its capital management strategy to achieve an optimal financing plan, the Trustee-manager is also planning to issue a specified bonds of JPY 4.7 billion from a local Japanese bank at an effective interest rate of 0.6%

Amidst the increasingly challenging market conditions, CRT successfully completed its acquisition of Fuji Grand Natalie on 18 April 2016 and an earlier acquisition of Torius on 16 October 2015. The contributions from Fuji Grand Natalie will only realised from 4Q FY2016 onwards.

CRT is working on refinancing its S\$100 million 4.6% Fixed Rate Notes under the EMTN Programme that is due in January 2017. Considering the low interest rate environment and recent favourable swap rates, refinancing cost for the Notes is expected to be better than its previous fixed interest rate of 3.83%.

The Trustee-manager has started to work on its plans to enhance some of its properties, namely Torius. After reviewing an initial property report that was arranged and conducted on Torius, the Trustee-manager is now in the process of scheduling the course of actions required to enhance the property.

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 expected distributable income up to June 2018.

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?	No
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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?	Not applicable
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(c) Date Payable

Not applicable

(d) Books closure date

Not applicable

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 form 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 March 2016 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 31 March 2016, 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.

(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.

16 Use of proceeds (Cont'd)

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

The Trustee-Manager had on 18 April 2016 made an announcement in respect of the use of proceeds from the Private Placement.

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.

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

13 May 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.