



**SASSEUR REAL ESTATE INVESTMENT TRUST**  
**Unaudited Financial Statements and Distribution Announcement**  
**For the Second Quarter and Half Year Ended 30 June 2019**

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DBS Bank Ltd. was the sole financial adviser and issue manager for the initial public offering of Sasseur REIT (the "Offering"). DBS Bank Ltd. and Bank of China Limited, Singapore Branch were the joint global coordinators to the Offering. DBS Bank Ltd., Bank of China Limited, Singapore Branch, China International Capital Corporation (Singapore) Pte. Limited, Citigroup Global Markets Singapore Pte. Ltd., Credit Suisse (Singapore) Limited, Haitong International Securities (Singapore) Pte. Ltd. and Maybank Kim Eng Securities Pte. Ltd. were the joint bookrunners and underwriters to the Offering.

# **SASSEUR REAL ESTATE INVESTMENT TRUST**

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### **For the Second Quarter and Half Year Ended 30 June 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, primarily comprised retail outlet mall, as well as real estate related assets in relation to the foregoing, with an initial focus on Asia.

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

- **Chongqing Outlets**

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

- **Bishan Outlets**

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

- **Hefei Outlets**

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

- **Kunming Outlets**

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

On 14 May 2019, Sasseur REIT had 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 sq m. 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 second quarter ended 30 June 2019 (“**2Q 2019**”) and for the financial period from 1 January 2019 to 30 June 2019 (“**1H 2019**”).

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**Distribution Policy**

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

**Summary of Sasseur REIT Group Results**

**2Q 2019 and 1H 2019 vs 28 March 2018 (Listing Date) to 30 June 2018**

	<b>2Q 2019 <sup>(1)</sup> S\$'000</b>	<b>28 March 2018 to 30 June 2018 <sup>(2)</sup> S\$'000</b>	<b>Change %</b>	<b>1H 2019 <sup>(1)</sup> S\$'000</b>	<b>28 March 2018 to 30 June 2018 <sup>(2)</sup> S\$'000</b>	<b>Change <sup>(3)</sup> %</b>
EMA rental income	29,899	32,278	(7.4)	60,614	32,278	n.m.
Income available for distribution to Unitholders	19,168	18,743	2.3	38,852	18,743	n.m.
Distribution per unit ("DPU") (cents) <sup>(4)</sup>	1.608	1.587	1.3	3.264	1.587	n.m.
Annualised distribution yield (%) - Based on IPO listing price of S\$0.80	8.1% <sup>(5)</sup>	7.6% <sup>(6)</sup>	6.6	8.2% <sup>(5)</sup>	7.6% <sup>(6)</sup>	n.m.

n.m. – Not meaningful

**Notes:**

- (1) The actual results of the REIT Group's foreign subsidiaries were translated using the average SGD:RMB rate of 1: 5.0094 and 1: 4.9880 for 2Q 2019 and 1H 2019 respectively.
- (2) The comparative figures were for the period from 28 March 2018 (Listing Date) to 30 June 2018. These figures were extracted from Sasseur REIT's results announcement for the period from 28 March 2018 to 30 June 2018.
- (3) The actual results of 1H 2018 covers the period from 28 March 2018 to 30 June 2018 (95 days). However, 1H 2019 period is from 1 January 2019 to 30 June 2019 (181 days). Accordingly, since the 1H 2019 period is 86 days more than 1H 2018, the reporting periods are not comparable and not meaningful. Please refer to Section 9 for variance analysis of the actual results for 2Q 2019 and 1H 2019 compared with the projections as disclosed in the Prospectus.
- (4) The distribution per unit of 1.608 Singapore cents is equivalent to 8.055 Renminbi cents for 2Q 2019 and 3.264 Singapore cents is equivalent to 16.281 Renminbi cents for 1H 2019.
- (5) The annualised distribution yield for 2Q 2019 and 1H 2019 was on a pro-rata basis for 91 days and 181 days, based on the listing price of S\$0.80.
- (6) The annualised distribution yield for the period from 28 March 2018 to 30 June 2018 was on a pro-rata basis for 95 days from the results following the Listing Date based on the listing price of S\$0.80.

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**Summary of Sasseur REIT Group Results**

**Actual vs Projection**

	2Q 2019			1H 2019		
	1 April 2019 to 30 June 2019			1 January 2019 to 30 June 2019		
	Actual <sup>(1)</sup> S\$'000	Projection <sup>(2)</sup> S\$'000	Change %	Actual <sup>(1)</sup> S\$'000	Projection <sup>(2)</sup> S\$'000	Change %
EMA rental income	29,899	29,992	(0.3)	60,614	59,984	1.1
Total return available for distribution to Unitholders	19,168	17,339	10.5	38,852	35,354	9.9
Distribution per unit ("DPU") (cents) <sup>(3)</sup>	1.608	1.455	10.5	3.264	2.970	9.9
Annualised distribution yield (%) <sup>(4)</sup>						
- Based on IPO listing price of S\$0.80	8.1%	7.3% <sup>(5)</sup>	10.5	8.2%	7.5% <sup>(5)</sup>	9.9
- Based on 2Q 2019 closing price of S\$0.79	8.2%	n.m.	n.m.	8.3%	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\$0.80) would be 1.150 Singapore cents and 5.8% for 2Q 2019 and 2.337 Singapore cents and 5.9% for 1H 2019 respectively.

**Notes:**

- (1) The actual results of the REIT Group's foreign subsidiaries were translated using the average SGD:RMB rate of 1: 5.0094 and 1: 4.9880 for 2Q 2019 and 1H 2019 respectively.
- (2) The projection figures were derived from the seasonal projection for 2Q 2019 and 1H 2019 respectively, based on the Projection Year 2019 as disclosed in Sasseur REIT Prospectus dated 21 March 2018 (the "Prospectus"). An exchange rate for SGD:RMB of 1: 4.930 was adopted in the projection.
- (3) The distribution per unit of 1.608 Singapore cents is equivalent to 8.055 Renminbi cents for 2Q 2019 and 3.264 Singapore cents is equivalent to 16.261 Renminbi cents for 1H 2019.
- (4) The annualised distribution yield for 2Q 2019 and 1H 2019 was on a pro-rata basis for 91 days and 181 days respectively, based on the listing price of S\$0.80 and closing price of S\$0.79.
- (5) The projected annualised distribution yield of 7.3% and 7.5% were derived from the seasonal projection for 2Q 2019 and 1H 2019 respectively, based on the distribution yield of 7.8% for the Projection Year 2019 as disclosed in the Prospectus.

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

	Note	2Q 2019 <sup>(1)</sup> S\$'000	28 March 2018 to 30 June 2018 <sup>(2)</sup> S\$'000	Change %	1H 2019 <sup>(1)</sup> S\$'000	28 March 2018 to 30 June 2018 <sup>(2)</sup> S\$'000	Change <sup>(3)</sup> %
<b><u>Consolidated Statement of Total Return</u></b>							
EMA rental income	1	29,899	32,278	(7.4)	60,614	32,278	n.m.
Manager's management fees <sup>(4)</sup>		(1,917)	(1,874)	(2.3)	(3,885)	(1,874)	n.m.
Trustee's fees		(76)	(121)	37.2	(158)	(121)	n.m.
Other trust expenses	2	(572)	(11,991)	95.2	(914)	(11,991)	n.m.
Finance income		132	33	>100	206	33	n.m.
Finance costs	3	(7,168)	(7,493)	4.3	(14,171)	(7,493)	n.m.
Net change in fair value of financial derivative	4	(53)	–	n.m.	37	–	n.m.
<b>Total return before fair value adjustment to investment properties and tax</b>		<b>20,245</b>	<b>10,832</b>	<b>86.9</b>	<b>41,729</b>	<b>10,832</b>	<b>n.m.</b>
Fair value adjustment to investment properties	5	(770)	(2,679)	71.3	(611)	(2,679)	n.m.
<b>Total return for the period before tax</b>		<b>19,475</b>	<b>8,153</b>	<b>&gt;100</b>	<b>41,118</b>	<b>8,153</b>	<b>n.m.</b>
Tax expenses	6	(5,204)	(4,487)	(16.0)	(10,286)	(4,487)	n.m.
<b>Total return for the period after tax</b>		<b>14,271</b>	<b>3,666</b>	<b>&gt;100</b>	<b>30,832</b>	<b>3,666</b>	<b>n.m.</b>
Total return after tax attributable to:							
<b>Unitholders</b>		<b>14,271</b>	<b>3,666</b>	<b>&gt;100</b>	<b>30,832</b>	<b>3,666</b>	<b>n.m.</b>
<b><u>Distribution Statement</u></b>							
Total return attributable to Unitholders		14,271	3,666	>100	30,832	3,666	n.m.
Distribution adjustments	7	4,897	15,077	(67.5)	8,020	15,077	n.m.
<b>Total return available for distribution to Unitholders</b>		<b>19,168</b>	<b>18,743</b>	<b>2.3</b>	<b>38,852</b>	<b>18,743</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: 5.0094 and 1:4.9880 for 1Q 2019 and 1H 2019 respectively.
- (2) The comparative figures were for the period from 28 March 2018 (Listing Date) to 30 June 2018. These figures were extracted from Sasseur REIT's results announcement for the period from 28 March 2018 to 30 June 2018.
- (3) The actual results of 1H 2018 covers the period from 28 March 2018 to 30 June 2018 (95 days). However, 1H 2019 period is from 1 January 2019 to 30 June 2019 (181 days). Accordingly, since the 1H 2019 period is 86 days more than 1H 2018, the reporting periods are not comparable and not meaningful. Please refer to Section 9 for variance analysis of the actual results for 2Q 2019 and 1H 2019 compared with the projections as disclosed in the Prospectus.
- (4) The Manager has elected to receive 100% of its management fees in the form of units for the period from 1 January 2019 to 31 December 2019.

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**Notes:**

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

	2Q 2019 S\$'000	28 March 2018 to 30 June 2018 <sup>(1)</sup> S\$'000	Change %	1H 2019 S\$'000	28 March 2018 to 30 June 2018 <sup>(1)</sup> S\$'000	Change <sup>(2)</sup> %
EMA rental income	29,899	32,278	(7.4)	60,614	32,278	n.m.
Straight-line rental accounting adjustment	(770)	(2,679)	71.3	(611)	(2,679)	n.m.
EMA rental income (exclude straight-line adjustment)	29,129	29,599	(1.6)	60,003	29,599	n.m.

If EMA rental income (exclude straight-line adjustment) for the period from 28 March 2018 to 30 June 2018 has been restated based on 91 days, EMA rental income would have been S\$28.4 million. Accordingly on a year-on-year basis, EMA rental income for 2Q 2019 was 2.7% higher compared to same period last year.

- 2 Other trust expenses consist of audit, tax compliance and other expenses. Included in other trust expenses for the period from Listing Date to 30 June 2018 were S\$11.1 million IPO transaction costs.
- 3 Finance costs comprise of the following:

	2Q 2019 S\$'000	28 March 2018 to 30 June 2018 <sup>(1)</sup> S\$'000	Change %	1H 2019 S\$'000	28 March 2018 to 30 June 2018 <sup>(1)</sup> S\$'000	Change <sup>(2)</sup> %
Interest expense on borrowings	(5,822)	(6,109)	4.7	(11,476)	(6,109)	n.m.
Amortisation of upfront debt-related transaction costs	(1,346)	(1,384)	2.7	(2,695)	(1,384)	n.m.
	(7,168)	(7,493)	4.3	(14,171)	(7,493)	n.m.

- 4 This relates to derivative gain/(loss) from mark-to-market of the interest rate swaps for hedging purpose.
- 5 The fair value loss of S\$0.8 million and S\$0.6 million for 2Q 2019 and 1H 2019 relate to straight-line rental accounting adjustment.
- 6 Tax expenses comprised income tax, deferred tax and withholding tax relating to the REIT Group's foreign subsidiaries.

	2Q 2019 S\$'000	28 March 2018 to 30 June 2018 <sup>(1)</sup> S\$'000	Change %	1H 2019 S\$'000	28 March 2018 to 30 June 2018 <sup>(1)</sup> S\$'000	Change <sup>(2)</sup> %
Current period:						
- Income tax	(3,771)	(3,164)	(19.2)	(8,160)	(3,164)	n.m.
- Deferred tax	(1,017)	(1,323)	23.1	(1,293)	(1,323)	n.m.
- Withholding tax	(416)	–	n.m.	(833)	–	n.m.
	(5,204)	(4,487)	(16.0)	(10,286)	(4,487)	n.m.

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7 Included in distribution adjustments are the following:

	2Q 2019 S\$'000	28 March 2018 to 30 June 2018 <sup>(1)</sup> S\$'000	Change %	1H 2019 S\$'000	28 March 2018 to 30 June 2018 <sup>(1)</sup> S\$'000	Change <sup>(2)</sup> %
<u>Distribution adjustments</u>						
Manager's management fees payable in Units	1,917	1,874	2.3	3,885	1,874	n.m.
Amortisation of upfront debt-related transaction costs	1,346	1,384	(2.7)	2,695	1,384	n.m.
Straight-line rental accounting adjustment	(770)	(2,679)	71.3	(611)	(2,679)	n.m.
Fair value adjustment to investment properties	770	2,679	(71.3)	611	2,679	n.m.
Statutory reserves <sup>(3)</sup>	–	(433)	100	–	(433)	n.m.
Deferred tax expense	1,017	1,323	(23.1)	1,293	1,323	n.m.
IPO transaction costs	–	11,131	(100)	–	11,131	n.m.
Foreign exchange gain	564	(202)	n.m.	184	(202)	n.m.
Net change in fair value of financial derivative	53	–	n.m.	(37)	–	n.m.
Total distribution adjustments	4,897	15,077	(67.5)	8,020	15,077	n.m.

Footnotes:

- (1) The comparative figures were for the period from 28 March 2018 (Listing Date) to 30 June 2018. These figures were extracted from Sasseur REIT's results announcement for the period from 28 March 2018 to 30 June 2018.
- (2) The actual results of 1H 2018 covers the period from 28 March 2018 to 30 June 2018 (95 days). However, 1H 2019 period is from 1 January 2019 to 30 June 2019 (181 days). Accordingly, since the 1H 2019 period is 86 days more than 1H 2018, the reporting periods are not comparable and not meaningful. Please refer to Section 9 for variance analysis of the actual results for 2Q 2019 and 1H 2019 compared with the projections as disclosed in the Prospectus.
- (3) No distribution adjustment has been made in respect of statutory reserves as the quantum of statutory reserves required to be maintained by the PRC subsidiaries to comply with PRC laws have already reached 50% 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	
		As at 30 Jun 2019 <sup>(1)</sup> S\$'000	As at 31 Dec 2018 <sup>(1)</sup> S\$'000	As at 30 Jun 2019 S\$'000	As at 31 Dec 2018 S\$'000
<b>Assets</b>					
<b>Non-current assets</b>					
Investment properties	1	1,538,209	1,539,491	–	–
Investment in subsidiaries		–	–	951,931	951,558
		<b>1,538,209</b>	<b>1,539,491</b>	<b>951,931</b>	<b>951,558</b>
<b>Current assets</b>					
Trade and other receivables	2	27,851	25,546	27,757	42,661
Cash and short-term deposits	3	129,271	203,641	6,107	32,866
		157,122	229,187	33,864	75,527
<b>Total assets</b>		<b>1,695,331</b>	<b>1,768,678</b>	<b>985,795</b>	<b>1,027,085</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Loans and borrowings		482,169	489,060	122,391	121,641
Deferred tax liabilities		50,091	50,944	–	–
Derivative financial instrument		116	154	116	154
		532,376	540,158	122,507	121,795
<b>Current liabilities</b>					
Other payables and accruals	4	114,819	142,705	1,279	1,233
Loans and borrowings		4,221	4,217	–	–
Tax payables		13,450	7,632	–	–
		132,490	154,554	1,279	1,233
<b>Total liabilities</b>		<b>664,866</b>	<b>694,712</b>	<b>123,786</b>	<b>123,028</b>
<b>Net assets</b>		<b>1,030,465</b>	<b>1,073,966</b>	<b>862,009</b>	<b>904,057</b>
<b>Represented by:</b>					
Unitholders' funds		<b>1,030,465</b>	<b>1,073,966</b>	<b>862,009</b>	<b>904,057</b>

Footnotes:

- (1) The results of the REIT Group's foreign subsidiaries were translated using the closing SGD: RMB rate of 1: 5.0805 and 1: 5.0062 as at 30 June 2019 and as at 31 December 2018 respectively.



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**Note:**

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

	REIT Group		REIT	
	30 Jun 2019 S\$'000	31 Dec 2018 S\$'000	30 Jun 2019 S\$'000	31 Dec 2018 S\$'000
Refundable deposits	464	493	–	–
VAT/GST recoverables	7,993	9,876	2,176	1,850
Trade and other receivables <sup>1</sup>	7,340	11,956	–	3
Amounts due from subsidiary (non-trade) <sup>2</sup>	–	–	25,343	40,563
Amounts due from related parties (trade) <sup>3</sup>	11,817	2,971	–	28
	27,614	25,296	27,519	42,444
Prepayments	237	250	238	217
	27,851	25,546	27,757	42,661

<sup>1</sup> As at 30 June 2019, trade and other receivables of the REIT Group included S\$5.5 million related mainly to rental receivable from tenants and sale proceeds of items sold by the tenants in the respective outlets which are yet to be received from merchant banks due to cashless mode of payment made by customers of the outlets.

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

<sup>3</sup> The trade amounts due from related parties has been substantially settled subsequently.

- Decrease in cash and short-term deposits is mainly due to distribution payout of S\$41.8 million for two quarters (1 July 2018 to 31 December 2018) in March 2019 and acquisition of additional shop units in Hefei outlet of S\$20.1 million.
- Other payables and accruals comprise of the following:

	REIT Group		REIT	
	30 Jun 2019 S\$'000	31 Dec 2018 S\$'000	30 Jun 2019 S\$'000	31 Dec 2018 S\$'000
Refundable security deposits	7,004	6,451	–	–
Advances from tenants	–	342	–	–
Interest payables	224	249	23	37
VAT and other tax payables	269	642	–	–
Construction payables <sup>4</sup>	29,981	31,816	–	–
Amounts due to subsidiary (non-trade)	–	–	66	–
Amounts due to related parties (non-trade)	780	308	–	39
Accrued expenses	808	2,281	797	1,157
Property tax payables	670	573	–	–
Other payables <sup>5</sup>	75,083	100,043	393	–
	114,819	142,705	1,279	1,233

<sup>4</sup> Construction payables consist mainly of retention sum of completed construction works arising from acquisition of investment properties and related assets and liabilities.

<sup>5</sup> Included in other payables is an amount of S\$70.0 million (31 December 2018: S\$96.5 million) relating to revenue collected from customers on behalf of each retail tenant. Higher revenue was collected on behalf of retail tenants as at 31 December 2018 as compared to 30 June 2019 as winter season's clothing generally costs more than summer season's clothing.

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

	REIT Group		REIT	
	As at 30 Jun 2019 S\$'000	As at 31 Dec 2018 S\$'000	As at 30 Jun 2019 S\$'000	As at 31 Dec 2018 S\$'000
<b>Secured loans and borrowings</b>				
- Amount repayable within one year	7,716	7,713	—	—
- Amount repayable after one year	495,357	504,886	125,000	125,000
	503,073	512,599	125,000	125,000
Less: Unamortised upfront debt-related transaction costs	(16,683)	(19,322)	(2,609)	(3,359)
<b>Total loans and borrowings, net of transaction costs</b>	<b>486,390</b>	<b>493,277</b>	<b>122,391</b>	<b>121,641</b>

The REIT Group has, through its PRC property companies, put in place an aggregate amount of RMB 1,960 million, a 5-year onshore term loans, with repayment of 1% of initial loan principal semi-annually.

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

As at 30 June 2019, these term loans were fully drawn down. 50% of the offshore term loan had been hedged using floating-for-fixed interest rate swap. The weighted average cost of borrowings (exclude upfront debt-related transaction costs) was 4.4%. The aggregate leverage for the REIT Group, as defined in the Property Funds Appendix, is 29.7%.

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

Note	REIT Group			
	2Q 2019	28 March 2018 to 30 June 2018 <sup>(1)</sup>	1H 2019	28 March 2018 to 30 June 2018 <sup>(1)</sup>
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities</b>				
Total return for the period before tax	19,475	8,153	41,118	8,153
<u>Adjustments for:</u>				
Straight-line rental accounting adjustment	(770)	(2,679)	(611)	(2,679)
Manager's management fees payable in units	1,917	1,874	3,885	1,874
Change in fair value of investment properties	770	2,679	611	2,679
Net change in fair value of financial derivative	53	—	(37)	—
Finance costs	7,168	7,493	14,171	7,493
Finance income	(132)	(33)	(206)	(33)
<b>Cash flows before changes in working capital</b>	<b>28,481</b>	<b>17,487</b>	<b>58,931</b>	<b>17,487</b>
<b>Changes in working capital:</b>				
Trade and other receivables	5,355	(4,113)	(2,651)	(4,113)
Other payables and accruals	(15,203)	10,407	(25,592)	10,407
<b>Cash generated from operations</b>	<b>18,633</b>	<b>23,781</b>	<b>30,688</b>	<b>23,781</b>
Tax paid	(2,510)	(2,321)	(4,464)	(2,321)
Interest received	132	42	209	42
<b>Net cash generated from operating activities</b>	<b>16,255</b>	<b>21,502</b>	<b>26,433</b>	<b>21,502</b>
<b>Cash flows from investing activity</b>				
Acquisition of investment property	(20,058)	—	(20,058)	—
Capital expenditure on investment properties	(670)	—	(1,519)	—
<b>Net cash used in investing activities</b>	<b>(20,728)</b>	<b>—</b>	<b>(21,577)</b>	<b>—</b>
<b>Cash flows from financing activities</b>				
Proceeds from issuance of units	—	396,000	—	396,000
Redemption of sponsor units	—	(396,000)	—	(396,000)
Proceeds from bank loans	—	125,000	—	125,000
Repayments of bank borrowings	—	—	(3,947)	—
Payment of IPO related expenses	—	(8,160)	—	(8,160)
Payment of transaction costs relating to loans and borrowings	—	(20,858)	—	(20,858)
Distribution to Unitholders	(19,689)	—	(61,483)	—
Interest paid	(5,822)	(6,297)	(11,395)	(6,297)
Increase in restricted cash	(13)	(1,925)	(40)	(1,925)
<b>Net cash (used in)/ generated from financing activities</b>	<b>(25,524)</b>	<b>87,760</b>	<b>(76,865)</b>	<b>87,760</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(29,997)</b>	<b>109,262</b>	<b>(72,009)</b>	<b>109,262</b>
Cash and cash equivalents at beginning of the period	154,502	58,015	195,126	58,015
Effect on exchange rate changes on cash and cash equivalents	(3,792)	641	(2,404)	641
<b>Cash and cash equivalents at end of the period</b>	<b>120,713</b>	<b>167,918</b>	<b>120,713</b>	<b>167,918</b>

Footnotes:

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

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**Notes:**

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

	<b>As at 30 Jun 2019 S\$'000</b>
Cash and short-term deposits	129,271
Less: Restricted cash	(8,558)
Cash and cash equivalents	120,713

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>2Q 2019</b>	<b>30 October 2017 to 30 June 2018 <sup>(1)</sup></b>	<b>1H 2019</b>	<b>30 October 2017 to 30 June 2018 <sup>(1)</sup></b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>At the beginning of the period</b>	<b>1,060,169</b>	_ (2)	<b>1,073,966</b>	_ (2)
<b>Operations</b>				
Change in Unitholders' funds resulting from operations before distribution	14,271	3,233	30,832	3,233
Transfer to statutory reserve	-	433		433
<b>Net increase in net assets resulting from operations</b>	<b>14,271</b>	<b>3,666</b>	<b>30,832</b>	<b>3,666</b>
<b>Unitholders' transactions</b>				
Issuance of Consideration Units	-	1,062,289	-	1,062,289
Loss arising from initial public offering	-	(110,731)	-	(110,731)
Issuance of new Units at Initial Public Offering	-	396,000	-	396,000
Redemption of Units	-	(396,000)	-	(396,000)
Issue costs <sup>(3)</sup>	-	(18,580)	-	(18,580)
Manager's management fees payable in Units	1,917	1,874	3,885	1,874
Distribution to unitholders	(19,689)	-	(61,483)	-
<b>Net (decrease)/increase in net assets resulting from Unitholders' transactions</b>	<b>(17,772)</b>	<b>934,852</b>	<b>(57,598)</b>	<b>934,852</b>
<b>Movement in foreign currency translation reserve</b>	<b>(26,203)</b>	<b>12,467</b>	<b>(16,735)</b>	<b>12,467</b>
<b>Total Unitholders' funds as at end of the period</b>	<b>1,030,465</b>	<b>950,985</b>	<b>1,030,465</b>	<b>950,985</b>

Footnotes:

- (1) The comparative figures were for the period from 28 March 2018 (Listing Date) to 30 June 2018. These figures were extracted from Sasseur REIT's results announcement for the period from 28 March 2018 to 30 June 2018.
- (2) Less than S\$1,000.
- (3) Issue cost 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			
	2Q 2019 S\$'000	30 October 2017 to 30 June 2018 <sup>(1)</sup> S\$'000	1H 2019 S\$'000	30 October 2017 to 30 June 2018 <sup>(1)</sup> S\$'000
<b>At the beginning of the period</b>	<b>860,234</b>	...(2)	<b>904,057</b>	...(2)
<b>Operations</b>				
Change in Unitholders' funds resulting from operations before distribution	19,547	(15,202)	15,550	(15,202)
<b>Net increase/(decrease) in net assets resulting from operations</b>	<b>19,547</b>	<b>(15,202)</b>	<b>15,550</b>	<b>(15,202)</b>
<b>Unitholders' transactions</b>				
Issuance of Consideration Units	–	1,062,289	–	1,062,289
Loss arising from initial public offering	–	(110,731)	–	(110,731)
Issuance of new Units at Initial Public Offering	–	396,000	–	396,000
Redemption of Units	–	(396,000)	–	(396,000)
Issue costs <sup>(3)</sup>	–	(18,580)	–	(18,580)
Manager's management fees payable in Units	1,917	1,874	3,885	1,874
Distribution to unitholders	(19,689)	–	(61,483)	–
<b>Net (decrease)/increase in net assets resulting from Unitholders' transactions</b>	<b>(17,772)</b>	<b>934,852</b>	<b>(57,598)</b>	<b>934,852</b>
<b>Movement in foreign currency translation reserve</b>	–	–	–	–
<b>Total Unitholders' funds as at end of the period</b>	<b>862,009</b>	<b>919,650</b>	<b>862,009</b>	<b>919,650</b>

Footnotes:

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

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

	<b>2Q 2019</b>	<b>30 October 2017 to 30 June 2018 <sup>(1)</sup></b>	<b>1H 2019</b>	<b>30 October 2017 to 30 June 2018 <sup>(1)</sup></b>
	<b>Units</b>	<b>Units</b>	<b>Units</b>	<b>Units</b>
<b>Units in issue:</b>				
At the beginning of the period	1,188,953,352	1	1,180,280,000	1
Issuance of Consideration Units	–	1,062,289	–	1,062,289
Sub-division of Units	–	1,179,217,710	–	1,179,217,710
Issuance of new Units at Initial Public Offering	–	495,000,000	–	495,000,000
Redemption of Units	–	(495,000,000)	–	(495,000,000)
Manager's management fees paid in Units	2,670,792	–	11,344,144	–
<b>Total issued Units as at end of the period</b>	<b>1,191,624,144</b>	<b>1,180,280,000</b>	<b>1,191,624,144</b>	<b>1,180,280,000</b>
<b>Units to be issued:</b>				
Manager's management fees payable in Units <sup>(2)</sup>	2,412,985	2,531,748	2,412,985	2,531,748
<b>Total issuable Units as at end of the period</b>	<b>2,412,985</b>	<b>2,531,748</b>	<b>2,412,985</b>	<b>2,531,748</b>
<b>Total units issued and to be issued as at end of period</b>	<b>1,194,037,129</b>	<b>1,182,811,748</b>	<b>1,194,037,129</b>	<b>1,182,811,748</b>

Footnote:

- (1) The comparative figures were for the period from 28 March 2018 (Listing Date) to 30 June 2018. These figures were extracted from Sasseur REIT's results announcement for the period from 28 March 2018 to 30 June 2018.
- (2) There are 2,412,985 units to be issued in satisfaction of the Manager's management fee for the 2Q 2019 based on the volume weighted average price for the last 10 Business Days immediately preceding 30 June 2019 of S\$0.7944.

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

Sasseur REIT does not hold any treasury units as at 30 June 2019. The total number of issued units in Sasseur REIT was 1,191,624,144.

**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 complied**

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 compared with those of the audited financial statements for the financial year 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 adopted the revised IFRS and interpretations that are effective for application for the financial periods beginning 1 January 2019. The adoption of these revised IFRS and interpretations did not result in material changes to the REIT Group's accounting policies and has no material effect on the amounts reported for the current financial period.

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

	2Q 2019	28 March 2018 to 30 June 2018 <sup>(1)</sup>	1H 2019	28 March 2018 to 30 June 2018 <sup>(1)</sup>
<b>EPU</b>				
Weighted average number of Units in issue and issuable	1,189,713,602	1,180,306,650	1,186,316,676	1,180,306,650
Total return for the period after tax (S\$'000)	14,271	3,666	30,832	3,666
Basic and diluted EPU <sup>(2)(3)</sup> (cents)	1.200	0.311	2.599	0.311
<b>DPU</b>				
Number of units in issue at end of period	1,191,624,144	1,180,280,000	1,191,624,144	1,180,280,000
Total return available for distribution to Unitholders (S\$'000)	19,168	18,743	38,852	18,743
DPU <sup>(4)</sup> (cents)	1.608	1.587	3.264	1.587

Footnotes:

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

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

	REIT Group		REIT	
	As at 30 Jun 2019	As at 31 Dec 2018	As at 30 Jun 2019	As at 31 Dec 2018
Number of units in issue and issuable	1,194,037,129	1,188,953,352	1,194,037,129	1,188,953,352
Net asset (S\$'000)	1,030,465	1,073,966	862,009	904,057
NAV and NTA per unit <sup>(1)</sup> (cents)	86.30	90.33	72.19	76.04

Footnote:

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

**8 Review of the performance**

Total outlet sales of RMB 1,026.7 million for 2Q 2019 (a period of 91 days) were RMB 98.7 million or 10.6% higher than the period from 28 March 2018 (Listing Date) to 30 June 2018 (a period of 95 days). If total outlet sales for the period from 28 March 2018 (Listing Date) to 30 June 2018 has been restated based on the same 91 days, the total outlet sales for 2Q 2019 would be RMB 136.7 million or 15.4% higher.

The consistent growth in the outlets' sales is due to the following positive factors:

- Outlet malls is a fast-growing business and well accepted by the growing consumers groups in China
- Sasseur's strategy of incorporating sales, lifestyle and experiential shopping in its malls
- Injecting a strong dose of art into commerce as a differentiating factor between Sasseur and other shopping malls
- Make sure that Sasseur does not follow the homogeneous commodity trap faced by other shopping malls
- Regular and big scale seasonal sales promotion

Similar to outlet sales, for the EMA rental income (excluding straight-line rental accounting adjustment), if the period from 28 March 2018 to 30 June 2018 has been restated to 91 days for comparison purpose, the EMA rental income for 2Q 2019 would be 2.7% higher compared to same period last year.

The period from 28 March 2018 to 30 June 2018 included IPO transaction costs of S\$11.1 million which was a one-off expense and not recurrent in this quarter. As a result, total return after tax of S\$14.3 million for 2Q 2019 was higher during the period from 28 March 2018 to 30 June 2018.

Overall, the total return available for distribution to Unitholders of S\$19.2 million for 2Q 2019 was 2.3% higher than the period from 28 March 2018 to 30 June 2018 largely due to the statutory reserve transfer that was assumed in the comparing period and which is no longer necessary in the quarter and going forward.



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**9 Variance between Actual and Projection Results**

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

Note	2Q 2019			1H 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	29,899	29,992	(0.3)	60,614	59,984	1.1
Manager's management fees <sup>(3)</sup>	(1,917)	(1,734)	(10.6)	(3,885)	(3,536)	(9.9)
Trustee's fees	(76)	(76)	–	(158)	(152)	(3.9)
Other trust expenses	(572)	(353)	(62.0)	(914)	(706)	(29.5)
Finance income	132	–	n.m.	206	–	n.m.
Finance costs	(7,168)	(6,604)	(8.5)	(14,171)	(13,300)	(6.5)
Net change in fair value of financial derivative	(53)	–	n.m.	37	–	n.m.
<b>Total return before fair value adjustment to investment properties and tax</b>	<b>20,245</b>	<b>21,225</b>	<b>(4.6)</b>	<b>41,729</b>	<b>42,290</b>	<b>(1.3)</b>
Fair value adjustment to investment properties <sup>(4)</sup>	(770)	(770)	–	(611)	(611)	–
<b>Total return for the period before tax</b>	<b>19,475</b>	<b>20,455</b>	<b>(4.8)</b>	<b>41,118</b>	<b>41,679</b>	<b>(1.3)</b>
Tax expenses	(5,204)	(5,230)	0.5	(10,286)	(10,597)	2.9
<b>Total return for the period after tax</b>	<b>14,271</b>	<b>15,225</b>	<b>(6.3)</b>	<b>30,832</b>	<b>31,082</b>	<b>(0.8)</b>
Total return after tax attributable to:						
<b>Unitholders</b>	<b>14,271</b>	<b>15,225</b>	<b>(6.3)</b>	<b>30,832</b>	<b>31,082</b>	<b>(0.8)</b>
<b><u>Distribution Statement</u></b>						
Total return attributable to Unitholders	14,271	15,225	(6.3)	30,832	31,082	(0.8)
Distribution adjustments	4,897	2,114	>100	8,020	4,272	87.7
<b>Total return available for distribution to Unitholders</b>	<b>19,168</b>	<b>17,339</b>	<b>10.5</b>	<b>38,852</b>	<b>35,354</b>	<b>9.9</b>

Footnotes:

- (1) The actual results of the REIT Group's foreign subsidiaries were translated using the average SGD:RMB rate of 1: 5.0094 and 1:4.9880 for 2Q 2019 and 1H 2019 respectively.
- (2) The projection figures were derived from the seasonal projection for 1Q 2019 and 1H 2019 respectively, based on the Projection Year 2019 as disclosed in the Prospectus. An exchange rate for SGD:RMB of 1: 4.930 was adopted in the projection.
- (3) The Manager has elected to receive 100% of its management fees in the form of units for the period from 1 January 2019 to 31 December 2019.
- (4) Fair value adjustment relates to straight-line rental accounting adjustment.

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**Notes:**

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

	2Q 2019			1H 2019		
	Actual <sup>(1)</sup> S\$'000	Projection <sup>(2)</sup> S\$'000	Change %	Actual <sup>(1)</sup> S\$'000	Projection <sup>(2)</sup> S\$'000	Change %
EMA rental income	29,899	29,992	(0.3)	60,614	59,984	1.1
Straight-line rental accounting adjustment	(770)	(770)	–	(611)	(611)	–
EMA rental income (exclude straight-line adjustment)	29,129	29,222	(0.3)	60,003	59,373	1.1

In RMB terms, EMA rental income for 2Q 2019 and 1H 2019, after excluding the straight-line effect, was RMB 1.9 million or 1.3% and RMB 6.6 million or 2.3% higher as compared to projection. The good performance was mainly attributed by seasonal sales promotional events at all the four outlet malls, leading to better performance.

In SGD terms, after excluding the straight-line effect, EMA rental income for 2Q 2019, was marginally lower than projection and 1H 2019's EMA rental income was S\$0.6 million or 1.1% better than projection.

- 2 Manager's management fees is calculated at 10.0% per annum of the Distributable Income of the REIT Group. Manager's management fees for 2Q 2019 of S\$1.9 million was 10.6% higher than projection, and 1H 2019 of S\$3.9 million was 9.9% higher than projection, which were in line with the higher distributable income for the respective periods.
- 3 Included in other trust expenses was S\$0.2 million foreign exchange difference, arose mainly from revaluation USD-denominated bank balances.
- 4 Finance costs for 2Q 2019 and 1H 2019 were S\$0.6 million and S\$0.9 million higher than projection mainly due to higher interest rate on the offshore loan.
- 5 Included in distribution adjustments are the following:

	2Q 2019			1H 2019		
	Actual <sup>(1)</sup> S\$'000	Projection <sup>(2)</sup> S\$'000	Change %	Actual <sup>(1)</sup> S\$'000	Projection <sup>(2)</sup> S\$'000	Change %
<u>Distribution adjustments</u>						
Manager's management fees payable in Units	1,917	1,734	10.6	3,885	3,536	9.9
Amortisation of upfront debt-related transaction costs	1,346	1,260	6.8	2,695	2,523	6.8
Straight-line rental accounting adjustment	(770)	(770)	–	(611)	(611)	–
Fair value adjustment to investment properties	770	770	–	611	611	–
Statutory reserves <sup>(3)</sup>	–	(1,374)	100	–	(2,784)	100
Deferred tax expense	1,017	494	>100	1,293	997	29.7
IPO transaction costs	–	–	(100)	–	–	n.m.
Foreign exchange gain	564	–	n.m.	184	–	n.m.
Net change in fair value of financial derivative	53	–	n.m.	(37)	–	n.m.
Total distribution adjustments	4,897	2,114	>100	8,020	4,272	87.7

- 6 Total return available for distribution to Unitholders for 2Q 2019 of S\$19.2 million was 10.5% higher than projection, and 1H 2019 of S\$38.9 million was 9.9% higher than projection, largely due to the statutory reserves assumed in the projection which was no longer required.

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

China's gross domestic product (GDP) was RMB45,093 billion yuan in the first half of 2019, a year-on-year increase of 6.3%<sup>1</sup> at comparable prices. The second quarter GDP growth in China for 2019 was 6.2%. This is slightly lower than the 6.4% in the first quarter, mainly attributable to the effects of the trade war with the US. Nevertheless, the urban household per capita disposable income grew by 8.0% for the second quarter of 2019 compared to the same period in 2018. Based on data from the China's National Bureau of Statistics, total retail sales of consumer goods continue to grow in June 2019 to reach RMB3,388 billion, up by 9.8% Y-o-Y nominally. On a cumulative basis, the retail sales achieved RMB9,742 billion for second quarter of 2019, up by 10.8% Y-o-Y for the second quarter of 2019.

The Chinese economy might be weighed down by challenges on the export fronts, given the uncertainty of a trade deal with the US. Domestic consumption however is expected to remain healthy, driven by a growing and increasingly affluent middle class. The Sasseur's outlet business remains resilient and is expected to continue posting good growth mainly due to:

- i. A young outlet industry that continues to grow at a fast pace;
- ii. Targeting the correct customer segment, the Chinese middle income class, which continues to grow in numbers and spending;
- iii. Sasseur's double destination shopping positioning as both an outlet and lifestyle and experiential mall puts Sasseur in good stead against other traditional shopping malls or outlets;
- iv. A business model that aligns the interests of the brand tenants, the outlet operator and landlord, and
- v. Strength of operations in driving sales through seasonal sales promotions, etc.

Chongqing Market Update

An estimated retail gross floor area (GFA) of around 780,000 sqm will enter the Chongqing market in 2019<sup>2</sup>. This may lead to an oversupply of consumer goods in the short-term and impact the share of sales achieved by normal shopping malls in the region. However, recent tax cuts in Chongqing may help to bolster retail sales and improve the performance of Sasseur's Chongqing and Bishan outlet malls.

Hefei Market Update

As announced on 14 May 2019, Sasseur acquired additional shop units with existing tenancies at the annex block of its Hefei Outlets. The yield-accretive acquisition, based on pro forma, is expected to increase DPU and NAV per unit. Sasseur increased its ownership of Hefei site from 77.8% to 81.2% of total GFA, which will accelerate asset management initiatives to generate future growth and potential value uplift.

For second quarter of 2019, there were no opening of new outlet malls in Hefei, and Sasseur's Hefei Outlet remains on track for strong growth.

Kunming Market Update

No new outlets opened in second quarter of 2019. The sales outlook for Sasseur's Kunming outlet remains robust.

Barring any unforeseen circumstances, retail sales for Sasseur's four outlet malls are expected to continue growing throughout FY2019. Trade negotiations between US and China continues but our outlet sales in China continues to be resilient as it is largely fuelled by domestic consumption.

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

<sup>2</sup> Savills Research Report

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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 2019 to 30 June 2019

Distribution type: Tax-Exempt Income Distribution

Distribution rate: 1.608 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: 1<sup>st</sup> Distribution for the financial period from 28 March 2018 (Listing Date) to 30 June 2018

Distribution type: Capital Distribution

Distribution rate: 1.587 cents per unit

Par value of units: Not applicable

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

(c) Books closure date

The Transfer Books and Register of Unitholders of Sasseur REIT will be closed at 5.00 p.m. on 23 August 2019 for the purposes of determining each unitholder's entitlement to Sasseur REIT distribution. The ex-dividend date will be on 22 August 2019.

(d) Date Payable

The date of distribution is on 26 September 2019.

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

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

**13 If the Group has obtained a general mandate from Unitholders for interested person transactions ("IPT"), the aggregate value of such transactions are required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

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

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

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Manager which may render the unaudited financial results of Sasseur REIT for second quarter and half year ended 30 June 2019 to be false or misleading, in any material aspect.

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

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

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

Mr Cheng Heng Tan  
Director

Dr Gu Qingyang  
Director

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

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

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

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

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

Anthony Ang  
Chief Executive Officer

6 August 2019