



**SASSEUR REAL ESTATE INVESTMENT TRUST**  
**Unaudited Financial Statements and Distribution Announcement**  
**For the First Quarter Ended 31 March 2020**

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# **SASSEUR REAL ESTATE INVESTMENT TRUST**

## **Unaudited Financial Statements and Distribution Announcement**

### **For the First Quarter Ended 31 March 2020**

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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.

Sasseur REIT is presenting its financial results for the first quarter ended 31 March 2020 (“1Q 2020”).

#### **Distribution Policy**

Sasseur REIT makes distribution to the Unitholders on 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>1Q 2020 <sup>(1)</sup></b> <b>S\$'000</b>	<b>1Q 2019 <sup>(1)</sup></b> <b>S\$'000</b>	<b>Change</b> <b>%</b>
EMA rental income	27,624	30,715	(10.1)
EMA rental income (exclude straight-line adjustment)	25,264	30,874	(18.2)
Income available for distribution to Unitholders	15,994	19,684	(18.7)
Distribution per unit ("DPU") (cents) <sup>(2)</sup>	1.334	1.656	(19.4)
Annualised distribution yield (%)	9.1% <sup>(3)</sup>	n.m.	n.m.
- Based on closing price of S\$0.59 as at 31 March 2020			

n.m. – Not meaningful

**Notes:**

(1) The average SGD:RMB rates are as follows:

<b>1Q 2020</b>	<b>1Q 2019</b>	<b>Change</b> <b>%</b>
5.0339	4.9665	1.4

(2) The distribution per unit of 1.334 Singapore cents is equivalent to 6.715 Renminbi cents for 1Q 2020 (1Q 2019: 1.656 Singapore cents, 8.225 Renminbi cents).

(3) The annualised distribution yields for 1Q 2020 were on a pro-rata basis for 91 days.

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

	Note	REIT Group		
		1Q 2020 <sup>(1)</sup> S\$'000	1Q 2019 <sup>(1)</sup> S\$'000	Change %
<b><u>Consolidated Statement of Total Return</u></b>				
EMA rental income	1	27,624	30,715	(10.1)
Manager's base fees <sup>(2)</sup>	2	(1,599)	(1,968)	18.8
Trust expenses	3	(517)	(804)	35.7
Finance income		53	74	(28.4)
Finance costs	4	(6,927)	(7,003)	1.1
Net foreign exchange gain	5	711	380	87.1
Net change in fair value of financial derivative	6	(32)	90	n.m.
<b>Total return before fair value adjustment to investment properties and tax</b>		<b>19,313</b>	<b>21,484</b>	<b>(10.1)</b>
Fair value adjustment to investment properties	7	(2,360)	159	(>100)
<b>Total return for the period before tax</b>		<b>16,953</b>	<b>21,643</b>	<b>(21.7)</b>
Tax expense	8	(2,970)	(5,082)	41.6
<b>Total return for the period after tax</b>		<b>13,983</b>	<b>16,561</b>	<b>(15.6)</b>
Total return after tax attributable to:				
<b>Unitholders</b>		<b>13,983</b>	<b>16,561</b>	<b>(15.6)</b>
<b><u>Distribution Statement</u></b>				
Total return attributable to Unitholders		13,983	16,561	(15.6)
Distribution adjustments	9	2,011	3,123	(35.6)
<b>Amount available for distribution to Unitholders</b>		<b>15,994</b>	<b>19,684</b>	<b>(18.7)</b>

n.m. – Not meaningful

Footnotes:

- (1) The results of the REIT Group's foreign subsidiaries were translated using the average SGD:RMB rate of 1: 5.0339 and 1: 4.9665 for 1Q 2020 and 1Q 2019 respectively.
- (2) 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 March 2020.

**Notes:**

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

	1Q 2020 S\$'000	1Q 2019 S\$'000	Change %
EMA rental income	27,624	30,715	(10.1)
Straight-line adjustment (Note 7)	(2,360)	159	n.m.
EMA rental income (exclude straight-line adjustment)	25,264	30,874	(18.2)

Straight-line adjustments for 1Q 2020 relates to straight-lining of the 3% annual escalation of the fixed component of EMA rental income over the EMA tenure. Straight-line adjustment for 1Q 2019 relates to straight-lining of the two-year minimum rent guaranteed over the period from Listing Date to 31 December 2019. Both adjustments are in accordance with the principles of FRS 116 Leases.

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- 2 Manager's base fee is calculated at 10.0% per annum of the Distributable Income of the REIT Group. Manager's base fees for 1Q 2020 of S\$1.6 million was lower than 1Q 2019 in line with the lower distributable income.
- 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:

	<b>1Q 2020</b> <b>S\$'000</b>	<b>1Q 2019</b> <b>S\$'000</b>	<b>Change</b> <b>%</b>
Interest expense on borrowings	(5,569)	(5,654)	1.5
Amortisation of upfront debt-related transaction costs	(1,358)	(1,349)	(0.7)
	(6,927)	(7,003)	1.1

- 5 This relates mainly 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 which was entered to hedge interest rate risk. This has no impact on the amount available for distribution to Unitholders.
- 7 Fair value adjustment to investment properties relates to straight-line adjustment (see Note 1) and has no impact on the amount available for distribution to Unitholders.
- 8 Tax expense comprises income tax, deferred tax and withholding tax largely relating to the REIT Group's foreign subsidiaries.

	<b>1Q 2020</b> <b>S\$'000</b>	<b>1Q 2019</b> <b>S\$'000</b>	<b>Change</b> <b>%</b>
Current period:			
- Income tax	(2,802)	(4,806)	41.7
- Deferred tax	(168)	(276)	39.1
- Withholding tax	-	-	n.m.
	(2,970)	(5,082)	41.6

Lower income tax in 1Q 2020 is resulting from lower taxable property profits attributed by the closure of the outlets.

- 9 Included in distribution adjustments are the following:

	<b>1Q 2020</b> <b>S\$'000</b>	<b>1Q 2019</b> <b>S\$'000</b>	<b>Change</b> <b>%</b>
<u>Distribution adjustments</u>			
Manager's management fees payable in Units	1,599	1,968	(18.8)
Amortisation of upfront debt-related transaction costs	1,295	1,349	(4.0)
Straight-line adjustment	(2,360)	159	(>100)
Fair value adjustment to investment properties	2,360	(159)	>100
Deferred tax expense	168	276	(39.1)
Unrealised exchange (gain)/loss	(1,083)	(380)	(>100)
Net change in fair value of financial derivative	32	(90)	>100
Total distribution adjustments	2,011	3,123	(35.6)

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

	Note	REIT Group		REIT	
		31 Mar 2020 <sup>(1)</sup> S\$'000	31 Dec 2019 <sup>(1)</sup> S\$'000	31 Mar 2020 S\$'000	31 Dec 2019 S\$'000
<b>Assets</b>					
<b>Non-current assets</b>					
Investment properties	1	1,652,541	1,587,197	–	–
Investment in subsidiaries		–	–	951,941	951,941
		<b>1,652,541</b>	<b>1,587,197</b>	<b>951,941</b>	<b>951,941</b>
<b>Current assets</b>					
Prepayments, deposits and other receivables	2	37,319	28,536	26,997	27,407
Cash and short-term deposits	3	73,617	154,693	8,782	8,392
		<b>110,936</b>	<b>183,229</b>	<b>35,779</b>	<b>35,799</b>
<b>Total assets</b>		<b>1,763,477</b>	<b>1,770,426</b>	<b>987,720</b>	<b>987,740</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Loans and borrowings	4	362,560	474,521	–	123,141
Deferred tax liabilities		81,412	78,074	–	–
		<b>449,972</b>	<b>552,595</b>	<b>–</b>	<b>123,141</b>
<b>Current liabilities</b>					
Other payables and accruals	5	59,075	124,447	885	1,018
Loans and borrowings	6	127,697	4,079	123,516	–
Derivative financial instrument		83	108	83	108
Tax payables		20,418	20,034	2	9
	7	<b>207,273</b>	<b>148,668</b>	<b>124,486</b>	<b>1,135</b>
<b>Total liabilities</b>		<b>651,245</b>	<b>701,263</b>	<b>124,486</b>	<b>124,276</b>
<b>Net assets</b>		<b>1,112,232</b>	<b>1,069,163</b>	<b>863,234</b>	<b>863,464</b>
<b>Represented by:</b>					
<b>Unitholders' funds</b>		<b>1,112,232</b>	<b>1,069,163</b>	<b>863,234</b>	<b>863,464</b>
<b>Net Asset Value per unit (S\$)</b>		<b>0.93</b>	<b>0.89</b>	<b>0.72</b>	<b>0.72</b>

Footnote:

- (1) The results of the REIT Group's foreign subsidiaries were translated using the closing SGD: RMB rate of 1: 4.9724 and 1: 5.1739 as at 31 March 2020 and as at 31 December 2019 respectively.

**Notes:**

- 1 Investment properties are stated at fair value based on the valuations performed by an independent valuer, Jones Lang LaSalle Corporate Appraisal and Advisory as at 31 December 2019. The increase is mainly due to movement in foreign currency translation from the appreciation of Renminbi against Singapore Dollar as compared to 31 December 2019.

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

	REIT Group		REIT	
	31 Mar 2020 S\$'000	31 Dec 2019 S\$'000	31 Mar 2020 S\$'000	31 Dec 2019 S\$'000
Refundable deposits	313	300	–	–
VAT/GST recoverables	6,726	8,523	318	1,970
Trade and other receivables <sup>(i)</sup>	4,011	11,395	1	1
Amounts due from subsidiary (non-trade)	–	–	26,464	25,300
Amounts due from related parties (trade) <sup>(ii)</sup>	26,053	8,098	–	–
	37,103	28,316	26,783	27,271
Prepayments	216	220	214	136
	37,319	28,536	26,997	27,407

<sup>(i)</sup> As at 31 March 2020, trade and other receivables of the REIT Group included S\$3.5 million (31 December 2019: S\$3.4 million) mainly relating to receivables from tenants and sale proceeds of goods sold by tenants yet to be received from merchant banks due to cashless modes of payment made by customers. Included in the balance as at 31 December 2019 was an amount of S\$6.8 million related to deposits placed with financial institutions with maturity periods longer than three months. The amount is classified under cash and cash equivalents as at 31 March 2020.

<sup>(ii)</sup> Out of the trade amounts due from related parties, S\$10.1 million has been received and the remaining balance is expected to be settled in June 2020 in accordance with the payment terms.

- 3 Decrease in cash and short-term deposits is mainly due to payments of revenue collected customers on behalf to the outlets' retail tenants as at 31 December 2019 and lower sales collection from retail tenants due to closure of outlet malls from end January to mid-March 2020 amid the COVID-19 outbreak in China.
- 4 The decrease in loans and borrowings under non-current liabilities is due to the classification of S\$125 million offshore term loan under current liabilities as the loan is maturing within one year from 31 March 2020, the repayment of 1% of initial principal on RMB 1,960 million onshore term loans in March 2020 of S\$3.9 million, partially offset by the higher translated borrowings arising from the translation of the RMB onshore term loans into SGD as at 31 March 2020.
- 5 Other payables and accruals comprise the following:

	REIT Group		REIT	
	31 Mar 2020 S\$'000	31 Dec 2019 S\$'000	31 Mar 2020 S\$'000	31 Dec 2019 S\$'000
Refundable security deposits	7,516	7,167	–	–
Interest payables	228	194	8	1
VAT and other tax payables	276	922	–	–
Construction payables <sup>(iii)</sup>	6,109	6,397	–	–
Amounts due to subsidiary (non-trade)	–	–	49	55
Amounts due to related parties (non-trade)	438	500	63	133
Accrued expenses	1,190	892	662	706
Property tax payables	1,412	886	–	–
Other payables <sup>(iv)</sup>	41,906	107,489	103	123
	59,075	124,447	885	1,018

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

<sup>(iv)</sup> Included in other payables is an amount of S\$36.3 million (31 December 2019: S\$102.5 million) relating to revenue collected from customers on behalf of the outlets' retail tenants. The decrease was mainly due to lower sales collection from retail tenants as mentioned in Note 3 above.

- 6 This mainly relates to S\$125 million offshore term loan maturing in March 2021.
- 7 As at 31 March 2020, the REIT Group's current liabilities exceeded its current assets by S\$96.3 million due to the classification of S\$125 million offshore term loan as current liability as it is maturing within one year from 31 March 2020. The Manager has been working closely with a group of financial institutions to refinance the S\$125 million loan and is confident that barring any unseen circumstances, new loan facilities will be obtained to refinance the loan before it falls due.

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

	REIT Group		REIT	
	31 Mar 2020 S\$'000	31 Dec 2019 S\$'000	31 Mar 2020 S\$'000	31 Dec 2019 S\$'000
<b>Secured loans and borrowings</b>				
- Amount repayable within one year	132,884	7,576	125,000	–
- Amount repayable after one year	370,525	484,883	–	125,000
	503,409	492,459	125,000	125,000
Less: Unamortised upfront debt-related transaction costs	(13,152)	(13,859)	(1,484)	(1,859)
<b>Total loans and borrowings, net of transaction costs</b>	<b>490,257</b>	<b>478,600</b>	<b>123,516</b>	<b>123,141</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 has also put in place a \$125 million 3-year offshore term loan which is maturing in March 2021 and classified under current liabilities.

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.

As at 31 March 2020, 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 (excluding upfront debt-related transaction costs) was 4.3%. The aggregate leverage for the REIT Group, as defined in the Property Funds Appendix, was 28.5%.



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

	REIT Group	
	1Q 2020 S\$'000	1Q 2019 S\$'000
<b>Cash flows from operating activities</b>		
Total return for the period before tax	16,953	21,643
<u>Adjustments for:</u>		
Straight-line adjustment	(2,360)	159
Manager's management fees payable in units	1,599	1,968
Change in fair value of investment properties	2,360	(159)
Net change in fair value of financial derivative	32	(90)
Finance costs	6,927	7,003
Finance income	(53)	(74)
<b>Cash flows before changes in working capital</b>	<b>25,458</b>	<b>30,450</b>
<b>Changes in working capital:</b>		
Prepayments, deposits and other receivables	(7,711)	(8,006)
Other payables and accruals	(71,901)	(10,389)
<b>Cash (used in)/generated from operations</b>	<b>(54,154)</b>	<b>12,055</b>
Tax paid	(3,178)	(1,954)
Interest received	52	77
<b>Net cash (used in)/from operating activities</b>	<b>(57,280)</b>	<b>10,178</b>
<b>Cash flows from investing activity</b>		
Capital expenditure on investment properties	(1,025)	(849)
<b>Net cash used in investing activity</b>	<b>(1,025)</b>	<b>(849)</b>
<b>Cash flows from financing activities</b>		
Repayments of bank borrowings	(3,942)	(3,947)
Distribution to Unitholders	(19,491)	(41,794)
Interest paid	(5,546)	(5,573)
Increase in restricted cash	(20)	(27)
<b>Net cash used in financing activities</b>	<b>(28,999)</b>	<b>(51,341)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(87,304)</b>	<b>(42,012)</b>
Cash and cash equivalents at beginning of period	146,147	195,126
Effect on exchange rate changes on cash and cash equivalents	5,948	1,388
<b>Cash and cash equivalents at end of period</b>	<b>64,791</b>	<b>154,502</b>

**Note:**

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

	REIT Group	
	31 Mar 2020 S\$'000	31 Mar 2019 S\$'000
Cash and short-term deposits	73,617	163,188
Less: Restricted cash	(8,826)	(8,686)
Cash and cash equivalents	64,791	154,502

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

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

	REIT Group		REIT	
	1Q 2020 S\$'000	1Q 2019 S\$'000	1Q 2020 S\$'000	1Q 2019 S\$'000
<b>At beginning of the period</b>	<b>1,069,163</b>	<b>1,073,966</b>	<b>863,464</b>	<b>904,057</b>
<b>Operations</b>				
Change in Unitholders' funds resulting from operations before distribution	13,983	16,561	17,605	(3,997)
<b>Net increase/(decrease) in net assets resulting from operations</b>	<b>13,983</b>	<b>16,561</b>	<b>17,605</b>	<b>(3,997)</b>
<b>Unitholders' transactions</b>				
Manager's management fees payable in units	1,599	1,968	1,599	1,968
Distribution to Unitholders	(19,491)	(41,794)	(19,491)	(41,794)
<b>Net decrease in net assets resulting from Unitholders' transactions</b>	<b>(17,892)</b>	<b>(39,826)</b>	<b>(17,892)</b>	<b>(39,826)</b>
<b>Movement in foreign currency translation reserve</b>	<b>46,921</b>	<b>9,468</b>	<b>-</b>	<b>-</b>
<b>Movement in hedging reserve</b>	<b>57</b>	<b>-</b>	<b>57</b>	<b>-</b>
<b>Total Unitholders' funds as at end of the period</b>	<b>1,112,232</b>	<b>1,060,169</b>	<b>863,234</b>	<b>860,234</b>

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

	REIT	
	1Q 2020 Units	1Q 2019 Units
<b>Units in issue:</b>		
At beginning of the period	1,196,494,243	1,180,280,000
Manager's management fees paid in Units	2,184,345	8,673,352
<b>Total issued Units as at end of the period</b>	<b>1,198,678,588</b>	<b>1,188,953,352</b>
<b>Units to be issued:</b>		
Manager's management fees payable in units <sup>(1)</sup>	2,698,964	2,670,792
<b>Total issuable Units as at end of the period</b>	<b>2,698,964</b>	<b>2,670,792</b>
<b>Total Units issued and to be issued as at end of the period</b>	<b>1,201,377,552</b>	<b>1,191,624,144</b>

Footnote:

- (1) There are 2,698,964 units to be issued in satisfaction of the Manager's management fee for 1Q 2020 based on the volume-weighted average price for the last 10 Business Days immediately preceding 31 March 2020 of S\$0.5926.

**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 31 March 2020 and 31 December 2019. The total number of issued units in Sasseur REIT was 1,198,678,588 as at 31 March 2020 (31 December 2019: 1,196,494,243).

**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.

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

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

**3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been 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 and amended Financial Reporting Standards and interpretations which are effective for application for the financial period beginning on 1 January 2020. The adoption of these new and amended standards 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	
	1Q 2020	1Q 2019
<b>EPU</b>		
Weighted average number of units in issue and issuable	1,197,075,989	1,182,911,681
Total return for the period after tax (S\$'000)	13,983	16,561
Basic and diluted EPU <sup>(1)(2)</sup> (cents)	1.168	1.400
<b>DPU</b>		
Number of units in issue at end of the period	1,198,678,588	1,188,953,352
Amount available for distribution to Unitholders (S\$'000)	15,994	19,684
DPU <sup>(3)</sup> (cents)	1.334	1.656

Footnotes:

- (1) 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.
- (2) 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.
- (3) The DPU was computed and rounded based on the number of units in issue at the end of each reporting period which 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	
	31 Mar 2020	31 Dec 2019	31 Mar 2020	31 Dec 2019
Number of units in issue and issuable	1,201,377,552	1,198,678,588	1,201,377,552	1,198,678,588
Net asset (S\$'000)	1,112,232	1,069,163	863,234	863,464
NAV and NTA per unit <sup>(1)</sup> (cents)	92.58	89.20	71.85	72.03

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 at the end of each reporting period.

**8 Review of the Performance**

Total outlet sales for 1Q 2020 is lower by RMB 671.5 million or 55.7% as compared to 1Q 2019 due to the temporary closure of all 4 outlet malls for 44 to 49 days, from end January to mid-March 2020, as a precautionary measure to prevent spread of COVID-19 virus in China.

While the temporary mall closure has led to lower sales by 55.7%, drop in EMA rental income (excluding straight-line adjustment) for 1Q 2020 is only lower by 17.1% or RMB 26.2 million, due to the fixed component of EMA rental income from the Sponsor in accordance with the Entrusted Management Agreement (EMA). In SGD terms, EMA rental income (excluding straight-line adjustment) for 1Q 2020 is lower by S\$5.6 million or 18.2%, partly due to the weakening of RMB against SGD by 1.4% comparing 1Q 2020 to 1Q 2019.

The decrease in Manager’s base fees by S\$0.4 million is due to lower distributable income.

Finance costs for 1Q 2020 of S\$6.9 million is slightly lower than 1Q 2019 by S\$0.1 million. This is mainly due to lower onshore term loan quantum in this quarter compared to same quarter last year.

Tax expense for 1Q 2020 was S\$2.1 million or 41.6% lower than 1Q 2019, in line with lower operating profit due to lower sales and EMA rental income.

As a result of the above, amount available for distribution to Unitholders for 1Q 2020 was S\$16.0 million, 18.7% lower as compared to S\$19.7 million for 1Q 2019.

**9 Variance from Forecast or Prospect Statement**

Not applicable.

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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 20,650.4 billion from January to March of 2020, a year-on-year decrease of 6.8%<sup>1</sup> at constant prices. This was mainly attributed to the shut-down of the country after the outbreak of coronavirus. The industrial, retail and fixed asset investment sectors were affected more than other sectors. Total retail sales of consumer goods was RMB 5,213 billion, a decrease of 20.5% year-on-year.

The contraction in the first quarter is the first decline since 1992, when official quarterly GDP records started<sup>2</sup>. The People's Bank of China (PBoC) had since injected approximately RMB 4 trillion into the economy, which is equivalent to 4%<sup>3</sup> of GDP. Such steps provided much needed liquidity to the economy.

Chongqing Market Update

For the first quarter of 2020, no new outlets opened for business. We expect to see two conventional malls opening for business in the second half of the year. Significant projects<sup>4</sup> under construction include the MixC in Dadukou submarket and Jinsha Paradise walk in Shapingba submarket. The GFA is 70,000 sqm and 210,000 sqm respectively. Sasseur Chongqing Outlets re-opened on 15 March 2020, achieving sales volume increase of 132% versus the same day last year. As for Sasseur Bishan Outlets, which also re-opened on 15 March 2020, it achieved a sales volume increase of 228% higher versus the same day last year.

Hefei Market Update

For 1Q 2020, no new outlet malls were opened in Hefei. The Hefei Outlets re-opened on 13 March 2020, achieving a sales figure which was 57% higher than the same day last year.

Kunming Market Update

For 1Q 2020, there were no new outlets. Our Sasseur Kunming Outlets re-opened on 11 March 2020, achieving a sales volume which was 171% higher than the same day last year.

China has since resumed much of its economic activities compared to the rest of the world, where economic activities are largely still shut-down. We expect the recovery process in China to be gradual, and are cautiously optimistic in seeing a good rebound in consumer spending at our outlets after experiencing strong sales at the re-opening of the outlets in the middle of March 2020. The Chinese middle class which is the key consumer segment for outlet businesses, remains resilient as business for luxury goods has stayed stable.

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

<sup>2</sup> Reuters dated 15 April 2020

<sup>3</sup> CBRE April Report

<sup>4</sup> Cushman & Wakefield retail market report for Chongqing

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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 January 2020 to 31 March 2020

Distribution type: Tax-Exempt Income Distribution

Distribution rate: 1.334 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 January 2019 to 31 March 2019

Distribution type: Capital Distribution

Distribution rate: 1.656 cents per unit

Par value of units: Not applicable

(c) Book closure date

The Transfer Books and Register of Unitholders of Sasseur REIT will be closed at 5.00 p.m. on 29 May 2020 for the purpose of determining unitholders' entitlements to Sasseur REIT distribution. The ex-dividend date will be on 28 May 2020.

(d) Date payable

The date of distribution is on 26 June 2020.

**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 January 2020 to 31 March 2020.

**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 31 March 2020 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

Anthony Ang  
Chief Executive Officer

14 May 2020