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## Proposed Internalisation of Trustee-Manager

### to strengthen alignment of interests and generate greater cost savings

- Bringing management functions in-house creates a stronger alignment of interests between the Trustee-Manager and CRT's Unitholders
- Post Internalisation, Unitholders will have the right to endorse the appointment of the directors of the Trustee-Manager at CRT's annual general meetings
- The proposed Internalisation is DPU accretive with cost savings to Unitholders generated through a more streamlined corporate structure
- CIMB Bank Berhad, Singapore Branch has been appointed as the independent financial adviser to advise the Independent Directors and the Audit and Risk Committee
- The entry into service contracts with key management together with the fresh Sponsor and Strategic Partners ROFRs will ensure continued support from CRT's Sponsor and Strategic Partners

**Singapore, 12 June 2016** – Croesus Retail Asset Management Pte. Ltd. (the "Trustee-Manager"), in its capacity as trustee-manager of Croesus Retail Trust ("CRT" or the "Trust"), wishes to announce that it will be seeking the approval of CRT's unitholders ("Unitholders") for the proposed internalisation of the Trustee-Manager, including its wholly-owned subsidiary, Croesus Retail Asset Management Co., Ltd. (the "Internalisation").

The Internalisation seeks to internalise the functions of the Trustee-Manager, such that overall management and day-to-day operations of CRT are brought "in-house". Post Internalisation, the Unitholders as beneficiaries will stand to benefit from the beneficial ownership and control of the Trustee-Manager.

**Chairman and Independent Director of the Trustee-Manager, Mr. David Lim**, said, "The Independent Directors recommend Unitholders to vote in favour of the Internalisation. Post Internalisation, CRT will be better positioned to maximise value for its Unitholders through cost savings and a stronger alignment of interests."

#### Key rationale for the proposed Internalisation

- 1. Cost Savings.** Post Internalisation, CRT is expected to realise annual cost savings from the elimination of management fees, including any acquisition or divestment fees, effectively lowering the transaction costs from future investments or divestments, and enhancing the potential accretion from such transactions. The financial benefits to Unitholders will become more significant as CRT continues to grow its portfolio of assets post Internalisation.

2. **Stronger alignment of interests between the board of directors, management and Unitholders.** The beneficial ownership and control of the Trustee-Manager will belong to the Unitholders post Internalisation. This will result in Unitholders gaining the right to endorse the appointment of the Trustee-Manager's directors, strengthening the alignment of interests between all parties.

#### Other key summary points of the proposed Internalisation

1. **Continued Commitment from Key Management.** To ensure the long-term success of CRT, key executive officers and directors including Mr. Jim Chang, Chief Executive Officer and Executive Director of the Trustee-Manager, and Mr. Jeremy Yong, Co-Founder and Group Managing Director of Croesus Merchants International Pte. Ltd. (the "Sponsor") and Non-Executive Director of the Trustee-Manager, have agreed to enter into long-term service agreements with the Trustee-Manager. In addition, Mr. Jeremy Yong will undertake the executive role of Managing Director of the Trustee-Manager, highlighting his continued full support and dedication towards the Trust. As such, CRT can continue to depend on its key executive officers' and directors' expertise, experience and business connections.
2. **Continued Benefit from Croesus Group and Strategic Partner ROFRs.** CRT currently benefits from the right of first refusals ("ROFRs") from each of the Sponsor, Croesus Group Pte. Ltd., and Croesus International Inc. (collectively, the "Croesus Group"), and its strategic partners Daiwa House Industry Co. Ltd and Marubeni Corporation ("Strategic Partners"). Notwithstanding the proposed Internalisation, the Croesus Group and the Strategic Partners have executed fresh ROFRs on the same terms as the current respective ROFRs. The fresh Croesus Group ROFRs will continue until 30 June 2020 at the minimum, and also beyond that subject to certain conditions. The fresh Strategic Partner ROFRs will continue to at least 30 June 2018. The ROFRs will ensure continued support towards the Trustee-Manager's growth strategy, and will provide CRT with continuing access to acquisition opportunities via an asset pipeline from the Croesus Group and Strategic Partners.
3. **Purchase Consideration for Trustee-Manager at a discount to the Independent Valuation.** The purchase consideration to be paid to current shareholders of the Trustee-Manager in relation to the Internalisation is at a discount to the Independent Valuation. The Independent Valuation of the Trustee-Manager was undertaken by KPMG Corporate Finance Pte. Ltd.

Further details of the proposed Internalisation will be set out in the circular to Unitholders to be separately despatched shortly.

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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 eleven retail properties in Japan – Aeon Town Moriya, Aeon Town Suzuka, Croesus Shinsuibashi, Croesus Tachikawa, Feeeal Asahikawa, Fuji Grand Natalie, Luz Omori, Mallage Saga, 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 announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in CRT (the “Units”).

The value of the Units and the income derived from them may rise or fall. The Units are not obligations of, deposits in, or guaranteed by the Trustee-Manager, or any of its affiliates. Investors have no right to request the Trustee-Manager to redeem their Units while the Units are listed. It is intended that unitholders of CRT may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of the CRT and/or the Trustee-Manager is not indicative of the future performance of CRT and/or the Trustee-Manager. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

This announcement may contain forward-looking statements that involve assumptions, 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, 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.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Trustee-Manager's current view of future events.

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This announcement is not an offer of securities for sale in the United States. No public offering of securities is being made in the United States. Any public offering of securities made in the United States would be made by means of a prospectus

that may be obtained from the Trustee-Manager and that would contain detailed information about CRT, the Trustee-Manager and management, as well as financial statements.



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