



SASSEUR REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements Announcement
for the Period from 28 March 2018 (Listing Date) to 30 June 2018

TABLE OF CONTENTS

Item No.	Description	Page No.
-	Introduction	2
-	Summary of Sasseur REIT Group Results	3
1(a)(i)(ii)	Consolidated Statement of Total Return and Distribution Statement	4 – 5
1(b)(i)	Statements of Financial Position	6
1(b)(ii)	Aggregate Amount of Borrowings and Debt Securities	7
1(c)	Consolidated Statement of Cash Flows	8 – 9
1(d)(i)	Statements of Changes in Unitholders' Funds	9
1(d)(ii)	Details of Any Change in Units	10
1(d)(iii)	Total number of issued units	10
1(d)(iv)	Sales, transfers, disposal, cancellation and/or use of Treasury units	10
2 & 3	Audit Statement	10
4 & 5	Changes in Accounting Policies	10
6	Consolidated Earnings Per Unit ("EPU") and Distribution Per Unit ("DPU")	11
7	Net Asset Value ("NAV") and Net Tangible Asset ("NTA") Per Unit	11
8	Review of the Performance	11
9	Variance between Actual and Forecast Results	12
10	Outlook and Prospects	13
11 & 12	Distribution	14
13	General Mandate relating to Interested Person Transactions	14
14	Confirmation Pursuant to Rule 705(5) of the Listing Manual	14
15	Confirmation Pursuant to Rule 720(1) of the Listing Manual	15
16	Use of Proceeds from Initial Public Offering	15

DBS Bank Ltd. is the sole financial adviser and issue manager for the initial public offering of Sasseur Real Estate Investment Trust (the "Offering"). The joint global coordinators for the Offering are DBS Bank Ltd. and Bank of China Limited, Singapore Branch. DBS Bank Ltd., Bank of China Limited, Singapore Branch, BOCI Asia Limited, China International Capital Corporation (Singapore) Pte. Limited, Citigroup Global Markets Singapore Pte. Ltd., Credit Suisse (Singapore) Limited, Haitong International Securities (Singapore) Pte. Ltd. and Maybank Kim Eng Securities Pte. Ltd. are the Joint Bookrunners and Underwriters to the Offering.

SASSEUR REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statement Announcement
for the Period from 28 March 2018 (Listing Date) to 30 June 2018

Introduction

Sasseur Real Estate Investment Trust (the “Sasseur REIT”) is a Singapore real estate investment trust constituted as a private trust (“Sasseur Trust”) by a trust deed dated 30 October 2017 which was supplemented by a first supplemental deed dated 19 March 2018, entered into by Sasseur Asset Management Pte. Ltd. as Manager of Sasseur REIT (the “Manager”) and DBS Trustee Limited as Trustee of Sasseur REIT (the “Trustee”). Sasseur Real Estate Investment Trust and its subsidiaries are collectively known as the “REIT Group”.

Sasseur REIT was listed on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 28 March 2018 (the “Listing Date”). Sasseur REIT’s investment strategy is investing principally, directly or indirectly, in a diversified portfolio of income-producing real estate, primarily comprised retail outlet mall, as well as real estate related assets in relation to the foregoing, with an initial focus on Asia.

The Sasseur REIT’s initial portfolio comprises the following four retail outlet malls (the “Properties”) strategically located in cities of economic potential in the PRC:

- **Chongqing Outlets**

Chongqing Outlets is a retail outlet mall that targets middle and upper-class consumers with higher disposable incomes. Chongqing Outlets was designed and built to reflect an Italian architectural style, distinguishing itself through an experiential shopping concept. Chongqing Outlets houses a cinema, children recreational facilities as well as an array of restaurants. The Chongqing Outlets is located in the northeast region of the city and is approximately 10 km away from the Chongqing Jiangbei International Airport.

- **Bishan Outlets**

Bishan Outlets was designed to be a one-stop shopping destination in the Bishan and West Chongqing areas, combining retail shopping with entertainment, food, education and leisure. Bishan Outlets features (i) a “Super Children’s Centre” (which features retail stores offering a selection of infant and children’s clothing labels, an early childhood education centre, an enrichment centre, a children’s playground, a children’s photography centre and a children’s theatre); and (ii) a “Super Sports Hall” (which houses the outlet stores of sports brands such as Nike, Adidas and Le Coq Sportif and also features a fitness centre). In addition to the foregoing, there are several pubs and bars found in Bishan Outlets and Bishan Outlets is poised to be a trendy meeting point for the young. Bishan Outlets is located in the west of Chongqing. As the closest district to the downtown area of Chongqing, Bishan Outlets can be accessed within a one-hour drive (approximately 37 km) from the downtown area of Chongqing.

- **Hefei Outlets**

Hefei Outlets caters to middle class consumers by offering a wide range of entertainment choices as well as luxury brand stores. Hefei Outlets also features one of the largest cinemas in east China and the first five-star cinema in Hefei under the UME cinema chain, with 17 cinemas equipped with state-of-the-art audio and visual systems and more than 2,500 seats. Hefei Outlets is located in the High-Tech Industrial Development Zone, which is one of the PRC’s national high-tech industrial development zones.

- **Kunming Outlets**

Kunming Outlets offers a wide array of retail options including outlet mall shopping, healthcare services, entertainment and cultural facilities, thereby providing its customers with a comprehensive lifestyle and entertainment experience intended to promote retail spending and enhance customer loyalty. Kunming Outlets is targeted at middle class consumers, catering to their growing preference for luxury brands such as Burberry. Kunming Outlets also carries popular domestic brands to cater to a wide customer base. Kunming Outlets is located in Taiping New City, a new development platform for urban expansion by the government of Anning City.

In the announcement dated 28 March 2018, Sasseur REIT announced that the SGX-ST has granted Sasseur REIT a waiver from compliance with Rule 705(2) of Listing Manual which requires the announcement of the financial statements for the first quarter of its financial year immediately after the figures are available. Instead, Sasseur REIT will be announcing its results for the period from the Listing Date to 30 June 2018.

SASSEUR REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statement Announcement
for the Period from 28 March 2018 (Listing Date) to 30 June 2018

Distribution Policy

Sasseur REIT's distribution policy is to distribute 100.0% of its income available for distribution to Unitholders for the period from the Listing Date to 31 December 2019. Thereafter the Manager will distribute at least 90.0% of Sasseur REIT's income available for distribution with the actual level of distribution to be determined at the discretion of the Board of Directors of the Manager. Distribution to Unitholders will be made semi-annually.

Summary of Sasseur REIT Group Results

	28 March 2018 ("Listing Date") to 30 June 2018		
	Actual ⁽¹⁾ S\$'000	Forecast ⁽²⁾ S\$'000	Variance %
EMA rental income	32,278	31,352	3.0
Income available for distribution to Unitholders	18,743	17,912	4.6
Distribution per unit ("DPU") (cents)	1.587 ⁽³⁾	1.517	4.6
Annualised distribution yield (%) ⁽⁴⁾⁽⁵⁾			
- Based on IPO listing price of S\$0.80	7.6%	7.3% ⁽⁶⁾	4.6
- Based on closing price of S\$0.73	8.4%	n.m.	n.m.

n.m. – Not meaningful

Notes:

- (1) The actual results of the REIT Group's foreign subsidiaries were translated using the average SGD:RMB rate of 1: 4.799 for the period from 28 March 2018 to 30 June 2018.
- (2) The forecast figures were derived from the seasonal forecast for the period from 28 March 2018 to 30 June 2018, based on the Forecast Period 2018 as disclosed in Sasseur REIT Prospectus dated 21 March 2018 (the "Prospectus"). An exchange rate for SGD:RMB of 1: 4.930 was adopted in the forecast.
- (3) The distribution per unit of 1.587 Singapore cents is equivalent to 7.617 Renminbi cents.
- (4) The annualised distribution yield was on a pro-rata basis for 3 months 4 days from the results following the Listing Date based on the listing price of S\$0.80 and closing price of S\$0.73 respectively.
- (5) In the absence of the Entrusted Management Agreements ("EMA"), the distribution per unit and the distribution yield would be 1.087 cent and 5.2% (based on IPO listing price of S\$0.80) respectively.
- (6) The forecast distribution yield of 7.3% was derived from the seasonal forecast for the period from 28 March 2018 to 30 June 2018, based on the annualised return of 7.5% for the Forecast Period 2018 as disclosed in the Prospectus.

SASSEUR REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statement Announcement
for the Period from 28 March 2018 (Listing Date) to 30 June 2018

1(a)(i)(ii) Consolidated Statement of Total Return and Distribution Statement

REIT Group				
Note	Actual 28 March to 30 June 2018 ⁽¹⁾ S\$'000	Forecast 28 March to 30 June 2018 ⁽²⁾ S\$'000	Variance %	
Statement of Total Return				
	EMA rental income ⁽³⁾	32,278	31,352	3.0
	Manager's management fees ⁽⁴⁾	(1,874)	(1,791)	(4.6)
	Trustee's fees	(121)	(79)	(53.2)
1	Other trust expenses	(11,991)	(11,659)	(2.8)
	Finance income	33	–	n.m.
2	Finance costs	(7,493)	(7,143)	(4.9)
	Fair value adjustments to investment properties ⁽³⁾	(2,679)	(3,033)	11.7
	Total return for the period before tax	8,153	7,647	6.6
3	Tax expenses	(4,487)	(4,652)	3.5
	Total return for the period after tax	3,666	2,995	22.4
	Total return after tax attributable to: Unitholders	3,666	2,995	22.4
Distribution Statement				
	Total return attributable to Unitholders	3,666	2,995	22.4
4	Distribution adjustments	15,077	14,917	1.1
	Total return available for distribution to Unitholders	18,743	17,912	4.6

n.m. – Not meaningful

Footnotes:

- (1) The actual results of the REIT Group's foreign subsidiaries were translated using the average SGD:RMB rate of 1: 4.799 for the period from 28 March 2018 to 30 June 2018.
- (2) The forecast figures were derived from the seasonal forecast for the period from 28 March 2018 to 30 June 2018, based on the Forecast Period 2018 as disclosed in the Prospectus. An exchange rate for SGD:RMB of 1: 4.930 was adopted in the forecast.
- (3) Included the accounting impact relating to straight line effect of S\$2.7 million (Forecast: S\$3.0 million). Without the accounting impact, the EMA rental income will be S\$29.6 million which is 4.5% higher as compared to the forecast of S\$28.3 million.
- (4) The Manager has elected to receive 100% of its base fee in the form of units for the period from Listing Date to 31 December 2018.

Notes:

- 1 Included in other trust expenses were S\$11.1 million IPO transaction costs to be expensed off immediately in the current period, and the remaining are recurring audit, tax compliance and other corporate expenses.
- 2 Finance costs comprised the following:

28 March to 30 June 2018			
	Actual S\$'000	Forecast S\$'000	Variance %
Interest expense on borrowings	(6,109)	(5,851)	(4.4)
Amortisation of transaction costs	(1,384)	(1,292)	(7.1)
	(7,493)	(7,143)	(4.9)

SASSEUR REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statement Announcement
for the Period from 28 March 2018 (Listing Date) to 30 June 2018

- 3 Tax expenses comprised income tax, deferred tax and withholding tax relating to the REIT Group's foreign subsidiaries.

28 March to 30 June 2018			
Actual S\$'000	Forecast S\$'000	Variance %	
Current period:			
- Income tax	(3,164)	(2,921)	(8.3)
- Deferred tax	(1,323)	(1,672)	20.9
- Withholding tax	–	(59)	n.m.
	(4,487)	(4,652)	3.5

- 4 Included in distribution adjustments are the following:

28 March to 30 June 2018			
Actual S\$'000	Forecast S\$'000	Variance %	
<u>Distribution adjustments</u>			
Manager's management fees payable in Units	1,874	1,791	4.6
Amortisation of upfront debt-related transaction costs	1,384	1,292	7.1
Straight lining rental adjustment	(2,679)	(3,033)	(11.7)
Fair value adjustments to investment properties	2,679	3,033	(11.7)
Statutory reserves	(433)	(882)	(50.9)
Deferred tax expense	1,323	1,672	(20.9)
IPO transaction costs	11,131	11,044	0.8
Foreign exchange gain	(202)	–	n.m.
Total distribution adjustments	15,077	14,917	1.1

SASSEUR REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statement Announcement
for the Period from 28 March 2018 (Listing Date) to 30 June 2018

1(b)(i) Statements of Financial Position

As at 30 June 2018		
Note	REIT Group S\$'000	REIT S\$'000
<u>Assets</u>		
Non-current assets		
	Investment properties	1,401,378
1	Investment in subsidiaries	–
	Deferred tax assets	951,558
		4,281
		1,405,659
		951,558
Current assets		
	Trade receivables	3,300
	Prepayments, deposits and other receivables	11,453
	Cash and bank balances	176,454
		191,207
		112,881
	Total assets	1,596,866
		1,064,439
<u>Liabilities</u>		
Non-current liabilities		
	Loans and borrowings	499,604
	Deferred tax liabilities	557
		500,161
		120,891
Current liabilities		
	Trade payables	53,104
	Other payables and accruals	81,521
	Loans and borrowings	8,061
	Tax payable	3,034
		145,720
		23,898
	Total liabilities	645,881
		144,789
	Net assets	950,985
		919,650
Represented by:		
	Unitholders' funds	950,985
		919,650

Note:

1 Investment properties are stated at implied acquisition price based on valuation report in the Prospectus.

SASSEUR REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statement Announcement
for the Period from 28 March 2018 (Listing Date) to 30 June 2018

1(b)(ii) Aggregate Amount of Borrowings and Debt Securities

	As at 30 June 2018	
	REIT Group S\$'000	REIT S\$'000
Secured loans and borrowings		
- Amount repayable within one year	8,061	–
- Amount repayable after one year	522,015	125,000
Less: Unamortised upfront debt-related transaction costs	(22,411)	(4,109)
Total secured loans and borrowings	507,665	120,891

Details of any collateral

The REIT Group has put in place an aggregate amount of RMB1,960 million (S\$405.1 million) onshore term loans (the “Onshore Facilities”) and S\$125.0 million offshore term loan (the “Offshore Facility”).

The Onshore Facilities are secured by:

- (a) an unconditional and irrevocable guarantee from Sasseur (Hefei) Investment Consultancy Co., Ltd. and Sasseur (Kunming) Investment Consultancy Co., Ltd. on a joint and several basis;
- (b) a first ranking mortgage over the Properties;
- (c) a pledge of all sales receivables and proceeds, rental income, rental deposits, and other revenue derived from the Properties by the PRC Property Companies and the Onshore Guarantors;
- (d) an assignment of all material agreements including property management agreements, asset management agreements and Entrusted Management Agreements, in relation to the Properties;
- (e) an assignment of all the insurance policies in relation to the Properties with the onshore security agent named as the first beneficiary;
- (f) assignment of all present and future rights and interests of the PRC Property Companies and the Onshore Guarantors in relation to inter-company debts and shareholder loans made to and by the BVI Holding Companies, the HK Holding Companies and the Singapore Holdco (the “Offshore Holding Companies”) and/or the Trustee; and
- (g) any other security as may be reasonably required by the Onshore Lenders and agreed by the PRC Property Companies.

The Offshore Facility is secured by:

- (a) an unconditional and irrevocable guarantee from the Offshore Holding Companies, the Bishan PRC Property Company and the Onshore Guarantors on a joint and several basis;
- (b) first ranking charges or, as the case may be, mortgages over the entire issued share capital of each of the Offshore Holding Companies;
- (c) first ranking pledges over the entire equity interest of each of the PRC Property Companies, Sasseur (Kunming) Investment Consultancy Co., Ltd. and Sasseur (Hefei) Investment Consultancy Co., Ltd.;
- (d) a debenture over all of the assets of the Trustee and the Offshore Holding Companies (only in the case of the Trustee) directly or indirectly relating to and/or directly or indirectly in connection with the Properties and any proceeds relating to the Properties and incorporating security over the Master Entrusted Management Agreement and each Performance Reserve Bank Guarantee provided in connection therewith; and
- (e) any other security that may at any time be given as security or assurance for any of the liabilities pursuant to or in connection with any secured document.

As at 30 June 2018, these term loans were fully drawn down. The weighted average all-in cost of borrowings was 5.4%. The aggregate leverage for the REIT Group as at the end of the period was 33.2%.

SASSEUR REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statement Announcement
for the Period from 28 March 2018 (Listing Date) to 30 June 2018

1(c) Consolidated Statement of Cash Flows

	Note	REIT Group 28 March to 30 June 2018 S\$'000
Cash flows from operating activities		
Total return for the period before tax		8,153
<u>Adjustments for:</u>		
Straight-lining rent adjustment		2,679
Manager's management fee paid in units		1,874
Change in fair value of investment properties		(2,679)
Amortisation of borrowing costs		1,384
Finance costs		6,109
Finance income		(33)
Unrealised translation differences		13,004
Cash flows before changes in working capital		30,491
Changes in working capital:		
Trade receivables		(1,739)
Prepayments, deposits and other receivables		(2,374)
Trade payables		15,044
Other payables and accruals		(17,641)
Cash generated from operations		23,781
Tax paid		(2,321)
Interest received		42
Net cash generated from operating activities		21,502
Cash flows from financing activities		
Increase in restricted cash		(1,925)
Proceeds from bank loans		125,000
Proceeds from issuance of units		396,000
Redemption of sponsor units		(396,000)
Payment of IPO related expenses		(8,160)
Payment of transaction costs relating to loans and borrowings		(20,858)
Interest paid		(6,297)
Net cash generated from financing activities		87,760
Net increase in cash and cash equivalents		109,262
Cash and cash equivalents at beginning of the period		58,015
Effect on exchange rate changes on cash and cash equivalents		641
Cash and cash equivalents at end of the period	1	167,918

SASSEUR REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statement Announcement
for the Period from 28 March 2018 (Listing Date) to 30 June 2018

Notes:

- 1 For the purpose of the Consolidated Statement of Cash Flows, the cash and cash equivalents comprised the following:

	As at 30 June 2018 S\$'000
Cash and bank balances	176,454
Less: Restricted cash	(8,536)
Cash and cash equivalents	167,918

Restricted cash relates to cash balances which are used to secure bank facilities.

1(d)(i) Statements of Changes in Unitholders' Funds

	30 October 2017 to 30 June 2018	
	REIT Group S\$'000	REIT S\$'000
REIT Group		
At 30 October 2017 (Date of Constitution)	— ⁽¹⁾	— ⁽¹⁾
Operations		
Change in Unitholders' funds resulting from operations before distribution	3,233	(15,202)
Transfer to statutory reserve	433	—
Net increase/(decrease) in net assets resulting from operations	3,666	(15,202)
Unitholders' transactions		
Movement during the period		
- Issuance of Consideration Units	1,062,289	1,062,289
- Loss arising from initial public offering	(110,731)	(110,731)
- Issuance of new Units at Initial Public Offering	396,000	396,000
- Redemption of Units	(396,000)	(396,000)
Issue costs ⁽²⁾	(18,580)	(18,580)
Manager's base fee payable in Units ⁽³⁾	1,874	1,874
Net increase in net assets resulting from Unitholders' transactions	934,852	934,852
Movement in foreign currency translation reserve	12,467	—
Total Unitholders' funds as at end of the period	950,985	919,650

Footnotes:

(1) Less than S\$1,000.

(2) Issue cost comprised underwriting and selling commission, professional and other fees, and miscellaneous issue expenses.

(3) This represents the value of units to be issued to the Manager as consideration of manager's base fees incurred for the period ended 30 June 2018 at an issue price based on the volume weighted average price of Sasseur REIT traded on SGX-ST for the last 10 business days immediately preceding 30 June 2018.

SASSEUR REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statement Announcement
for the Period from 28 March 2018 (Listing Date) to 30 June 2018

1(d)(ii) Details of Any Change in Units

	30 October 2017 to 30 June 2018 Units
Units in issue:	
At 30 October 2017 (Date of Constitution) ⁽¹⁾	1
Movement during the period	
- Issuance of Consideration Units	1,062,289
- Sub-division of Units	1,179,217,710
- Issuance of new Units at Initial Public Offering	495,000,000
- Redemption of Units	(495,000,000)
Total issued Units as at end of the period	1,180,280,000
Units to be issued:	
Manager's base fee payable in Units	2,531,748
Total issuable Units as at end of the period	2,531,748
Total units issued and to be issued as at end of period	1,182,811,748

Footnote:

(1) Less than S\$1,000.

1(d)(iii) To show the total number of issued units excluding treasury shares at the end of the current financial period, and as at the end of the immediately preceding year

Sasseur REIT does not hold any treasury units as at 30 June 2018. The total number of issued units in Sasseur REIT was 1,180,280,000.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited nor reviewed by our auditors.

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 complied

The REIT Group has applied the same accounting policies and methods of computation as described in the Prospectus in the preparation of the consolidated financial statements for the current reporting period.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what had changed, as well as the reasons for, and the effect of, the change

Not applicable.

SASSEUR REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statement Announcement
for the Period from 28 March 2018 (Listing Date) to 30 June 2018

6 Consolidated Earnings Per Unit (“EPU”) and Distribution Per Unit (“DPU”)

	28 March to 30 June 2018
EPU	
Weighted average number of Units in issue ⁽¹⁾	1,180,306,650
Net income for the period (S\$'000)	3,666
Basic and diluted EPU (cents)	0.31
DPU	
Number of units in issue at end of period	1,180,280,000
Income available for distribution to Unitholders (S\$'000)	18,743
DPU ⁽²⁾ (cents)	1.587

Footnotes:

(1) The weighted average number of units was based on the number of units in issue during the period.

(2) The DPU was computed and rounded based on the number of units entitled to distribution at the end of the period.

7 Net Asset Value (“NAV”) and Net Tangible Asset (“NTA”) Per Unit

	As at 30 June 2018	
	REIT Group	REIT
Number of units in issue	1,180,280,000	1,180,280,000
Net asset (S\$'000)	950,985	919,650
NAV and NTA per unit ⁽¹⁾ (cents)	80.6	77.9

Footnote:

(1) The computation of NAV and NTA is based on number of units in issue at the end of the period. NAV and NTA is the same as there is no intangible asset as at the end of the period.

8 Review of the performance

Total outlet sales for the period was S\$193.3 million, 8.8% higher than forecast for the same period. The outlet sales was better than forecast mainly due to strong sales in all the four properties. Portfolio occupancy rate was 94.5% as at 30 June 2018.

EMA rental income was S\$32.3 million, 3.0% better than forecast. Total income available for distribution was S\$18.7 million, higher than forecast by 4.6%. Distribution per unit was 1.587 Singapore cents and distribution yield was 7.6% based on IPO listing price of S\$0.80.

Total gross borrowings was S\$530.1 million, comprising S\$405.1 million (RMB1.96 billion) onshore loans to the PRC Property Companies and S\$125.0 million offshore loan to Sasseur REIT. The aggregate leverage was 33.2% and weighted average all-in cost of borrowings was 5.4%, with an interest cover of 2.1 times.

The net current assets as at 30 June 2018 was S\$45.5 million, representing a healthy current ratio of 1.3 times.

SASSEUR REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statement Announcement
for the Period from 28 March 2018 (Listing Date) to 30 June 2018

9 Variance between Actual and Forecast Results

The EMA rental income of S\$32.3 million was 3.0% or S\$0.9 million above forecast. This was contributed by better performance in all four outlet malls, especially the newer outlet malls in Kunming and Hefei.

Higher manager's base fee which is calculated at 10.0% per annum of the Distributable Income of the REIT Group was higher than forecast by S\$0.08 million due to distributable income exceeding forecast by S\$0.8 million.

Finance costs of S\$7.5 million were 4.9% higher than forecast mainly due to higher interest rate at 3.06% as compared to forecast of 2.75% for offshore loan.

Consequently, total return for the period before tax of S\$8.2 million was 6.6% or S\$0.5 million above forecast.

Tax expenses was lower than forecast by S\$0.2 million due to lower deferred tax expenses as compared to forecast, partially offset by higher current tax expense from higher operational profit.

Overall, income available for distribution to Unitholders of S\$18.7 million was higher than forecast by 4.6%.

10 Commentary on the competitive conditions of the industry in which the Trust and its investees operates and any known factors or events that may affect the Trust and its investees in the next reporting period and the next 12 months

The raising of interest rate by the US Federal Reserve and the escalating trade war resulted in increased volatility in the global market. However, China is forecasted to have its GDP growing at 6.5% and 6.3% for 2018 and 2019 respectively. Urban household per capita disposable income grew 8.0%¹ for the first quarter of 2018 on a Year-on-Year (YoY) basis compared to the same period in 2017, which improved China's retail sales accordingly. In July 2018, China started lowering import tariffs across a variety of goods including apparels from a few selected countries. China would likely continue to encourage domestic consumption. We believe that the outlet business in China is less exposed to global trade risk and external macro trends, as outlet malls in China are focused on the domestic consumption of the Chinese middle class.

Total sales for Sasseur REIT's portfolio of outlet malls in China had performed better than their seasonality-adjusted budgets for its first quarter since listing (i.e. the period from end-March to end June). This confirms the strong growth potential of outlets industry in China as the consumption pattern by the middle class in China remained robust and resilient. This is positive for Sasseur REIT with its EMA income comprising a fixed component that is stepped up annually and a variable component that is pegged to sales generated by its tenants at the respective outlet malls.

In terms of competition, according to Savills' research report for May 2018, an additional 0.8 million sqm of retail space is expected to be added to the current market stock of 5.7 million sqm in Chongqing. These are all traditional retail malls and would likely not pose any significant challenges for the Chongqing and Bishan Outlets. In Hefei, there is only one other outlet mall in the city, which is located about 8 to 10 km away from the Sasseur (Hefei) Outlets. This outlet is much smaller with 30,000 sqm of retail space and does not compete directly with the Sasseur (Hefei) Outlets. In Kunming, there is around 3.7 million sqm of shopping malls in the city centre. Sasseur (Kunming) Outlets differentiates itself based on its 1+N business model and active engagement of local resident-shoppers. Sasseur (Kunming) Outlets also leverages on Kunming as a popular destination for both local and international visitors. The Kunming Outlet is located along the popular route for tourists travelling from Kunming to Anning, Dali and Lijiang and has been able to draw many visitors to its premises for shopping.

All the Sasseur Outlets adopt a common strategy of building a close working relationship with its important international and domestic brands, forging a synergy between the landlord and the tenants. In addition, the operation teams conduct regular market survey with its large customer base to gather information on customers' changing tastes and needs in order to enhance their attraction to shoppers. We expect that Sasseur Outlets will continue to develop and grow their businesses well and sales growth will continue to be strong.

¹ China's National Bureau of Statistics

SASSEUR REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statement Announcement
for the Period from 28 March 2018 (Listing Date) to 30 June 2018

11 Distribution

(a) Current financial period

Name of distribution: 1st distribution for the financial period from Listing Date to 30 June 2018

Distribution type: Capital Distribution

Distribution rate: 1.587 cents per unit

Par value of units: Not applicable

Tax rate: Capital Distribution
Capital distribution represents a return of capital to Unitholders for Singapore income tax purpose and is not subject to Singapore income tax. The amount of capital distribution will reduce the cost of Units for Singapore income tax purposes. For Unitholders who hold the Units as trading assets, the cost base of their Units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the Units will therefore be reduced by the amount of capital distribution they receive.

Remark: The capital distribution from 28 March 2018 to 30 June 2018 is expected to be funded from borrowing at the REIT level.

(b) Corresponding period of the preceding financial period

Any distribution declared for the corresponding period of the immediate preceding financial period?

Not applicable.

(c) Books closure date

The Transfer Books and Register of Unitholders of Sasseur REIT will be closed at 5.00 p.m. on 23 August 2018 for the purposes of determining each unitholder's entitlement to Sasseur REIT distribution. The ex-dividend date will be on 20 August 2018.

(d) Date Payable

The date of distribution is on 27 September 2018.

12 If no distribution has been declared/recommended, a statement to that effect

Not applicable.

13 If the Group has obtained a general mandate from Unitholders for interested person transactions ("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.

The REIT Group has not obtained a general mandate from Unitholders for interested person transactions.

14 Confirmation Pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Manager which may render the unaudited financial results of the Sasseur REIT for the period from 28 March 2018 to 30 June 2018 to be false or misleading, in any material aspect.

SASSEUR REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statement Announcement
for the Period from 28 March 2018 (Listing Date) to 30 June 2018

15 Confirmation Pursuant to Rule 720(1) of the Listing Manual

The Manager confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the Listing Manual.

16 Use of Proceeds from Initial Public Offering

The use of proceed raised from the initial public offering, including proceeds from the loan facilities, is in accordance with the stated uses as disclosed in the Prospectus, and is set out below:

	Amount allocated S\$'000	Amount utilised S\$'000	Balance S\$'000
Redemption	396,000	396,000	–
Repayment of existing onshore loans	397,566	397,566	–
Issue expenses and other transaction costs	54,314	44,380	9,934
General corporate and working capital purposes	70,686	1,793	68,893
	918,566	839,739	78,827

The breakdown on the use of the above funds for the general corporate and working capital needs is as follows:

	Amount utilised S\$'000
Finance costs	1,251
Trustee fee	121
Other trust expenses	421
	1,793

The Manager will make further announcements via SGXNET on the distribution on the utilisation of the remainder of the IPO proceeds as and when such funds are substantially disbursed.

For and on behalf of the Board of Directors of
 Sasseur Asset Management Pte. Ltd.

Mr Cheng Heng Tan
 Director

Dr Gu Qingyang
 Director

SASSEUR REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statement Announcement
for the Period from 28 March 2018 (Listing Date) to 30 June 2018

This announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

The value of units in Sasseur REIT ("Units") and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by the Manager, DBS Trustee Limited (as trustee of Sasseur REIT) or any of their respective affiliates.

An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Holders of Units ("Unitholders") have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "SGX-ST"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of Sasseur REIT is not necessarily indicative of the future performance of Sasseur REIT.

By Order of the Board of Directors of
Sasseur Asset Management Pte. Ltd.
(Company registration no. 201707259N)
As Manager of Sasseur Real Estate Investment Trust

Anthony Ang
Chief Executive Officer

6 August 2018