



(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)

All capitalised terms that are not defined in this announcement will have the same meanings given to them in the announcement dated 13 May 2016. 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 ACQUISITIONS OF MALLAGE SAGA AND FEEEAL ASAHIKAWA

1. Completion of Acquisition

Further to the announcement dated 13 May 2016 (the “**Announcement**”) in relation to the proposed acquisitions by Croesus Retail Trust (“**CRT**”), through Orange TMK, of the trust beneficiary interests (“**TBI**”) in respect of Mallage Saga and Feeeal Asahikawa, each an income-producing retail property located in Japan (the “**Acquisitions**”), Croesus Retail Asset Management Pte. Ltd., in its capacity as trustee-manager of CRT (the “**Trustee-Manager**”), is pleased to announce that the Acquisitions were completed today, after the satisfaction of all the conditions precedent under each of the purchase and sale agreements entered into on 13 May 2016 in respect of Mallage Saga and Feeeal Asahikawa, respectively.

In connection with the Acquisitions completed today:

- (a) the asset management agreements in respect of each of Mallage Saga and Feeeal Asahikawa which was entered into on 27 May 2016 with CMI Realty Management Co., Ltd. (the “**Asset Manager**”) as asset manager for Mallage Saga and Feeeal Asahikawa respectively (the “**Asset Management Agreements**”) will continue to take effect;
- (b) a new property management agreement dated 27 May 2016 (the “**Mallage Saga Property Management Agreement**”) has been entered into in respect of Mallage Saga between Sojitz Commerce Development Corporation (the “**Mallage Saga Property Manager**”), the trustee of the TBI in Mallage Saga (the “**Mallage Saga Property Trustee**”) and Orange TMK; and
- (c) the property management agreement existing prior to 27 May 2016 in respect of Feeeal Asahikawa with Fujita Building Maintenance Corporation (the “**Feeeal Asahikawa Property Manager**”) has been replaced with the new property management agreement (the “**Feeeal Asahikawa Property Management Agreement**”) entered into on 27 May 2016 between the Feeeal Asahikawa Property Manager, the trustee of the TBI in Feeeal Asahikawa (the “**Feeeal Asahikawa Property Trustee**”) and Orange TMK.

2. Method of Financing the Acquisitions

The Acquisitions were financed through a combination of:

- (a) net proceeds of approximately JPY4,672.5 million (approximately S\$57.0 million) from the issuance of new Japanese onshore 5-year specified bonds of JPY4,705.0 million (approximately S\$57.4 million) as well as a consumption tax loan of JPY570.3 million (approximately S\$7.0 million);
- (b) net proceeds of approximately JPY1,244.4 million (approximately S\$15.2 million) from the issuance of S\$60,000,000 5.0% fixed rate notes due 2020 (the “Notes”) under the EMTN Programme. The launch relating to the Notes was 4 April 2016 and the issuance was 13 April 2016; and
- (c) equity funding of approximately JPY545.7 million (approximately S\$6.6 million), which is the remainder of the net proceeds from the Private Placement launched on 23 March 2016 and closed on 24 March 2016.

(Please see the announcements dated 4 April 2016 and 13 April 2016 for further details on the EMTN Programme and the announcements dated 23 March 2016 and 24 March 2016 for further details on the Private Placement.)

3. Asset Management Agreements

The terms of the Asset Management Agreements will each commence from 27 May 2016 and expires on 30 April 2018 and shall be automatically renewed for one or more additional two-year terms unless Orange TMK or the 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 Agreements, the Asset Manager is entitled under each of the asset management agreements in relation to Mallage Saga and Feeeal Asahikawa, 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, Mallage Saga or Feeeal Asahikawa (as the case may be) 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, Mallage Saga or Feeeal Asahikawa (as the case may be), 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, Mallage Saga or Feeeal Asahikawa (as the case may be) and (ii) with respect to

the Property Operation Management Fee for the months after the sale, the appraisal value of the sold TBI, Mallage Saga or Feeeal Asahikawa (as the case may be) shall not be included in the “Market Price of the TBI”; and

- (ii) **Incentive Fee:** Net Property Income¹ 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 Asset Manager under its respective asset management agreements in relation to Mallage Saga and Feeeal Asahikawa. The Trustee-Manager’s fees will also be reduced by an amount equivalent to the fees payable to the Asset Manager under the respective asset management agreements.

Interested Person Transactions under Chapter 9 of the Listing Manual

As the Asset Manager (being CMI Realty Management Co., Ltd.) is a wholly-owned subsidiary of Croesus Merchants International Pte. Ltd. (the “**Sponsor**”) which is a controlling shareholder of the Trustee-Manager, the Asset Manager is an “interested person” of CRT for purposes of Chapter 9 of the Listing Manual of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

As such, the entries into the Asset Management Agreements are “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.

4. Property Management Agreements

The terms of the Mallage Saga Property Management Agreement and Feeeal Asahikawa Property Management Agreement each commences on 27 May 2016 and expires on 31 May 2020 and 30 June 2018 respectively. Each of the Mallage Saga Property Management Agreement and Feeeal Asahikawa Property Management Agreement shall be automatically renewed for a further term

¹ “**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.

of one year for each subsequent expiry on the same terms and conditions unless one of the parties to the respective property management agreement expresses its intention not to renew the term in writing not less than one month prior to expiry. Under each of the Mallage Saga Property Management Agreement and Feeeal Asahikawa Property Management Agreement, there is a base fee component and an incentive fee component¹.

5. 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**”) and further to the announcement dated 18 April 2016 on the use of approximately S\$44.3 million of the proceeds from the Private Placement to finance the acquisition of Fuji Grand Natalie, 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\$6.6 million raised from the Private Placement (which is equivalent to 12.6% of the gross proceeds of the Private Placement) have been utilised for the financing of the Acquisitions.

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 Private Placement Announcement.

The Trustee-Manager wishes to update that the proceeds from the Private Placement have been fully utilised and disbursed.

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)

27 May 2016

¹ The specific quantum of the base fee and incentive fee under the Mallage Saga Property Management Agreement and the Feeeal Asahikawa Property Management Agreement has not been disclosed due to confidentiality obligations.

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.