

FOR IMMEDIATE RELEASE

## Croesus Retail Trust delivers 3.0% DPU quarter-on-quarter growth for 1Q FY2016

- Delivered net property income of JPY 1,233 million, outperforming 1Q FY2015 by 17.2%
- Growth driven by acquisition of One's Mall and increased contribution from Mallage Shobu, following tenant renewal exercise
- Completed acquisition of Torius on 16 October 2015
- Rights Issue completed on 23 October 2015, with combined acceptance and excess application rates representing 218.0% of the total number of Rights Units available

**Singapore, 11 November 2015** – Croesus Retail Asset Management Pte. Ltd. (the “Trustee-Manager”), the trustee-manager of Croesus Retail Trust (“CRT”) is pleased to announce its financial results for the three months ended 30 September 2015 (“1Q FY2016”), delivering an available distribution per unit (“DPU”) of 2.08 Singapore cents for the period. This represents a 3.0% increase from the 2.02 Singapore cents DPU recorded in the previous quarter (“4Q FY2015”).

### Results summary

	1Q FY2016 Actual	1Q FY2015 Actual	Variance
	1 Jul 2015 to 30 Sep 2015	1 Jul 2014 to 30 Sep 2014	
<b>Gross Revenue</b> (JPY million)	2,007	1,712	17.2%
<b>Net Property Income</b> (JPY million)	1,233	1,113	10.7%
<b>Income Available for Distribution</b> (JPY million)	919	791	16.1%
<b>Available Distribution per Unit</b> (Singapore cents)	2.08	2.08	-

For 1Q FY2016, CRT recorded a gross revenue of JPY 2,007 million, which was 17.2% higher than the JPY 1,712 million recorded in the previous corresponding quarter (“1Q FY2015”). This positive variance was due mainly to the acquisition of One's Mall on 16 October 2014 and the tenant renewal exercise at Mallage Shobu. However, the increase was partially offset by the absence of a one-off income at Mallage Shobu, which was recorded in 1Q FY2015.

The contribution from One's Mall and savings in property operating expenses helped CRT attain a 10.7% Net Property Income ("NPI") growth for 1Q FY2016 to JPY 1,233 million, from JPY 1,113 million in 1Q FY2015.

Income available for distribution rose 16.1% from JPY 791 million in 1Q FY2015 to JPY 919 for 1Q FY2016. The higher positive variance compared to the net property income is due mainly to realised foreign exchange gain and decrease in income tax expense.

The total number of units for 1Q FY2016 increased as compared to 1Q FY2015. The increase in units is attributable to the private placement exercise of 78,900,000 units on 11 September 2014 and the units issued for the Trustee-Manager's fees that were paid in units. As a result, the income available for distribution per unit for 1Q 2016 was 2.08 Singapore cents.

Following the expiry of its distribution policy to distribute 100% of its distributable income till 30 June 2015, CRT has re-committed to distribute 100% of its distributable income from 1 July 2015 to 30 June 2016, and at least 90% of its distributable income thereafter. It 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.

### **New acquisition to drive growth**

On 16 October 2015, CRT completed the acquisition of Torius (the "Acquisition"), a large-scale suburban retail mall located in the satellite town of Hisayama-machi of Kasuya-gun, which is approximately 13 km from central Fukuoka City in Fukuoka Prefecture, on Japan's Kyushu Island. At a purchase price of JPY 7,997 million, the Acquisition was completed at a 3.7% discount to valuation of JPY 8,300 million. For the financial year ending 30 June 2015, Torius delivered a pro forma NPI yield of 7.8%, which compares favourably to CRT's NPI Yield of 5.3% for the same period. The Trustee-Manager is currently considering asset enhancement improvements to Torius, which may allow Unitholders to benefit from the corresponding potential rental reversions and improvements.

### **Providing Unitholders a chance to participate in CRT's growth**

On 28 September 2015, CRT had also launched a rights issue of 114,222,677 units ("Rights Units") in CRT (the "Rights Issue") at an issue price of S\$0.610 per unit. The Rights Issue was conducted to partly finance the Acquisition, and provided Unitholders with the opportunity to subscribe for their pro rata provisional entitlements to the Rights Units.

At the closing of acceptance of and payment for Rights Units on 23 October 2015, the Trustee-Manager received acceptances and excess applications for a total of 248,974,756 Rights Units representing approximately 218.0% of the total number of Rights Units available under the Rights Issue. The Trustee-Manager received valid acceptances for 108,662,693 Rights Units, representing 95.1% of the Rights issue, and the balance of 5,559,984 Rights Units which were not validly accepted will be allotted to satisfy excess applications. The Rights Units commenced trading on the Singapore Exchange Securities Trading Limited on 3 November 2015.

As the Acquisition and Rights Issue were completed post-1Q FY2016, the financial results for 1Q FY2016 do not include their financial effects.

**Mr Jim Chang, Chief Executive Officer and Executive Director of Croesus Retail Asset Management Pte. Ltd.**, said, “We are pleased that our properties continued to deliver stable and sustained growth in the first quarter of our new financial year and our recent acquisition of Torius is expected to boost the attractiveness of our portfolio. It is also heartening to see the high participation rates amongst our investors for our Rights Issue, as this signals their confidence in us. As we continue to prime ourselves for growth, we look towards seizing further organic growth opportunities in our portfolio to strengthen our tenant base, and further increase the attractiveness of our properties. Our maiden tenant renewal exercise earlier this year at Mallage Shobu has seen positive results, and we look to replicate its success going forward.”

**Mr Jeremy Yong, Co-Founder and Group Managing Director of Croesus Merchants International Pte. Ltd. (the sponsor of CRT) and Director of Croesus Retail Asset Management Pte. Ltd.**, said, “Despite compressing yields driven by the increase in real estate prices nationwide in Japan, we believe that the increasingly competitive market continues to hold great potential for us. In identifying acquisitions to generate inorganic growth, we seek assets that present further headroom for enhancements, thereby growing our organic growth opportunities. Our focus on suburban malls also bodes well for us as they serve the everyday needs of Japanese consumers, thereby providing some resilience amidst a challenging economic backdrop.”

## Outlook

Japan's gross domestic product shrank an annualised 1.6% in the second quarter of 2015 and fell 0.4% on a quarter-on-quarter basis, the first quarter of contraction for the economy following the six-month expansion since October 2014. Analysts expect a reacceleration of the Japanese economy in the third quarter of 2015 due to an increase in exports and private consumption led by US economic recovery and gradual rise in real wages.

On 31 October 2014, the Bank of Japan announced further quantitative easing policies, which positively surprised the market. The resulting movement of the Japanese yen is expected to contribute to a further acceleration in Japanese real estate prices. As a result of growing property prices in FY2015, the aggregate value of CRT's seven properties increased 7.9% as at the end of FY2015, when compared to the prior valuation, which was completed at the end of the previous financial year.

The competition for acquiring real estate assets in Japan has been keen in recent quarters, and is expected to remain firm in the near term.

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.

On 26 October 2015, CRT held its second annual general meeting, and all resolutions were passed via a poll of Unitholders and proxies at the meeting.

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**About Croesus Retail Trust**

Croesus Retail Trust ("CRT") is the first SGX-listed Asia-Pacific retail business trust with a portfolio located in Japan. CRT is principally focused on investing in a diversified portfolio of predominantly retail real estate assets located in the Asia Pacific region, with an initial focus on Japan. CRT currently has eight retail properties in Japan – Aeon Town Moriya, Aeon Town Suzuka, Croesus Shinsaibashi, Croesus Tachikawa, Luz Omori, Mallage Shobu, One's Mall and Torius – out of which five are located in the Greater Tokyo area. CRT's portfolio of assets in Japan allows it to create a core portfolio of stable income generating assets that serves 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.

CRT was awarded by FinanceAsia as 'Best Small-cap Company in Singapore' in its Best Managed Companies Poll for 2014. CRT is part of the FTSE ST Small Cap Index and the TR/GPR/APREA Composite Index. For more information on CRT, please visit [www.croesusretailtrust.com](http://www.croesusretailtrust.com).

**Important Notice**

This press release is not an offer of securities for sale or a solicitation of an offer to purchase securities. This release may contain forward-looking statements that involve risks and uncertainties. Forward-looking statements include statements regarding the intent, belief and current expectations of CRT or its officers with respect to various matters. When used in this press release, the words "expects," "believes," "anticipates," "plans," "may," "will," "should" and similar expressions, and the negatives thereof, are intended to identify forward-looking statements. 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, availability of real estate properties, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, 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 the current view of management on future events and speak only as of the date of this press release. CRT does not undertake to revise forward-looking statements to reflect future events or circumstances. No assurance can be given that future events will occur, that projections will be achieved, or that CRT's assumptions are correct. The past performance of CRT is not indicative of the future performance of CRT. Similarly, the past performance of the Trustee-Manager is not indicative of the future performance of the Trustee-Manager.