



**SASSEUR REAL ESTATE INVESTMENT TRUST**  
**Unaudited Financial Statements and Distribution Announcement**  
**For the Third Quarter Ended 30 September 2019**

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DBS Bank Ltd. was the sole financial adviser and issue manager for the initial public offering of Sasseur REIT (the "Offering"). DBS Bank Ltd. and Bank of China Limited, Singapore Branch were the joint global coordinators to the Offering. DBS Bank Ltd., Bank of China Limited, Singapore Branch, 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. were the joint bookrunners and underwriters to the Offering.

# SASSEUR REAL ESTATE INVESTMENT TRUST

## Unaudited Financial Statements and Distribution Announcement

### For the Third Quarter Ended 30 September 2019

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#### 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, which primarily comprises retail outlet malls, as well as real estate related assets in relation to the foregoing, with an initial focus on Asia.

Sasseur REIT’s initial portfolio comprises the following four retail outlet malls (the “Properties”) strategically located in cities of economic potential in the People’s Republic of China (“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.

On 14 May 2019, Sasseur REIT completed the acquisition of additional shop units in Hefei Outlets with existing tenancies at the annex block of its Hefei site with total acquisition costs of RMB 100.1 million (S\$20.1 million). The shop units comprise gross floor area (“GFA”) of 6,133.84 sqm. The acquisition has increased Sasseur REIT’s ownership of the Hefei outlet mall from 77.8% to 81.2% by GFA.

Sasseur REIT is presenting its financial results for the third quarter ended 30 September 2019 (“**3Q 2019**”) and for the financial period from 1 January 2019 to 30 September 2019 (“**YTD 2019**”).

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**Distribution Policy**

Sasseur REIT intends to make distribution to the Unitholders on quarterly basis. Sasseur REIT's distribution policy is to distribute 100% of distributable income for the financial year from 1 January 2019 to 31 December 2019. Thereafter, Sasseur REIT will distribute at least 90.0% of its annual distributable income for each subsequent financial year. The actual level of distribution will be determined at the discretion of the Board of Directors of the Manager.

**Summary of Sasseur REIT Group Results**

**3Q 2019 vs 3Q 2018 and YTD 2019 vs 28 March 2018 (Listing Date) to 30 September 2018**

	3Q 2019 <sup>(1)</sup> S\$'000	3Q 2018 S\$'000	Change %	YTD 2019 <sup>(1)</sup> S\$'000	28 Mar 2018 to 30 Sep 2018 <sup>(2)</sup> S\$'000	Change <sup>(3)</sup> %
EMA rental income	29,229	30,299	(3.5)	89,843	62,931	n.m.
EMA rental income (exclude straight-line adjustment)	30,587	29,081	5.2	90,590	58,680	n.m.
Income available for distribution to Unitholders	19,579	18,196	7.6	58,431	36,939	n.m.
Distribution per unit ("DPU") (cents) <sup>(4)</sup>	1.640	1.542	6.4	4.904	3.130	n.m.
Annualised distribution yield (%)						
- Based on IPO listing price of S\$0.800	8.1% <sup>(5)</sup>	7.6% <sup>(6)</sup>	6.4	8.2% <sup>(5)</sup>	7.6% <sup>(6)</sup>	n.m.
- Based on 3Q 2019 closing price of S\$0.795	8.2% <sup>(5)</sup>	7.7% <sup>(6)</sup>	6.4	8.2% <sup>(5)</sup>	7.7% <sup>(6)</sup>	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: 5.0967 and 1: 5.0242 for 3Q 2019 and YTD 2019 respectively.
- (2) The YTD comparative figures were for the period from 28 March 2018 (Listing Date) to 30 September 2018. These figures were extracted from Sasseur REIT's results announcement for the period from 28 March 2018 to 30 September 2018.
- (3) The actual results of YTD 2018 covered the period from 28 March 2018 to 30 September 2018 (187 days). However, YTD 2019 period was from 1 January 2019 to 30 September 2019 (273 days). Accordingly, since the YTD 2019 period is 86 days more than the YTD 2018 period, the reporting periods are not comparable and variance analysis is not meaningful. Please refer to Section 9 for variance analysis of the actual results for 3Q 2019 and YTD 2019 compared with the projections as disclosed in Sasseur REIT Prospectus dated 21 March 2018 (the "Prospectus").
- (4) The distribution per unit of 1.640 Singapore cents is equivalent to 8.359 Renminbi cents for 3Q 2019 (3Q 2018: 7.729 Renminbi cents) and 4.904 Singapore cents is equivalent to 24.639 Renminbi cents for YTD 2019 (YTD 2018: 15.356 Renminbi cents).
- (5) The annualised distribution yields for 3Q 2019 and YTD 2019 were on a pro-rata basis for 92 days and 273 days respectively, based on the listing price of S\$0.800 and closing price of S\$0.795.
- (6) The annualised distribution yields for 3Q 2018 and the period from 28 March 2018 to 30 September 2018 were on a pro-rata basis for 92 days and 187 days, based on the listing price of S\$0.800 and closing price of S\$0.795.

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**Summary of Sasseur REIT Group Results**

**Actual vs Projection**

	3Q 2019			YTD 2019		
	1 July 2019 to 30 September 2019			1 January 2019 to 30 September 2019		
	Actual <sup>(1)</sup> S\$'000	Projection <sup>(2)</sup> S\$'000	Change %	Actual <sup>(1)</sup> S\$'000	Projection <sup>(2)</sup> S\$'000	Change %
EMA rental income	29,229	29,991	(2.5)	89,843	89,975	(0.1)
EMA rental income (exclude straight-line adjustment)	30,587	31,349	(2.4)	90,590	90,722	(0.1)
Income available for distribution to Unitholders	19,579	18,880	3.7	58,431	54,234	7.7
Distribution per unit ("DPU") (cents) <sup>(3)</sup>	1.640	1.581	3.7	4.904	4.551	7.8
Annualised distribution yield (%) <sup>(4)</sup>						
- Based on IPO listing price of S\$0.800	8.1%	7.8% <sup>(5)</sup>	3.7	8.2%	7.6% <sup>(5)</sup>	7.8
- Based on 3Q 2019 closing price of S\$0.795	8.2%	n.m.	n.m.	8.2%	n.m.	n.m.

n.m. – Not meaningful

In the absence of the Entrusted Management Agreements ("EMA"), the distribution per unit and the annualised distribution yield (based on IPO listing price of S\$0.800) would be 1.240 Singapore cents and 6.1% for 3Q 2019 and 3.572 Singapore cents and 6.0% for YTD 2019 respectively.

**Notes:**

- (1) The actual results of the REIT Group's foreign subsidiaries were translated using the average SGD:RMB rate of 1: 5.0967 and 1: 5.0242 for 3Q 2019 and YTD 2019 respectively.
- (2) The projection figures were derived from the seasonal projection for 3Q 2019 and YTD 2019, based on the Projection Year 2019 as disclosed in the Prospectus. An exchange rate for SGD:RMB of 1: 4.930 was adopted in the projection.
- (3) The distribution per unit of 1.640 Singapore cents is equivalent to 8.359 Renminbi cents for 3Q 2019 and 4.904 Singapore cents is equivalent to 24.639 Renminbi cents for YTD 2019.
- (4) The annualised distribution yields for 3Q 2019 and YTD 2019 were on a pro-rata basis for 92 days and 273 days respectively, based on the listing price of S\$0.800 and closing price of S\$0.795.
- (5) The projected annualised distribution yields of 7.8% and 7.6% were derived from the seasonal projection for 3Q 2019 and YTD 2019 respectively, based on the distribution yield of 7.8% for the Projection Year 2019 as disclosed in the Prospectus.

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**1(a) Consolidated Statement of Total Return and Distribution Statement**

	Note	3Q 2019 <sup>(1)</sup> S\$'000	3Q 2018 S\$'000	Change %	YTD 2019 <sup>(1)</sup> S\$'000	28 Mar 2018 to 30 Sep 2018 <sup>(2)</sup> S\$'000	Change <sup>(3)</sup> %
<b><u>Consolidated Statement of Total Return</u></b>							
EMA rental income	1	29,229	30,299	(3.5)	89,843	62,931	n.m.
Manager's management fees <sup>(4)</sup>		(1,958)	(1,820)	(7.6)	(5,843)	(3,694)	n.m.
Trustee's fees		(78)	(28)	n.m.	(236)	(149)	n.m.
Other trust expenses	2	(631)	280	n.m.	(1,545)	(11,711)	n.m.
Finance income		45	128	(64.8)	251	161	n.m.
Finance costs	3	(6,958)	(7,128)	2.4	(21,129)	(14,621)	n.m.
Net change in fair value of financial derivative	4	10	–	n.m.	47	–	n.m.
<b>Total return before fair value adjustment to investment properties and tax</b>		<b>19,659</b>	<b>21,731</b>	<b>(9.5)</b>	<b>61,388</b>	<b>32,917</b>	<b>n.m.</b>
Fair value adjustment to investment properties	5	1,358	(1,218)	n.m.	747	(4,251)	n.m.
<b>Total return for the period before tax</b>		<b>21,017</b>	<b>20,513</b>	<b>2.5</b>	<b>62,135</b>	<b>28,666</b>	<b>n.m.</b>
Tax expenses	6	(5,203)	(5,304)	1.9	(15,489)	(9,791)	n.m.
<b>Total return for the period after tax</b>		<b>15,814</b>	<b>15,209</b>	<b>4.0</b>	<b>46,646</b>	<b>18,875</b>	<b>n.m.</b>
Total return for the period after tax attributable to:							
<b>Unitholders</b>		<b>15,814</b>	<b>15,209</b>	<b>4.0</b>	<b>46,646</b>	<b>18,875</b>	<b>n.m.</b>
<b><u>Distribution Statement</u></b>							
Total return attributable to Unitholders		15,814	15,209	4.0	46,646	18,875	n.m.
Distribution adjustments	7	3,765	2,987	26.0	11,785	18,064	n.m.
<b>Total return available for distribution to Unitholders</b>		<b>19,579</b>	<b>18,196</b>	<b>7.6</b>	<b>58,431</b>	<b>36,939</b>	<b>n.m.</b>

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: 5.0967 and 1:5.0242 for 3Q 2019 and YTD 2019 respectively.
- (2) The YTD comparative figures were for the period from 28 March 2018 (Listing Date) to 30 September 2018. These figures were extracted from Sasseur REIT's results announcement for the period from 28 March 2018 to 30 September 2018.
- (3) The actual results of YTD 2018 covered the period from 28 March 2018 to 30 September 2018 (187 days). However, YTD 2019 period was from 1 January 2019 to 30 September 2019 (273 days). Accordingly, since the YTD 2019 period is 86 days more than YTD 2018 period, the reporting periods are not comparable and variance analysis not meaningful. Please refer to Section 9 for variance analysis of the actual results for 3Q 2019 and YTD 2019 compared with the projections as disclosed in the Prospectus.
- (4) The Manager has elected to receive 100% of its management fees in the form of units for the period from 1 January 2019 to 31 December 2019.

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**Notes:**

- 1 EMA rental income is accounted for on a straight-line basis over the lease term. EMA rental income without straight-line rental accounting adjustment is as follows:

	<b>3Q 2019 S\$'000</b>	<b>3Q 2018 S\$'000</b>	<b>Change %</b>	<b>YTD 2019 S\$'000</b>	<b>28 Mar 2018 to 30 Sep 2018 <sup>(1)</sup> S\$'000</b>	<b>Change <sup>(2)</sup> %</b>
EMA rental income	29,229	30,299	(3.5)	89,843	62,931	n.m.
Straight-line rental accounting adjustment	1,358	(1,218)	>100	747	(4,251)	n.m.
EMA rental income (exclude straight-line adjustment)	30,587	29,081	5.2	90,590	58,680	n.m.

- 2 Other trust expenses consist of audit, tax compliance and other expenses. Included in other trust expenses for the period from 28 March 2018 (Listing Date) to 30 September 2018 were S\$10.0 million IPO transaction costs.

- 3 Finance costs comprised the following:

	<b>3Q 2019 S\$'000</b>	<b>3Q 2018 S\$'000</b>	<b>Change %</b>	<b>YTD 2019 S\$'000</b>	<b>28 Mar 2018 to 30 Sep 2018 <sup>(1)</sup> S\$'000</b>	<b>Change <sup>(2)</sup> %</b>
Interest expense on borrowings	(5,627)	(5,774)	2.5	(17,103)	(11,883)	n.m.
Amortisation of upfront debt-related transaction costs	(1,331)	(1,354)	1.7	(4,026)	(2,738)	n.m.
	(6,958)	(7,128)	2.4	(21,129)	(14,621)	n.m.

- 4 This relates to fair value gain from the mark-to-market value of interest rate swap for hedging purpose.

- 5 The fair value gain of S\$1.4 million and S\$0.7 million for 3Q 2019 and YTD 2019 relate to straight-line rental accounting adjustment.

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

	<b>3Q 2019 S\$'000</b>	<b>3Q 2018 S\$'000</b>	<b>Change %</b>	<b>YTD 2019 S\$'000</b>	<b>28 Mar 2018 to 30 Sep 2018 <sup>(1)</sup> S\$'000</b>	<b>Change <sup>(2)</sup> %</b>
Current period:						
- Income tax	(4,210)	(4,003)	(5.2)	(12,370)	(7,167)	n.m.
- Deferred tax	(232)	(1,301)	82.2	(1,525)	(2,624)	n.m.
- Withholding tax	(761)	-	n.m.	(1,594)	-	n.m.
	(5,203)	(5,304)	1.9	(15,489)	(9,791)	n.m.

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7 Included in distribution adjustments are the following:

	3Q 2019 S\$'000	3Q 2018 S\$'000	Change %	YTD 2019 S\$'000	28 Mar 2018 to 30 Sep 2018 <sup>(1)</sup> S\$'000	Change <sup>(2)</sup> %
<u>Distribution adjustments</u>						
Manager's management fees payable in Units	1,958	1,820	7.6	5,843	3,694	n.m.
Amortisation of upfront debt-related transaction costs	1,331	1,354	(1.7)	4,026	2,738	n.m.
Straight-line rental accounting adjustment	1,358	(1,218)	>100	747	(4,251)	n.m.
Fair value adjustment to investment properties	(1,358)	1,218	n.m.	(747)	4,251	n.m.
Deferred tax expense	232	1,301	(82.2)	1,525	2,624	n.m.
Transfer to statutory reserve <sup>(3)</sup>	–	(684)	100	–	(1,117)	n.m.
IPO transaction costs	–	(1,121)	100	–	10,010	n.m.
Foreign exchange loss	254	317	(19.9)	438	115	n.m.
Net change in fair value of financial derivative	(10)	–	n.m.	(47)	–	n.m.
Total distribution adjustments	3,765	2,987	26.0	11,785	18,064	n.m.

Footnotes:

- (1) The YTD comparative figures were for the period from 28 March 2018 (Listing Date) to 30 September 2018. These figures were extracted from Sasseur REIT's results announcement for the period from 28 March 2018 to 30 September 2018.
- (2) The actual results of YTD 2018 covered the period from 28 March 2018 to 30 September 2018 (187 days). However, YTD 2019 period was from 1 January 2019 to 30 September 2019 (273 days). Accordingly, since the YTD 2019 period is 86 days more than YTD 2018, the reporting periods are not comparable and variance analysis is not meaningful. Please refer to Section 9 for variance analysis of the actual results for 3Q 2019 and YTD 2019 compared with the projections as disclosed in the Prospectus.
- (3) No distribution adjustment has been made in respect of transfer to statutory reserves as the quantum of statutory reserve required to be maintained by the PRC subsidiaries to comply with PRC laws has already reached 50% of each of the subsidiaries' registered capital and hence no further amounts are required to be set aside.

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**1(b)(i) Statements of Financial Position**

	Note	REIT Group		REIT	
		30 Sep 2019 <sup>(1)</sup> S\$'000	31 Dec 2018 <sup>(1)</sup> S\$'000	30 Sep 2019 S\$'000	31 Dec 2018 S\$'000
<b>Assets</b>					
<b>Non-current assets</b>					
Investment properties	1	1,521,986	1,539,491	–	–
Investment in subsidiaries		–	–	951,931	951,558
		<b>1,521,986</b>	<b>1,539,491</b>	<b>951,931</b>	<b>951,558</b>
<b>Current assets</b>					
Trade and other receivables	2	22,548	25,546	27,801	42,661
Cash and short-term deposits	3	164,066	203,641	6,993	32,866
		186,614	229,187	34,794	75,527
<b>Total assets</b>		<b>1,708,600</b>	<b>1,768,678</b>	<b>986,725</b>	<b>1,027,085</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Loans and borrowings		475,889	489,060	122,766	121,641
Deferred tax liabilities		50,915	50,944	–	–
Derivative financial instrument		–	154	–	154
		526,804	540,158	122,766	121,795
<b>Current liabilities</b>					
Other payables and accruals	4	144,743	142,705	1,300	1,233
Loans and borrowings		4,109	4,217	–	–
Derivative financial instrument		111	–	111	–
Tax payables		15,936	7,632	–	–
		164,899	154,554	1,411	1,233
<b>Total liabilities</b>		<b>691,703</b>	<b>694,712</b>	<b>124,177</b>	<b>123,028</b>
<b>Net assets</b>		<b>1,016,897</b>	<b>1,073,966</b>	<b>862,548</b>	<b>904,057</b>
<b>Represented by:</b>					
Unitholders' funds		<b>1,016,897</b>	<b>1,073,966</b>	<b>862,548</b>	<b>904,057</b>

Footnote:

- (1) The results of the REIT Group's foreign subsidiaries were translated using the closing SGD: RMB rate of 1: 5.1355 and 1: 5.0062 as at 30 September 2019 and as at 31 December 2018 respectively.



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**Notes:**

- Investment properties (except the additional shop units in Hefei outlet acquired in 2Q 2019) are stated at fair value based on 31 December 2018 appraisals conducted by Savills Real Estate Valuation Beijing Limited and after capitalisation of capital expenditures related to improvement of investment properties. The additional shop units in Hefei outlet were acquired on 14 May 2019 and are stated based on purchase price and after capitalisation of acquisition fee and acquisition costs.
- Trade and other receivables comprised the following:

	REIT Group		REIT	
	30 Sep 2019 S\$'000	31 Dec 2018 S\$'000	30 Sep 2019 S\$'000	31 Dec 2018 S\$'000
Refundable deposits	459	493	–	–
VAT/GST recoverables	8,733	9,876	1,871	1,850
Trade and other receivables <sup>1</sup>	5,606	11,956	–	3
Amounts due from subsidiary (non-trade) <sup>2</sup>	–	–	25,731	40,563
Amounts due from related parties (trade)	7,468	2,971	–	28
	22,266	25,296	27,602	42,444
Prepayments	282	250	199	217
	22,548	25,546	27,801	42,661

<sup>1</sup> As at 30 September 2019, trade and other receivables of the REIT Group included S\$3.4 million (31 December 2018: S\$8.0 million) mainly relating to rental receivables from tenants and sale proceeds of items sold by tenants in the outlets yet to be received from merchant banks due to cashless modes of payment used by customers of the outlets.

<sup>2</sup> The non-trade amounts due from subsidiary has decreased mainly due to repayment of loan by subsidiary.

- Decrease in cash and short-term deposits is mainly due to additional one quarter of distribution payout pertaining to the distribution period from 1 July 2018 to 31 December 2018 in March 2019 and acquisition of additional shop units in Hefei outlet of S\$20.1 million.
- Other payables and accruals comprised the following:

	REIT Group		REIT	
	30 Sep 2019 S\$'000	31 Dec 2018 S\$'000	30 Sep 2019 S\$'000	31 Dec 2018 S\$'000
Refundable security deposits	7,808	6,451	–	–
Interest payables	169	249	–	37
VAT and other tax payables	4,102	642	–	–
Construction payables <sup>3</sup>	29,660	31,816	–	–
Amounts due to subsidiary (non-trade)	–	–	54	–
Amounts due to related parties (non-trade)	869	308	–	39
Accrued expenses	1,253	2,281	1,246	1,157
Property tax payables	811	573	–	–
Other payables <sup>4</sup>	100,071	100,385	–	–
	144,743	142,705	1,300	1,233

<sup>3</sup> Construction payables consist mainly of retention sum of completed construction works arising from acquisition of investment properties and related assets and liabilities.

<sup>4</sup> Included in other payables is an amount of S\$96.0 million (31 December 2018: S\$96.5 million) relating to revenue collected from customers on behalf of the outlets' retail tenants.

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

	REIT Group		REIT	
	30 Sep 2019 S\$'000	31 Dec 2018 S\$'000	30 Sep 2019 S\$'000	31 Dec 2018 S\$'000
<b>Secured loans and borrowings</b>				
- Amount repayable within one year	7,633	7,713	–	–
- Amount repayable after one year	487,574	504,886	125,000	125,000
	495,207	512,599	125,000	125,000
Less: Unamortised upfront debt-related transaction costs	(15,209)	(19,322)	(2,234)	(3,359)
<b>Total loans and borrowings, net of transaction costs</b>	<b>479,998</b>	<b>493,277</b>	<b>122,766</b>	<b>121,641</b>

The REIT Group has, through its PRC property subsidiaries, put in place onshore term loans of an aggregate amount of RMB 1,960 million, with repayment of 1% of initial loan principal semi-annually.

The REIT Group's secured bank borrowings are generally secured by: (i) mortgages on the borrowing subsidiaries' investment properties and (ii) assignment of all rights, titles and benefits with respect to the properties mortgaged.

As at 30 September 2019, these term loans were fully drawn down. 50% of the offshore term loan had been hedged using floating-for-fixed interest rate swap. The weighted average cost of borrowings (exclude upfront debt-related transaction costs) was 4.4%. The aggregate leverage for the REIT Group, as defined in the Property Funds Appendix, was 29.0%.

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**1(c) Consolidated Statement of Cash Flows**

Note	REIT Group			
	3Q 2019 S\$'000	3Q 2018 S\$'000	YTD 2019 S\$'000	28 Mar 2018 to 30 Sep 2018 <sup>(1)</sup> S\$'000
<b>Cash flows from operating activities</b>				
Total return for the period before tax	21,017	20,513	62,135	28,666
<u>Adjustments for:</u>				
Straight-line rental accounting adjustment	1,358	(1,218)	747	(4,251)
Manager's management fees payable in units	1,958	1,820	5,843	3,694
Change in fair value of investment properties	(1,358)	1,218	(747)	4,251
Net change in fair value of financial derivative	(10)	—	(47)	—
Finance costs	6,958	7,128	21,129	14,621
Finance income	(45)	(128)	(251)	(161)
<b>Cash flows before changes in working capital</b>	<b>29,878</b>	<b>29,333</b>	<b>88,809</b>	<b>46,820</b>
<b>Changes in working capital:</b>				
Trade and other receivables	5,055	1,205	2,404	(2,908)
Other payables and accruals	31,805	49,170	6,213	59,577
<b>Cash generated from operations</b>	<b>66,738</b>	<b>79,708</b>	<b>97,426</b>	<b>103,489</b>
Tax paid	(1,275)	(3,990)	(5,739)	(6,311)
Interest received	45	121	254	163
<b>Net cash generated from operating activities</b>	<b>65,608</b>	<b>75,839</b>	<b>91,941</b>	<b>97,341</b>
<b>Cash flows from investing activities</b>				
Acquisition of investment property	—	—	(20,058)	—
Capital expenditure on investment properties	(249)	—	(1,768)	—
<b>Net cash used in investing activities</b>	<b>(249)</b>	<b>—</b>	<b>(21,826)</b>	<b>—</b>
<b>Cash flows from financing activities</b>				
Proceeds from issuance of units	—	—	—	396,000
Redemption of sponsor units	—	—	—	(396,000)
Proceeds from bank borrowings	—	—	—	125,000
Repayments of bank borrowings	(3,776)	(3,995)	(7,723)	(3,995)
Payment of IPO-related expenses	—	(15,164)	—	(23,324)
Payment of transaction costs relating to loans and borrowings	—	—	—	(20,858)
Distribution to Unitholders	(19,161)	(18,731)	(80,644)	(18,731)
Interest paid	(5,746)	(5,608)	(17,141)	(11,905)
Increase in restricted cash	(19)	(200)	(59)	(2,125)
<b>Net cash (used in)/ generated from financing activities</b>	<b>(28,702)</b>	<b>(43,698)</b>	<b>(105,567)</b>	<b>44,062</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>36,557</b>	<b>32,141</b>	<b>(35,452)</b>	<b>141,403</b>
Cash and cash equivalents at beginning of period	120,713	167,918	195,126	58,015
Effect on exchange rate changes on cash and cash equivalents	(1,735)	(2,249)	(4,139)	(1,608)
<b>Cash and cash equivalents at end of period</b>	<b>155,535</b>	<b>197,810</b>	<b>155,535</b>	<b>197,810</b>

Footnote:

- (1) The YTD comparative figures were for the period from 28 March 2018 (Listing Date) to 30 September 2018. These figures were extracted from Sasseur REIT's results announcement for the period from 28 March 2018 to 30 September 2018.

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**Notes:**

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

	<b>REIT Group</b>
	<b>30 Sep 2019</b>
	<b>S\$'000</b>
Cash and short-term deposits	164,066
Less: Restricted cash	(8,531)
Cash and cash equivalents	155,535

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

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

	REIT Group			28 Mar 2018 to 30 Sep 2018 <sup>(1)</sup> S\$'000
	3Q 2019 S\$'000	3Q 2018 S\$'000	YTD 2019 S\$'000	
<b>At beginning of the period</b>	<b>1,030,465</b>	<b>950,985</b>	<b>1,073,966</b>	<b>– <sup>(2)</sup></b>
<b>Operations</b>				
Change in Unitholders' funds resulting from operations before distribution	15,814	14,525	46,646	17,758
Transfer to statutory reserve	–	684	–	1,117
<b>Net increase in net assets resulting from operations</b>	<b>15,814</b>	<b>15,209</b>	<b>46,646</b>	<b>18,875</b>
<b>Unitholders' transactions</b>				
Issuance of Consideration Units	–	–	–	1,062,289
Loss arising from Initial Public Offering	–	–	–	(110,731)
Issuance of new Units at Initial Public Offering	–	–	–	396,000
Redemption of Units	–	–	–	(396,000)
Issuance costs <sup>(3)</sup>	–	2,622	–	(15,958)
Manager's management fees payable in Units	1,958	1,820	5,843	3,694
Distribution to Unitholders	(19,161)	(18,731)	(80,644)	(18,731)
<b>Net (decrease)/increase in net assets resulting from Unitholders' transactions</b>	<b>(17,203)</b>	<b>(14,289)</b>	<b>(74,801)</b>	<b>920,563</b>
<b>Movement in foreign currency translation reserve</b>	<b>(12,174)</b>	<b>(37,695)</b>	<b>(28,909)</b>	<b>(25,228)</b>
<b>Movement in hedging reserve</b>	<b>(5)</b>	<b>–</b>	<b>(5)</b>	<b>–</b>
<b>Total Unitholders' funds as at end of the period</b>	<b>1,016,897</b>	<b>914,210</b>	<b>1,016,897</b>	<b>914,210</b>

Footnotes:

- (1) The YTD comparative figures were for the period from 28 March 2018 (Listing Date) to 30 September 2018. These figures were extracted from Sasseur REIT's results announcement for the period from 28 March 2018 to 30 September 2018.
- (2) Less than S\$1,000.
- (3) Issuance costs comprised underwriting and selling commission, professional and other fees, and miscellaneous issue expenses.

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

	REIT			28 Mar 2018 to 30 Sep 2018 <sup>(1)</sup> S\$'000
	3Q 2019 S\$'000	3Q 2018 S\$'000	YTD 2019 S\$'000	
<b>At beginning of the period</b>	<b>862,009</b>	<b>919,650</b>	<b>904,057</b>	– <sup>(2)</sup>
<b>Operations</b>				
Change in Unitholders' funds resulting from operations before distribution	17,747	(1,300)	33,297	(16,502)
<b>Net increase/(decrease) in net assets resulting from operations</b>	<b>17,747</b>	<b>(1,300)</b>	<b>33,297</b>	<b>(16,502)</b>
<b>Unitholders' transactions</b>				
Issuance of Consideration Units	–	–	–	1,062,289
Loss arising from Initial Public Offering	–	–	–	(110,731)
Issuance of new Units at Initial Public Offering	–	–	–	396,000
Redemption of Units	–	–	–	(396,000)
Issuance costs <sup>(3)</sup>	–	2,622	–	(15,958)
Manager's management fees payable in Units	1,958	1,820	5,843	3,694
Distribution to Unitholders	(19,161)	(18,731)	(80,644)	(18,731)
<b>Net (decrease)/increase in net assets resulting from Unitholders' transactions</b>	<b>(17,203)</b>	<b>(14,289)</b>	<b>(74,801)</b>	<b>920,563</b>
<b>Movement in hedging reserve</b>	<b>(5)</b>	–	<b>(5)</b>	–
<b>Total Unitholders' funds as at end of the period</b>	<b>862,548</b>	<b>904,061</b>	<b>862,548</b>	<b>904,061</b>

Footnotes:

- (1) The YTD comparative figures were for the period from 28 March 2018 (Listing Date) to 30 September 2018. These figures were extracted from Sasseur REIT's results announcement for the period from 28 March 2018 to 30 September 2018.
- (2) Less than S\$1,000.
- (3) Issuance costs comprised underwriting and selling commission, professional and other fees, and miscellaneous issue expenses.

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**1(d)(ii) Details of Any Changes in Units**

	REIT			
	3Q 2019 Units	3Q 2018 Units	YTD 2019 Units	28 Mar 2018 to 30 Sep 2018 <sup>(1)</sup> Units
<b>Units in issue:</b>				
At beginning of the period	1,191,624,144	1,180,280,000	1,180,280,000	1
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)
Manager's management fees paid in Units	2,412,985	–	13,757,129	–
Total issued Units as at end of the period	<b>1,194,037,129</b>	<b>1,180,280,000</b>	<b>1,194,037,129</b>	<b>1,180,280,000</b>
<b>Units to be issued:</b>				
Manager's management fees payable in Units <sup>(2)</sup>	2,457,114	5,080,054	2,457,114	5,080,054
Total issuable Units as at end of the period	<b>2,457,114</b>	<b>5,080,054</b>	<b>2,457,114</b>	<b>5,080,054</b>
<b>Total units issued and to be issued as at end of the period</b>	<b>1,196,494,243</b>	<b>1,185,360,054</b>	<b>1,196,494,243</b>	<b>1,185,360,054</b>

Footnotes:

(1) The YTD comparative figures were for the period from 28 March 2018 (Listing Date) to 30 September 2018. These figures were extracted from Sasseur REIT's results announcement for the period from 28 March 2018 to 30 September 2018.

(2) There are 2,457,114 units to be issued in satisfaction of the Manager's management fee for 3Q 2019 based on the volume-weighted average price for the last 10 Business Days immediately preceding 30 September 2019 of S\$0.7968.

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

There were no treasury units as at 30 September 2019 and 31 December 2018. The total number of issued units in Sasseur REIT was 1,194,037,129 as at 30 September 2019 (31 December 2018: 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.

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**4 Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been applied**

Except as disclosed in paragraph 5 below, the REIT Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the audited financial statements for the financial period ended 31 December 2018.

**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**

The REIT Group has adopted the new Financial Reporting Standards ("FRSs") and interpretations which are effective for application for the financial period beginning on 1 January 2019. The adoption of these new FRSs and interpretations has no significant impact on the financial statements of the REIT Group.

**6 Consolidated Earnings Per Unit ("EPU") and Distribution Per Unit ("DPU")**

	REIT Group			
	3Q 2019	3Q 2018	YTD 2019	28 Mar 2018 to 30 Sep 2018 <sup>(1)</sup>
<b>EPU</b>				
Weighted average number of Units in issue and issuable	1,192,306,554	1,182,839,447	1,188,326,404	1,181,552,732
Total return for the period after tax (S\$'000)	15,814	15,209	46,646	18,875
Basic and diluted EPU <sup>(2)(3)</sup> (cents)	1.326	1.286	3.925	1.597
<b>DPU</b>				
Number of units in issue at end of the period	1,194,037,129	1,180,280,000	1,194,037,129	1,180,280,000
Total return available for distribution to Unitholders (S\$'000)	19,579	18,196	58,431	36,939
DPU <sup>(4)</sup> (cents)	1.640	1.542	4.904	3.130

Footnotes:

- (1) The YTD comparative figures were for the period from 28 March 2018 (Listing Date) to 30 September 2018. These figures were extracted from Sasseur REIT's results announcement for the period from 28 March 2018 to 30 September 2018.
- (2) The computation of basic EPU is based on the weighted average number of units for the respective reporting periods. This comprises of:
  - (i) The weighted average number of units in issue for the respective reporting periods; and
  - (ii) The estimated weighted average number of units issuable as payment of Manager's management fees for the respective reporting periods.
- (3) The diluted EPU is the same as the basic EPU as there are no dilutive instruments in issue at the end of each reporting period.
- (4) The DPU was computed and rounded based on the number of units in issue at the end of each reporting period and does not include units issuable as payment of Manager's management fees.

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

	REIT Group		REIT	
	30 Sep 2019	31 Dec 2018	30 Sep 2019	31 Dec 2018
Number of units in issue and issuable	1,196,494,243	1,188,953,352	1,196,494,243	1,188,953,352
Net asset (S\$'000)	1,016,897	1,073,966	862,548	904,057
NAV and NTA per unit <sup>(1)</sup> (cents)	84.99	90.33	72.09	76.04

Footnote:

- (1) The computation of NAV and NTA is based on the number of units in issue and to be issued as at the end of each period. NAV and NTA are the same as there are no intangible assets as at 30 September 2019 and 31 December 2018.

**8 Review of the Performance**

Total outlet sales of RMB 1,218.4 million for 3Q 2019 was RMB 105.0 million or 9.4% higher than that of 3Q 2018. The outlets held successful two-week long major sales promotions in September 2019 for the anniversary celebrations. The combined first-day sales of all four outlets surpassed last year’s sales record by 8.9%.

In line with the growth in outlet sales, EMA rental income (excluding straight-line rental accounting adjustment) for 3Q 2019 was RMB 10.0 million or 6.9% higher as compared to 3Q 2018.

Overall, the total return available for distribution to Unitholders of S\$19.6 million for 3Q 2019 was an increase of 7.6% from the same period last year, largely due to the transfer to statutory reserve required in the comparative period that is no longer needed in the current period.



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**9 Variance between Actual and Projection Results**

**Consolidated Statement of Total Return and Distribution Statement**

	Note	3Q 2019			YTD 2019		
		Actual <sup>(1)</sup> S\$'000	Projection <sup>(2)</sup> S\$'000	Change %	Actual <sup>(1)</sup> S\$'000	Projection <sup>(2)</sup> S\$'000	Change %
<b><u>Consolidated Statement of Total Return</u></b>							
EMA rental income	1	29,229	29,991	(2.5)	89,843	89,975	(0.1)
Manager's management fees <sup>(3)</sup>	2	(1,958)	(1,888)	(3.7)	(5,843)	(5,423)	(7.7)
Trustee's fees		(78)	(75)	(4.0)	(236)	(227)	(4.0)
Other trust expenses	3	(631)	(351)	(79.8)	(1,545)	(1,058)	(46.0)
Finance income		45	–	n.m.	251	–	n.m.
Finance costs	4	(6,958)	(6,678)	(4.2)	(21,129)	(19,978)	(5.8)
Net change in fair value of financial derivative		10	–	n.m.	47	–	n.m.
<b>Total return before fair value adjustment to investment properties and tax</b>		<b>19,659</b>	<b>20,999</b>	<b>(6.4)</b>	<b>61,388</b>	<b>63,289</b>	<b>(3.0)</b>
Fair value adjustment to investment properties <sup>(4)</sup>		1,358	1,358	–	747	747	–
<b>Total return for the period before tax</b>		<b>21,017</b>	<b>22,357</b>	<b>(6.0)</b>	<b>62,135</b>	<b>64,036</b>	<b>(3.0)</b>
Tax expenses		(5,203)	(5,684)	8.5	(15,489)	(16,281)	4.9
<b>Total return for the period after tax</b>		<b>15,814</b>	<b>16,673</b>	<b>(5.2)</b>	<b>46,646</b>	<b>47,755</b>	<b>(2.3)</b>
Total return for the period attributable to:							
<b>Unitholders</b>		<b>15,814</b>	<b>16,673</b>	<b>(5.2)</b>	<b>46,646</b>	<b>47,755</b>	<b>(2.3)</b>
<b><u>Distribution Statement</u></b>							
Total return attributable to Unitholders		15,814	16,673	(5.2)	46,646	47,755	(2.3)
Distribution adjustments	5	3,765	2,207	70.6	11,785	6,479	81.9
<b>Total return available for distribution to Unitholders</b>	6	<b>19,579</b>	<b>18,880</b>	<b>3.7</b>	<b>58,431</b>	<b>54,234</b>	<b>7.7</b>

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: 5.0967 and 1:5.0242 for 3Q 2019 and YTD 2019 respectively.
- (2) The projection figures were derived from the seasonal projection for 3Q 2019 and YTD 2019, based on the Projection Year 2019 as disclosed in the Prospectus. An exchange rate for SGD:RMB of 1: 4.930 was adopted in the projection.
- (3) The Manager has elected to receive 100% of its management fees in the form of units for the period from 1 January 2019 to 31 December 2019.
- (4) Fair value adjustment relates to straight-line rental accounting adjustment.

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**Notes:**

- 1 EMA rental income is accounted for on a straight-line basis over the lease term. EMA rental income without straight-line rental accounting adjustment is as follows:

	3Q 2019			YTD 2019		
	Actual <sup>(1)</sup> S\$'000	Projection <sup>(2)</sup> S\$'000	Change %	Actual <sup>(1)</sup> S\$'000	Projection <sup>(2)</sup> S\$'000	Change %
EMA rental income	29,229	29,991	(2.5)	89,843	89,975	(0.1)
Straight-line rental accounting adjustment	1,358	1,358	–	747	747	–
EMA rental income (exclude straight-line adjustment)	30,587	31,349	(2.4)	90,590	90,722	(0.1)

In RMB terms, EMA rental income for 3Q 2019 and YTD 2019, after excluding straight-line adjustment, was RMB 1.3 million or 0.8% higher and RMB 7.9 million or 1.8% higher as compared to projection. The good performance was mainly attributed to seasonal sales promotional events at all four outlet malls.

In SGD terms, after excluding straight-line adjustment, EMA rental income for 3Q 2019 and YTD 2019 was lower than projection by S\$0.8 million or 2.4% and S\$0.1 million or 0.1% respectively.

- 2 Manager's management fee is calculated at 10.0% per annum of the Distributable Income of the REIT Group. Manager's management fees for 3Q 2019 of S\$2.0 million was 3.7% higher than projection, and YTD 2019 of S\$5.8 million was 7.7% higher than projection, which were in line with the higher distributable income for the periods.
- 3 Included in YTD 2019 other trust expenses was S\$0.5 million foreign exchange loss, arising mainly from revaluation of balances denominated in a currency other than the functional currencies of the Group entities.
- 4 Finance costs for YTD 2019 were S\$0.3 million or 4.2% and S\$1.2 million or 5.8% higher than projection mainly due to higher than projected interest rate on the offshore loan.
- 5 Included in distribution adjustments are the following:

	3Q 2019			YTD 2019		
	Actual <sup>(1)</sup> S\$'000	Projection <sup>(2)</sup> S\$'000	Change %	Actual <sup>(1)</sup> S\$'000	Projection <sup>(2)</sup> S\$'000	Change %
<u>Distribution adjustments</u>						
Manager's management fees payable in Units	1,958	1,888	3.7	5,843	5,423	7.7
Amortisation of upfront debt-related transaction costs	1,331	1,283	3.7	4,026	3,806	5.8
Straight-line rental accounting adjustment	1,358	1,358	–	747	747	–
Fair value adjustment to investment properties	(1,358)	(1,358)	–	(747)	(747)	–
Deferred tax expense	232	530	(56.2)	1,525	1,527	(0.1)
Transfer to statutory reserve	–	(1,494)	100	–	(4,277)	100
IPO transaction costs	–	–	n.m.	–	–	n.m.
Foreign exchange loss	254	–	n.m.	438	–	n.m.
Net change in fair value of financial derivative	(10)	–	n.m.	(47)	–	n.m.
Total distribution adjustments	3,765	2,207	70.6	11,785	6,479	81.9

- 6 Total return available for distribution to Unitholders for 3Q 2019 of S\$19.6 million was 3.7% higher than projection, and YTD 2019 of S\$58.4 million was 7.7% higher than projection, largely due to the transfer to statutory reserve assumed in the projection which is no longer necessary in the current period.

Footnotes:

- (1) The actual results of the REIT Group's foreign subsidiaries were translated using the average SGD:RMB rate of 1: 5.0967 and 1:5.0242 for 3Q 2019 and YTD 2019 respectively.
- (2) The projection figures were derived from the seasonal projection for 3Q 2019 and YTD 2019, based on the Projection Year 2019 as disclosed in the Prospectus. An exchange rate for SGD:RMB of 1: 4.930 was adopted in the projection.

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**10 Commentary on the significant trends and competitive conditions of the industry in which the REIT Group operates and any known factors or events that may affect the REIT Group in the next reporting period and the next 12 months**

China's gross domestic product (GDP) was RMB 63,847.7 billion from January to September of 2019, a year-on-year increase of 6.2%<sup>[1]</sup> at constant prices. The third quarter GDP growth in China for 2019 was 6.0%, slightly lower than 6.2% in the second quarter and mainly attributed to the effects of the trade war with the U.S. Nevertheless, in the first three quarters of 2019, total retail sales of consumer goods reached RMB 29,667.4 billion, an increase of 8.2% year-on-year. In September 2019, the total retail sales of consumer goods reached RMB 3,449.5 billion, up by 7.8% year-on-year.

Though the Chinese economy expanded at its slowest rate in nearly three decades for the third quarter, mainly due to cooling domestic demand and a protracted U.S. trade tension, the central government is countering the slow down with measures such as major tax and rate cuts and scrapping of foreign investment restrictions in its stock market<sup>[2]</sup>.

To mitigate the impact of foreign currency fluctuations, Sasseur REIT has hedged more than half of its 3Q 2019 distributable income and the REIT Manager will closely monitor the RMB:SGD exchange rate trend.

Chongqing Market Update

An estimated retail gross floor area (GFA) of around 780,000 sqm will enter the Chongqing market in 2019<sup>[3]</sup>. Chongqing Raffles City Shopping Centre opened on 6 September 2019 in Yuzhong District with an NLA of 235,000 sqm. Capital Outlet opened on 28 September 2019 in Banan District with an estimated NLA of 51,000 sqm and located about 30km away from our Outlet. These two malls added approximately 286,000 sqm of new supply to the market. As more projects enter the Chongqing retail market, we will monitor the increase in competition closely. In view of this, Sasseur's outlets in Chongqing has initiated proactive brands renewals that is also in line with the fast changing consumers' taste in the market.

Hefei Market Update

For third quarter of 2019, no new outlet malls were opened in Hefei, and Sasseur's Hefei Outlet remains on track for sustained growth.

Kunming Market Update

Outlets Town, operated by retail merchandiser WangFuJing Group, opened for business on 28 September 2019. The GFA is around 128,000 sqm, located on the southern part of Kunming city and about 23km away from our Sasseur Outlet. We will closely monitor the performance of this outlet. We expect the performance of our outlet to continue to do well as it is positioned to serve the middle class and offers a wider range of brands and retail options in line with their needs and preferences.

Barring any unforeseen circumstances, retail sales for Sasseur's four outlet malls are expected to continue growing well through 2019. Regardless of the negotiations between China and the U.S. as they try to resolve their trade tension, our outlet sales in China remain resilient and are largely unaffected, as our outlets are focused on the domestic market in China, catering mainly to the large pool of middle class consumers.

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<sup>1</sup> National Bureau of Statistics of China

<sup>2</sup> Business Times dated 16 Oct 2019

<sup>3</sup> Savills Research Report

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**11 Distribution**

(a) Current financial period

Any distribution declared for the current financial period? Yes

Financial period: 1 July 2019 to 30 September 2019

Distribution type: Tax-Exempt Income Distribution

Distribution rate: 1.640 cents per unit

Par value of units: Not applicable

Tax rate: Tax-exempt income distribution is exempt from Singapore income tax in the hands of all Unitholders. No tax will be deducted from such distribution.

(b) Corresponding period of the preceding financial period

Any distribution declared for the corresponding period of the immediate preceding financial period? No

(c) Book closure date

The Transfer Books and Register of Unitholders of Sasseur REIT will be closed at 5.00 p.m. on 29 November 2019 for the purpose of determining unitholders' entitlements to Sasseur REIT distribution. The ex-dividend date will be on 28 November 2019.

(d) Date payable

The date of distribution is on 27 December 2019.

**12 If no distribution has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

Not applicable. A distribution has been declared for the period from 1 July 2019 to 30 September 2019.

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

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**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 interim financial statements of Sasseur REIT Group and the REIT for the financial period ended 30 September 2019 to be false or misleading, in any material aspect.

**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.

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

Mr Cheng Heng Tan  
Director

Dr Gu Qingyang  
Director

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*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

14 November 2019