



**Rights Issue and
Acquisition of Torius Property
in Fukuoka Prefecture, Japan**

28 September 2015

Disclaimer



This presentation should be read in conjunction with the announcement released by Croesus Retail Trust (“**CRT**”) on 28 Sep 2015, in relation to its Acquisition of Torius Property and the underwritten renounceable rights issue to raise gross proceeds of approximately S\$69.7 million.

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1. Transaction Overview

2. Acquisition Rationale

3. Method of Financing

4. Indicative Rights Issue Timetable

Transaction Overview

Torius Property is Croesus Retail Trust's 4th acquisition since its IPO in May 2013

Acquisition	<ul style="list-style-type: none"> ▪ Torius Property is an income-producing large-scale suburban retail mall located in Fukuoka Prefecture, Japan ▪ It is one of the largest retail facilities in Fukuoka City with few comparable retail facilities nearby ▪ High occupancy of 95.3%⁽¹⁾ with 145 tenants and WALE (by NLA) of 6.8 years⁽¹⁾ ▪ Notable tenants include Costco (wholesale supermarket), Nafco (interior and furniture, DIY), United Cinema (cinema), Rakuichi Rakuza (amusement centre) and Daiso (100 yen shop), as well as a petting zoo for small and domestic animals and an outdoor barbecue park
Independent Valuation⁽²⁾	<ul style="list-style-type: none"> ▪ JPY8,300 million (approximately S\$98.8 million⁽³⁾)
Purchase Consideration	<ul style="list-style-type: none"> ▪ JPY7,997 million (approximately S\$95.2 million⁽³⁾), representing 3.7% discount to independent valuation
Method of Financing	<ul style="list-style-type: none"> ▪ The Total Acquisition Cost (as defined in the announcement released on 28 Sep 2015) will be funded by a combination of: <ul style="list-style-type: none"> – Proceeds from part of the Japanese onshore 5-year specified bonds: JPY4,000.0 million (approximately S\$47.6 million⁽³⁾) – Proceeds from part of the proposed Rights Issue of 22 new Units for every 100 existing Units, to raise gross proceeds of approximately S\$69.7 million (approximately JPY5,852.8 million⁽³⁾) ▪ In addition, JPY3.0 million from CRT's existing cash balance and part of the proceeds from issuance of Consumption Tax Specified Bonds (consumption tax loan) of JPY600.0 million

(1) Weighted average lease expiry as at 30 Jun 2015

(2) By DTZ Debenham Tie Leung K.K. as at 31 Jul 2015

(3) Based on exchange rate of SGDJPY exchange rate of S\$1.00 : JPY84.00

Overview of Torius Property

Torius Property is a large-scale suburban retail mall located in Fukuoka Prefecture, Japan. It is one of the largest retail facilities in Fukuoka City with few comparable retail facilities nearby

Location	Fukuoka Prefecture, Japan
Land Title	Leasehold ⁽³⁾
Year of Completion	Completed in stages between April 1999 to November 2009
Number of Floors	36 buildings with single or double storey
NLA⁽¹⁾	77,032 sqm
Carpark Lots	Approximately 4,200
Occupancy⁽¹⁾	95.3%
No. of Tenants⁽¹⁾	145
WALE⁽¹⁾ (by NLA)	6.8 years
Key Tenants	Costco, Nafco, United Cinema, Rakuichi Rakuza, Daiso, GU, GAP Outlet
Vendor	Private fund
Valuation⁽²⁾	JPY8,300 million (S\$98.8 million ⁽⁴⁾)

ENJOY TOWN
TORIUS



Tenants include:



COSTCO WHOLESALE
Wholesale goods retailer



NAFCO
Home furniture and furnishing with DIY



UNITED CINEMA
Cinema



RAKUICHI RAKUZA
Amusement centre



DAISO
100 yen shop

(1) As at 30 Jun 2015

(2) By DTZ Debenham Tie Leung K.K. as at 31 Jul 2015

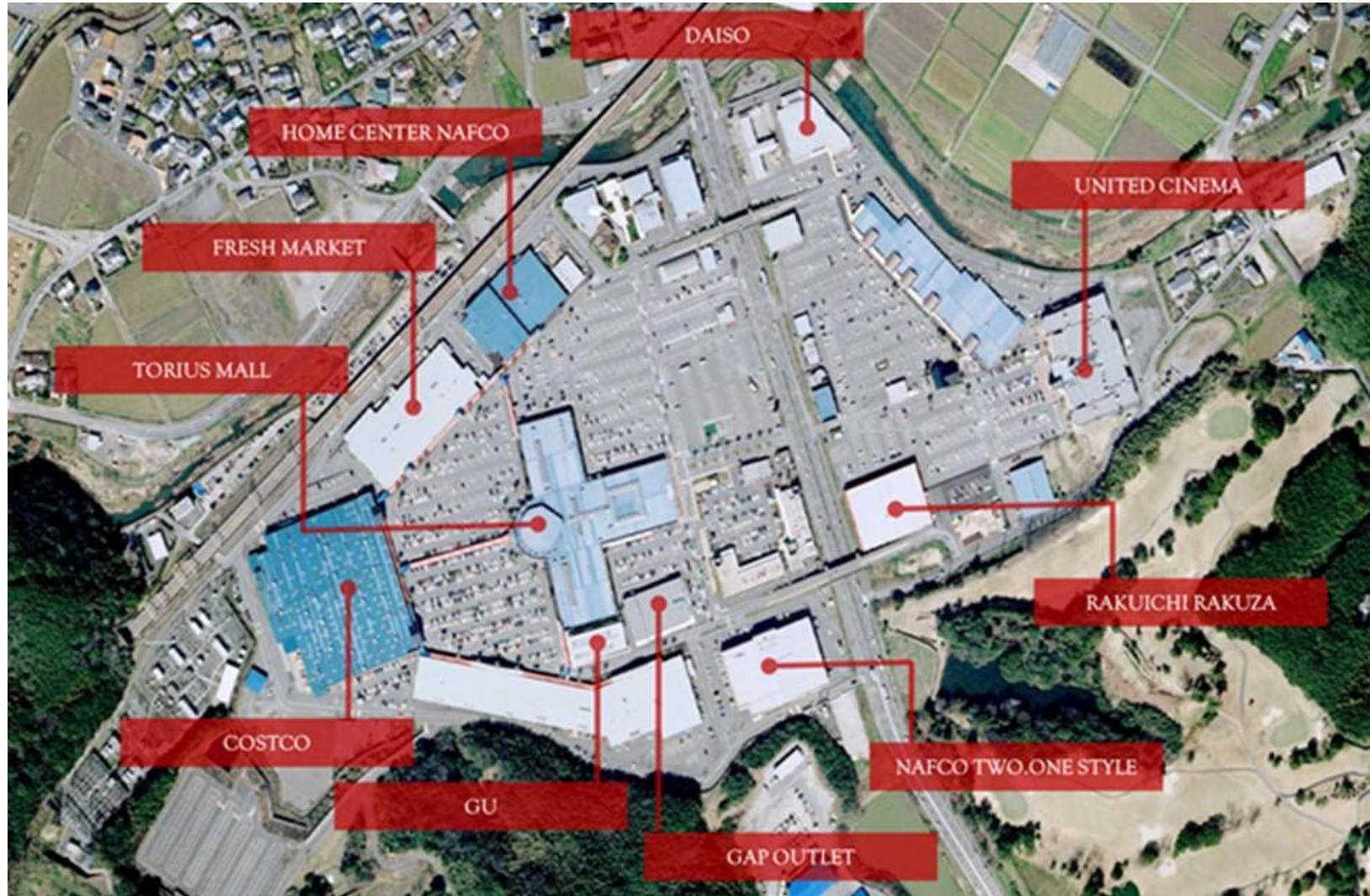
(3) The leasehold interest in respect of the main parcel of land on which Torius Property is located (comprising a land area of 205,543 sq m) expires on 9 February 2060

(4) Based on exchange rate of SGDJPY exchange rate of S\$1.00 : JPY84.0

Diversified Tenant Mix of Torius Property



Aerial Overview of Torius Property





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Acquisition Rationale

Accretive acquisition and improves DPU yield to Unitholders. Enlarged portfolio will comprise 8 high-quality and well-located retail assets in Japan with increased income and tenant diversification.

1

Accretive Acquisition and Improves DPU Yield to Unitholders

2

Good Accessibility with Unique and Desirable Tenant Mix

3

Strategic Addition to CRT's Portfolio, Diversified across Japan

4

Improves Asset and NPI Diversification

5

Balanced Portfolio with Stable Income and Sustainable Growth

6

Improves Tenant Diversification

7

Alignment with Investment Strategy to Increase Exposure to Japan Retail Sector

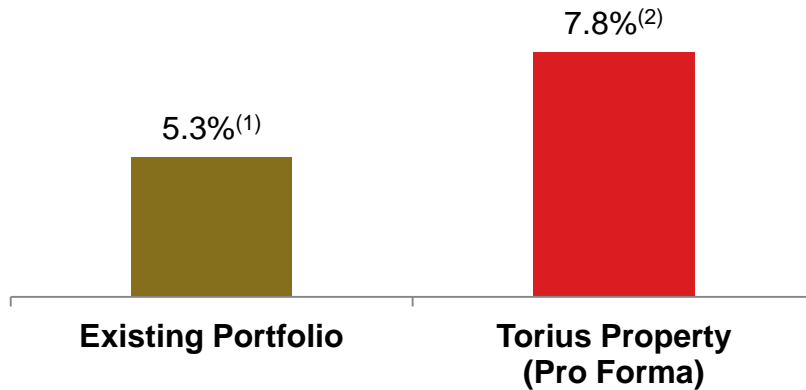
8

Reduces CRT's Gearing Ratio

1 Accretive Acquisition and Improves DPU Yield

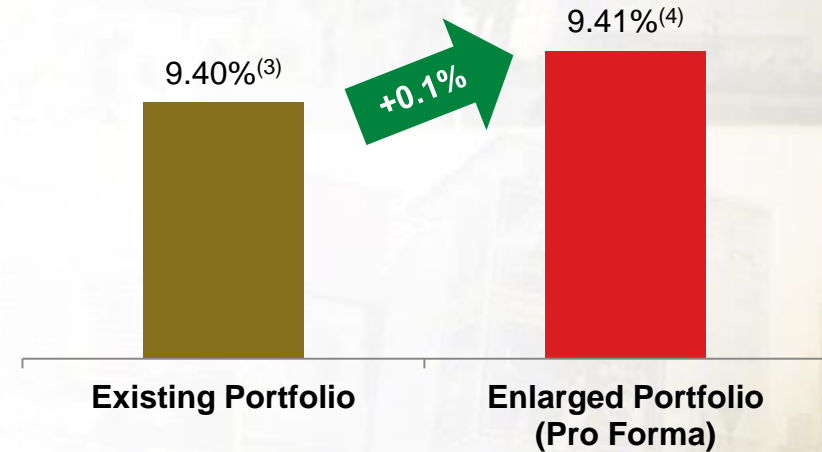
The Acquisition is consistent with the Trustee-Manager's objective of delivering a competitive return on investment to Unitholders through regular and growing distributions by pursuing accretive acquisition opportunities of retail assets.

NPI Yield (%)
Financial Year 2015



Higher NPI yield compared to Existing Portfolio⁽⁵⁾

DPU Yield (%)
Financial Year 2015



Higher DPU yield of Enlarged Portfolio⁽⁶⁾

(1) Based on the actual NPI of the Existing Portfolio for FY2015 (derived from the FY2015 Unaudited Financial Statements) divided by the appraised value of the Existing Portfolio of JPY87,930 million as at 30 June 2015. Note that One's Mall was acquired on 16 October 2014 and accounts for only a 258-day period in the FY2015

(2) Based on the pro forma NPI of Torius Property for FY2015 divided by the purchase consideration of JPY7,997 million.

(3) For the Existing Portfolio, the DPU yield is calculated based on the actual DPU of 8.08 Singapore cents declared for FY2015 divided by the Closing Price on 28 September 2015 of S\$0.860 per Unit.

(4) For the Enlarged Portfolio, the pro forma DPU yield is calculated based on the pro forma DPU of 7.66 Singapore cents for FY2015 divided by TERP of S\$0.815 per Unit.

(5) Existing Portfolio means the existing portfolio of properties comprised in CRT's portfolio as at the date of this presentation, being Aeon Town Moriya, Aeon Town Suzuka, Croesus Shinsaibashi, Mallage Shobu, Luz Omori, Croesus Taichikawa and One's Mall

(6) Enlarged Portfolio comprises the Existing Portfolio and Torius Property

2 Good Accessibility with Unique & Diversified Tenant Mix



Located Along Major Arterial Roads

- Nearest train stations are approximately 3.7 km and 4.5 km away. Regular bus services ply between the train stations and Torius Property
- Located at the cross junction of two major roads, providing visibility and easy accessibility to customers by car



Unique Tenant Mix with Minimal Competition

- Key tenants include anchor tenant Costco, Nafco, United Cinema, Rakuichi Rakuza and Daiso, as well as a petting zoo for small and domesticated animals and an outdoor barbecue park
- Due to its size and unique tenant mix, considered to have minimal competition within the trade area
- Attractive family outing and gathering destination that caters well to the general and specific needs of the trade area



Favourable Demographics of Trade Area

- Between 2004 and 2014, the trade area had relatively higher population growth and household growth than the national and prefectural average
- Percentage of households with annual household income of between JPY3 million and JPY7 million in the trade area is the majority at 45.8%, higher than that at the national and prefectural level of 44.4% and 41.5% respectively



High Occupancy with Diversified Tenant Mix

- High occupancy rate of 95.3%⁽¹⁾ with 145 tenants across various segments
- No single tenant occupies more than 18.0% of the property's net lettable area for the month of Jun 2015

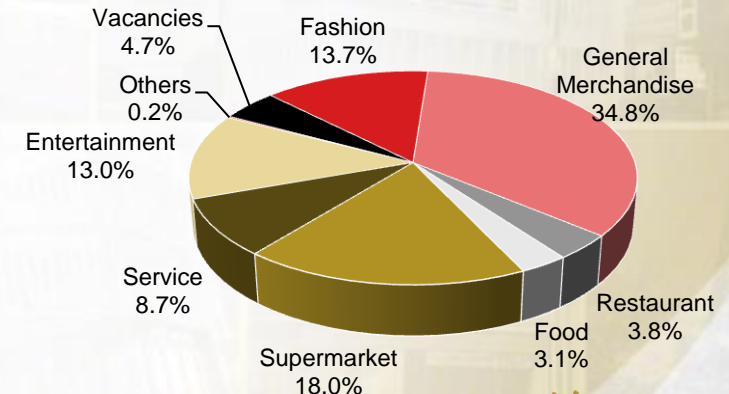


Relatively Shorter WALE

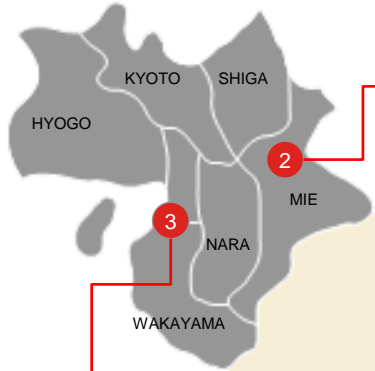
- The WALE (by NLA) of Torius Property is 6.8 years⁽¹⁾
- The Trustee-Manager intends to undertake progressive asset enhancement improvements to Torius Property and CRT's investors may be able to benefit from the corresponding potential rental reversions and improvements




Breakdown of NLA by Tenant Type
 (as at 30 Jun 2015)



3 Strategic Addition to CRT's Portfolio, Diversified across Japan




Aeon Town Suzuka




Valuation ⁽¹⁾ (JPY mm)	9,650
NLA (sqm)	43,501
Vendor: Daiwa House	

Mallage Shobu




Valuation ⁽¹⁾ (JPY mm)	24,500
NLA (sqm)	67,916
Vendor: Sojitz	

Croesus Tachikawa



Valuation ⁽¹⁾ (JPY mm)	12,800
NLA (sqm)	7,141
Vendor: US Private Fund	

Luz Omori

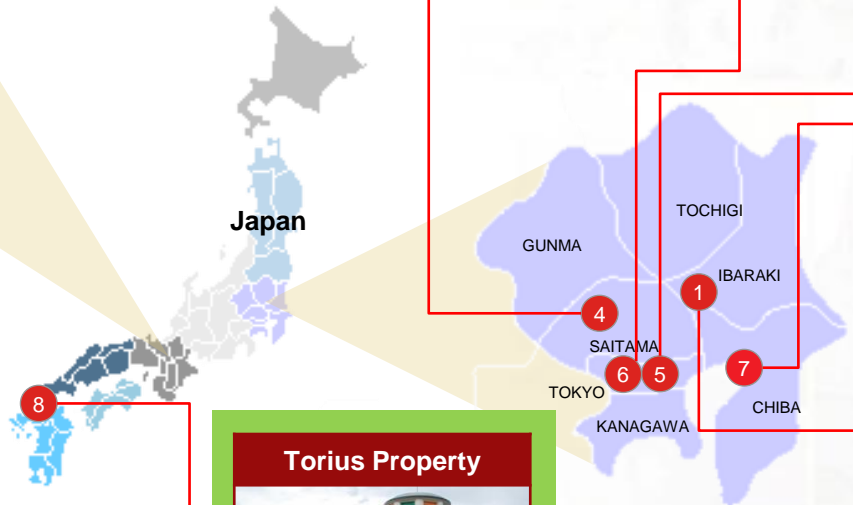


Valuation ⁽¹⁾ (JPY mm)	3,880
NLA (sqm)	9,285
Vendor: Marubeni	

One's Mall



Valuation ⁽²⁾ (JPY mm)	12,000
NLA (sqm)	52,849
Vendor: Private Fund	




Croesus Shinsaibashi




Valuation ⁽¹⁾ (JPY mm)	10,700
NLA (sqm)	2,342
Vendor: Marubeni	

Torius Property



Valuation ⁽³⁾ (JPY mm)	8,300
NLA (sqm)	77,032
Vendor: Private Fund	

Aeon Town Moriya



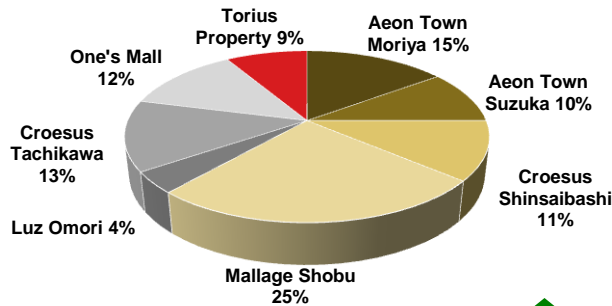
Valuation ⁽¹⁾ (JPY mm)	14,400
NLA (sqm)	68,047
Vendor: Daiwa House	

(1) Based on valuation by CBRE K.K. ("CBRE") as at 30 June 2015
 (2) Based on valuation by DTZ Debenham Tie Leung K.K. ("DTZ") as at 30 June 2015
 (3) Based on valuation by DTZ Debenham Tie Leung K.K. ("DTZ") as at 31 July 2015

4 Improves Asset and NPI Diversification

	City	Number of Tenants ⁽¹⁾	Age of Building (yrs) ⁽¹⁾	Leasehold / Freehold	Valuation ⁽²⁾ (JPY mm)	FY2015 Actual NPI (JPY mm)	Purchase Price (JPY mm)	Annualised NPI Yield ⁽³⁾
Aeon Town Moriya	Ibaraki	1 master lessee, 111 subtenants	8.1	Freehold	14,400	814.6	12,154	6.7%
Aeon Town Suzuka	Mie	1 master lessee, 39 subtenants	8.1	Freehold	9,650	594.6	8,439	7.0%
Croesus Shinsaibashi	Osaka	4	5.8	Freehold	10,700	458.2	9,021	5.1%
Mallage Shobu	Saitama	226	6.6	Freehold	24,500	1,453.4	20,584	7.1%
Luz Omori	Tokyo	29	4.4	Leasehold expiring in July 2059	3,880	238.2	3,450	6.9%
Croesus Tachikawa ⁽⁴⁾	Tokyo	10	8.0	Freehold / Leasehold expiring in Dec 2029 ⁽⁶⁾	12,800	652.5	10,800	6.0%
One's Mall ⁽⁵⁾	Chiba	53 ⁽⁷⁾	14.6	Freehold	12,000	469.6	11,000	6.0%
Torius Property	Fukuoka	145	16.3	Leasehold ⁽⁸⁾	8,300	625.3 ⁽⁹⁾	7,997	7.8%
Total		617	10.6		96,230	5,306.4	83,445	6.6%

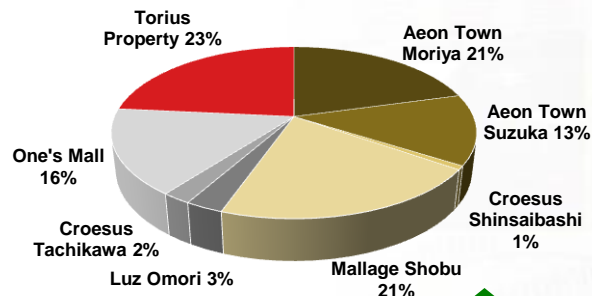
Breakdown by Valuation



Total Valuation: JPY 96,230 mm

+9.4%

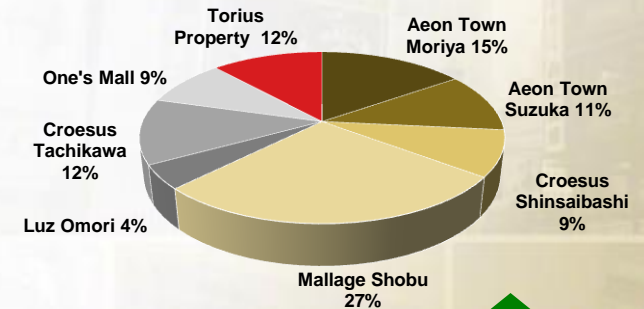
Breakdown by NLA



Total NLA: 328,112 sqm

+30.7%

Breakdown by NPI



Total NPI: JPY 5,306 mm

+13.4%

(1) As at 30 June 2015.

(2) Based on valuations as at 30 June 2015 conducted by CBRE for all properties, except One's Mall DTZ and Torius Property by DTZ as at 31 July 2015.

(3) Based on annualising the Actual NPI (which comprises of the 365-day period from 1 July 2014 to 30 June 2015 and for the 258-day period from 16 October 2014 to 30 June 2015 for One's Mall, respectively) divided by the purchase price. The annualised NPI yield is for illustrative purposes only and should not be construed as a representation or forecast of the future NPI yield.

(4) Name change from NIS Wave I to Croesus Tachikawa effective 1 February 2015.

(5) Acquisition of One's Mall was completed on 16 October 2014.

(6) Croesus Tachikawa comprises 4 plots of amalgamated land. 3 parcels are freehold and owned by CRT, while 1 parcel is leasehold with an expiry in Dec 2029.

(7) Dai-ichi, one of the key tenants at One's Mall, further subleases to 22 subtenants.

(8) The leasehold interest in respect of the main parcel of land on which Torius Property is located (comprising a land area of 205,543 sq m) expires on 9 February 2060

(9) Pro forma NPI for FY2015, assuming property was acquired on 1 Jul 2014 and held through the FY2015 period to 30 Jun 2015

5 Balanced Portfolio with Stable Income and Sustainable Growth

Each of the properties is strategically located within its submarket, being directly connected via major transportation nodes.

	Pro forma FY2015 NPI %	Occupancy (1)	WALE by NLA (1) (yrs)	Lease Expiry Profile		Connectivity		Key Tenants / Sub tenants
				FY2016	FY2017	By Train	By Major Road	
Aeon Town Moriya	15.4%	100%	12.0	-	-	✓	✓	Aeon Cinema, Sports DEPO, Food Square Kasumi, Futaba-Tosho, Uniqlo, Nojima, Aeon Bike, MUJI
Aeon Town Suzuka	11.2%	100%	12.0	-	-	✓	✓	Kahma Home Centre, APINA, Nitori, Hana-Shobu, Uniqlo, Seria, G.U.
Croesus Shinsaibashi	8.6%	100%	6.7	-	0.3%	✓	✓	H&M
Mallage Shobu	27.4%	98.1%	5.8	2.6%	1.7%	✓	✓	Nafco, 109 Cinemas, Himaraya, York Mart, Nojima, Toys 'R' Us, Academia, Sanki, Play Land, Uniqlo, MUJI
Luz Omori	4.5%	96.8%	15.3	0.6%	0.5%	✓	✓	Ota ward, Docomo, Daiso
Croesus Tachikawa ⁽²⁾	12.3%	100%	3.5	3.2%	-	✓	✓	NEXUS Holdings, Sumitomo Mitsui Trust Bank
One's Mall	8.8% ⁽³⁾	99.6%	4.9	2.1%	0.1%	✓	✓	Daiei, Central Sports, Toys 'R' Us, Nitori, Sports DEPO, Tam Tam
Torius Property	11.8%	95.3%	6.8	4.2%	2.5%	✓	✓	Costco, Nafco, United Cinema, Rakuichi Rakuza, Daiso

26.6% of NPI secured through master leases with high quality tenant (Aeon Town)

Approximately 100% occupancy across all properties

~87% of FY2016 and ~94% of FY2017 rentals have been locked in

Well-connected by train, bus or major roads

Quality tenant base from diversified trade sectors

(1) As at 30 June 2015.

(2) Name change from NIS Wave I to Croesus Tachikawa effective 1 February 2015.

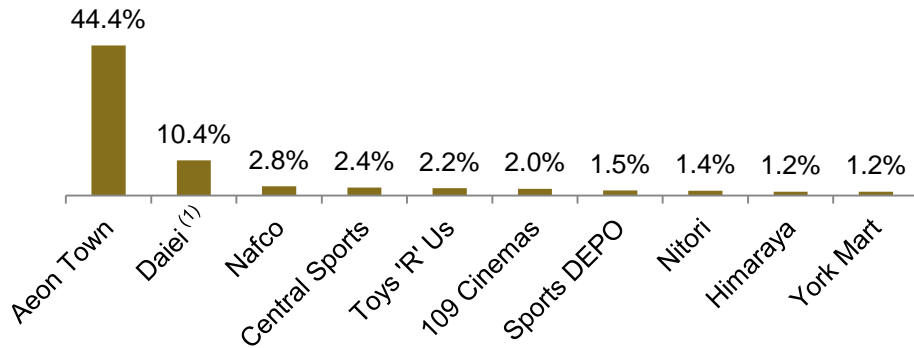
(3) Based on actual percentage contribution from the period from 16 October 2014 to 30 June 2015.

6 Improves Tenant Diversification

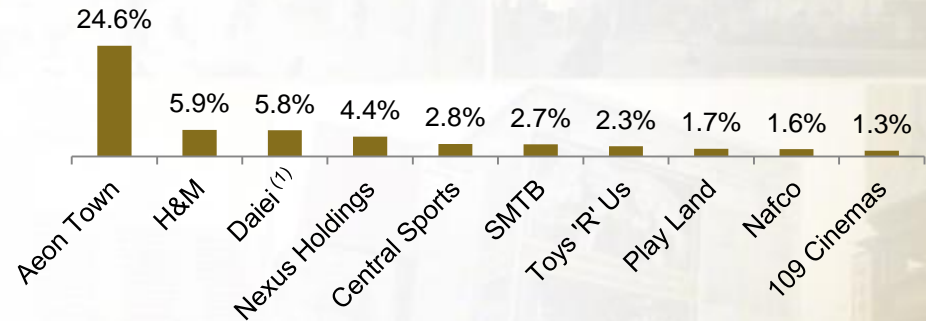
Post Acquisition, percentage of CRT's Gross Rental Income ("GRI") from its top 10 tenants will decrease (on a pro forma basis) from 53.1% to 48.5% in the month of June 2015. Correspondingly, Aeon Town's contribution to CRT's GRI will decrease (on a pro forma basis) from 24.6% to 20.8% in the month of June 2015

Top 10 Tenants of CRT

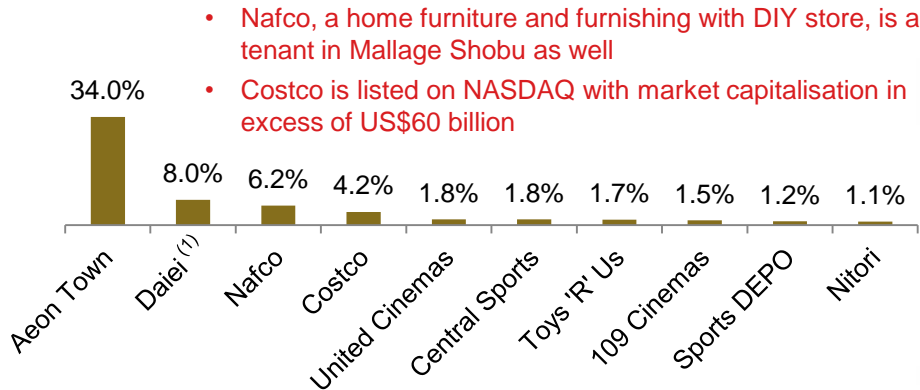
By NLA – Actual as at 30 Jun 2015



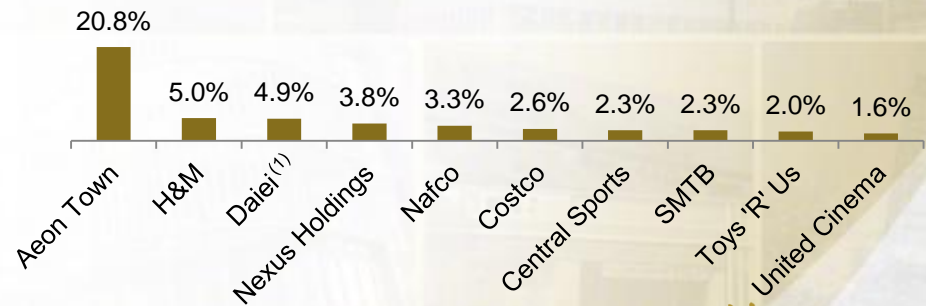
By Gross Rental Income – Actual month of Jun 2015



By NLA – Pro forma as at 30 Jun 2015



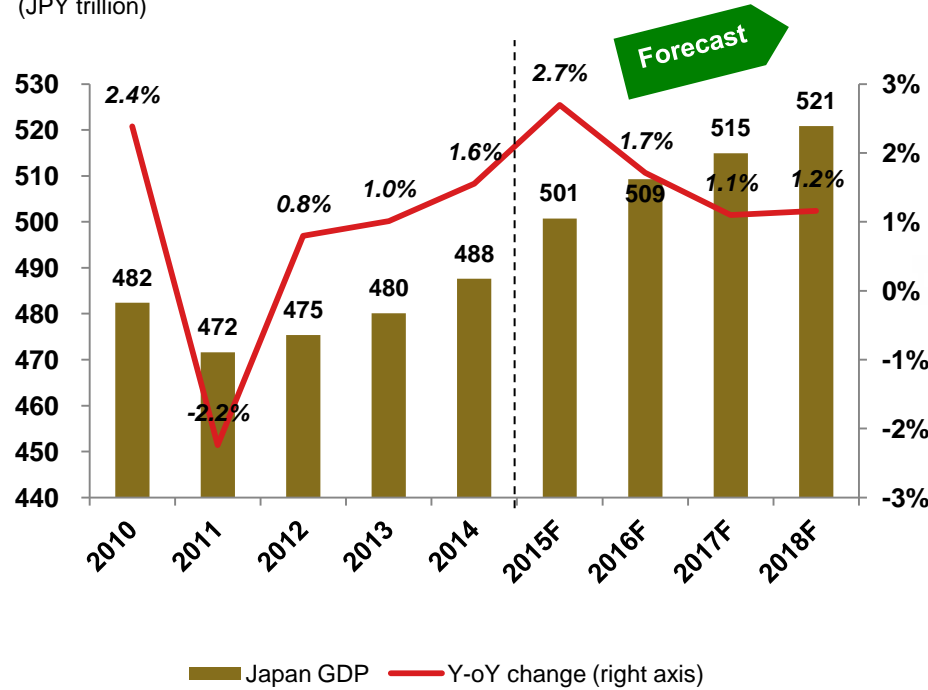
By Gross Rental Income – Pro forma month of Jun 2015



7 Alignment with Investment Strategy to Increase Exposure to Japan Retail Sector

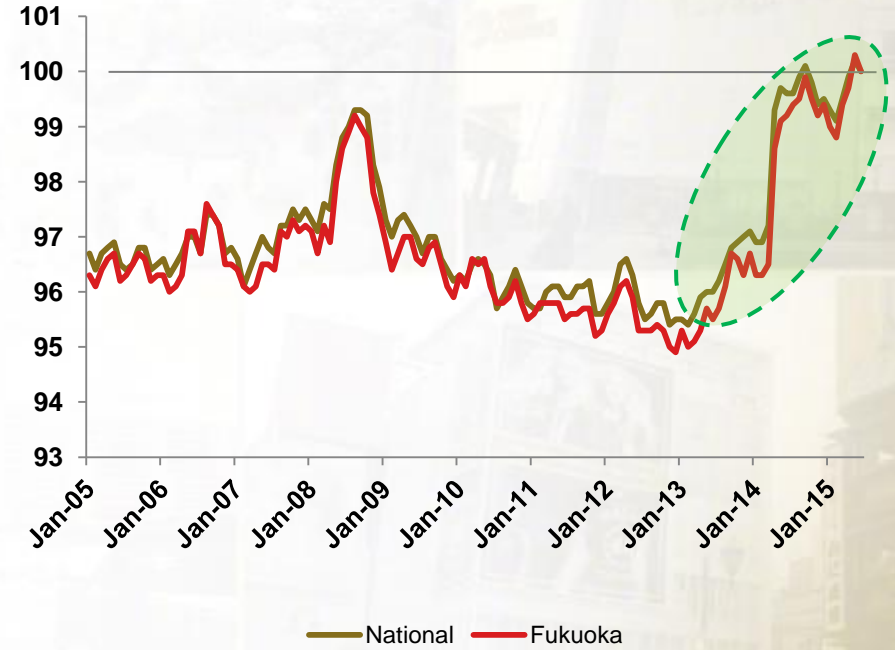
Japan GDP (IMF Forecast, Nominal, April 2015)

(JPY trillion)



Japan's GDP is expected to grow 2.7% in 2015 and an average of 1.3% per annum between 2015 and 2018

National and Fukuoka Prefecture CPI (All Items, Base = June 2015)



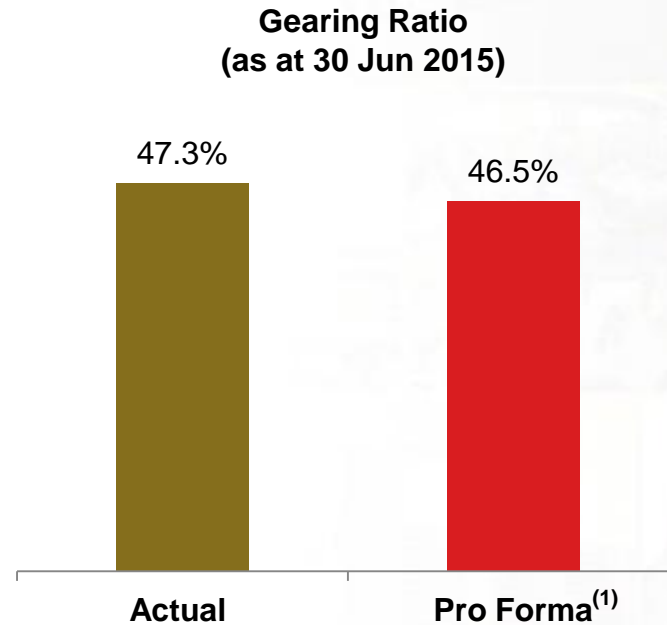
Consistent improvement in CPI since January 2013 reflecting the government economic policies and the positive sentiments toward the Japanese economy. Positive movement in CPI is expected to continue as the economy continues to improve.

Source: 2010-2012 Cabinet Office of Japan, 2015F-2018F International Monetary Fund

Source: Ministry of Internal Affairs and Communication, Statistics Bureau

Neither the Cabinet Office of Japan, the International Monetary ("IMF") nor the Ministry of Internal Affairs and Communications, Statistics Bureau (the "Statistics Bureau") have not provided their consent to the inclusion of the information extracted from the relevant reports published by them and are therefore not liable for such information. While the Trustee-Manager has taken reasonable actions to ensure that the information from the relevant report published by the Cabinet Office of Japan, the IMF and/or the Statistics Bureau (as the case may be) is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, neither the Trustee-Manager nor any other party has conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.

5 Reduces CRT's Gearing Ratio



- CRT's gearing ratio reduced from 47.3% to 46.5%
- Interest rate swaps will be entered into to fix 100% of the interest rate of the specified bond till maturity
- Trustee-Manager believes that maintaining CRT's gearing ratio at this level and fixing the interest rate exposure is appropriate in the current market conditions

(1) Assuming Rights Issue and Acquisition was completed on 30 Jun 2015



1. Transaction Overview

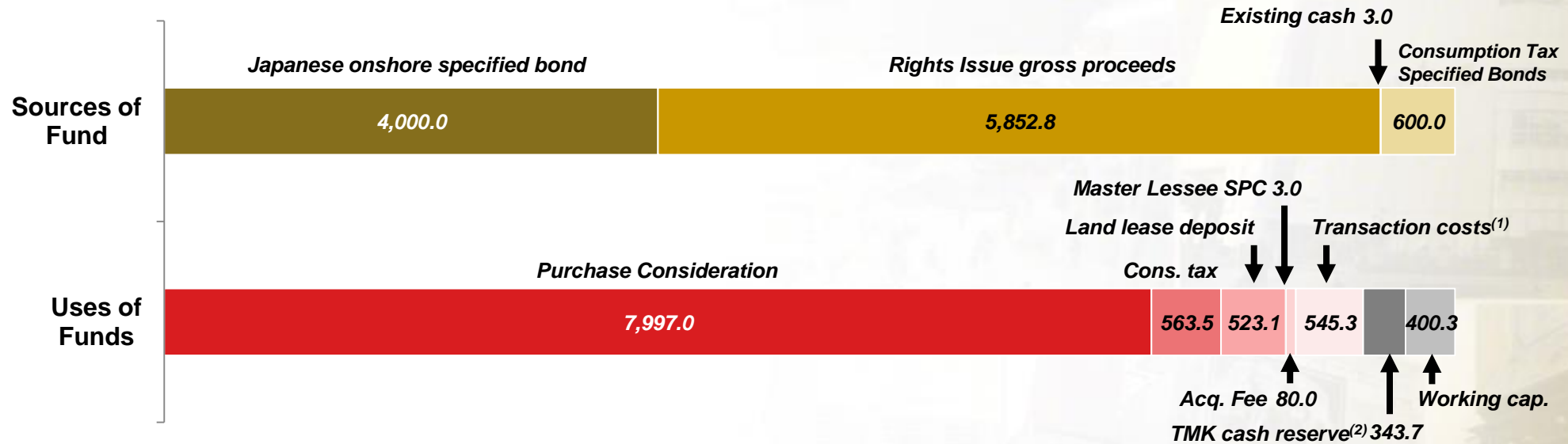
2. Acquisition Rationale

3. Method of Financing

4. Indicative Rights Issue Timetable

Method of Financing

(in JPY million)



Terms of Japanese onshore specified bond

- 5-year specified bond of JPY4,000.0 m
- Trustee-Manager will enter into an interest rate swap to fix the interest rate for the tenure of the bond
- Expected effective interest cost of 0.95% p.a.
- JPY286.2 million of the specified bond will be used for the purpose of TMK cash reserve
- Remainder due to debt upfront fees

(1) Transaction costs comprises estimated professional and other transaction fees and expenses incurred or to be incurred in connection with the Acquisition of JPY181.8m, underwriting fee of JPY144.8m, debt upfront fee of JPY91.1m, estimated professional fees and expenses and other fees and expenses expected to be incurred in connection with the Rights Issue of JPY127.6m. Excludes Acquisition Fee

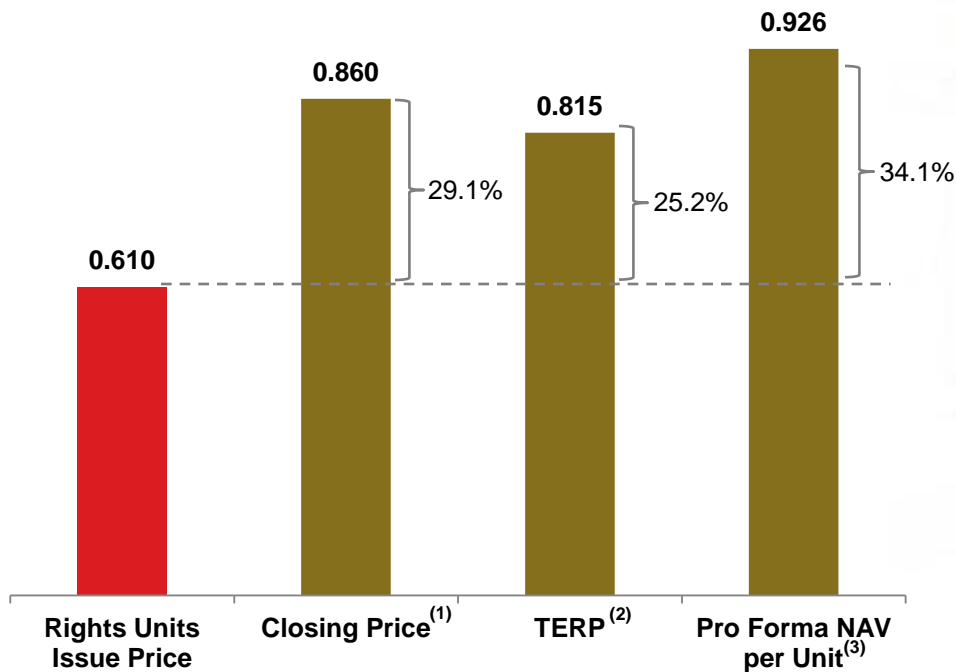
(2) TMK cash reserve obtained from Japanese onshore specified bonds and cash from undeployed Consumption Tax Specified Bonds which is to be repaid within 12 months from the Acquisition

Details of Rights Issue

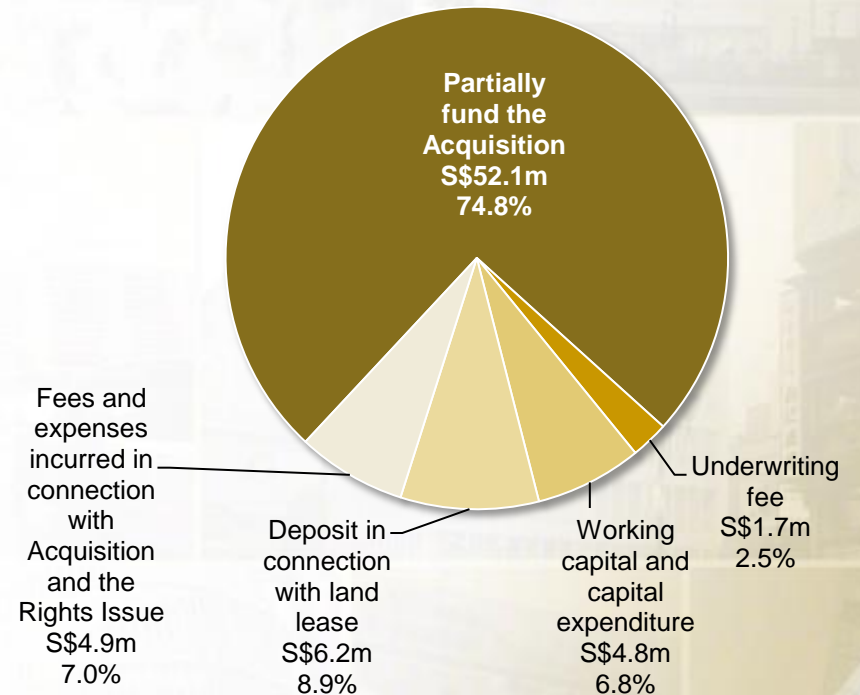
Underwritten and renounceable Rights Issue of 22 Rights Units for every 100 existing Units to raise gross proceeds of S\$69.7 million

Issue Price of Rights Units

In S\$ per Unit



Use of Gross Proceeds of the Rights Issue



(1) The closing price of S\$0.860 per Unit on the SGX-ST on 28 Sep 2015, being the last trading day of the Units prior to the announcement of the Rights Issue

(2) TERP is computed as the sum of market capitalisation of CRT based on the Closing Price and gross proceeds from the Rights Issue, divided by the Units outstanding after the Rights Issue

(3) Pro forma NAV per Unit after completion of the proposed Transactions as at 30 Jun 2015 of approximately JPY77.77 converted to SGD at JPY84.00 : S\$1.00



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Indicative Rights Issue Timetable

Key Events	Date and Time
Last day of “cum-rights” trading for the Rights Issue	1 October 2015
First day of “ex-rights” trading for the Rights Issue	2 October 2015
Rights Issue Books Closure Date	6 October 2015 at 5.00 p.m.
Lodgement of Offer Information Statement in relation to the Rights Issue with MAS	6 October 2015
Despatch of Offer Information Statement	9 October 2015
Commencement of Rights Issue	9 October 2015
Commencement of trading of Rights Entitlements	9 October 2015 from 9.00 a.m.
Close of trading of Rights Entitlements	19 October 2015 at 5.00 p.m.
Closing date of Rights Issue	23 October 2015
Listing and commencement of trading of Rights Units on the SGX-ST	3 November 2015 from 9.00 a.m.



Thank You

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