

## IMPORTANT NOTICE

### NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES.

**IMPORTANT: You must read the following disclaimer before continuing.** The following disclaimer applies to the attached offering circular. You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached offering circular. In accessing the attached offering circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

**Confirmation of Your Representation:** This offering circular is being sent to you at your request and by accepting the e-mail and accessing the attached offering circular, you shall be deemed to represent to us (1) that the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions, and (2) that you consent to delivery of the attached offering circular and any amendments or supplements thereto by electronic transmission.

The attached offering circular has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of Croesus Retail Asset Management Pte. Ltd. (in its capacity as the trustee-manager of Croesus Retail Trust) (the “**Issuer**”), DBS Bank Ltd. or United Overseas Bank Limited (the “**Arrangers**” and the “**Dealers**”) nor their affiliates, directors, officers, employees, representatives, agents and each person who controls the Arrangers or the Dealers or their respective affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version. **A hard copy version will be provided to you upon request.**

**THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT (AS DEFINED BELOW), THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES. THIS OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATION S UNDER THE SECURITIES ACT.**

Nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of the Issuer or the Arrangers or the Dealers to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”)) or directed selling efforts (within the meaning of Regulation S under the Securities Act). If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Arrangers and the Dealers or any affiliate of theirs is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by them or such affiliate on behalf of the issuer in such jurisdiction.

You are reminded that you have accessed the attached offering circular on the basis that you are a person into whose possession this offering circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this offering circular, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities described in the attached offering circular.

**Actions that You May Not Take:** If you receive this document by e-mail, you should not reply by e-mail to this notice, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected.

**YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED OFFERING CIRCULAR, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH OFFERING CIRCULAR IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.**

**You are responsible for protecting against viruses and other destructive items.** If you receive this document by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.



## CROESUS RETAIL ASSET MANAGEMENT PTE. LTD.

(in its capacity as trustee-manager of Croesus Retail Trust)  
(incorporated with limited liability under the laws of the Republic of Singapore)  
(Company registration number: 201205175K)

### U.S.\$500,000,000 Euro Medium Term Note Programme

On 3 January 2014, Croesus Retail Asset Management Pte. Ltd. (in its capacity as the trustee-manager of Croesus Retail Trust), established a Euro Medium Term Note Programme with an original programme limit of U.S.\$500,000,000 and prepared an offering circular dated 3 January 2014. This offering circular replaces the offering circular dated 3 January 2014 relating to the Euro Medium Term Note Programme of Croesus Retail Asset Management Pte. Ltd. (in its capacity as the trustee-manager of Croesus Retail Trust).

Under the Euro Medium Term Note Programme described in this Offering Circular (the "**Programme**"), Croesus Retail Asset Management Pte. Ltd. (in its capacity as the trustee-manager of Croesus Retail Trust) (the "**Issuer**" or the "**Trustee-Manager**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue medium term notes (the "**Notes**"). The aggregate principal amount of Notes outstanding will not at any time exceed U.S.\$500,000,000 (or the equivalent in other currencies), subject to increases as described herein.

The Issuer acts, pursuant to the CRT Trust Deed (as defined herein), as trustee-manager for Croesus Retail Trust ("**CRT**"), a business trust registered under the Business Trusts Act, Chapter 31A of Singapore. Accordingly, recourse of the holders of the Notes (the "**Noteholders**") in relation to the Notes is limited to the assets of CRT over which the Issuer has recourse and shall not extend to any personal assets of the Issuer or any assets held by the Issuer in its capacity as trustee or trustee-manager of any trust (other than its capacity as trustee-manager for CRT).

The Notes may be issued by the Issuer on a continuing basis to one or more of the Dealers appointed under the Programme from time to time (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed for by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in and for the listing of any Notes which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. Unlisted series of Notes may also be issued pursuant to the Programme and Notes may also be listed on stock exchanges other than the SGX-ST. The relevant Pricing Supplement (as defined herein) in respect of any series of Notes will specify whether or not such Notes will be listed on the SGX-ST or on any other stock exchange. There is no assurance that the application to the Official List of the SGX-ST for the listing of the Notes will be approved. Admission to the Official List of the SGX-ST and listing of any Notes on the SGX-ST is not to be taken as an indication of the merits of either the Issuer or CRT and its subsidiaries (the "**Group**"), the Programme or such Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Offering Circular.

The Notes of each Series (as defined herein) to be issued in bearer form will be sold in an "offshore transaction" within the meaning of Regulation S ("**Regulation S**") under the United States Securities Act of 1933 (the "**Securities Act**") and will initially be represented on issue by a temporary global note in bearer form (each a "**temporary Global Note**") or a permanent global note in bearer form (each a "**permanent Global Note**" and, together with the temporary Global Notes, the "**Global Notes**"). Interests in temporary Global Notes generally will be exchangeable for interests, in whole or in part, in permanent Global Notes, or if so stated in the relevant Pricing Supplement, definitive Notes ("**Definitive Notes**"), after the date falling 40 days after the later of the commencement of the offering and the relevant issue date of such Tranche (as defined herein) of Notes, upon certification as to non-U.S. beneficial ownership. Interests in permanent Global Notes will be exchangeable for Definitive Notes in whole but not in part as described under "*Summary of Provisions Relating to the Notes while in Global Form*".

Notes in registered form will be represented by registered certificates (each a "**Certificate**"), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes (as defined herein) of one Series. The Notes of each Series to be issued in registered form and which are sold in an "offshore transaction" within the meaning of Regulation S will initially be represented by a permanent global certificate (each a "**Global Certificate**") without interest coupons. The Global Notes and Global Certificates may be deposited on the relevant issue date (a) in the case of a Series intended to be cleared through Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**"), with a common depository on behalf of Euroclear and Clearstream, Luxembourg or, in the case of a Series of Notes intended to be cleared through The Central Depository (Pte) Limited ("**CDP**"), with, and registered in the name of, CDP and (b) in the case of a Series intended to be cleared through a clearing system other than, or in addition to, Euroclear and/or Clearstream, Luxembourg and/or CDP or delivered outside a clearing system, as agreed between the Issuer and the relevant Dealer.

The Issuer may agree with any Dealer and DB International Trust (Singapore) Limited (in its capacity as trustee, the "**Trustee**") that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event a supplementary Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

In relation to any Tranche, the aggregate principal amount of the Notes of such Tranche, the interest (if any) payable in respect of the Notes of such Tranche, the issue price and any other terms and conditions not contained herein which are applicable to such Tranche will be set out in a Pricing Supplement.

The Tranches of Notes to be issued under the Programme will be unrated.

This offering circular is an advertisement and is not a prospectus for the purposes of EU Directive 2003/71/EC.

**An investment in Notes issued under the Programme involves certain risks. Prospective investors should have regard to the factors described under the heading "Risk Factors" in this Offering Circular.**

Arrangers and Dealers



The Issuer confirms that this Offering Circular contains or incorporates by reference all information relating to the Issuer and the Group which is material in the context of the issuance and offering of Notes, that the information contained or incorporated by reference in this Offering Circular is true and accurate in all respects and is not misleading in any respect, that the opinions and intentions expressed in this Offering Circular are honestly held and that there are no other facts the omission of which would make this Offering Circular or any of such information or the expression of any such opinions or intentions misleading in any respect. The Issuer accepts responsibility accordingly.

Each Tranche of Notes will be issued on the terms set out herein under “*Terms and Conditions of the Notes*” as amended and/or supplemented by a document specific to such Tranche called a pricing supplement (a “**Pricing Supplement**”). This Offering Circular must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes, must be read and construed together with the relevant Pricing Supplement.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated by reference in this Offering Circular (see “*Documents Incorporated by Reference*”). This Offering Circular shall be read and construed on the basis that such documents are incorporated in, and form part of, this Offering Circular.

No person is or has been authorised by the Issuer to give any information or to make any representation other than those contained in this Offering Circular and the relevant Pricing Supplement in connection with any issue or sale of Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any Arranger, any Dealer, the Trustee or any Agent (as defined in this Offering Circular).

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation of the Issuer or the Group or (ii) should be considered as a recommendation by the Issuer, any of the Arrangers, any of the Dealers, the Trustee or any of the Agents that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each potential purchaser of Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Group. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigation as it deems necessary.

Neither the delivery of this Offering Circular nor any sale of Notes made in connection herewith shall, under any circumstances, create any implication that there has been no change in the Group’s affairs since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the Group’s financial position since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offering or sale of the Notes in certain jurisdictions may be restricted by law. The Issuer, the Arrangers, the Dealers, the Trustee and the Agents do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arrangers, the Dealers, the Trustee or any of the Agents which would permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published, in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes comes are required by the Issuer, the Arrangers and the Dealers to inform themselves about and to

observe any such restriction. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area, the United Kingdom, Hong Kong, Singapore and Japan (see “*Subscription and Sale*”).

**THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE NOTES INCLUDE NOTES IN BEARER FORM THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND REGULATIONS THEREUNDER). FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON OFFERS AND SALES OF NOTES AND ON DISTRIBUTION OF THIS OFFERING CIRCULAR, SEE “SUBSCRIPTION AND SALE”. THE NOTES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN RELIANCE ON REGULATION S. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS, SALES AND TRANSFERS OF NOTES AND DISTRIBUTION OF THIS OFFERING CIRCULAR, SEE “SUBSCRIPTION AND SALE”.**

**THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF ANY OFFERING OF NOTES OR THE ACCURACY OR THE ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.**

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Arrangers, the Dealers, the Trustee or any of the Agents to subscribe for, or purchase, any Notes.

To the fullest extent permitted by law, none of the Arrangers, the Dealers, the Trustee or any of the Agents accepts any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by any Arranger, any Dealer, the Trustee or any Agent or on their behalf in connection with the Issuer, or the issue and offering of any Notes. Each of the Arrangers, the Dealers, the Trustee and each Agent accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement. None of the Arrangers, any Dealer, the Trustee or any Agent undertakes to review the Group’s financial condition or affairs during the life of the arrangements contemplated by this Offering Circular nor to advise any investor of any information coming to the attention of any of them.

This Offering Circular does not describe all of the risks and investment considerations (including those relating to each investor’s particular circumstances) of an investment in Notes of a particular issue. Each potential purchaser of Notes should refer to and consider carefully the relevant Pricing Supplement for each particular issue of Notes, which may describe additional risks and investment considerations associated with such Notes. The risks and investment considerations identified in this Offering Circular and the relevant Pricing Supplement are provided as general information only. Investors should consult their own financial, tax, accounting and legal advisers as to the risks and investment considerations arising from an investment in an issue of Notes and should possess the appropriate resources to analyse such investment and the suitability of such investment in their particular circumstances.

In making an investment decision, investors must rely on their own examination of the Issuer and the Group and the terms of the Notes being offered, including the merits and risks involved. None of the Issuer, any Arranger, any Dealer, the Trustee or any Agent makes any representation to any investor regarding the legality of its investment under any applicable laws. Investors should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

CRT does not have a separate legal personality and accordingly, in this Offering Circular, all representations, warranties, undertakings and other obligations and liabilities expressed or otherwise contemplated to be given, assumed, discharged or performed by CRT, and all rights, powers and duties of CRT, shall be construed and take effect as representations and warranties given, as undertakings and other obligations, liabilities assumed or to be discharged and performed by, and rights, powers and duties of, the Issuer, in its capacity as trustee-manager of CRT in accordance with the CRT Trust Deed.

## Stabilisation

In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilising manager(s) (the “**Stabilising Manager(s)**”) (or persons acting on behalf of any Stabilising Manager(s)) in the relevant Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager) will undertake stabilisation action. Any stabilisation action or over-allotment may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

## Rounding of Amounts and Exchange Rate

Figures in this Offering Circular have been subject to rounding adjustments. Accordingly, figures shown for the same item of information may vary and figures which are totals may not be an arithmetic aggregate of their components.

All references in this Offering Circular to **S\$** or **Singapore dollars** are to Singapore dollars, the lawful currency of the Republic of Singapore and all references to **JPY**, **Japanese Yen** or **¥** refer to the lawful currency of Japan. In addition, this Offering Circular contains conversions of Japanese Yen, and unless otherwise indicated, Japanese Yen amounts in this Offering Circular have been translated into Singapore dollars based on the exchange rate of JPY82.2 = S\$1.00. None of the foreign currency conversion rates used to present or derive information in this Offering Circular should be construed as representations that Japanese Yen amounts have been, could have been or could be converted into Singapore dollar at those rates, at any other rate, at any particular rate or at all.

## Forward-Looking Statements

This Offering Circular includes forward-looking statements regarding, amongst other things, the Group’s business, results of operations, financial conditions, cash flow, future expansion plans and business strategy. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “anticipates”, “believes”, “estimates”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Offering Circular and include statements regarding the Issuer’s intentions, beliefs or current expectations concerning, among other things, the Group’s results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which the Group operates.

By their nature, forward-looking statements are subject to numerous assumptions, risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The Issuer cautions investors that forward-looking statements are not guarantees of future performance and that the Group’s actual results of operations, financial condition and liquidity, and the development of the industries in which the Group operates, may differ materially from those made in or suggested by the forward-looking statements contained in this Offering Circular. In addition, even if the Group’s results of operations, financial condition and liquidity and the development of the industries in which the Group operates are consistent with the forward-looking statements contained in this Offering Circular, those results or developments may not be indicative of results or developments in subsequent periods.

The cautionary statements set forth above should be considered in connection with any subsequent written or oral forward-looking statements that the Issuer or persons acting on its behalf may issue in relation to the Group. The Issuer does not undertake any obligation to review or confirm analysts’ expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of this Offering Circular.

The following list includes some, but not necessarily all, of the factors that may cause actual results to differ from those anticipated or predicted:

- the Group’s business, financial condition, results of operations, investment and growth strategies and prospects;

- the business opportunities, including acquisition, development and investment opportunities, that the Group may pursue;
- the Group's use of derivative instruments such as forwards, futures, non-deliverable forwards, swap and options contracts and other similar transactions;
- changes in currency exchanges rates and interest rates
- the Group's capital expenditure plans;
- availability of financing and the Group's existing indebtedness;
- the outlook of the industry and markets in which the Group operates and developments in those markets;
- changes in political, economic, legal and social conditions in countries where the Group carries on business;
- changes in competitive conditions and the ability of the Group to compete under these conditions;
- the performance of the obligations and commitments of the Group's future joint venture partners under any existing and future joint venture agreements; and
- other factors beyond the Issuer's and the Group's control.

Investors should read the factors described in the "*Risk Factors*" section of this Offering Circular to better understand the risks and uncertainties inherent in the Group's business and underlying any forward-looking statements.

Any forward-looking statements that the Issuer makes in this Offering Circular speak only as at the date of this Offering Circular, and the Issuer undertakes no obligation to update such statements. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, and should only be viewed as historical data.

### **Documents Incorporated by Reference**

This Offering Circular should be read and construed in conjunction with (i) each relevant Pricing Supplement, (ii) the most recently published audited consolidated annual financial statements and any interim financial statements (whether audited or unaudited) published subsequently to such annual financial statements of the Group from time to time (if any), in each case with the report of the auditors in connection therewith (if any), and (iii) all amendments and supplements from time to time to this Offering Circular, each of which shall be deemed to be incorporated by reference in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents. Copies of all such documents which are so deemed to be incorporated by reference in, and to form part of, this Offering Circular will be available free of charge during usual business hours on any weekday (Saturdays and public holidays excepted) from the specified office of the Issuing and Paying Agent (as defined herein), currently as set out at the end of this Offering Circular.

### **Supplementary Offering Circular**

The Issuer has given undertakings to the Arrangers that, if the Issuer has notified the Arrangers and the Permanent Dealers in writing that the Issuer intends to issue Notes under the Programme, if at any time during the duration of the Programme a significant new factor arises, or a material mistake or inaccuracy arises or is noted relating to information included in this Offering Circular which is capable of affecting an assessment by investors of the assets and liabilities, financial position, profits and losses, and prospects of the Group and/or of the rights attaching to the Notes, the Issuer shall prepare an amendment or supplement to this Offering Circular or publish a replacement Offering Circular for use in connection with any subsequent offering of the Notes.

## TABLE OF CONTENTS

	<b>Page</b>
DEFINITIONS.....	1
SUMMARY OF THE PROGRAMME .....	7
RISK FACTORS .....	12
TERMS AND CONDITIONS OF THE NOTES .....	37
SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM.....	67
USE OF PROCEEDS.....	72
CAPITALISATION AND INDEBTEDNESS .....	73
CROESUS RETAIL TRUST .....	74
TAXATION .....	110
CLEARANCE AND SETTLEMENT .....	114
SUBSCRIPTION AND SALE.....	116
FORM OF PRICING SUPPLEMENT .....	120
GENERAL INFORMATION .....	128
INDEX TO FINANCIAL STATEMENTS .....	F-1

## DEFINITIONS

The following definitions have, where appropriate, been used in this Offering Circular:

<b>“£” or “Sterling”</b>	The lawful currency of the United Kingdom
<b>“Aeon Town”</b>	Aeon Town Co., Ltd.
<b>“Agency Agreement”</b>	The agency agreement dated 3 January 2014 between the Issuer, DB International Trust (Singapore) Limited as trustee, Deutsche Bank AG, Hong Kong Branch as initial issuing and paying agent, Deutsche Bank Luxembourg S.A. as registrar and Transfer Agent in respect of Registered Notes other than Notes cleared through CDP, Deutsche Bank AG, Singapore Branch as the CDP paying agent and, in respect of Notes cleared through CDP that are Registered Notes, the registrar and Transfer Agent and the other agents named in it relating to the Programme as amended or supplemented from time to time
<b>“Agents”</b>	Issuing and Paying Agent, CDP Paying Agent, Paying Agents, Registrars and Transfer Agents being together referred to as the <b>“Agents”</b>
<b>“Apple TMK”</b>	The TMK which holds the TBI in respect of Torius
<b>“Asset Managers”</b>	Tozai Asset Management Co., Ltd. (in respect of Aeon Town Moriya, Aeon Town Suzuka, Croesus Shinsaibashi, Mallage Shobu and One’s Mall), Marubeni Asset Management Co., Ltd. (in respect of Croesus Tachikawa and Luz Omori) and CMI Realty Management Co., Ltd. (in respect of Torius), each appointed by the Japan TMKs
<b>“Audit and Risk Committee”</b>	The audit and risk committee of the Trustee-Manager comprising Mr Eng Meng Leong, Mr Quah Ban Huat and Mr David Lim Teck Leong
<b>“Base Fee”</b>	The Base Fee which the Trustee-Manager is entitled to is calculated at a rate in accordance with the formula below:  (i) if the value of the Trust Property is less than JPY100 billion, the Base Fee will be 0.60% per annum of the value of the Trust Property, subject to a cap on the Base Fee of JPY0.5 billion; and  (ii) if the value of the Trust Property is equal to or greater than JPY100 billion, the Base Fee will be 0.50% per annum of the value of the Trust Property.
<b>“Board”</b>	Board of directors of the Issuer
<b>“BTA”</b>	Business Trusts Act, Chapter 31A of Singapore
<b>“CDP”</b>	The Central Depository (Pte) Limited

<b>“CDP System”</b>	In respect of Notes which are accepted for clearance by CDP in Singapore, the system run by CDP which effects clearance through an electronic book-entry clearance and settlement system for the trading of debt securities
<b>“Civil Code”</b>	The Civil Code of Japan
<b>“CGPL”</b>	Croesus Group Pte. Ltd.
<b>“Clearstream, Luxembourg”</b>	Clearstream Banking S.A.
<b>“Companies Act”</b>	The Companies Act, Chapter 50 of Singapore
<b>“CRT”</b>	Croesus Retail Trust
<b>“CRT Trust Deed”</b>	The trust deed dated 7 May 2012 with Croesus Retail Asset Management Pte. Ltd. as its trustee-manager, as amended and supplemented by the first amending and restating deed dated 29 June 2012, the second amending and restating deed dated 7 November 2012, the third amending and restating deed dated 24 April 2013 and the fourth amending and restating deed dated 30 April 2013, and as may be further amended or supplemented from time to time
<b>“Croesus International”</b>	Croesus International Inc.
<b>“Croesus Merchants”</b>	Croesus Merchants International Pte. Ltd.
<b>“D Rules”</b>	U.S. Treas. Reg. §1.163-5(c)(2)(i)(D)
<b>“Daiwa House”</b>	Daiwa House Industry Co. Ltd
<b>“Dealer Agreement”</b>	The Dealer Agreement relating to the Programme dated 3 January 2014 between the Issuer, DBS Bank Ltd. and United Overseas Bank Limited and any other dealers named therein as amended or supplemented from time to time
<b>“Depositors”</b>	Persons holding the Notes in securities accounts with CDP
<b>“Depository Agents”</b>	Certain corporate depositors who can effect settlement of over-the-counter trades in the Notes through the CDP System
<b>“Directors”</b>	Directors of the Issuer
<b>“Due Care”</b>	The degree of care and diligence required of a trustee manager of a registered business trust
<b>“Durian TMK”</b>	The TMK which holds the TBI in respect of One’s Mall
<b>“euro” or “€”</b>	The lawful currency of member states of the European Union that adopt the single currency introduced in accordance with the Treaty establishing the European Community, as amended from time to time
<b>“Euroclear”</b>	Euroclear Bank SA/NV

<b>“Evertrust”</b>	Evertrust Asset Management Pte. Ltd.
<b>“Fixed-Term Leases”</b>	Building leases which have prescribed terms in accordance with Article 38 of the Land Lease and Building Lease Law
<b>“GFA”</b>	The total amount of above-ground floor area calculated in accordance with the applicable local regulations
<b>“Gross Rental Income”</b>	Consists of base rental income (after rent rebates, refunds, credits or discounts and rebates for rent free periods, where applicable), service charges payable by tenants and, unless expressly stated, excludes advertising and promotion levy
<b>“Gross Revenue”</b>	Consists of (i) Gross Rental Income and (ii) other operating income generated from CRT’s properties
<b>“Group”</b>	CRT and its subsidiaries
<b>“Independent Valuers”</b>	CBRE K.K. and DTZ Debenham Tie Leung K.K.
<b>“Interested Person”</b>	Has the meaning ascribed to it in the Listing Manual
<b>“ISH”</b>	Japanese <i>ippan shadan hojin</i>
<b>“ITA”</b>	Income Tax Act, Chapter 134 of Singapore
<b>“Japan TMKs”</b>	Mangosteen TMK, Persimmon TMK, Durian TMK and Apple TMK, being the TMKs which hold the TBIs in respect of the Properties and form part of CRT’s assets
<b>“JPY”</b>	The lawful currency of Japan
<b>“Land Lease and Building Lease Law”</b>	The Land Lease and Building Lease Law of Japan
<b>“Latest Practicable Date”</b>	25 March 2016
<b>“LIBOR”</b>	London Interbank Offered Rate
<b>“Listing Date”</b>	The date of admission of CRT to the Official List of the SGX-ST
<b>“Listing Manual”</b>	The listing manual of the SGX-ST
<b>“Management Fee”</b>	The Base Fee and Performance Fee payable to the Trustee-Manager
<b>“Mangosteen TMK”</b>	The TMK which holds the TBI in respect of Aeon Town Moriya, Aeon Town Suzuka, Croesus Shinsaibashi and Mallage Shobu
<b>“Marubeni”</b>	Marubeni Corporation
<b>“Marubeni Real Estate”</b>	Marubeni Real Estate Management Co., in its capacity as property manager of Croesus Shinsaibashi and Luz Omori
<b>“MAS”</b>	The Monetary Authority of Singapore
<b>“Master Lessee”</b>	Aeon Town

<b>“Net Property Income”</b>	Consists of Gross Revenue less Property Expenses
<b>“NLA”</b>	In the case of each of the Properties (other than Aeon Town Moriya and Aeon Town Suzuka), the area in a building that is to be leased, excluding common areas such as common corridors, lift shafts, fire escape staircases and toilets, and is usually the area in respect of which rent is payable. In the case of Aeon Town Moriya and Aeon Town Suzuka, the area in the relevant building that is leased to Aeon Town, including the common areas such as common corridors, lift shafts, fire escape staircases and toilets, and is the area in respect of which rent is payable
<b>“Noteholders”</b>	Holders of Notes
<b>“other payments”</b>	Means additional payments to the vendor of the asset, for example, where the vendor has already made certain payments for enhancements to the asset, and the value of the asset enhancements is not reflected in the acquisition price as the asset enhancements are not completed, but “other payments” do not include stamp duty or other payments to third-party agents and brokers
<b>“Other Property Operating Expenses”</b>	Consists of building management expenses, utilities expenses, repair expenses, insurance expenses, sale and promotion expenses and property tax (including depreciable property tax) and other costs
<b>“Performance Fee”</b>	The performance fee which the Trustee-Manager is entitled to is calculated at a rate in accordance with the formula below: The Trustee-Manager shall be entitled to receive for its own account out of the Trust Property a performance fee of 3.0% per annum of Net Property Income
<b>“Persimmon TMK”</b>	The TMK which holds the TBI in respect of Croesus Tachikawa and Luz Omori
<b>“Pricing Supplement”</b>	In relation to a Series or Tranche, a pricing supplement specifying the relevant issue details in relation to such Series or Tranche
<b>“Programme”</b>	The U.S.\$500,000,000 Euro Medium Term Note Programme established by the Issuer
<b>“Properties”</b>	The properties set out as “Properties” on pages 89 to 96 of this Offering Circular
<b>“Property Expenses”</b>	Consists of property management expenses and Other Property Operating Expenses but excluding depreciation of real properties
<b>“Property Managers”</b>	The property managers for each of the Properties, namely: <ul style="list-style-type: none"> <li>(i) AIM CREATE Co., Ltd., the property manager of Aeon Town Moriya, Aeon Town Suzuka and Croesus Tachikawa;</li> <li>(ii) Marubeni Real Estate, the property manager of Croesus Shinsaibash and Luz Omori;</li> <li>(iii) Sojitz Commerce Development Corporation, the property manager of Mallage Shobu;</li> </ul>

	(iv) Xymax Alpha Corporation, the property manager of One's Mall; and
	(v) KAFER Co., Ltd, the property manager of Torius, collectively, and each a " <b>Property Manager</b> "
"Prospectus"	The prospectus of CRT issued by the Trustee-Manager dated 2 May 2013
"Regulation S"	Regulation S under the Securities Act
"S\$" or "Singapore Dollars"	The lawful currency of Singapore
"Securities Act"	The U.S. Securities Act of 1933, as amended
"Securities and Futures Ordinance"	The Securities and Futures Ordinance (Cap. 571) of Hong Kong
"SFA"	The Securities and Futures Act, Chapter 289 of Singapore
"SGX-ST"	Singapore Exchange Securities Trading Limited
"Singapore"	The Republic of Singapore
"SPVs"	Special purpose vehicles
"sq m"	Square metres
"Strategic Partners"	Marubeni Corporation and Daiwa House Industry Co. Ltd, and each a " <b>Strategic Partner</b> "
"TBI"	Trust beneficiary interests
"TMK"	<i>tokutei mokuteki kaisha</i>
"TMK Distribution Requirement"	An annual requirement under the Special Taxation Measures Law of Japan, under which a TMK must distribute more than 90% of its distributable profits for the fiscal year
"Torius"	A completed retail property located in Fukuoka, Japan comprising 36 buildings
"Tozai"	Tozai Asset Management Co., Ltd.
"Trust Deed"	The amended and restated trust deed dated 4 April 2016, amending and restating the trust deed dated 3 January 2014 between the Issuer and DB International Trust (Singapore) Limited as trustee relating to the Programme, and as amended or supplemented from time to time
"Trust Property"	Has the meaning ascribed to it in the BTA, including the Authorised Investments (as defined in the CRT Trust Deed) of CRT for the time being held or deemed to be held upon the terms of the CRT Trust Deed

<b>“Trustee-Manager”</b>	Croesus Retail Asset Management Pte. Ltd. (in its capacity as the trustee-manager of Croesus Retail Trust)
<b>“U.S.\$” or “U.S. Dollars”</b>	The lawful currency of the United States of America
<b>“Unitholder(s)”</b>	The registered holder for the time being of a Unit including persons so registered as joint holders, except that where the registered holder is CDP, the term “Unitholder” shall, in relation to Units registered in the name of CDP, mean, where the context requires, the depositor whose Securities Account with CDP is credited with Units
<b>“Units”</b>	An undivided interest in CRT as provided for in the Trust Deed
<b>“Voluntary ROFRs”</b>	The rights of first refusal granted by the Sponsor, Croesus International, CGPL and each of the Strategic Partners to the Trustee-Manager on 23 April 2013
<b>“WALE”</b>	Weighted average lease term to expiry

## SUMMARY OF THE PROGRAMME

The following overview is qualified in its entirety by the remainder of this Offering Circular.

<b>Issuer</b>	Croesus Retail Asset Management Pte. Ltd. (in its capacity as trustee-manager of Croesus Retail Trust)
<b>Description</b>	Euro Medium Term Note Programme
<b>Programme Limit</b>	Up to U.S.\$500,000,000 (or the equivalent in other currencies at the date of issue) aggregate principal amount of Notes outstanding at any time. The Issuer may increase the Programme Limit in accordance with the terms of the Dealer Agreement
<b>Arrangers</b>	DBS Bank Ltd. and United Overseas Bank Limited
<b>Dealers</b>	DBS Bank Ltd. and United Overseas Bank Limited

The Issuer may from time to time appoint dealers either in respect of one or more Tranches or in respect of the whole Programme or terminate the appointment of any dealer under the Programme. References in this Offering Circular to “**Permanent Dealers**” are to the persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to “**Dealers**” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches

<b>Trustee</b>	DB International Trust (Singapore) Limited
<b>Issuing and Paying Agent</b>	Deutsche Bank AG, Hong Kong Branch
<b>CDP Paying Agent</b>	Deutsche Bank AG, Singapore Branch
<b>Registrars</b>	Deutsche Bank Luxembourg S.A. (in respect of Notes other than Notes cleared through CDP) and Deutsche Bank AG, Singapore Branch (in respect of Notes cleared through CDP)
<b>Method of Issue</b>	The Notes will be issued on a syndicated or non-syndicated basis

The Notes will be issued in series (each a “**Series**”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “**Tranche**”) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and principal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the relevant Pricing Supplement

<b>Issue Price</b>	<p>Notes may be issued at their principal amount or at a discount or premium to their principal amount</p> <p>Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments</p>
<b>Form of Notes</b>	<p>The Notes may be issued in bearer form only (“<b>Bearer Notes</b>”) or in registered form only (“<b>Registered Notes</b>”). Each Tranche of Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules, otherwise such Tranche will be represented by a permanent Global Note</p> <p>Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as “<b>Global Certificates</b>”</p> <p>Registered Notes sold in an “offshore transaction” within the meaning of Regulation S will initially be represented by a Global Certificate</p>
<b>Clearing Systems</b>	<p>Euroclear, Clearstream, Luxembourg and CDP and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the relevant Dealer(s) and notified in writing to the Trustee and the Issuing and Paying Agent</p>
<b>Initial Delivery of Notes</b>	<p>On or before the issue date for each Tranche, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a common depository for Euroclear and Clearstream, Luxembourg or with CDP. Global Notes and Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Trustee, the Issuing and Paying Agent and the relevant Dealer(s). Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of, or in the name of nominees or a common nominee for, such clearing systems</p>
<b>Currencies</b>	<p>Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealer(s). Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies as may be agreed between the Issuer and the relevant Dealer(s)</p>
<b>Maturities</b>	<p>Subject to compliance with all relevant laws, regulations and directives, Notes may be issued with any maturity as may be agreed between the Issuer and the relevant Dealer(s)</p>

**Specified Denomination**

Notes will be in such denominations as may be specified in the relevant Pricing Supplement save that unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act (“FSMA”) will have a minimum denomination of £100,000 (or its equivalent in other currencies)

**Fixed Rate Notes**

In respect of Fixed Rate Notes, fixed interest will be payable in arrear on such days(s) as may be agreed between the Issuer and the relevant Dealer(s) (as specified in the relevant Pricing Supplement)

**Floating Rate Notes**

Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency (as defined in “*Terms and Conditions of the Notes*”) governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.; or
- (ii) by reference to LIBOR, EURIBOR or SIBOR (or such other benchmark as may be agreed by the Issuer and the relevant Dealer(s) (as specified in the relevant Pricing Supplement)) as adjusted for any applicable margin

Interest periods will be specified in the relevant Pricing Supplement

**Zero Coupon Notes**

Zero Coupon Notes may be issued at their principal amount or at a discount to such principal amount and will not bear interest.

**Dual Currency Notes**

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes (as defined in “*Terms and Conditions of the Notes*”) will be made in such currencies, and based on such rates of exchange, as may be specified in the relevant Pricing Supplement

**Interest Periods and Interest Rates**

The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Pricing Supplement

**Redemption of Notes**

The relevant Pricing Supplement will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

The Pricing Supplement issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed

**Other Notes**

Terms applicable to Notes such as high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, Partly Paid Notes and any other type of Note that the Issuer, the Trustee, the Issuing and Paying Agent and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Pricing Supplement and any relevant supplemental Offering Circular

**Optional Redemption of Notes**

The Pricing Supplement issued in respect of each issue of Notes will state whether such Notes may be redeemed or purchased by the Issuer prior to their stated maturity at the Issuer's option (either in whole or in part) and/or at the option of the holders, and if so the terms applicable to such redemption

**Redemption on cessation or suspension of trading**

If, on any date, (A) the units of CRT cease to be traded on the SGX-ST or (B) trading in the units of CRT is suspended for more than seven consecutive days on which normal trading of securities is carried out, the Issuer shall, at the option of the holder of any Note, redeem such Note at its optional redemption amount together with interest accrued to the date fixed for redemption which shall be the date (or, if such date is not a business day, on the immediately preceding business day) falling 45 days after the relevant effective date. See "Terms and Conditions of the Notes – Redemption, Purchase and Options - Cessation or suspension of trading"

**Status of Notes**

The Notes and the receipts and the coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the receipts and the coupons relating to them shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future. See "Terms and Conditions of the Notes – Status"

**Negative Pledge**

See "*Terms and Conditions of the Notes – Covenants — Negative Pledge*"

**Financial Covenant**

See "*Terms and Conditions of the Notes – Covenants – Financial Covenants*"

**Cross Default**

See "*Terms and Conditions of the Notes — Events of Default*"

**Early Redemption for Taxation**

Except as provided in "*Optional Redemption*" and "*Redemption on cessation or suspension of trading*" above, Notes will be redeemable at the option of the Issuer prior to maturity for tax reasons. See "*Terms and Conditions of the Notes— Redemption, Purchase and Options*"

**Withholding Tax**

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes, the receipts and the coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. The Issuer shall pay such additional amounts as shall result in receipt by the Noteholders, receiptholders and couponholders of such amounts as would have been received by them had no such withholding or deduction been required, subject to certain conditions as set out in the relevant Terms and Conditions. See “Terms and Conditions of the Notes – Taxation”

**Governing Law**

The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law or Singapore law, as specified in the applicable Pricing Supplement

**Listing and Admission to Trading**

Application has been made to the SGX-ST for permission to deal in and listing of any Notes which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. There is no assurance that the application to the Official List of the SGX-ST will be approved. If the application to the SGX-ST to list a particular series of Notes is approved, such Notes listed on the SGX-ST will be traded on the SGX-ST in a board lot size of at least S\$200,000 (or its equivalent in other currencies)

Unlisted Series of Notes may also be issued pursuant to the Programme. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer in relation to each Series of Notes. The Pricing Supplement relating to each Series of Notes will state whether or not the Notes of such Series will be initially listed on any stock exchange(s) and, if so, on which stock exchange(s) the Notes are to be initially listed

**Selling Restrictions**

The United States of America, the European Economic Area, the United Kingdom, Hong Kong, Singapore and Japan. See “*Subscription and Sale*”

For the purposes of Regulation S, Category 1 selling restrictions shall apply unless otherwise indicated in the relevant Pricing Supplement

**Risk Factors**

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed in “*Risk Factors*” below

**Credit Rating**

Unless otherwise stated in a relevant Pricing Supplement, Tranches of Notes to be issued under the Programme will be unrated

## RISK FACTORS

Before making an investment decision, investors should carefully consider all of the information set out in this Offering Circular, including the risk factors set forth below. Any of the risks described below could materially and adversely affect the Issuer's ability to satisfy its obligations, including those under the Notes, and have a material adverse effect on the Group's business, operations and prospects. In that event, the market price of the Notes could decline, and investors may lose all or part of their investments in the Notes. The risks and uncertainties described below are not the only risks and uncertainties the Group faces. In addition to the risks described below, there may be other risks and uncertainties not currently known to the Issuer or that the Issuer currently deems to be immaterial which may in the future become material risks. The risks discussed below also include forward-looking statements and the Group's actual results may differ substantially from those discussed in these forward-looking statements. Sub-headings are for convenience only and risk factors that appear under a particular sub-heading may also apply to one or more other sub-headings.

### Risks relating to the Properties

***The leasehold interests in certain land parcels for Torius are subject to the Civil Code which contains conditions less favourable to the lessee as compared to the Land Lease and Building Lease Law.***

Torius comprises various parcels of land, and Apple TMK holds the TBIs which include the leasehold interests in respect of each land parcel comprising Torius. The leasehold interests of certain land parcels for Torius<sup>1</sup> are subject to the Civil Code and are not subject to the Land Lease and Building Lease Law. As such, in respect of those land parcels subject to the Civil Code, Apple TMK will not be able to benefit from certain conditions favourable to the lessee under the Land Lease and Building Lease Law which include the following:

- the initial term of the lease contract will be for a minimum period of at least 30 years;
- Apple TMK being able to perfect the property trustee's leasehold interests over the relevant underlying land parcels for Torius by registering the ownership of the building built on the relevant underlying land parcel if the property trustee owns such building (provided that this way of perfection is not applicable to the leased land on which the registered building is not located);
- the term of the leasehold interest held by the property trustee being subject to extension by Apple TMK unless the lessor has a justifiable reason for not agreeing to such extension in light of a number of factors including the lessor's and Apple TMK's need for the land for their own use, the history of the land lease contract, the present use of the leased land, and the amount of money the lessor is offering to pay the lessee to partially compensate the lessee for vacating the land; and
- Apple TMK having the right to demand that the lessor purchases the building on the leased land owned by Apple TMK at the market price at the end of the term of the land lease contract when the land lease contract is not extended or renewed.

In particular, under the Civil Code, and unlike the Land Lease and Building Lease Law, there are no favourable statutory restrictions on lessors regarding the ability of a lessee to renew and extend a leasehold interest. Thus, the leasehold interests that are subject to the Civil Code could be terminated upon the expiration of the initial lease term (i.e. up to 20 years from the commencement of the lease). The inability of Apple TMK to renew or extend the property trustee's leasehold interests in respect of those land parcels subject to the Civil Code may impact the operations of Torius and the value of CRT's investment in, and the income that is generated from, Torius and this may have an adverse impact on the business, operations and finances of CRT.

---

<sup>1</sup> These land parcels comprise mainly the land parcels which are not required to own the buildings in Torius and would include for example, the land parcels for those carpark lots which are not located adjacent to the buildings in Torius.

***In respect of the leasehold interests for certain land parcels of Torius which are subject to the Civil Code and not registered, CRT may be required to vacate the land prior to the end of the term of the leasehold interest.***

Under the Civil Code, in order to perfect leasehold interests in the underlying land, the lessee is required to register its leasehold interest in the real property registry. If the lessee does not duly perfect its leasehold interest in the land, the lessee cannot assert its leasehold interest against a future purchaser of the underlying land. The leasehold interest is also subject to any mortgage over the underlying land that is registered prior to the perfection of the leasehold interest over the land. The lessee, as a general rule, loses its leasehold interest if and when the mortgagee of a mortgage registered prior to the leasehold right forecloses on the land. The acquirer as a result of the foreclosure can then require that the lessee vacate the land prior to the end of the term of the leasehold interest. If the property trustee is required by an acquirer as a result of a foreclosure to vacate any land parcel of Torius which is subject to the Civil Code, this may impact the operations of Torius and the value of CRT's investment in, and the income that is generated from Torius and this may have an adverse impact on the business, operations and finances of CRT.

***The Properties may be subject to risks associated with the acquisition of real estate.***

While the Trustee-Manager believes that reasonable due diligence investigations have been conducted with respect to the Properties, there can be no assurance that the Properties will not have defects or deficiencies requiring repair or maintenance thereby incurring significant capital expenditures, payments or other obligations to third parties. The Properties may be in breach of relevant laws and regulations, which the Trustee-Manager's due diligence investigations did not uncover. Statutory or contractual representations, warranties and indemnities given by any developer or vendor of real estate may not be able to afford satisfactory protection from costs or liabilities arising from such property or equipment defects. As a result, CRT may incur additional financial or other obligations in relation to remedying such breaches or non-compliance defects or deficiencies.

Any representations, warranties and indemnities made in favour of the CRT by the respective vendors under the purchase and sale agreements for each of the Properties are subject to limitations as to their scope and as to the amount and timing of claims which can be made thereunder. Accordingly, there can be no assurance that CRT will be entitled to be reimbursed or compensated under such representations, warranties and indemnities for any or all losses or liabilities suffered or incurred by it as a result of its prior acquisition and/or development of the Properties.

***The amount of rent derived from each tenant of the Properties may not be maintained or improved after rent renewals, lease renewals and new leases are agreed. Tenant lease agreements of the Properties may not be terminated upon the expiration of the then current term, which may cause the lessor to accept an unfavourable amount of rent upon such expiration.***

Under the Land Lease and Building Lease Law, lessors cannot request to increase the rent if the lease agreement prohibits an increase, while tenants are generally granted a statutory right to require a reduction in the rent payable if they are able to show that their rental rates are unreasonably high, for example, as a result of a change in the applicable tax rates or other costs, the value of the building or land, or economic conditions, or in comparison with rental rates in other comparable buildings in the vicinity. Such a request can generally be made by the tenant irrespective of whether it is prohibited under the lease agreement. CRT's financial position is therefore susceptible to adverse changes in market conditions.

In addition, all tenants of properties under standard lease contracts in Japan benefit from certain legal protections and customary contractual provisions that may not be found or may be considered unusual elsewhere in the world<sup>2</sup>. While the tenant is usually granted the right to terminate the contract during the

---

<sup>2</sup> Key legal protections include the renewal rights to tenants, which refer to such protection for tenants of buildings under the Land Lease and Building Lease Law.

For Fixed-Term Leases, as they are classified as a building lease under the Land Lease and Building Lease Law, they are subject to the following terms and conditions:

- (a) the lease is in writing;
- (b) the lease provides for a fixed term;
- (c) the lease provides that there is no renewal; and
- (d) the lessee has received prior written explanation of non-renewal before executing the lease agreement.

In cases whereby a Fixed-Term Lease is for a term of one year or more, the lease will terminate on the lapse of six months from such notice even if there is no justifiable reason. Six months prior notice is also required for termination of the Fixed-Term Lease.

term with prior notice, standard leases can be automatically renewed on the same terms and conditions upon their expiry for all renewals (including subsequent renewals) regardless of whether automatic renewal is provided in the tenant lease agreements. Should there be any dispute regarding the rent, the lease is still renewable but the rental rates will be determined through litigation to the court which has the jurisdiction over the disputes in connection with the relevant lease agreement<sup>3</sup>. The lessor may unilaterally terminate the lease without the tenants' consent only if it is able to justify such termination. As a result, there is a risk that although the tenant may not agree to an increase in rent or other revisions in the terms and conditions of the lease upon expiration of the then current lease term, a lessor is unable to terminate the lease without the tenant's consent. In such a situation, the lease will continue based on the existing terms and conditions unless a lessor has justifiable grounds for terminating the lease. Such an arrangement restricts the ability of a lessor to amend the terms of the lease or terminate the lease in the event an agreement is not reached. The terms on which lease renewals and new leases are agreed may also be less favourable than the current leases. Such conditions may impact the value of CRT's investment in, and the income that is generated from, its interests in the Properties or other properties to be acquired by CRT and may adversely affect the business, operations and financial condition of CRT.

***The loss of the master lessees, anchor tenants or a significant number of tenants of any of the Properties or a downturn in the businesses of anchor tenants or a significant number of tenants could have an adverse effect on CRT's financial conditions and results of operations.***

CRT's financial condition and results of operations and capital growth may be adversely affected by the bankruptcy, insolvency or downturn in the businesses of any master lessee, one or more of the anchor tenants or a significant number of tenants of any of the Properties, as well as the decision by one or more of these tenants not to renew its lease or to terminate its lease before it expires. Aeon Town, the master lessee of Aeon Town Moriya and Aeon Town Suzuka will be able to terminate, with one year's prior notice, the master lease of Aeon Town Moriya and Aeon Town Suzuka after 2015 or 2016 respectively without incurring any cancellation penalty.

If a master lessee or an anchor tenant terminates its lease or does not renew its lease at expiry, it may be difficult to secure replacement tenants at short notice. The loss of the Master Lessee or anchor tenants in any one of the Properties or CRT's future acquisitions could result in periods of vacancy, which could adversely affect the revenue and financial conditions of the relevant property, consequently and ultimately impacting CRT's performance.

Similarly, if a large number of tenants do not renew their leases upon expiry or a significant number of early terminations by master lessees such as Aeon Town occur, and replacement tenants cannot be found, or if found, leases are entered into with these tenants on terms less favourable than those experienced with the prior tenants, this could adversely affect CRT's business and financial conditions and results of operations.

However, as of the Latest Practicable Date, neither written nor verbal notice of termination has been received from Aeon Town in respect of its master lease at Aeon Town Moriya and Aeon Town Suzuka.

***The market values of the Properties may differ from their appraised values obtained by independent valuers.***

Property valuations generally include a subjective determination of certain factors relating to the relevant properties, such as their relative market positions, applicable cap rates, expected maintenance costs, competitive strengths and their physical condition. There can be no assurance that the relevant Properties can continue to be leased out at the same market rates which the property valuations were based on or higher. New property valuations may also become necessary to reflect any findings or facts discovered or which occurred after the date of valuation. In addition, it may be necessary to use research methods

---

<sup>3</sup> Under the Land Lease and Building Lease Law, a lessor may not refuse the extension of the existing lease term with respect to a standard building lease unless the lessor demonstrates that there is a justifiable reason.

Factors to be considered in determining whether there is a justifiable reason include:

- (a) the lessor's and the lessee's needs for the building for their own use;
- (b) the history of the building lease contract;
- (c) the present use of the leased building;
- (d) the current condition of the building; and
- (e) the amount of money the lessor is offering to pay the lessee to partially compensate the lessee for vacating the building.

beyond the expertise of the valuers, necessitating the employment of third-party experts, whose accuracy of research conducted cannot be guaranteed. The market values of the Properties when completed may therefore differ from the values as determined by independent valuers.

The values of the Properties (as determined by the independent valuers) are not an indication of, and do not guarantee, a sale price at that value at present or in the future. The price at which CRT may sell a property may be lower than its value as determined by independent valuers.

***The Properties may be subject to risks associated with the operation of Japanese bankruptcy laws.***

Under Japanese law, if certain criteria are met, a transfer of real property or TBI made by an insolvent transferor can be made invalid by a bankruptcy trustee of the transferor or a creditor to the transferor if the conveyance is fraudulent and prejudices the creditors of the person who sold the property to the present vendor. If a transfer of real property or TBI is made invalid, such asset will be treated as the transferor's asset and the transferee will have a monetary claim against the bankruptcy estate or a transferor for a refund of the purchase price paid as a creditor in line with the other creditors. However, as a matter of practice, given the lengthy period of limitation of up to 20 years and the possible volume of transfers, it would be practically impossible to review the processes and circumstances of previous transfers in which the current vendors of the Properties and CRT were not involved. There can be no assurance that the previous transfers and transfers from vendors to Mangosteen TMK, Persimmon TMK, Durian TMK and Apple TMK, being the TMKs which hold the TBIs in respect of the Properties and form part of CRT's assets (each a "Japan TMK", and collectively, the "Japan TMKs") are free of risks concerning fraudulent conveyances.

***The Properties may face increased competition from future retail developments in Japan.***

The retail property industry is competitive and may become increasingly so despite the implementation of amendments to the Three City Planning Law and guidelines under the Large Scale Retail Store Location Law, as well as other related laws and regulations in 2006 which resulted in a decrease in the development of new shopping malls.

Each of the Properties is located in an area that may have other competing retail malls and may also face competition from other retail malls that may be developed in the future. The income from, and market value of, the Properties will depend on the ability of the Properties to compete against other retail properties within the same submarket in attracting and retaining tenants. An increase in the number of competitive retail malls in Japan, particularly in the areas where the Properties are, could have a material adverse effect on the revenue and/or occupancy rates of the Properties, as such increased competition may adversely impact the tenants and consequently affect their ability to make rental payments or affect their decision to renew their leases which will in turn affect demand for the Properties, their rental rates or occupancy rates.

***There may be potential conflicts of interest which may arise in future with the Croesus Group or the Strategic Partners.***

The Croesus Group<sup>4</sup> and their respective subsidiaries and/or associates are not currently engaged in but may, in future, engage in the investment in, and the development and management of, among other things, other retail properties in Japan and the rest of the Asia-Pacific region. The Strategic Partners<sup>5</sup> and their respective subsidiaries and/or associates are engaged in the investment in, and the development and management of, among other things, other retail properties in Japan and the rest of the Asia-Pacific region.

To demonstrate the commitment of the Sponsor, Croesus International and CGPL to CRT and as a means to mitigate any potential conflict of interests which may arise in future, the Sponsor, Croesus International and CGPL have provided voluntary right of first refusals to CRT (the "Voluntary ROFRs").

---

<sup>4</sup> The "Croesus Group" comprises the Sponsor, Croesus International Inc. ("Croesus International") and Croesus Group Pte. Ltd. ("CGPL").

<sup>5</sup> The "Strategic Partners" comprise Marubeni Corporation ("Marubeni") and Daiwa House Industry Co. Ltd ("Daiwa House").

The Croesus Group and the Strategic Partners may, in the future, manage or invest in other business trusts, real estate investment trusts or other vehicles which may compete directly with CRT. The Croesus Group may also invest in retail assets which CRT does not wish to invest in pursuant to the Voluntary ROFRs from the Croesus Group.

***Transportation amenities and infrastructure near the Properties may be closed, relocated or not developed as proposed.***

The proximity of transportation amenities and infrastructure to the Properties such as train stations and bus interchanges provide convenient access to the Properties and a constant flow of shopper traffic. There is no assurance that the transportation amenities and infrastructure on which the Properties rely for accessibility will not be closed, relocated, become less convenient, terminated in the future or not developed as proposed. Such closure, relocation, termination or failure to develop as proposed may adversely affect the accessibility of the Properties which will in turn reduce the flow of shopper traffic to the Properties. This may have an adverse effect on the demand and the rental rates for the Properties and adversely affect the financial position of CRT.

***Renovation works or physical damage to the Properties may disrupt the operations of the Properties and collection of rental income or otherwise result in an adverse impact on the financial condition of CRT.***

The quality and design of the Properties have a direct influence over the demand for space in and the rental rates of the Properties, as well as the ability to continue attracting strong shopper traffic. The Properties may need to undergo renovation works from time to time to retain their attractiveness to tenants and may also require unforeseen ad-hoc maintenance or repairs in respect of faults or problems that may develop over structural defects or other parts of buildings or because of new planning laws or regulations. The costs of renovating a retail property and the risk of unforeseen maintenance or repair requirements tend to increase over time as the building ages. Furthermore, while the Trustee-Manager will endeavour to keep any disruptions caused by such renovations works to a minimum, the business and operations of the Properties may still suffer some disruption and it may not be possible to collect the full rate of, or, as the case may be, any rental income on the space affected by such renovation works. Shopper traffic may also be adversely affected by inconveniences resulting from such renovation works.

In addition, physical damage to the Properties resulting from fire, earthquakes or other acts of God may lead to a significant disruption to the business and operation of the Properties and together with the foregoing may result in an adverse effect on the financial condition and results of operations of CRT and its capital growth.

***The Properties are not fully controlled or transferable by CRT.***

The Properties are, and will be, owned by trust banks that are acting as trustees of trusts and the various Japan TMKs will own the TBIs in respect of the Properties. A TBI is a contractual right that is created when a trust agreement is entered into by and between a trustor and a trustee and actual delivery of the entrusted property to the trustee is consummated. Although a holder of a TBI has a contractual right against a trustee with regard to the entrusted property as provided under the relevant trust agreement, the holder of the TBI does not have a direct controlling right over the underlying entrusted property. Under a typical trust agreement, the TBI may be transferred only by mutual agreement between the vendor and the purchaser if the consent of the trustee is obtained for the transfer of the TBI. Such consent is also required for the perfection of such transfer.

In the Japanese real estate market practice, although the circumstances where a trustee does not provide consent to a transfer of the TBI are limited and the trustee will usually provide such consent unless the TBI is to be transferred to an inappropriate person, such as an anti-social force (an organised crime group), there is a theoretical risk that a transfer of the TBI could be prohibited by a trustee since a trust agreement usually has a provision requiring a trustee's consent to the TBI transfer.

There are provisions in certain of the trust agreements constituting the TBI for the Property Portfolio which prohibit the trustees from unreasonably withholding the consent to transfer of the TBI. However there remains a risk that the trustee will not consent to the transfer of the TBI even when the respective Japan TMK agrees to sell the TBI to a purchaser. In practice, in the case where a trustee rejects the consent for transfer of the TBI, the trustee will generally accept the TBI holder's request regarding the termination of the trust agreement or for a replacement of the trustee. In addition, the various Japan

TMKs have the power to terminate the trust agreement and/or replace the trustee under the terms of the trust agreements in cases where, for example, the trustee fails to perform its obligations. The Japan TMKs cannot terminate the trust agreement and/or replace the trustee solely on the ground that the trustee does not provide the consent to the transfer of the TBI.

***The sale of the Properties may require CRT to obtain consents from tenants or other third parties.***

The transfer of Aeon Town Moriya and Aeon Town Suzuka is subject to a right of first refusal in favour of Aeon Town, the master lessee of these properties. Under the master lease agreement of Aeon Town Moriya and Aeon Town Suzuka, where the trustee or the holder of the TBI proposes to transfer the Property or the TBI, the trustee of the TBI, as the lessor of the building, is required to give prior notice to and consult with Aeon Town with respect to the possible acquisition of Aeon Town Moriya or Aeon Town Suzuka by Aeon Town. If, as a result of such consultation, the trustee or the holder of the TBI transfers to a third-party the Property or the TBI, at the request of Aeon Town, the trustee must cause the transferee to establish a mortgage over the Property to secure the liabilities of the trustee to Aeon Town relating to the security deposits that have been deposited by Aeon Town with the trustee and which will be returned to Aeon Town at the end of the master lease. The trustee has currently obtained a waiver of such obligation from Aeon Town<sup>6</sup>.

Additionally, the consent of Aeon Town is necessary to transfer the leased land of Aeon Town Moriya and Aeon Town Suzuka to a third-party. Separately, in order to transfer the property of Aeon Town Moriya, the approval of Moriya City is required. A master lessee or a key tenant of a retail property in Japan typically has strong bargaining power to negotiate with an owner of the property for their lease agreements to contain unique provisions granting, for example, the right of first refusal, consenting right upon transfer or such other special rights for the benefit of the tenant, which could adversely affect CRT's business and financial conditions and results of operations.

***Transfer of the Properties by CRT may be subject to consent of a lender or a bondholder.***

CRT (through the Japan TMKs) has obtained debt finance from lenders or bondholders to partially and/or fully fund the acquisition of the Properties. Under a typical loan agreement or bond terms, the transfer of the Properties while a loan or bond is in place will require the consent of the lender or the bondholder. There is a possibility that the lender or bondholder will not consent to the transfer of the Properties, even when the Japan TMKs agree to sell the Properties to a purchaser. This could adversely affect CRT's business and financial conditions and results of operations.

***The transfer of a property may require certain building names to be changed if the consent from the trademark right holder is not obtained.***

"Mallage" is a registered trademark of Sojitz Commerce Development Corporation ("**Sojitz Commerce Development**"), the property manager of Mallage Shobu. Sojitz Commerce Development and Mangosteen TMK have entered into a licence agreement for the free use of such trademark. The licence agreement will be terminated (or become subject to fees) if the property manager of the Mallage Shobu Building is changed. If the property manager of the Mallage Shobu Building is changed, in order for Mangosteen TMK (or the property trustee of the Mallage Shobu Building or any other entity) to continue using the "Mallage" trademark, it will be necessary for it to obtain consent from Sojitz Commerce Development. The refusal of Sojitz Commerce Development to provide the required consent could adversely affect CRT's business and financial conditions and results of operations.

***As Aeon Town is the master lessee of two of the Properties and one of the top 10 tenants of the Property Portfolio, CRT will accordingly, be dependent on Aeon Town for a significant source of its income.***

As Aeon Town Moriya and Aeon Town Suzuka will be leased to Aeon Town under master lease agreements, rental payments for these two Properties will depend solely on the ability of Aeon Town, as master lessee, to make rental payments. Further, as Aeon Town is one of the top 10 tenants of the Properties and contributes 19.7% of the Gross Rental Income of the Properties, CRT will be affected by

---

<sup>6</sup> The abovementioned right of first refusal is not connected to the Voluntary ROFRs from the Sponsor and the Strategic Partners.

the ability of Aeon Town to make rental payments. The prospects of Aeon Town's other businesses, aside from those relating to CRT, could also impact on its ability to make rental payments to CRT under the master lease agreements.

Factors that affect the ability of Aeon Town to meet its obligations include, but are not limited to:

- the financial position of Aeon Town;
- the local economies;
- local competitors and competition in the Japan retail industry;
- unfavourable publicity;
- material losses in excess of insurance proceeds; and
- a possibility of union activities disrupting the operations of the Properties, severely impacting its reputation and ability to function normally.

Security deposits have been obtained from Aeon Town under the master lease agreements to mitigate the risks of its non-payment or financial failure. However, notwithstanding the above measures there can be no assurance that Aeon Town will have sufficient assets, income and access to financing to enable it to satisfy its obligations under the respective master lease agreements. If Aeon Town is unable to meet its obligations, this may have an adverse effect on rental payments and adversely affect the financial position of CRT.

***Aeon Town may not renew its master leases of Aeon Town Moriya and Aeon Town Suzuka.***

No assurance can be given that Aeon Town will renew its master leases of Aeon Town Moriya and Aeon Town Suzuka upon the expiry of the initial term of these leases, or will agree to maintain existing terms and conditions of the master leases, including but not limited to rent amounts. Upon such failure by Aeon Town to renew, CRT may not be able to locate a suitable replacement master lessee for Aeon Town Moriya and Aeon Town Suzuka, as a result of which CRT may lose a significant source of revenue.

In addition, the replacement of a master lessee for Aeon Town Moriya and Aeon Town Suzuka, on satisfactory terms may not be possible in a timely manner. The failure by Aeon Town to renew such leases, or the termination by Aeon Town of any of such leases, may have a material adverse effect on CRT's Gross Revenue.

***CRT's assets might be adversely affected if the Trustee-Manager, the asset managers and/or any property manager appointed to manage a property does not provide adequate management and maintenance.***

Should the asset managers and/or the property managers of the Properties fail to provide adequate management and maintenance, the value of CRT's assets might be adversely affected and this may result in a loss of tenants, which will adversely affect the performance of CRT.

In addition, physical damage to any of the Properties resulting from fire or other causes may lead to a significant disruption to the business and operation of the affected Property and, together with the foregoing, may impose unbudgeted costs on CRT and result in an adverse impact on the financial condition and results of operations of CRT.

**Risks relating to CRT's operations**

***CRT faces risks associated with servicing and refinancing of existing and future debt facilities.***

As at 31 December 2015, the Aggregate Leverage is approximately 46.3%. CRT and/or the Japan TMKs may, from time to time, require additional debt financing to achieve the Trustee-Manager's investment strategies. There can be no assurance that such financing will be available at that time, on commercially acceptable terms.

CRT's and the Japan TMKs' ability to generate sufficient cash to satisfy its outstanding and future debt obligations will depend upon its future operating performance, which will be affected by prevailing economic conditions and financial, business and other factors which are beyond its control. There is no guarantee that CRT and the Japan TMKs will generate sufficient cash flow to meet all of their debt obligations. If CRT and the Japan TMKs are unable to service their debt facilities, CRT and the Japan TMKs will be forced to adopt an alternative strategy that may include actions such as reducing or delaying capital expenditures, selling assets, restructuring or refinancing its indebtedness or seeking equity capital. These strategies may not be instituted on satisfactory terms, if at all.

If CRT and/or the Japan TMKs (as the case may be) are unable to make payments due under such debt facilities, or if principal amounts due for repayment at maturity cannot be refinanced, extended or repaid with proceeds from other capital transactions, the financial condition, cash flows and prospects of CRT would be materially and adversely affected. Further, in the event of non-payment, breaches of terms and conditions of the debt facilities or accelerations or failure to refinance or extend the debt facilities, the lenders may be able to declare an event of default and initiate enforcement proceedings in respect of any security provided in respect of such borrowings and/or call upon the guarantees provided. In such situations, to the extent CRT's properties are mortgaged or other forms of security interest are used to secure payment of debt facilities, such security could be foreclosed by the lender or the lender could require a forced sale of the mortgaged property and this may materially and adversely affect the business and financial condition and results of operations and prospects of CRT.

If CRT and/or the Japan TMKs have to refinance their indebtedness at a higher interest rate, the interest expense relating to such refinanced indebtedness would increase, thereby adversely affecting CRT's cash flow and the amount of funds available for its development projects. Although CRT's existing debt facilities do not contain any change of control provisions, the terms of any refinancing may contain change of control provisions and the breach of such provisions could result in defaults under the relevant financing instruments. If CRT defaults under its financing instruments and is unable to cure the default, this would have a material adverse effect on CRT's financial position, results of operations, cash flows and prospects.

There is also the risk that foreign currency exchange rates and interest rate fluctuations may adversely affect repayments of borrowings by CRT denominated in foreign currency.

***CRT operates in a capital intensive industry that relies on the availability of sizeable amounts of capital for the acquisition or development of properties.***

The Trustee-Manager expects CRT to have significant funding needs for its existing business operations and to grow its business. CRT intends to fund these requirements through a combination of its internal cash flows and resources, and proceeds from the issue of new equity and borrowings.

There is no assurance that CRT would be able to obtain financing, whether on a short-term or a long-term basis, if at all, on terms that are commercially acceptable. There is also no assurance that any additional financing will not be dilutive. Factors that could affect CRT's ability to procure financing include CRT's financial position, results of operation or cash flow, the property market's cyclical nature, any impairment of financial systems in the event of a downturn in financial markets and market disruption risks, which could adversely affect the liquidity, interest rates and availability of credit.

In addition, in respect of availability of credit from banks, changes in the reserve requirement ratio will affect the amount of funds that banks must hold in reserve against deposits made by their customers. Any future increase in the reserve requirement ratio will further reduce the amount of bank credit available to businesses including CRT. Under certain circumstances (such as consolidation in the banking industry or banks being required to reduce their exposure to a particular company, sector or industry), lending banks may be forced to reduce their loan portfolio, in which case, there can be no assurance that CRT would be able to obtain new loans or refinance its existing debt and CRT may be required to repay part of its loans.

Failure to obtain financing or refinancing on commercially acceptable terms when required, may result in CRT not having adequate funds to fund its operations, acquisitions or development of properties, or to service its financing obligations which would have a material adverse effect on CRT's financial position, results of operations, cash flows and prospects. Future credit facilities may contain covenants that require the creation of security interests over assets or limit CRT's flexibility in its operations or financing activities. Such covenants may include negative pledges, restrictions on indebtedness, maintenance of

certain financial ratios and prohibition of amendments to material documents, amongst others. Breach of these covenants could result in defaults under the relevant financing instruments. If CRT defaults under its financing instruments and is unable to cure the default or obtain refinancing on favourable terms, it would have a material adverse effect on CRT's financial position, results of operations, cash flows and prospects.

***CRT's financial position, results of operations and prospects may be adversely affected by an increase in direct expenses and other operating expenses.***

CRT's financial position, results of operations and prospects could be adversely affected if direct expenses and other operating expenses increase without a corresponding increase in revenue. Factors which could increase direct expenses and other operating expenses include and may not be limited to any:

- increase in costs associated with the development of properties;
- increase in property tax assessments and other statutory charges;
- change in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;
- increase in sub-contracted service costs;
- increase in repair and maintenance costs;
- increase in the rate of inflation and adverse currency exchange rate movements;
- increase in insurance premiums; and
- increase in cost of utilities.

***CRT's ability to make payments on the Notes is dependent on the financial position of the various Japan TMKs which hold the TBI in respect of the Properties.***

In order for the Trustee-Manager to make payments on the Notes from the income of the Properties, CRT has to rely on the receipt of dividends, interest, repayment of shareholders' loans or redemption of preferred equities (where applicable) from the various Japan TMKs which hold the TBIs in respect of the Properties. There can be no assurance that the Japan TMKs will have sufficient revenue in any future period to pay dividends or interest, or make repayments/redemptions.

The level of revenue, distributable profits or reserves of the Japan TMKs available to pay dividends or interest or make repayments/redemptions may be affected by a number of factors including, among other things:

- their capital reduction, if the Japan TMKs plan to distribute more than their current distributable profits, such as the distribution of an amount equivalent to building depreciation;
- the availability of distributable profits;
- their business and financial positions;
- the level of cash flows received by the various Japan TMKs from the Properties;
- applicable laws and regulations which may restrict the payment of dividends or interest by the Japan TMKs;
- operating results of the Holding Companies (as defined herein) and the Japan TMKs in any financial year;
- losses arising from a revaluation of the Properties. Such impairment losses may affect the level of distributable profits from which the Japan TMKs may distribute dividends; changes in accounting standards (including standards in respect of depreciation policies relating to real estate investment properties), taxation laws and regulations, laws and regulations in respect of foreign exchange and

repatriation of funds, corporation laws and regulations (including laws and regulations in respect of statutory reserves required to be maintained by the Japan TMKs) and distributions of depreciation and amortisation in Japan, Singapore and the other countries where any intermediate holding companies are located;

- potential onshore tax and/or legal liabilities through investing in the Japan TMKs; and
- the terms of agreements to which the Japan TMKs are, or may become, party to.

In addition, no assurance can be given as to CRT's ability to repay the principal on the Notes or to pay interest on the Notes.

***Future acquisitions and development projects may not yield the returns expected, and may result in dilution of holdings, straining of management resources or disruptions to CRT's business.***

CRT's growth strategy, as well as its future acquisitions and development projects may not ultimately be successful and may not provide positive returns. There is also no assurance that any additional financing obtained in connection with any new acquisition or development project will not be dilutive. Acquisitions and development projects may also divert management's attention from and cause disruptions to its other day-to-day operations which may in turn affect the financial condition, results of operation or cash flow of CRT.

***CRT currently relies on third parties to carry out its retail development projects.***

The development work for development projects CRT undertakes in the future will be performed by third-party contractors or sub-contractors. CRT will not have direct control over the day-to-day activities of such contractors or sub-contractors and will be reliant on such contractors or sub-contractors to perform these services in accordance with the relevant development contracts. If the contractors fail to perform their obligations in a manner consistent with their contracts, CRT's projects may not be completed on schedule which will lead to cost overruns and losses. Even if the Trustee-Manager were to take any legal action against any third-party contractors or sub-contractors for any breach of their obligations, CRT (or as the case may be, the respective Japan TMK) may not recover all or any losses incurred. In addition, if a contractor or sub-contractor engaged in the development of properties becomes insolvent, it may not be possible to recover compensation for such breaches and CRT (or the respective Japan TMK) may incur losses as a result of having to fund the repair of the defective work or paying damages to persons who have suffered loss as a result of such breach of obligations by a contractor or subcontractor.

***CRT may from time to time be subject to legal proceedings and government proceedings.***

Legal proceedings against CRT relating to property development and management and disputes over tenancies may arise from time to time. There can be no assurance that CRT will not be involved in such proceedings or that the outcome of these proceedings will not adversely affect the financial condition, results of operations or cash flow of CRT.

CRT and its subsidiaries are regulated by various government authorities and regulations. If any Japanese government authority believes that CRT or any of its developers, suppliers or contractors are not in compliance with Japanese regulations, it could delay the development process, refuse to grant or renew development approvals or licences, institute legal proceedings to seize the properties, enjoin future action or (in the case of CRT not being in compliance with Japanese regulations), impose civil, administrative and/or criminal penalties against such entity, its officers or employees. Any such action by a Japanese government agency would have a material adverse effect on the business, financial condition, results of operation or cash flow of CRT.

***CRT's investment objective of investing in Asia-Pacific retail properties may entail a higher level of risk compared to unit trusts that have a more diverse range of investments as the Properties are entirely located in Japan currently.***

The risk of investing in CRT, which invests in Asia-Pacific retail properties with the Properties entirely located in Japan currently, could be higher compared to unit trusts that have a more diverse range of investments. Until CRT diversifies its portfolio sufficiently to include assets from other parts of the Asia-Pacific region, the concentration of investments in retail real estate assets located in Japan exposes CRT to both a downturn in the retail real estate market and in the Japanese economy. Any economic slowdown

in Japan could adversely affect the performance of the retail real estate market in Japan as well as the financial condition or success of tenants, thereby adversely affecting the financial condition, results of operations or cash flow of CRT. A prolonged economic downturn may cause higher levels of non-renewals of leases or vacancies as a result of failures or defaults by tenants. There can be no assurance that the tenants of CRT's properties will renew their leases or that any new lease terms will be as favourable as the existing leases. In the event that a tenant does not renew its lease, a replacement tenant or tenants would need to be identified, which could subject CRT's properties to periods of vacancy and/or costly refittings, resulting in a reduction in rental income or increase in operating expenses.

***The Trustee-Manager might have limited information regarding investment opportunities which are undertaken on an expedited basis.***

Investment analyses and decisions by the Trustee-Manager may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to the Trustee-Manager at the time of making an investment decision may be limited, and the Trustee-Manager may not have access to detailed information regarding the investment property, such as its physical characteristics, environmental matters, zoning regulations, tax or other local conditions affecting such investment property. The Trustee-Manager may not have sufficient time to complete the due diligence process that would disclose all relevant information on the investment property. Therefore, no assurance can be given that the Trustee-Manager would have knowledge of all circumstances that may adversely affect an investment. In addition, the Trustee-Manager expects to rely upon independent consultants in connection with its evaluation of proposed investment properties, and no assurance can be given as to the accuracy or completeness of the information provided by such independent consultants.

***The CRT Trust Deed grants the Trustee-Manager wide powers to invest and there is no guarantee that such investments will be successful.***

The CRT Trust Deed grants the Trustee-Manager wide powers to invest in other types of assets, including any retail properties and development projects, retail-related assets, as well as listed and unlisted securities in Singapore and other jurisdictions, and such other investments permitted from time to time. Approval from Unitholders is not required to change the investment strategy of CRT. There are risks and uncertainties with respect to the selection of investments and with respect to the investments themselves. The methods of implementing CRT's investment strategies and policies may also vary as new investment and financing techniques are developed or otherwise used. There can be no assurance that any investment, or that any new methods of implementing CRT's investment strategies and policies, would be successful.

***CRT depends on certain key personnel and the loss of any key personnel may adversely affect its operations.***

CRT's performance depends, in part, upon the continued service and performance of key personnel of the Sponsor and the Trustee-Manager. These key personnel may leave the Sponsor or the Trustee-Manager in the future and compete with the Sponsor, the Trustee-Manager and CRT. The loss of any of these individuals could have a material adverse effect on CRT's operations.

***CRT may not be able to ensure that it will achieve capital growth.***

The net operating profit earned from real estate investments and real estate developments depends on, among other factors, the increase in value of the properties resulting from developments, the amount of rental income received, and the level of property, operating and other expenses incurred. If the properties owned by CRT do not generate sufficient net operating profit, CRT's income, cash flow and capital growth will be adversely affected. In addition, if the Japan TMKs do not have sufficient cash flow or distributable profits or surplus, or if the Japan TMKs do not make the expected level of distributions in any financial year or do not have sufficient funds to pay interest on or repay the principal amount of the shareholder's loans (if any), this will adversely affect CRT's income, financial position, results of operations and cash flow.

Further, any change in the applicable laws in Singapore and Japan may limit CRT's capital growth or even diminish CRT's capital.

No assurance can be given as to CRT's rate of capital growth, or that there will be any. Neither is there any assurance that the rate of CRT's capital growth will increase over time, that there will be contractual increases in rent under the leases of the Properties or that the receipt of rental income in connection with the expansion of the properties or future acquisitions of properties will increase CRT's cash flow available for reinvestment into future development projects.

***The amount CRT may borrow is limited, which may affect the operations of CRT.***

Under the CRT Trust Deed, CRT is permitted to borrow up to 60.0% of the value of the Trust Property<sup>7</sup> of CRT at the time the borrowing is incurred, taking into account deferred payments (including deferred payments for assets whether to be settled in cash or in Units) of CRT. The limitation on the amount of borrowings that can be incurred by CRT may result in adverse business consequences for CRT including the following:

- an inability to fund capital expenditure requirements in relation to CRT's existing asset portfolio or in relation to CRT's future acquisitions and/or developments of additional retail properties located in Japan to expand its portfolio; and
- cash flow shortages (including with respect to CRT's development activities) which CRT might otherwise be able to resolve by borrowing funds.

A decline in the value of the Trust Property of CRT may also cause the borrowing limit to be exceeded, thus affecting CRT's ability to make further borrowings.

***CRT may have a higher level of leverage than certain types of unit trusts.***

CRT may have a higher level of borrowings as compared to certain types of unit trusts, such as non-specialised collective investment schemes which invest in equities and/or fixed income instruments. Investment risk is known to increase with higher leverage. An increase in leverage will subject CRT to higher risks in times of a changing economic climate. For example, in a climate of rising interest rates, the costs of financing of CRT's investments (including indebtedness) will increase and adversely affect the performance of CRT as well as the Trustee-Manager's ability to effectively carry out its strategies.

***CRT may be subject to liability in connection with any future disposal of investments.***

CRT may dispose of investments in certain circumstances and may be required to give representations and warranties to purchasers in connection with a disposal of such investments. In the event that any such representations or warranties are inaccurate, CRT may be exposed to damages and other claims. Any liability in respect of any such representations or warranties may adversely affect CRT's business, financial condition and results of operations.

***The occurrence of any acts of God, war and terrorist attacks may adversely and materially affect the business and operations of CRT.***

Acts of God such as natural disasters are beyond the control of CRT or the Trustee-Manager. CRT's business and capital growth may be materially and adversely affected should such acts of God occur. In addition, there can also be no assurance that any war, terrorist attack or other hostilities in any part of the world, potential, threatened or otherwise, will not, directly or indirectly, have a material and adverse effect on the operations of the Properties and hence CRT's business, financial condition and results of operations.

***Epidemic diseases in Asia and elsewhere may adversely affect the business and operations of CRT.***

Several countries in Asia, including Japan, have suffered from outbreaks of communicable diseases like severe acute respiratory syndrome, avian flu and swine flu. A new and prolonged outbreak of such diseases may have a material adverse effect on CRT's business and financial condition and results of operations. Although the long-term effect of such diseases cannot currently be predicted, previous occurrences of such diseases had an adverse effect on the economies of those countries in which they were most prevalent.

---

<sup>7</sup> "Trust Property" has the meaning ascribed to it in the BTA.

An outbreak of a communicable disease in Japan or in the particular region in which a property owned by CRT is located may materially and adversely affect the business and financial condition and results of operations of CRT.

***Potential conflicts of interest which may arise in future with the Japan asset managers.***

The asset managers of the Properties are engaged in the investment in, and the development and management of, among other things, other retail properties in Japan. The Trustee-Manager will put in place certain safeguards to address any potential conflict of interests with the various asset managers. However, there is no assurance that conflicts of interests will not arise that may adversely affect CRT's business, financial condition and results of operations.

***CRT may acquire asset-holding companies with contingent liabilities which may have a material adverse effect.***

CRT may acquire asset-holding companies, whether in its ordinary course of business or not, with contingent liabilities which may have a material adverse effect or cause CRT to be subject to such underlying contingent liabilities such that it may adversely affect CRT's business, financial condition and results of operations.

***There may be a delay in obtaining required permits and certificates.***

According to Japanese laws, construction or certain modifications of a building can only commence after certain permits and regulatory approvals have been obtained. CRT and/or the developer of a property which CRT may acquire may encounter delays in obtaining or may not be able to obtain the necessary permits and approvals from the relevant government departments with regard to such properties undergoing development or modification which it holds or agrees to purchase. If there is a delay in obtaining such permits or approvals, the construction process may be delayed, consequently causing a delay to the issuance of legal title of the respective property to CRT or modifications desirable to the properties of CRT.

***The laws, regulations and/or accounting standards in Singapore and Japan may change.***

CRT is a business trust constituted in Singapore while the Japan TMKs are incorporated in Japan. The laws, regulations and/or accounting standards in Singapore and/or Japan are subject to change. As a result, the financial statements of CRT and the financial position and results of CRT as reflected by the financial statements may be affected by any such changes. The extent and timing of changes in accounting standards are unknown and subject to the relevant authorities. There can be no assurance that any such changes to laws, regulations and accounting standards will not materially and adversely affect the presentation of CRT's financial statements, CRT's capital growth or CRT's business and financial condition and results of operations.

***Investors may not be able to evaluate future projects or assets which CRT may invest in, and will have to rely on the Trustee-Manager's ability to select suitable future investments.***

This Offering Circular only describes the parameters which the Trustee-Manager intends to use to identify projects which CRT may invest in and the policies to be adopted in respect of the development of those investments. Investors must rely on the Trustee-Manager to identify and acquire suitable future investment assets or projects. Investors will not be able to participate in the decision making process, and will not be able to evaluate the economic merit of particular projects prior to their acquisition.

***The Trustee-Manager may change CRT's investment strategy as there is no restriction on changes in such investment and financing strategies.***

As provided in the listing manual of the SGX-ST (the "**Listing Manual**"), the Trustee-Manager's investment strategy may not be changed for a period of three years commencing from the Listing Date unless the change is approved by Unitholders (as defined herein) by way of an extraordinary resolution. As a period of three years from the Listing Date has passed, the Trustee-Manager may change the investment strategy without Unitholders' approval. There is no assurance that the Trustee-Manager's investment strategy as described in this Offering Circular will not be amended.

***There may be difficulty in removing the Trustee-Manager.***

Under the BTA (as defined herein), unitholders may remove the trustee-manager of a registered business trust only if an Extraordinary Resolution is passed by unitholders. Pursuant to the CRT Trust Deed, in a vote to remove the Trustee-Manager, no Unitholder shall be disenfranchised. Given that an Extraordinary Resolution is a resolution proposed and passed by a majority consisting of 75.0% or more of the total number of votes cast at a meeting of Unitholders duly convened and held in accordance with the provisions of the CRT Trust Deed, it may be difficult for the Trustee-Manager to be removed.

**Risks relating to Japan**

***The Properties are located in Japan and therefore will be subject to economic conditions in Japan as well as any changes in Japanese laws and regulations.***

The Properties are situated in various cities across Japan. As a result, CRT's Gross Revenue and results of operations depend, to a large extent, on the performance of the Japanese economy and the retail property market conditions in Japan as a whole. An economic downturn in Japan could adversely affect CRT's business and financial conditions, results of operations and future growth.

The Properties will also be subject to the laws, regulations and policies from time to time adopted by the respective government authorities. Any amendment or change in the existing legal regime may adversely and directly affect the business, operations and financial condition of CRT.

***CRT may be exposed to risks associated with dividend deduction requirements for TMKs.***

For a TMK to avail itself of the dividend distribution deduction tax treatment, the TMK must meet certain initial requirements when it is set-up and must be maintained to meet certain annual requirements in accordance with the Special Taxation Measures Law of Japan.

One of the annual requirements is that the TMK distributes more than 90% of its distributable profits for the fiscal year (the "TMK Distribution Requirement"). The TMK Distribution Requirement is based on the amount of profits of the TMK before taxes as calculated for accounting purposes in Japan. While the Trustee-Manager will work closely with its professional advisers to minimise any tax costs due to the differences between tax and accounting treatments, there can be no assurance that such tax costs can be entirely eliminated. Accordingly, the TMK may bear excessive tax costs, in which case the TMK may not have sufficient cash to distribute dividends and hence fail to satisfy the TMK Distribution Requirement.

The Japan TMKs are structured to meet the initial requirements on set-up. In addition, the Trustee-Manager intends to manage the affairs of the Japan TMKs such that the annual requirements can be met. In the event that any of the Japan TMKs are unable to meet these requirements fully, the respective Japan TMK would not be able to deduct its dividend distributions from its taxable income as deductible expenses. Instead, the respective Japan TMK would have to make dividend distributions after its taxable income has been subject to Japanese corporate income tax at the regular rate.

The Japanese tax authorities may from time to time carry out tax audits to determine if the relevant Japanese tax laws and regulations have been fully complied with. If the tax audit determines that the dividend distribution deduction requirements are not fully satisfied, then deductions claimed in prior periods may be reclassified as taxable income. In such a case, the respective Japan TMK's tax burden would be increased for the fiscal periods in which the respective Japan TMK recognises this additional tax expense and amount of profits distributable by the respective Japan TMK would be reduced significantly.

***CRT may be exposed to risks associated with changes in Japanese laws governing TMKs and Japanese tax laws.***

The legal and regulatory framework governing TMKs continues to evolve and be reviewed by lawmakers and regulators. Changes to the legal and regulatory framework governing TMKs may adversely impact CRT. For example, any changes to Japanese tax laws may significantly increase the Japan TMK's tax burden for any fiscal period.

Further, the on-going international discussion and debate over base erosion and profit shifting, an initiative spearheaded by the Organisation for Economic Co-operation and Development to overhaul the international tax architecture, could lead to changes and developments in the Japanese tax laws and

regulations and practices such as those relating to transfer pricing and therefore there is no assurance that such changes and developments will not have an adverse tax impact on CRT and its financial condition and results of operations.

***CRT may be exposed to risks associated with applications of treaty benefits under the Singapore-Japan DTA.***

The application of the reduced withholding tax rates under the Singapore-Japan DTA on interest and dividend income received by CRT and Hold Co 1 (the companies indicated as “Hold Co 1” in the chart on page 79 of this Offering Circular) respectively is subject to certain conditions. These include the requirement for the recipient of such income to be the beneficial owner of the income and to be a resident of Singapore.

While the Trustee-Manager believes that CRT and Hold Co 1 should be able to meet the requisite conditions<sup>8</sup> to benefit from the reduced withholding tax rates of 5% and 10% provided under the Singapore-Japan DTA for dividends and interest respectively, there can be no assurance that the relevant tax authorities will not take a contrary position. Where the reduced withholding tax rates are not applicable, the domestic withholding tax rate of 20% with a surtax<sup>9</sup> of 2.1% (applicable for the period from 1 January 2013 to 31 December 2037) would apply and this would reduce CRT’s income from the Japan TMKs as tax expenses would increase.

***CRT has engaged in, and may further, engage in hedging transactions, which may limit gains and increase exposure to losses. These could fail to protect CRT or even adversely affect CRT.***

The Trustee-Manager has hedged 100.0% of CRT’s long-term interest rate exposure under the Existing TMK Loans and Existing TMK Bonds (all except the short-term bond of Apple TMK). In addition, the Trustee-Manager intends to enter into interest rate swaps to fix the interest rate of the Japanese onshore 5-year Specified Bonds for 100% till maturity.

CRT (or the Japan TMKs) may further enter into other hedging transactions to protect itself or its portfolio from, amongst other things, the effects of exchange rate fluctuations between its Japanese yen denominated revenue and Singapore dollars or other currencies, interest rate and currency exchange fluctuations on floating rate debt and interest rate and prepayment fluctuations. Hedging transactions may include entering into interest rate hedging instruments, purchasing or selling futures contracts, purchasing put and call options or entering into forward agreements. However, these hedging activities may not have the desired beneficial impact on the results of operations or financial condition of CRT, and may not completely insulate CRT from the risks associated with changes in interest rates and exchange rates. In particular, CRT’s exposure to exchange rates will increase if there are delays to the construction schedule which will result in delays to the progressive payments required to be made in respect of development projects. In addition, hedging activities involve risks and costs, including transaction costs, which may reduce overall returns. The Trustee-Manager will regularly monitor the feasibility of engaging in such hedging transactions taking into account the cost of such transactions.

***The management of a co-owned property is not fully controlled by CRT.***

Co-owned properties are subject to the Civil Code of Japan and memorandum (*kyotei*) among co-owners of such properties. Under the Civil Code of Japan, certain important matters of the properties are required to be determined by a unilateral or a majority owner of the co-owned properties. Although none of the Properties are co-owned, if CRT invests in a co-owned property in the future, CRT might not have such controlling rights over the management of such co-owned property. A memorandum among co-owners may also include a covenant restricting transfer of co-ownership of such properties, by a first refusal right of other owners or a requirement of consent from the other owners in the event of a sale by a co-owner.

<sup>8</sup> See “Taxation — Japan Taxation — Withholding Taxes” in the prospectus of CRT dated 2 May 2013 for the requisite conditions.

<sup>9</sup> This is one of the surtaxes under the Restoration Funding Bill which was introduced to fund restoration of the March 2011 earthquake damage. The surtax applies for a period of 25 years (from 1 January 2013 to 31 December 2037) and is assessed as an add-on tax to the normal tax liability. Therefore, if the surtax on the withholding tax is applicable, the total effective withholding tax will be 20.42% (i.e. 20% + (2.1% x 20%)). However, reduced withholding taxes under tax treaties are not affected by the surtax.

***There is no public system to search for the existence of pending lawsuits or other disputes in Japan.***

As there is no public system available to search for the existence of pending lawsuits or other disputes in Japan, due diligence investigations regarding the existence of lawsuits or other disputes are limited to interviewing the relevant parties. There is a risk that such information is not accurate or complete, and due diligence investigations may fail to reveal disputes which have arisen. Any such pending disputes may have a material adverse effect on the business, financial condition, results of operation or cash flow of CRT.

***The Properties or parts thereof may be acquired compulsorily.***

The Japanese government has the power to compulsorily acquire any land in Japan for the public interest pursuant to the provisions of applicable legislation. The amount of compensation to be awarded for compulsory acquisition of property in Japan is assessed pursuant to the relevant laws and regulations. If any of the Properties is acquired compulsorily by the Japanese government, the level of compensation paid to CRT pursuant to this calculation method may be less than the acquisition price which CRT paid for such Properties.

***Japan has experienced a number of major catastrophes over the years, most notably earthquakes which, were they to recur, may materially disrupt and adversely affect the business and operations of the Properties.***

Severe weather conditions and major disasters such as earthquakes and tsunamis and nuclear power facilities accidents resulted therefrom may affect the operations of the Properties. Such events may cause substantial structural and physical damage to the Properties, resulting in repair expenses and other losses. Furthermore, such events may result in a decreased demand for the Properties, in particular those Properties located in or near such regions. This affects the market value of those Properties, as well as their ability to attract high rental rates.

The environmental conditions may also cause disruptions, affect investments and result in various other adverse effects on the Japanese economy in general. This may lead to a decreased demand for the Properties, and the market value and ability of the Properties to attract high rental rates may also be adversely and materially affected. This could materially and adversely affect the business and financial conditions and the results of operations of CRT.

***The Properties may violate earthquake resistance building codes, requiring expenditure by CRT to rectify the non-compliance or repair extensive damage caused during an earthquake.***

In November 2005, a Japanese architect admitted to falsifying structural strength calculations when checking the architectural plans of buildings for compliance with earthquake resistance building codes. In January 2007, it was discovered that two hotels did not comply with the earthquake resistance building codes as a Japanese architect had falsified structural strength calculations.

There can be no assurance that any of the Properties will not subsequently be discovered to have also been built in violation of earthquake resistance building codes. CRT may be required to spend large sums of money and dedicate significant resources to strengthen the affected Properties. Furthermore, these non-compliant Properties may collapse or suffer extensive damage even in a minor earthquake. Should any of the Properties be heavily damaged or endanger lives during an earthquake, CRT may be required to compensate victims, incur huge costs to repair the Property, and suffer a loss of rental revenues. This could adversely affect CRT's financial condition.

**Risks relating to investing in real estate**

***CRT's Properties are located in Japan, but CRT may make future acquisitions of properties elsewhere in the Asia-Pacific region. This exposes CRT to economic and real estate market conditions and changes in fiscal policies in such other countries in the Asia-Pacific region.***

While CRT's Properties are all located in Japan currently, CRT's investment strategy envisages investments in the Asia-Pacific region. As a result, CRT's results of operations depend, to a large extent, on the performance of the local, regional or global economy.

An economic decline in Japan could adversely affect CRT's results of operations and future growth. Political upheavals, natural disasters, insurgency movements, riots and governmental policies materially affect the performance of CRT's predominantly retail real estate assets. Investments in predominantly retail real estate assets in other countries will expose CRT to the local real estate market conditions in these countries. An economic decline in any one or more of the countries in which the predominantly retail real estate assets of CRT are located could adversely affect CRT's results of operations and future growth.

Other local real estate market conditions which may adversely affect the performance of CRT include the attractiveness of competing predominantly retail real estate assets or, for example, if there is an oversupply or reduced demand for such predominantly retail real estate assets.

Further, CRT will be subject to foreign real estate laws, regulations and policies as a result of its property investments in foreign countries. There might be negative impact on a property owned by CRT in a foreign country as a result of measures and policies adopted by the relevant foreign governments and regulatory authorities at national, provincial or local levels, such as government control over property investments or regulations in relation to foreign exchange. Legal protection and recourse available to CRT in certain countries may be limited.

***The Gross Revenue earned from, and the value of, CRT's properties may be adversely affected by a number of factors.***

The Gross Revenue earned from, and the value of, CRT's properties may be adversely affected by a number of factors, including:

- vacancies following expiry or termination of leases leading to reduced occupancy rates which, in turn, reduce Gross Revenue;
- the ability of the Trustee-Manager and the Japan asset managers of the Properties to collect rent from tenants and the Master Lessee on a timely basis or at all;
- the amount and extent to which CRT is required to grant rebates on rental rates to tenants due to market pressure;
- tenants seeking the protection of bankruptcy laws which could result in delays in receipt of rent payments, inability to collect rentals at all or delays in the termination of the tenant's lease, which could hinder or delay the sale of a property or the re-letting of the space in question;
- the amount of rent payable by tenants and the terms on which lease renewals and new leases are agreed being less favourable than current leases;
- the national and international economic climate and property market conditions (such as oversupply of, or reduced demand for, retail space, the release of land for retail development, changes in market rental rates and changes in operating expenses for CRT's properties);
- the ability of the Trustee-Manager and the Japan asset managers of the Properties to procure adequate management and maintenance or to purchase adequate insurance;
- competition for tenants from other similar properties which may affect rental levels or occupancy levels at CRT's properties; and
- changes in laws and governmental regulations in relation to property, including those governing usage, zoning, taxes and government charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance. Rights related to the relevant properties may also be restricted by legislative actions, such as revisions to the building standards laws or the town planning laws, or the enactment of new laws related to condemnation and redevelopment.

***CRT will be subject to the operating risks inherent in the retail property industry.***

CRT is investing in real estate that is used for retail or predominantly-retail purposes. As such, CRT will be subject to the operating risks inherent in the retail property industry. In addition to the specific conditions discussed in more detail in this section, the risks that CRT faces include:

- cyclical downturns arising from changes in general and local economic conditions;
- periodic local oversupply of retail malls, which may adversely affect the results of operations of CRT;
- the recurring need for renovation, refurbishment and improvement of the retail malls;
- changes in wages, prices, energy costs and construction and maintenance costs that may result from inflation, government regulations, changes in interest rates or currency fluctuations;
- availability of financing for operating or capital requirements;
- increases in operating costs due to inflation which may not necessarily be offset by corresponding increases in rental payments from the properties; and
- other factors, including acts of terrorism, natural disasters, extreme weather conditions, labour shortages and work stoppages or disputes.

***CRT may be unexpectedly obliged to return security deposits.***

Although CRT is expected to maintain sufficient cash reserves to cover its obligations to return security deposits, if CRT is unexpectedly obliged to return security deposits as a result of early termination of a lease, CRT may be forced to obtain a loan or other financing to enable them to return such security deposits and may incur additional costs in obtaining such loan or financing. There is a risk that CRT may suffer losses on the investment of the security deposits, or that CRT may default on its obligation to return the deposits, which would have an adverse effect on CRT's revenues. CRT may also hold leasehold rights to future acquisitions and the security deposits paid on these properties may not be refunded should the owners (including trustees) of these properties become insolvent or bankrupt, which may adversely affect CRT's business, financial condition and results of operations.

***CRT may be adversely affected by the illiquidity of real estate investments.***

CRT is established with the principal investment objective of developing and owning real estate and real estate-related assets. This involves a higher level of risk as compared to a portfolio which has a diverse range of investments. Real estate investments, particularly investments in high value properties such as those in which CRT has invested, developed, or intends to invest or develop, are relatively illiquid. Such illiquidity may affect CRT's ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, real estate market or other conditions. For instance, CRT may be unable to sell its assets on short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets in order to ensure a quick sale. Moreover, CRT may face difficulties in securing timely and commercially favourable financing due to the illiquid nature of real estate assets. These factors may adversely affect CRT's financial condition and results of operations.

***CRT could incur significant costs or liability relating to environmental matters.***

CRT's operations are subject to various environmental laws, including those relating to health and hygiene, air pollution control, water pollution control, waste disposal, noise pollution control, soil contamination and the storage of dangerous goods. These laws apply to all Properties. Under these laws, an owner or operator of real property may be subject to liability, including an administrative or criminal fine, for violations of any of the above environmental concerns. In addition, CRT may be required to make capital expenditures to comply with these environmental laws.

Japanese environmental laws can require current owners and operators of real property to remediate soil and groundwater contamination even if such contamination was caused by another party, such as a former owner. These laws can also require former owners and operators of real property to clean up real property if releases of hazardous materials or wastes occurred during the period of their ownership or operation.

1,1 Dichloroethylene was found in the soil and in the ground water of Aeon Town Moriya in 2006. According to the US Environmental Protection Agency, persons exposed to levels of 1,1 Dichloroethylene in excess of seven parts per billion (ppb) over many years will risk having their liver damaged. In 2006, remedial actions were commenced by the former owners of Aeon Town Moriya to remove the contamination. In October 2011, the authorities of Ibaraki Prefecture, in which Aeon Town Moriya is located, agreed that remedial actions could be halted as the levels of 1,1 Dichloroethylene was at 0.083 milligrammes per litre on 7 June 2011 and at 0.077 milligrammes per litre on 26 September 2011, which is within the Japanese environmental legal limits of 0.1 milligrammes per litre (although environmental monitoring of the property has to continue till October 2013).

As the owner of Aeon Town Moriya, CRT could be required under Japanese environmental laws to remediate any soil and groundwater contamination and could also be held liable for damages for personal injuries or property damage caused by the condition of the property.

The costs related to these remedial activities and damages relating to Aeon Town Moriya could be substantial. There is no assurance that similar contamination issues will not affect other properties of CRT. The presence of any contamination, air pollution, noise pollution or dangerous goods without a valid licence, or the failure to remediate such presence of contamination, air pollution, noise pollution or dangerous goods may expose CRT to liability or materially adversely affect their ability to sell or lease the real property or to borrow using the real property as collateral, and CRT's results of operations may be adversely affected.

***CRT may suffer material losses in excess of insurance proceeds.***

The Properties face the risks of suffering physical damage caused by fire, earthquakes or other acts of God or other causes, as well as face potential public liability claims, including claims arising from the operations of the Properties, all of which may result in losses (including loss of rent) and CRT or the Japan TMKs may not be fully compensated by insurance proceeds. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future.

All the Properties are located in Japan, a country with a relatively high risk of earthquakes of high magnitude and frequency. Earthquake insurance will not generally be maintained on the Properties, except where the Probable Maximum Loss for a Property is in excess of 15% of current building replacement construction cost. Probable Maximum Loss is defined as the probable maximum loss (i.e. repair and reprocurement expenses) that would be incurred if a major earthquake struck. Specifically, it means the loss generated by the largest earthquake that has a 10% probability of occurring during a 50 year assumed service life of a building corresponds to earthquakes that have a probability of occurrence once every 475 years.

In addition, certain types of risks (such as war risk and losses caused by the outbreak of contagious diseases, contamination or other environmental breaches) may be uninsurable or the cost of insurance may be prohibitive when compared to the risk. CRT's insurance policies do not cover acts of war, outbreak of contagious diseases, contamination, earthquakes or other environmental breaches. Should an uninsured loss occur, CRT could be required to pay compensation to claimants and/or lose capital invested in the affected Property as well as anticipated future revenue from such Property. CRT will also remain liable for any debt or other financial obligation related to that Property.

***Income from the Properties and other real estate investments may be lower than expected, which may adversely affect the financial condition of CRT.***

Income from the Properties and other real estate investments may be adversely affected by the general economic climate, local conditions such as over-supply of properties or reduction in demand for properties in the market in which CRT operates, the attractiveness of CRT's properties to tenants, management style, competition from other available properties, untimely collection of rent, changes in laws and increased operating costs and expenses. In addition, income from real estate may be affected

by factors such as the cost of regulatory compliance, interest rate levels and the availability of financing. CRT's income would be adversely affected if a significant number of tenants are unable to pay rent or its Properties and other real estate investments cannot be rented out on favourable terms.

## **Risks relating to the Notes issued under the Programme**

### ***Liability of the Issuer.***

Noteholders shall only have recourse in respect of the assets comprised in CRT which the Issuer (in its capacity as trustee-manager of CRT) has recourse to under the CRT Trust Deed and not to the Issuer personally. Further, Noteholders do not have direct access to the assets comprised in CRT but can only gain access to such assets through the Issuer and if necessary seek to subrogate to the Issuer's right of indemnity out of such assets, and accordingly, any claim of the Noteholders to the assets comprised in CRT is derivative in nature. A Noteholder's right of subrogation therefore could be limited by the Issuer's right of indemnity under the CRT Trust Deed. Noteholders should also note that such right of indemnity of the Issuer may be limited or lost through fraud, negligence, wilful default, breach of trust or breach of the CRT Trust Deed.

### ***The Notes may not be a suitable investment for all investors.***

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes may be complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the purchaser's overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Additionally, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowings and (iii) other restrictions apply to its purchase of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

### ***Modification and waivers.***

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Trustee may (but shall not be obliged to) agree, without the consent of Noteholders or Couponholders to (i) any modification of any of the provisions of the Trust Deed or the Terms and Conditions of the Notes that in its opinion is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provisions of applicable law or as required by Euroclear and/or Clearstream, Luxembourg and/or CDP, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or the Terms and Conditions of the Notes that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, unless the Trustee otherwise agrees, such modification, authorisation or waiver shall be notified by the Issuer to the Noteholders as soon as practicable.

***A change in the governing law of the Notes may adversely affect Noteholders.***

The Terms and Conditions of the Notes are governed by English law or Singapore law, as specified in the applicable Pricing Supplement. No assurance can be given as to the impact of any possible judicial decision or change to English law, Singapore law or their respective administrative practices after the date of issue of the relevant Notes.

***Performance of contractual obligations.***

The ability of the Issuer to make payments in respect of the Notes may depend upon the due performance by the other parties to the transaction documents of the obligations thereunder including the performance by the Issuing and Paying Agent, the CDP Paying Agent, a Transfer Agent, the relevant Registrar, and/or the Calculation Agent of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer of its obligations to make payments in respect of the Notes, the Issuer may not, in such circumstances, be able to fulfil its obligations to the Noteholders and the Couponholders.

***Noteholders are exposed to financial risk.***

Interest payment, where applicable, and principal repayment for debts occur at specified periods regardless of the performance of the Group. The Issuer may be unable to make interest payments or, where applicable, principal repayments under a Series of Notes should the Group suffer a serious decline in net operating cash flows.

***The Notes may be represented by Global Notes or Global Certificates and holders of a beneficial interest in a Global Note must rely on the procedures of the relevant Clearing System(s).***

Notes issued under the Programme may be represented by one or more Global Notes or Global Certificates. Such Global Notes and Global Certificates will be deposited with a common depository for Euroclear and Clearstream, Luxembourg or lodged with CDP (each of Euroclear, Clearstream, Luxembourg and CDP, a “**Clearing System**”). Except in the circumstances described in the relevant Global Note or Global Certificate, investors will not be entitled to receive Definitive Notes. The relevant Clearing System(s) will maintain records of their direct account holders in relation to the Global Notes and Global Certificates. While the Notes are represented by one or more Global Notes or Global Certificates, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Notes are represented by one or more Global Notes or Global Certificates, the Issuer will discharge its payment obligations under the Notes by making payments to the common depository for Euroclear and Clearstream, Luxembourg or to CDP, as the case may be, for distribution to their account holders. A holder of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Global Certificates.

Holders of beneficial interests in the Global Notes and Global Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies.

### ***Singapore taxation risk.***

The Notes to be issued from time to time under the Programme, during the period from the date of this Offering Circular to 31 December 2018 are, pursuant to the ITA and the MAS Circular FSD Cir 02/2013 entitled “Extension and Refinement of Tax Concessions for Promoting the Debt Market” issued by MAS on 28 June 2013, intended to be “qualifying debt securities” for the purposes of the ITA subject to the fulfilment of certain conditions more particularly described in the section “Taxation – Singapore Taxation” herein. However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws or MAS Circulars be amended or revoked at any time.

***Noteholders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade.***

Notes may be issued with a minimum denomination. The Pricing Supplement of a Tranche of Notes may provide that, for so long as the Notes are represented by a Global Note or Global Certificate and the relevant Clearing System(s) so permit, the Notes will be tradable in principal amounts (i) equal to, or integral multiples of, the minimum denomination, and (ii) equal to the minimum denomination plus integral multiples of an amount lower than the minimum denomination.

Definitive Notes will only be issued if (a) the relevant Clearing System(s) is/are closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so or (b) if this permanent Global Note is held by or on behalf of CDP and (I) an event of default (as defined in the Terms and Conditions of the Notes) entitling the Trustee to declare all the Notes to be due and payable as provided in the Terms and Conditions of the Notes has occurred and is continuing, (II) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise), (III) CDP has announced an intention permanently to cease business and no alternative clearing system is available or (IV) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties and no alternative clearing system is available. The relevant Pricing Supplement may provide that, if Definitive Notes are issued, such Notes will be issued in respect of all holdings of Notes equal to or greater than the minimum denomination. However, Noteholders should be aware that Definitive Notes that have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade. Definitive Notes will in no circumstances be issued to any person holding Notes in an amount lower than the minimum denomination and such Notes will be cancelled and holders will have no rights against the Issuer (including rights to receive principal or interest or to vote or attend meetings of Noteholders) in respect of such Notes.

***The Trustee may request Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction.***

In certain circumstances (including giving of notice to the Issuer pursuant to Condition 10 and Condition 12 of the Terms and Conditions of the Notes), the Trustee may (at its sole discretion) request Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes actions on behalf of Noteholders. The Trustee shall not be obliged to take any such actions if not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity or security or prefunding to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders to take such actions directly.

### **Risks relating to the structure of a particular issue of Notes**

A wide range of Notes may be issued under the Programme. A number of such Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features.

***Notes subject to optional redemption by the Issuer may have a lower market value than Notes that cannot be redeemed.***

Unless in the case of any particular Tranche of Notes the relevant Pricing Supplement specifies otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments

or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Singapore or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Terms and Conditions of the Notes.

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***Dual currency notes have features which are different from single currency issues.***

The Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected; and
- (iv) the amount of principal payable at redemption may be less than the principal amount of such Notes or even zero.

***Failure by an investor to pay a subsequent instalment of partly-paid Notes may result in an investor losing all of its investment.***

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalments could result in an investor losing all of its investment.

***The market price of variable rate Notes with a multiplier or other leverage factor may be volatile.***

Notes with variable interest rates can be volatile securities. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include such features.

***Inverse Floating Rate Notes are typically more volatile than conventional floating rate debt.***

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as the London Interbank Offered Rate (“LIBOR”). The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

***Notes carrying an interest rate which may be converted from fixed to floating interest rates and vice-versa, may have lower market values than other Notes.***

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer’s ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than the prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition,

the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

***The market prices of Notes issued at a substantial discount or premium tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities.***

The market values of securities issued at a substantial discount or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

***Investors may lose part or all of their investment in any Index Linked Notes issued.***

If, in the case of a particular tranche of Notes, the relevant Pricing Supplement specifies that the Notes are Index Linked Notes or variable redemption amount Notes, there is a risk that the investor may lose the value of its entire investment or part of it.

### **Risks relating to the market generally**

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

***Notes issued under the Programme have no current active trading market and may trade at a discount to their initial offering price and/or with limited liquidity.***

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. If the Notes are trading at a discount, investors may not be able to receive a favourable price for their Notes, and in some circumstances investors may not be able to sell their Notes at all or at their fair market value. Although an application has been made for the Notes issued under the Programme to be admitted to listing on the SGX-ST, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. In addition, the market for investment grade and crossover grade debt has been subject to disruptions that have caused volatility in prices of securities similar to the Notes issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Notes.

***Exchange rate risks and exchange controls may result in investors receiving less interest or principal than expected.***

The Issuer will pay principal and interest on the Notes in the currency specified in the relevant Pricing Supplement (the “**Specified Currency**”). This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit (the “**Investor’s Currency**”) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Specified Currency would decrease (1) the Investor’s Currency equivalent yield on the Notes, (2) the Investor’s Currency equivalent value of the principal payable on the Notes and (3) the Investor’s Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

***Changes in market interest rates may adversely affect the value of Fixed Rate Notes.***

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

***Interest rate risk.***

Noteholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the price of the Notes, resulting in a capital loss for the Noteholders. However, the Noteholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the price of the Notes may rise. The Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

***Inflation risk.***

Noteholders may suffer erosion on the return of their investments due to inflation. Noteholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Notes. An unexpected increase in inflation could reduce the actual returns.

***Global financial turmoil has led to volatility in international capital markets which may adversely affect the market price of any Series of Notes.***

Global financial turmoil has resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial conditions could have a material adverse effect on worldwide financial markets, which may adversely affect the market price of any Series of Notes.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) or the Global Certificate representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the relevant Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in these Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

This Note is one of a series (“**Series**”) of Notes issued by Croesus Retail Asset Management Pte. Ltd. (in its capacity as trustee-manager of Croesus Retail Trust (“**CRT**”)) (the “**Issuer**”, which expression shall include any successor or permitted assign under the CRT Trust Deed (as defined in Condition 10(i)) pursuant to the Trust Deed (as defined below).

The Notes are constituted by an amended and restated Trust Deed (as amended or supplemented as at the date of issue of the Notes (the “**Issue Date**”), the “**Trust Deed**”) dated 4 April 2016 between the Issuer and DB International Trust (Singapore) Limited (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below) [as supplemented by the Singapore Supplemental Trust Deed (as amended or supplemented as at the Issue Date) dated 3 January 2014 between the Issuer and the Trustee]<sup>2</sup> and (where applicable) the Notes are issued with the benefit of a deed of covenant (as amended and supplemented from time to time, the “**CDP Deed of Covenant**”) dated 3 January 2014, relating to the Notes executed by the Issuer. These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below. An Agency Agreement (as amended or supplemented as at the Issue Date, the “**Agency Agreement**”) dated 3 January 2014 has been entered into in relation to the Notes between the Issuer, the Trustee, Deutsche Bank AG, Hong Kong Branch as the initial issuing and paying agent, Deutsche Bank AG, Singapore Branch as initial CDP paying agent and the other agents named in it. The issuing and paying agent, the CDP paying agent, the other paying agents, the registrars, the transfer agent(s) and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Issuing and Paying Agent**”, the “**CDP Paying Agent**”, the “**Paying Agents**” (which expression shall include the Issuing and Paying Agent), the “**Registrars**”, the “**Transfer Agents**” (which expression shall include the Registrars) and the “**Calculation Agent(s)**” (such Issuing and Paying Agent, CDP Paying Agent, Paying Agents, Registrars and Transfer Agents being together referred to as the “**Agents**”). For the purposes of these Conditions, all references to the Issuing and Paying Agent shall, with respect to a Series of Notes to be held in the computerised system operated by The Central Depository (Pte) Limited (“**CDP**”), be deemed to be a reference to the CDP Paying Agent, and all such references shall be construed accordingly. Copies of the Trust Deed, the Agency Agreement and the CDP Deed of Covenant are available for inspection during usual business hours at the principal office of the Trustee (presently at One Raffles Quay #16-00 South Tower Singapore 048583) and at the specified offices of the Paying Agents and the Transfer Agents.

The Noteholders, the holders of the interest coupons (the “**Coupons**”) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) and the holders of the receipts for the payment of instalments of principal (the “**Receipts**”) relating to Notes in bearer form of which the principal is payable in instalments are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement and the CDP Deed of Covenant.

As used in these Conditions, “**Tranche**” means Notes which are identical in all respects.

## 1 Form, Denomination and Title

The Notes are issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”) in each case in the Specified Denomination(s) shown hereon.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, “**Noteholder**” means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), “**holder**” (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

## 2 No Exchange of Notes and Transfers of Registered Notes

- (a) **No Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.
- (b) **Transfer of Registered Notes:** Subject to Condition 2(f), one or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed in writing by the Issuer), duly completed and executed and any other evidence as the Registrar or such other Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.
- (c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer’s or Noteholders’ option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be

issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 2(b) or Condition 2(c) shall be available for delivery within seven business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)(i)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the other relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in Singapore and in the place of the specified office of the Registrar or the other relevant Transfer Agent (as the case may be).
- (e) **Transfers Free of Charge:** Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the other Transfer Agents to Noteholders, but upon payment by the relevant Noteholder of any stamp duty, tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the other relevant Transfer Agent may require) in respect of tax or charges.
- (f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days prior to (and including) any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(b)(ii)).

### 3 Status

The Notes and the Receipts and the Coupons relating to them constitute direct, unconditional, unsubordinated and (subject to Condition 4(a)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and the Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a), at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

### 4 Covenants

- (a) **Negative Pledge:** So long as any Note or Coupon remains outstanding (as defined in the Trust Deed), the Issuer will not, and will ensure that none of the Principal Subsidiaries of CRT will, create or have outstanding any mortgage, charge, lien, pledge or other security interest (other than a Permitted Security Interest), upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, or any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Notes and the Coupons the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or

indemnity or such other security as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the Noteholders or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

In these Conditions:

- (i) **“Permitted Security Interest”** means:
- (a) a Security over any present and future assets or revenues or any part thereof in connection with any asset-backed financing (including, without limitation, a securitisation or project financing or any issue of TMK bonds) where the primary source of payment of the obligations secured by such Security is the assets or revenues subject to such Security, without further recourse to the relevant obligor;
  - (b) any Security arising by operation of law (or by agreement to the same effect);
  - (c) any Security existing as at the Issue Date or any Security created for the refinancing of any liability or obligation secured by such Security;
  - (d) any Security created over any of the assets or properties of CRT or any Subsidiary, or any rights or interests with respect thereto, for the purpose of financing or refinancing the cost of acquisition (including acquisition by way of acquisition of the shares in the company or entity owning (directly or indirectly) such assets), purchase, development, construction, redevelopment, ownership or working capital relating to such assets or properties or any rights or interests with respect thereto; or
  - (e) any Security existing over, at the time of the acquisition of, any asset directly or indirectly acquired by the Issuer or any Subsidiary of CRT after the Issue Date and any substitute Security created on that asset in connection with the extension, refinancing or increase in the facility limit of the credit facilities secured by such Security over such asset at any time, provided that such Security was not created in anticipation of such asset being acquired by the Issuer or the relevant Subsidiary of CRT (as the case may be);
- (ii) **“Principal Subsidiary”** means a Subsidiary of CRT whose total assets or profit before tax, as the case may be, as shown by the accounts of such Subsidiary (consolidated in the case of an entity which itself has Subsidiaries), based upon which the latest audited consolidated accounts of CRT and its Subsidiaries from time to time taken as a whole (the **“Group”**) have been prepared, are at least 20 per cent. of the total assets or consolidated profit before tax, as the case may be, of the Group as shown by such audited consolidated accounts, provided that if any such Subsidiary (the **“transferor”**) shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another Subsidiary of CRT or CRT (the **“transferee”**) then:
- (a) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is CRT) shall thereupon become a Principal Subsidiary; and
  - (b) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is CRT) shall thereupon become a Principal Subsidiary.

Any Subsidiary which becomes a Principal Subsidiary by virtue of (a) above or which remains or becomes a Principal Subsidiary by virtue of (b) above shall continue to be a Principal Subsidiary until the date of issue of the first audited consolidated accounts of the Group prepared as at a date later than the date of the relevant transfer

which show the total assets or profit before tax, as the case may be, as shown by the accounts of such Subsidiary (consolidated (if any) in the case of an entity which itself has Subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 20 per cent. of the total assets or consolidated profit before tax, as the case may be, of the Group, as shown by such audited consolidated accounts;

- (iii) “**Relevant Indebtedness**” means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market and having an original tenure of more than one year;
- (iv) “**Security**” means any mortgage, charge, pledge, lien or other form of encumbrance or security interest;
- (v) “**Subsidiary**” means any company which is for the time being, a subsidiary (within the meaning of section 5 of the Companies Act, Chapter 50 of Singapore), and in relation to CRT, means any company, corporation, trust, fund or other entity (whether or not a body corporate):
  - (a) which is controlled, directly or indirectly, by the Issuer; or
  - (b) more than half the interests of which are beneficially owned, directly or indirectly, by the Issuer; or
  - (c) which is a subsidiary of any company, corporation, trust, fund or other entity (whether or not a body corporate) to which paragraph (a) or (b) above applies,

and for these purposes, any company, corporation, trust, fund or other entity (whether or not a body corporate) shall be treated as being controlled by the Issuer if CRT (whether through the Issuer or otherwise) is able to direct its affairs and/or to control the composition of its board of directors or equivalent body; and

- (vi) “**TMK bonds**” means bonds issued by a specified purposes company (*tokutei mokutei kaisha*) incorporated under the Asset Liquidation Law (*shisan no ryudouka ni kansuru houritsu*) of Japan.
- (b) **Financial Covenant:** The Issuer will ensure that the ratio of Consolidated Total Borrowings to Consolidated Total Assets shall at all times be less than 60 per cent.

In these Conditions:

“**Borrowings**” means, at any time, any amount which is required by Singapore Financial Reporting Standards to be treated as a borrowing on its consolidated balance sheet to be included in the determination of the total borrowing of a property fund, equal to the aggregate (without double counting) of:

- (i) the outstanding principal amount of any moneys borrowed or raised and any outstanding overdrafts;
- (ii) any amount raised by acceptance under any acceptance credit (including any bankers’ guarantees (which shall, for the avoidance of doubt, exclude any tenant deposits in the form of bankers’ guarantees) or documentary or standby letters of credit);
- (iii) the outstanding principal of any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (iv) the amount of any liability in respect of any lease (which shall exclude any land lease) or hire purchase contract which would, in accordance with Singapore Financial Reporting Standards, be treated as a finance or capital lease;

- (v) any amount raised under any other transaction (including any forward sale or purchase agreement or sale or purchase agreements for which payments are to be deferred) having the commercial effect of borrowing (which shall, for the avoidance of doubt, exclude any tenant deposits and contingent liabilities);
- (vi) shares which are expressed to be redeemable and which are regarded as borrowings as reflected in CRT's latest audited consolidated balance sheet;
- (vii) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (viii) the amount of any liability (which shall, for the avoidance of doubt, exclude any contingent liabilities) in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (vii) above;

**"Consolidated Total Assets"** means, at any time, the consolidated total assets of CRT and its subsidiaries (calculated on a proportionate consolidation basis) at that time as determined from the consolidated financial statements of CRT delivered to the Trustee pursuant to clause 8.4 of the Trust Deed in accordance with the Singapore Financial Reporting Standards, but so that no amount shall be included or excluded more than once;

**"Consolidated Total Borrowings"** means, in relation to a Financial Quarter, the aggregate amount of all obligations of CRT and its subsidiaries for or in respect of Borrowings, so that no amount shall be included or excluded more than once; and

**"Financial Quarter"** means the quarterly accounting period of CRT (or any of its subsidiaries) ending on 30 September, 31 December, 31 March or 30 June in any year.

## 5 Interest and other Calculations

- (a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding principal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date, up to (and including) the Maturity Date. The amount of interest payable shall be determined in accordance with Condition 5(h).
- (b) **Interest on Floating Rate Notes and Index Linked Interest Notes:**
  - (i) *Interest Payment Dates:* Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding principal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined, in the case of Floating Rate Notes, by the Calculation Agent in accordance with this Condition 5(b) or, in the case of Index Linked Interest Notes, the Calculation Agent in accordance with Conditions 5(h) and 5(i). The Issuing and Paying Agent, the CDP Paying Agent and each other Paying Agent shall be entitled to rely on all determinations and calculations made by the Calculation Agent without any responsibility to verify any of the same and without liability to Noteholders or any other person for doing so. Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, "**Interest Payment Date**" shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
  - (ii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined by the Calculation Agent in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this Condition 5(b)(ii)(A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon;
- (y) the Designated Maturity is a period specified hereon; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this Condition 5(b)(ii)(A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes where the Reference Rate is not specified as being SIBOR or SOR

- (x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page or that service which displays this information) as at 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon;

- (y) if the Relevant Screen Page is not available or if, sub-paragraph (x)(1) of Condition 5(b)(ii)(B) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(2) of Condition 5(b)(ii)(B) applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage

rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

- (z) if paragraph (y) of Condition 5(b)(ii)(B) applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 5(b)(ii)(B), the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).
- (C) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SIBOR or SOR

Each Floating Rate Note where the Reference Rate is specified as being SIBOR (in which case such Note will be a “**SIBOR Note**”) or SOR (in which case such Note will be a “**Swap Rate Note**”) bears interest at a floating rate determined by reference to a benchmark as specified hereon or in any case such other benchmark as specified hereon.

- (x) The Rate of Interest payable from time to time in respect of each Floating Rate Note under this Condition 5(b)(ii)(C) will be determined by the Calculation Agent on the basis of the following provisions:
  - (1) In the case of Floating Rate Notes which are SIBOR Notes:

- (aa) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore Dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption “ASSOCIATION OF BANKS IN SINGAPORE – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 A.M. SINGAPORE TIME” and the column headed “SGD SIBOR/ USD” (or such other Relevant Screen Page);
- (bb) if no such rate appears on the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof), the Calculation Agent will, at or about the Relevant Time on such Interest Determination Date, determine the Rate of Interest for such Interest Period which shall be the rate which appears on the Reuters Screen SIBP Page under the caption “SINGAPORE DOLLAR INTER-BANK OFFERED RATES – 11:00 A.M.” and the row headed “SIBOR SGD” (or such other replacement page thereof), being the offered rate for deposits in Singapore Dollars for a period equal to the duration of such Interest Period;
- (cc) if no such rate appears on the Reuters Screen SIBP Page (or such other replacement page thereof or, if no rate appears, on such other Relevant Screen Page) or if Reuters Screen SIBP Page (or such other replacement page thereof or such other Relevant Screen Page) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore Dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore inter-bank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded, if necessary, to the nearest four decimal places) of such offered quotations, as determined by the Calculation Agent;
- (dd) if on any Interest Determination Date two but not all the Reference Banks provide the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with paragraph (cc) of this Condition 5(b)(ii)(C)(x)(1) on the basis of the quotations of those Reference Banks providing such quotations; and
- (ee) if on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate

principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate or if on such Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the rate per annum which the Calculation Agent determines to be arithmetic mean (rounded, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore Dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date.

(2) In the case of Floating Rate Notes which are Swap Rate Notes:

- (aa) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Accrual Period, determine the Rate of Interest for such Interest Accrual Period which shall be the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 A.M. SINGAPORE TIME" under the column headed "SGD SWAP OFFER" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Accrual Period;
- (bb) if on any Interest Determination Date, no such rate is quoted on the Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) or the Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Interest (which shall be rounded up, if necessary, to the nearest 5 decimal places) for such Interest Accrual Period in accordance with the following formula:

In the case of Premium:

$$\text{Rate of Interest} = \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(T \times \text{Spot Rate})} + \frac{(\text{SIBOR} \times \text{Premium})}{(\text{Spot Rate})} \times \frac{365}{360}$$

In the case of Discount:

$$\text{Rate of Interest} = \frac{365}{360} \times \text{SIBOR} - \frac{(\text{Discount} \times 36500)}{(T \times \text{Spot Rate})} - \frac{(\text{SIBOR} \times \text{Discount})}{(\text{Spot Rate})} \times \frac{365}{360}$$

where:

SIBOR = the rate which appears under the caption "SINGAPORE INTERBANK OFFER RATES (DOLLAR DEPOSITS) AT 11:00 A.M." and the row headed "SIBOR USD" on the Reuters Screen SIBO Page of the Reuters Monitor Money Rates Service (or such other page as may replace the Reuters Screen SIBO Page for the purpose of displaying Singapore

inter-bank U.S. Dollar offered rates of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Accrual Period concerned;

Spot Rate = the rate (determined by the Calculation Agent) to be the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the rates quoted by the Reference Banks and which appear on the Reuters Screen ABSIRFIX06 Page under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SGD SPOT AND SWAP OFFER RATES AT 11:00 A.M. SINGAPORE" and the column headed "SPOT" (or such other replacement page thereof for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Accrual Period concerned;

Premium = the rate (determined by the Calculation Agent) or Discount to be the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the rates quoted by the Reference Banks for a period equal to the duration of the Interest Accrual Period concerned which appear on the Reuters Screen ABSIRFIX06 Page under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SGD SPOT AND SWAP OFFER RATES AT 11:00 A.M. SINGAPORE" (or such other replacement page thereof for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Accrual Period concerned; and

T = the number of days in the Interest Accrual Period concerned;

(cc) if on any Interest Determination Date any one of the components for the purposes of calculating the Rate of Interest under this Condition 5(b)(ii)(C)(x)(2) is not quoted on the relevant Reuters Screen Page (or such other replacement page as aforesaid) or the relevant Reuters Screen Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of the Reference Banks to provide the Calculation Agent with quotations of their Swap Rates for the Interest Accrual Period concerned at or about the Relevant Time on that Interest Determination Date and the Rate of Interest for such Interest Accrual Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the Swap Rates quoted by the Reference Banks to the Calculation Agent. The "Swap Rate"

of a Reference Bank means the rate at which that Reference Bank can generate Singapore Dollars for the Interest Accrual Period concerned in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date and shall be determined as follows:

In the case of Premium:

$$\begin{aligned} \text{Swap Rate} &= \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(T \times \text{Spot Rate})} \\ &+ \frac{(\text{SIBOR} \times \text{Premium})}{(\text{Spot Rate})} \times \frac{365}{360} \end{aligned}$$

In the case of Discount:

$$\begin{aligned} \text{Swap Rate} &= \frac{365}{360} \times \text{SIBOR} - \frac{(\text{Discount} \times 36500)}{(T \times \text{Spot Rate})} \\ &- \frac{(\text{SIBOR} \times \text{Discount})}{(\text{Spot Rate})} \times \frac{365}{360} \end{aligned}$$

where:

SIBOR = the rate per annum at which U.S. Dollar deposits for a period equal to the duration of the Interest Accrual Period concerned are being offered by that Reference Bank to prime banks in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date;

Spot Rate = the rate at which that Reference Bank sells U.S. Dollars spot in exchange for Singapore Dollars in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date;

Premium = the rate (determined by the Calculation Agent) or Discount to be the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the rates quoted by the Reference Banks for a period equal to the duration of the Interest Accrual Period concerned which appear on the Reuters Screen ABSIRFIX06 Page under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SGD SPOT AND SWAP OFFER RATES AT 11:00 A.M. SINGAPORE" (or such other replacement page thereof for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Accrual Period concerned; and

T = the number of days in the Interest Accrual Period concerned; and

- (dd) if on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with quotations of their Swap Rate(s), the Rate of Interest shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Accrual Period by whatever means they determine to be most appropriate, or if on such Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Accrual Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the prime lending rates for Singapore Dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date.
- (D) On the last day of each Interest Accrual Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Accrual Period relates at the Rate of Interest for such Interest Accrual Period.
- (iii) *Rate of Interest for Index Linked Interest Notes:* The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined by the Calculation Agent in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.
- (c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)(B)).
- (d) **Dual Currency Notes:** In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined by the Calculation Agent in the manner specified hereon.
- (e) **Partly Paid Notes:** In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up principal amount of such Notes and otherwise as specified hereon.
- (f) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

- (g) **Margin, Maximum Rate of Interest/Minimum Rate of Interest, Instalment Amounts and Redemption Amounts and Rounding:**
- (i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to Condition 5(g)(ii).
  - (ii) If any Maximum Rate of Interest or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
  - (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “**unit**” means the lowest amount of such currency that is available as legal tender in the country of such currency.
- (h) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.
- (i) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts:** The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fifth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(m), the Interest Amounts and the Interest Payment Date so published may subsequently be amended without notice in the event of an extension

or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition 5 but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall, save in the case of manifest error, be final and binding upon all parties and the Noteholders.

- (j) **Determination or Calculation by an agent of the Issuer:** If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Accrual Period or any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, the Issuer shall appoint another agent on its behalf to do so and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, such agent shall apply the foregoing provisions of this Condition 5, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.
- (k) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

**“Business Day”** means:

- (i) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for general business in Singapore and in the city of the Issuing and Paying Agent’s specified office and, in the case of Notes cleared through CDP, in the city of the CDP Paying Agent’s specified office and, in the case of Registered Notes, in the city of the Registrar’s specified office; and
- (ii) in the case of:
- (a) a currency other than euro, a day on which commercial banks and foreign exchange markets are open for general business in the principal financial centre for such currency and/or
- (b) euro, a day on which the TARGET system is operating (a **“TARGET Business Day”**).

**“Day Count Fraction”** means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the **“Calculation Period”**):

- (i) if **“Actual/Actual”** or **“Actual/Actual - ISDA”** is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)
- (ii) if **“Actual/365 (Fixed)”** is specified hereon, the actual number of days in the Calculation Period divided by 365
- (iii) if **“Actual/360”** is specified hereon, the actual number of days in the Calculation Period divided by 360

- (iv) if “30/360”, “360/360” or “**Bond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y**<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y**<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M**<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M**<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D**<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D**<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30

- (v) if “30E/360” or “**Eurobond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y**<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y**<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M**<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M**<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D**<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D**<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30

- (vi) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30

- (vii) if “**Actual/Actual-ICMA**” is specified hereon,

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

“**Determination Date**” means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s).

“**Euro-zone**” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

**“Interest Accrual Period”** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

**“Interest Amount”** means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

**“Interest Commencement Date”** means the Issue Date or such other date as may be specified hereon.

**“Interest Determination Date”** means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or Hong Kong Dollars or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro nor Hong Kong Dollars or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

**“Interest Period”** means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date.

**“Interest Period Date”** means each Interest Payment Date unless otherwise specified hereon.

**“ISDA Definitions”** means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

**“Rate of Interest”** means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

**“Reference Banks”** means (i) in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market; (ii) in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market; and (iii) in the case of a determination of the relevant Reference Rate, SIBOR or Swap Rate, the principal Singapore office of three major banks in the Singapore inter-bank market, in each case selected by the Calculation Agent or as specified hereon.

**“Reference Rate”** means the rate specified as such hereon.

**“Relevant Screen Page”** means such page, section, caption, column or other part of a particular information service as may be specified hereon (or any successor or replacement page).

**“Relevant Time”** means 11.00 a.m. (Singapore time).

**“Specified Currency”** means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

- (l) **Calculation Agents:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for it or them hereon and for so long as any Note is outstanding. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under these Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent to act as such in its place. Any Calculation Agent appointed in respect of the Notes may not resign its duties without a successor having been appointed as aforesaid.
- (m) **Business Day Convention:** If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

## 6 Redemption, Purchase and Options

- (a) **Redemption by Instalments and Final Redemption:**
  - (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding principal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the principal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
  - (ii) Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its principal amount) or, in the case of a Note falling within Condition 6(a)(i), its final Instalment Amount.
- (b) **Early Redemption:**
  - (i) *Zero Coupon Notes:*
    - (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c) or upon it becoming

due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

- (B) Subject to the provisions of Condition 6(b)(i)(C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in Condition 6(b)(i)(B), except that Condition 6(b)(i)(B) shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this Condition 6(b)(i)(C) shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

- (ii) *Other Notes:* The Early Redemption Amount payable in respect of any Note (other than Notes described in Condition 6(b)(i) above), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.
- (c) **Redemption for Taxation Reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Note) or at any time (if this Note is neither a Floating Rate Note nor an Index Linked Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that it has or will become obliged to pay additional amounts provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a decision of a court of competent jurisdiction) or the Notes do not qualify as "qualifying debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation will apply on the occasion of the next payment due in respect of the Notes and cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(c), the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it, and an opinion, addressed to the Trustee, of independent legal or tax advisors of recognised international standing to the effect that such change or amendment has occurred (irrespective of whether such amendment or change is then effective). The Trustee shall be entitled without further enquiry and without liability to any Noteholder or any other person to

rely on such certificate and opinion and, if it does so, such certificate or, as the case may be, opinion shall be conclusive evidence of the satisfaction of the conditions precedent set out in (i) and (ii) of this Condition 6(c). Each such certificate and opinion shall be conclusive and binding on Noteholders and Couponholders.

- (d) **Redemption at the Option of the Issuer:** If Call Option is specified hereon, the Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a principal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 6(d).

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner as determined by the Issuer and notified in writing to the Trustee, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

- (e) (i) **Redemption at the Option of Noteholders:** If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 30 nor more than 60 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice (an "**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any other Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

- (ii) **Cessation or suspension of trading:** If, on any date, (A) the units of CRT cease to be traded on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") or (B) trading in the units of CRT is suspended for more than seven consecutive days on which normal trading of securities is carried out, the Issuer shall, at the option of the holder of any Note, redeem such Note at its Optional Redemption Amount together with interest accrued to the date fixed for redemption which shall be the date (or, if such date is not a business day, on the immediately preceding business day) falling 45 days after the relevant Effective Date. The Issuer shall, with seven days of the relevant Effective Date, give notice to the Trustee, the Paying Agents and the Noteholders of the occurrence of either event specified in (A) or (B) above (provided that any failure by the Issuer to give such notice shall not prejudice any exercise of such option).

To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice (an "**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any other Transfer Agent (as applicable) no later than the date falling 30 days after the relevant Effective Date.

No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

For the purposes of this Condition 6(e)(ii), “**Effective Date**” means (in the case of (A) above) the date of cessation of trading or (in the case of (B) above) the day immediately following the expiry of the seven day period.

The Trustee shall not be required to take any steps to ascertain whether any such cessation or suspension of trading of the units of CRT or any event which could lead to the occurrence of such cessation or suspension of trading has occurred.

- (f) **Partly Paid Notes:** Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 6(f) and the provisions specified hereon.
- (g) **Purchases:** The Issuer and any of its Subsidiaries may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.
- (h) **Cancellation:** All Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

## 7 Payments and Talons

- (a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(ii)), at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank.

In this Condition 7(a) and in Condition 7(b), “**Bank**” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

- (b) **Registered Notes:**
  - (i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 7(b)(ii).
  - (ii) Interest (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified

office of the Registrar or any other Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.

- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.
- (d) **Payments subject to Fiscal Laws:** Save as provided in Condition 8, payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment or other laws to which the Issuer agrees to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Appointment of Agents:** The Issuing and Paying Agent, the CDP Paying Agent, the Paying Agents, the Registrars, and the Transfer Agents initially appointed by the Issuer and their respective specified offices are listed below. The Issuing and Paying Agent, the CDP Paying Agent, the Paying Agents, the Registrars, and the Transfer Agents appointed under the Agency Agreement and any Calculation Agents appointed in respect of any Notes act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time, with the approval of the Trustee, to vary or terminate the appointment of the Issuing and Paying Agent, the CDP Paying Agent, any other Paying Agent, any Registrar or any Transfer Agent in accordance with the Agency Agreement and to appoint additional or other Paying Agents or Transfer Agents, in each case in accordance with the Agency Agreement, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) a CDP Paying Agent in relation to Notes cleared through CDP, (v) one or more Calculation Agent(s) where these Conditions so require, (vi) a Paying Agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that the Global Notes are exchanged for Definitive Notes, for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require and (vii) such other agents as may be required by any other stock exchange on which the Notes may be listed in each case, as approved by the Trustee.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. Dollars in the circumstances described in Condition 7(c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

- (f) **Unmatured Coupons and Receipts and unexchanged Talons:**
  - (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index Linked Notes), such Notes should be surrendered to the relevant Paying Agent for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount,

as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note or Index Linked Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
  - (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
  - (iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
  - (v) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer, the Issuing and Paying Agent and/or the Registrar may require.
  - (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.
- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in the location of the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).
- (h) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 7, “**business day**” means a day (other than a Saturday or a Sunday) on which, in the case of Notes to be cleared through Euroclear and Clearstream, Luxembourg, Euroclear and Clearstream, Luxembourg are operating or, in the case of Notes to be cleared through CDP, CDP is operating and, in each case, of which banks and foreign exchange markets are open for business in the relevant place of presentation (if presentation and/or surrender of such Note, Receipt or Coupon is required), in such jurisdictions as shall be specified as “**Financial Centres**” hereon and:
- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
  - (ii) (in the case of a payment in euro) which is a TARGET Business Day.

## 8 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes, the Receipts and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

The Issuer shall pay such additional amounts as shall result in receipt by the Noteholders, Receiptholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) **Other connection:** to, or to a third party on behalf of, a holder who is (i) treated as a resident of Singapore or as having a permanent establishment in Singapore for tax purposes or (ii) liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with Singapore other than the mere holding of the Note, Receipt or Coupon; or
- (b) **Surrender more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day.

As used in these Conditions, “**Relevant Date**” in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition 8 or any undertaking given in addition to or in substitution for it under the Trust Deed.

## 9 Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

## 10 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of not less than 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each such case to being indemnified and/or secured and/or prefunded by the Noteholders to its satisfaction), give notice (a “**Default Notice**”) to the Issuer that the Notes are, and they shall accordingly thereby become, immediately due and repayable at their Early Redemption Amount together (if applicable) with accrued interest, if any of the following events (each an “**Event of Default**”) has occurred and is continuing:

- (a) a default is made in the payment of any principal, premium or interest due in respect of the Notes and such default is not remedied within seven days;

- (b) the Issuer does not perform or comply with any one or more of its obligations in the Notes (other than the obligations referred to in paragraph (a)) or the Trust Deed which default is not remedied within 30 Singapore business days after the earlier of (i) the date a Default Notice shall have been given to the Issuer by the Trustee or (ii) the date that the Issuer becomes aware of such failure to perform or comply;
- (c) the Issuer, CRT or any Principal Subsidiary of CRT is (or admits it is or is presumed or deemed by law or by a court to be) insolvent or bankrupt or unable to pay its debts as and when they fall due, stops, suspends or threatens to stop or suspend, payment of all or a material part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any material part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any material part of (or of a particular type of) the debts of the Issuer, CRT or any Principal Subsidiary of CRT;
- (d) (i) any other present or future indebtedness of the Issuer, CRT or any Subsidiary of CRT for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described) and is not repaid within any applicable grace period, or (ii) any such indebtedness of the Issuer, CRT or any Subsidiary of CRT in respect of borrowed money is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Issuer, CRT or any Subsidiary of CRT fails to pay when due (or within any applicable grace period) any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 10(d) have occurred equals or exceeds U.S.\$30,000,000 or its equivalent (as reasonably determined on the basis of the middle spot rate for the relevant currency against the U.S. Dollar as quoted by any leading bank nominated by the Trustee (or, failing such nomination within two Business Days of the occurrence of one or more of the events mentioned above in this Condition 10(d), selected by the Issuer and notified in writing to the Trustee) on the day on which such indebtedness becomes due and payable or is not paid or any such amount becomes due and payable or is not paid under any such guarantee or indemnity) provided always that the Issuer, CRT and/or such Subsidiary of CRT, as the case may be, shall be deemed to have paid any such indebtedness or amount if it is able to provide written evidence (including, but not limited to, confirmation from a bank or other financial institution of the remittance of such amount) of such payment having been made;
- (e) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of CRT or any Principal Subsidiary of CRT, which is material to CRT and its Principal Subsidiaries taken as a whole, and is not discharged or stayed within 45 days;
- (f) an order is made or an effective resolution passed for the winding-up, dissolution, liquidation, judicial management or administration of the Issuer, CRT or any Principal Subsidiary of CRT, or the Issuer, CRT or any Principal Subsidiary of CRT ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution of the Noteholders or in the case of a voluntary liquidation not involving insolvency of a Principal Subsidiary only, for the purpose of, and followed by, a reconstruction, amalgamation, reorganisation, merger or consolidation or transfer of assets to CRT or a subsidiary of CRT;
- (g) an encumbrancer takes possession or a receiver, administrator, administrative receiver, judicial manager or other similar officer is appointed in respect of the whole or any substantial part of the property, assets or revenues of CRT or any Principal Subsidiary of CRT (as the case may be) and is not discharged within 45 days;

- (h) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes or the Trust Deed;
- (i) if (i) Croesus Retail Asset Management Pte. Ltd. resigns or is removed from the position of trustee-manager for CRT and (ii) a replacement or substitute trustee-manager of CRT is not appointed in accordance with the terms of the Deed of Trust dated 7 May 2012 constituting CRT as supplemented by a first amending and restating deed dated 29 June 2012, a second amending and restating deed dated 7 November 2012, a third amending and restating deed dated 24 April 2013 and a fourth amending and restating deed dated 30 April 2013 (and as further amended, modified or supplemented from time to time) (the “**CRT Trust Deed**”); or
- (j) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of Condition 10(c) and Conditions 10(e) to 10(g) (both inclusive).

## 11 Meetings of Noteholders, Modification, Waiver and Substitution

- (a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including but not limited to the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by the Issuer, the Trustee or the Noteholders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the principal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum Rate of Interest and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum Rate of Interest and/or Maximum Rate of Interest, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the Noteholders of not less than 90 per cent. in principal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

- (b) **Modification of the Trust Deed:** The Trustee may (but shall not be obliged to) agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or these Conditions that in its opinion is of a formal, minor

or technical nature or is made to correct a manifest error or to comply with any mandatory provisions of applicable law or as required by Euroclear and/or Clearstream, Luxembourg and/or CDP, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or these Conditions that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, unless the Trustee otherwise agrees, such modification, authorisation or waiver shall be notified by the Issuer to the Noteholders as soon as practicable.

- (c) **Entitlement of the Trustee:** In connection with the exercise of its functions, rights, powers and discretions (including but not limited to those referred to in this Condition 11), the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee, acting for and on behalf of Noteholders, shall not be entitled to require on behalf of any Noteholder or Couponholder, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders. For the avoidance of doubt, the provisions of this Condition 11(c) shall not restrict or prevent the Trustee from claiming any indemnity or payment from the Issuer for its own account.

## 12 Enforcement

At any time after the Notes become due and payable, the Trustee (i) may, at its discretion or (ii) shall, if so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least 25 per cent. in principal amount of the Notes outstanding, and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed, the Notes, the Receipts and the Coupons, but it need not take any such proceedings unless it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Noteholder, Receiptholder or Couponholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

## 13 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer, any Subsidiary of the Issuer and any entity related to the Issuer without accounting for any profit.

The Trustee may rely without liability to Noteholders or Couponholders on any report, confirmation or certificate or any advice of any legal counsels, accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether or not their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice conclusively and without liability to the Noteholders or any other person and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Noteholders and the Couponholders.

## 14 Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates), in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts,

Coupons or further Coupons) and otherwise as the Issuer, the Issuing and Paying Agent and/or the Registrar may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## **15 Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition 15 and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

## **16 Currency Indemnity**

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note, Coupon or Receipt is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the currency of payment under the relevant Note, Coupon or Receipt that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, Coupon or Receipt, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition 16, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, Coupon or Receipt or any other judgment or order.

## **17 Liability of the Issuer**

Notwithstanding any provision to the contrary in the Trust Deed, the Notes and the Coupons, the Trustee, the Noteholders and the Couponholders acknowledge that the Issuer has entered into the Trust Deed, the Notes and the Coupons in its capacity as trustee-manager of CRT and not in the Issuer's personal capacity and all references to the "Issuer" in the Trust Deed, the Notes and the Coupons shall be construed accordingly. Any liability of or indemnity, covenant, undertaking, representation and/or warranty given by the Issuer under the Trust Deed, the Notes and the Coupons is given by the Issuer in its capacity as trustee-manager of CRT and not in its personal capacity and any power and right conferred on any receiver, attorney, agent and/or delegate under the Trust Deed, the Notes and the Coupons, is limited to the assets of CRT over which the Issuer has recourse and shall not extend to any personal assets of the Issuer or any assets held by the Issuer in its capacity as trustee of any trust (other than its capacity as trustee-manager for CRT). Any obligation, matter, act, action or thing required to be done, performed or undertaken by the Issuer under the Trust Deed, the Notes and the Coupons shall only be in connection with matters relating to CRT (and shall not extend to the Issuer's obligations in respect of any other trust or real estate investment trust of which it is a trustee or trustee-manager). The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Noteholders and the Couponholders under law or equity or relieve or discharge the Issuer from any negligence, fraud or breach of trust. Notwithstanding any provision to the contrary in these Conditions, the Trust Deed, the Notes or

any Coupons, it is hereby acknowledged and agreed that the obligations of the Issuer under these Conditions, the Trust Deed, the Notes and any Coupons will be solely the corporate obligations of the Issuer and that no party to the Trust Deed shall have any recourse against the shareholders, directors, officers or employees of the Issuer for any claims, losses, damages, liabilities or other obligations whatsoever in connection with any of the transactions contemplated by the provisions of these Conditions, the Trust Deed, the Notes or any Coupons.

## 18 Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in Singapore (which is expected to be *The Business Times*). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Singapore. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above. The Issuer shall also ensure that notices are duly published in a manner that complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 18.

So long as the Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is (i) held on behalf of Euroclear or Clearstream, Luxembourg, or any other clearing system (except as provided in (ii) below of this Condition 18), notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by these Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate or (ii) by CDP, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to the persons shown in the list of Noteholders provided by CDP.

## 19 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the [Contracts (Rights of Third Parties) Act 1999]<sup>1</sup>/[Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore]<sup>2</sup>.

## 20 Governing Law and Jurisdiction

- (a) **Governing Law:** The Trust Deed [as supplemented by the Supplemental Trust Deed]<sup>2</sup>, the Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, [English]<sup>1</sup>/[Singapore]<sup>2</sup> law.
- (b) **Jurisdiction:** The Courts of [England]<sup>1</sup>/[Singapore]<sup>2</sup> are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons, Talons (“**Proceedings**”) may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.
- (c) **[Service of Process:** The Issuer has in the Trust Deed irrevocably appointed an agent in England to receive, for it and on its behalf, service of process in any Proceedings in England.]<sup>1</sup>

<sup>1</sup> Include for Notes governed by English law.

<sup>2</sup> Include for Notes governed by Singapore law.

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

### 1 Initial Issue of Notes

Global Notes and Global Certificates may be delivered on or prior to the original issue date of the Tranche to a common depository for Euroclear and Clearstream, Luxembourg (the “**Common Depository**”) or CDP.

Upon the initial deposit of a Global Note with the Common Depository or with CDP or registration of Registered Notes in the name of (i) any nominee for Euroclear or Clearstream, Luxembourg (as the case may be) and/or (ii) CDP and delivery of the relevant Global Certificate to the Common Depository or CDP (as the case may be), Euroclear or Clearstream, Luxembourg or CDP (as the case may be) will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depository or CDP may also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg and/or CDP held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg, CDP or other clearing systems.

### 2 Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, CDP or any other clearing system (each an “**Alternative Clearing System**”) as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg, CDP or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, CDP or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

### 3 Exchange

#### 3.1 Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Pricing Supplement indicates that such Global Note is issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the “**C Rules**”) or in a transaction to which the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”) is not applicable, in whole, but not in part, for the Definitive Notes defined and described below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Pricing Supplement, for Definitive Notes.

The holder of a temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due presentation of the temporary Global Note for exchange or delivery of a permanent Global Note or for delivery of Definitive Notes is improperly withheld or refused.

### 3.2 Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.4 below, in part for Definitive Notes:

- (i) if the permanent Global Note is held on behalf of Euroclear, Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or
- (ii) if the permanent Global Note is cleared through the CDP System (as defined in "Clearance and Settlement – CDP") and (a) an Event of Default (as defined in the Terms and Conditions of the Notes) has occurred and is continuing, (b) CDP has closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise), (c) CDP has announced an intention to permanently cease business and no alternative clearing system is available or (d) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties and no alternative clearing system is available.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

### 3.3 Global Certificates

The following will apply in respect of transfers of Notes held in Euroclear, Clearstream, Luxembourg, CDP or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) of the Terms and Conditions of the Notes may only be made:

- (i) in whole but not in part if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) if the Notes represented by the Global Certificate are held by or on behalf of CDP and (a) an event of default (as defined in the Terms and Conditions of the Notes) entitling the Trustee to declare all the Notes to be due and payable as provided in the Terms and Conditions of the Notes has occurred and is continuing, (b) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise), (c) CDP has announced an intention permanently to cease business and no alternative clearing system is available or (d) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties and no alternative clearing system is available; or
- (iii) in whole or in part, with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph 3.3(i) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer. Where the holding of Notes represented by the Global Certificate is only transferable in whole, the Certificate issued to the transferee upon transfer of such holding shall be a Global Certificate. Where transfers are permitted in part, Certificates issued to transferees shall not be Global

Certificates unless the transferee so requests and certifies to the Registrar that it is, or is acting as a nominee for, Clearstream, Luxembourg, Euroclear, CDP and/or an Alternative Clearing System.

### **3.4 Partial Exchange of Permanent Global Notes**

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes if so provided in, and in accordance with, the Terms and Conditions of the Notes.

### **3.5 Delivery of Notes**

On or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent (or, in the case of Notes cleared through CDP, the CDP Paying Agent). In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate principal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Notes. Global Notes and Definitive Notes will be delivered outside the United States and its possessions. In this Offering Circular, “**Definitive Notes**” means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

### **3.6 Exchange Date**

“**Exchange Date**” means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent (or, in the case of Notes cleared through CDP, the CDP Paying Agent) is located and in the city in which the relevant clearing system is located.

## **4 Amendment to Conditions**

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the Terms and Conditions of the Notes set out in this Offering Circular. The following is a summary of certain of those provisions:

### **4.1 Payments**

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be enfaced on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. For the purpose

of any payments made in respect of a Global Note, the relevant place of presentation (if applicable) shall be disregarded in the definition of “business day” set out in Condition 7(h) of the Terms and Conditions of the Notes.

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where “**Clearing System Business Day**” means Monday to Friday inclusive except 25 December and 1 January.

All payment in respect of Notes represented by a Global Certificate held through CDP will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the fifth business day in Singapore before the due date for payment thereof.

#### **4.2 Prescription**

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8 of the Terms and Conditions of the Notes).

#### **4.3 Meetings**

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note or of the Notes represented by a Global Certificate shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder’s holding, whether or not represented by a Global Certificate.)

#### **4.4 Cancellation**

Cancellation of any Note represented by a permanent Global Note that is required by the Terms and Conditions of the Notes to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant permanent Global Note or its presentation to or to the order of the Issuing and Paying Agent (or, in the case of Notes cleared through CDP, the CDP Paying Agent) for endorsement in the relevant schedule of such permanent Global Note or in the case of a Global Certificate, by reduction in the aggregate principal amount of the Certificates in the register of the certificate holders, whereupon the principal amount thereof shall be reduced for all purposes by the amount so cancelled and endorsed.

#### **4.5 Purchase**

Notes represented by a permanent Global Note may only be purchased by or on behalf of the Issuer, CRT or any member of the Group if they are purchased together with the right to receive all future payments of interest and Instalment Amounts (if any) thereon.

#### **4.6 Issuer’s Option**

Any option of the Issuer provided for in the Terms and Conditions of the Notes while such notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Terms and Conditions of the Notes, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required.

#### **4.7 Noteholders' Options**

Any option of the Noteholders provided for in the Terms and Conditions of the Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Issuing and Paying Agent (or, in the case of Notes cleared through the CDP System, the CDP Paying Agent) within the time limits relating to the deposit of Notes with a Paying Agent set out in the Terms and Conditions of the Notes substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the principal amount of Notes in respect of which the option is exercised, the same time presenting the permanent Global Note to the Issuing and Paying Agent (or, in the case of Notes cleared through CDP, the CDP Paying Agent), or to a Paying Agent acting on behalf of the Issuing and Paying Agent (or, in the case of Notes cleared through CDP, the CDP Paying Agent), for notation.

#### **4.8 Trustee's Powers**

For so long as any of the Notes is represented by any Global Note or a Global Certificate, and the permanent Global Note is held by or on behalf of any clearing system or nominee or sub-custodian for a clearing system or the Global Certificate is registered in the name of, or in the name of any nominee or sub-custodian for, a clearing system, in considering the interests of each person who is for the time being shown in the records of such clearing system, nominee or sub-custodian, the Trustee and the Issuing and Paying Agent are entitled to have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Global Certificate and are entitled to consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

#### **4.9 Notices**

Notices required to be given in respect of the Notes represented by any Global Note or a Global Certificate may be given by their being delivered (so long as such Global Note or Global Certificate is held on behalf of Euroclear and Clearstream, Luxembourg, CDP or any other clearing system) to Euroclear, Clearstream, Luxembourg, CDP or such other clearing system, as the case may be, or otherwise to the holder of such Global Note or Global Certificate, rather than by publication as required by the Terms and Conditions of the Notes.

### **5 Partly Paid Notes**

The provisions relating to Partly Paid Notes are not set out in this Offering Circular, but will be contained in the relevant Pricing Supplement and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to their holders in respect of them.

## **USE OF PROCEEDS**

Unless otherwise specified in the relevant Pricing Supplement, the net proceeds from the issue of each Tranche of Notes will be used by the Group for financing or refinancing its acquisitions and/or investments, financing any development and asset enhancement works on the properties in which it has an interest, refinancing its existing borrowings and general corporate purposes of the Group.

## CAPITALISATION AND INDEBTEDNESS

The table below sets forth the consolidated capitalisation and indebtedness of CRT as at 31 December 2015. The information set out in this table has been extracted from and should be read in conjunction with the consolidated financial statements and related notes appearing elsewhere and/or incorporated by reference in this Offering Circular. The Trustee-Manager confirms that as at the Latest Practicable Date, there has been no material change in the capitalisation and indebtedness of CRT since 31 December 2015.

	<b>As at 31 December 2015 (JPY'000)</b>	<b>As Adjusted<sup>(1)</sup> (JPY'000)</b>
Total short-term borrowings	553,148	553,148
Total long-term borrowings	50,348,700	50,348,700
Total borrowings	50,901,848	50,901,848
Total Unitholders' funds	48,466,743	52,659,312
Total capitalisation	99,368,591	103,561,160

**Note:**

- (1) Pro forma adjustments on the assumption that a placement of 70 million Units at an issue price of S\$0.750 per Unit (see announcement of CRT dated 24 March 2016 "Close of Private Placement of 70,000,000 New Units at an Issue Price of S\$0.750 per New Unit") were issued on 31 December 2015.

# CROESUS RETAIL TRUST

## HISTORY AND BACKGROUND

CRT was listed on the SGX-ST (the “**Listing**”) on 10 May 2013 (the “**Listing Date**”), and is the first Asia-Pacific retail business trust with a portfolio located in Japan listed on the SGX-ST. As of the Latest Practicable Date, CRT has a market capitalisation of S\$497 million.

CRT’s principal investment strategy is to invest in a diversified portfolio of predominantly retail real estate assets located in the Asia-Pacific region and real estate-related assets relating to the foregoing. The Property Portfolio is located in Japan in order to create a core portfolio of stable income generating assets. The Property Portfolio 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’s portfolio comprises eight completed retail properties located across Japan, namely (i) Aeon Town Moriya, (ii) Aeon Town Suzuka, (iii) Croesus Shinsaibashi<sup>10</sup>, (iv) Croesus Tachikawa<sup>11</sup>, (v) Luz Omori, (vi) Mallage Shobu, (vii) One’s Mall and (viii) Torius. The Property Portfolio was valued by the Independent Valuers<sup>12</sup> at approximately JPY96.23 billion (equivalent to approximately S\$1,171 million) as at 30 June 2015 (with the exception of Torius, which was valued as at 31 July 2015). As at 31 December 2015, the Properties have an aggregate NLA of approximately 328,052 sq m and a weighted average occupancy rate of approximately 98.3%.

---

<sup>10</sup> Previously known as Luz Shinsaibashi.

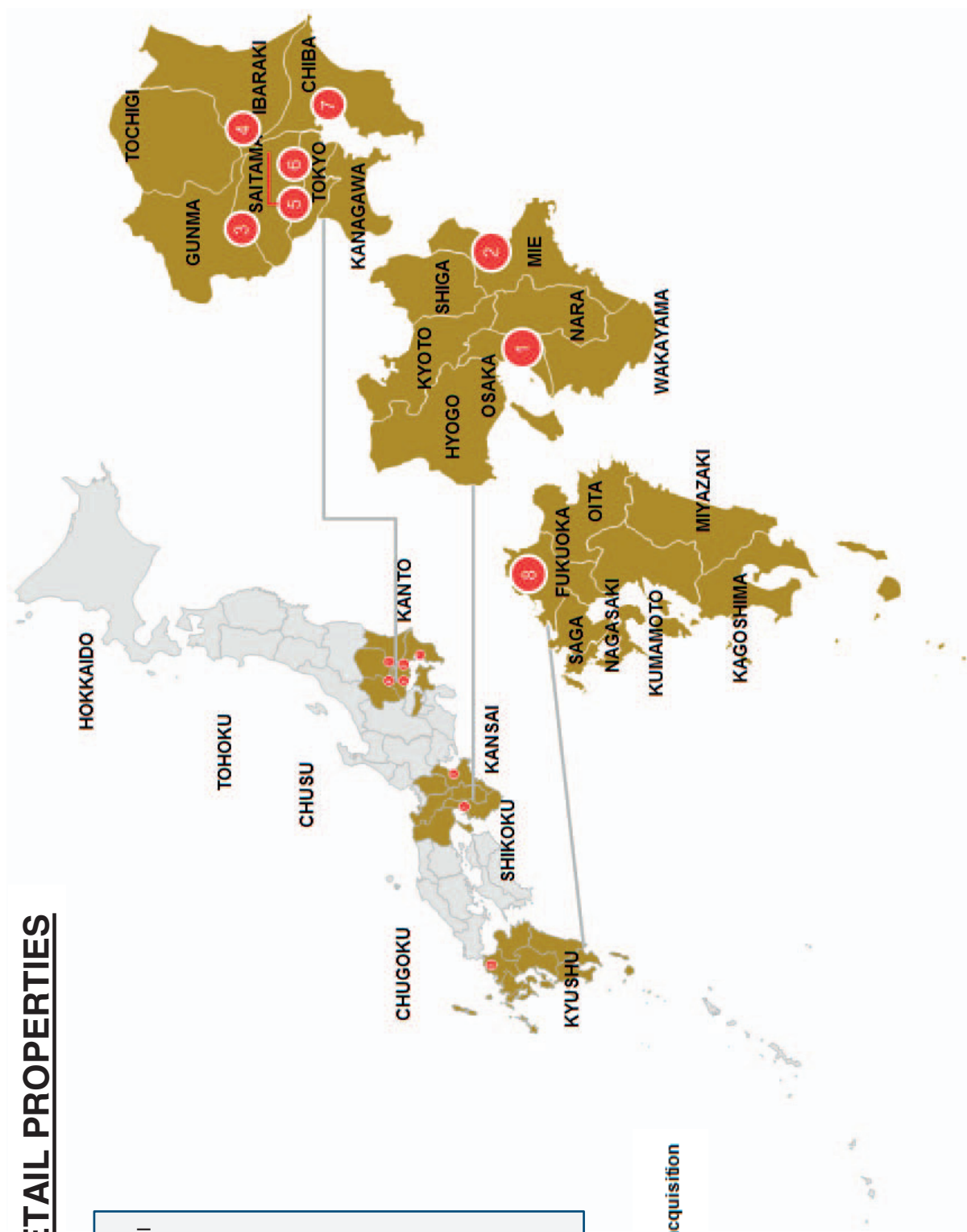
<sup>11</sup> Previously known as NIS Wave I.

<sup>12</sup> The Properties were valued by CBRE K.K., with the exception of One’s Mall and Torius which were valued by DTZ Debenham Tie Leung K.K..

# LOCATION OF RETAIL PROPERTIES

- 1 CROESUS SHINSAIBASHI
- 2 AEON TOWN SUZUKA
- 3 MALLAGE SHOBU
- 4 AEON TOWN MORIYA
- 5 CROESUS TACHIKAWA
- 6 LUZ OMORI
- 7 ONE'S MALL
- 8 TORIUS

1 — 8 Denotes order of acquisition



The Properties are held by the Trustee-Manager through various tokutei mokuteki kaisha (“**TMK**”). Voluntary ROFRs have been provided to CRT by each member of the Croesus Group over any proposed third-party offer, and sale by it of any predominantly retail real estate assets located in the Asia-Pacific region.

The Trustee-Manager had prior to the Listing Date also entered into agreements with various third-party vendors and Marubeni which gave the Trustee-Manager the first right to negotiate for the purchase of four additional completed properties in Japan, being Mallage Saga, Luz Omori, Forecast Kyoto Kawaramachi and NIS Wave I, which are located in three prefectures across Japan, namely Saga, Tokyo and Kyoto. Accordingly, the Trustee-Manager acquired Luz Omori and NIS Wave I on 27 February 2014. As the Trustee-Manager had on 19 October 2015 declined the offer for the acquisition of Forecast Kyoto Kawaramachi which was made to the Trustee-Manager pursuant to the right of first refusal, the Trustee-Manager has the first right to negotiate for the purchase of Mallage Saga. The Trustee-Manager had on 31 March 2016 sent a notice of intent to purchase to the vendor of Mallage Saga, in order to extend its first right to negotiate for the purchase of Mallage Saga until 30 June 2016. The Trustee-Manager is currently in negotiations with the vendor of Mallage Saga and no agreement on the individual or aggregate acquisition price has been formalised in the first right to negotiate agreement and the notice of intent. In respect of Mallage Saga, the first right to negotiate is only applicable if the offer to purchase the property by a third party is not more than an agreed specified price. The Trustee-Manager has agreed to the specified price on the basis that, beyond this price, the acquisition would not be yield accretive for CRT.

The Trustee-Manager is a wholly owned subsidiary of Evertrust Asset Management Pte. Ltd. (“**Evertrust**”), which is a joint venture between Croesus Merchants, Daiwa House and Marubeni, and is a company incorporated in Singapore.

Tozai Asset Management Co., Ltd. (in respect of Aeon Town Moriya, Aeon Town Suzuka, Croesus Shinsaibashi, Mallage Shobu and One’s Mall), Marubeni Asset Management Co., Ltd. (in respect of Croesus Tachikawa and Luz Omori) and CMI Realty Management Co., Ltd. (in respect of Torius) (each an “**Asset Manager**”, and collectively, the “**Asset Managers**”), were appointed by the Japan TMKs, and assist the Trustee-Manager in the effective and efficient management and marketing of the Properties. (See “*Croesus Retail Trust — Structure of CRT — Asset Managers*”)

**INFORMATION ON THE PROPERTIES**

**PORTFOLIO STATISTICS AND DETAILS**

**Portfolio Summary**

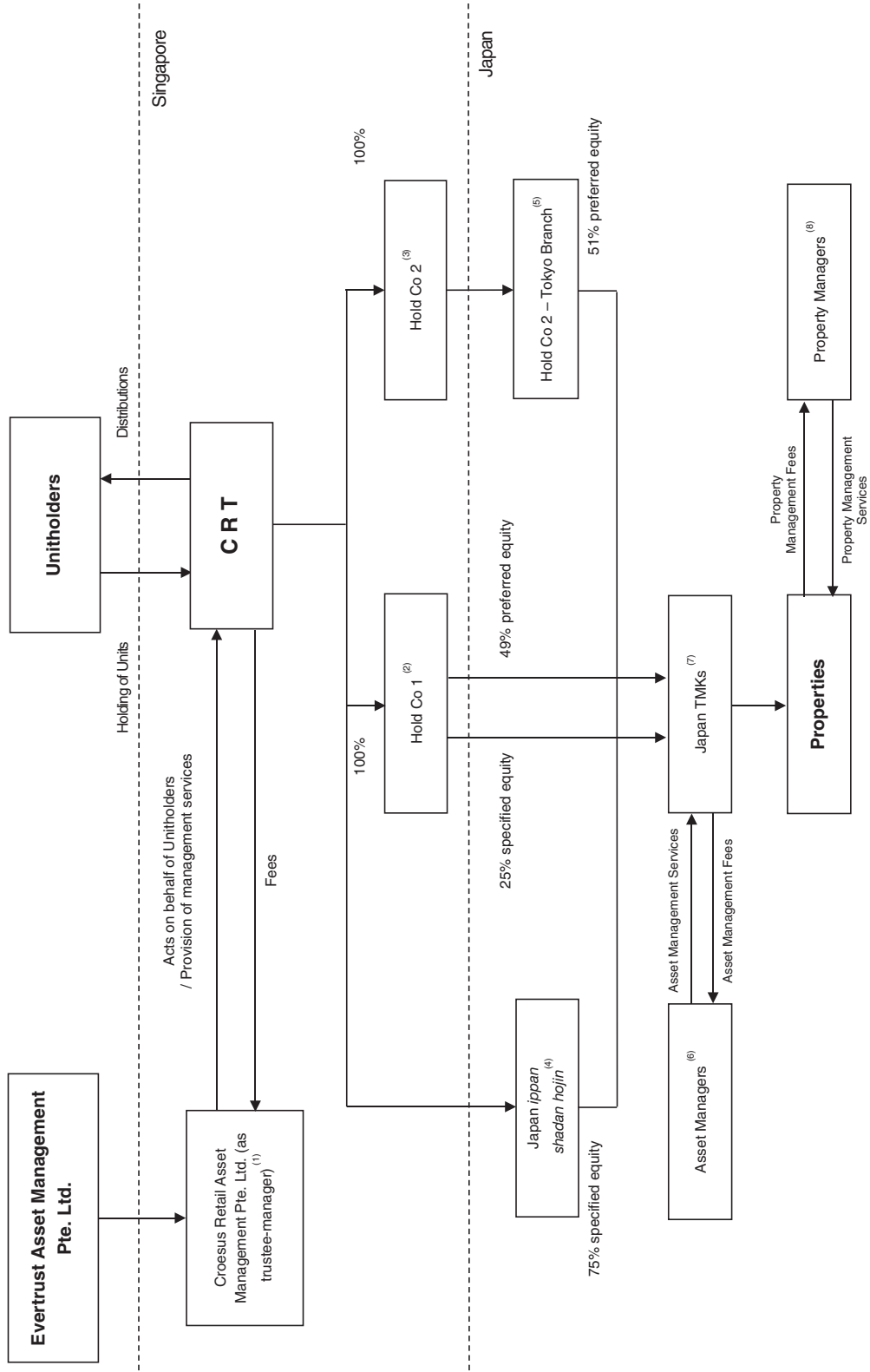
Property	Prefecture	Year of Completion	NLA (as at 31 December 2015) (sq m)	Gross Floor Area (sq m)	Carpark Lots	Occupancy Rate (as at 31 December 2015) (%)	Number of Tenants/ Committed Tenants (as at 31 December 2015)	Appraised Value (as at 30 June 2015) <sup>(1)</sup> (JPY'm)	Net Property Income for FY2014 (JPY'm)	Net Property Income for FY2015 (JPY'm)	WALE (by NLA) (years)
Aeon Town Moriya	Ibaraki	June 2007	68,047	65,504	1,900	100	1 master lessee, 111 subtenants	14,400	937.3 <sup>(2)</sup>	814.6	11.5
Aeon Town Suzuka	Mie	June 2007	43,501	41,563 <sup>(3)</sup>	1,900	100	1 master lessee, 40 subtenants	9,650	678.4 <sup>(2)</sup>	594.6	11.5
Croesus Shinsaibashi	Osaka	September 2009	2,342	2,501	4 (out of site)	100	4	10,700	527.4 <sup>(2)</sup>	458.2	6.2
Croesus Tachikawa	Tokyo	June 2007	7,141	10,534	44	100	10	12,800	207.5 <sup>(4)</sup>	652.5	4.6
Luz Omori	Tokyo	February 2011	9,285	13,295	96	97.7	30	3,880	71.7 <sup>(4)</sup>	238.2	15.1
Mallage Shobu	Saitama	November 2008	67,961	105,676 <sup>(5)</sup>	3,666 1,766 (out of site)	97.3	226	24,500	1,606.5 <sup>(2)</sup>	1,453.4	5.9
One's Mall	Chiba	November 2000	52,849	83,751	1,534	99.7	53 <sup>(6)</sup>	12,000	N.A. <sup>(7)</sup>	469.6 <sup>(8)</sup>	4.5
Torius	Fukuoka	Completed in stages between April 1999 to November 2009	76,926	85,757	Approximately 4,200	95.8	146	8,300 <sup>(9)</sup>	N.A. <sup>(10)</sup>	N.A. <sup>(10)</sup>	6.5
<b>Total / Weighted Average</b>	—	—	<b>328,052</b>	<b>408,581</b>	<b>15,110</b>	<b>98.3</b>	<b>620</b>	<b>96,230</b>	<b>4,028.8</b>	<b>4,681.1</b>	<b>8</b>

**Notes:**

- (1) Based on valuations as at 30 June 2015 conducted by CBRE K.K. for all Properties (with the exception of One's Mall and Torius). One's Mall's valuation was conducted by DTZ Debenham Tie Leung K.K. as at 30 June 2015, while Torius' valuation was conducted by DTZ Debenham Tie Leung K.K. as at 31 July 2015.
- (2) Net Property Income for Aeon Town Moriya, Aeon Town Suzuka, Croesus Shinsaibashi and Mallage Shobu were computed based on the period from 10 May 2013 to 30 June 2014.
- (3) Excluding a separate 34.0 sq m section attached to the building.
- (4) Acquisitions of Luz Omori and Croesus Tachikawa were completed on 6 March 2014.
- (5) Excluding a separate 31,769.6 sq m section attached to the building. Calculations of gross floor area ("**GFA**") are subsequent to the addition of the Uniqlo annex for Mallage Shobu.
- (6) Datei, one of the key tenants at One's Mall, further subleases to 19 subtenants.
- (7) One's Mall was acquired by CRT on 1 September 2014.
- (8) Acquisition of One's Mall was completed on 16 October 2014.
- (9) Based on valuation by DTZ Debenham Tie Leung K.K. as at 31 July 2015.
- (10) Torius was acquired by CRT on 28 September 2015, and the acquisition was completed on 16 October 2015.

## STRUCTURE OF CRT

The following diagram illustrates the relationship between CRT, the Trustee-Manager, the Asset Managers (as defined herein), Hold Co 1 and Hold Co 2 (together, the “**Holding Companies**”), the Japan *ippan shadan hojin*, the Japan TMKs, the Property Managers (as defined herein) and the unitholders of CRT (the “**Unitholders**”) as at the date of this Offering Circular:



**Notes:**

- (1) Croesus Retail Asset Management Pte. Ltd. has a wholly owned subsidiary in Japan which employs a few employees in Japan to provide services for the Group.
- (2) Hold Co 1 for the respective Properties refers to Croesus TMK Holding Pte. Ltd. (Aeon Town Moriya, Aeon Town Suzuka, Croesus Shinsaibashi, Croesus Tachikawa, Luz Omori and Mallage Shobu), Durian 1 TMK Holding Pte. Ltd. (One's Mall) and Apple 1 TMK Holding Pte. Ltd. (Torius).
- (3) Hold Co 2 for the respective Properties refers to Mangosteen TMK Holding Pte. Ltd. (Aeon Town Moriya, Aeon Town Suzuka, Croesus Shinsaibashi and Mallage Shobu), Persimmon TMK Holding Pte. Ltd. (Croesus Tachikawa and Luz Omori), Durian 2 TMK Holding Pte. Ltd. (One's Mall) and Apple 2 TMK Holding Pte. Ltd. (Torius).
- (4) Japan *ippan shadan hojin* for the respective Properties refers to Mangosteen *ippan shadan hojin* (Aeon Town Moriya, Aeon Town Suzuka, Croesus Shinsaibashi and Mallage Shobu), Persimmon *ippan shadan hojin* (Croesus Tachikawa and Luz Omori), Durian *ippan shadan hojin* (One's Mall) and Apple *ippan shadan hojin* (Torius).
- (5) Certain criteria must be met before a TMK may treat its dividend distribution as tax deductible. One of the criteria requires more than 50% of the preferred equity to be offered in Japan. The use of the Tokyo branch to hold 51% of the preferred equity in TMK is to satisfy this criterion.
- (6) The Asset Managers refer to Tozai Asset Management Co., Ltd. (Aeon Town Moriya, Aeon Town Suzuka, Croesus Shinsaibashi, Mallage Shobu and One's Mall), Marubeni Asset Management Co., Ltd. (Croesus Tachikawa and Luz Omori), and CMI Realty Management Co., Ltd. (Torius).
- (7) The Japan TMKs for the respective Properties refer to Mangosteen TMK (Aeon Town Moriya, Aeon Town Suzuka, Croesus Shinsaibashi and Mallage Shobu), Persimmon TMK (Croesus Tachikawa and Luz Omori), Durian TMK (One's Mall) and Apple TMK (Torius).
- (8) The Property Managers refer to AIM CREATE Co., Ltd. (Aeon Town Moriya, Aeon Town Suzuka and Croesus Tachikawa), Marubeni Real Estate Management Co. (Croesus Shinsaibashi and Luz Omori), Sojitz Commerce Development Corporation (Mallage Shobu), Xymax Alpha Corporation (One's Mall), and KAFER Co., Ltd (Torius).

**The Sponsor: Croesus Merchants International Pte. Ltd.**

The Sponsor, Croesus Merchants, is part of the Croesus Group which commenced operations in 2005. The Croesus Group first began operations in Japan, and now has a presence in Japan, China and Singapore. The Croesus Group is an independent Asian-based private investment firm that has been involved in real estate management and strategic business advisory since its formation, including various real estate, transportation, infrastructure and hotel investments in Asia.

The Sponsor and JM Capital, a company wholly owned by Ms Yumiko Kodaka, respectively own 80.0% and 20.0% of Croesus Partners. Croesus Partners, Daiwa House and Marubeni respectively own 80.0%, 10.0% and 10.0% of Evertrust, which in turn owns 100% of the Trustee-Manager. The Trustee-Manager will leverage the Sponsor's knowledge, experience and relationships in Asia and Japan for the development of CRT.

**The Trustee-Manager: Croesus Retail Asset Management Pte. Ltd.**

The Trustee-Manager was incorporated in Singapore under the Companies Act, on 1 March 2012. Its registered office is located at 50 Raffles Place, #25-03 Singapore Land Tower, Singapore 048623, and its telephone and facsimile numbers are +65 6713 9550 and +65 6532 4780 respectively. The Trustee-Manager has an issued and paid-up capital of S\$100,000.

The Trustee-Manager is a wholly owned subsidiary of Evertrust, which is held by Croesus Partners, Daiwa House and Marubeni in the proportions of 80.0%, 10.0% and 10.0%, respectively. Croesus Partners is in turn held by Croesus Merchants and JM Capital in the proportions of 80.0% and 20.0% respectively.

The key executives of the Trustee-Manager have extensive knowledge of the Asian and Japanese real estate industry and prior experience in managing real estate funds and real estate investment trusts with Japanese assets. Mr Jim Chang Cheng-Wen was CEO of Croesus Japan, an affiliate of Croesus Merchants and the asset manager for Citi Property Investors in Japan and has managed an Asian conglomerate's pan-Asian real estate portfolio.

Mr Tetsuo Ito is a Japan Certified Public Tax Accountant with the Japan Federation of Certified Public Tax Accountants' Association and is a Chartered Accountant with the Institute of Singapore Chartered Accountants and has extensive experience in financing, accounting, corporate audit and taxation. Mr Shunji Miyazaki was CEO of the asset manager for another J-REIT, the LCP Investment Corporation.

Mr Kiyoshi Sato has extensive experience in real estate lending in Japan. Most of the members of the Trustee-Manager have worked together for at least five years. (See “*Croesus Retail Trust — The Trustee-Manager of CRT — Executive Officers of the Trustee-Manager*”).

The Board is made up of individuals with a broad range of business, commercial and finance experience, including expertise in finance, fund management, audit, tax, legal and the real estate industry. The Board consists of Mr David Lim Teck Leong, Mr Jim Chang Cheng-Wen, Mr Eng Meng Leong, Mr Quah Ban Huat and Mr Yong Chao Hsien Jeremy.

The Trustee-Manager has the dual responsibility of safeguarding the interests of Unitholders, and managing the business conducted by CRT. The Trustee-Manager will generally provide the following services to CRT:

- **Investment strategy:** Formulate and execute CRT’s investment strategy, including determining the location, sub-sector type and other characteristics of CRT’s property portfolio.
- **Acquisitions and divestments:** Manage the acquisition and sale of properties.
- **Design, development and project management:** Formulate and execute CRT’s development plans in relation to the developments within CRT’s property portfolio.
- **Asset planning and reporting:** Formulate periodic property plans, including budgets and reports, the maximising of layout and returns in relation to the performance of CRT’s properties.
- **Financing and capital management:** Formulate and execute plans for equity and debt financing for CRT’s property acquisitions, distribution payments, expense payments and property maintenance payments.
- **Administrative and advisory services:** Perform day-to-day administrative services as CRT’s representative, including providing administrative services relating to meetings of Unitholders when such meetings are convened.
- **Investor relations:** Communicate and liaise with Unitholders, investors, analysts and the investment community.
- **Corporate communications:** Communicate and liaise with the media community.
- **Compliance management:** Make all regulatory filings on behalf of CRT, and ensure that the Group is in compliance with the applicable provisions of the BTA, the SFA and all other relevant legislation pertaining to the location and operations of the Group, the Listing Manual, the CRT Trust Deed, any tax ruling and all relevant contracts.
- **Accounting records:** Keep records and prepare accounts, financial reports (with principal significant accounting policies being in accordance with Singapore Financial Reporting Standards) and annual reports.

#### **The Strategic Partners: Daiwa House and Marubeni**

Daiwa House and Marubeni are the Strategic Partners of CRT. Daiwa House contributed two Properties (Aeon Town Moriya and Aeon Town Suzuka) comprising approximately 25.0% of Property Portfolio based on the valuation by the Independent Valuers and Marubeni contributed two Properties (Croesus Shinsaibashi and Luz Omori) comprising approximately 15.0% of the Property Portfolio based on the valuation by the Independent Valuers.

Daiwa House is one of Japan’s leading housing companies, retail property developers and real estate business conglomerates. It was listed in 1959 on the Tokyo Stock Exchange and has a market capitalisation of approximately JPY2,158.6 billion as at the Latest Practicable Date. It is involved in a wide array of businesses ranging from construction, renovation and sale of various property types. Its business segments include single family houses, rental housing, condominiums (for sale), existing homes (renovations and real estate agencies), commercial facilities, logistics and business corporate facilities, health and leisure (resort hotels and sports facilities).

Marubeni is one of Japan's largest general trading companies. It was listed in 1950 on the Tokyo Stock Exchange and has a market capitalisation of approximately JPY1,034.7 billion as at the Latest Practicable Date. As a group, Marubeni is involved in the provision of a broad range of products and services across various industries such as food materials, food products, textiles, materials, pulp and paper, chemicals, energy, metals and mineral resources, transportation machinery and offshore trading. It is also extensively involved in a wide range of real estate businesses such as real estate management, development and construction in Japan with a growing presence in China and Southeast Asia.

### Property Managers

The property managers for each of the Properties (each a “**Property Manager**”, and collectively, the “**Property Managers**”) and certain information<sup>13</sup> in relation to each of the Property Managers are set out below:

Properties	Property Manager
Aeon Town Moriya	AIM CREATE Co., Ltd. (“ <b>AIM CREATE</b> ”)
Aeon Town Suzuka	AIM CREATE
Croesus Shinsaibashi	Marubeni Real Estate Management Co. (“ <b>Marubeni Real Estate</b> ”)
Croesus Tachikawa	AIM CREATE
Luz Omori	Marubeni Real Estate
Mallage Shobu	Sojitz Commerce Development Corporation
One's Mall	Xymax Alpha Corporation
Torius	KAFER Co., Ltd.

AIM CREATE is the property manager of Aeon Town Moriya, Aeon Town Suzuka and Croesus Tachikawa. Established in 1959, it is a subsidiary of Marui Group Co., Ltd. which is listed on the First Section of the Tokyo Stock Exchange. AIM CREATE's sales volume for fiscal year 2014 was approximately JPY25.4 billion. It had 370 employees as at 1 April 2015. Besides property management services, its main business includes planning, decorating, interior work for retail shops and advertising services.

Marubeni Real Estate is the property manager of Croesus Shinsaibashi and Luz Omori. Established in 1960, Marubeni Real Estate is a subsidiary of Marubeni. Its business includes property management and other property management related services, and its sales volume for fiscal year 2014 was approximately JPY10.93 billion. It had 467 employees as at December 2015. Marubeni Real Estate manages office buildings, residential buildings, and retail buildings. Currently, it manages more than 35 retail buildings across Japan.

Sojitz Commerce Development is the property manager of Mallage Shobu and a subsidiary company of Sojitz Corporation (listed on the First Section of the Tokyo Stock Exchange). Sojitz Commerce Development, originally founded in 2001 to provide retail-related services, had 72 employees as at 1 July 2015. Sojitz Commerce Development currently focuses on retail operation and consulting business and manages properties including Mallage Kashiwa and Mallage Saga.

Xymax Alpha Corporation, founded in 1971 and a subsidiary company of Xymax Corporation, is the property manager of One's Mall. The business of Xymax Alpha Corporation includes asset management, property management, building management, and other related services for various types of properties, including office and retail. Xymax Alpha Corporation's sales volumes for fiscal year 2014 was approximately JPY18.4 billion and has 1,031 employees as at 1 October 2015.

<sup>13</sup> Based on the company website of each of the Property Managers. The Property Managers have not provided their consent to the inclusion of the information extracted from the relevant website published by each Property Manager and therefore are not liable for such information in this Offering Circular. While the Trustee-Manager has taken reasonable actions to ensure that the information from the relevant website published by each Property Manager is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such website, neither the Trustee-Manager nor any other party has conducted an independent review of the information contained in such website nor verified the accuracy of the contents of the relevant information.

KAFER Co., Ltd., founded in 2002, is the property manager of Torius. The business of KAFER Co., Ltd. includes property management, development, market survey, consulting, and related services mainly for retail properties. Properties under management include Torius and Chisato Selcy.

The Property Managers will be responsible for the operation, maintenance and day-to-day management of the Properties, subject to the overall management of the Japan TMKs with the advice from the Asset Managers.

### Asset Managers

The Asset Managers for each of the Properties and certain information<sup>14</sup> in relation to each of the Asset Managers is set out below:

Properties	Property Manager
Aeon Town Moriya	Tozai Asset Management Co., Ltd. (“ <b>Tozai</b> ”)
Aeon Town Suzuka	Tozai
Croesus Shinsaibashi	Tozai
Croesus Tachikawa	Marubeni Asset Management Co., Ltd. (“ <b>Marubeni Asset Management</b> ”)
Luz Omori	Marubeni Asset Management
Mallage Shobu	Tozai
One’s Mall	Tozai
Torius	CMI Realty Management Co., Ltd.

#### *Tozai Asset Management Co., Ltd.*

Tozai, an asset management firm registered to engage in the investment advisory business and discretionary investment management business under the Financial Instruments and Exchange Law of Japan (the “**FIEL**”), has been appointed by Mangosteen TMK and Durian TMK to ensure effective and efficient management of (i) Aeon Town Moriya, (ii) Aeon Town Suzuka, (iii) Croesus Shinsaibashi, (iv) Mallage Shobu and (v) One’s Mall, which are held by Mangosteen TMK (for the first four Properties stated above in this paragraph) and Durian TMK (the fifth Property stated above in this paragraph).

Tozai is an integrated real estate company specialising in the origination, development and management of real estate assets throughout Japan. Tozai is the sole real estate asset management company providing investment and asset management services to Mangosteen TMK and Durian TMK. The role of Tozai will also be to facilitate the acquisition and disposition of real estate assets by Mangosteen TMK and Durian TMK by acting on their behalf.

Incorporated in Japan as a limited company under Japanese corporate law in 1998, Tozai’s registered office is located at 6F Tanakayama Building 4-1-20 Toranomom, Minato-ku, Tokyo 105-0001.

Tozai had entered into separate asset management agreements with Mangosteen TMK and Durian TMK pursuant to which Tozai was appointed to manage the assets held by Mangosteen TMK and Durian TMK (collectively, the “**Tozai Asset Management Agreements**”).

<sup>14</sup> Based on the company website of each of the Asset Managers. The Asset Managers have not provided their consent to the inclusion of the information extracted from the relevant website published by each Asset Manager and therefore are not liable for such information in this Offering Circular. While the Trustee-Manager has taken reasonable actions to ensure that the information from the relevant website published by each Asset Manager is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such website, neither the Trustee-Manager nor any other party has conducted an independent review of the information contained in such website nor verified the accuracy of the contents of the relevant information.

*Marubeni Asset Management Co., Ltd.*

Marubeni Asset Management, an asset management firm registered to engage in the investment advisory business and discretionary investment management business under the FIEL, has been appointed by Persimmon TMK to ensure effective and efficient management of Luz Omori and Croesus Tachikawa, which are both held by Persimmon TMK.

Marubeni Asset Management, which is a subsidiary of Marubeni, is an integrated real estate company specialising in the origination, development and management of real estate assets throughout Japan. Marubeni Asset Management is the sole real estate asset management company providing investment and asset management services to Persimmon TMK. The role of Marubeni Asset Management will also be to facilitate the acquisition and disposition of real estate assets by Persimmon TMK by acting on its behalf.

Incorporated in Japan as a K.K company under Japanese corporate law in 2007 with a current paid up capital of JPY50 million, Marubeni Asset Management's registered office is located at 8F Otemachi Building 1-6-1 Otemachi, Chiyoda-ku, Tokyo 100-0004.

Marubeni Asset Management is one of Japan's leading integrated asset management companies for real estate. As at 1 March 2016, Marubeni Asset Management serves as asset manager to 3 special purpose companies (self-originated and third-party mandates), with total assets under management of over JPY138 billion.

Marubeni Asset Management had entered into an asset management agreement with Persimmon TMK pursuant to which Marubeni Asset Management was appointed to manage the assets held by Persimmon TMK (the "**Marubeni Asset Management Agreement**").

*CMI Realty Management Co., Ltd.*

CMI Realty Management Co., Ltd. ("**CMIRM**"), a subsidiary of Croesus Merchants and an asset management firm registered to engage in the investment advisory business under the FIEL, has been appointed by Apple TMK to ensure effective and efficient management of Torius, which is held by Apple TMK.

CMIRM is an integrated real estate company specialising in the origination, development and management of real estate assets with a current AUM of JPY8.3 billion (according to a valuation report by DTZ Debenham Tie Leung K.K. as at 31 July 2015), and is the real estate asset management company providing investment and asset management services to Apple TMK. The role of CMIRM will also be to facilitate the acquisition and disposition of real estate assets by Apple TMK by acting on its behalf.

Incorporated in Japan by Croesus Merchants as a limited company under Japanese corporate law in 2014 with a current paid up capital of JPY10 million, CMIRM's registered office is located at 11F Meiji Yasuda Seimei Building 2-1-1, Marunouchi Chiyoda-ku, Tokyo 100-0005.

CMIRM had entered into an asset management agreement with Apple TMK pursuant to which CMIRM was appointed to manage the assets held by Apple TMK (the "**CMIRM Asset Management Agreement**") and collectively with Tozai Asset Management Agreement and the Marubeni Asset Management Agreement, the "**Asset Management Agreements**").

## **Asset Management Services**

Under each of the Asset Management Agreements, Tozai, Marubeni Asset Management and CMI Realty Management Co., Ltd provide, amongst others, the following services in respect of the portfolio of the relevant Japan TMK:

### **(a) Asset Management Advisory Services**

- formulation of, and provision of advice pertaining to, marketing strategies relating to sale of the TBIs or the Properties held by the relevant Japan TMK, and leasing strategies for the Properties;
- formulation of, and provision of advice pertaining to, medium-to-long-term capital expenditure plans for the Properties held by the relevant Japan TMK; and
- provision of advice regarding the procurement of funds necessary for the relevant Japan TMK's businesses (regardless of whether preferred equity investment, loans, or other form; including refinancing);

### **(b) Asset Management Services**

- provision of advice on policy for implementing competitive bidding for large-scale renovation of the Properties held by the relevant Japan TMK and advice on construction management; and
- provision of advice on policies for handling matters relating to the compliance with laws and regulations, and advice on measures to take in accordance with those policies, for the Properties held by the relevant Japan TMK;

### **(c) Beneficiary Instruction Advice Services**

- provision of advice on the exercise of authority the relevant Japan TMK holds under the trust agreement such as instructing the trustees of the Properties beneficially owned by the relevant Japan TMK and giving consent; and
- receipt of reports, requests, and other notices that the relevant Japan TMK receives from the relevant property trustees pursuant to the trust agreement; and

### **(d) Property Management-Related Services**

- provision of advice concerning the tenant handling services by the property manager and any enhancements; and
- provision of advice on and supervision of the property manager's handling of the joint-owners (if any), other sectional owners (if any), land owner (if any), neighbours, and other interested parties, of the Properties held by the relevant Japan TMK.

## **KEY STRATEGIES**

CRT's principal investment strategy is to invest in a diversified portfolio of predominantly retail real estate assets located in the Asia-Pacific region and real estate-related assets relating to the foregoing. The Property Portfolio is located in Japan in order to create a core portfolio of stable income generating assets. The Property Portfolio 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.

The Trustee-Manager's key objectives are to deliver a competitive return on investment to Unitholders through (i) regular and growing distributions and (ii) long-term capital value growth of CRT's portfolio of assets.

The Trustee-Manager aims to achieve these objectives by:

- actively managing its core portfolio in Japan to increase its profitability and long-term capital value while maintaining a robust recurring income to CRT; and
- pursuing selective acquisition opportunities to acquire predominantly retail completed and development real estate assets and targeting high growth markets in the Asia-Pacific region with attractive cash flow growth profiles and capital gains prospects to generate long-term capital growth and long-term capital returns to CRT, with an initial focus on Japan.

To further these objectives, the Trustee-Manager has engaged the Asset Managers as well as the Property Managers to assist the Trustee-Manager in the effective and efficient management, operation, maintenance and marketing of the Properties.

The Trustee-Manager plans to achieve these objectives through the following strategies:

**(a) *Focus on Asset Enhancement Strategies to increase Profitability and Value in Japan.***

This involves actively managing its property portfolio in Japan with an objective to maximise returns while maintaining a stable recurring income to CRT. This is to be achieved through prudent control of property expenses, active leasing and marketing of any vacancies and expiring leases, programmes for regular maintenance of building structures, asset refurbishment and enhancement projects to increase the competitive positioning of the properties of CRT so as to enhance the yield and net asset value per unit of CRT.

**(b) *Regional Growth Strategy supported by Acquisition Opportunities in respect of the ROFR Properties.***

This involves pursuing selective acquisition opportunities, including the potential pipeline under the Voluntary ROFRs provided by the Croesus Group and the Strategic Partners and the agreements for the Additional Properties, to grow the stable and recurring income platform characterised by its Japan properties while accelerating CRT's regional growth in the Asia-Pacific region through selective developments and acquisitions in high growth markets. Acquisition opportunities will be evaluated in accordance with the Trustee-Manager's investment guidelines of investing in real estate and real estate-related assets used mainly for retail purposes.

As part of the ordinary course of business of CRT, the Trustee-Manager continuously evaluates acquisition opportunities and makes acquisitions from time to time if the Trustee-Manager's investment criteria are met.

**(c) *Portfolio Growth via a Prudent and Disciplined Development Strategy.***

This involves the implementation of a prudent and disciplined approach towards any future development activities undertaken by CRT. Development projects will only be undertaken after consideration of its growth potential while minimising construction and leasing risks and short term dilution of yield from any additional capital raised for the purpose of the development project.

**(d) *Deploying a Disciplined Capital and Risk Management Strategy.***

This involves the implementation of appropriate risk management strategies in interest and foreign exchange rates as well as capital financing strategies to maintain a stable gearing level for CRT.

## COMPETITIVE STRENGTHS

The Trustee-Manager believes that CRT enjoys the following competitive strengths:

### (a) Favourable Macroeconomic Environment in Japan

The current macroeconomic environment in Japan is favourable towards investments in real estate in the country. In particular, negative interest rates introduced by the Bank of Japan could potentially lead to lower debt cost and further increase in asset valuation. In addition, the Japanese Yen is appreciating due to the global environment, which may increase the asset valuations in the near future.

The cost of debt in Japan could potentially reduce in the near term, as a result of the current negative interest rate environment. CRT has also taken advantage of the appreciating Japanese Yen by hedging its currency risk and has hedged its entire expected distributions for FY2016, FY2017 and FY2018. This is in line with CRT's disciplined approach on hedging requirements, and is a consistent policy which translates to predictable cash flows.

In addition to the above, other key indicators point to a promising economic outlook in Japan:

**Promising gross domestic product and Tankan Data:** The Quarterly Tankan index<sup>15</sup> for December 2015 improved to +12 and represents significant improvement from -8 in March 2013, highlighting manufacturer confidence and optimism.

**Improvement in consumer price index numbers:** Core consumer prices for the months of November and December 2015 increased 0.1% on a year-on-year basis, making it two consecutive months of increase from November and December 2014.

**Increase in property prices:** Evidenced by recent capitalisation rate compression, as interest in Japan's real estate continues to grow.

### (b) Well-located, Quality Properties

CRT's portfolio is geographically diversified across attractive sub-markets in Japan, and which are located close to major transportation nodes. Proximity of the Properties to various transportation hubs sustain shopper traffic, which also contributes to the demand for space in these malls.

### (c) Well-Balanced Portfolio with Long Weighted Average Lease Term to Expiry Contributing to Stable Income and Sustainable Growth

The Properties comprise a mix of quality retail malls (five of which have complete freehold status). The Properties are characterised by strong occupancy rates and long-term leases (on a weighted average basis) to quality tenants. The weighted average occupancy rate of the Properties is approximately 98.3% as at 31 December 2015. Key tenants of the Properties include major domestic and international brands such as Aeon Town, H&M, Costco and Toys 'R' Us.

The long WALE contributes to income stability and helps CRT maintain stable distributions on the Units. It also shows the commitment of the tenants to the Properties.

### (d) Strong and Well-Diversified Tenant Base

Each of the Properties has a strong weighted average occupancy rate of approximately 98.3% as at 31 December 2015.

As at 31 December 2015, a mix of over 620 quality tenants lease space in the Properties. In addition, no single asset contributes more than 30% of NPI for the period from 1 July 2015 to 31 December 2015. Such diversification in the tenant base of the Properties reduces the risk of any sudden disruption in the income earned by CRT and leads to a more stable earnings stream, reducing the volatility of CRT's income and profits.

<sup>15</sup> Large enterprises — Manufacturing.

**(e) Solid Operating Performance with Consistent Growth**

The Trustee-Manager has an established track record of delivering a solid operating performance with consistent growth achieved since the Listing in 2013.

CRT achieved year-on-year distribution per Unit (“DPU”) growth of 5.3% for the second quarter ended 31 December 2015 and 2.9% for the six-month period ended 31 December 2015 respectively (after adjusting for the rights issue undertaken by CRT in September 2015, in conjunction with its acquisition of Torius).

In addition, the acquisitions of One’s Mall in October 2014 and Torius in October 2015 are expected to be main drivers for year-on-year growth in gross revenue, NPI and DPU.

CRT’s strong operating performance has been supported by its proven acquisition track record. Since its Listing, CRT has acquired four additional properties.

**(f) Strong Standalone Corporate Credit**

CRT’s Aggregate Leverage stood at 46.3% as at 31 December 2015 with borrowings of approximately JPY50.9 billion (S\$619.2 million) diversified across investors of debt securities and bank loans. The borrowings carried an all-in interest rate of 1.90% as at 31 December 2015 and an interest coverage ratio of 6.4 times<sup>16</sup>. As at 31 December 2015, CRT has hedged its interest cost for 98.9% of its borrowings. Given the negative interest rate environment in Japan now, the Trustee-Manager is expected to be able to seek refinancing of its maturing debt at competitive costs. As at 31 December 2015, CRT has a weighted average debt term to maturity of 2.6 years. Furthermore, almost 100.0% of CRT’s total borrowings are not due for repayment till 2017 and beyond.

More information on the Properties is provided in the following section:

---

<sup>16</sup> Calculated as adjusted EBITDA / cash interest cost (excluding amortisation of upfront debt costs). Adjusted EBITDA is defined as NPI less other administrative expenses, Trustee-Manager fee, Asset Managers’ fees and other trust expenses. Adjusted EBITDA does not include 80% of Trustee-Manager fee which is paid in Units. Assuming EBITDA (including Trustee-Manager fee paid in Units) / finance cost (including amortisation of upfront debt costs), interest coverage ratio is 4.1 times.

## Aeon Town Moriya

### Description

Aeon Town Moriya comprises a large shopping mall with approximately 111 retail units across a GFA of approximately 65,000 sq m. It is a closed mall, which means that all its stores are located in one roofed building having a supermarket as an anchor tenant and multiple specialty stores. The property accommodates a wide variety of tenants. Parking spaces are located on the third floor, rooftop, and external areas.

The NLA of Aeon Town Moriya is distributed over four floors above ground as follows:

- the first floor comprises 63 retail units, focused on family fashion, sporting goods, and supermarkets;
- the second floor comprises 48 retail units, focused on ladies' and men's fashion, an electronic goods store and a cinema;
- the third floor comprises car parking space; and
- the fourth floor comprises rooftop space.

Aeon Town Moriya is popular especially during weekends with a high proportion of families with young children visiting the property, although the customer base also captures teenagers and senior couples.

The table below sets out a summary of selected information on Aeon Town Moriya:

<b>Title</b>	Freehold
<b>Year of completion</b>	June 2007
<b>Carpark Lots</b>	1,900
<b>Occupancy Rate as at 31 December 2015 (%)</b>	100
<b>Number of Floors</b>	4 above ground
<b>Land Area (sq m)</b>	70,780
<b>Gross Floor Area (sq m)</b>	65,504
<b>NLA (sq m) (as at 31 December 2015)</b>	68,047 <sup>(1)</sup>
<b>WALE by NLA as at 31 December 2015 (years)</b>	11.5
<b>Appraised Value by the Independent Valuers<sup>(2)</sup> (as at 30 June 2015)</b>	JPY14,400 million (S\$175.2 million)
<b>Net Property Income (JPY'm)</b>	FY2014: 937.3 <sup>(3)</sup> FY2015: 814.6
<b>Number of Tenancies as at 31 December 2015</b>	1 master lessee, 111 subtenants
<b>Master Lessee</b>	Aeon Town Co., Ltd.
<b>Key Sub-Tenants</b>	Aeon Cinema, Sports DEPO, Food Square Kasumi
<b>Probable Maximum Loss <sup>(4)</sup> (%)</b>	1.0

#### Notes:

- (1) The NLA, being the area leased to Aeon Town under the Aeon Town Moriya master lease agreement, includes certain areas in the building which are not included in the GFA set out in the real property registry.
- (2) Valuation was conducted by CBRE K.K..
- (3) Net Property Income was computed based on the period from 10 May 2013 to 30 June 2014.
- (4) Probable Maximum Loss is commonly utilised in the Japanese real estate industry for the purpose of asset securitisation. Traditionally in the J-REIT industry, unless Probable Maximum Loss is in excess of 15%, buildings are not insured due to the relatively high insurance premium and the high deductible amount.

## Aeon Town Suzuka

### Description

Aeon Town Suzuka comprises a large-scale shopping centre with a GFA of approximately 41,500 sq m. Opened in June 2007, the property was built adjacent to Aeon Mall Suzuka, the second largest retail facility in Mie Prefecture, exceeded only in size by Aeon Kuwana Shopping Centre. The property was designed to complement Aeon Mall Suzuka, which also has the same operator, with both facilities featuring a diversified tenant mix and allowing for synergies with each other.

The property comprises 11 standalone structures located within a site area of approximately 90,000 sq m. The largest building is an open air mall located on the western side of the site with a diverse range of tenants focused on apparel and interior goods, including furniture, fashion and children's and maternity wear.

The second largest building on the southern side has two units, comprising a home centre and an apparel store at ground level, while the second floor is used for parking. A hot spring facility, a bonesetter's clinic and six restaurant buildings are located on the eastern side of the property.

The table below sets out a summary of selected information on Aeon Town Suzuka:

<b>Title</b>	Freehold
<b>Year of completion</b>	June 2007
<b>Carpark Lots</b>	1,900
<b>Occupancy Rate as at 31 December 2015 (%)</b>	100
<b>Number of Floors</b>	2 above ground
<b>Land Area (sq m)</b>	88,340
<b>Gross Floor Area (sq m)</b>	41,563 (10 buildings)
<b>NLA (sq m) (as at 31 December 2015)<sup>(1)</sup></b>	43,501 <sup>(2)</sup>
<b>WALE by NLA as at 31 December 2015 (years)</b>	11.5
<b>Appraised Value by the Independent Valuers<sup>(3)</sup> (as at 30 June 2015)</b>	JPY9,650 million (S\$117.4 million)
<b>Net Property Income (JPY'm)</b>	FY2014: 678.4 <sup>(4)</sup> FY2015: 594.6
<b>Number of Tenancies as at 31 December 2015</b>	1 master lessee, 40 subtenants
<b>Master Lessee</b>	Aeon Town Co., Ltd.
<b>Key Sub-Tenants</b>	Kahma Home Centre, APINA, Nitori, Hana-Shobu
<b>Probable Maximum Loss (%)</b>	5.5

#### Notes:

- (1) The NLA, being the area leased to Aeon Town under the Aeon Town Suzuka master lease agreement, includes certain areas in the building which are not included in the GFA set out in the real property registry.
- (2) Excluding a separate 34.0 sq m section attached to the building.
- (3) Valuation was conducted by CBRE K.K..
- (4) Net Property Income was computed based on the period from 10 May 2013 to 30 June 2014.

## Croesus Shinsaibashi

### Description

Croesus Shinsaibashi consists of one basement level and seven floors above ground. Completed in September 2009, the property is one of the few new retail buildings along the Shinsaibashisuji Avenue.

Originally constructed in 1987, the reconstruction and opening of Croesus Shinsaibashi has completely changed the image of the area into a trendier and more modern atmosphere. The property features an attractive façade with a prominent billboard of the anchor tenant, H&M Hennes & Mauritz AB. As it faces Dotonbori River and the bridge connecting Namba and Shinsaibashi stations along the Shinsaibashisuji Avenue, the property boasts good visibility and is well positioned to attract the shoppers in the area.

The table below sets out a summary of selected information on Croesus Shinsaibashi<sup>(1)</sup>:

<b>Title</b>	Freehold
<b>Year of completion</b>	September 2009
<b>Carpark Lots</b>	4 <sup>(2)</sup>
<b>Occupancy Rate as at 31 December 2015 (%)</b>	100
<b>Number of Floors</b>	7 above ground and 1 basement
<b>Land Area (sq m)</b>	498
<b>Gross Floor Area (sq m)</b>	2,501
<b>NLA (sq m) (as at 31 December 2015)</b>	2,342
<b>WALE by NLA as at 31 December 2015 (years)</b>	6.2
<b>Appraised Value by the Independent Valuers<sup>(3)</sup> (as at 30 June 2015)</b>	JPY10,700 million (S\$130.2 million)
<b>Net Property Income (JPY'm)</b>	FY2014: 527.4 <sup>(4)</sup> FY2015: 458.2
<b>Number of Tenancies as at 31 December 2015</b>	4
<b>Key Tenant</b>	H&M
<b>Probable Maximum Loss (%)</b>	7.2

#### Notes:

- (1) The Property was acquired as "Luz Shinsaibashi", but was renamed as "Croesus Shinsaibashi" on 5 June 2014.
- (2) The carpark lots are areas which have been leased and do not form a part of the building.
- (3) Valuation was conducted by CBRE K.K..
- (4) Net Property Income was computed based on the period from 10 May 2013 to 30 June 2014.

## Croesus Tachikawa

### Description

Croesus Tachikawa is an income-producing retail property located in Tachikawa City, Tokyo, which was ranked the third most desirable city to live in due to its easy access to central Tokyo and is directly connected to the JR Tachikawa Station. Croesus Tachikawa's leisure and food and beverage-oriented tenant mix appeals to commuters travelling through the JR Tachikawa Station as well as an increasing number of residents who are moving into Tachikawa City.

The table below sets out a summary of selected information on Croesus Tachikawa<sup>(1)</sup>:

<b>Title</b>	Freehold (Building)/Leasehold (Land) <sup>(2)</sup>
<b>Year of completion</b>	June 2007
<b>Carpark Lots</b>	44
<b>Occupancy Rate as at 31 December 2015 (%)</b>	100
<b>Number of Floors</b>	8 above ground and 3 basement
<b>Land Area (sq m)</b>	1,239
<b>Gross Floor Area (sq m)</b>	10,534
<b>NLA (sq m) (as at 31 December 2015)</b>	7,141
<b>WALE by NLA as at 31 December 2015 (years)</b>	4.6
<b>Appraised Value by the Independent Valuers<sup>(3)</sup> (as at 30 June 2015)</b>	JPY12,800 million (S\$155.7 million)
<b>Net Property Income (JPY'm)</b>	FY2014: 207.5 <sup>(4)</sup> FY2015: 652.5
<b>Number of Tenancies as at 31 December 2015</b>	10
<b>Key Tenant</b>	NEXUS Holdings, Sumitomo Mitsui Trust Bank
<b>Probable Maximum Loss (%)</b>	3.1

#### Notes:

- (1) The Property was acquired as "NIS Wave I" and renamed as "Croesus Tachikawa" on 2 February 2015.
- (2) The Property comprises 4 plots of amalgamated land. 3 parcels are freehold while 1 parcel is leasehold with an expiry of December 2029.
- (3) Valuation was conducted by CBRE K.K..
- (4) Acquisition of Croesus Tachikawa was completed on 6 March 2014.

## Luz Omori

### Description

Luz Omori is an income-producing retail property located in Ota Ward, the third most populated ward in Tokyo due to its convenient location in commuting to central Tokyo and Yokohama as well as its relatively large area. It is located at the intersection of a traditional shopping street and a retail street with strong shopper traffic that leads directly to the JR Omori Station. Luz Omori, with its large tenant base of service offerings, caters well to families in the residential neighbourhood and complements the retail areas nearby.

The table below sets out a summary of selected information on Luz Omori:

<b>Title</b>	Freehold (Building)/Leasehold (Land) <sup>(1)</sup>
<b>Year of completion</b>	February 2011
<b>Carpark Lots</b>	96
<b>Occupancy Rate as at 31 December 2015 (%)</b>	97.7
<b>Number of Floors</b>	8 above ground and 2 basement
<b>Land Area (sq m)</b>	2,559
<b>Gross Floor Area (sq m)</b>	13,295
<b>NLA (sq m) (as at 31 December 2015)</b>	9,285
<b>WALE by NLA as at 31 December 2015 (years)</b>	15.1
<b>Appraised Value by the Independent Valuers<sup>(2)</sup> (as at 30 June 2015)</b>	JPY3,880 million (S\$47.2 million)
<b>Net Property Income (JPY'm)</b>	FY2014: 71.7 <sup>(3)</sup> FY2015: 238.2
<b>Number of Tenancies as at 31 December 2015</b>	30
<b>Key Tenant</b>	Ota ward, Docomo, Daiso
<b>Probable Maximum Loss (%)</b>	1.7

#### Notes:

- (1) The Property's entire land is leasehold with an expiry of July 2059.
- (2) Valuation was conducted by CBRE K.K..
- (3) Acquisition of Luz Omori was completed on 6 March 2014.

## Mallage Shobu

### Description

Mallage Shobu is a suburban shopping centre developed and managed by Sojitz Commerce Development. Sojitz Commerce Development developed and manages two other suburban shopping centres located in Saga and Chiba prefectures. Mallage Shobu is the most recently completed facility under the Mallage branding, and continues to establish itself in the market.

Mallage Shobu comprises a large scale shopping mall with approximately 226 retail tenants across a GFA of around 105,000 sq m. Opened in November 2008, Mallage Shobu is the second largest retail facility in Saitama Prefecture, superseded only by Aeon Laketown which is the largest shopping centre in the whole of Japan.

The retail mall area is distributed over three floors above ground in the following manner:

- the first floor, which comprises 100 retail units, is focused on family fashion and home interior goods;
- the second floor, which comprises 59 retail units, is focused on ladies' and men's fashion and lifestyle goods; and
- the third floor, which comprises 75 units, is catered towards young fashion and hobby/culture retailers.

The facility accommodates a wide variety of tenants, including a supermarket, a DIY store, electronics retailers and a cinema.

The table below sets out a summary of selected information on Mallage Shobu:

<b>Title</b>	Freehold
<b>Year of completion</b>	November 2008
<b>Carpark Lots</b>	5,432 <sup>(1)</sup>
<b>Occupancy Rate as at 31 December 2015 (%)</b>	97.3
<b>Number of Floors</b>	7 above ground
<b>Land Area (sq m)</b>	115,761
<b>Gross Floor Area (sq m)</b>	105,676 <sup>(2)</sup>
<b>NLA (sq m) (as at 31 December 2015)</b>	67,961
<b>WALE by NLA as at 31 December 2015 (years)</b>	5.9
<b>Appraised Value by the Independent Valuers<sup>(3)</sup> (as at 30 June 2015)</b>	JPY24,500 million (S\$298.1 million)
<b>Net Property Income (JPY'm)</b>	FY2014: 1,606.5 <sup>(4)</sup> FY2015: 1,453.4
<b>Number of Tenancies as at 31 December 2015</b>	226
<b>Key Tenant(s)</b>	Nafco, 109 Cinemas, Himaraya, York Mart
<b>Probable Maximum Loss</b>	2.1

#### Notes:

- (1) The building and purchase land have 3,666 carpark lots, with 1,766 carpark lots leased from the surrounding landlords.
- (2) Excluding a separate 31,769.6 sq m section attached to the building. GFA calculations are subsequent to the addition of the Uniqlo annex for Mallage Shobu.
- (3) Valuation was conducted by CBRE K.K..
- (4) Net Property Income was computed based on the period from 10 May 2013 to 30 June 2014.

## One's Mall

### Description

One's Mall is an income-producing large-scale retail shopping complex with 53 tenants across a NLA of approximately more than 52,000 sq m. Opened in 2000, it is one of the largest retail facilities in Chiba Prefecture. The property is situated in Inage Ward, one of six wards within Chiba City and located within a suburban residential area with a high population density.

One's Mall is conveniently accessible, being well-served by four railway lines including the JR Sobu Honsen Line, JR Keiyo Line, Keisei Chiba Line and the Chiba Urban Monorail. Importantly, it has a frontage along the National Road Route 16, a major arterial road of the Chiba Prefecture, providing easy visibility and accessibility to customers by car.

The scale and diversified tenant mix of One's Mall allows it to provide a wide variety of shopping, entertainment and dining experiences, and caters well to the demands of families with children as well as health conscious persons in the area.

The table below sets out a summary of selected information on One's Mall:

<b>Title</b>	Freehold
<b>Year of completion</b>	November 2000
<b>Carpark Lots</b>	1,534
<b>Occupancy Rate as at 31 December 2015 (%)</b>	99.7
<b>Number of Floors</b>	6 above ground
<b>Land Area (sq m)</b>	41,399
<b>Gross Floor Area (sq m)</b>	83,751
<b>NLA (sq m) (as at 31 December 2015)</b>	52,849
<b>WALE by NLA as at 31 December 2015 (years)</b>	4.5
<b>Appraised Value by the Independent Valuers<sup>(1)</sup> (as at 30 June 2015)</b>	JPY12,000 million (S\$146.0 million)
<b>Net Property Income (JPY'm)</b>	FY2014: N.A. <sup>(2)</sup> FY2015: 469.6 <sup>(3)</sup>
<b>Number of Tenancies as at 31 December 2015</b>	53 <sup>(4)</sup>
<b>Key Tenant(s)</b>	Daiei, Central Sports, Toys 'R' Us, Nitori, Sports DEPO, Tam Tam
<b>Probable Maximum Loss (%)</b>	12.1

#### Note:

- (1) Valuation was conducted by DTZ Debenham Tie Leung K.K..
- (2) One's Mall was acquired by CRT on 1 September 2014.
- (3) Acquisition of One's Mall was completed on 16 October 2014.
- (4) Daiei, one of the key tenants at One's Mall, further subleases to 19 subtenants.

## Torius

### Description

Torius is an income-producing large-scale suburban retail mall with 146 tenants across a land area of 257,173 sq m and NLA of 76,926 sq m. Comprising 36 buildings of which 27 are single-storey buildings and 9 are double-storey buildings, Torius is one of the largest retail facilities in Fukuoka Prefecture and its surrounding region. Torius is situated in Hisayama-machi of Kasuya-gun, one of the satellite towns of Fukuoka City which is located approximately 13 km from central Fukuoka City.

Torius is positioned as a mass and mid-market retail one-stop destination for daily essentials with a large and diversified tenant base offering a wide variety of food and beverage, shopping, services and entertainment options. 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.

Torius is located at the cross junction of two major roads — Prefectural Road 546 which extends northeast from Fukuoka City's Higashi-ku and Prefectural Road 35 which runs north to south, providing visibility and easy accessibility to customers by car. There is ample parking at Torius with approximately 4,200 carpark lots.

The table below sets out a summary of selected information on Torius:

<b>Title</b>	Leasehold <sup>(1)</sup>
<b>Year of completion</b>	Completed in stages between April 1999 to November 2009
<b>Carpark Lots</b>	Approximately 4,200
<b>Occupancy Rate as at 31 December 2015 (%)</b>	95.8
<b>Number of Floors</b>	36 buildings with 27 single-storey buildings and 9 double-storey buildings
<b>Land Area (sq m)</b>	257,173
<b>Gross Floor Area (sq m)</b>	85,757
<b>NLA (sq m) (as at 31 December 2015)</b>	76,926
<b>WALE by NLA as at 31 December 2015 (years)</b>	6.5
<b>Appraised Value by the Independent Valuers<sup>(2)</sup> (as at 31 July 2015)</b>	JPY8,300 million (S\$101.0 million)
<b>Net Property Income (JPY'm)</b>	FY2014: N.A. <sup>(3)</sup> FY2015: N.A. <sup>(3)</sup>
<b>Number of Tenancies as at 31 December 2015</b>	146 <sup>(4)</sup>
<b>Key Tenant(s)</b>	Costco, Nafco, United Cinema, Rakuichi Rakuza, Daiso, GU, Sweet Villa Garden, GAP Outlet, Off House
<b>Probable Maximum Loss (%)</b>	2.6

#### Notes:

- (1) The leasehold interest in respect of the main parcel of land on which Torius is located (comprising a land area of 205,543 sq m) expires on 9 February 2060. The leasehold interest in respect of the remaining land parcels (which includes land used for carpark facilities) have indefinite expiry dates or expiry dates ranging from March 2017 (the lease expiring in March 2017 is a standard lease and is automatically renewed every year) to February 2038. The Trustee-Manager currently does not foresee that there will be material obstacles to the renewal of these leasehold interests.
- (2) Valuation was conducted by DTZ Debenham Tie Leung K.K..
- (3) Torius was acquired by CRT on 28 September 2015, and the acquisition was completed on 16 October 2015.
- (4) Almost all of the NLA of Torius is (and will continue to be) leased to Yugen Kaisha Torius Management, a special purpose company (the "Master Lessee SPC") with the remainder leased to tenants directly by the property trustee. The Master Lessee SPC is the entity which sub-leases Torius to the existing tenants and will be the party to enter into sub-lease agreements with new tenants. The rent from the tenants is paid into the property trustee's account which is held on trust for the benefit of the Apple TMK (in respect of Torius) as beneficiary of the TBI.

## Top Ten Tenants

The table below sets out selected information on the top ten tenants of the Properties.

No.	Tenant	Proportion of total NLA (as at 31 December 2015) (%)
1	Aeon Town	34.0
2	Daiei	8.0
3	Nafco	6.2
4	Costco	4.2
5	United Cinema	1.8
6	Central Sports	1.8
7	Toys 'R' Us	1.7
8	109 Cinemas	1.5
9	Sports DEPO	1.2
10	Nitori	1.1
	<b>Top Ten Tenants</b>	<b>61.6</b>

## Lease Type Profile

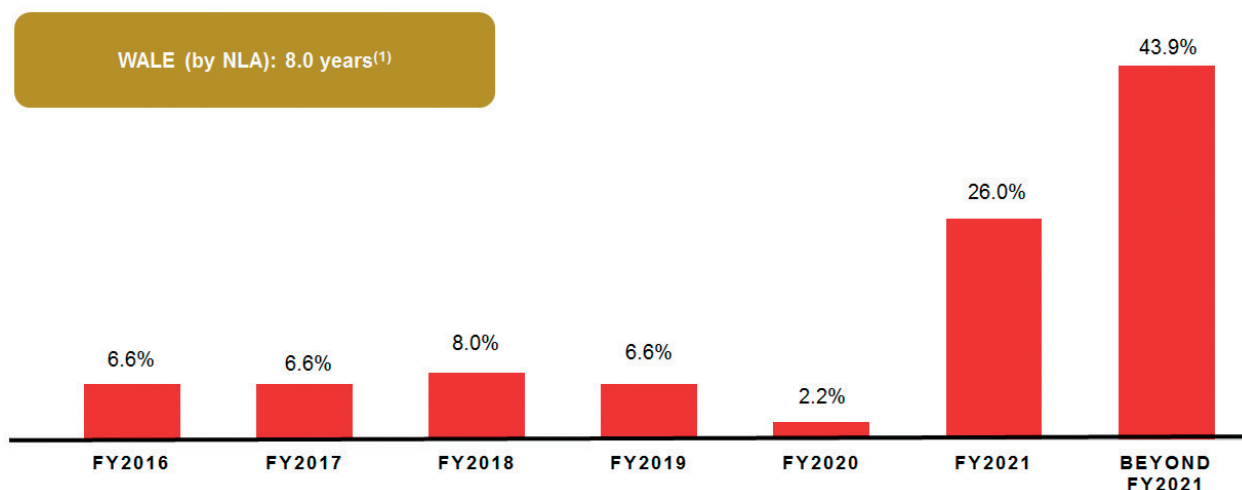
There are generally two types of leases in Japan, namely, Standard Leases and Fixed-Term Leases. Standard Leases provide significant legal protection for tenants as they are renewable at the option of the tenant. The determination of rental rates upon renewal is subject to negotiation between the tenant and the landlord and disputes in connection with the terms of the lease are referred to mediation or litigation. In comparison, Fixed-Term Leases have prescribed terms and cannot be renewed automatically at the option of the tenant at the end of the term. Under Fixed-Term Leases, renegotiation of all covenants at the end of the term or re-leasing of the space is allowed. (See "*Risk Factors — Risks relating to the Properties — The loss of the master lessees, anchor tenants or a significant number of tenants of any of the Properties or a downturn in the businesses of anchor tenants or a significant number of tenants could have an adverse effect on CRT's financial conditions and results of operations*".)

In line with general commercial practice, leases with options to renew for further terms are generally renewed on the same terms and conditions as the original leases except for the rental rate, which will be subject to negotiation based on the previous rent levels and taking into account prevailing market rental rates of similar properties.

## Fixed-Term Lease Agreements

A majority of the leases are structured as Fixed-Term Leases, which offers flexibility in adjusting rental income and tenant composition.

## Lease Expiry Profile (by Gross Rental Income for the month of December 2015)



### Note:

(1) As at 31 December 2015.

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	BEYOND FY2021
No. of Leases Expiring	104	75	58	30	25	132	47

## Marketing and Leasing Activities

The Properties will be actively marketed by the Asset Managers in conjunction with the Property Managers to prospective tenants in desired target groups and through liaising with local property agents. These agents are also regularly updated with information on the available units for rental at the various Properties. The Property Managers and the agents will also undertake property tours of the premises for prospective tenants on a regular basis to market the vacant units.

The Trustee-Manager believes that such a proactive leasing approach and strategy will assist CRT to attract quality tenants to the Properties.

## Lease Agreements and Lease Management

The lease agreements entered into for each Property contain terms and conditions, including those relating to the duration of each lease, provision of security deposit, as well as the alteration and improvement works generally found in most retail lease agreements in Japan. The Trustee-Manager believes that the terms of each lease agreement are in line with generally accepted market practice and procedures.

Where a prospective tenant has committed to a lease, a security deposit in the form of cash or banker's guarantee equal to between 6 and 10 months' gross rent is typically payable. The tenant will take possession of the premises after it has made the requisite payments and has formally executed the lease agreement. Rent and service charges are payable monthly.

As tenant retention is critical to minimising the turnover of leases, the Asset Managers in conjunction with the respective Property Managers will maintain close communication and a good working relationship with the existing tenants. Dialogues and meetings for lease renewal will be held with tenants whose leases are due to expire. Arrears management procedures will also be enforced to ensure timely payment of rent. The Trustee-Manager believes that these proactive steps to retain tenants and reduce rental in arrears will help maintain a stable income stream for CRT.

## Insurance

The Properties are insured in a manner which the Trustee-Manager believes is consistent with industry practice in Japan. Their coverage includes all property risks and public liability insurance (including personal injury) policies. There is no significant or unusual excess or deductible amounts required under such policies. There are, however, certain types of risks that are not covered by such insurance policies, including acts of war and acts of terrorism.

The industry practice in Japan is to procure earthquake insurance for retail properties only where the Probable Maximum Loss for a property is in excess of 15%. None of the Properties have a Probable Maximum Loss in excess of 15%. As a result, CRT has not procured earthquake insurance for the Properties.

## THE TRUSTEE-MANAGER OF CRT

The Trustee-Manager, Croesus Retail Asset Management Pte. Ltd., was incorporated in Singapore under the Companies Act on 1 March 2012. Its registered office is located at 50 Raffles Place, #25-03 Singapore Land Tower, Singapore 048623, and its telephone and facsimile numbers are +65 6713 9550 and +65 6532 4780, respectively. The Trustee-Manager has an issued and paid-up capital of S\$100,000 which is wholly owned by Evertrust. Evertrust is held by Croesus Partners, Daiwa House and Marubeni in the proportions of 80.0%, 10.0% and 10.0%, respectively.

The Trustee-Manager and the Board are responsible for safeguarding the interests of the unitholders as a whole and managing the business conducted by CRT. The Trustee-Manager has general powers of management over the business and assets of the Trust and its main responsibility is to manage the CRT's assets and liabilities for the benefit of the unitholders as a whole. In the event of a conflict between the interests of the unitholders as a whole and its own interests, the Trustee-Manager shall act in the best interests of all unitholders as a whole and give priority to the interests of all the unitholders as a whole over its own interests.

## Board of Directors of the Trustee-Manager

The Board is entrusted with the responsibility for the overall management of the Trustee-Manager, and comprises five Directors. The following table sets forth information regarding the Directors:

Name	Address	Position
Mr David Lim Teck Leong	50 Raffles Place, #25-03 Singapore Land Tower, Singapore 048623	Chairman, Independent Director and member of the Audit and Risk Committee
Mr Jim Chang Cheng-Wen	50 Raffles Place, #25-03 Singapore Land Tower, Singapore 048623	Executive Director
Mr Eng Meng Leong	50 Raffles Place, #25-03 Singapore Land Tower, Singapore 048623	Independent Director and Chairman of the Audit and Risk Committee
Mr Quah Ban Huat	50 Raffles Place, #25-03 Singapore Land Tower, Singapore 048623	Independent Director and member of the Audit and Risk Committee
Mr Yong Chao Hsien Jeremy	50 Raffles Place, #25-03 Singapore Land Tower, Singapore 048623	Non-Executive Director

## *Experience and Expertise of the Board of Directors*

Information on the business and working experience of the Directors is set out below:

**Mr David Lim Teck Leong** is the Chairman and an Independent Director of the Trustee-Manager and a member of the Audit and Risk Committee.

Mr Lim is an independent director of several companies publicly listed on the SGX-ST, namely, G.K. Goh Holdings Limited, LH Group Limited and New Toyo International Holdings Limited. He also sits on the boards of private companies in Singapore, Indonesia and Thailand in non-executive capacities and on the executive committees of several private equity investments.

Mr Lim is the founder of David Lim & Partners LLP and has been the Managing Partner since 1990. He began his career at Rodyk & Davidson in 1982 with a focus in commercial litigation, corporate finance, restructuring and mergers & acquisitions up till 1989. Mr Lim has represented multinationals and corporations from the financial and banking sectors, fund management, private equity, manufacturing, tobacco, information technology and telecommunications, infrastructure, property development, food, hospitality, healthcare, shipping and electronics. He previously lectured at the Institute of Banking & Finance from 1999 to 2000 and tutored at the Faculty of Law, National University of Singapore from 1992 to 1994. He was a council member of the Law Society of Singapore.

Mr Lim is an honorary legal adviser (for David Lim & Partners LLP) of the Singapore Physiotherapy Association. Mr Lim graduated from King's College London in 1980 with a Bachelor of Laws and obtained his professional qualification as a barrister from Gray's Inn, London in 1981.

**Mr Jim Chang Cheng-Wen** is both an Executive Director and the Chief Executive Officer of the Trustee-Manager.

Mr Chang is the chairman and co-founder of Croesus Merchants in February 2010 and Croesus International in August 2004 with over 10 years of Asian real estate experience. He is a Taiwanese citizen, currently residing in Tokyo, Japan. He is fluent in Japanese, English, Mandarin, Taiwanese and Hokkien.

Mr Chang began his career in 1990 negotiating sea port control rights, airline landing rights and strategic investments with foreign governments on behalf of the Evergreen Group. He rose to become Managing Director of the Group's investment activities in 2001. From 1997 to 2005, Mr Chang led in the investments and management of Evergreen's interests in real estate, transportation and infrastructure across Asia with extensive experience in managing Evergreen's hospitality, office and logistics real estate businesses. Mr Chang has also been on the Advisory Board or an Advisor to several leading Asian institutions and organisations, notably Taiwan High Speed Rail Corporation (2004 to 2010) and Evergreen (2007 to 2011).

From 2007 to 2010, he managed a residential real estate fund in Japan for Citi Property Investors with combined equity and debt of US\$500 million. He partnered with and advised world class players on their acquisition strategy for two real estate portfolios totaling over US\$2 billion of Asian hospitality assets in 2006.

Mr Chang has a Bachelor of Arts in International Studies from Temple University (Pennsylvania, USA).

**Mr Eng Meng Leong** is an Independent Director of the Trustee-Manager and the Chairman of the Audit and Risk Committee.

Mr Eng is currently a non-executive director of Religare Health Trust Trustee Manager Pte. Ltd. and ACTS College Ltd..

Mr Eng was previously an executive director with KPMG Tax Services Pte. Ltd. ("**KPMG Tax**"). He also served as the head of financial services in the tax practice. Mr Eng joined KPMG Tax from 1984 up till 2009 and has been involved with taxation for 25 years. His experience in taxation covers Singapore, Malaysia, Hong Kong and the United Kingdom.

Mr Eng worked in London for nine years prior to joining KPMG Tax in Singapore. He was an examiner at ACCA Advanced Tax. Mr Eng is a consultant for the Kong Siang group of companies.

Mr Eng was admitted in 1984 as an associate member of the Institute for Chartered Accountants of England and Wales. He is a member of the Institute of Singapore Chartered Accountants and an Accredited Tax Advisor of the Singapore Institute of Accredited Tax Professionals Ltd.

**Mr Quah Ban Huat** is an Independent Director of the Trustee-Manager and a member of the Audit and Risk Committee.

Mr Quah has more than two decades of experience in investments, finance and accounting, including fund raising, listing and initial public offerings, debt financing, corporate finance, restructuring and tax planning. Mr Quah is a consultant for KPMG Services Pte. Ltd. and sits on the board of several public and private companies.

Mr Quah has held various key finance positions in the past including amongst others, as Regional Business Area Controller at Deutsche Bank, Group Finance Director of the IMC Group, and Chief Financial Officer of City Gas Pte Ltd and Rickmers Trust Management Pte. Ltd..

Mr Quah is a member of the Institute of Chartered Accountants in England and Wales and a fellow member of the Association of Chartered Certified Accountants.

**Mr Yong Chao Hsien Jeremy** is a Non-Executive Director of the Trustee-Manager.

Mr Yong is a co-founder of Croesus Merchants, the Sponsor of CRT. He oversees all corporate operations and the strategic development of Croesus Merchants. He is also co-founder and Director of a number of Croesus group companies including Croesus Group Pte. Ltd., Croesus Partners Pte. Ltd. and Evertrust.

Mr Yong began his career at JP Morgan Singapore in the mid-1990s. Since then, he founded or co-founded a number of companies involved in various types of investment strategies, including Jael Capital Ltd, a privately owned investment vehicle, involved in equities, global markets, foreign exchange and real estate investments, and ICG Japan, a private equity technology investment company, which subsequently merged with ICG Asia (a publicly listed company on the Stock Exchange of Hong Kong).

Mr Yong graduated from the London School of Economics, U.K. in 1991 with a Bachelor of Science (Hons) in Industrial and Business Economics.

#### **Executive Officers of the Trustee-Manager**

The Executive Officers are entrusted with the responsibility for the daily operations of the Trustee-Manager.

<b>Name</b>	<b>Address</b>	<b>Position</b>
Mr Jim Chang Cheng-Wen	50 Raffles Place, #25-03 Singapore Land Tower, Singapore 048623	Chief Executive Officer and Executive Director
Mr Tetsuo Ito	50 Raffles Place, #25-03 Singapore Land Tower, Singapore 048623	Chief Financial Officer
Mr Shunji Miyazaki	50 Raffles Place, #25-03 Singapore Land Tower, Singapore 048623	Chief Asset Management Officer
Mr Kiyoshi Sato	50 Raffles Place, #25-03 Singapore Land Tower, Singapore 048623	Chief Investment Officer

#### ***Experience and Expertise of the Executive Officers***

Information on the working experience of the Executive Officers is set out below:

**Mr Jim Chang Cheng-Wen** is both an Executive Director and the Chief Executive Officer of the Trustee-Manager. Details of his working experience are set out in the section “Croesus Retail Trust — The Trustee-Manager of CRT — Board of Directors of the Trustee-Manager — Experience and Expertise of the Board of Directors”.

**Mr Tetsuo Ito** is the Chief Financial Officer of the Trustee-Manager.

Mr Ito has 18 years of financing, accounting and corporate audit experience.

Mr Ito started his career at KPMG Japan in 1997 and performed financial audits and due diligence projects of major Japanese companies, mainly in the financial industry, as well as financial and corporate advisory services in various industries. During his career at KPMG Japan from 1997 to 2004, he dealt with a merger of two Japanese listed insurance companies having JPY6 trillion of total assets, as well as an acquisition of a Japanese insurance company by a US financial institution having JPY2 trillion of total assets. From 2004 to 2005, he was with KPMG LLP New York and provided various accounting services to US and Japanese companies. From 2006 to 2007, Mr Ito was a representative director of the Phoenix Accounting Group Inc.

Mr Ito had served as Deputy Chief Financial Officer for Croesus Japan Inc. from 2007 to 2012.

Mr Ito graduated from the University of Tokyo in 1998 with a Bachelor of Arts in Economics. Mr Ito is a Japan Certified Public Accountant with the Japanese Institute of Certified Public Accountants. He is a Japan Certified Tax Accountant with the Japan Federation of Certified Public Tax Accountants' Association and is a Chartered Accountant with the Institute of Singapore Chartered Accountants.

**Mr Shunji Miyazaki** is the Chief Asset Management Officer of the Trustee-Manager.

Mr Miyazaki has 12 years of banking and securitisation experience as manager with Mitsui Trust Bank (now Sumitomo Mitsui Trust Bank) from 1986 to 1998. He has 18 years of real estate experience and was Senior Managing Director/Chief Planning & Financial Officer of Consonant Investment Management Co., Ltd (formerly known as LCP REIT Advisors Co., Ltd) from 2010 to 2011. From 2005 to 2007, he was the CEO of Asset Management for a J-REIT, LCP Investment Corporation (currently Invincible Investment Corporation) and was with the Consonant Investment Management Co., Ltd (formerly known as LCP REIT Advisors Co., Ltd) from 2004 to 2010. From 1998 to 2004, he was the Senior Fund Manager at Chuo Mitsui Asset Management Co., Ltd in charge of investments in real estate securitised products including J-REITs. He speaks fluent Japanese and basic English.

Mr Miyazaki graduated from Hiroshima University in 1986 with a Bachelor of Economics.

Mr Miyazaki joined the Croesus Group in October 2011.

**Mr Kiyoshi Sato** is the Chief Investment Officer of the Trustee-Manager.

Mr Sato has 18 years of corporate finance experience, including 12 years with the Long-Term Credit Bank of Japan (now Shinsei Bank, Limited) as manager from 1987 to 1999, two years as Head of Syndicated Finance of HSBC Tokyo from 1999 to 2001 and four years as Director at IBK/Relationship Management of Merrill Lynch Japan from 2001 to 2005. He has 11 years of real estate experience, including two years as Director of an Investment Advisory Company, RISA Partners from 2005 to 2007, and two years as head of CMBS origination of Nikko Citigroup Securities from 2007 to 2009. During the two years at RISA Partners, a real estate asset management company associated with Grove International Plc., Mr Sato was responsible for sourcing and underwriting more than 100 real estate investment opportunities, mostly derived from non-performing loan disposals by Japanese banks, as deputy head of Investment Banking Department and played a leading role to create a real estate portfolio of approximately US\$2 billion. During the two years at Nikko Citigroup Securities, being the head of CMBS origination team, Mr Sato originated more than US\$3 billion of non-recourse loans / bonds backed by Japanese real estate, including hotels, retail malls, offices and residential assets. Mr Sato was General Manager, Corporate Finance division of Capital Partners Securities Co., Ltd from 2009 to 2011, where he acted as adviser to several real estate funds for their capital raising efforts and restructuring of their present capital structure to resolve the issues of each client fund. He speaks fluent English, French and Japanese.

Mr Sato graduated from Waseda University in 1987 with a Bachelor of Economics. He holds a Master of Business Administration and Diplome de l'ESSEC from Ecole Superieure des Sciences Economics et Commerciales.

Mr Sato joined the Croesus Group in November 2011.

## Roles and Responsibilities of the Trustee-Manager

The Trustee-Manager has the dual responsibility of safeguarding the interests of Unitholders, and managing the business conducted by CRT. The Trustee-Manager has general powers of management over the business and assets of CRT and its main responsibility is to manage CRT's assets and liabilities for the benefit of Unitholders as a whole.

The Trustee-Manager will set the strategic direction of CRT and decide on the acquisition, divestment or enhancement of assets of CRT in accordance with its stated investment strategy. Additionally, the Trustee-Manager will undertake active management of CRT's assets to enhance the performance of the portfolio. It will also undertake capital and risk management strategies in order to maintain a strong balance sheet for CRT.

The Trustee-Manager is also obliged to exercise the degree of care and diligence required of a trustee-manager of a registered business trust ("**Due Care**") to comply with the applicable provisions of all relevant legislation, as well as the Listing Manual, and is responsible for ensuring compliance with the CRT Trust Deed and all relevant contracts entered into by the Trustee-Manager on behalf of CRT.

Furthermore, the Trustee-Manager will prepare property plans on a regular basis, which may contain proposals and forecasts on net income, capital expenditure, sales and valuations, explanations of major variances to previous forecasts, written commentary on key issues and any relevant assumptions. The purpose of these plans is to explain the performance of CRT's properties.

The Trustee-Manager, in exercising its powers and carrying out its duties as CRT's trustee-manager, is required to:

- treat Unitholders who hold Units in the same class fairly and equally;
- ensure that all payments out of the Trust Property<sup>17</sup> of CRT are made in accordance with the BTA and the CRT Trust Deed;
- report to the Authority any contravention of the BTA or the Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005 by any other person that:
  - relates to CRT; and
  - has had, has or is likely to have, a material adverse effect on the interests of all Unitholders, or any class of Unitholders, as a whole, as soon as practicable after the Trustee-Manager becomes aware of the contravention;
- ensure that the Trust Property of CRT is properly accounted for; and
- ensure that the Trust Property of CRT is kept distinct from the property held in its own capacity.

The Board will meet regularly to review CRT's business activities and strategies pursuant to its then prevailing investment strategy. Such regular review is aimed at ensuring adherence to the CRT Trust Deed and compliance with any applicable legislation, regulations and guidelines.

The Trustee-Manager also has the following statutory duties under the BTA:

- at all times act honestly and exercise reasonable diligence in the discharge of its duties as CRT's trustee-manager in accordance with the BTA and the CRT Trust Deed;
- act in the best interests of all Unitholders as a whole and give priority to the interests of all Unitholders as a whole over its own interests in the event of a conflict between the interests of all the Unitholders as a whole and its own interests;

---

<sup>17</sup> "Trust Property" has the meaning ascribed to it in the BTA.

- not make improper use of any information acquired by virtue of its position as CRT's trustee-manager to gain, directly or indirectly, an advantage for itself or for any other person to the detriment of the Unitholders; and
- hold the Trust Property of CRT on trust for all Unitholders as a whole in accordance with the terms of the CRT Trust Deed.

Should the Trustee-Manager contravene any of the provisions setting out the aforesaid duties, it is:

- liable to all Unitholders as a whole for any profit or financial gain directly or indirectly made by it or any of its related corporations or for any damage suffered by all Unitholders as a whole as a result of the contravention; and
- be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$100,000.

While the Trustee-Manager is required to be dedicated to the conduct of the business of CRT, it is not prohibited from delegating its duties and obligations to third parties. Save for an instance of fraud, wilful default or breach of trust by the Trustee-Manager or where the Trustee-Manager fails to exercise Due Care, it shall not incur any liability by reason of any error of law or any matter or thing done or suffered to be done or omitted to be done by it in good faith under the CRT Trust Deed. In addition, the Trustee-Manager shall be entitled, for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be subject to as trustee-manager, to have recourse to the Trust Property of CRT or any part thereof save where such action, cost, claim, damage, expense or demand is occasioned by the fraud, wilful default or breach of trust by the Trustee-Manager or by the failure of the Trustee-Manager to exercise Due Care. The Trustee-Manager may, in managing CRT and in carrying out and performing its duties and obligations under the CRT Trust Deed, appoint such person to exercise any or all of its powers and discretions and to perform all or any of its obligations under the CRT Trust Deed, and shall not be liable for all acts and omissions of such persons provided that the Trustee-Manager had exercised Due Care in selecting as well as monitoring such persons.

#### **Fees payable to the Trustee-Manager**

The fees payable to the Trustee-Manager in respect of its services to CRT are set out below. The Trustee-Manager may direct that all or a portion of any fees payable to the Trustee-Manager be paid directly to the Asset Managers or any other third parties. The asset servicing and administration fees payable to Tozai (the "**Tozai Asset Servicing and Administration Fee**"), Marubeni Asset Management (the "**Marubeni Asset Servicing and Administration Fee**") and CMIRM (the "**CMIRM Asset Servicing and Administration Fee**") under the respective Asset Management Agreement will partly offset the Management Fee paid to the Trustee-Manager so as to reduce the Management Fee paid to the Trustee-Manager. The acquisition fees referred to below payable to the Asset Managers will partly offset the acquisition fee paid to the Trustee-Manager so as to reduce the acquisition fee paid to the Trustee-Manager. The disposition fees referred to below payable to the Asset Managers will partly offset the divestment fee paid to the Trustee-Manager so as to reduce the divestment fee paid to the Trustee-Manager.

#### **Management fees**

The Trustee-Manager is entitled under the CRT Trust Deed to the following Management Fees:

The Trustee-Manager shall be entitled to receive for its own account out of the Trust Property a base fee calculated at a rate in accordance with the formula below:

- if the value of the Trust Property is less than JPY100 billion, the base fee will be a fee not exceeding the rate of 0.60% per annum of the value of the Trust Property, subject to a cap on the base fee of JPY0.5 billion; and
- if the value of the Trust Property is equal to or greater than JPY100 billion, the base fee will be a fee not exceeding the rate of 0.50% per annum of the value of the Trust Property.

The Trustee-Manager shall be entitled to receive for its own account out of the Trust Property a performance fee calculated at a rate not exceeding 3.0% of NPI.

Any increase in the rates set out above or any change in the formula for calculation of the Trustee-Manager's Management Fees must be approved by an Extraordinary Resolution passed at a Unitholders' meeting duly convened and held in accordance with the provisions of the CRT Trust Deed.

The Management Fee is payable to the Trustee-Manager in the form of cash and/or Units (as the Trustee-Manager may elect).

For FY2014 and FY2015, the Trustee-Manager received approximately 80.0% of its Management Fee in the form of Units and the balance in cash. In addition to the Tozai Asset Servicing and Administration Fee, Marubeni Asset Servicing and Administration Fee and CMIRM Asset Servicing and Administration Fee, all other fees payable to the Asset Managers were borne by the Trustee-Manager.

### **Acquisition Fee/Divestment Fee**

The Trustee-Manager is entitled to:

- (i) an acquisition fee calculated at a rate not exceeding 1.0% of:
  - (a) in the case of an acquisition of Real Estate<sup>18</sup>, the acquisition price of any Real Estate purchased, whether directly or indirectly through one or more SPVs, by CRT (plus any other payments in addition to the acquisition price made by CRT or its SPVs to the vendor in connection with the purchase of the real estate) (pro-rated, if applicable, to the proportion of CRT's interest);
  - (b) in the case of an acquisition of (I) the TBI in respect of the real estate or (II) the equity interests of any vehicle holding directly or indirectly the real estate, the underlying value of any real estate which is taken into account when computing the acquisition price for (A) the TBI in respect of the real estate or (B) the equity interests in such vehicle holding directly or indirectly the real estate purchased by CRT, whether directly or indirectly through one or more SPVs (plus any additional payments made by CRT or its SPVs to the vendor in connection with the purchase of such TBI or, as the case may be, equity interests) (pro-rated, if applicable, to the proportion of CRT's interest);
  - (c) in the case of an acquisition of the contractual interest pursuant to a tokumei kumiai agreement, the underlying value of the real estate which is taken into account when computing the acquisition price payable for such contractual interest, whether directly or indirectly through one or more SPVs (plus any additional payments made by CRT or its SPVs to the vendor in connection with the purchase of such contractual interest) (pro-rated, if applicable, to the proportion of CRT's interest); or
  - (d) the acquisition price of any other asset forming a part of the Trust Property acquired from time to time by the Trustee-Manager on behalf of CRT; and
- (ii) a divestment fee calculated at a rate not exceeding 0.5% of:
  - (a) sale price of Real Estate sold or divested, whether directly or indirectly through one or more SPVs, by CRT (plus any other payments<sup>19</sup> in addition to the sale price received by CRT or its SPVs from the purchaser in connection with the sale or divestment of the Real Estate) (pro-rated, if applicable, to the proportion of CRT's interest);

---

<sup>18</sup> "Real Estate" refers to any land, and any interest, option or other right in or over any land, whether situated in Japan or elsewhere, whether held directly or indirectly by the Trustee-Manager. For the purposes of this definition, "land" includes land of any tenure, whether or not held apart from the surface, and buildings or parts thereof (whether completed or otherwise and whether divided horizontally, vertically or in any other manner) and tenements and hereditaments, corporeal and incorporeal, and any estate or interest therein.

<sup>19</sup> "Other payments" refer to additional payments to CRT or its TMKs or other SPVs for the sale of the asset, for example, where CRT or its TMKs have already made certain payments for enhancements to the asset, and the value of the asset enhancements are not reflected in the sale price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third-party agents and brokers.

- (b) the underlying value of any Real Estate which is taken into account when computing the sale price for (A) the TBI in respect of the Real Estate or (B) the equity interests in any vehicle holding directly or indirectly the Real Estate sold or divested by the Trustee-Manager on behalf of CRT, whether directly or indirectly (plus any additional payments received by CRT or its SPV from the purchaser in connection with the sale or divestment of such TBI or, as the case may be, equity interests) (pro-rated, if applicable, to the proportion of CRT's interest);
- (c) in the case of a divestment of the contractual interest pursuant to a *tokumei kumiai* agreement, the underlying value of the Real Estate which is taken into account when computing the sale price payable for the divestment of such contractual interest, whether directly or indirectly one or more SPVs (plus any additional payments received by CRT or its SPVs from the purchaser in connection with the divestment of such contractual interest) (pro-rated, if applicable, to the proportion of CRT's interest); or
- (d) the sale price of any other asset forming a part of the Trust Property sold or divested from time to time by the Trustee-Manager on behalf of CRT.

The acquisition fee and the divestment fee (regardless of whether the Real Estate is acquired from, or disposed to, an Interested Person<sup>20</sup>) are payable to the Trustee-Manager in the form of cash and/or Units (as the Trustee-Manager may elect) at the prevailing market price.

Any payment to third-party agents or brokers in connection with the acquisition or divestment of any asset of CRT shall be paid by the Trustee-Manager to such persons out of the Trust Property of CRT or the assets of the Japan TMKs, and not out of the acquisition fee or divestment fee (as the case may be) received or to be received by the Trustee-Manager.

The Trustee-Manager believes that the acquisition fee is on an arm's length basis, is on normal commercial terms and not prejudicial to the interests of CRT and the Unitholders.

Any increase in the rates set out above or any change in the formula for calculation of the Trustee-Manager's acquisition fee or divestment fee must be approved by an Extraordinary Resolution passed at a Unitholders' meeting duly convened and held in accordance with the provisions of the CRT Trust Deed.

### ***Development Management Fee***

The Trustee-Manager is entitled to 3.0% of the Total Projects Costs ("**Development Management Fee**") incurred in a Development Project<sup>21</sup> undertaken on behalf of CRT. The Trustee-Manager will ensure that they obtain the unanimous approval of the Independent Directors on the Total Project Costs incurred in each Development Project undertaken on behalf of CRT and the Independent Directors shall have the right to direct a reduction of the Development Management Fee.

As at the Latest Practicable Date, no Development Management Fee has been paid to the Trustee-Manager.

### **Fees payable to the Asset Managers**

#### *Tozai*

The Tozai Asset Servicing and Administration Fee payable to Tozai will partly offset the Management Fee paid to the Trustee-Manager so as to reduce the Management Fee paid to the Trustee-Manager. The acquisition fee referred to below payable to Tozai will partly offset the acquisition fee paid to the Trustee-Manager so as to reduce the acquisition fee paid to the Trustee-Manager. The disposition fee referred to below payable to Tozai will partly offset the divestment fee paid to the Trustee-Manager so as to reduce the divestment fee paid to the Trustee-Manager.

<sup>20</sup> "Interested Person" has the meaning ascribed to it in the Listing Manual.

<sup>21</sup> "Development Project" means a project involving the development or redevelopment of land, or buildings, or part(s) thereof on land which is acquired, held or leased by CRT, refurbishment, retrofitting, addition and alteration and renovation works.

Pursuant to the Tozai Asset Management Agreements, Tozai is entitled to the Tozai Asset Servicing and Administration Fee, an acquisition fee and a disposition fee as follows:

- (a) the Tozai 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<sup>22</sup> x 0.00075 (0.075%), where “Market price of the TBI” means the latest appraisal value of the TBI held by Mangosteen TMK and Durian TMK (being its value as determined by an independent valuer as at the end of the preceding fiscal year); and
  - (ii) Incentive Fee: NPI of the TBI x 0.0045 (0.45%);
- (b) an acquisition fee calculated as the purchase price of a new TBI or property (excluding consumption tax thereon) x 0.0028 (0.28%), payable by Mangosteen TMK and Durian TMK within 30 days of the invoice date and which shall not be refunded in any event; and
- (c) a disposition fee calculated through the sales price of the TBI (excluding consumption tax thereon) x 0.0014 (0.14%), payable by Mangosteen TMK and Durian 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 Tozai under the Tozai Asset Management Agreements.

Asset Management Fees will be paid in cash by Mangosteen TMK and Durian TMK.

*Marubeni Asset Management Co., Ltd.*

The Marubeni Asset Servicing and Administration Fee payable to Marubeni Asset Management will partly offset the Management Fee paid to the Trustee-Manager so as to reduce the Management Fee paid to the Trustee-Manager. The acquisition fee referred to below payable to Marubeni Asset Management will partly offset the acquisition fee paid to the Trustee-Manager so as to reduce the acquisition fee paid to the Trustee-Manager. The disposition fee referred to below payable to Marubeni Asset Management will partly offset the divestment fee paid to the Trustee-Manager so as to reduce the divestment fee paid to the Trustee-Manager.

Pursuant to the Marubeni Asset Management Agreement, Marubeni Asset Management is entitled to the Marubeni Asset Servicing and Administration Fee, an acquisition fee and a disposition fee as follows:

- (a) the Marubeni 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 of the TBI held by the Persimmon TMK (being its latest appraisal value as determined by an independent valuer as at the first date of the relevant fiscal year), provided, that, in the case where each of the TBIs or the Properties is disposed, the Property Operation Management Fee shall be prorated based on the number of elapsed days where Marubeni Asset Management performs the asset management services and the disposed TBI or Property is not included in the Market price of the TBI after the date of such disposal; and
  - (ii) Incentive Fee: NPI of the TBI x 0.0045 (0.45%);
- (b) an acquisition fee calculated as the purchase price of a new TBI or property (excluding consumption tax thereon) x 0.0028 (0.28%), payable by Persimmon TMK within 30 days of the invoice date and which shall not be refunded in any event; and

---

<sup>22</sup> See “*Croesus Retail Trust — Structure of CRT*” for details on how the TBI in respect of the Properties will be held.

- (c) a disposition fee calculated through the sales price of the TBI (excluding consumption tax thereon) x 0.0014 (0.14%), payable by Persimmon 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 Marubeni Asset Management under the Marubeni Asset Management Agreement.

Asset Management Fees will be paid in cash by Persimmon TMK.

#### *CMIRM*

The CMIRM Asset Servicing and Administration Fee payable to CMIRM will partly offset the Management Fee paid to the Trustee-Manager so as to reduce the Management Fee paid to the Trustee-Manager. The acquisition fee referred to below payable to CMIRM will partly offset the acquisition fee paid to the Trustee-Manager so as to reduce the acquisition fee paid to the Trustee-Manager. The disposition fee referred to below payable to CMIRM will partly offset the divestment fee paid to the Trustee-Manager so as to reduce the divestment fee paid to the Trustee-Manager.

Pursuant to the CMIRM Asset Management Agreement, CMIRM is entitled to the CMIRM Asset Servicing and Administration Fee, an acquisition fee and a disposition fee as follows:

- (a) the CMIRM 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 Apple TMK, provided, that, in the case where any of the TBIs or Torius 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 or Torius, in the amount obtained by the above formula and divided by twelve (12), shall be prorated based upon the actual number of days Apple TMK held such TBI or Torius and (ii) with respect to the Property Operation Management Fee for the months after the sale, the appraisal value of the sold TBI or Torius shall not be included in the “Market Price of the TBI”; and
  - (ii) Incentive Fee: NPI of the TBI x 0.0045 (0.45%);
- (b) an acquisition fee calculated as the purchase price of a new TBI or property (excluding consumption tax thereon) x 0.0028 (0.28%), payable by Apple TMK within 30 days of the invoice date and which shall not be refunded in any event; and
- (c) a disposition fee calculated through the sales price of the TBI (excluding consumption tax thereon) x 0.0014 (0.14%), payable by Apple 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 CMIRM under the CMIRM Asset Management Agreement.

Asset Management Fees will be paid in cash by Apple TMK.

#### **Retirement or Removal of the Trustee-Manager**

Under the BTA, the Trustee-Manager may be removed, as trustee-manager of CRT, by the Unitholders only by an Extraordinary Resolution at a meeting of Unitholders or it may resign as trustee-manager. Any removal or resignation of the Trustee-Manager must be made in accordance with the procedures as the MAS may prescribe. Any purported change of the trustee-manager of a registered business trust is ineffective unless it is made in accordance with the BTA.

Under the CRT Trust Deed, without prejudice to, and to the extent allowed under, the relevant laws, regulations and guidelines, the Trustee-Manager may be removed:

- (i) if, at any time, the Trustee-Manager:
  - (a) is in material breach of the provisions of the CRT Trust Deed and such breach is not resolved within 90 days of its occurrence to the satisfaction of the Unitholders;
  - (b) has been convicted of, or has entered into a plea bargain or settlement admitting guilt for a crime, such conviction, plea or settlement being demonstrably and materially injurious to CRT; or
  - (c) is insolvent or under judicial management; or
- (ii) if the removal of the Trustee-Manager is:
  - (a) approved by an Extraordinary Resolution of the Unitholders (with no Unitholder being disenfranchised); or
  - (b) required by an order or declaration by any court in Singapore.

The Trustee-Manager will remain the trustee-manager of CRT until another person is appointed by:

- (i) the Unitholders to be the trustee-manager of CRT; or
- (ii) by the court under Section 21(1) of the BTA to be the temporary trustee-manager of CRT,

and such appointment shall be effective from the date stated in the resolution of the Unitholders or court order as the effective date of the appointment of the trustee-manager or temporary trustee-manager, as the case may be.

Pursuant to Section 21(1) of the BTA, on an application by the MAS or the Trustee-Manager or a Unitholder, the court may, by order, appoint a company that has consented in writing to serve as a temporary trustee-manager to be the temporary trustee-manager of CRT for a period of three months if the court is satisfied that the appointment is in the interest of the Unitholders.

The temporary trustee-manager of CRT is required, within such time and in accordance with such requirements as may be prescribed by MAS, to take such steps to enable the Unitholders to appoint another person as the trustee-manager (not being a temporary trustee-manager) of CRT.

## TAXATION

*The statements below are general in nature and are based on current income tax laws in the specified jurisdictions and administrative guidelines and circulars issued by the relevant tax authorities in force as at the date of this Offering Circular and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts may later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive nor exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Notes are advised to consult their own professional tax advisers as to the tax consequences of the acquisition, ownership or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject to. It is emphasised that none of the Issuer, the Arrangers, the Dealers and any other persons involved in the Programme or the issue and offer of the Notes accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.*

### **Singapore Taxation**

#### ***Interest and Other Payments***

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or
- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0 per cent. The applicable rate for non-resident individuals is currently 22.0 per cent. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0 per cent. The rate of 15.0 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (a) interest from debt securities derived on or after 1 January 2004;
- (b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- (c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

In addition, as the Programme as a whole was arranged by DBS Bank Ltd. and United Overseas Bank Limited, each of which was a Financial Sector Incentive (Bond Market) (“**FSI-BM**”) Company (as defined in the ITA) prior to 1 January 2014 and is a Financial Sector Incentive (Capital Market) Company, Financial Sector Incentive (Standard Tier) Company or FSI-BM Company (as defined in the ITA) with effect from 1 January 2014, any tranche of the Notes (the “**Relevant Notes**”) issued as debt securities under the Programme during the period from the date of this Offering Circular to 31 December 2018 would be, pursuant to the ITA and MAS Circular FSD Cir 02/2013 entitled “Extension and Refinement of Tax Concessions for Promoting the Debt Market” issued by MAS on 28 June 2013 (the “**MAS Circular**”), qualifying debt securities (“**QDS**”) for the purposes of the ITA, to which the following treatment shall apply:

- (i) subject to certain prescribed conditions having been fulfilled (including the furnishing of a return on debt securities for the Relevant Notes in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Relevant Notes as the relevant authorities may require to MAS and such other relevant authorities as may be prescribed, and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using funds from that person’s operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the “**Qualifying Income**”) from the Relevant Notes, paid by the Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person’s operation through a permanent establishment in Singapore, are exempt from Singapore tax;
- (ii) subject to certain conditions having been fulfilled (including the furnishing of a return on debt securities for the Relevant Notes in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Relevant Notes as the relevant authorities may require to MAS and such other relevant authorities as may be prescribed), Qualifying Income from the Relevant Notes paid by the Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10.0 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and
- (iii) subject to:
  - (aa) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and
  - (bb) the furnishing to MAS and such other relevant authorities as may be prescribed of a return on debt securities for the Relevant Notes in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Relevant Notes as the relevant authorities may require,

payments of Qualifying Income derived from the Relevant Notes are not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

- (A) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four persons and 50.0 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as QDS; and

(B) even though a particular tranche of Relevant Notes are QDS, if, at any time during the tenure of such tranche of Relevant Notes, 50.0 per cent. or more of such Relevant Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Notes held by:-

- (i) any related party of the Issuer; or
- (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term “**related party**”, in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms “**prepayment fee**”, “**redemption premium**” and “**break cost**” are defined in the ITA as follows:

“prepayment fee”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities;

“redemption premium”, in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity; and

“break cost”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption.

References to “related party”, “prepayment fee”, “redemption premium” and “break cost” in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from the Relevant Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA.

Under the Qualifying Debt Securities Plus Scheme (“**QDS Plus Scheme**”), subject to certain conditions having been fulfilled (including the submission of a return on debt securities in respect of the QDS in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the QDS as the relevant authorities may require to MAS and such other relevant authorities as may be prescribed), income tax exemption is granted on Qualifying Income derived by any investor from QDS (excluding Singapore Government Securities) which:

- (a) are issued during the period from 16 February 2008 to 31 December 2018;
- (b) have an original maturity of not less than 10 years;
- (c) cannot be redeemed, called, exchanged or converted within 10 years from the date of their issue; and
- (d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

However, even if a particular tranche of the Relevant Notes are QDS which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of Relevant Notes, 50.0 per cent. or more of such Relevant Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income from such Relevant Notes derived by:

- (aa) any related party of the Issuer; or
- (bb) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

The MAS Circular states that, with effect from 28 June 2013, the QDS Plus Scheme will be refined to allow QDS with certain standard early termination clauses (as prescribed in the MAS Circular) to qualify for the QDS Plus Scheme at the point of issuance of such debt securities. The MAS has also clarified that if such debt securities are subsequently redeemed prematurely pursuant to such standard early termination clauses before the 10th year from the date of issuance of such debt securities, the tax exemption granted under the QDS Plus Scheme to Qualifying Income accrued prior to such redemption will not be clawed back. Under such circumstances, the QDS Plus status of such debt securities will be revoked prospectively for such outstanding debt securities (if any), and holders thereof may still enjoy the tax benefits under the QDS Scheme if the QDS conditions continue to be met.

The MAS has stated that, notwithstanding the above, QDS with embedded options with economic value (such as call, put, conversion or exchange options which can be triggered at specified prices or dates and are built into the pricing of such debt securities at the onset) which can be exercised within ten years from the date of issuance of such debt securities will continue to be excluded from the QDS Plus Scheme from such date of issuance.

### **Capital Gains**

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who apply or who are required to apply Singapore Financial Reporting Standard 39 (“**FRS 39**”) may, for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39. Please see the section below on “Adoption of FRS 39 Treatment for Singapore Income Tax Purposes”.

### **Adoption of FRS 39 Treatment for Singapore Income Tax Purposes**

The Inland Revenue Authority of Singapore has issued a circular entitled “Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement” (the “**FRS 39 Circular**”). The ITA has since been amended to give effect to the FRS 39 Circular.

The FRS 39 Circular generally applies, subject to certain “opt-out” provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

Holders of the Notes who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

### **Estate Duty**

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

## CLEARANCE AND SETTLEMENT

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear, Clearstream, Luxembourg or CDP currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but none of the Issuer, any Arranger, any Dealer, the Trustee or any of the Agents takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, any Arranger, any Dealer, the Trustee or any of the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.*

*The relevant Pricing Supplement will specify the Clearing System(s) applicable for each Series.*

### The Clearing Systems

#### **Euroclear and Clearstream, Luxembourg**

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the relevant paying agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

#### **CDP**

In respect of Notes which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities (the "**CDP System**") maintained by CDP. Notes that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a global note or global certificate for persons holding the Notes in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Notes between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Although CDP encourages settlement on the third business day following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the Notes through the CDP System may only be effected through certain corporate depositors ("**Depository Agents**") approved by CDP under the Securities and Futures Act to maintain securities sub-accounts and to hold the Notes in such securities sub-accounts for themselves and their clients. Accordingly, Notes for which trade settlement is to be effected through the CDP System must be held in securities sub-accounts with Depository Agents. Depositors holding

the Notes in direct securities accounts with CDP, and who wish to trade Notes through the CDP System, must transfer the Notes to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between the Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Notes in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, any Arranger, any Dealer, the Trustee, any of the Agents or any other person (other than CDP) will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

## **Book-Entry Ownership**

### **Bearer Notes**

The Issuer may make applications to Euroclear and/or Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. The Issuer may also apply to have Bearer Notes accepted for clearance through CDP. In respect of Bearer Notes, a temporary Global Note and/or a permanent Global Note in bearer form without coupons may be deposited with a common depository for Euroclear and/or Clearstream, Luxembourg or CDP or an Alternative Clearing System as agreed between the Issuer and the relevant Dealer. Transfers of interests in such temporary Global Notes or permanent Global Notes will be made in accordance with the normal Euromarket debt securities operating procedures of CDP, Euroclear and Clearstream, Luxembourg or, if appropriate, the Alternative Clearing System.

### **Registered Notes**

The Issuer may make applications to CDP, Euroclear and/or Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of the Notes to be represented by a Global Certificate. Each Global Certificate deposited with a common depository for, and registered in the name of, a nominee of Euroclear and/or Clearstream, Luxembourg and/or with CDP will, where applicable, have an ISIN and/or a Common Code.

All Registered Notes will initially be in the form of a Global Certificate. Definitive Certificates will only be available, in the case of Notes initially represented by a Global Certificate, in amounts specified in the relevant Pricing Supplement.

### **Transfers of Registered Notes**

Transfers of interests in Global Certificates within CDP, Euroclear and Clearstream, Luxembourg will be in accordance with the usual rules and operating procedures of the relevant Clearing System.

In the case of Registered Notes to be cleared through CDP, Euroclear or Clearstream, Luxembourg, transfers may be made at any time by a holder of an interest in a Global Certificate in accordance with the relevant rules and regulations of the applicable Clearing Systems.

## SUBSCRIPTION AND SALE

### Summary of Dealer Agreement

Subject to the terms and on the conditions contained in a dealer agreement dated 3 January 2014 (the “**Dealer Agreement**”) between the Issuer, the Arrangers and the Dealers, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as its agents. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arrangers for certain of their expenses incurred in connection with the establishment, and any future update, of the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Application has been made for permission to deal in and for the listing of any Notes which are agreed at the time of issue to be so listed on the SGX-ST. In connection with the offer and sale of each Series of Notes, the relevant Pricing Supplement will indicate whether or not and, if so, on which stock exchange(s) the Notes will be listed. No assurances can be given that the Programme will qualify for listing on a stock exchange. In addition, no assurances can be given that if the Programme qualifies for listing on a stock exchange and the relevant Pricing Supplement indicates that such Series of Notes will be listed on a stock exchange, that such Notes will trade from their date of issuance until maturity (or early redemption) and that such listing will be maintained.

### Selling Restrictions

#### United States of America

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Notes may not be offered or sold to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Dealer Agreement, it will not offer, sell or, in the case of Bearer Notes, deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Notes are a part, as determined and certified to the Issuing and Paying Agent by such Dealer (or, in the case of an identifiable tranche of Notes sold to or through more than one Dealer, by each of such Dealers with respect to Notes of an identifiable tranche purchased by or through it, in which case the Issuing and Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such tranche of Notes) may violate the registration requirements of the Securities Act.

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States. Distribution of this Offering Circular by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

### **European Economic Area**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **“Relevant Member State”**), each Dealer has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **“Relevant Implementation Date”**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (i) if the relevant Pricing Supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a **“Non-exempt Offer”**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the relevant Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (iii) at any time to fewer than 100, or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (i) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented to the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

## United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

## Hong Kong

Each Dealer has represented and agreed that (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, except for Notes which are a “structured product” as defined in the Securities and Futures Ordinance other than (a) to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

## Singapore

Each Dealer has acknowledged that this Offering Circular has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Sections 275(1A), 276(3)(i)(B) or 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 32 of the Securities and Futures (Offer of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act no. 25 of 1948, as amended) (the "**Financial Instruments and Exchange Act**"). Accordingly, each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other relevant laws and regulations of Japan.

## FORM OF PRICING SUPPLEMENT

The form of Pricing Supplement that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

**Pricing Supplement dated [●]**

**CROESUS RETAIL ASSET MANAGEMENT PTE. LTD.**

**(in its capacity as trustee-manager of Croesus Retail Trust)  
Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]  
under the U.S.\$500,000,000 Euro Medium Term Note Programme**

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the “**Conditions**”) set forth in the Offering Circular dated 4 April 2016 [and the supplemental Offering Circular dated [●]]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular.

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the “**Conditions**”) set forth in the Offering Circular dated 4 April 2016. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated [current date] [and the supplemental Offering Circular dated [●]], save in respect of the Conditions which are extracted from the Offering Circular dated 4 April 2016 and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circulars dated [current date] and 4 April 2016.]

*[The following language applies if the Notes are intended to be Qualifying Debt Securities for the purposes of the Income Tax Act, Chapter 134 of Singapore.]*

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the “**ITA**”), shall not apply if such person acquires such Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.]

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]*

- |   |   |  |
|---|---|--|
| 1 | Issuer:   | Croesus Retail Asset Management Pte. Ltd. (in its capacity as trustee-manager of Croesus Retail Trust) |
| 2 | [(i)] Series Number:  | [●]  |
|   | [(ii)] Tranche Number: <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes became fungible.)</i> | [●]  |

- 3 Specified Currency or Currencies: [●]
- 4 Aggregate Principal Amount:  
 [(i)] Series: [●]  
 [(ii)] Tranche: [●]
- 5 (i) Issue Price: [●] per cent. of the Aggregate Principal Amount [plus accrued interest from *[insert date]* (*in the case of fungible issues only, if applicable*)]  
 (ii) Net Proceeds: [●]
- 6 (i) Specified Denominations: [●]  
 (ii) Calculation Amount: [●]
- 7 (i) Issue Date: [●]  
 (ii) Interest Commencement Date: [*Specify/Issue date/Not Applicable*]
- 8 Maturity Date: [*specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]<sup>1</sup>
- 9 Interest Basis: [[●] per cent. Fixed Rate]  
 [[*specify reference rate*] +/- [●] per cent. Floating Rate]  
 [Zero Coupon][Index Linked Interest][Other (*specify*)]  
 (further particulars specified below)
- 10 Redemption/Payment Basis: [Redemption at par]  
 [Index Linked Redemption]  
 [Dual Currency][Partly Paid]  
 [Instalment]  
 [Other (*specify*)]
- 11 Change of Interest or Redemption/  
 Payment Basis: [*Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis*]
- 12 Put/Call Options: [Investor Put]  
 [Cessation or Suspension of Trading Put]  
 [Issuer Call]  
 [(further particulars specified below)]
- 13 Status of the Notes: Senior
- 14 Listing and admission to trading: [[●] (*specify*)/None]
- 15 Method of distribution: [Syndicated/Non-syndicated]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- 16 Fixed Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business Center(s) for the definition of "Relevant Business Day"*]/*[not adjusted]*]

<sup>1</sup> Note that Hong Kong Dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification it will be necessary to use the second option.

(iii)	Fixed Coupon Amount[(s)]:	[●] per Calculation Amount <sup>2</sup>
(iv)	Broken Amount(s):	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
(v)	Day Count Fraction:	[30/360/Actual/Actual(ICMA/ISDA)/other]
(vi)	[Determination Dates:	[●] in each year ( <i>insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))</i> ]
(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/ <i>give details</i> ]
17	Floating Rate Note Provisions	[Applicable/Not Applicable]  <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i)	Interest Period(s):	[●]
(ii)	Specified Interest Payment Dates:	[●]
(iii)	Interest Period Date:	[●] <i>(Not applicable unless different from Interest Payment Date)</i>
(iv)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other ( <i>give details</i> )]
(v)	Business Centre(s):	[●]
(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other ( <i>give details</i> )]
(vii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Agent]):	[●]
(viii)	Screen Rate Determination:	
	– Reference Rate:	[●] <i>(Either LIBOR, EURIBOR or SIBOR or other, although additional information is required if other)</i>
	– Interest Determination Date(s):	[●] <i>(the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is not Sterling, euro or Hong Kong Dollars or first day of each Interest Accrual Period if the Specified Currency is Sterling or Hong Kong Dollars or the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro)</i>

<sup>2</sup> For Hong Kong Dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest HK\$0.01, HK\$0.005 for the case of Hong Kong Dollar denominated Fixed Rate Notes, being rounded upwards".

- Relevant Screen Page: [●]  
*[(In the case of EURIBOR, if not Reuters Page EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)]*
- (ix) ISDA Determination:
  - Floating Rate Option: [●]
  - Designated Maturity: [●]
  - Reset Date: [●]
  - ISDA Definitions: 2006 (if different to those set out in the Conditions, please specify)
- (x) Margin(s): [+/-][●] per cent. per annum
- (xi) Minimum Rate of Interest: [●] per cent. per annum
- (xii) Maximum Rate of Interest: [●] per cent. per annum
- (xiii) Day Count Fraction: [●]
- (xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [●]
- 18 Zero Coupon Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
  - (i) Amortisation Yield: [●] per cent. per annum
  - (ii) Any other formula/basis of determining amount payable: [●]
- 19 Index Linked Interest Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
  - (i) Index/Formula: [give or annex details]
  - (ii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Agent]): [●]
  - (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable or otherwise disrupted: [●]
  - (iv) Interest Period(s): [●]
  - (v) Specified Interest Payment Dates: [●]

- (vi) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (vii) Business Centre(s): [●]
- (viii) Minimum Rate of Interest: [●] per cent. per annum
- (ix) Maximum Rate of Interest: [●] per cent. per annum
- (x) Day Count Fraction: [●]
- 20 Dual Currency Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Party, if any, responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Agent): [●]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [●]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [●]

#### PROVISIONS RELATING TO REDEMPTION

- 21 Call Option [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note and specified denomination method, if any, of calculation of such amount(s): [●] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [●] per Calculation Amount
- (b) Maximum Redemption Amount: [●] per Calculation Amount
- (iv) Notice period: [●]
- 22 [Investor/Cessation or Suspension of Trading] Put Option [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]

- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Calculation amount
- (iii) Notice period: [●]
- 23 Final Redemption Amount of each Note [●] per Calculation Amount
- 24 Early Redemption Amount
- (i) Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions): [●]

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 25 Form of Notes: [Bearer Notes/Registered Notes]
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
- [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice] (*For this option to be available, such Notes shall only be issued in denominations that are equal to, or greater than, EUR100,000 (or its equivalent in other currencies) and integral multiples thereof*)
- [Permanent Global Note/Global Certificate exchangeable for Definitive Notes in the limited circumstances specified in the permanent Global Note/Global Certificate]
- [Definitive Notes]
- 26 Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details. Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraphs 16(ii), 17(v) and 19(vii) relate]
- 27 Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, *give details*]
- 28 Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/*give details*]
- 29 Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/*give details*]
- 30 Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [annexed to this Pricing Supplement] apply]

- 31 Consolidation provisions: [Not Applicable/The provisions [in Condition [●]]  
[annexed to this Pricing Supplement] apply]
- 32 Other terms or special conditions: [Not Applicable/*give details*]

#### **DISTRIBUTION**

- 33 (i) If syndicated, names of Managers: [Not Applicable/*give name*]
- (ii) Stabilising Manager (if any): [Not Applicable/*give name*]
- 34 If non-syndicated, name of Dealer: [Not Applicable/*give name*]
- 35 U.S. selling restrictions: [Reg. S Category 1/2; TEFRA D/TEFRA C/TEFRA Not Applicable] The Notes are being offered and sold only in accordance with Regulation S.
- 36 Additional selling restrictions: [Not Applicable/*give details*]

#### **OPERATIONAL INFORMATION**

- 37 ISIN Code: [●]
- 38 Common Code: [●]
- 39 Any clearing system(s) other than Euroclear, Clearstream, Luxembourg or CDP and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
- 40 Delivery: Delivery [against/free of] payment
- 41 Additional Paying Agent(s) (if any): [●]

#### **GENERAL**

- 42 The aggregate principal amount of Notes in the Specified Currency issued has been translated into U.S. Dollars at the rate specified, producing a sum of: [Not applicable/Exchange rate of Specified Currency: U.S. Dollar/U.S. Dollar equivalent: [●]]
- 43 In the case of Registered Notes, specify the location of the office of the Registrar if other than Luxembourg/Singapore: [●]
- 44 In the case of Bearer Notes, specify the location of the office of the Issuing and Paying Agent if other than London or Singapore: [●]
- 45 Ratings: The Notes to be issued are unrated.
- 46 Governing Law: [English law/Singapore law]

#### **PURPOSE OF PRICING SUPPLEMENT**

This Pricing Supplement comprises the final terms required for issue and admission to trading on the Singapore Exchange Securities Trading Limited of the Notes described herein pursuant to the U.S.\$500,000,000 Euro Medium Term Note Programme.

## [STABILISATION

In connection with this issue, [insert name of Stabilising Manager] (the “**Stabilising Manager**”) (or persons acting on behalf of any Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or overallotment must be conducted by the relevant Stabilising Manager (or persons acting on behalf of any Stabilising Manager) in accordance with all applicable laws and rules.]

## INVESTMENT CONSIDERATIONS

There are significant risks associated with the Notes including, but not limited to, counterparty risk, country risk, price risk and liquidity risk. Investors should contact their own financial, legal, accounting and tax advisers about the risks associated with an investment in these Notes, the appropriate tools to analyse that investment, and the suitability of the investment in each investor’s particular circumstances. No investor should purchase the Notes unless that investor understands and has sufficient financial resources to bear the price, market liquidity, structure and other risks associated with an investment in these Notes.

Before entering into any transaction, investors should ensure that they fully understand the potential risks and rewards of that transaction and independently determine that the transaction is appropriate given their objectives, experience, financial and operational resources and other relevant circumstances. Investors should consider consulting with such advisers as they deem necessary to assist them in making these determinations.

## MATERIAL ADVERSE CHANGE STATEMENT

[Except as disclosed in this document, there/There] has been no significant change in the financial or trading position of the Group since [*insert date of last audited accounts or interim accounts (if later)*] and no material adverse change in the financial position or prospects of the Group since [*insert date of last published annual accounts.*]

## RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of **Croesus Retail Asset Management Pte. Ltd.:**

(in its capacity as trustee-manager of Croesus Retail Trust)

By:

\_\_\_\_\_   
Duly authorised

## GENERAL INFORMATION

- (1) Application has been made to the SGX-ST for permission to deal in and for the listing of any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. There is no assurance that the application to the Official List of the SGX-ST for the listing of the Notes will be approved. Admission to the Official List of the SGX-ST and listing of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Group, the Programme or such Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein.
- (2) The Issuer has obtained all necessary consents, approvals and authorisations in Singapore in connection with the establishment of the Programme. The establishment of and any subsequent amendments or supplements to the Programme was authorised by a resolution of the Board of Directors of the Issuer passed on 3 January 2014.
- (3) Except as disclosed in this Offering Circular, none of CRT nor any member of the Group are involved in any material litigation or arbitration proceedings that may have, or have had during the 12 months preceding the date of this Offering Circular, a material adverse effect on the Group's financial position, results of operations, prospects, properties or general affairs, taken as a whole, nor is the Issuer aware that any such proceedings are pending or threatened.
- (4) Except as disclosed in this Offering Circular, there has been no material adverse change in the Group's financial position, results of operations or prospects since the Listing Date, and there has been no material adverse change in its financial condition, capitalisation or prospects since the Listing Date.
- (5) Each Bearer Note having a maturity of more than one year, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
- (6) Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records) and CDP. The relevant ISIN, the Common Code and (where applicable) the identification number for any other relevant clearing system for each series of Notes will be specified in the relevant Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be set out in the relevant Pricing Supplement.

The address of CDP is 4 Shenton Way, #02-01 SGX Centre 2, Singapore 068807. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1 855 Luxembourg.
- (7) The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Pricing Supplement of each Tranche, based on the prevailing market conditions.
- (8) For so long as Notes may be issued pursuant to this Offering Circular, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the specified offices of the Issuing and Paying Agent and the CDP Paying Agent:
  - (i) the Trust Deed (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons, the Receipts and the Talons), the Agency Agreement and the CDP Deed of Covenant;
  - (ii) the Memorandum and Articles of Association of the Issuer;
  - (iii) the CRT Trust Deed;

- (iv) each Pricing Supplement (save that Pricing Supplement relating to a Note which is neither admitted to trading on a regulated market within the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Issuing and Paying Agent as to its holding of Notes and identity);
- (v) a copy of this Offering Circular together with any supplement to this Offering Circular or further Offering Circular and any documents incorporated by reference in the Offering Circular or such supplement or further Offering Circular; and
- (vi) copies of the Group's latest published audited consolidated annual financial statements and interim financial statements (whether audited or not) (including the unaudited consolidated interim financial statements of the Group for the period ended 31 December 2015 and the audited consolidated financial statements of the Group for the financial year ended 30 June 2015).

## INDEX TO FINANCIAL STATEMENTS

UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE SECOND QUARTER ENDED 31 DECEMBER 2015 .....	F-2
--	-----

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015.....	F-19
--	------

The information in this Appendix has been extracted and reproduced from (i) the Unaudited Financial Statements Announcement of the Group for the Second Quarter ended 31 December 2015 and (ii) the Audited Consolidated Financial Statements of the Group for the financial year ended 30 June 2015 and has not been specifically prepared for inclusion in this Offering Circular. The references to the page numbers herein are those as reproduced from (i) the Unaudited Financial Statements Announcement for the Second Quarter ended 31 December 2015 and (ii) the annual report FY2015 of the Group (as the case may be).



### 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 December 2015, CRT’s portfolio comprises 8 quality retail properties (the “Properties”) located across Japan with an aggregate net lettable area (“NLA”) of approximately 328,052.1 sqm and the occupancy rates as at 31 December 2015 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	9,285.1	97.7%
Mallage Shobu	Japan / Saitama	67,961.3	97.3%
One’s Mall	Japan / Chiba	52,848.6	99.7%
Torius	Japan / Fukuoka	76,926.4	95.8%

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 2Q 2016 vs 2Q 2015 and 1H 2016 vs 1H 2015

Note	2Q 2016	2Q 2015	Variance	1H 2016	1H 2015	Variance
	1 Oct 2015 to 31 Dec 2015 (JPY'000)	1 Oct 2014 to 31 Dec 2014 (JPY'000)	Increase/ (Decrease) (%)	1 Jul 2015 to 31 Dec 2015 (JPY'000)	1 Jul 2014 to 31 Dec 2014 (JPY'000)	Increase/ (Decrease) (%)
<b>Gross Revenue</b>	<b>2,433,621</b>	<b>1,952,061</b>	<b>24.7%</b>	<b>4,440,220</b>	<b>3,664,543</b>	<b>21.2%</b>
Gross rental income	1,999,368	1,667,240	19.9%	3,679,729	3,063,187	20.1%
Utilities income	249,025	218,707	13.9%	500,274	412,325	21.3%
Other income	185,228	66,114	180.2%	260,217	189,031	37.7%
<b>Property Operating Expenses</b>	<b>(1,065,707)</b>	<b>(752,699)</b>	<b>41.6%</b>	<b>(1,839,532)</b>	<b>(1,351,723)</b>	<b>36.1%</b>
Property management expenses	(246,705)	(98,014)	151.7%	(342,315)	(176,270)	94.2%
Building management expenses	(177,501)	(150,699)	17.8%	(324,464)	(244,155)	32.9%
Repair expenses	(23,386)	(11,804)	98.1%	(38,580)	(20,575)	87.5%
Utilities expenses	(270,274)	(252,063)	7.2%	(553,746)	(480,938)	15.1%
Property tax expenses	(119,864)	(105,637)	13.5%	(225,774)	(191,720)	17.8%
Insurance expenses	(4,408)	(4,116)	7.1%	(7,390)	(7,667)	(3.6%)
Sales and promotion expenses	(112,371)	(82,389)	36.4%	(186,954)	(135,279)	38.2%
Other expenses	(111,198)	(47,977)	131.8%	(160,309)	(95,119)	68.5%
<b>Net Property Income</b>	<b>1,367,914</b>	<b>1,199,362</b>	<b>14.1%</b>	<b>2,600,688</b>	<b>2,312,820</b>	<b>12.4%</b>
Finance income	1,376	434	217.1%	3,654	1,373	166.1%
Finance costs	(269,792)	(255,885)	5.4%	(529,471)	(490,624)	7.9%
Other administrative expenses	(28,650)	(18,187)	57.5%	(44,850)	(29,244)	53.4%
Trustee-Manager's fees	(155,345)	(141,394)	9.9%	(296,527)	(276,442)	7.3%
Japan Asset Manager's fees	(24,343)	(20,614)	18.1%	(46,172)	(38,624)	19.5%
Other trust expenses	(32,418)	(41,805)	(22.5%)	(68,228)	(74,677)	(8.6%)
Foreign exchange (losses)/gains	(5,100)	12,251	(141.6%)	(21,759)	19,102	(213.9%)
<b>Profit before changes in fair value</b>	<b>853,642</b>	<b>734,162</b>	<b>16.3%</b>	<b>1,597,335</b>	<b>1,423,684</b>	<b>12.2%</b>
Fair value gains on investment properties	52,718	307,334	(82.8%)	52,718	307,334	(82.8%)
Fair value gains/ (losses) on derivative financial instruments	(a) 135,641	228,721	(40.7%)	(447,864)	394,649	(213.5%)
<b>Profit before tax</b>	<b>1,042,001</b>	<b>1,270,217</b>	<b>(18.0%)</b>	<b>1,202,189</b>	<b>2,125,667</b>	<b>(43.4%)</b>
Income tax expenses						
Current tax	(102,752)	(85,354)	20.4%	(161,323)	(176,967)	(8.8%)
Deferred tax	(145,165)	(251,709)	(42.3%)	(260,516)	(341,907)	(23.8%)
<b>Profit after tax</b>	<b>794,084</b>	<b>933,154</b>	<b>(14.9%)</b>	<b>780,350</b>	<b>1,606,793</b>	<b>(51.4%)</b>
<b>Other comprehensive income</b>						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Net losses on fair value changes on cash flow hedge	(b) (31,170)	(31,834)	(2.1%)	(137,493)	(6,620)	1976.9%
<b>Total other comprehensive income</b>	<b>(31,170)</b>	<b>(31,834)</b>	<b>(2.1%)</b>	<b>(137,493)</b>	<b>(6,620)</b>	<b>1976.9%</b>
<b>Total comprehensive income for the period</b>	<b>762,914</b>	<b>901,320</b>	<b>(15.4%)</b>	<b>642,857</b>	<b>1,600,173</b>	<b>(59.8%)</b>

1 (a) Consolidated statement of comprehensive income and distribution statement for 2Q 2016 vs 2Q 2015 and 1H 2016 vs 1H 2015 (Cont'd)

Consolidated distribution statement

	2Q 2016			2Q 2015			1H 2016			1H 2015		
	Note	1 Oct 2015 to 31 Dec 2015 (JPY'000)	1 Oct 2014 to 31 Dec 2014 (JPY'000)	Increase/ (Decrease) (%)	1 Jul 2015 to 31 Dec 2015 (JPY'000)	1 Jul 2014 to 31 Dec 2014 (JPY'000)	Increase/ (Decrease) (%)	1 Jul 2015 to 31 Dec 2015 (JPY'000)	1 Jul 2014 to 31 Dec 2014 (JPY'000)	Increase/ (Decrease) (%)		
<u>Reconciliation of profit after tax to income available for distribution</u>												
<b>Profit after tax</b>		<b>794,084</b>	<b>933,154</b>	<b>(14.9%)</b>	<b>780,350</b>	<b>1,606,793</b>	<b>(51.4%)</b>					
<u>Adjustment for:</u>												
Trustee-Manager's fees paid/payable in Units		135,957	134,326	1.2%	266,365	256,772	3.7%					
Amortisation of upfront costs		77,361	72,722	6.4%	151,905	137,509	10.5%					
Amortisation of prepaid property tax		-	37,040	(100.0%)	-	54,506	(100.0%)					
Fair value gains on investment properties, net of tax	(c)	(41,844)	(243,944)	(82.8%)	(41,844)	(243,944)	(82.8%)					
Fair value (gains)/losses on derivative financial instruments	(a)	(135,641)	(228,721)	(40.7%)	447,864	(394,649)	(213.5%)					
Deferred tax expense		134,292	188,318	(28.7%)	249,643	278,516	(10.4%)					
Others		9,109	(18,140)	(150.2%)	37,572	(29,753)	(226.3%)					
<b>Income available for distribution</b>		<b>973,318</b>	<b>874,755</b>	<b>11.3%</b>	<b>1,891,855</b>	<b>1,665,750</b>	<b>13.6%</b>					

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 Dec 2015		30 Jun 2015	
		CRT (JPY'000)	CRT Group (JPY'000)	CRT (JPY'000)	CRT Group (JPY'000)
<b>Non-current assets</b>					
Investment properties	(a)	-	96,318,181	-	87,930,000
Investment in subsidiaries		34,167,275	-	29,837,901	-
Loan to subsidiaries		8,210,816	-	8,536,696	-
Other receivables	(c)	-	620,239	-	97,242
Derivative financial instrument	(b)	191,535	191,535	885,548	885,548
Prepayments		-	293,829	-	300,279
Restricted cash		-	4,636,740	-	3,767,811
Deferred tax assets		-	7,535	-	11,990
		42,569,626	102,068,059	39,260,145	92,992,870
<b>Current assets</b>					
Cash and short-term deposits		1,490,321	2,565,312	1,115,077	2,941,662
Trade and other receivables	(c)	355,805	1,594,350	278,495	491,358
Derivative financial instruments	(b)	97,122	97,122	353,744	353,744
Prepayments		-	88,606	-	321,059
Restricted cash		-	3,602,947	-	3,300,260
		1,943,248	7,948,337	1,747,316	7,408,083
<b>Total assets</b>		44,512,874	110,016,396	41,007,461	100,400,953
<b>Current liabilities</b>					
Loans and borrowings		-	553,148	-	646,873
Trade and other payables		226,905	1,135,250	37,026	1,219,328
Derivative financial instruments	(b)	53,559	53,559	-	298
Income tax payable		54,010	303,022	65,841	255,408
Other liabilities		51,689	704,656	40,023	658,761
		386,163	2,749,635	142,890	2,780,668
<b>Non-current liabilities</b>					
Loans and borrowings	(a)	8,587,299	50,348,700	9,137,533	46,840,340
Trade and other payables	(c)	-	4,018,489	-	3,250,321
Derivative financial instruments	(b)	98,749	525,191	-	363,732
Other liabilities		129,720	652,715	128,546	580,868
Deferred tax liabilities		-	3,254,923	-	2,998,862
		8,815,768	58,800,018	9,266,079	54,034,123
<b>Total liabilities</b>		9,201,931	61,549,653	9,408,969	56,814,791
<b>Net assets attributable to unitholders</b>					
		35,310,943	48,466,743	31,598,492	43,586,162
<b>Equity attributable to unitholders</b>					
Units in issue	(a)	42,366,836	42,351,329	36,502,257	36,486,750
Accumulated (losses)/profits		(6,983,661)	6,614,088	(4,906,613)	7,460,593
Fair value adjustment reserve		(72,232)	(498,674)	2,848	(361,181)
		35,310,943	48,466,743	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 Dec 2015 CRT Group (JPY'000)	30 Jun 2015 CRT Group (JPY'000)
<b>Amount payable within one year</b>				
Specified bonds	(b)	2015	-	646,873
Specified bonds	(b)	2016	553,148	-
			553,148	646,873
<b>Amount payable after one year</b>				
Specified loans	(a)	2018-2019	29,023,217	28,933,726
Specified bonds	(b)	2018-2020	12,738,184	8,769,081
Medium Term Note	(c)	2017	8,587,299	9,137,533
			50,348,700	46,840,340
<b>Total loans and borrowings</b>			<b>50,901,848</b>	<b>47,487,213</b>

**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 2Q 2016 vs 2Q 2015 and 1H 2016 vs 1H 2015

	Note	2Q 2016	2Q 2015	1H 2016	1H 2015
		1 Oct 2015 to 31 Dec 2015 (JPY'000)	1 Oct 2014 to 31 Dec 2014 (JPY'000)	1 Jul 2015 to 31 Dec 2015 (JPY'000)	1 Jul 2014 to 31 Dec 2014 (JPY'000)
<b>Operating activities</b>					
Profit before tax		1,042,001	1,270,217	1,202,189	2,125,667
Adjustment for:					
Changes in fair value of investment properties	(a)	(52,718)	(307,334)	(52,718)	(307,334)
Changes in fair value of derivative financial instruments		(135,641)	(228,721)	447,864	(394,649)
Finance income		(1,376)	(434)	(3,654)	(1,373)
Finance costs		269,792	255,885	529,471	490,624
Trustee-Manager's fees paid in units		129,905	123,395	122,615	127,166
Trustee-Manager's fees payable in units		13,343	7,160	143,751	129,606
Amortisation of property tax		-	37,040	-	54,506
Unrealised foreign exchange losses		(7,219)	(7,995)	24,512	(3,192)
		1,258,087	1,149,213	2,414,030	2,221,021
<b>Changes in working capital</b>					
Restricted cash		(1,211,650)	(2,083,677)	(1,171,616)	(3,171,553)
Prepayments		112,128	51,219	238,903	(38,377)
Trade and other receivables		(1,580,576)	(669,078)	(1,533,502)	(331,706)
Trade and other payables		791,605	1,641,554	646,764	1,780,913
Other liabilities		147,347	262,197	52,844	217,648
		(483,059)	351,428	647,423	677,946
Finance income received		1,376	434	3,654	1,373
Finance costs paid		(78,706)	(83,910)	(272,827)	(277,710)
Income taxes paid		48,964	20,699	(206,198)	(162,214)
<b>Net cash flows (used in)/generated from operating activities</b>		(511,425)	288,651	172,052	239,395
<b>Investing activity</b>					
Acquisition of investment properties	(a)	(8,247,282)	(11,298,156)	(8,247,282)	(11,298,156)
Subsequent expenditure on investment properties		(67,725)	(10,811)	(88,181)	(16,011)
<b>Net cash flows used in investing activities</b>		(8,315,007)	(11,308,967)	(8,335,463)	(11,314,167)
<b>Financing activities</b>					
Proceeds from issuance of units	(b)	5,845,581	-	5,845,581	6,085,912
Payment of issue costs		(247,368)	(4,890)	(247,368)	(179,122)
Distribution to unitholders		-	-	(1,626,855)	(1,984,063)
Proceeds from loans and borrowings	(c)	4,560,000	6,150,000	4,560,000	6,150,000
Payment of upfront costs of loans and borrowings		(69,844)	(155,509)	(69,844)	(155,509)
Repayment of loans and borrowings		(650,000)	-	(650,000)	-
<b>Net cash flow generated from financing</b>		9,438,369	5,989,601	7,811,514	9,917,218
<b>Net increase/(decrease) in cash and cash equivalents</b>		611,937	(5,030,715)	(351,897)	(1,157,554)
<b>Cash and cash equivalents at beginning of the financial period</b>		1,945,954	6,622,779	2,941,662	2,754,421
<b>Effect of exchange rate change on cash and cash equivalents</b>		7,421	7,995	(24,453)	3,192
<b>Cash and cash equivalents at end of the financial period</b>		2,565,312	1,600,059	2,565,312	1,600,059

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 1H 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.

In 1H 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.

(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	
		2Q 2016 (JPY'000)	1H 2016 (JPY'000)	2Q 2016 (JPY'000)	1H 2016 (JPY'000)
<b>Units in issue</b>					
Balance at beginning of the period		36,625,376	36,502,257	36,609,869	36,486,750
- Issue of new units		5,975,486	6,097,257	5,975,486	6,097,257
- Management fees payable in units	(a)	13,342	14,690	13,342	14,690
- Issue costs		(247,368)	(247,368)	(247,368)	(247,368)
Balance at end of the period		42,366,836	42,366,836	42,351,329	42,351,329
<b>Accumulated (losses)/profit</b>					
Balance at beginning of the period		(6,859,943)	(4,906,613)	5,820,004	7,460,593
- Net (loss)/profit for the period		(123,718)	(450,193)	794,084	780,350
- Distribution to unitholders		-	(1,626,855)	-	(1,626,855)
Balance at end of the period		(6,983,661)	(6,983,661)	6,614,088	6,614,088
<b>Fair value adjustment reserve</b>					
Balance at beginning of the period		(52,762)	2,848	(467,504)	(361,181)
- Net losses on fair value changes on cash flow hedge		(19,470)	(75,080)	(31,170)	(137,493)
Balance at end of the period		(72,232)	(72,232)	(498,674)	(498,674)
<b>Equity attributable to unitholders</b>		<b>35,310,943</b>	<b>35,310,943</b>	<b>48,466,743</b>	<b>48,466,743</b>

	Note	CRT		CRT Group	
		2Q 2015 (JPY'000)	1H 2015 (JPY'000)	2Q 2015 (JPY'000)	1H 2015 (JPY'000)
<b>Units in issue</b>					
Balance at beginning of the period		35,914,713	29,876,815	35,899,206	29,861,308
- Issue of new units		123,395	6,331,484	123,395	6,331,484
- Management fees payable in units	(a)	7,160	11,201	7,160	11,201
- Issue costs		(4,890)	(179,122)	(4,890)	(179,122)
Balance at end of the period		36,040,378	36,040,378	36,024,871	36,024,871
<b>Accumulated (losses)/profit</b>					
Balance at beginning of the period		(4,040,578)	(2,386,145)	1,671,759	2,982,183
- Net (losses)/profit for the period		(1,982)	327,648	933,154	1,606,793
- Distribution to unitholders		-	(1,984,063)	-	(1,984,063)
Balance at end of the period		(4,042,560)	(4,042,560)	2,604,913	2,604,913
<b>Fair value adjustment reserve</b>					
Balance at beginning of the period		(5,075)	(1,904)	(424,743)	(449,957)
- Net losses on fair value changes on cash flow hedge		(7,734)	(10,905)	(31,834)	(6,620)
Balance at end of the period		(12,809)	(12,809)	(456,577)	(456,577)
<b>Equity attributable to unitholders</b>		<b>31,985,009</b>	<b>31,985,009</b>	<b>38,173,207</b>	<b>38,173,207</b>

**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 December 2015 and 31 December 2014. The Trustee-Manager has opted to receive approximately 80% of the fees in units.

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

	Note	2Q 2016	1H 2016	Year 2015
		1 Oct 2015 to 31 Dec 2015	1 Jul 2015 to 31 Dec 2015	1 Jul 2014 to 30 Jun 2015
Balance at beginning of the period		519,193,989	517,513,989	429,988,000
- Trustee-Manager's fees paid in units		1,830,000	3,510,000	6,000,000
- Private placement		-	-	78,900,000
- Distribution reinvestment plan		-	-	2,625,989
- Right Issue		114,222,677	114,222,677	-
Issued units at the end of the period		635,246,666	635,246,666	517,513,989
Units to be issued				
- Trustee-Manager's fees payable in units	(a)	2,200,000	2,200,000	1,680,000
Balance at end of the period		637,446,666	637,446,666	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 December 2015 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 2Q 2016 vs 2Q 2015 and 1H 2016 vs 1H 2015

Group earnings per unit

Note	2Q 2016	2Q 2015	
	1 Oct 2015 to 31 Dec 2015	1 Oct 2014 to 31 Dec 2014	As restated (b)
Weighted average number of units	592,079,155	510,999,957	582,994,144
Earnings for the period (JPY'000)	794,084	933,154	933,154
EPU for the period based on the weighted average number of units in issue (JPY)	1.34	1.83	1.60

Note	1H 2016	1H 2015	
	1 Jul 2015 to 31 Dec 2015	1 Jul 2014 to 31 Dec 2014	As restated (b)
Weighted average number of units	555,079,615	479,330,120	514,890,529
Earnings for the period (JPY'000)	780,350	1,606,793	1,606,793
EPU for the period based on the weighted average number of units in issue (JPY)	1.41	3.35	3.12

Notes:

- (a) The weighted average number of units is weighted for 2Q 2016, 2Q 2015, 1H 2016 and 1H 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 2Q 2016 vs 2Q 2015 and 1H 2016 vs 1H 2015 (Cont’d)

Group distribution per unit

Note	2Q 2016	2Q 2015	
	1 Oct 2015 to 31 Dec 2015	1 Oct 2014 to 31 Dec 2014	As restated (b)
Number of units issued and to be issued at end of period entitled to distribution	(a) 637,446,666	513,388,000	627,610,677
Income available for distribution for the period (JPY’000)	973,318	874,755	874,755
DPU for the period based on the number of units entitled to distribution (Singapore cent)	(c) 1.79	2.08	1.70

Note	1H 2016	1H 2015	
	1 Oct 2015 to 31 Dec 2015	1 Jul 2014 to 31 Dec 2014	As restated (b)
Number of units issued and to be issued at end of period entitled to distribution	(a) 637,446,666	513,388,000	627,610,677
Income available for distribution for the period (JPY’000)	1,891,855	1,665,750	1,665,750
DPU for the period based on the number of units entitled to distribution (Singapore cent)	(c) 3.50	4.16	3.40

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 December 2015 and 31 December 2014 of 635,246,666 and 511,788,000, 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 October 2015 to 31 December 2015 and for the period from 1 October 2014 to 31 December 2014 of 2,200,000\*\* and 1,600,000 (as reflected in the results announcement on 11 February 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 December 2015 is computed based on an average SGD/JPY exchange rate of 84.81. 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 Dec 2015	As at 30 Jun 2015
Number of units issued and to be issued at end of period entitled to distribution	(a)	637,446,666	519,193,989
NAV as at end of period (JPY'000)		48,466,743	43,586,162
Net asset value per unit (JPY)		76.03	83.95

**Notes:**

- (a) The number of units used to compute net asset value per unit as at 31 December 2015 and 30 June 2015 is 637,446,666 and 519,193,989, respectively. This comprises:
- (i) The number of units in issue as at 31 December 2015 and 30 June 2015 of 635,246,666 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 October 2015 to 31 December 2015 and for the period from 1 April 2015 to 30 June 2015 of 2,200,000\*\* 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

2Q 2016 vs 2Q 2015

	2Q 2016	2Q 2015		Variance (%)
	1 Oct 2015 to 31 Dec 2015	1 Oct 2014 to 31 Dec 2014	As restated (a)	
Gross revenue (JPY'000)	2,433,621	1,952,061	1,952,061	24.7%
Net property income (JPY'000)	1,367,914	1,199,362	1,199,362	14.1%
Income available for distribution (JPY'000)	973,318	874,755	874,755	11.3%
Income available for distribution per unit (Singapore cent)	1.79	2.08	1.70	5.3%

**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)

1H 2016 vs 1H 2015

	1H 2016	1H 2015		Variance (%)
	1 Jul 2015 to 31 Dec 2015	1 Jul 2014 to 31 Dec 2014	As restated <sup>(a)</sup>	
Gross revenue (JPY'000)	4,440,220	3,664,543	3,664,543	21.2%
Net property income (JPY'000)	2,600,688	2,312,820	2,312,820	12.4%
Income available for distribution (JPY'000)	1,891,855	1,665,750	1,665,750	13.6%
Income available for distribution per unit (Singapore cent)	3.50	4.16	3.40	2.9%

**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)

2Q 2016 actual compared to 2Q 2015 actual

Gross revenue for 2Q 2016 was JPY 2,434 million, 24.7% higher than 2Q 2015. This positive variance is due mainly to the acquisition of One's Mall on 16 October 2014 and 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 2Q 2016 was JPY 1,368 million, 14.1% higher than 2Q 2015 as a result of higher expense ratio in One's Mall and Torius.

Income available for distribution for 2Q 2016 is JPY 973 million, 11.3% higher than 2Q 2015. The lower variance is due to higher property tax add back for the acquisition in FY2014.

The total number of units for 2Q 2016 increased as compared to 2Q 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 2Q 2016 DPU computation is 84.81 and is higher than 2Q 2015.

Overall, the income available for distribution per unit for 2Q 2016 is 1.79 Singapore cents, 5.3% higher than 2Q 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**

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

**1H 2016 actual compared to 1H 2015 actual**

Gross revenue for 1H 2016 was JPY 4,440 million, 21.2% higher than 1H 2015. This positive variance is due mainly to the acquisition of One's Mall on 16 October 2014 and Torius on 16 October 2015, and the tenants renewal exercise at Mallage Shobu. However, the increase is partially offset by the absence of a one-off income at Mallage Shobu recorded in 1H2015. The tenants renewal exercise at Mallage Shobu was completed in October 2015.

Net property income for 1H 2016 was JPY 2,601 million, 12.4% higher than 1H 2015 as a result of higher expense ratio in One's Mall and Torius.

Income available for distribution for 1H 2016 is JPY 1,892million, 13.6% higher than 1H 2015. The higher positive variance compared to the net property income is due mainly to decrease in income tax expense.

The total number of units for 1H 2016 increased as compared to 1H 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 1H 2016 DPU computation is 84.81 and is higher than 1H 2015.

Overall, the income available for distribution per unit for 1H 2016 is 3.50 Singapore cents, 2.9% higher than 1H 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) rose an annualised 1.0% in the third quarter of 2015 and increased 0.3% on a quarter-on-quarter basis. The growth exceeded the market expectation, suggesting that the Japan economy was in better shape than forecasted. Capital expenditure, which was the key contributor to the GDP growth, was up 0.6 percent in the third quarter of 2015 as a result of increasing business investment. Private consumption also increase 0.4% on a quarter-on-quarter basis.

The Bank of Japan had, on 29 January 2016 introduced a negative interest rate on deposit with the central bank to encourage fund flowing through the economy. The policy caused the three-month JPY TIBOR to drop below 0.15%. This provides CRT opportunity to finance or refinance its borrowing at lower interest rate. Not to mention, MTN of CRT will be due in next 12 months. The decrease in interest rate is also expected to lead to further rise in real estate prices in Japan. The aggregate value of CRT's seven properties as at 30 June 2015 increased 7.9% as compared to prior valuation.

**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)**

The competition for acquiring real estate assets in Japan has been keen in recent quarters. Notwithstanding the aforementioned, on 16 October 2015, CRT successfully completed the Acquisition of Torius. CRT is continuously looking into opportunities for further acquisition.

CRT had financed the acquisitions with five-year Japanese Yen debt maturing in 2018 to 2020 and Singapore Dollar 4.6% Fixed Rate Notes due 2017 (the "Notes") pursuant to its U.S.\$500,000,000 Euro Medium Term Note Programme as well as equity fund raising. In order to hedge its interest rate and foreign currency exposure, CRT has entered into interest rate swaps for each of the Japanese Yen debt and has entered into swap transaction to swap the Singapore dollar proceeds of the Notes into Japanese Yen at a JPY fixed interest rate of 3.83% per annum.

With a view of enhancing portfolio yield, the Trustee-Manager is concurrently exploring asset enhancement opportunities for the properties. It will be undertaking asset enhancement initiatives for One's Mall and Torius, two of CRT latest acquisitions, to enhance their attractiveness to both consumers and tenants.

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 distributions up to June 2017.

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?	3.50 cents for the period from 1 July 2015 to 31 December 2015.
---	---

**(b) Corresponding period of the immediately preceding year**

Any distributions declared for the corresponding period of the immediate preceding financial period?	2.50 cents for the period from 11 September 2014 to 31 December 2014.
--	---

1.66 cents advance distribution for the period from 1 July 2014 to 10 September 2014 was paid on 26 September 2014.

**(c) Date Payable**

30 March 2016

**(d) Books closure date**

19 February 2016

**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 from 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 December 2015 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 30 September 2015, 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.

16 Use of proceeds (Cont'd)

**(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.

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

11 February 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.

# REPORT OF THE TRUSTEE-MANAGER

For the year ended 30 June 2015

The directors of Croesus Retail Asset Management Pte. Ltd. as Trustee-Manager of Croesus Retail Trust (the "Trust" and Croesus Retail Asset Management Pte. Ltd. as Trustee-Manager of the Trust, the "Trustee-Manager") and its subsidiaries (together referred to as the "Group"), are pleased to present their report to the unitholders of the Trust together with the audited consolidated financial statements of the Group for the year ended 30 June 2015, the balance sheet as at 30 June 2015 and the statement of changes in unitholders' funds of the Trust for the year ended 30 June 2015.

## DIRECTORS

The directors of the Trustee-Manager in office at the date of this report are as follows:

Mr Lim Teck Leong David (Chairman)  
Mr Jim Chang Cheng-Wen (Chief Executive Officer)  
Mr Yong Chao Hsien Jeremy  
Mr Eng Meng Leong  
Mr Quah Ban Huat

## ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE UNITS AND DEBENTURES

Except as described in paragraph below, neither at the end of nor at any time during the financial year was the Trustee-Manager a party to any arrangement where the objective was to enable any or all directors of the Trustee-Manager to acquire benefits by means of the acquisition of units in, or debentures of, the Trust.

## DIRECTORS' INTERESTS IN UNITS AND DEBENTURES

According to the register of directors' unitholdings and for the purpose of Section 76 of the Business Trusts Act, Chapter 31A of Singapore (the "BTA"), only those directors as shown below hold units in, or debentures, of the Trust:

Name of director	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Mr Lim Teck Leong David	–	–	–	1,450,000
Mr Jim Chang Cheng-Wen	–	–	5,659,000	5,984,000
Mr Yong Chao Hsien Jeremy	–	–	5,659,000	5,984,000

There was no change in any of the above-mentioned interests in the Trust between the end of the year and 21 July 2015.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in units, unit options, warrants or debentures of the Trust, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

# REPORT OF THE TRUSTEE-MANAGER

For the year ended 30 June 2015

## **DIRECTORS' CONTRACTUAL BENEFITS**

Since the end of the previous financial period, no director has received or become entitled to receive a benefit in the Trust by reason of a contract made by the Trustee-Manager, on behalf of the Trust or a related corporation, with the director, or with a firm of which the director is a member or with a company in which the director has a substantial financial interest.

## **UNIT OPTIONS**

There were no options granted during the financial year to acquire unissued units in the Trust.

No units have been issued during the financial year by virtue of the exercise of options to take up unissued units in the Trust.

There were no unissued units in the Trust under option as at the end of the financial year.

## **AUDIT AND RISK COMMITTEE**

The Audit and Risk Committee ("ARC") comprises three independent directors. The members at the end of the financial year were as follows:

Mr Eng Meng Leong (Chairman)  
Mr Quah Ban Huat  
Mr Lim Teck Leong David

The ARC carried out its functions in accordance with Regulation 13(6) of the Business Trusts Regulations, including the following:

- reviewed the audit plans of the internal and external auditors of the Group, and reviewed the internal auditor's evaluation of the adequacy of the Group's system of internal accounting controls and the assistance given by the Group's management to the external and internal auditors.
- reviewed the quarterly and annual financial statements and the auditor's report on the annual financial statements of the Group and the Trust before their submission to the board of directors (the "Board").
- reviewed effectiveness of the Group's material internal controls, including strategic, financial, operational, information technology and compliance controls and risk management via reviews carried out by the internal auditor.
- met with the external auditor and management in separate sessions to discuss any matters that these groups believe should be discussed privately with the ARC.
- reviewed the assistance provided by the Trustee-Manager's officers to the internal and external auditors.
- reviewed the policies and practices put in place by management.
- reviewed the cost effectiveness and the independence and objectivity of the external auditor.

# REPORT OF THE TRUSTEE - MANAGER

For the year ended 30 June 2015

## AUDIT AND RISK COMMITTEE (CONT'D)

- reviewed the nature and extent of non-audit services provided by the external auditor.
- recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit.
- reported actions and minutes of the ARC to the Board with such recommendations as the ARC considered appropriate.
- reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.
- recommending the appointment, re-appointment or removal of the external or internal auditors to the Board.
- investigating any matters within the ARC's terms of reference, whenever it deems necessary.
- undertaking such other functions as may be agreed to by the ARC and the Board.

The ARC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The ARC has recommended to the Board that the auditor, Ernst & Young LLP, be nominated for re-appointment as auditors of the Trust at the forthcoming Annual General Meeting of the unitholders. The ARC has also conducted a review of interested person transactions.

The ARC convened five meetings during FY2015 with full attendance from all members. The ARC has also met with internal and external auditor, without the presence of the Group's management, at least once a year.


## INDEPENDENT AUDITOR

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

For and on behalf of the Board of Directors of the Trustee-Manager,  
Croesus Retail Asset Management Pte. Ltd.,



Lim Teck Leong David  
Director



Jim Chang Cheng-Wen  
Director

16 September 2015

# STATEMENT BY THE TRUSTEE-MANAGER

For the year ended 30 June 2015

We, Lim Teck Leong David and Jim Chang Cheng-Wen, being two of the directors of Croesus Retail Asset Management Pte. Ltd. as trustee-manager of Croesus Retail Trust (the "Trust" and Croesus Retail Asset Management Pte. Ltd. as Trustee-Manager of the Trust, the "Trustee-Manager"), do hereby state that, in the opinion of the directors,

- (a) the accompanying balance sheet of the Trust and the consolidated financial statements of the Group as set out on pages 73 to 122 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Trust as at 30 June 2015, and of the financial performance of the business, consolidated statement of changes in unitholders' funds and consolidated statement of cash flows of the Group and the changes in unitholders' funds of the Trust for the year ended 30 June 2015 in accordance with the Singapore Business Trusts Act, Chapter 31A of Singapore and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Trustee-Manager will be able to fulfil, out of the trust property of the Trust, the liabilities of the Trust as and when they fall due.

For and on behalf of the Board of Directors of the Trustee-Manager,  
Croesus Retail Asset Management Pte. Ltd.,



Lim Teck Leong David  
Director



Jim Chang Cheng-Wen  
Director

16 September 2015

# TRUSTEE-MANAGER'S CERTIFICATE

For the year ended 30 June 2015


The directors of Croesus Retail Asset Management Pte. Ltd. as trustee-manager of Croesus Retail Trust (the "Trust" and Croesus Retail Asset Management Pte. Ltd. as Trustee-Manager of the Trust, the "Trustee-Manager") hereby certify that:

- the fees or charges paid or payable out of the trust property of the Trust to the Trustee-Manager are in accordance with the Trust Deed of the Trust;
- the interested person transactions are not detrimental to the interests of all the unitholders of the Trust as a whole based on the circumstances at the time of the transactions; and
- the Board of Directors of the Trustee-Manager is not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of the Trust or the interest of all the unitholders of the Trust as a whole.

For and on behalf of the Board of Directors of the Trustee-Manager,  
Croesus Retail Asset Management Pte. Ltd.,



Lim Teck Leong David  
Director



Jim Chang Cheng-Wen  
Director

16 September 2015

# STATEMENT BY THE CHIEF EXECUTIVE OFFICER OF THE TRUSTEE-MANAGER

For the year ended 30 June 2015

In accordance with Section 86 of the Business Trusts Act, Chapter 31A of Singapore, I, the Chief Executive Officer of Croesus Retail Asset Management Pte. Ltd., as trustee-manager of Croesus Retail Trust (the "Trust" and Croesus Retail Asset Management Pte. Ltd. as Trustee-Manager of the Trust, the "Trustee-Manager"), in my personal capacity, certify that I am not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of the Trust or on the interests of all the unitholders of the Trust as a whole.



Jim Chang Cheng-Wen  
Chief Executive Officer

16 September 2015

# STATEMENT OF POLICIES AND PRACTICES

For the year ended 30 June 2015

Croesus Retail Asset Management Pte. Ltd. as trustee-manager of Croesus Retail Trust (the "Trust" or "CRT" and Croesus Retail Asset Management Pte. Ltd. as trustee-manager of the Trust, the "Trustee-Manager") and the board of directors (the "Board") are responsible for safeguarding the interests of the unitholders as a whole and managing the business conducted by CRT. The Trustee-Manager has general powers of management over the business and assets of the Trust and its main responsibility is to manage the CRT's assets and liabilities for the benefit of the unitholders as a whole. In the event of a conflict between the interests of the unitholders as a whole and its own interests, the Trustee-Manager shall act in the best interests of all unitholders as a whole and give priority to the interests of all the unitholders as a whole over its own interests.

The Board is also obliged to exercise due care to comply with the relevant provisions of all applicable legislations and regulations, the Singapore Exchange Securities Trading Limited's Listing Manual (the "Listing Manual"), the Trust Deed and all relevant contracts entered into by the CRT.

The Board, in exercising its powers and carrying out its duties as the Trustee-Manager of the Trust, has put in place measures to ensure that the following are met:

- the property of the Trust ("Trust Property") is properly accounted for and is kept distinct from the property held by the Trustee-Manager in its own capacity;
- adherence with the business scope of CRT as set out in the Trust Deed;
- potential conflicts between the interests of the Trustee-Manager and the interests of the unitholders of the Trust as a whole are appropriately managed;
- interested person transactions are transparent, properly recorded and reviewed;
- expenses and cost allocations payable to the Trustee-Manager out of the Trust Property, and that fees and expenses charged to the Trust are appropriate and in accordance with the Trust Deed; and
- compliance with the Business Trust Act, Chapter 31A of Singapore (the "BTA") and the listing rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST").

## **Trust Property is Properly Accounted For**

The Trust Property is properly accounted for and the Trust Property is kept distinct from the property of the Trustee-Manager held in its own capacity. Different bank accounts are maintained for the Trustee-Manager in its capacity as Trustee-Manager of CRT and the Trustee-Manager in its own capacity, and regular internal reviews are carried out to ascertain that all Trust Property has been fully accounted for.

The financial statements for CRT and the Trustee-Manager are kept separate and distinct and each of the financial statements are duly audited by the external auditors on an annual basis to ensure that the Trust Property is properly accounted for and kept distinct from the property of the Trustee-Manager held in its own capacity.

## **Adherence to the Business Scope of the Trust**

The management provides regular updates to the Board and the Audit and Risk Committee (the "ARC") about potential projects that it is looking into on behalf of CRT and the Board and the ARC ensure that all such projects are within the permitted business scope under the Trust Deed. Prior to the carrying out of any significant business transaction, the Board, the ARC and/or the management will have careful regard to the provisions of the Trust Deed and when in doubt, seek advice from professional advisers.

# STATEMENT OF POLICIES AND PRACTICES

For the year ended 30 June 2015

## Potential Conflicts of Interest

The Trustee-Manager has instituted the following procedures to deal with conflicts of interest issues:

- the Trustee-Manager will not manage any other business trust;
- all resolutions in writing of the directors in relation to matters concerning CRT must be approved by a majority of the directors, including at least one Independent Director;
- in respect of matters in which the sponsor and/or their subsidiaries have an interest, direct or indirect, any nominees appointed by the sponsor and/or their subsidiaries to the Board to represent its/their interests will abstain from voting. In such matters, the quorum must comprise a majority of the Independent Directors and must exclude Nominee Directors of the sponsor and/or their subsidiaries;
- where matters concerning CRT relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of CRT with a related party of the Trustee-Manager (which would include relevant associates thereof) or CRT, the Board is required to consider the terms of such transactions to satisfy itself that such transactions are conducted on normal commercial terms, are not prejudicial to the interests of CRT and the unitholders, and in accordance with all applicable requirements of the Listing Manual and the BTA relating to the transaction in question. If the Trustee-Manager is to sign any contract with a related party of the Trustee-Manager or CRT, the Trustee-Manager will review the contract to ensure that it complies with the provisions of the Listing Manual and the BTA relating to Interested Person Transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to business trusts.

Important safeguards that the Trustee-Manager has put in place to address any potential conflicts of interests with the Japan asset managers in respect of CRT's portfolio of properties and any other properties that will be managed by the Japan asset managers include the following:

- the team leaders for marketing, leasing and the day-to-day operations of the properties will be different from those managing the other properties not owned by CRT;
- the Japan asset managers managing the properties will select independent third-party property managers which in turn will select the group personnel of the independent third-party building managers who will be dedicated to the properties, on the basis that these third parties are deemed to be the most appropriate, taking into account the quality of services provided and associated costs; and
- critical strategic matters pertaining to mall management, such as leasing and operational policies, formulation of tenancy mix, and the determination of the rental rates, the key lease terms and the operating budget for running the retail assets, will be managed and controlled by the Trustee-Manager.

The Trustee-Manager will review the adequacy of the above safeguards from time to time, and will implement further safeguards and measures to ensure that the interests of CRT will not be prejudiced.

# STATEMENT OF POLICIES AND PRACTICES

For the year ended 30 June 2015

## Interested Person Transactions

The Trustee-Manager has established an internal control system to ensure that all future interested person transactions will be undertaken on normal commercial terms and will not be prejudicial to the interests of CRT and the unitholders.

The Trustee-Manager maintains a register to record all interested person transactions which are entered into by CRT and the bases, including any quotations from unrelated parties and independent valuations obtained to support such bases, on which they are entered into.

The Trustee-Manager has also incorporated into its internal audit plan a review of all interested person transactions entered into by CRT. The ARC shall review the internal audit reports at least twice a year to ascertain that the guidelines and procedures established to monitor interested person transactions have been complied with.

Where matters concerning CRT relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of CRT with a related party of the Trustee-Manager (which would include relevant associates thereof) or CRT, the Trustee-Manager is required to consider the terms of such transactions to satisfy itself that such transactions are conducted:

- on normal commercial terms;
- are not prejudicial to the interests of CRT and the unitholders; and
- in accordance with all applicable requirements of the Listing Manual and the BTA relating to the transaction in question.

If the Trustee-Manager is to sign any contract with a related party of the Trustee-Manager or CRT, the Trustee-Manager will review the contract to ensure that it complies with the provisions of the Listing Manual and the BTA relating to interested person transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to business trusts.

## Fees and Expenses Charged to the Trust are Appropriate and in Accordance with the Trust Deed

The Trustee-Manager is entitled to receive for its own account out of the Trust Property a base fee calculated at a rate in accordance with the formula below:

- (i) if the value of the Trust Property is less than JPY100 billion, the base fee will be 0.60% per annum of the value of the Trust Property, subject to a cap on the base fee of JPY0.5 billion; and
- (ii) if the value of the Trust Property is equal to or greater than JPY100 billion, the base fee will be 0.50% per annum of the value of the Trust Property.

The Trustee-Manager shall be entitled to receive for its own account out of the Trust Property a performance fee of 3.0% per annum of net property income.

Any increase in the rates set out above or any change in the formula for calculation of the Trustee-Manager's management fees must be approved by an extraordinary resolution passed at a unitholders' meeting duly convened and held in accordance with the provisions of the Trust Deed.

The management fee (comprising the base fee and performance fee) is payable to the Trustee-Manager in the form of cash and/or units (as the Trustee-Manager may elect). The management fee to be received by the Trustee-Manager will be partly offset by the relevant Japan asset management fees to be paid directly to the relevant Japan asset managers, so as to reduce the amount of the management fee payable to the Trustee-Manager.

# STATEMENT OF POLICIES AND PRACTICES

For the year ended 30 June 2015

## Fees and Expenses Charged to the Trust are Appropriate and in Accordance with the Trust Deed (cont'd)

The Trustee-Manager is entitled to:

- (i) an acquisition fee calculated at a rate not exceeding 1.0% of:
  - (a) in the case of an acquisition of real estate, the acquisition price of any real estate purchased, whether directly or indirectly through one or more special purpose vehicles ("SPVs"), by CRT (plus any other payments in addition to the acquisition price made by CRT or its SPVs to the vendor in connection with the purchase of the real estate) (pro-rated, if applicable, to the proportion of CRT's interest);
  - (b) in the case of an acquisition of (I) the trust beneficiary interests ("TBI") in respect of the real estate or (II) the equity interests of any vehicle holding directly or indirectly the real estate, the underlying value of any real estate which is taken into account when computing the acquisition price for (A) the TBI in respect of the real estate or (B) the equity interests in such vehicle holding directly or indirectly the real estate purchased by CRT, whether directly or indirectly through one or more SPVs (plus any additional payments made by CRT or its SPVs to the vendor in connection with the purchase of such TBI or, as the case may be, equity interests) (pro-rated, if applicable, to the proportion of CRT's interest);
  - (c) in the case of an acquisition of the contractual interest pursuant to a *tokumei kumiai* agreement, the underlying value of the real estate which is taken into account when computing the acquisition price payable for such contractual interest, whether directly or indirectly through one or more SPVs (plus any additional payments made by CRT or its SPVs to the vendor in connection with the purchase of such contractual interest) (pro-rated, if applicable, to the proportion of CRT's interest); or
  - (d) the acquisition price of any other asset forming a part of the Trust Property acquired from time to time by the Trustee-Manager on behalf of CRT; and
- (ii) a divestment fee calculated at a rate not exceeding 0.5% of:
  - (a) sale price of real estate sold or divested, whether directly or indirectly through one or more SPVs, by CRT (plus any other payments in addition to the sale price received by CRT or its SPVs from the purchaser in connection with the sale or divestment of the real estate) (pro-rated, if applicable, to the proportion of CRT's interest);
  - (b) the underlying value of any real estate which is taken into account when computing the sale price for (I) the TBI in respect of the real estate or (II) the equity interests in any vehicle holding directly or indirectly the real estate sold or divested by the Trustee-Manager on behalf of CRT, whether directly or indirectly (plus any additional payments received by CRT or its SPV from the purchaser in connection with the sale or divestment of such TBI or, as the case may be, equity interests) (pro-rated, if applicable, to the proportion of CRT's interest);
  - (c) in the case of a divestment of the contractual interest pursuant to a *tokumei kumiai* agreement, the underlying value of the real estate which is taken into account when computing the sale price payable for the divestment of such contractual interest, whether directly or indirectly one or more SPVs (plus any additional payments received by CRT or its SPVs from the purchaser in connection with the divestment of such contractual interest) (pro-rated, if applicable, to the proportion of CRT's interest); or
  - (d) the sale price of any other asset forming a part of the Trust Property sold or divested from time to time by the Trustee-Manager on behalf of CRT.

# STATEMENT OF POLICIES AND PRACTICES

For the year ended 30 June 2015

## **Fees and Expenses Charged to the Trust are Appropriate and in Accordance with the Trust Deed (cont'd)**

The acquisition fee and the divestment fee (regardless whether the real estate is acquired from, or disposed to, an interested person) is payable to the Trustee-Manager in the form of cash and/or units (as the Trustee-Manager may elect) at the prevailing market price.

Any payment to third-party agents or brokers in connection with the acquisition or divestment of any asset of CRT shall be paid by the Trustee-Manager to such persons out of the Trust Property of CRT or the assets of the relevant *tokutei mokuteki kaisha* of CRT, and not out of the acquisition fee or divestment fee (as the case may be) received or to be received by the Trustee-Manager.

The Trustee-Manager believes that the acquisition fee is on an arm's length basis, is on normal commercial terms and not prejudicial to the interests of CRT and the unitholders.

Fees and expenses paid to the Trustee-Manager out of the Trust Property for the financial year ended 30 June 2015 are disclosed in Note 25 of the Notes to the Financial Statements.

The expenses which are payable to the Trustee-Manager in its capacity as the trustee-manager of CRT out of the Trust Property are appropriate and in accordance with the Trust Deed, and regular internal reviews are carried out to ensure that such expenses payable are in order.

## **Compliance with the BTA and the Listing Manual**

The Trustee-Manager has engaged the services of and obtained advice from professional advisers and consultants from time to time to ensure compliance with the requirements of the BTA and the Listing Manual.

# INDEPENDENT AUDITOR'S REPORT

For the year ended 30 June 2015  
Independent Auditor's Report to the Unitholders of Croesus Retail Trust

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Croesus Retail Trust (the "Trust") and its subsidiaries (collectively the "Group") set out on pages 73 to 122, which comprise the consolidated balance sheet of the Group and balance sheet of the Trust as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in unitholders' funds and the consolidated statement of cash flows of the Group and the changes in unitholders' funds of the Trust for the year ended 30 June 2015, and a summary of significant accounting policies and other explanatory information.

### *Trustee-Manager's Responsibility for the Financial Statements*

The Trustee-Manager is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Business Trusts Act, (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

# INDEPENDENT AUDITOR'S REPORT

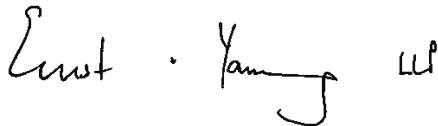
For the year ended 30 June 2015  
Independent Auditor's Report to the Unitholders of Croesus Retail Trust

## *Opinion*

In our opinion, the consolidated financial statements of the Group, the balance sheet and the statement of changes in unitholders' funds of the Trust are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Trust as at 30 June 2015, and of the financial performance, changes in unitholders' fund and cash flows of the Group and changes in unitholders' fund of the Trust for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Trustee-Manager on behalf of the Trust, have been properly kept in accordance with the provisions of the Act.



ERNST & YOUNG LLP  
Public Accountants and  
Chartered Accountants  
Singapore

16 September 2015

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2015

	Note	2015 JPY'000	Group Period from 07.05.2012 (date of constitution) to 30.06.2014 JPY'000
Gross revenue	4	7,635,403	6,261,227
Property operating expenses	5	(2,954,282)	(2,232,387)
<b>Net property income</b>		4,681,121	4,028,840
Trustee-Manager's fees		(555,112)	(497,983)
Japan asset manager's fees		(79,448)	(67,525)
Other administrative expenses		(57,877)	(60,838)
Other trust expenses	6	(141,629)	(122,894)
Finance income		3,202	2,246
Finance costs	7	(1,004,177)	(707,116)
Foreign exchange gain/(loss)		113,939	(15,341)
<b>Profit before changes in fair value</b>		2,960,019	2,559,389
Fair value gain in investment properties	11	6,336,798	3,828,303
Fair value gain/(loss) in derivative financial instruments		369,590	(44,351)
<b>Profit before tax</b>	8	9,666,407	6,343,341
Income tax expense	9	(2,087,315)	(1,550,802)
<b>Net profit for the year/ period</b>		7,579,092	4,792,539
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Net gain/(loss) on fair value changes on cash flow hedges	23	88,776	(449,957)
<b>Total other comprehensive income</b>		88,776	(449,957)
Total comprehensive income for the year/ period		7,667,868	4,342,582
Earnings per unit attributable to unitholders of the Trust – basic and diluted (JPY)	10	15.25	11.22

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# BALANCE SHEETS

As at 30 June 2015

	Note	Group		Trust	
		2015 JPY'000	2014 JPY'000	2015 JPY'000	2014 JPY'000
<b>Non-current assets</b>					
Investment properties	11	87,930,000	69,881,664	-	-
Investment in subsidiaries	12	-	-	29,837,901	24,897,686
Loans to subsidiaries	13	-	-	8,536,696	8,829,394
Restricted cash	14	3,767,811	2,053,327	-	-
Prepayments	15	300,279	168,769	-	-
Trade and other receivables	16	97,242	95,517	-	-
Deferred tax assets	9	11,990	5,770	-	-
Derivative financial instruments	17	885,548	-	885,548	-
		<u>92,992,870</u>	<u>72,205,047</u>	<u>39,260,145</u>	<u>33,727,080</u>
<b>Current assets</b>					
Trade and other receivables	16	491,358	708,208	278,495	293,380
Prepayments	15	321,059	68,077	-	-
Restricted cash	14	3,300,260	2,754,823	-	-
Cash and short-term deposits	18	2,941,662	2,754,421	1,115,077	1,946,875
Derivative financial instruments	17	353,744	60,508	353,744	60,508
		<u>7,408,083</u>	<u>6,346,037</u>	<u>1,747,316</u>	<u>2,300,763</u>
<b>Total assets</b>		<u>100,400,953</u>	<u>78,551,084</u>	<u>41,007,461</u>	<u>36,027,843</u>
<b>Current liabilities</b>					
Trade and other payables	19	1,219,328	884,732	37,026	27,476
Loans and borrowings	21	646,873	358,444	-	-
Derivative financial instruments	17	298	27,469	-	27,469
Other liabilities	20	658,761	480,010	40,023	44,898
Income tax payables		255,408	173,265	65,841	55,975
		<u>2,780,668</u>	<u>1,923,920</u>	<u>142,890</u>	<u>155,818</u>
<b>Non-current liabilities</b>					
Trade and other payables	19	3,250,321	1,623,143	-	-
Loans and borrowings	21	46,840,340	40,244,092	9,137,533	8,119,938
Other liabilities	20	580,868	506,031	128,546	126,231
Deferred tax liabilities	9	2,998,862	1,275,222	-	-
Derivative financial instruments	17	363,732	585,142	-	137,090
		<u>54,034,123</u>	<u>44,233,630</u>	<u>9,266,079</u>	<u>8,383,259</u>
<b>Total liabilities</b>		<u>56,814,791</u>	<u>46,157,550</u>	<u>9,408,969</u>	<u>8,539,077</u>
<b>Net assets</b>		<u>43,586,162</u>	<u>32,393,534</u>	<u>31,598,492</u>	<u>27,488,766</u>
<b>Unitholders' funds</b>					
Units in issue	22	36,486,750	29,861,308	36,502,257	29,876,815
Fair value adjustment reserve	23	(361,181)	(449,957)	2,848	(1,904)
Accumulated profits/(losses)		7,460,593	2,982,183	(4,906,613)	(2,386,145)
<b>Net assets attributable to unitholders</b>		<u>43,586,162</u>	<u>32,393,534</u>	<u>31,598,492</u>	<u>27,488,766</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS

For the year ended 30 June 2015

Group	Note	Units in issue JPY'000	Fair value adjustment reserve JPY'000	Accumulated profit JPY'000	Total JPY'000
<b>At 7 May 2012 (date of constitution)</b>					
Net profit for the period		-	-	4,792,539	4,792,539
<b>Other comprehensive income</b>					
- Net loss on fair value changes on cash flow hedges	23	-	(449,957)	-	(449,957)
Total comprehensive income for the period		-	(449,957)	4,792,539	4,342,582
Contribution by and distribution to unitholders					
Issue of new units	22	31,510,838	-	-	31,510,838
Issue costs	22	(1,767,935)	-	-	(1,767,935)
Management fees payable in units	22	118,405	-	-	118,405
Distributions to unitholders	24	-	-	(1,810,356)	(1,810,356)
Total contributions by and distributions to unitholders		29,861,308	-	(1,810,356)	28,050,952
<b>At 30 June 2014</b>		29,861,308	(449,957)	2,982,183	32,393,534
Net profit for the year		-	-	7,579,092	7,579,092
<b>Other comprehensive income</b>					
- Net gain on fair value changes on cash flow hedges	23	-	88,776	-	88,776
Total comprehensive income for the year		-	88,776	7,579,092	7,667,868
Contribution by and distribution to unitholders					
Issue of new units	22	6,804,052	-	-	6,804,052
Issue costs	22	(189,265)	-	-	(189,265)
Management fees payable in units	22	10,655	-	-	10,655
Distributions to unitholders	24	-	-	(3,100,682)	(3,100,682)
Total contributions by and distributions to unitholders		6,625,442	-	(3,100,682)	3,524,760
<b>At 30 June 2015</b>		36,486,750	(361,181)	7,460,593	43,586,162

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS

For the year ended 30 June 2015

Trust	Note	Units in issue JPY'000	Fair value adjustment reserve JPY'000	Accumulated loss JPY'000	Total JPY'000
<b>At 7 May 2012 (date of constitution)</b>					
Net loss for the period		-	-	(575,789)	(575,789)
<b>Other comprehensive income</b>					
- Net loss on fair value changes on cash flow hedge	23	-	(1,904)	-	(1,904)
Total comprehensive income for the period		-	(1,904)	(575,789)	(577,693)
Contribution by and distribution to unitholders					
Issue of new units	22	31,510,838	-	-	31,510,838
Issue costs	22	(1,752,428)	-	-	(1,752,428)
Management fees payable in units	22	118,405	-	-	118,405
Distributions to unitholders	24	-	-	(1,810,356)	(1,810,356)
Total contributions by and distributions to unitholders		29,876,815	-	(1,810,356)	28,066,459
<b>At 30 June 2014</b>		29,876,815	(1,904)	(2,386,145)	27,488,766
Net profit for the year		-	-	580,214	580,214
<b>Other comprehensive income</b>					
- Net gain on fair value changes on cash flow hedge	23	-	4,752	-	4,752
Total comprehensive income for the year		-	4,752	580,214	584,966
Contribution by and distribution to unitholders					
Issue of new units	22	6,804,052	-	-	6,804,052
Issue costs	22	(189,265)	-	-	(189,265)
Management fees payable in units	22	10,655	-	-	10,655
Distributions to unitholders	24	-	-	(3,100,682)	(3,100,682)
Total contributions by and distributions to unitholders		6,625,442	-	(3,100,682)	3,524,760
<b>At 30 June 2015</b>		<b>36,502,257</b>	<b>2,848</b>	<b>(4,906,613)</b>	<b>31,598,492</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2015

		Group	
		Period from 07.05.2012 (date of constitution)	
	Note	2015 JPY'000	to 30.06.2014 JPY'000
<b>Operating activities</b>			
Profit before tax		9,666,407	6,343,341
Adjustments for:			
Changes in fair value of investment properties	11	(6,336,798)	(3,828,303)
Changes in fair value of forward currency contracts		(369,590)	44,351
Finance income		(3,202)	(2,246)
Finance costs	7	1,004,177	707,116
Trustee-Manager's fees paid in units		388,107	339,350
Trustee-Manager's fees payable in units		129,061	118,405
Amortisation of property tax		54,506	267,056
Unrealised foreign exchange gain		(46,500)	-
<b>Operating cash flows before changes in working capital</b>		<b>4,486,168</b>	<b>3,989,070</b>
Changes in working capital:			
Restricted cash		(2,259,921)	(4,808,150)
Prepayments		(438,999)	(507,402)
Trade and other receivables		264,294	(759,985)
Trade and other payables		1,897,570	2,462,953
Other liabilities		193,206	951,492
<b>Cash flows from operations</b>		<b>4,142,318</b>	<b>1,327,978</b>
Finance income received		3,202	2,246
Finance costs paid		(598,268)	(272,436)
Income taxes paid		(336,922)	(148,325)
<b>Net cash flows generated from operating activities</b>		<b>3,210,330</b>	<b>909,463</b>
<b>Investing activities</b>			
Acquisition of investment properties	11	(11,298,156)	(65,948,141)
Subsequent expenditure on investment properties	11	(413,382)	(105,220)
<b>Net cash flows used in investing activities</b>		<b>(11,711,538)</b>	<b>(66,053,361)</b>
<b>Financing activities</b>			
Proceeds from issue of units		6,297,540	31,171,488
Payments of issue costs	22	(189,265)	(1,767,935)
Proceeds from loans and borrowings		6,150,000	42,836,796
Payments of upfront costs of loans and borrowings		(155,509)	(1,231,674)
Repayments of loans and borrowings		(360,000)	(1,300,000)
Distributions to unitholders	24	(3,100,682)	(1,810,356)
<b>Net cash flows generated from financing activities</b>		<b>8,642,084</b>	<b>67,898,319</b>
<b>Net increase in cash and cash equivalents</b>		<b>140,876</b>	<b>2,754,421</b>
Effect of exchange rate changes on cash and cash equivalents		46,365	-
Cash and cash equivalents at beginning of the year/period		2,754,421	-
<b>Cash and cash equivalents at end of the year/period</b>	18	<b>2,941,662</b>	<b>2,754,421</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 1. CORPORATE INFORMATION

Croesus Retail Trust (the "Trust") is a Singapore-domiciled trust originally constituted as a private trust pursuant to the Trust Deed dated 7 May 2012, with Croesus Retail Asset Management Pte. Ltd. as its Trustee-Manager (the "Trustee-Manager"). The Trust Deed was amended by the first amending and restating deed dated 29 June 2012, the second amending and restating deed dated 7 November 2012, the third amending and restating deed dated 24 April 2013 and the fourth amending and restating deed dated 30 April 2013 ("Trust Deed") to comply with the requirements of, among others, the Monetary Authority of Singapore ("MAS") and the Singapore Exchange Securities Trading Limited ("SGX-ST"), for a listed Business Trust. The Trust is a registered business trust constituted by the Trust Deed and is principally regulated by the Securities and Futures Act ("SFA") and the Singapore Business Trusts Act. The Trust Deed is governed by the laws of the Republic of Singapore.

The Trust was listed on the Main Board of the SGX-ST on 10 May 2013 ("Listing Date"). The Trust was a dormant private trust during the period from 7 May 2012 (date of constitution) to 9 May 2013.

The registered office of the Trustee-Manager is at 50 Raffles Place, #25-03 Singapore Land Tower, Singapore 048623.

The principal activity of the Trust is owning income producing real estate used primarily for retail purposes located in the Asia-Pacific region and real estate-related assets relating to the foregoing. The principal activities of the subsidiary companies are as disclosed in Note 12 to the financial statements.

The Group has entered into several service agreements in relation to management of the Trust and its property operations. The fee structures of these services are as follows:

(a) *Trustee-Manager's fees*

Management fees

The Trustee-Manager is entitled to receive a base fee calculated at a rate in accordance with the formula below:

- (i) if the value of the trust property is less than JPY100 billion, the base fee will be 0.6% per annum of the value of the trust property, subject to a cap on the base fee of JPY0.5 billion; and
- (ii) if the value of the trust property is equal to or greater than JPY100 billion, the base fee will be 0.5% per annum of the value of the trust property.

The Trustee-Manager is entitled to receive a performance fee of 3.0% per annum of net property income.

Development management fees

The Trustee-Manager is entitled to a development management fee of 3.0% of the total projects costs incurred in a development project undertaken on behalf of the Trust.

Acquisition/divestment fees

The Trustee-Manager is entitled to a fee upon the acquisition of an asset by the Group calculated as 1% of the acquisition value of the investment.

The Trustee-Manager is entitled to a fee upon the disposal/divestment of an asset by the Group calculated as 0.5% of the sale value of the investment.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 1. CORPORATE INFORMATION (CONT'D)

### (b) *Japan asset manager's fees*

The Japan asset manager's fees and disposition fee referred to below will partly offset the Trustee-Manager's fees, so as to reduce the Trustee-Manager's fees paid to the Trustee-Manager.

#### Asset servicing and administration fee

The Japan asset manager is entitled to 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 trust beneficiary interests ("TBI") x 0.00075, where market price of the TBI means the latest appraisal value of the TBI held by the Group (being its value as determined by an independent valuer as at the end of the preceding fiscal year); and
- (ii) Incentive fee: Net property income of the TBI x 0.0045.

#### Disposition fee

The Japan asset manager is entitled to a disposition fee calculated through the sale value of the investment (excluding consumption tax thereon) x 0.0014.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The financial statements are presented in Japanese Yen (JPY) and all values in the tables are rounded to the nearest thousand (JPY'000) as indicated unless otherwise stated.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 Standards issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 1: <i>Disclosure Initiative</i>	1 January 2016
Amendments to FRS 16 and FRS 38: <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to FRS 16 and FRS 41: <i>Agriculture: Bearer Plants</i>	1 January 2016
Amendments to FRS 27: <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to FRS 110 and FRS 28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	1 January 2016
Amendments to FRS 111: <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28: <i>Investment Entities: Applying the Consolidation Exception (Editorial correction in June 2015)</i>	1 January 2016
FRS 114 <i>Regulatory Deferral Accounts</i>	1 January 2016
Improvements to FRSs (November 2014)	
FRS 105 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 January 2016
FRS 107 <i>Financial Instruments: Disclosures</i>	1 January 2016
FRS 19 <i>Employee Benefits</i>	1 January 2016
FRS 34 <i>Interim Financial Reporting</i>	1 January 2016
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2018
FRS 109 <i>Financial Instruments</i>	1 January 2018

The Trustee-Manager expects that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

### 2.3 Basis of consolidation and business combinations

#### (a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Trust and its subsidiary as at the end of the reporting period. The financial statements of the subsidiary used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Trust. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.3 Basis of consolidation and business combinations (cont'd)

#### (a) *Basis of consolidation (cont'd)*

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

#### (b) *Business combinations*

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.4 Foreign currency

The financial statements are presented in Japanese Yen, which is also the Trust's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

#### (a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Trust and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

#### (b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into JPY at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

### 2.5 Revenue

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of applicable tax, rebates and discounts, and after eliminating sales within the Group. Revenue is recognised as follows:

#### (a) *Gross rental income*

Gross rental income consists of base rent, variable rent and other rental income.

Base rent is rental income due from tenancies but excludes variable rent.

Variable rent is rental income due from tenancies that are based on a percentage of gross turnover.

Other rental income includes common area maintenance fees, carpark income and signage and billboard fees.

Gross rental income is recognised in profit or loss on a straight-line basis over the term of the lease except variable rent recognized in profit or loss when earned.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.5 Revenue (cont'd)

(b) *Utilities income*

Utilities income includes revenue earned from the operations of the utility facilities, which is recognised when the services are rendered.

(c) *Other income*

Other income includes parking charges, vending machine income and other revenue from the operation of the investment properties. Other income is recognised when the services are rendered.

### 2.6 Investment properties

Investment properties of the Group comprise of retail properties held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

### 2.7 Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Trust's balance sheet, investments in subsidiaries are accounted for at cost less impairment losses.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

### 2.9 Financial instruments

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.9 Financial instruments (cont'd)

#### (a) *Financial assets (cont'd)*

##### Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

#### (i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

#### (ii) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

##### De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.9 Financial instruments (cont'd)

#### (b) *Financial liabilities*

##### Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

##### Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

#### (i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

#### (ii) Financial liabilities at amortised cost

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

##### De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

#### (c) *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.10 Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) *Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) *Financial assets carried at cost*

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost had been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

### 2.11 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.12 Leases

(a) *As lessee*

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) *As lessor*

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.5 (a). Contingent rents are recognised as revenue in the period in which they are earned.

### 2.13 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 2.14 Taxes

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.14 Taxes (cont'd)

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.14 Taxes (cont'd)

(c) *Sales tax*

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

### 2.15 Provision

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past event, and when it is probable that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax-rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### 2.16 Units on issue and issue costs

Proceeds from issuance of units are recognised as unit in issue in unitholders' funds. Incremental costs directly attributable to the issuance of units are deducted against unitholders' funds.

### 2.17 Distributions to Trust's unitholders

Distributions to the Trust's unitholders are recognised when the distributions are declared payable by the Trustee-Manager.

### 2.18 Operating segments

The Group's investment properties are primarily tenanted for use as retail space and are all located in Japan. The revenues of the Group are derived primarily from retail tenants. No separate business segment and geographical segment information has been prepared as the Group's assets and operations are all located in Japan.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.19 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for asset retirement obligations and contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

### 2.20 Hedge accounting

The Group applies hedge accounting for certain hedging transactions which qualify for hedge accounting.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (except for foreign currency risk); or
- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.20 Hedge accounting (cont'd)

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

#### Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the fair value adjustment reserve, while any ineffective portion is recognised immediately in the profit or loss.

Amounts recognised as other comprehensive income are transferred to the profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in equity is transferred to the profit or loss. If the hedging instrument has expired or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in other comprehensive income remains in other comprehensive income until the forecast transaction or firm commitment affects profit or loss. In other cases the amount recognised in equity is transferred to the income statement in the same period that the hedged item affects profit or loss.

The Group uses interest rate swaps and cross currency swap to hedge its exposure to interest rate risk and foreign currency risk for loans and borrowings. Details of interest rate swaps and cross currency swap are disclosed in Note 17.

### 2.21 Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and Trust if that person:
  - (i) has control or joint control over the Trust;
  - (ii) has significant influence over the Trust; or
  - (iii) is a member of the key management personnel of the Group or the Trust or of a parent of the Trust.
- (b) An entity is related to the Group and the Trust if any of the following conditions applies:
  - (i) the entity and the Trust are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) both entities are joint ventures of the same third party.
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third party.
  - (v) the entity is a post-employment benefit plan for the benefit of employees of an entity related to the Trust. If the Trust is itself such a plan, the sponsoring employers are also related to the Trust;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

### 3.1 Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

#### Determination of lease classification

The Group has entered into commercial property leases on its investment properties. The Group has determined, based on an evaluation of the terms and conditions of the arrangements such as the lease term not constituting a substantial portion of the economic life of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the contracts as operating leases.

### 3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### (a) *Fair value of financial instruments*

Where the fair values of financial instruments recorded on the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flow model. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of liquidity and model inputs regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The valuation of financial instruments is described in more detail in Note 27.

#### (b) *Revaluation of investment properties*

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss.

The fair values of investment properties are determined by independent real estate valuation experts using recognised valuation technique.

The determination of the fair values of the investment properties require the use of estimates such as future cash flows from assets (such as lettings, tenants' profiles, future revenue streams, capital values of fixtures and fittings, plant and machinery, any environmental matters and the overall repair and condition of the property) and discount rates applicable to those assets. These estimates are based on local market conditions existing at the end of each reporting date.

The carrying amount and key assumptions used to determine the fair value of the investment properties are further explained in Note 27. The Trustee-Manager is of the view that the valuation methods and estimates are reflective of the current market condition.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONT'D)

### 3.2 Key sources of estimation uncertainty (cont'd)

(c) *Taxes*

The Group is subject to income taxes in two jurisdictions. Significant estimate is required in determining the taxability of certain income, capital allowances and deductibility of certain expenses during the estimation of the provision for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. These are based on management's best estimates of the most likely outcome of the tax liability. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax and the relevant tax provisions in the period in which such determination is made. As at 30 June 2015, the carry amount of income tax payables and deferred tax assets/liabilities are disclosed in Note 9 to financial statements.

(d) *Asset retirement obligations*

The Group has recognised an asset retirement obligation ("ARO") associated with investment property. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove plant from the site and the expected timing of those costs. The carrying amount of the provision as at 30 June is JPY128,546,000 (2014: JPY126,231,000). If the estimated pre-tax discount rate used in the calculation had been 0.1% higher than management's estimate, the carrying amount of the provision would have been JPY5,454,000 (2014: JPY4,897,000) lower.

## 4. GROSS REVENUE

	Group Period from 07.05.2012 (date of constitution) 2015 to 30.06.2014	
	JPY'000	JPY'000
Gross rental income	6,427,214	5,417,652
Utilities income	860,878	646,182
Other income	347,311	197,393
	7,635,403	6,261,227

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 5. PROPERTY OPERATING EXPENSES

	Group	
	Period from 07.05.2012 (date of constitution)	
	2015	to 30.06.2014
	JPY'000	JPY'000
Property management expenses	386,005	316,645
Building management expenses	550,232	384,697
Repair expenses	163,790	47,469
Utilities expenses	980,333	747,608
Property tax expenses	403,563	347,474
Insurance expenses	15,223	12,705
Sales and promotions expenses	260,137	256,642
Other expenses	194,999	119,147
	<u>2,954,282</u>	<u>2,232,387</u>

Included in property management expenses consist of payments to property managers of JPY345,942,000 (2014: JPY296,459,000).

## 6. OTHER TRUST EXPENSES

Other trust expenses comprise the following:

	Group	
	Period from 07.05.2012 (date of constitution)	
	2015	to 30.06.2014
	JPY'000	JPY'000
Audit fees	6,816	8,147
Non-audit fees	12,155	35,364
Legal and professional fees	93,764	56,095
Issue cost on subsidiary equity	-	11,030
Others	28,894	12,258
	<u>141,629</u>	<u>122,894</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 7. FINANCE COSTS

	<b>Group</b>	
	<b>Period from</b>	
	<b>07.05.2012</b>	
	<b>(date of</b>	
	<b>constitution)</b>	
	<b>2015</b>	<b>to 30.06.2014</b>
	JPY'000	JPY'000
Interest expense on:		
– Specified loans	275,108	268,746
– Specified bonds	63,232	36,494
– Medium term note	313,171	136,423
	651,511	441,663
Amortisation of upfront costs on:		
– Specified loans	176,973	169,406
– Specified bonds	55,377	28,155
– Medium term note	51,456	21,227
	283,806	218,788
Others	68,860	46,665
	<u>1,004,177</u>	<u>707,116</u>

## 8. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	<b>Group</b>	
	<b>Period from</b>	
	<b>07.05.2012</b>	
	<b>(date of</b>	
	<b>constitution)</b>	
	<b>2015</b>	<b>to 30.06.2014</b>
	JPY'000	JPY'000
Audit fees *		
– Auditor of the Trust	10,906	10,390
– Other auditor	15,200	15,000
Non-audit fees *		
– Auditor of the Trust	14,054	36,440
– Other auditor	6,700	3,270

\* These amounts are included in "Other administrative expenses" of JPY27,889,000 (2014: JPY21,589,000) and "Other trust expenses" of JPY18,971,000 (2014: JPY43,511,000) in the consolidated statements of comprehensive income.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 9. INCOME TAX EXPENSE

### Major components of income tax expense

The major components of income tax expense for the year and period ended 30 June 2015 and 2014 are:

	Group	
	Period from 07.05.2012 (date of constitution) 2015 to 30.06.2014	
	JPY'000	JPY'000
<b>Current income tax</b>		
– Current income taxation	406,986	281,350
– Over provision in respect of previous year	(37,091)	–
<b>Deferred income tax</b>		
– Origination of temporary differences	1,717,420	1,269,452
Income tax expense recognised in profit or loss	2,087,315	1,550,802

### Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the year and period ended 30 June 2015 and 2014 are as follows:

	Group	
	Period from 07.05.2012 (date of constitution) 2015 to 30.06.2014	
	JPY'000	JPY'000
Profit before tax	9,666,407	6,343,341
Tax at statutory tax rate of 17% (2014: 17%)	1,643,289	1,078,368
Effects of:		
Income not subject to taxation	(219,111)	(66,856)
Non-deductible expenses	173,256	205,391
Different tax rates arising from foreign jurisdiction	467,967	307,124
Withholding tax	64,008	39,578
Effect of partial tax exemption	(4,174)	(4,541)
Deferred tax assets not recognised	(2,585)	(12,565)
Over provision in respect of previous year	(37,091)	–
Others	1,756	4,303
Income tax expense recognised in profit or loss	2,087,315	1,550,802

Income not subject to taxation mainly pertains to profit made by Tokutei Mokuteki Kaisha ("TMK") and declared to be distributed as dividend satisfying the conditions set forth under the Special Taxation Measures Law of Japan. The TMK is a special purpose corporation specifically designed for the purpose of issuing asset-backed securities under TMK Laws.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 9. INCOME TAX EXPENSE (CONT'D)

### Deferred tax

Deferred tax as at 30 June 2015 and 2014 relates to the following:

	2015		Group Period from 07.05.2012 (date of constitution) to 30.06.2014	
	Consolidated balance sheet JPY'000	Consolidated income statement JPY'000	Consolidated balance sheet JPY'000	Consolidated income statement JPY'000
<b>Deferred tax liabilities:</b>				
Revaluation to fair value of investment properties	2,227,481		920,930	
Capital allowance of investment properties	771,381		354,292	
	<u>2,998,862</u>	(1,723,640)	<u>1,275,222</u>	(1,275,222)
<b>Deferred tax assets:</b>				
Unutilised tax losses	<u>11,990</u>	6,220	<u>5,770</u>	5,770
Deferred tax expenses		<u>(1,717,420)</u>		<u>(1,269,452)</u>

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable.

## 10. EARNINGS PER UNIT

The calculation of basic earnings per unit is based on:

	Group Period from 07.05.2012 (date of constitution) 2015 to 30.06.2014	
	JPY'000	JPY'000
Total profit attributable to unitholders (JPY'000)	<u>7,579,092</u>	<u>4,792,539</u>
Weighted average number of units in issue during the year/ period ('000)	<u>496,869</u>	<u>427,079</u>
Earnings per unit (JPY)	<u>15.25</u>	<u>11.22</u>

Diluted earnings per unit are the same as the basic earnings per unit as there are no dilutive instruments in issue during the year.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 11. INVESTMENT PROPERTIES

	Group	
	2015	2014
	JPY'000	JPY'000
At 1 July/ date of constitution	69,881,664	-
Acquisition during the year/ period	11,298,156	65,948,141
Capital expenditure capitalised	413,382	105,220
Fair value gain on revaluation	6,336,798	3,828,303
At 30 June	87,930,000	69,881,664

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties.

### Valuation of investment properties

Investment properties are stated at fair value, which has been determined based on valuations performed as at 30 June 2015. The valuations were performed by CBRE K.K. and DTZ Debenham Tie Leung K.K., independent valuers with a recognised and relevant professional qualification and with recent experience in the location and category of the properties being valued. The valuations are based on discounted cash flow ("DCF") approach.

### Properties pledged as security

All investment properties are mortgaged to secure specified loans and specified bonds (Note 21).

The investment properties held by the Group as at 30 June 2015 are as follows:

	Country/Prefecture	Aggregate net lettable area (sqm)	Existing use	Percentage of interest
Aeon Town Moriya	Japan/Ibaraki	68,046.8	Retail property	100%
Aeon Town Suzuka	Japan/Mie	43,500.7	Retail property	100%
Croesus Shinsaibashi	Japan/Osaka	2,342.4	Retail property	100%
Croesus Tachikawa	Japan/Tokyo	7,140.8	Retail property	100%
Luz Omori	Japan/Tokyo	9,285.1	Retail property	100%
Mallage Shobu	Japan/Saitama	67,915.7	Retail property	100%
One's mall	Japan/Chiba	52,848.6	Retail property	100%

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 12. INVESTMENT IN SUBSIDIARIES

	Trust	
	2015 JPY'000	2014 JPY'000
Unquoted equity, at cost	–#	–#
Preference shares, at cost	29,837,901	24,897,686
	<u>29,837,901</u>	<u>24,897,686</u>

# Less than JPY1,000

The subsidiaries of the Trust are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2015	2014
<i>Direct subsidiaries</i>				
Croesus TMK Holding Pte. Ltd. ("CTH") <sup>(1)</sup>	Singapore	Investment vehicle of listed trust	100%	100%
Mangosteen TMK Holding Pte. Ltd. ("MTH") <sup>(1)</sup>	Singapore	Investment vehicle of listed trust	100%	100%
Persimmon TMK Holding Pte. Ltd. ("PTH") <sup>(1)</sup>	Singapore	Investment vehicle of listed trust	100%	100%
Durian 1 TMK Holding Pte. Ltd. ("D1TH") <sup>(2)</sup>	Singapore	Investment vehicle of listed trust	100%	100%
Durian 2 TMK Holding Pte. Ltd. ("D2TH") <sup>(2)</sup>	Singapore	Investment vehicle of listed trust	100%	–
<i>Held through Mangosteen TMK Holding Pte. Ltd.</i>				
Mangosteen Tokutei Mokuteki Kaisha ("MTMK") <sup>(2)</sup>	Japan	Development, owning and management of retail mall	100%	100%
<i>Held through Persimmon TMK Holding Pte. Ltd.</i>				
Persimmon Tokutei Mokuteki Kaisha ("PTMK") <sup>(2)</sup>	Japan	Development, owning and management of retail mall	100%	100%
<i>Held through Durian 2 TMK Holding Pte. Ltd.</i>				
Durian Tokutei Mokuteki Kaisha ("DTMK") <sup>(2)</sup>	Japan	Development, owning and management of retail mall	100%	100%

(1) Audited by Ernst & Young LLP, Singapore.

(2) Audited by member of Ernst & Young Global in Japan.

### Acquisition of subsidiary

On 15 September 2014, the Trust acquired 100% issued and paid-up capital of D2TH, comprising of SGD1 in share capital and SGD1 in cash, for a nominal consideration of SGD1. Upon the acquisition, D2TH became a subsidiary of the Trust.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 13. LOANS TO SUBSIDIARIES

Loan to subsidiaries are unsecured, bears interest at 5.9% p.a., repayable on 10 May 2018, 28 February 2019 and 9 October 2019. The loans are to be settled in cash and the subsidiaries may be repaid partially or fully before its repayment date.

## 14. RESTRICTED CASH

Restricted cash relates to the amount of cash reserve which is required to be maintained based on the agreements with the banks providing specified loans and specified bonds. Restricted cash are restricted for use in specific operating expenses, capital expenditures in the business plan and repayment of tenant rental deposit and the bank's approval is required for their use.

## 15. PREPAYMENTS

	Group	
	2015	2014
	JPY'000	JPY'000
<b>Non-current:</b>		
Prepaid operating expenses		
– Lease deposits	119,020	121,788
– Lease commissions	55,709	30,656
– Lease incentives	121,691	11,575
– Others	3,859	4,750
	300,279	168,769
<b>Current:</b>		
Prepaid operating expenses		
– Property tax expenses	255,819	34,932
– Lease commissions	14,784	5,065
– Lease deposits	2,768	5,052
– Lease incentives	25,693	2,466
– Others	21,995	20,562
	321,059	68,077
Total prepayments	621,338	236,846

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 16. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2015 JPY'000	2014 JPY'000	2015 JPY'000	2014 JPY'000
<b>Non-current:</b>				
Lease deposit	86,815	85,089	–	–
Other receivables	10,427	10,428	–	–
	97,242	95,517	–	–
<b>Current:</b>				
Trade receivables	321,795	254,211	–	–
Consumption tax recoverable	41,073	356,367	14,518	20,256
Interest receivables	–	–	256,012	273,124
Refundable deposits	79,319	57,390	–	–
Other receivables	49,171	40,240	7,965	–
	491,358	708,208	278,495	293,380
Total trade and other receivables	588,600	803,725	278,495	293,380
<i>Add:</i>				
Restricted cash	7,068,071	4,808,150	–	–
Cash and short-term deposits (Note 18)	2,941,662	2,754,421	1,115,077	1,946,875
Total loans and receivables	10,598,333	8,366,296	1,393,572	2,240,255

Trade receivables are non-interest bearing and are generally on 15 to 30 days' credit terms. They are recognised at their original invoice amounts which represent their fair value on initial recognition.

The carrying amounts of current trade and other receivables approximate their fair values.

Trade and other receivables that are neither past due nor impaired are substantially from companies with a good collection track record with the Group.

Trade and other receivables denominated in foreign currencies other than the respective entities' functional currencies as at 30 June are as follow:

	Group		Trust	
	2015 JPY'000	2014 JPY'000	2015 JPY'000	2014 JPY'000
Singapore Dollars	14,518	20,256	14,518	20,256

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 17. DERIVATIVE FINANCIAL INSTRUMENTS

Group 2015	Maturity	Contract/ Notional amount JPY'000	Assets JPY'000	Liabilities JPY'000
Forward currency contracts	2015 - 2016	4,944,000	325,240	-
Interest rate swaps	2015 - 2019	39,150,000	-	364,030
Cross currency swap	2017	8,176,796	914,052	-
		<u>52,270,796</u>	<u>1,239,292</u>	<u>364,030</u>
			Assets JPY'000	Liabilities JPY'000
Represented by:				
Derivative financial instruments				
– Non-current			885,548	363,732
– Current			353,744	298
Total derivative financial instruments			<u>1,239,292</u>	<u>364,030</u>

2014	Maturity	Contract/ Notional amount JPY'000	Assets JPY'000	Liabilities JPY'000
Forward currency contracts	2014 - 2015	3,764,000	-	44,351
Interest rate swaps	2018 - 2019	33,360,000	-	448,052
Cross currency swap	2017	8,176,796	60,508	120,208
		<u>45,300,796</u>	<u>60,508</u>	<u>612,611</u>
			Assets JPY'000	Liabilities JPY'000
Represented by:				
Derivative financial instruments				
– Non-current			-	585,142
– Current			60,508	27,469
Total derivative financial instruments			<u>60,508</u>	<u>612,611</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 17. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

Trust 2015	Maturity	Contract/ Notional amount JPY'000	Assets JPY'000	Liabilities JPY'000
Forward currency contracts	2015 - 2016	4,944,000	325,240	-
Cross currency swap	2017	8,176,796	914,052	-
		13,120,796	1,239,292	-
			<b>Assets</b> JPY'000	<b>Liabilities</b> JPY'000
Represented by:				
Derivative financial instruments				
– Non-current			885,548	-
– Current			353,744	-
Total derivative financial instruments			1,239,292	-
2014	Maturity	Contract/ Notional amount JPY'000	Assets JPY'000	Liabilities JPY'000
Forward currency contracts	2014 - 2015	3,764,000	-	44,351
Cross currency swap	2017	8,176,796	60,508	120,208
		11,940,796	60,508	164,559
			<b>Assets</b> JPY'000	<b>Liabilities</b> JPY'000
Represented by:				
Derivative financial instruments				
– Non-current			-	137,090
– Current			60,508	27,469
Total derivative financial instruments			60,508	164,559

### Forward currency contracts

Forward currency contracts are used to manage foreign currency risk arising from the cash flow of the Group's foreign investment properties in Japan. The Group entered into forward currency contracts to manage its distributions to unitholders. A net unrealised gain/(loss) of JPY369,590,000 (2014: JPY44,351,000) was included in profit and loss in respect of these contracts.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 17. DERIVATIVES FINANCIAL INSTRUMENTS (CONT'D)

### Interest rate swaps

Interest rate swaps are used to hedge interest rate risk arising from the underlying floating interest rates of specified loans and specified bonds. Under the interest rate swaps, the Group receives floating interest at specific contracted intervals and pays fixed rates of interest ranging from 0.64% to 1.19% (2014: 0.80% to 1.19%) per annum.

The Group designates these interest rate swaps as cash flow hedges which were assessed to be highly effective. An unrealised loss of JPY364,030,000 (2014: JPY448,052,000) was included in fair value adjustment reserve in unitholders' funds in respect of these contracts. Fair value loss on the interest rate of JPY128,620,000 (2014: JPY97,372,000) recognised in the hedging reserve was transferred to profit or loss as part of finance costs during the period.

### Cross currency swap

Cross currency swap is used to hedge foreign exchange risk arising from the principal and the interest of medium-term note ("MTN"). The Group entered into cross currency swap to convert the principal of SGD100 million to JPY8,176 million and exchanged its SGD interest obligation of fixed-rate of 4.60% per annum into JPY interest obligations of fixed-rate of 3.83% per annum.

The Group designates the cross currency swap as cash flow hedges which was assessed to be highly effective. An unrealised gain/(loss) of JPY2,848,000 (2014: JPY1,904,000) was included in fair value adjustment reserve in unitholders' funds in respect of this contract.

## 18. CASH AND SHORT-TERM DEPOSITS

	Group		Trust	
	2015 JPY'000	2014 JPY'000	2015 JPY'000	2014 JPY'000
Cash at banks and on hand	2,371,969	2,754,421	545,384	1,946,875
Short-term deposits	569,693	–	569,693	–
	<u>2,941,662</u>	<u>2,754,421</u>	<u>1,115,077</u>	<u>1,946,875</u>

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one month to three months, and earns interest at the respective short-term deposit rates ranging from 0.02% to 1.04% (2014: Nil) per annum.

Cash and bank balances denominated in foreign currencies as at 30 June are as follow:

	Group		Trust	
	2015 JPY'000	2014 JPY'000	2015 JPY'000	2014 JPY'000
Singapore Dollars	<u>504,563</u>	<u>294,780</u>	<u>502,639</u>	<u>293,103</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 19. TRADE AND OTHER PAYABLES

	Group		Trust	
	2015 JPY'000	2014 JPY'000	2015 JPY'000	2014 JPY'000
<b>Non-current:</b>				
Security deposits received	3,250,321	1,623,143	–	–
<b>Current:</b>				
Trade payables	746,987	327,795	–	–
Other payables	107,920	107,890	37,026	27,476
Security deposits received	364,421	449,047	–	–
	1,219,328	884,732	37,026	27,476
Total trade and other payables	4,469,649	2,507,875	37,026	27,476
<i>Add:</i>				
Other liabilities (Note 20) (exclude ARO and deferred revenue)	186,930	97,666	40,023	44,898
Loans and borrowings (Note 21)	47,487,213	40,602,536	9,137,533	8,119,938
Total financial liabilities carried at amortised cost	52,143,792	43,208,077	9,214,582	8,192,312

### Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 to 60 days' credit terms.

Trade and other payables denominated in foreign currencies as at 30 June are as follow:

	Group		Trust	
	2015 JPY'000	2014 JPY'000	2015 JPY'000	2014 JPY'000
Singapore Dollars	15,671	30,805	15,671	27,276

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 20. OTHER LIABILITIES

	Group		Trust	
	2015 JPY'000	2014 JPY'000	2015 JPY'000	2014 JPY'000
<b>Non-current:</b>				
Deferred revenue on deposits received	452,322	379,800	-	-
Asset retirement obligation	128,546	126,231	128,546	126,231
	580,868	506,031	128,546	126,231
<b>Current:</b>				
Deferred revenue on deposits received	471,831	382,344	-	-
Accrued interest for loans and borrowings	45,964	34,547	-	-
Accrued operating expenses	60,986	52,372	40,023	44,898
Other liabilities	79,980	10,747	-	-
	658,761	480,010	40,023	44,898
Total other liabilities	1,239,629	986,041	168,569	171,129

### Deferred revenue on deposits received

Tenants deposits liabilities are initially recognized at fair value and the difference between the fair value and the nominal amount is included as component of rent income over the lease term.

### Asset retirement obligation

Asset retirement obligation is associated with an investment property. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rate, the expected cost to dismantle and remove plant from the site and the expected timing of those costs.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 21. LOANS AND BORROWINGS

	Maturity	Group		Trust	
		2015 JPY'000	2014 JPY'000	2015 JPY'000	2014 JPY'000
<b>Non-current:</b>					
Specified loans	2018 - 2019	28,933,726	28,751,437	-	-
Specified bonds	2018 - 2019	8,769,081	3,372,717	-	-
Medium term note	2017	9,137,533	8,119,938	9,137,533	8,119,938
		46,840,340	40,244,092	9,137,533	8,119,938
<b>Current:</b>					
Specified loans	2014	-	358,444	-	-
Specified bonds	2015	646,873	-	-	-
		646,873	358,444	-	-
Total loan and borrowings		47,487,213	40,602,536	9,137,533	8,119,938

### Specified loans

Specified loans amounting to JPY28,933,726,000 (2014: JPY29,109,881,000) are secured by mortgage over certain investment properties of the Group. The interest rates range from 3 months Libor + 0.40% to 3 months Libor + 0.45% (2014: 3 months Libor + 0.40% to 3 months Libor + 0.45%) per annum. The loans are repayable upon maturity. The Group has entered into interest rate swaps (Note 17) to convert floating interest rates to fixed interest rates.

### Specified bonds

Specified bonds amounting to JPY9,415,954,000 (2014: JPY3,372,717,000) are secured with general lien on certain assets of the Group. The interest rates range from 3 months Libor + 0.30% to 3 months Libor + 0.70% (2014: 3 months Libor + 0.40% to 3 months Libor + 0.70%) per annum. The bonds are repayable upon maturity. The Group has entered into interest rate swaps (Note 17) to convert floating interest rates to fixed interest rates.

### Medium Term Note at interest cost of 4.6%

This MTN is unsecured and it is repayable on 23 January 2017, along with the principal amount of SGD100 million. The Trust entered into a cross currency swap agreement to convert its principal and interest of the MTN from Singapore Dollar to Japanese Yen. The principal amount and interest were fixed with JPY8,176,796,000 with 3.83%.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 22. UNITS IN ISSUE

2015	Number of units '000	Group JPY'000	Trust JPY'000
At 1 July	431,438	29,861,308	29,876,815
Issue of units:			
Managers' fees paid in units	6,000	506,512	506,512
Private placement	78,900	6,085,912	6,085,912
Distribution reinvestment plan	2,626	211,628	211,628
	87,526	6,804,052	6,804,052
Units issued as at 30 June	518,964	36,665,360	36,680,867
Managers' fees payable in units	230	10,655	10,655
Issue costs	-	(189,265)	(189,265)
At 30 June	519,194	36,486,750	36,502,257
2014	Number of units '000	Group JPY'000	Trust JPY'000
At 7 May 2012 (date of constitution)	-	-	-
Issue of units:			
Initial Public Offering ("IPO")	425,320	31,171,488	31,171,488
Managers' fees paid in units	4,668	339,350	339,350
	429,988	31,510,838	31,510,838
Units issued as at 30 June	429,988	31,510,838	31,510,838
Managers' fees payable in units	1,450	118,405	118,405
Issue costs	-	(1,767,935)	(1,752,428)
At 30 June	431,438	29,861,308	29,876,815

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 22. UNITS IN ISSUE (CONT'D)

During the year, the following units were issued:

- 6,000,000 (2014: 4,668,000) units were issued at unit prices ranging between 93.82 – 101.14 Singapore cents (2014: 87.77 – 94.45 Singapore cents) as payment of management fees to the Manager.
- 78,900,000 units were issued at unit price 91.5 Singapore cents to partially fund the proposed acquisition of One's mall.
- 2,626,000 units were issued at unit price 92.6 Singapore cents pursuant to CRT's distribution reinvestment plan.

The Trust has on listing date issued 425,320,000 units at 93 Singapore cents each. These proceeds were primarily used for the acquisition of the TBI relating to the investment properties.

Each unit in the Trust represents an undivided interest in the Trust. The rights and interests of unitholders are contained in the Trust Deed and include the rights to:

- receive income and other distributions attributable to the units held;
- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a unitholder does not have the right to require any assets (or part thereof) of the Trust be returned to him;
- attend all unitholders' meeting. The Trustee-Manager may at any time convene a meeting of unitholders in accordance with the provisions of the Trust Deed;
- vote at unitholders' meetings. Every unitholder has one vote for each unit of which he is the unitholder.

The restrictions of a unitholder include the following:

- a unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- a unitholder has no right to request to redeem his units while his units are listed on SGX-ST.

A unitholder's liability is limited to the amount paid or payable for any unit in the Trust. The provisions for the Trust Deed provide that no unitholders will be personally liable to indemnify the Trustee-Manager or any creditor of the Trust in the event that the liabilities of the Trust exceed its assets.

Issue costs include professional and other fees, underwriting, selling and management commission, and miscellaneous offering expenses. Included in issue costs are JPY6,843,000 (2014: JPY79,061,000) of non-audit fees paid to the auditors.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 23. FAIR VALUE ADJUSTMENT RESERVE

	Group		Trust	
	2015 JPY'000	2014 JPY'000	2015 JPY'000	2014 JPY'000
At 1 July/ date of constitution	(449,957)	–	(1,904)	–
Net gain/(loss) on fair value changes on cash flow hedges	88,776	(449,957)	4,752	(1,904)
At 30 June	<u>(361,181)</u>	<u>(449,957)</u>	<u>2,848</u>	<u>(1,904)</u>

Fair value adjustment reserve represents the cumulative fair value changes of derivative financial instruments.

## 24. DISTRIBUTION TO UNITHOLDERS

	Group and Trust	
	2015 JPY'000	2014 JPY'000
Distribution of 5.24 Singapore cents per unit for the period from 10 May 2013 to 31 December 2013	–	1,810,356
Distribution of 3.74 Singapore cents per unit for the period from 1 January 2014 to 30 June 2014	1,369,360	–
Advance distribution of 1.66 Singapore cents per unit for the period from 1 July 2014 to 10 September 2014	614,703	–
Distribution of 2.50 Singapore cents per unit for the period from 11 September 2014 to 31 December 2014	1,116,619	–
Total distribution	<u>3,100,682</u>	<u>1,810,356</u>

The Trustee-Manager proposed a distribution of 3.92 Singapore cents (2014: 3.74 Singapore cents) per unit or SGD20,352,000 (equivalent to JPY1,626,855,000) (2014: SGD16,136,000 (equivalent to JPY1,369,360,000)) to unitholders in respect of the period from 1 January 2015 to 30 June 2015.

The income available for distribution for the year is JPY3,358,177,000 (2014: JPY3,179,716,000) and in accordance with its distribution policy, the Trustee-Manager distributes 100% of the income available for distribution to unitholders.

## 25. RELATED PARTY TRANSACTIONS

The following significant transactions between the Group and related parties took place at terms agreed between the parties during the period:

	Period from 07.05.2012 (date of constitution) to 30.06.2014	
	2015 JPY'000	2014 JPY'000
Trustee-Manager's fees	555,112	497,983
Acquisition fees	79,200	604,580
	<u>634,312</u>	<u>1,102,563</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 26. COMMITMENTS

### (a) Capital commitment

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group	
	2015	2014
	JPY'000	JPY'000
Capital commitment in respect of investment properties	–	20,000

The capital commitment pertains to the refurbishment works for an investment property held by the Group. The works were completed in May 2015.

### (b) Operating lease commitments – as lessee

The Group has entered into commercial leases on carpark and land for its investment properties. These leases have remaining lease terms of up to about 44 years (2014: 45 years).

Minimum lease payments recognised as an expense in profit or loss for the period amounted to JPY147,552,000 (2014: JPY75,130,000).

Future minimum rental payable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2015	2014
	JPY'000	JPY'000
Not later than one year	121,890	94,559
Later than one year but not later than five years	487,560	378,237
Later than five years	2,700,931	2,812,318
	<u>3,310,381</u>	<u>3,285,114</u>

### (c) Operating lease commitments – as lessor

The Group has entered into commercial property leases on its investment properties. These non-cancellable leases have remaining lease terms of up to about 47 years (2014: 48 years). Future minimum rental receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2015	2014
	JPY'000	JPY'000
Not later than one year	6,174,026	4,662,649
Later than one year but not later than five years	5,253,532	5,746,540
Later than five years	1,626,536	2,034,749
	<u>13,054,094</u>	<u>12,443,938</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 27. FAIR VALUE OF ASSETS AND LIABILITIES

### (a) Fair value hierarchy

The Group categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

### (b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

Group 2015	Quoted prices in active markets for identical assets (Level 1) JPY'000	Significant observable inputs other than quoted prices (Level 2) JPY'000	Significant unobservable inputs (Level 3) JPY'000	Total JPY'000
Recurring fair value measurements				
<b>Assets</b>				
<b>Non-financial assets</b>				
Investment properties	–	–	87,930,000	87,930,000
Total non-financial assets	–	–	87,930,000	87,930,000
<b>Financial assets</b>				
<u>Derivative financial instruments</u>				
Forward currency contracts	–	325,240	–	325,240
Cross currency swap	–	914,052	–	914,052
Total non-financial assets	–	1,239,292	–	1,239,292
Total financial and non-financial assets	–	1,239,292	87,930,000	89,169,292
<b>Liabilities</b>				
<b>Financial liabilities</b>				
<u>Derivative financial instruments</u>				
Interest rate swaps	–	364,030	–	364,030
Total financial liabilities	–	364,030	–	364,030

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 27. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(b) *Assets and liabilities measured at fair value (cont'd)*

Group 2014	Quoted prices in active markets for identical assets (Level 1) JPY'000	Significant observable inputs other than quoted prices (Level 2) JPY'000	Significant unobservable inputs (Level 3) JPY'000	Total JPY'000
Recurring fair value measurements				
<b>Assets</b>				
<b>Non-financial assets</b>				
Investment properties	–	–	69,870,000	69,870,000
Total non-financial assets	–	–	69,870,000	69,870,000
<b>Liabilities</b>				
<b>Financial liabilities</b>				
<u>Derivative financial instruments</u>				
Forward currency contracts	–	44,351	–	44,351
Interest rate swaps	–	448,052	–	448,052
Cross currency swap	–	59,700	–	59,700
Total financial liabilities	–	552,103	–	552,103

(c) *Level 2 fair value measurements*

As at 30 June 2015, the Group has forward foreign exchange contracts, interest rate swaps and cross currency swap, which are categorised in Level 2. The fair value of forward currency contracts is determined using mark-to-market valuation, which is calculated on the basis of quoted forward exchange rates at the balance sheet date, received from respective banking and financial institutions. The fair values of interest rate swaps and cross currency swap are also determined using mark-to-market valuation, which is calculated as the present value of the estimated future cash flows, received from respective banking and financial institutions. These derivative financial instruments are recognised at fair value in the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 27. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### (d) Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs as applied by the external valuation expert:

Description and location	Fair value (JPY'000)	Valuation technique	Unobservable inputs	Rate
Aeon Town Moriya (Ibaraki)	14,400,000	Discounted cash flow	– Discount rate – Terminal capitalisation rate	5.4% 5.7%
Aeon Town Suzuka (Mie)	9,650,000	Discounted cash flow	– Discount rate – Terminal capitalisation rate	5.8% 6.1%
Croesus Shinsaibashi (Osaka)	10,700,000	Discounted cash flow	– Discount rate – Terminal capitalisation rate	3.8% 4.1%
Croesus Tachikawa (Tokyo)	12,800,000	Discounted cash flow	– Discount rate – Terminal capitalisation rate	4.5% 4.9%
Luz Omori (Tokyo)	3,880,000	Discounted cash flow	– Discount rate – Terminal capitalisation rate	4.8% 5.0%
Mallage Shobu (Saitama)	24,500,000	Discounted cash flow	– Discount rate – Terminal capitalisation rate	5.7% 6.0%
One's Mall (Chiba)	12,000,000	Discounted cash flow	– Discount rate – Terminal capitalisation rate	5.3% 5.6%

The fair values are determined using the DCF approach with reference to the direct capitalization approach value as a cross check. The DCF and direct capitalization approach involve the estimation of income and expenses, taking into account expected future changes in economic and social conditions, which may affect the value of the properties. The direct comparison approach is not applied due to a lack of comparable transactions. The Group is of the view that the valuation methods and estimates are reflective of the current market condition.

Total property expenses, recognised in the consolidated profit or loss, represent direct operating expenses arising from investment properties that generated rental income. The Group does not have any investment properties that did not generate rental income.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 27. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(d) *Level 3 fair value measurements (cont'd)*

### Sensitivity analysis for investment properties

The investment properties categorised under Level 3 of the fair value hierarchy are generally sensitive to the various unobservable inputs tabled above. A significant movement of each input would result in significant change to the fair value of the respective investment properties. A significant increase in the discount rate and the terminal capitalisation rate would result in a significantly lower fair value measurement, and vice versa.

### Valuation policies and procedures

For all significant financial reporting valuations using valuation models and input unobservable to the Trustee-Manager, the Group engages external valuation experts to perform the valuation. The Trustee-Manager is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and FRS 113 fair value measurement guidance.

For valuations performed by external valuation experts, the Trustee-Manager reviews the appropriateness of the valuation methodologies and assumptions adopted. The Trustee-Manager also evaluates the appropriateness and reliability of the input used in the valuations. External valuation experts are required, to the extent practicable, to use a minimum of one methodology to cross-check valuations that are sensitive to unobservable input.

Significant changes in fair value measurements from period to period are evaluated by management for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent external sources, or internal sources if necessary and appropriate.

## 28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to currency risk, interest rate risk, credit risk and liquidity risk in the normal course of its business. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses financial instruments such as forward currency contract, interest rate swap and cross currency swap to hedge certain financial risk exposures.

The Trustee-Manager is responsible for setting the objectives and underlying principles of financial risk management for the Group. This is supported by comprehensive internal processes and procedures which are formalised in the Trustee-Manager's organisational and reporting structure, operating manuals and delegation of authority guidelines.

The Audit and Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit and Risk Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (a) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counter party default on its obligations. The Group and the Trust's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and short-term deposits and derivatives financial instruments), the Group and the Trust minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. Credit evaluations are performed by the Group before lease agreements are entered into with lessees. In addition, the Group requires lessees to provide tenancy security deposits. Cash and short-term deposits are placed with financial institutions which are regulated.

At the end of reporting period, the maximum exposure to credit risk is represented by the net carrying amount of that class of financial instruments, being offset by any tenancy security deposits.

The credit risk for trade receivables based on the information provided to key management is as follows:

#### Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks which are regulated. Trade and other receivables that are neither past due nor impaired are substantially from companies with a good collection track record with the Group.

#### Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired.

### (b) *Liquidity risk*

Liquidity risk is the risk that the Group or the Trust will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Trust's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Trust's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations. In addition, the Group also monitors and observes the bank covenants imposed by the banks on the various borrowings.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) *Liquidity risk (cont'd)*

The table below summarises the maturity profile of the Trust's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

<b>Group 2015</b>	<b>Within 1 year JPY'000</b>	<b>1 to 5 years JPY'000</b>	<b>Over 5 years JPY'000</b>	<b>Total JPY'000</b>
<u>Financial assets</u>				
Trade and other receivables	401,115	6,927	213,500	621,542
Restricted cash	3,300,260	653,623	3,114,188	7,068,071
Cash and short-term deposits	2,941,662	–	–	2,941,662
Derivative financial instruments	104,877	60,053	–	164,930
<b>Total undiscounted financial assets</b>	<b>6,747,914</b>	<b>720,603</b>	<b>3,327,688</b>	<b>10,796,205</b>
<u>Financial liabilities</u>				
Trade and other payables	1,248,551	653,622	3,114,188	5,016,361
Loans and borrowings	1,230,174	47,265,340	–	48,495,514
Other liabilities (exclude deferred revenue)	60,986	–	286,000	346,986
Derivative financial instruments	136,340	307,968	–	444,308
<b>Total undiscounted financial liabilities</b>	<b>2,676,051</b>	<b>48,226,930</b>	<b>3,400,188</b>	<b>54,303,169</b>
<b>Total net undiscounted financial assets/ (liabilities)</b>	<b>4,071,863</b>	<b>(47,506,327)</b>	<b>(72,500)</b>	<b>(43,506,964)</b>
<b>Group 2014</b>	<b>Within 1 year JPY'000</b>	<b>1 to 5 years JPY'000</b>	<b>Over 5 years JPY'000</b>	<b>Total JPY'000</b>
<u>Financial assets</u>				
Trade and other receivables	311,601	–	95,517	407,118
Restricted cash	2,754,823	493,034	1,560,293	4,808,150
Cash and short-term deposits	2,754,421	–	–	2,754,421
Derivative financial instruments	60,600	–	–	60,600
<b>Total undiscounted financial assets</b>	<b>5,881,445</b>	<b>493,034</b>	<b>1,655,810</b>	<b>8,030,289</b>
<u>Financial liabilities</u>				
Trade and other payables	886,724	493,034	1,560,293	2,940,051
Loans and borrowings	870,498	42,307,246	–	43,177,744
Other liabilities (exclude deferred revenue)	97,666	–	286,000	383,666
Derivative financial instruments	196,302	463,449	–	659,751
<b>Total undiscounted financial liabilities</b>	<b>2,051,190</b>	<b>43,263,729</b>	<b>1,846,293</b>	<b>47,161,212</b>
<b>Total net undiscounted financial assets/ (liabilities)</b>	<b>3,830,255</b>	<b>(42,770,695)</b>	<b>(190,483)</b>	<b>(39,130,923)</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) *Liquidity risk (cont'd)*

<b>Trust 2015</b>	<b>Within 1 year JPY'000</b>	<b>1 to 5 years JPY'000</b>	<b>Over 5 years JPY'000</b>	<b>Total JPY'000</b>
<u>Financial assets</u>				
Trade and other receivables	7,965	-	-	7,965
Cash and short-term deposits	1,115,077	-	-	1,115,077
Loan to subsidiaries	503,665	9,569,947	-	10,073,612
Derivative financial instruments	104,877	60,053	-	164,930
Total undiscounted financial assets	1,731,584	9,630,000	-	11,361,584
<u>Financial liabilities</u>				
Trade and other payables	25,268	-	-	25,268
Loans and borrowings	418,048	8,416,171	-	8,834,219
Other liabilities	40,023	-	-	40,023
Total undiscounted financial liabilities	483,339	8,416,171	-	8,899,510
Total net undiscounted financial assets	1,248,245	1,213,829	-	2,462,074
<b>Trust 2014</b>	<b>Within 1 year JPY'000</b>	<b>1 to 5 years JPY'000</b>	<b>Over 5 years JPY'000</b>	<b>Total JPY'000</b>
<u>Financial assets</u>				
Trade and other receivables	273,124	-	-	273,124
Cash and short-term deposits	1,946,875	-	-	1,946,875
Loan to subsidiaries	-	8,829,394	-	8,829,394
Derivative financial instruments	60,600	-	-	60,600
Total undiscounted financial assets	2,280,599	8,829,394	-	11,109,993
<u>Financial liabilities</u>				
Trade and other payables	27,476	-	-	27,476
Loans and borrowings	313,171	8,671,006	-	8,984,177
Other liabilities	44,898	-	286,000	330,898
Derivative financial instruments	87,845	110,393	-	198,238
Total undiscounted financial liabilities	473,390	8,781,399	286,000	9,540,789
Total net undiscounted financial assets/ (liabilities)	1,807,209	47,995	(286,000)	1,569,204

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (c) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Trust's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Trust's exposure to interest rate risk arises primarily from their loans and borrowings.

The Group constantly monitors its exposure to changes in interest rates for its interest-bearing financial liabilities. Interest rate risk is managed on an ongoing basis with the primary objective of limiting the extent to which net interest expense can be affected by adverse movements in interest rates through the use of interest rate swaps.

The Group has outstanding interest rate swaps with notional amounts totaling JPY39,150,000,000 (2014: JPY33,360,000,000) (Note 17). As at the reporting date, financial derivative liabilities of JPY364,030,000 (2014: JPY448,052,000) were recorded on the balance sheets based on the net fair value of these interest rate swaps.

#### Sensitivity analysis for interest rate risk

At the reporting date, the Group has minimal interest rate exposure as the Group had fully hedged its floating rate financial liabilities, and its profits after tax and operating cash flows are fully independent of changes in market interest rates.

### (d) *Foreign currency risk*

Foreign currency risk arises when transactions are denominated in currencies other than the respective functional currencies of the various entities in the Group and impact the Group's total return for the year.

The Group's foreign currency risk relates mainly to its distribution to unitholders in Singapore Dollar. The Group monitors its foreign currency exposure on an on-going basis and manages its exposure to adverse movements in foreign currency exchange rates through financial instruments or other suitable financial products.

The Group has outstanding forward currency contracts and cross currency swap with notional amounts totaling JPY4,944,000,000 and JPY8,176,796,000 (2014: JPY3,764,000,000 and JPY8,176,796,000) respectively (Note 17). As at the reporting date, net financial derivative assets/(liabilities) of JPY1,239,292,000 (2014: JPY104,051,000) were recorded on the balance sheets based on the net fair value of these forward currency contracts and cross currency swap.

#### Sensitivity analysis for foreign currency risk

At the reporting date, if the Japanese Yen strengthened/weakened against Singapore Dollar by 10% (2014: 5%) with all other variables constant, the Group's total return before tax would have been JPY50,341,000 (2014: JPY11,368,000) lower/higher due to exchange differences arising from appreciation/depreciation of Japanese Yen against Singapore Dollar.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 29. OPERATING SEGMENT

The Group's investment properties are primarily tenanted for use as retail space and are all located in Japan. The revenues of the Group are derived primarily from retail tenants. Therefore, the Trustee-Manager considers that the Group operates within a single business segment and within a single geographical segment in Japan.

	2015 JPY'000	2014 JPY'000
Revenue from a major retail tenant	1,872,116	1,837,487

### Geographical segment

Revenue and non-current assets information based on the geographical location of assets respectively are as follow:

	2015		2014	
	Revenue JPY'000	Non-current assets JPY'000	Revenue JPY'000	Non-current assets JPY'000
Japan	7,635,403	92,992,870	6,261,227	72,205,047

## 30. CAPITAL MANAGEMENT

The Trustee-Manager looks at the depository assets as defined under the Property Fund Guidelines to manage as capital. The Trustee-Manager's objective when managing capital is to optimise the Group's capital structure within the borrowing limits set out in the Trust Deed to fund future acquisitions and asset enhancement works at the Group's properties. To maintain or achieve an optimal capital structure, the Trustee-Manager may issue new units or source additional borrowing.

The Trustee-Manager monitors capital based on gearing ratio. The gearing ratio is calculated as total loans and borrowings divided by total depository assets.

The gearing ratios of the Group as at the end of the reporting periods are as follows:

	2015 JPY'000	2014 JPY'000
Total loans and borrowings	47,487,213	40,602,536
Total depository assets	100,400,953	78,490,576
Gearing ratio	47.3%	51.7%

The banks providing specified loans and specified bonds to subsidiaries require the subsidiaries to keep certain level of cash reserve and gearing ratio in the agreements. The Trustee-Manager monitors and manages the working capital of the Group and financial position of the subsidiaries to satisfy these requirements.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## **31. SUBSEQUENT EVENTS**

### Payment of management fee by way of issue of units

On 31 August 2015, the Trust has made payment of management fees by way of issue of 1,680,000 new units to the Trustee-Manager at the issue price of SGD0.8439 per unit.

## **32. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE**

The financial statements for the year ended 30 June 2015, were authorised for issue in accordance with a resolution of the Board of Directors of the Trustee-Manager, Croesus Retail Asset Management Pte. Ltd. on 16 September 2015.

## ISSUER

**Croesus Retail Asset Management Pte. Ltd.**  
**(in its capacity as trustee-manager of Croesus Retail Trust)**  
50 Raffles Place  
#25-03 Singapore Land Tower  
Singapore 048623

## ARRANGERS

**DBS Bank Ltd.**  
12 Marina Boulevard  
Marina Bay Financial Centre Tower 3  
Singapore 018982

**United Overseas Bank Limited**  
80 Raffles Place #03-01  
UOB Plaza 1  
Singapore 048624

## DEALERS

**DBS Bank Ltd.**  
12 Marina Boulevard  
Marina Bay Financial Centre Tower 3  
Singapore 018982

**United Overseas Bank Limited**  
80 Raffles Place #03-01  
UOB Plaza 1  
Singapore 048624

## TRUSTEE

**DB International Trust (Singapore) Limited**  
One Raffles Quay #16-00  
South Tower  
Singapore 048583

## ISSUING AND PAYING AGENT

**Deutsche Bank AG, Hong Kong Branch**  
1 Austin Road West Level 52  
International Commerce Centre  
Kowloon  
Hong Kong

## CDP PAYING AGENT AND REGISTRAR IN RESPECT OF CDP NOTES

**Deutsche Bank AG, Singapore Branch**  
One Raffles Quay #16-00  
South Tower  
Singapore 048583

## REGISTRAR IN RESPECT OF NOTES OTHER THAN CDP NOTES

**Deutsche Bank Luxembourg S.A.**  
2 Boulevard Konrad Adenauer  
Luxembourg L-1115

## LEGAL ADVISERS

*To the Issuer in respect of Singapore law*

**Allen & Gledhill LLP**  
One Marina Boulevard #28-00  
Singapore 018989

*To the Arrangers, the Dealers  
and the Trustee in respect of English law*

**Linklaters Singapore Pte. Ltd.**  
One George Street #17-01  
Singapore 049145