



**SASSEUR REAL ESTATE INVESTMENT TRUST**  
**Unaudited Financial Statements and Distribution Announcement**  
**For the Fourth Quarter and Financial Year Ended 31 December 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.

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### **For the Fourth Quarter and Financial Year Ended 31 December 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 comprise 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 fourth quarter ended 31 December 2019 (“**4Q 2019**”) and for the financial year from 1 January 2019 to 31 December 2019 (“**FY 2019**”).

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**Distribution Policy**

With effect from the financial year starting 1 January 2019, Sasseur REIT makes 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**

**4Q 2019 vs 4Q 2018 and FY 2019 vs 28 March 2018 (Listing Date) to 31 December 2018 <sup>(1)</sup>**

	<b>4Q 2019 S\$'000</b>	<b>4Q 2018 S\$'000</b>	<b>Change %</b>	<b>FY 2019 S\$'000</b>	<b>28 Mar 2018 to 31 Dec 2018 <sup>(2)</sup> S\$'000</b>	<b>Change <sup>(3)</sup> %</b>
EMA rental income	28,172	30,948	(9.0)	118,015	93,525	n.m.
EMA rental income (exclude straight-line adjustment)	31,470	31,192	0.9	122,060	89,872	n.m.
Income available for distribution to Unitholders	19,495	23,591	(17.4)	77,926	60,530	n.m.
Distribution per unit ("DPU") (cents) <sup>(4)</sup>	1.629	1.999	(18.5)	6.533	5.128	n.m.
Annualised distribution yield (%)						
- Based on IPO listing price of S\$0.800	8.1% <sup>(5)</sup>	9.9% <sup>(6)</sup>	(18.5)	8.2%	8.4% <sup>(6)</sup>	n.m.
- Based on 4Q 2019 closing price of S\$0.885	7.3% <sup>(5)</sup>	9.0% <sup>(6)</sup>	(18.5)	7.4%	7.6% <sup>(6)</sup>	n.m.

n.m. – Not meaningful

**Notes:**

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

<b>4Q 2019</b>	<b>4Q 2018</b>	<b>Change %</b>	<b>FY 2019</b>	<b>28 Mar 2018 to 31 Dec 2018</b>	<b>Change %</b>
5.1675	5.033	2.7%	5.0600	4.948	2.3%

The financial results of 4Q 2019 were impacted by the depreciation of RMB against SGD by about 2.7% as compared to 4Q 2018.

- (2) The FY comparative figures were for the period from 28 March 2018 (Listing Date) to 31 December 2018. These figures were extracted from Sasseur REIT's results announcement for the financial period from 28 March 2018 to 31 December 2018.
- (3) The actual results of FY 2018 covered the period from 28 March 2018 to 31 December 2018 (279 days), whereas FY 2019 period was from 1 January 2019 to 31 December 2019 (365 days). Accordingly, since FY 2019 period is 86 days more than the FY 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 4Q 2019 and FY 2019 compared with the projections as disclosed in Sasseur REIT Prospectus dated 21 March 2018 (the "Prospectus").
- (4) The distribution per unit of 1.629 Singapore cents is equivalent to 8.418 Renminbi cents for 4Q 2019 (4Q 2018: 10.061 Renminbi cents) and 6.533 Singapore cents is equivalent to 33.057 Renminbi cents for FY 2019 (FY 2018: 25.373 Renminbi cents).
- (5) The annualised distribution yield for 4Q 2019 was on a pro-rata basis for 92 days, based on the listing price of S\$0.800 and closing price of S\$0.885.
- (6) The annualised distribution yields for 4Q 2018 and the period from 28 March 2018 to 31 December 2018 were on a pro-rata basis for 92 days and 279 days, based on the listing price of S\$0.800 and closing price of S\$0.885.

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**Summary of Sasseur REIT Group Results**

**Actual vs Projection**

	4Q 2019			FY 2019		
	1 October 2019 to 31 December 2019			1 January 2019 to 31 December 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	28,172	29,991	(6.1)	118,015	119,966	(1.6)
EMA rental income (exclude straight-line adjustment)	31,470	33,289	(5.5)	122,060	124,011	(1.6)
Income available for distribution to Unitholders	19,495	20,226	(3.6)	77,926	74,460	4.7
Distribution per unit ("DPU") (cents) <sup>(3)</sup>	1.629	1.690	(3.6)	6.533	6.241	4.7
Annualised distribution yield (%)						
- Based on IPO listing price of S\$0.800	8.1% <sup>(4)</sup>	8.4% <sup>(5)</sup>	(3.6)	8.2%	7.8%	4.7
- Based on 4Q 2019 closing price of S\$0.885	7.3% <sup>(4)</sup>	n.m.	n.m.	7.4%	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 1.249 Singapore cents and 6.2% for 4Q 2019 and 4.821 Singapore cents and 6.0% for FY 2019 respectively.

As stated in the Prospectus, the Sponsor has a two-year minimum rent guarantee period ("minimum rent requirement"). In FY2018 and FY2019, Sasseur REIT recorded EMA rental income of RMB 444.7 million and RMB 617.6 million<sup>1</sup> respectively, which exceeded its IPO forecasts of RMB 433.2 million and RMB 611.4 million for the two consecutive years. The above results demonstrated that the unique business model and management model of the Sasseur Group are sustainable. From FY2020, this minimum rent requirement will no longer apply.

<sup>1</sup> Includes additional Hefei shop units acquired in 2019

**Notes:**

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

Actual	4Q 2019		Actual	FY 2019	
	Projection	Change %		Projection	Change %
5.1675	4.930	4.8%	5.0600	4.930	2.6%

The financial results of 4Q 2019 and FY 2019 were impacted by the depreciation of RMB against SGD by about 2.6% and 1.9% as compared to projection.

- (2) The projection figures were derived from the seasonal projection for 4Q 2019 and FY 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 1.629 Singapore cents is equivalent to 8.418 Renminbi cents for 4Q 2019 and 6.533 Singapore cents is equivalent to 33.057 Renminbi cents for FY 2019.
- (4) The annualised distribution yield for 4Q 2019 was on a pro-rata basis for 92 days, based on the listing price of S\$0.800 and closing price of S\$0.885.
- (5) The projected annualised distribution yield of 8.4% was derived from the seasonal projection for 4Q 2019, 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	4Q 2019 <sup>(1)</sup> S\$'000	4Q 2018 S\$'000	Change %	FY 2019 <sup>(1)</sup> S\$'000	28 Mar 2018 to 31 Dec 2018 <sup>(2)</sup> S\$'000	Change <sup>(3)</sup> %
<b><u>Consolidated Statement of Total Return</u></b>							
EMA rental income	1	28,172	30,948	(9.0)	118,015	93,525	n.m.
Manager's base fees <sup>(4)</sup>	2	(1,950)	(2,359)	17.4	(7,793)	(6,053)	n.m.
Trustee's fees		(80)	(77)	(3.9)	(316)	(226)	n.m.
Other trust expenses	3	(451)	683	(>100)	(1,996)	(11,028)	n.m.
Finance income		33	71	(53.5)	284	232	n.m.
Finance costs	4	(6,852)	(7,061)	3.0	(27,981)	(21,682)	n.m.
Net change in fair value of financial derivative	5	55	(154)	>100	102	(154)	n.m.
<b>Total return before fair value adjustment to investment properties and tax</b>		<b>18,927</b>	<b>22,051</b>	<b>(14.2)</b>	<b>80,315</b>	<b>54,614</b>	<b>n.m.</b>
Fair value adjustment to investment properties	6	94,333	186,579	(49.4)	95,080	182,682	n.m.
<b>Total return for the period before tax</b>		<b>113,260</b>	<b>208,630</b>	<b>(45.7)</b>	<b>175,395</b>	<b>237,296</b>	<b>n.m.</b>
Tax expense	7	(33,761)	(58,280)	42.1	(49,250)	(68,071)	n.m.
<b>Total return for the period after tax</b>		<b>79,499</b>	<b>150,350</b>	<b>(47.1)</b>	<b>126,145</b>	<b>169,225</b>	<b>n.m.</b>
Total return for the period after tax attributable to:							
<b>Unitholders</b>		<b>79,499</b>	<b>150,350</b>	<b>(47.1)</b>	<b>126,145</b>	<b>169,225</b>	<b>n.m.</b>
<b><u>Distribution Statement</u></b>							
Total return attributable to Unitholders		79,499	150,350	(47.1)	126,145	169,225	n.m.
Distribution adjustments	8	(60,004)	(126,759)	52.7	(48,219)	(108,695)	n.m.
<b>Total return available for distribution to Unitholders</b>		<b>19,495</b>	<b>23,591</b>	<b>(17.4)</b>	<b>77,926</b>	<b>60,530</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: 5.1675 and 1:5.0600 for 4Q 2019 and FY 2019 respectively.
- (2) The FY comparative figures were for the period from 28 March 2018 (Listing Date) to 31 December 2018. These figures were extracted from Sasseur REIT's results announcement for the period from 28 March 2018 to 31 December 2018.
- (3) The actual results of FY 2018 covered the period from 28 March 2018 to 31 December 2018 (279 days), whereas FY 2019 period was from 1 January 2019 to 31 December 2019 (365 days). Accordingly, since FY 2019 period is 86 days more than FY 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 4Q 2019 and FY 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 excluding straight-line adjustment is as follows:

	4Q 2019 S\$'000	4Q 2018 S\$'000	Change %	FY 2019 S\$'000	28 Mar 2018 to 31 Dec 2018 <sup>(1)</sup> S\$'000	Change <sup>(2)</sup> %
EMA rental income	28,172	30,948	(9.0)	118,015	93,525	n.m.
Straight-line adjustment	3,298	244	>100	4,045	(3,653)	n.m.
EMA rental income (exclude straight-line adjustment)	31,470	31,192	0.9	122,060	89,872	n.m.

- 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 4Q 2019 of S\$2.0 million was 17.4% lower than 4Q 2018, which was in line with the lower distributable income.
- 3 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 31 December 2018 were S\$8.9 million of IPO transaction costs.
- 4 Finance costs comprise the following:

	4Q 2019 S\$'000	4Q 2018 S\$'000	Change %	FY 2019 S\$'000	28 Mar 2018 to 31 Dec 2018 <sup>(1)</sup> S\$'000	Change <sup>(2)</sup> %
Interest expense on borrowings	(5,520)	(5,750)	4.0	(22,623)	(17,633)	n.m.
Amortisation of upfront debt- related transaction costs	(1,332)	(1,311)	(1.6)	(5,358)	(4,049)	n.m.
	(6,852)	(7,061)	3.0	(27,981)	(21,682)	n.m.

- 5 This relates to fair value gain/(loss) from the mark-to-market value of interest rate swap for hedging purpose.
- 6 Fair value adjustment to investment properties comprise the following:

	4Q 2019 S\$'000	4Q 2018 S\$'000	Change %	FY 2019 S\$'000	28 Mar 2018 to 31 Dec 2018 <sup>(1)</sup> S\$'000	Change <sup>(2)</sup> %
Fair value gains on investment properties	91,035	186,335 <sup>(i)</sup>	(51.1)	91,035	186,335 <sup>(i)</sup>	n.m.
Straight-line adjustment	3,298	244	>100	4,045	(3,653)	n.m.
	94,333	186,579	(49.4)	95,080	182,682	n.m.

<sup>(i)</sup> 4Q 2018 fair value gains on investment properties of S\$186.3 million included an one-time adjustment of S\$110.7 million to net asset value upon IPO. Excluding this one-time adjustment, fair value gains on investment properties for 4Q 2018 amounted to S\$75.6 million.

- 7 Tax expense comprise income tax, deferred tax and withholding tax largely relating to the REIT Group's foreign subsidiaries.

	4Q 2019 S\$'000	4Q 2018 S\$'000	Change %	FY 2019 S\$'000	28 Mar 2018 to 31 Dec 2018 <sup>(1)</sup> S\$'000	Change <sup>(2)</sup> %
Current period:						
- Income tax	(5,956)	(2,833)	(>100)	(19,159)	(10,000)	n.m.
- Deferred tax <sup>(ii)</sup>	(27,647)	(55,447)	50.1	(29,172)	(58,071)	n.m.
- Withholding tax	(158)	-	n.m.	(919)	-	n.m.
	(33,761)	(58,280)	42.1	(49,250)	(68,071)	n.m.

<sup>(ii)</sup> Deferred tax expense of S\$27.6 million for 4Q 2019 (4Q 2018: S\$55.4 million) and S\$29.2 million for FY 2019 (FY 2018: S\$58.1 million) mainly arose from fair value gains on investment properties.

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8 Included in distribution adjustments are the following:

	4Q 2019 S\$'000	4Q 2018 S\$'000	Change %	FY 2019 S\$'000	28 Mar 2018 to 31 Dec 2018 <sup>(1)</sup> S\$'000	Change <sup>(2)</sup> %
<u>Distribution adjustments</u>						
Manager's management fees payable in units	1,950	2,359	(17.4)	7,793	6,053	n.m.
Amortisation of upfront debt-related transaction costs	1,084	1,311	(17.3)	5,110	4,049	n.m.
Straight-line adjustment	3,298	244	>100	4,045	(3,653)	n.m.
Fair value adjustment to investment properties	(94,333)	(186,579)	49.4	(95,080)	(182,682)	n.m.
Deferred tax expense	27,647	55,447	(50.1)	29,172	58,071	n.m.
Transfer to statutory reserve <sup>(3)</sup>	–	1,117	(100)	–	–	n.m.
IPO transaction costs	–	(1,145)	100	–	8,865	n.m.
Foreign exchange loss	405	333	21.6	843	448	n.m.
Net change in fair value of financial derivative	(55)	154	(>100)	(102)	154	n.m.
Total distribution adjustments	(60,004)	(126,759)	52.7	(48,219)	(108,695)	n.m.

Footnotes:

- (1) The FY comparative figures were for the period from 28 March 2018 (Listing Date) to 31 December 2018. These figures were extracted from Sasseur REIT's results announcement for the period from 28 March 2018 to 31 December 2018.
- (2) The actual results of FY 2018 covered the period from 28 March 2018 to 31 December 2018 (279 days), whereas FY 2019 period was from 1 January 2019 to 31 December 2019 (365 days). Accordingly, since FY 2019 period is 86 days more than FY 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 4Q 2019 and FY 2019 compared with the projections as disclosed in the Prospectus.
- (3) No transfer to statutory reserve has been made during FY 2019 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	
		31 Dec 2019 <sup>(1)</sup> S\$'000	31 Dec 2018 <sup>(1)</sup> S\$'000	31 Dec 2019 S\$'000	31 Dec 2018 S\$'000
<b>Assets</b>					
<b>Non-current assets</b>					
Investment properties	1	1,587,197	1,539,491	–	–
Investment in subsidiaries		–	–	951,941	951,558
		<b>1,587,197</b>	<b>1,539,491</b>	<b>951,941</b>	<b>951,558</b>
<b>Current assets</b>					
Trade and other receivables	2	28,536	25,546	27,407	42,661
Cash and short-term deposits	3	154,693	203,641	8,392	32,866
		<b>183,229</b>	<b>229,187</b>	<b>35,799</b>	<b>75,527</b>
<b>Total assets</b>		<b>1,770,426</b>	<b>1,768,678</b>	<b>987,740</b>	<b>1,027,085</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Loans and borrowings		474,521	489,060	123,141	121,641
Deferred tax liabilities		78,074	50,944	–	–
Derivative financial instrument		–	154	–	154
		<b>552,595</b>	<b>540,158</b>	<b>123,141</b>	<b>121,795</b>
<b>Current liabilities</b>					
Other payables and accruals	4	124,447	142,705	1,018	1,233
Loans and borrowings		4,079	4,217	–	–
Derivative financial instrument		108	–	108	–
Tax payables		20,034	7,632	9	–
		<b>148,668</b>	<b>154,554</b>	<b>1,135</b>	<b>1,233</b>
<b>Total liabilities</b>		<b>701,263</b>	<b>694,712</b>	<b>124,276</b>	<b>123,028</b>
<b>Net assets</b>		<b>1,069,163</b>	<b>1,073,966</b>	<b>863,464</b>	<b>904,057</b>
<b>Represented by:</b>					
Unitholders' funds		<b>1,069,163</b>	<b>1,073,966</b>	<b>863,464</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: 5.1739 and 1: 5.0062 as at 31 December 2019 and as at 31 December 2018 respectively.



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**Notes:**

- Investment properties are stated at fair value based on appraisals as at 31 December 2019 and 31 December 2018 performed by Jones Lang LaSalle Corporate Appraisal and Advisory Limited and Savills Real Estate Valuation (Beijing) Limited respectively.
- Trade and other receivables comprise the following:

	REIT Group		REIT	
	31 Dec 2019 S\$'000	31 Dec 2018 S\$'000	31 Dec 2019 S\$'000	31 Dec 2018 S\$'000
Short-term deposits	7,065	493	–	–
VAT/GST recoverables	8,523	9,876	1,970	1,850
Trade and other receivables <sup>(i)</sup>	4,630	11,956	1	3
Amounts due from subsidiary (non-trade) <sup>(ii)</sup>	–	–	25,300	40,563
Amounts due from related parties (trade) <sup>(iii)</sup>	8,098	2,971	–	28
	28,316	25,296	27,271	42,444
Prepayments	220	250	136	217
	28,536	25,546	27,407	42,661

<sup>(i)</sup> As at 31 December 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 from customers yet to be received from merchant banks.

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

<sup>(iii)</sup> The trade amounts due from related parties are expected to be settled in 1Q 2020.

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

	REIT Group		REIT	
	31 Dec 2019 S\$'000	31 Dec 2018 S\$'000	31 Dec 2019 S\$'000	31 Dec 2018 S\$'000
Refundable security deposits	7,167	6,451	–	–
Interest payables	194	249	1	37
VAT and other tax payables	922	642	–	–
Construction payables <sup>(iv)</sup>	6,397	31,816	–	–
Amounts due to subsidiary (non-trade)	–	–	55	–
Amounts due to related parties (non-trade)	500	308	133	39
Accrued expenses	892	2,281	706	1,157
Property tax payables	886	573	–	–
Other payables <sup>(v)</sup>	107,489	100,385	123	–
	124,447	142,705	1,018	1,233

<sup>(iv)</sup> Construction payables consist mainly of retention sum of completed construction works arising from acquisition of investment properties and related assets and liabilities. The reduction of S\$25.4 million in construction payables is mainly due to the final settlement of Sasseur Hefei's retention sum upon agreement with the contractor.

<sup>(v)</sup> Included in other payables is an amount of S\$102.5 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	
	31 Dec 2019 S\$'000	31 Dec 2018 S\$'000	31 Dec 2019 S\$'000	31 Dec 2018 S\$'000
<b>Secured loans and borrowings</b>				
- Amount repayable within one year	7,576	7,713	–	–
- Amount repayable after one year	484,883	504,886	125,000	125,000
	492,459	512,599	125,000	125,000
Less: Unamortised upfront debt-related transaction costs	(13,859)	(19,322)	(1,859)	(3,359)
<b>Total loans and borrowings, net of transaction costs</b>	<b>478,600</b>	<b>493,277</b>	<b>123,141</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 mortgaged properties.

As at 31 December 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 for FY 2019 (excluding upfront debt-related transaction costs) was 4.4%. The aggregate leverage for the REIT Group as at the end of the financial year, as defined in the Property Funds Appendix, was 27.8%.

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

Note	REIT Group			
	4Q 2019	4Q 2018	FY 2019	28 Mar 2018 to 31 Dec 2018
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities</b>				
Total return for the period before tax	113,260	208,630	175,395	237,296
<u>Adjustments for:</u>				
Straight-line adjustment	3,298	(244)	4,045	3,653
Manager's management fees payable in units	1,950	2,359	7,793	6,053
Change in fair value of investment properties	(94,333)	(186,579)	(95,080)	(182,682)
Net change in fair value of financial derivative	(55)	154	(102)	154
Finance costs	6,852	7,061	27,981	21,682
Finance income	(33)	(71)	(284)	(232)
<b>Cash flows before changes in working capital</b>	<b>30,939</b>	<b>31,310</b>	<b>119,748</b>	<b>85,924</b>
<b>Changes in working capital:</b>				
Trade and other receivables	(6,158)	(12,396)	(3,754)	(15,304)
Other payables and accruals	3,526	(15,337)	9,739	36,446
<b>Cash generated from operations</b>	<b>28,307</b>	<b>3,577</b>	<b>125,733</b>	<b>107,066</b>
Tax paid	(551)	1,824	(6,290)	(4,487)
Interest received	33	72	287	235
<b>Net cash generated from operating activities</b>	<b>27,789</b>	<b>5,473</b>	<b>119,730</b>	<b>102,814</b>
<b>Cash flows from investing activities</b>				
Acquisition of investment property	—	—	(20,058)	—
Capital expenditure on investment properties	(493)	(857)	(2,261)	(857)
Settlement of Hefei's construction payables	(10,684)	—	(10,684)	—
<b>Net cash used in investing activities</b>	<b>(11,177)</b>	<b>(857)</b>	<b>(33,003)</b>	<b>(857)</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	—	—	(7,723)	(3,995)
Payment of IPO-related expenses	—	(1,820)	—	(25,144)
Payment of transaction costs relating to loans and borrowings	—	—	—	(20,858)
Distribution to Unitholders	(19,582)	—	(100,226)	(18,731)
Interest paid	(5,340)	(5,765)	(22,481)	(17,670)
Increase in restricted cash	(36)	—	(95)	(2,125)
<b>Net cash (used in)/ generated from financing activities</b>	<b>(24,958)</b>	<b>(7,585)</b>	<b>(130,525)</b>	<b>36,477</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(8,346)</b>	<b>(2,969)</b>	<b>(43,798)</b>	<b>138,434</b>
Cash and cash equivalents at beginning of period	155,535	197,810	195,126	58,015
Effect on exchange rate changes on cash and cash equivalents	(1,042)	285	(5,181)	(1,323)
<b>Cash and cash equivalents at end of period</b>	<b>146,147</b>	<b>195,126</b>	<b>146,147</b>	<b>195,126</b>

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**Note:**

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

	<b>REIT Group</b>
	<b>31 Dec 2019</b>
	<b>S\$'000</b>
Cash and short-term deposits	154,693
Less: Restricted cash	(8,546)
Cash and cash equivalents	146,147

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

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

	<b>REIT Group</b>			<b>28 Mar 2018 to 31 Dec 2018</b>
	<b>4Q 2019</b>	<b>4Q 2018</b>	<b>FY 2019</b>	
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>At beginning of the period</b>	<b>1,016,897</b>	<b>914,210</b>	<b>1,073,966</b>	<b>–<sup>(1)</sup></b>
<b>Operations</b>				
Change in Unitholders' funds resulting from operations before distribution	79,499	151,467	126,145	169,225
Transfer to statutory reserve	–	(1,117)	–	–
<b>Net increase in net assets resulting from operations</b>	<b>79,499</b>	<b>150,350</b>	<b>126,145</b>	<b>169,225</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>(2)</sup>	–	1,160	–	(14,798)
Manager's management fees payable in units	1,950	2,359	7,793	6,053
Distribution to Unitholders	(19,582)	–	(100,226)	(18,731)
<b>Net (decrease)/increase in net assets resulting from Unitholders' transactions</b>	<b>(17,632)</b>	<b>3,519</b>	<b>(92,433)</b>	<b>924,082</b>
<b>Movement in foreign currency translation reserve</b>	<b>(9,549)</b>	<b>5,887</b>	<b>(38,458)</b>	<b>(19,341)</b>
<b>Movement in hedging reserve</b>	<b>(52)</b>	<b>–</b>	<b>(57)</b>	<b>–</b>
<b>Total Unitholders' funds as at end of the period</b>	<b>1,069,163</b>	<b>1,073,966</b>	<b>1,069,163</b>	<b>1,073,966</b>

Footnotes:

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

(2) 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 31 Dec 2018 S\$'000
	4Q 2019 S\$'000	4Q 2018 S\$'000	FY 2019 S\$'000	
<b>At beginning of the period</b>	<b>862,548</b>	<b>904,061</b>	<b>904,057</b>	– <sup>(1)</sup>
<b>Operations</b>				
Change in Unitholders' funds resulting from operations before distribution	18,600	(3,523)	51,897	(20,025)
<b>Net increase/(decrease) in net assets resulting from operations</b>	<b>18,600</b>	<b>(3,523)</b>	<b>51,897</b>	<b>(20,025)</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>(2)</sup>	–	1,160	–	(14,798)
Manager's management fees payable in units	1,950	2,359	7,793	6,053
Distribution to Unitholders	(19,582)	–	(100,226)	(18,731)
<b>Net (decrease)/increase in net assets resulting from Unitholders' transactions</b>	<b>(17,632)</b>	<b>3,519</b>	<b>(92,433)</b>	<b>924,082</b>
<b>Movement in hedging reserve</b>	<b>(52)</b>	<b>–</b>	<b>(57)</b>	<b>–</b>
<b>Total Unitholders' funds as at end of the period</b>	<b>863,464</b>	<b>904,057</b>	<b>863,464</b>	<b>904,057</b>

Footnotes:

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

(2) Issuance costs comprise 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			
	4Q 2019 Units	4Q 2018 Units	FY 2019 Units	28 Mar 2018 to 31 Dec 2018 Units
<b>Units in issue:</b>				
At beginning of the period	1,194,037,129	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	2,457,114	–	16,214,243	–
<b>Total issued Units as at end of the period</b>	<b>1,196,494,243</b>	<b>1,180,280,000</b>	<b>1,196,494,243</b>	<b>1,180,280,000</b>
<b>Units to be issued:</b>				
Manager's management fees payable in units <sup>(1)</sup>	2,184,345	8,673,352	2,184,345	8,673,352
<b>Total issuable Units as at end of the period</b>	<b>2,184,345</b>	<b>8,673,352</b>	<b>2,184,345</b>	<b>8,673,352</b>
<b>Total Units issued and to be issued as at end of the period</b>	<b>1,198,678,588</b>	<b>1,188,953,352</b>	<b>1,198,678,588</b>	<b>1,188,953,352</b>

Footnote:

- (1) There are 2,184,345 units to be issued in satisfaction of the Manager's management fee for 4Q 2019 based on the volume-weighted average price for the last 10 Business Days immediately preceding 31 December 2019 of S\$0.8925.

**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 December 2019 and 31 December 2018. The total number of issued units in Sasseur REIT was 1,196,494,243 as at 31 December 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			
	4Q 2019	4Q 2018	FY 2019	28 Mar 2018 to 31 Dec 2018
<b>EPU</b>				
Weighted average number of units in issue and issuable	1,194,755,274	1,187,930,860	1,189,868,812	1,182,821,072
Total return for the period after tax (S\$'000)	79,499	150,350	126,145	169,225
Basic and diluted EPU <sup>(1)(2)</sup> (cents)	6.654	12.656	10.602	14.307
<b>DPU</b>				
Number of units in issue at end of the period	1,196,494,243	1,180,280,000	1,196,494,243	1,180,280,000
Total return available for distribution to Unitholders (S\$'000)	19,495	23,591	77,926	60,530
DPU <sup>(3)</sup> (cents)	1.629	1.999	6.533	5.128

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 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
Number of units in issue and issuable	1,198,678,588	1,188,953,352	1,198,678,588	1,188,953,352
Net asset (S\$'000)	1,069,163	1,073,966	863,464	904,057
NAV and NTA per unit <sup>(1)</sup> (cents)	89.20	90.33	72.03	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 at the end of each reporting period.

**8 Review of the Performance**

In RMB terms, total outlet sales for 4Q 2019 increased by RMB 45.2 million or 3.4% from 4Q 2018 mainly due to stronger year-end festive promotion efforts. This led to higher EMA rental income (excluding straight-line adjustment) for 4Q 2019 by RMB 5.7 million or 3.6% compared to 4Q 2018. In SGD terms, EMA rental income (excluding straight-line adjustment) for 4Q 2019 increased by S\$0.3 million or 0.9% compared to 4Q 2018. The increase is partially offset by depreciation of RMB against SGD by 2.7%.

Excluding an one-off adjustment to investment properties relating to IPO of S\$110.7 million in 4Q 2018, gain on fair value of investment properties for 4Q 2019 was S\$15.4 million higher compared to 4Q 2018, echoing good performance by the properties in the long term.

Tax expense for 4Q 2019 was S\$24.5 million or 42.1% lower than 4Q 2018, mainly attributable to lower gain on fair value of investment properties, resulting in lower deferred tax.

Total return available for distribution to Unitholders for 4Q 2019 was S\$19.5 million as compared to S\$23.6 million for 4Q 2018. The decrease was mainly attributable to an one-off adjustment for statutory reserve and utilisation of available tax losses in 4Q 2018. The decrease was partially offset by lower finance costs for 4Q 2019 due to lower interest rate on offshore loan.



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**9 Variance between Actual and Projection Results**

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

	Note	4Q 2019			FY 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	28,172	29,991	(6.1)	118,015	119,966	(1.6)
Manager's base fees <sup>(3)</sup>	2	(1,950)	(2,023)	3.6	(7,793)	(7,446)	(4.7)
Manager's performance fees <sup>(3)</sup>		–	(735)	100	–	(735)	100
Trustee's fees		(80)	(75)	(6.7)	(316)	(302)	(4.6)
Other trust expenses	3	(451)	(352)	(28.1)	(1,996)	(1,410)	(41.6)
Finance income		33	–	n.m.	284	–	n.m.
Finance costs	4	(6,852)	(6,687)	(2.5)	(27,981)	(26,665)	(4.9)
Net change in fair value of financial derivative		55	–	n.m.	102	–	n.m.
<b>Total return before fair value adjustment to investment properties and tax</b>		<b>18,927</b>	<b>20,119</b>	<b>(5.9)</b>	<b>80,315</b>	<b>83,408</b>	<b>(3.7)</b>
Fair value adjustment to investment properties	5	94,333	3,298	>100	95,080	4,045	>100
<b>Total return for the period before tax</b>		<b>113,260</b>	<b>23,417</b>	<b>&gt;100</b>	<b>175,395</b>	<b>87,453</b>	<b>&gt;100</b>
Tax expense		(33,761)	(6,084)	(>100)	(49,250)	(22,365)	(>100)
<b>Total return for the period after tax</b>		<b>79,499</b>	<b>17,333</b>	<b>&gt;100</b>	<b>126,145</b>	<b>65,088</b>	<b>93.8</b>
Total return for the period attributable to:							
<b>Unitholders</b>		<b>79,499</b>	<b>17,333</b>	<b>&gt;100</b>	<b>126,145</b>	<b>65,088</b>	<b>93.8</b>
<b><u>Distribution Statement</u></b>							
Total return attributable to Unitholders		79,499	17,333	>100	126,145	65,088	93.8
Distribution adjustments	6	(60,004)	2,893	(>100)	(48,219)	9,372	(>100)
<b>Total return available for distribution to Unitholders</b>	7	<b>19,495</b>	<b>20,226</b>	<b>(3.6)</b>	<b>77,926</b>	<b>74,460</b>	<b>4.7</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: 5.1675 and 1:5.0600 for 4Q 2019 and FY 2019 respectively.
- (2) The projection figures were derived from the seasonal projection for 4Q 2019 and FY 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.

**Notes:**

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

	4Q 2019			FY 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	28,172	29,991	(6.1)	118,015	119,966	(1.6)
Straight-line adjustment	3,298	3,298	–	4,045	4,045	–
EMA rental income (exclude straight-line adjustment)	31,470	33,289	(5.5)	122,060	124,011	(1.6)

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In RMB terms, EMA rental income for 4Q 2019, after excluding straight-line adjustment, was RMB 1.6 million or 1.0% lower than projection. EMA rental income for FY 2019, after excluding straight-line adjustment, was RMB 6.2 million or 1.0% higher as compared to projection. The good performance for the year 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 4Q 2019 and FY 2019 was lower than projection by S\$1.8 million or 5.5% and S\$2.0 million or 1.6% respectively.

- 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 4Q 2019 of S\$2.0 million was 3.6% lower than projection, and FY 2019 of S\$7.8 million was 4.7% higher than projection, which were in line with the lower distributable income for 4Q 2019 and higher distributable income for FY 2019.
- 3 Included in FY 2019 other trust expenses was S\$0.8 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 FY 2019 were S\$0.2 million or 2.5% and S\$1.3 million or 4.9% higher than projection mainly due to higher than projected interest rate on the offshore loan.
- 5 Fair value adjustment to investment properties comprise the following:

	4Q 2019			FY 2019		
	Actual <sup>(1)</sup> S\$'000	Projection <sup>(2)</sup> \$'000	Change %	Actual <sup>(1)</sup> S\$'000	Projection <sup>(2)</sup> S\$'000	Change %
Fair value gains on investment properties	91,035	–	n.m.	91,035	–	n.m.
Straight-line adjustment	3,298	3,298	–	4,045	4,045	–
	94,333	3,298	>100	95,080	4,045	>100

- 6 Included in distribution adjustments are the following:

	4Q 2019			FY 2019		
	Actual <sup>(1)</sup> S\$'000	Projection <sup>(2)</sup> \$'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	1,950	2,758	(29.3)	7,793	8,181	(4.7)
Amortisation of upfront debt-related transaction costs	1,084	1,303	(16.8)	5,110	5,109	–
Straight-line adjustment	3,298	3,298	–	4,045	4,045	–
Fair value adjustment to investment properties	(94,333)	(3,298)	(>100)	(95,080)	(4,045)	(>100)
Deferred tax expense	27,647	678	>100	29,172	2,205	>100
Transfer to statutory reserve	–	(1,846)	100	–	(6,123)	100
Foreign exchange loss	405	–	n.m.	843	–	n.m.
Net change in fair value of financial derivative	(55)	–	n.m.	(102)	–	n.m.
Total distribution adjustments	(60,004)	2,893	(>100)	(48,219)	9,372	(>100)

- 7 Total return available for distribution to Unitholders for 4Q 2019 of S\$19.5 million was 3.6% lower than projection mainly due to lower than projected EMA rental income, after excluding straight-line adjustment. Total return available for distribution to Unitholders for FY 2019 of S\$77.9 million was 4.7% higher than projection largely due to the transfer to statutory reserve assumed in the projection which is no longer needed 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: 5.1675 and 1:5.0600 for 4Q 2019 and FY 2019 respectively.
- (2) The projection figures were derived from the seasonal projection for 4Q 2019 and FY 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 89,164.6 billion from January to December of 2019, a year-on-year increase of 6.1%<sup>1</sup> at constant prices. The 6.1% GDP growth met the target range set by the central government, and is significant in the context of the huge Chinese economy. China's per capita GDP has for the first time, exceeded US\$10,000 and its GDP has expanded to about RMB 100 trillion (US\$ 14.37 trillion) in 2019. Consumption by the growing middle class Chinese remains strong; total retail sales of consumer goods reached RMB 41,164.9 billion, an increase of 8.0% year-on-year. The China-US trade tension may be abating<sup>3</sup>, with China set to launch a purchasing program that will significantly increase its imports from the US.

The outbreak of the Novel Coronavirus ("COVID-19") in recent weeks is therefore an unexpected setback, and it has impacted various sectors ranging from manufacturing, travel, retail and hospitality, etc.

As announced on 28 January 2020, the Sponsor has temporarily closed the four outlet malls in Sasseur REIT's portfolio since 26 January 2020 for Chongqing and Bishan, and since 27 January 2020 for Hefei and Kunming. The measures are to safeguard the health and safety of its staff and customers, and to comply with guidelines of the relevant authorities in China. Sasseur REIT will continue to work closely with the local and central governments to coordinate the commencement of work and quick resumption of business operations when it is deemed suitable to do so.

Due to the timing of the Chinese New Year break (in late January) and mall closures of about three weeks thus far, Management expects that sales for the first quarter of FY 2020 ("1Q 2020") will be affected. However, given that Sasseur REIT's EMA rental model protects the REIT with a fixed income component, the impact on total distributable income will be mitigated. Sasseur REIT is mindful of the challenges posted by the COVID-19 situation and will continue to monitor the situation closely. Overall, we remain positive on the fundamentals for the outlet business in China.

Chongqing Market Update

For the year ending 2019, an estimated retail gross floor area (GFA) of around 660,000 sqm was added into the Chongqing market. The projected supply for the next five years is estimated at around 4.5 million sqm.

Hefei Market Update

For 4Q 2019, no new outlet malls were opened in Hefei.

Kunming Market Update

A conventional shopping mall, Living mall, which is operated by Kali Hui-Feng real estate group, opened for business on 18 October 2019. The GFA is around 110,000 sqm, located on the southern part of Kunming city and about 33 km away from our Sasseur Outlet. Capital outlet, which is located about 27 km away from our Sasseur outlet, is expected to open for business in the middle of 2020. This outlet is owned and managed by Beijing Capital Group. This outlet's GFA is around 136,000 sqm with 1,200 car parking lots.

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

<sup>3</sup> BBC News 15 January 2020

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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 October 2019 to 31 December 2019

Distribution type: Tax-Exempt Income Distribution

Distribution rate: 1.629 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 July 2018 to 31 December 2018

Distribution type: Capital Distribution

Distribution rate: 3.541 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 6 March 2020 for the purpose of determining unitholders' entitlements to Sasseur REIT distribution. The ex-dividend date will be on 5 March 2020.

(d) Date payable

The date of distribution is on 26 March 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 October 2019 to 31 December 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.

**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 Segmental Information**

	<b>FY 2019</b> <b>RMB'000</b>	<b>28 Mar 2018</b> <b>to 31 Dec</b> <b>2018</b> <b>RMB'000</b>	<b>FY 2019</b> <b>S\$'000</b>	<b>28 Mar 2018</b> <b>to 31 Dec</b> <b>2018</b> <b>S\$'000</b>
<b>EMA rental income</b> <b>(exclude straight-line adjustment)</b>				
Chongqing Outlets	270,338	199,758	53,427	40,371
Bishan Outlets	56,729	40,542	11,211	8,193
Hefei Outlets	174,210	122,761	34,429	24,810
Kunming Outlets	116,345	81,636	22,993	16,498
	<b>617,622</b>	<b>444,697</b>	<b>122,060</b>	<b>89,872</b>

**16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Please refer to paragraphs 8 and 15 for the review of actual performance.

**17 Breakdown of Revenue**

	<b>REIT Group</b>		
	<b>FY 2019</b> <b>S\$'000</b>	<b>28 Mar 2018 to</b> <b>31 Dec 2018</b> <b>S\$'000</b>	<b>Change</b> <b>%</b>
<b>First half year <sup>(1)</sup></b>			
EMA rental income as reported	60,614	32,278	n.m.
Total return after tax	30,832	3,666	n.m.
<b>Second half year</b>			
EMA rental income as reported	57,401	61,247	(6.3)
Total return after tax	95,313	165,559	(42.4)

n.m. – Not meaningful

- (1) The actual results of 1H 2018 covered the period from 28 March 2018 to 30 June 2018 (95 days), whereas 1H 2019 period was from 1 January 2019 to 30 June 2019 (181 days). Accordingly, since 1H 2019 period is 86 days more than the 1H 2018 period, the reporting periods are not comparable and variance analysis is not meaningful.

**18 Breakdown of Total Distribution**

	<b>FY 2019</b> <b>S\$'000</b>	<b>28 Mar 2018 to</b> <b>31 Dec 2018</b> <b>S\$'000</b>
In respect of period:		
1 July 2019 to 30 September 2019	19,582	–
1 April 2019 to 30 June 2019	19,161	–
1 January 2019 to 31 March 2019	19,689	–
1 July 2018 to 31 December 2018 (paid out on 28 March 2019)	41,794	–
28 March 2018 to 30 June 2018	–	18,731
Total distribution to Unitholders	<b>100,226</b>	<b>18,731</b>

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**19 Confirmation Pursuant to Rule 704(13) of the Listing Manual**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, Sasseur Asset Management Pte. Ltd. (the "Company"), being the manager of Sasseur Real Estate Investment Trust, confirms that there is no person occupying a managerial position in the Company who is a relative of a director, chief executive officer, substantial shareholder of the Company or substantial unitholder of Sasseur Real Estate Investment Trust.

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. 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 the 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

20 February 2020