



**SASSEUR REAL ESTATE INVESTMENT TRUST**  
**Unaudited Financial Statements and Distribution Announcement**  
**For the Second Quarter and Half Year Ended 30 June 2021**

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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 Liangjiang Outlets (formerly known as Chongqing Outlets)**

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

- **Chongqing Bishan Outlets (formerly known as Bishan Outlets)**

Chongqing 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. Chongqing 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 PUMA). In addition to the foregoing, there are several pubs and bars found in Chongqing Bishan Outlets and Chongqing Bishan Outlets is poised to be a trendy meeting point for the young. Chongqing Bishan Outlets is located in the west of Chongqing. As the closest district to the downtown area of Chongqing, 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.

Sasseur REIT is presenting its financial results for the second quarter ended 30 June 2021 (“2Q 2021”) and for the financial period from 1 January 2021 to 30 June 2021 (“1H 2021”).

**Distribution Policy**

Sasseur REIT makes distribution to the Unitholders on a quarterly basis. Sasseur REIT’s distribution policy is to distribute at least 90.0% of its annual distributable income for each financial year. The actual level of distribution will be determined at the discretion of the Board of Directors of the Manager.

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**Summary of Sasseur REIT Group Results**

	<b>2Q 2021 <sup>(1)</sup></b>	<b>2Q 2020 <sup>(1)</sup></b>	<b>Change</b>	<b>1H 2021 <sup>(1)</sup></b>	<b>1H 2020 <sup>(1)</sup></b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
EMA rental income	32,025	30,328	5.6	66,123	57,952	14.1
EMA rental income (exclude straight-line adjustments)	30,201	27,969	8.0	62,491	53,233	17.4
Income available for distribution to Unitholders	21,732	18,162	19.7	45,373	34,156	32.8
Distribution per unit ("DPU") (cents) <sup>(2)(3)</sup>	1.614	1.512	6.7	3.373	2.846	18.5
Distribution yield (%) <sup>(4)</sup>	6.9%	8.2%	(15.9)	7.2%	7.7%	(6.5)

**Notes:**

- (1) The results of the REIT Group's foreign subsidiaries were translated using the average SGD:RMB rates as follows:

<b>2Q 2021</b>	<b>2Q 2020</b>	<b>Change</b>	<b>1H 2021</b>	<b>1H 2020</b>	<b>Change</b>
		<b>%</b>			<b>%</b>
4.8302	5.0381	(4.1)	4.8516	5.0360	(3.7)

- (2) The DPU of 1.614 Singapore cents is equivalent to 7.796 Renminbi cents for 2Q 2021 and 3.373 Singapore cents is equivalent to 16.364 Renminbi cents for 1H 2021.
- (3) S\$2.2 million and S\$4.5 million of the income available for distribution have been retained in anticipation of asset enhancement initiatives and working capital requirements for 2Q 2021 and 1H 2021 respectively.
- (4) Based on annualised DPU and the market closing price per Unit of S\$0.945 and S\$0.740 as at 30 June 2021 and 30 June 2020 respectively.

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

	Note	REIT Group					
		2Q 2021 <sup>(1)</sup> S\$'000	2Q 2020 <sup>(1)</sup> S\$'000	Change %	1H 2021 <sup>(1)</sup> S\$'000	1H 2020 <sup>(1)</sup> S\$'000	Change %
<b>Consolidated Statement of Total Return</b>							
EMA rental income	1	32,025	30,328	5.6	66,123	57,952	14.1
Manager's management fees <sup>(2)</sup>	2	(2,173)	(1,817)	(19.6)	(4,537)	(3,416)	(32.8)
Trust expenses	3	(581)	(613)	5.2	(1,123)	(1,130)	0.6
Finance income		48	5	n.m.	52	58	(10.3)
Finance costs	4	(5,964)	(6,631)	10.1	(11,938)	(13,558)	11.9
Exchange differences	5	2,056	(538)	n.m.	3,217	173	n.m.
Change in fair value of financial derivatives	6	(119)	(27)	n.m.	212	(59)	n.m.
<b>Total return before fair value adjustments to investment properties and tax</b>		<b>25,292</b>	<b>20,707</b>	<b>22.1</b>	<b>52,006</b>	<b>40,020</b>	<b>30.0</b>
Fair value adjustments to investment properties	7	(1,824)	(2,359)	22.7	(3,632)	(4,719)	23.0
<b>Total return before tax</b>		<b>23,468</b>	<b>18,348</b>	<b>27.9</b>	<b>48,374</b>	<b>35,301</b>	<b>37.0</b>
Tax expense	8	(3,813)	(3,921)	2.8	(8,315)	(6,891)	(20.7)
<b>Total return after tax</b>		<b>19,655</b>	<b>14,427</b>	<b>36.2</b>	<b>40,059</b>	<b>28,410</b>	<b>41.0</b>
Total return after tax attributable to: <b>Unitholders</b>		<b>19,655</b>	<b>14,427</b>	<b>36.2</b>	<b>40,059</b>	<b>28,410</b>	<b>41.0</b>
<b>Distribution Statement</b>							
Total return attributable to Unitholders		19,655	14,427	36.2	40,059	28,410	41.0
Distribution adjustments	9	2,077	3,735	(44.4)	5,314	5,746	(7.5)
<b>Income available for distribution to Unitholders</b>		<b>21,732</b>	<b>18,162</b>	<b>19.7</b>	<b>45,373</b>	<b>34,156</b>	<b>32.8</b>
Less: Amount retained <sup>(3)</sup>		(2,173)	-	n.m.	(4,537)	-	n.m.
<b>Amount to be distributed to Unitholders</b>		<b>19,559</b>	<b>18,162</b>	<b>7.7</b>	<b>40,836</b>	<b>34,156</b>	<b>19.6</b>

n.m. – Not meaningful

Footnotes:

- (1) The results of the REIT Group's foreign subsidiaries were translated using the average SGD:RMB rates as follows:

2Q 2021	2Q 2020	Change %	1H 2021	1H 2020	Change %
4.8302	5.0381	(4.1)	4.8516	5.0360	(3.7)

- (2) The Manager has elected to receive 100% of its management fees in the form of units for the period from 1 January 2020 to 30 June 2021.
- (3) S\$2.2 million and S\$4.5 million of the income available for distribution have been retained in anticipation of asset enhancement initiatives and working capital requirements for 2Q 2021 and 1H 2021 respectively.

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**Notes:**

- 1 EMA rental income is accounted for on a straight-line basis over the lease term. Excluding straight-line adjustments, EMA rental income is as follows:

	2Q 2021 S\$'000	2Q 2020 S\$'000	Change %	1H 2021 S\$'000	1H 2020 S\$'000	Change %
EMA rental income	32,025	30,328	5.6	66,123	57,952	14.1
Straight-line adjustments (Note 7)	(1,824)	(2,359)	(22.7)	(3,632)	(4,719)	(23.0)
EMA rental income (exclude straight-line adjustments)	30,201	27,969	8.0	62,491	53,233	17.4

Straight-line adjustments relate to straight-lining of the 3% annual escalation of the fixed component of EMA rental income over the EMA tenure in accordance with the principles of FRS 116 *Leases*.

- 2 This consists of manager's base fees calculated at 10.0% per annum of the income available for distribution to Unitholders.
- 3 Trust expenses consist of recurring operating expenses such as trustee's fees, audit fees, tax advisory fees, valuation fees, legal and other professional fees, annual listing fees, investor communication costs and other miscellaneous expenses.
- 4 Finance costs comprise the following:

	2Q 2021 S\$'000	2Q 2020 S\$'000	Change %	1H 2021 S\$'000	1H 2020 S\$'000	Change %
Interest expenses on borrowings	(4,307)	(5,260)	18.1	(8,660)	(10,829)	20.0
Other borrowing costs	(71)	(61)	(16.4)	(127)	(124)	(2.4)
Borrowing-related transaction costs:						
- Amortisation	(1,586)	(1,310)	(21.1)	(3,151)	(2,605)	(21.0)
	(5,964)	(6,631)	10.1	(11,938)	(13,558)	11.9

- 5 This relates to the foreign exchange differences on translation of foreign currency denominated transactions and monetary items for the Group.
- 6 This relates to net change in fair value of interest rate swap and cross currency swap contracts which were entered into to hedge interest rate and foreign currency risks. This has no impact on the income available for distribution to Unitholders.
- 7 Fair value adjustments to investment properties relate to straight-line adjustments (see Note 1) and have no impact on the income available for distribution to Unitholders.
- 8 Tax expense comprises income tax and deferred tax largely relating to the REIT Group's foreign subsidiaries.

	2Q 2021 S\$'000	2Q 2020 S\$'000	Change %	1H 2021 S\$'000	1H 2020 S\$'000	Change %
Income tax	(3,262)	(3,236)	(0.8)	(7,004)	(6,038)	(16.0)
Deferred tax	(551)	(685)	19.6	(1,311)	(853)	(53.7)
	(3,813)	(3,921)	2.8	(8,315)	(6,891)	(20.7)

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9 Included in distribution adjustments are the following:

	2Q 2021 S\$'000	2Q 2020 S\$'000	Change %	1H 2021 S\$'000	1H 2020 S\$'000	Change %
<u>Distribution adjustments</u>						
Manager's management fees payable in Units	2,173	1,817	19.6	4,537	3,416	32.8
Amortisation of borrowing-related transaction costs	1,586	1,310	21.1	3,151	2,605	21.0
Straight-line adjustments	(1,824)	(2,359)	22.7	(3,632)	(4,719)	23.0
Fair value adjustments to investment properties	1,824	2,359	(22.7)	3,632	4,719	(23.0)
Deferred tax expense	551	341	61.6	1,311	509	n.m.
Unrealised exchange differences	(2,352)	240	n.m.	(3,473)	(843)	n.m.
Change in fair value of financial derivatives	119	27	n.m.	(212)	59	n.m.
Total distribution adjustments	2,077	3,735	(44.4)	5,314	5,746	(7.5)

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

	Note	REIT Group		REIT	
		30 Jun 2021 <sup>(1)</sup> S\$'000	31 Dec 2020 <sup>(1)</sup> S\$'000	30 Jun 2021 S\$'000	31 Dec 2020 S\$'000
<b>Assets</b>					
<b>Non-current assets</b>					
Investment properties	1	1,697,940	1,651,052	-	-
Interests in subsidiaries	2	-	-	1,098,747	951,941
		<b>1,697,940</b>	<b>1,651,052</b>	<b>1,098,747</b>	<b>951,941</b>
<b>Current assets</b>					
Prepayments, deposits and other receivables	3	27,117	51,212	2,252	144,455
Cash and short-term deposits	4	132,435	155,944	19,631	37,101
		<b>159,552</b>	<b>207,156</b>	<b>21,883</b>	<b>181,556</b>
<b>Total assets</b>		<b>1,857,492</b>	<b>1,858,208</b>	<b>1,120,630</b>	<b>1,133,497</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Loans and borrowings		502,765	501,895	235,475	240,484
Deferred tax liabilities		89,092	85,232	-	-
		<b>591,857</b>	<b>587,127</b>	<b>235,475</b>	<b>240,484</b>
<b>Current liabilities</b>					
Other payables and accruals	5	99,409	137,047	711	889
Loans and borrowings		2,362	2,359	-	-
Derivative financial instruments		64	276	64	276
Tax payables		27,015	25,985	9	11
		<b>128,850</b>	<b>165,667</b>	<b>784</b>	<b>1,176</b>
<b>Total liabilities</b>		<b>720,707</b>	<b>752,794</b>	<b>236,259</b>	<b>241,660</b>
<b>Net assets</b>		<b>1,136,785</b>	<b>1,105,414</b>	<b>884,371</b>	<b>891,837</b>
<b>Represented by:</b>					
<b>Unitholders' funds</b>		<b>1,136,785</b>	<b>1,105,414</b>	<b>884,371</b>	<b>891,837</b>
<b>Net Asset Value per unit (S\$)</b>		<b>0.94</b>	<b>0.91</b>	<b>0.73</b>	<b>0.74</b>

Footnote:

- (1) The results of the REIT Group's foreign subsidiaries were translated using the closing SGD:RMB rates of 1: 4.8027 and 1: 4.9314 as at 30 June 2021 and 31 December 2020 respectively.

**Notes:**

- 1 The carrying values of the investment properties as at 30 June 2021 were based on independent valuations performed by Jones Lang LaSalle Corporate Appraisal and Advisory as at 31 December 2020, adjusted for capital expenditure incurred subsequent to the valuation date and translation differences. The increase is mainly due to higher translated value arising from appreciation of Renminbi against Singapore Dollar as compared to 31 December 2020.

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- 2 Interests in subsidiaries comprise the following:

	REIT	
	30 Jun 2021 S\$'000	31 Dec 2020 S\$'000
Investments in subsidiaries	951,941	951,941
Amounts due from subsidiaries	146,806	-
	1,098,747	951,941

As at 30 June 2021, amounts due from subsidiaries are unsecured, non-interest bearing and in substance represent the REIT's interests in subsidiaries in the form of quasi-equity loans.

- 3 Prepayments, deposits and other receivables comprise the following:

	REIT Group		REIT	
	30 Jun 2021 S\$'000	31 Dec 2020 S\$'000	30 Jun 2021 S\$'000	31 Dec 2020 S\$'000
Mid-term deposits <sup>(i)</sup>	4,164	29,656	-	-
Refundable deposits	32	189	-	-
VAT/GST recoverables	7,339	8,844	1,274	1,027
Other receivables <sup>(ii)</sup>	4,471	5,908	1	-
Amounts due from subsidiaries (non-trade) <sup>(iii)</sup>	-	-	901	143,395
Amounts due from related parties (trade)	11,034	6,582	-	-
	27,040	51,179	2,176	144,422
Prepayments	77	33	76	33
	27,117	51,212	2,252	144,455

(i) This relates to deposits placed with financial institutions with maturity periods more than three months.

(ii) As at 30 June 2021, included in other receivables of the REIT Group is an amount of S\$3.1 million (31 December 2020: S\$4.2 million) relating to sale proceeds of goods sold by the tenants which are yet to be received from merchant banks due to cashless mode of payment made by customers.

(iii) As at 30 June 2021, amounts due from subsidiaries (non-trade) of S\$146.8 million which represent the REIT's interest in subsidiaries in the form of quasi-equity loans, have been reclassified to interests in subsidiaries (see Note 2).

- 4 Included in cash and short-term deposits of the REIT Group is an amount of S\$80.2 million (31 December 2020: S\$115.9 million) sale proceeds collected from customers on behalf of the tenants.

- 5 Other payables and accruals comprise the following:

	REIT Group		REIT	
	30 Jun 2021 S\$'000	31 Dec 2020 S\$'000	30 Jun 2021 S\$'000	31 Dec 2020 S\$'000
Refundable security deposits	7,154	7,379	-	-
Interest payables	339	311	232	248
VAT and other tax payables	331	757	-	-
Construction payables <sup>(iv)</sup>	4,985	4,938	-	-
Amounts due to subsidiaries (non-trade)	-	-	16	54
Amounts due to related parties (non-trade)	940	931	15	41
Accrued expenses	963	640	399	445
Property tax payables	561	945	-	-
Other payables <sup>(v)</sup>	84,136	121,146	49	101
	99,409	137,047	711	889

(iv) Construction payables consist mainly of retention sum of completed construction works arising from acquisition of investment properties and related assets and liabilities.

(v) Included in other payables is an amount of S\$80.2 million (31 December 2020: S\$115.9 million) relating to sale proceeds collected from customers on behalf of the tenants.



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

	REIT Group		REIT	
	30 Jun 2021 S\$'000	31 Dec 2020 S\$'000	30 Jun 2021 S\$'000	31 Dec 2020 S\$'000
<b>Secured loans and borrowings</b>				
- Amount repayable within one year	5,622	5,475	-	-
- Amount repayable after one year	510,780	513,035	240,902	247,462
	516,402	518,510	240,902	247,462
Less: Unamortised borrowing-related transaction costs	(11,275)	(14,256)	(5,427)	(6,978)
<b>Total loans and borrowings, net of transaction costs</b>	505,127	504,254	235,475	240,484

The REIT Group, through its PRC property subsidiaries, has put in place an aggregate amount of RMB 1,960 million 5-year onshore loans with repayment of 1% of initial loan principal semi-annually. The onshore loans have been partially repaid in September 2020 and pared down to RMB 1,337 million. Accordingly, the semi-annual repayments have been reduced to 1% of pared down loan principal.

The REIT has also put in place offshore loans which comprise of term loans of S\$214 million and US\$20 million and revolving loan of S\$8 million (collectively the "offshore loans"). Both the onshore and offshore loans will mature in March 2023.

As at 30 June 2021, the REIT had unutilised facilities of S\$8 million (31 December 2020: S\$1 million) available to meet its future obligations.

	REIT Group	
	30 Jun 2021	31 Dec 2020
Weighted average cost of borrowings	4.4%	4.9%
Interest coverage ratio <sup>(i)</sup> (times)	4.5	4.0
Aggregate leverage ratio	27.8%	27.9%

<sup>(i)</sup> The interest coverage ratio is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding the effects of any fair value changes in financial instruments and investment properties, and foreign exchange translation), by the trailing 12 months interest expense and borrowing-related fees (including amortisation of borrowing-related transaction costs).

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 mortgaged properties.

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

	Note	REIT Group			
		2Q 2021 S\$'000	2Q 2020 S\$'000	1H 2021 S\$'000	1H 2020 S\$'000
<b>Cash flows from operating activities</b>					
Total return for the period before tax		23,468	18,348	48,374	35,301
<u>Adjustments for:</u>					
Manager's management fees payable in units		2,173	1,817	4,537	3,416
Straight-line adjustments		(1,824)	(2,359)	(3,632)	(4,719)
Change in fair value of investment properties		1,824	2,359	3,632	4,719
Change in fair value of financial derivatives		119	27	(212)	59
Finance costs		5,964	6,631	11,938	13,558
Finance income		(48)	(5)	(52)	(58)
<b>Cash flows before changes in working capital</b>		<b>31,676</b>	<b>26,818</b>	<b>64,585</b>	<b>52,276</b>
<u>Changes in working capital:</u>					
Prepayments, deposits and other receivables (exclude mid-term deposits)		5,775	19,180	4,389	4,704
Mid-term deposits	1	1,987	(9,840)	25,492	(3,075)
Other payables and accruals		(32,375)	36,034	(42,544)	(35,867)
<b>Cash generated from operations</b>		<b>7,063</b>	<b>72,192</b>	<b>51,922</b>	<b>18,038</b>
Tax paid		(3,201)	(1,371)	(5,982)	(4,549)
Interest received		48	6	52	58
<b>Net cash generated from operating activities</b>		<b>3,910</b>	<b>70,827</b>	<b>45,992</b>	<b>13,547</b>
<b>Cash flows from investing activities</b>					
Capital expenditure on investment properties		(1,686)	(135)	(2,644)	(1,160)
<b>Net cash used in investing activities</b>		<b>(1,686)</b>	<b>(135)</b>	<b>(2,644)</b>	<b>(1,160)</b>
<b>Cash flows from financing activities</b>					
Repayments of bank loans		-	-	(9,769)	(3,942)
Distribution to Unitholders		(21,274)	(15,990)	(44,621)	(35,481)
Interest paid		(4,464)	(5,318)	(8,595)	(10,864)
Increase in restricted cash		(27)	(1,172)	(53)	(1,192)
<b>Net cash used in financing activities</b>		<b>(25,765)</b>	<b>(22,480)</b>	<b>(63,038)</b>	<b>(51,479)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(23,541)</b>	<b>48,212</b>	<b>(19,690)</b>	<b>(39,092)</b>
Cash and cash equivalents at beginning of the period		144,686	64,791	146,550	146,147
Effect on exchange rate changes on cash and cash equivalents		1,658	(3,186)	(4,057)	2,762
<b>Cash and cash equivalents at end of the period</b>	2	<b>122,803</b>	<b>109,817</b>	<b>122,803</b>	<b>109,817</b>

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**Notes:**

- 1 This relates to deposits placed with financial institutions with maturity periods more than three months.
- 2 For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents comprise the following:

	REIT Group	
	30 Jun 2021 S\$'000	30 Jun 2020 S\$'000
Cash and short-term deposits	132,435	119,679
Less: Restricted cash <sup>(i)</sup>	(9,632)	(9,862)
Cash and cash equivalents	122,803	109,817

(i) This relates to cash balances which are used to secure bank facilities.

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

	REIT Group			
	2Q 2021 S\$'000	2Q 2020 S\$'000	1H 2021 S\$'000	1H 2020 S\$'000
<b>At beginning of the period</b>	<b>1,117,817</b>	<b>1,112,232</b>	<b>1,105,414</b>	<b>1,069,163</b>
<b>Operations</b>				
Change in Unitholders' funds resulting from operations before distribution	19,655	14,427	40,059	28,410
<b>Net increase in net assets resulting from operations</b>	<b>19,655</b>	<b>14,427</b>	<b>40,059</b>	<b>28,410</b>
<b>Unitholders' transactions</b>				
Manager's management fees payable in units	2,173	1,817	4,537	3,416
Distribution to Unitholders	(21,274)	(15,990)	(44,621)	(35,481)
<b>Net decrease in net assets resulting from Unitholders' transactions</b>	<b>(19,101)</b>	<b>(14,173)</b>	<b>(40,084)</b>	<b>(32,065)</b>
<b>Movement in foreign currency translation reserve</b>	<b>18,414</b>	<b>(25,496)</b>	<b>31,396</b>	<b>21,425</b>
<b>Movement in hedging reserve</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57</b>
<b>Total Unitholders' funds as at end of the period</b>	<b>1,136,785</b>	<b>1,086,990</b>	<b>1,136,785</b>	<b>1,086,990</b>

	REIT			
	2Q 2021 S\$'000	2Q 2020 S\$'000	1H 2021 S\$'000	1H 2020 S\$'000
<b>At beginning of the period</b>	<b>874,363</b>	<b>863,234</b>	<b>891,837</b>	<b>863,464</b>
<b>Operations</b>				
Change in Unitholders' funds resulting from operations before distribution	29,109	35,959	32,618	53,564
<b>Net increase in net assets resulting from operations</b>	<b>29,109</b>	<b>35,959</b>	<b>32,618</b>	<b>53,564</b>
<b>Unitholders' transactions</b>				
Manager's management fees payable in units	2,173	1,817	4,537	3,416
Distribution to Unitholders	(21,274)	(15,990)	(44,621)	(35,481)
<b>Net decrease in net assets resulting from Unitholders' transactions</b>	<b>(19,101)</b>	<b>(14,173)</b>	<b>(40,084)</b>	<b>(32,065)</b>
<b>Movement in hedging reserve</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57</b>
<b>Total Unitholders' funds as at end of the period</b>	<b>884,371</b>	<b>885,020</b>	<b>884,371</b>	<b>885,020</b>

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

	REIT			
	2Q 2021 Units	2Q 2020 Units	1H 2021 Units	1H 2020 Units
<b>Units in issue:</b>				
At beginning of the period	1,209,412,000	1,198,678,588	1,206,538,293	1,196,494,243
Manager's management fees paid in Units	2,702,636	2,698,964	5,576,343	4,883,309
<b>Total Units issued as at end of the period</b>	<b>1,212,114,636</b>	<b>1,201,377,552</b>	<b>1,212,114,636</b>	<b>1,201,377,552</b>
<b>Units to be issued:</b>				
Manager's management fees payable in Units <sup>(1)</sup>	2,320,410	2,411,658	2,320,410	2,411,658
<b>Total Units to be issued as at end of the period</b>	<b>2,320,410</b>	<b>2,411,658</b>	<b>2,320,410</b>	<b>2,411,658</b>
<b>Total Units issued and to be issued as at end of the period</b>	<b>1,214,435,046</b>	<b>1,203,789,210</b>	<b>1,214,435,046</b>	<b>1,203,789,210</b>

Footnote:

(1) There are 2,320,410 units to be issued in satisfaction of the Manager's management fees for 2Q 2021 based on the volume-weighted average price for the last 10 Business Days immediately preceding 30 June 2021 of S\$0.9366.

**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 June 2021 and 31 December 2020. The total number of issued units in Sasseur REIT was 1,212,114,636 as at 30 June 2021 (31 December 2020: 1,206,538,293).

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury units 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 neither 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 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 year ended 31 December 2020.

**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 and amended Financial Reporting Standards and interpretations which are effective for application for the financial period beginning on 1 January 2021. The adoption of these new and amended standards and interpretations has no significant impact on the financial statements of the REIT Group.

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

	REIT Group			
	2Q 2021	2Q 2020	1H 2021	1H 2020
<b>EPU</b>				
Weighted average number of Units in issue	1,209,798,091	1,199,476,222	1,208,383,596	1,198,261,276
Total return after tax (S\$'000)	19,655	14,427	40,059	28,410
Basic and diluted EPU <sup>(1)(2)</sup> (cents)	1.625	1.203	3.315	2.371
<b>DPU</b>				
Number of Units issued as at end of the period	1,212,114,636	1,201,377,552	1,212,114,636	1,201,377,552
Income available for distribution to Unitholders (S\$'000)	21,732	18,162	45,373	34,156
Amount to be distributed to Unitholders (S\$'000)	19,559	18,162	40,836	34,156
DPU <sup>(3)</sup> (cents)	1.614	1.512	3.373	2.846

Footnotes:

- (1) The computation of basic and diluted EPU is based on the weighted average number of units in issue for the respective reporting periods.
- (2) The diluted EPU is the same as the basic EPU as there are no dilutive instruments in issue as at the end of each reporting period.
- (3) The DPU was computed and rounded based on the number of units in issue as at the end of each reporting period which does not include units to be issued as payment of Manager’s management fees.

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

	REIT Group		REIT	
	30 Jun 2021	31 Dec 2020	30 Jun 2021	31 Dec 2020
Number of Units issued and to be issued	1,214,435,046	1,209,412,000	1,214,435,046	1,209,412,000
Net asset (S\$'000)	1,136,785	1,105,414	884,371	891,837
NAV and NTA per unit <sup>(1)</sup> (cents)	93.61	91.40	72.82	73.74

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 reporting period. NAV and NTA are the same as there are no intangible assets as at the end of each reporting period.

**8 Review of the Performance**

**2Q 2021 vs 2Q 2020**

In RMB terms, with the REIT Group’s relentless effort in countering the difficult situation posed by the COVID-19 pandemic, total outlet sales for 2Q 2021 were higher than that of 2Q 2020 by RMB 53.8 million or 6.4%. EMA rental income (excluding straight-line adjustments) for 2Q 2021 was higher by RMB 4.9 million or 3.5% as compared to 2Q 2020. In SGD terms, EMA rental income (excluding straight-line adjustments) for 2Q 2021 was higher by S\$2.2 million or 8.0% as compared to 2Q 2020.

Higher manager’s management fees for 2Q 2021 were in line with higher distributable income as compared to 2Q 2020.

Finance costs for 2Q 2021 were lower than 2Q 2020 by S\$0.7 million or 10.1%, mainly due to lower floating interest rates and the refinancing exercise in September 2020, which successfully lowered the weighted average cost of borrowings to 4.4% (2Q 2020: 5.2%).

Tax expense for 2Q 2021 was S\$3.8 million compared to S\$3.9 million for 2Q 2020.

In anticipation of asset enhancement initiatives and working capital requirements, 10% of the income available for distribution or S\$2.2 million has been retained. After cash retention, the amount to be distributed to Unitholders for 2Q 2021 was S\$19.6 million, 7.7% higher compared to S\$18.2 million for 2Q 2020.

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**1H 2021 vs 1H 2020**

In RMB terms, total outlet sales for 1H 2021 were significantly higher than that of 1H 2020 by RMB 655.9 million or 47.9%. EMA rental income (excluding straight-line adjustments) for 1H 2021 was higher by RMB 35.1 million or 13.1% as compared to 1H 2020. In SGD terms, EMA rental income (excluding straight-line adjustments) for 1H 2021 was higher by S\$9.3 million or 17.4% as compared to 1H 2020.

Higher manager's management fees for 1H 2021 were in line with higher distributable income as compared to 1H 2020.

Finance costs for 1H 2021 were lower than 1H 2020 by S\$1.6 million or 11.9%, mainly due to lower floating interest rates and the refinancing exercise in September 2020, which successfully lowered the weighted average cost of borrowings to 4.4% (1H 2020: 5.3%).

Net fair value gains on financial derivatives of S\$0.2 million for 1H 2021 were attributable to the mark-to-market valuation of interest rate swap and cross currency swap contracts which were entered into to hedge interest rate and foreign currency risk exposures.

Tax expense for 1H 2021 was higher than 1H 2020 by S\$1.4 million or 20.7%, mainly due to higher operating profit as compared to 1H 2020 which was impacted by the temporary closure of outlets due to the outbreak of COVID-19 pandemic in early 2020.

In anticipation of asset enhancement initiatives and working capital requirements, 10% of the income available for distribution or S\$4.5 million has been retained. After cash retention, the amount to be distributed to Unitholders for 1H 2021 was S\$40.8 million, 19.6% higher compared to S\$34.2 million for 1H 2020.

**9 Variance from Forecast or Prospect Statement.**

Not applicable.

**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") grew 7.9%<sup>1</sup> in the second quarter of 2021 ("2Q 2021") on a Year-on-Year ("Y-o-Y") basis (compared to +6.5% and +18.3% for the fourth quarter of 2020 and first quarter of 2021 respectively).

China's economy sustained a steady recovery with the production and demand picking up and employment remaining stable. With major macro-economic indicators staying within reasonable range, we believe that the Chinese economy is on track to achieve the annual GDP growth rate of 6% set by the Chinese government.

In June 2021, the total retail sales of consumer goods reached 3.76 trillion yuan, up 12.1% Y-o-Y, averaging growth rate of 4.9% in two years. From January to June 2021, the retail sales of consumer goods<sup>2</sup> reached 18.41 trillion yuan, a Y-o-Y growth of 23.3%.

**Chongqing Market Update**

For 2Q 2021, no new outlets opened in Chongqing. However, two retail malls<sup>3</sup> entered the Chongqing market, adding around 283,000 sqm to the total supply of retail space of 5.69 million sqm. Across the market, the vacancy rate dropped 0.22% Quarter-on-Quarter ("Q-o-Q") to 10.23% at the end of the quarter, with support from improved market expectations and active consumers.

Chongqing city has announced clear development goals for business growth in its new five-year 2021-2025 plan. These goals include a series of policies to help develop new consumption, with the objective of creating an international consumption destination with local characteristics. The plan calls for citywide total retail sales of consumer goods to exceed RMB 1.55 trillion by 2025<sup>4</sup>.

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

<sup>2</sup> Urban goods, National Bureau of China's Statistic Press Release dated 16 July 2021

<sup>3</sup> The Ring (光环购物公园) in Zhaomushan (照母山) and "The Mix-C" (万象汇) in Dadukou (大渡口)

<sup>4</sup> Cushman & Wakefield Chongqing Market Beat for 2Q 2021, 7 July 2021

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Hefei and Kunming Market Update

For 2Q 2021, no new outlets opened in Hefei and Kunming.

In Kunming, two existing outlets' operators, namely Capital Outlet and Wangfujing Outlet have recently ramped up their product range and promotional activities to draw more shoppers to patronize their malls. These outlet malls are located nearer to the city centre with a large residential catchment and ease of public transportation network and ample parking spaces. Despite the fiercer competition and better locations of these other outlets, our outlet malls continued to be well positioned to face these challenges due to the proactive and experienced ground team with strong operational capabilities and domain knowledge to detect and capture new trends in the consumer preferences.

COVID-19 Update

Recently, it was reported that there was an outbreak of locally transmitted COVID-19 cases in Nanjing which had spread to other parts of China. Since 20 July 2021, the number of locally transmitted cases had increased by 1,716, across 31 provinces<sup>5</sup> as at 11 August 2021. The local authorities are ramping up their control measures to track, identify and ring-fence the source of the spread. The measures seem to have been effective in Nanjing with zero cases since 9 August 2021.

In Chongqing and Kunming, the municipal government had since implemented tightened measures and quarantined people traveling from Nanjing and other high to medium risks regions within China.

Hefei, which is about 150 km away from Nanjing, has raised the movement control of people between the two cities. Travelers from Nanjing must produce a negative swab report 48 hours before departure. Residents from Hefei are discouraged to travel to Nanjing. We are closely monitoring the situation in China and its' impact on our outlets closely.

The success of China's zero-tolerance strategy for COVID-19 has laid a solid foundation for China's fight against the epidemic in any outbreaks. This can be seen by zero cases in the cities which our outlets are located where life and businesses continue as usual with minimal disruption.

Barring any unforeseen circumstances, while there may be short-term impact from the COVID-19 situation in China, Sasseur REIT's outlets are well-positioned to benefit from the robust economy of China, higher local consumption and continued improvement in total retail sales.

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<sup>5</sup> National Health Commission and Tencent News dated 11 August 2021

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**11 Distribution**

(a) Current financial period

Any distribution declared for the current financial period? Yes

Name of distribution: Distribution for the financial period from 1 April 2021 to 30 June 2021

Distribution type: Tax-Exempt Income Distribution

Distribution rate: 1.614 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? Yes

Name of distribution: Distribution for the financial period from 1 April 2020 to 30 June 2020

Distribution type: Tax-Exempt Income Distribution

Distribution rate: 1.512 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.

(c) Books closure date 13 September 2021

(d) Date payable 28 September 2021

**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 April 2021 to 30 June 2021.

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



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**15 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 June 2021 to be false or misleading, in any material aspect.

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

Mr Cheng Heng Tan  
Director

Dr Gu Qingyang  
Director

*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. Units are not obligations of, deposits in, or guaranteed by the Manager, DBS Trustee Limited (as trustee of Sasseur REIT), Sasseur Cayman Holding Limited (as sponsor 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

Tan Hong Lye, Cecilia  
Chief Executive Officer

13 August 2021