



**SASSEUR REAL ESTATE INVESTMENT TRUST**  
**Unaudited Financial Statements and Distribution Announcement**  
**For the First Quarter Ended 31 March 2021**

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# **SASSEUR REAL ESTATE INVESTMENT TRUST**

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

### **For the First Quarter Ended 31 March 2021**

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#### **Introduction**

Sasseur Real Estate Investment Trust (the “Sasseur REIT”) is a Singapore real estate investment trust constituted as a private trust (“Sasseur Trust”) by a trust deed dated 30 October 2017 which was supplemented by a first supplemental deed dated 19 March 2018, entered into by Sasseur Asset Management Pte. Ltd. as Manager of Sasseur REIT (the “Manager”) and DBS Trustee Limited as Trustee of Sasseur REIT (the “Trustee”). Sasseur Real Estate Investment Trust and its subsidiaries are collectively known as the “REIT Group”.

Sasseur REIT was listed on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 28 March 2018 (the “Listing Date”). Sasseur REIT’s investment strategy is investing principally, directly or indirectly, in a diversified portfolio of income-producing real estate, which primarily comprises retail outlet malls, as well as real estate-related assets in relation to the foregoing, with an initial focus on Asia.

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

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

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

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

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

- **Hefei Outlets**

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

- **Kunming Outlets**

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

Sasseur REIT is presenting its financial results for the first quarter ended 31 March 2021 (“1Q 2021”).

#### **Distribution Policy**

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

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**Summary of Sasseur REIT Group Results**

	<b>1Q 2021</b> <sup>(1)</sup> <b>S\$'000</b>	<b>1Q 2020</b> <sup>(1)(2)</sup> <b>S\$'000</b>	<b>Change</b> <b>%</b>
EMA rental income	34,098	27,624	23.4
EMA rental income (exclude straight-line adjustments)	32,290	25,264	27.8
Income available for distribution to Unitholders	23,641	15,994	47.8
Distribution per unit ("DPU") (cents) <sup>(3)(4)</sup>	1.759	1.334	31.9
Distribution yield (%) <sup>(5)</sup>	8.0%	9.1%	(12.1)

**Notes:**

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

<b>1Q 2021</b>	<b>1Q 2020</b>	<b>Change</b> <b>%</b>
4.8730	5.0339	(3.2)

- (2) Four outlet malls were closed for approximately 7 weeks due to the outbreak of COVID-19 pandemic in early 2020.
- (3) The distribution per unit of 1.759 Singapore cents is equivalent to 8.572 Renminbi cents for 1Q 2021.
- (4) For 1Q 2021, S\$2.4 million of the income available for distribution has been retained in anticipation of asset enhancement initiatives and working capital requirements.
- (5) Based on annualised DPU and the market closing price per Unit of S\$0.890 and S\$0.590 as at 31 March 2021 and 31 March 2020 respectively.

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

	Note	REIT Group		
		1Q 2021 <sup>(1)</sup> S\$'000	1Q 2020 <sup>(1)</sup> S\$'000	Change %
<b>Consolidated Statement of Total Return</b>				
EMA rental income	1	34,098	27,624	23.4
Manager's management fees <sup>(2)</sup>	2	(2,364)	(1,599)	(47.8)
Trust expenses	3	(542)	(517)	(4.8)
Finance income	4	4	53	(92.5)
Finance costs	4	(5,974)	(6,927)	13.8
Exchange differences	5	1,161	711	63.3
Change in fair value of financial derivatives	6	331	(32)	n.m.
<b>Total return before fair value adjustments to investment properties and tax</b>		<b>26,714</b>	<b>19,313</b>	<b>38.3</b>
Fair value adjustments to investment properties	7	(1,808)	(2,360)	23.4
<b>Total return before tax</b>		<b>24,906</b>	<b>16,953</b>	<b>46.9</b>
Tax expense	8	(4,502)	(2,970)	(51.6)
<b>Total return after tax</b>		<b>20,404</b>	<b>13,983</b>	<b>45.9</b>
Total return after tax attributable to: <b>Unitholders</b>		<b>20,404</b>	<b>13,983</b>	<b>45.9</b>
<b>Distribution Statement</b>				
Total return attributable to Unitholders	9	20,404	13,983	45.9
Distribution adjustments		3,237	2,011	61.0
<b>Income available for distribution to Unitholders</b>		<b>23,641</b>	<b>15,994</b>	<b>47.8</b>
Less: Amount retained <sup>(3)</sup>		(2,364)	-	n.m.
<b>Amount to be distributed to Unitholders</b>		<b>21,277</b>	<b>15,994</b>	<b>33.0</b>

n.m. – Not meaningful

Footnotes:

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

1Q 2021	1Q 2020	Change %
4.8730	5.0339	(3.2)

(2) The Manager has elected to receive 100% of its management fees in the form of units for the period from 1 January 2020 to 31 March 2021.

(3) For 1Q 2021, S\$2.4 million of the income available for distribution has been retained in anticipation of asset enhancement initiatives and working capital requirements.

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**Notes:**

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

	1Q 2021 S\$'000	1Q 2020 S\$'000	Change %
EMA rental income	34,098	27,624	23.4
Straight-line adjustments (Note 7)	(1,808)	(2,360)	(23.4)
EMA rental income (exclude straight-line adjustments)	32,290	25,264	27.8

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

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

	1Q 2021 S\$'000	1Q 2020 S\$'000	Change %
Interest expenses on borrowings	(4,353)	(5,569)	21.8
Other borrowing costs	(56)	(63)	11.1
Borrowing-related transaction costs: - Amortisation	(1,565)	(1,295)	(20.8)
	(5,974)	(6,927)	13.8

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

	1Q 2021 S\$'000	1Q 2020 S\$'000	Change %
Income tax	(3,742)	(2,802)	(33.5)
Deferred tax	(760)	(168)	n.m.
	(4,502)	(2,970)	(51.6)

Higher income tax expense in 1Q 2021 is mainly attributable to higher operational profit as compared to 1Q 2020 which was impacted by the temporary closure of outlets due to the outbreak of COVID-19.

- 9 Included in distribution adjustments are the following:

	1Q 2021 S\$'000	1Q 2020 S\$'000	Change %
<u>Distribution adjustments</u>			
Manager's management fees payable in Units	2,364	1,599	47.8
Amortisation of borrowing-related transaction costs	1,565	1,295	20.8
Straight-line adjustments	(1,808)	(2,360)	23.4
Fair value adjustments to investment properties	1,808	2,360	(23.4)
Deferred tax expense	760	168	n.m.
Unrealised exchange differences	(1,121)	(1,083)	(3.5)
Change in fair value of financial derivatives	(331)	32	n.m.
Total distribution adjustments	3,237	2,011	61.0

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

	Note	REIT Group		REIT	
		31 Mar 2021 <sup>(1)</sup> S\$'000	31 Dec 2020 <sup>(1)</sup> S\$'000	31 Mar 2021 S\$'000	31 Dec 2020 S\$'000
<b>Assets</b>					
<b>Non-current assets</b>					
Investment properties	1	1,670,496	1,651,052	-	-
Investment in subsidiaries		-	-	951,941	951,941
		<b>1,670,496</b>	<b>1,651,052</b>	<b>951,941</b>	<b>951,941</b>
<b>Current assets</b>					
Prepayments, deposits and other receivables	2	33,654	51,212	146,359	144,455
Cash and short-term deposits	3	154,184	155,944	11,783	37,101
Derivative financial instruments		73	-	73	-
		<b>187,911</b>	<b>207,156</b>	<b>158,215</b>	<b>181,556</b>
<b>Total assets</b>		<b>1,858,407</b>	<b>1,858,208</b>	<b>1,110,156</b>	<b>1,133,497</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Loans and borrowings		497,170	501,895	234,748	240,484
Deferred tax liabilities		87,480	85,232	-	-
		<b>584,650</b>	<b>587,127</b>	<b>234,748</b>	<b>240,484</b>
<b>Current liabilities</b>					
Other payables and accruals	4	126,837	137,047	1,016	889
Loans and borrowings		2,326	2,359	-	-
Derivative financial instruments		18	276	18	276
Tax payables		26,759	25,985	11	11
		<b>155,940</b>	<b>165,667</b>	<b>1,045</b>	<b>1,176</b>
<b>Total liabilities</b>		<b>740,590</b>	<b>752,794</b>	<b>235,793</b>	<b>241,660</b>
<b>Net assets</b>		<b>1,117,817</b>	<b>1,105,414</b>	<b>874,363</b>	<b>891,837</b>
<b>Represented by:</b>					
<b>Unitholders' funds</b>		<b>1,117,817</b>	<b>1,105,414</b>	<b>874,363</b>	<b>891,837</b>
<b>Net Asset Value per unit (S\$)</b>		<b>0.92</b>	<b>0.91</b>	<b>0.72</b>	<b>0.74</b>

Footnote:

- (1) The results of the REIT Group's foreign subsidiaries were translated using the closing SGD:RMB rates of 1: 4.8768 and 1: 4.9314 as at 31 March 2021 and 31 December 2020 respectively.

**Notes:**

- 1 Investment properties are stated at fair value based on the valuations performed by an independent valuer, Jones Lang LaSalle Corporate Appraisal and Advisory as at 31 December 2020 and included capital expenditure made during the 3-month period. The increase is mainly due to higher translated value arising from appreciation of Renminbi against Singapore Dollar as compared to 31 December 2020.

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

	REIT Group		REIT	
	31 Mar 2021 S\$'000	31 Dec 2020 S\$'000	31 Mar 2021 S\$'000	31 Dec 2020 S\$'000
Mid-term deposits <sup>(i)</sup>	6,151	29,656	-	-
Refundable deposits	191	189	-	-
VAT/GST recoverables	8,207	8,844	1,251	1,027
Other receivables <sup>(ii)</sup>	10,024	5,908	2	-
Amounts due from subsidiaries (non-trade) <sup>(iii)</sup>	-	-	144,994	143,395
Amounts due from related parties (trade)	8,967	6,582	-	-
	33,540	51,179	146,247	144,422
Prepayments	114	33	112	33
	33,654	51,212	146,359	144,455

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

(ii) As at 31 March 2021, included in other receivables of the REIT Group is an amount of S\$8.2 million (31 December 2020: S\$4.2 million) relating to sale proceeds of goods sold by the tenants which are yet to be received from merchant banks due to cashless mode of payment made by customers.

(iii) As at 31 March 2021, amounts due from subsidiaries (non-trade) relate to loans to subsidiaries for partial repayment of onshore loans.

- 3 Included in cash and short-term deposits of the REIT Group is an amount of S\$106.1 million (31 December 2020: S\$115.9 million) sale proceeds collected from customers on behalf of the tenants.

- 4 Other payables and accruals comprise the following:

	REIT Group		REIT	
	31 Mar 2021 S\$'000	31 Dec 2020 S\$'000	31 Mar 2021 S\$'000	31 Dec 2020 S\$'000
Refundable security deposits	7,250	7,379	-	-
Interest payables	379	311	245	248
VAT and other tax payables	680	757	-	-
Construction payables <sup>(iv)</sup>	4,719	4,938	-	-
Amounts due to subsidiaries (non-trade)	-	-	53	54
Amounts due to related parties (non-trade)	1,088	931	175	41
Accrued expenses	852	640	393	445
Property tax payables	1,623	945	-	-
Other payables <sup>(v)</sup>	110,246	121,146	150	101
	126,837	137,047	1,016	889

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

(v) Included in other payables is an amount of S\$106.1 million (31 December 2020: S\$115.9 million) relating to sale proceeds collected from customers on behalf of the tenants.

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

	REIT Group		REIT	
	31 Mar 2021 S\$'000	31 Dec 2020 S\$'000	31 Mar 2021 S\$'000	31 Dec 2020 S\$'000
<b>Secured loans and borrowings</b>				
- Amount repayable within one year	5,537	5,475	-	-
- Amount repayable after one year	506,728	513,035	240,950	247,462
	512,265	518,510	240,950	247,462
Less: Unamortised borrowing-related transaction costs	(12,769)	(14,256)	(6,202)	(6,978)
<b>Total loans and borrowings, net of transaction costs</b>	<b>499,496</b>	<b>504,254</b>	<b>234,748</b>	<b>240,484</b>

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

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

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

The weighted average cost of borrowings (excluding borrowing-related transaction costs) for 1Q 2021 is 3.3% (1Q 2020: 4.3%) while interest coverage ratio is 7.5 times (1Q 2020: 4.7 times). The aggregate leverage for the REIT Group, as defined in the Property Funds Appendix, is 27.6% (31 December 2020: 27.9%).

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



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

	Note	REIT Group	
		1Q 2021 S\$'000	1Q 2020 S\$'000
<b>Cash flows from operating activities</b>			
Total return for the period before tax		24,906	16,953
<u>Adjustments for:</u>			
Straight-line adjustments		(1,808)	(2,360)
Manager's management fees payable in units		2,364	1,599
Change in fair value of investment properties		1,808	2,360
Change in fair value of financial derivatives		(331)	32
Finance costs		5,974	6,927
Finance income		(4)	(53)
<b>Cash flows before changes in working capital</b>		<b>32,909</b>	<b>25,458</b>
<u>Changes in working capital:</u>			
Prepayments, deposits and other receivables (exclude mid-term deposits)		(1,386)	(14,476)
Mid-term deposits	1	23,505	6,765
Other payables and accruals		(10,169)	(71,901)
<b>Cash generated from/(used in) operations</b>		<b>44,859</b>	<b>(54,154)</b>
Tax paid		(2,781)	(3,178)
Interest received		4	52
<b>Net cash generated from/(used in) operating activities</b>		<b>42,082</b>	<b>(57,280)</b>
<b>Cash flows from investing activities</b>			
Capital expenditure on investment properties		(958)	(1,025)
<b>Net cash used in investing activities</b>		<b>(958)</b>	<b>(1,025)</b>
<b>Cash flows from financing activities</b>			
Repayments of bank loans		(9,769)	(3,942)
Distribution to Unitholders		(23,347)	(19,491)
Interest paid		(4,131)	(5,546)
Increase in restricted cash		(26)	(20)
<b>Net cash used in financing activities</b>		<b>(37,273)</b>	<b>(28,999)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>3,851</b>	<b>(87,304)</b>
Cash and cash equivalents at beginning of the period		146,550	146,147
Effect on exchange rate changes on cash and cash equivalents		(5,715)	5,948
<b>Cash and cash equivalents at end of the period</b>	2	<b>144,686</b>	<b>64,791</b>

**Notes:**

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

	REIT Group	
	31 Mar 2021 S\$'000	31 Mar 2020 S\$'000
Cash and short-term deposits	154,184	73,617
Less: Restricted cash <sup>(1)</sup>	(9,498)	(8,826)
Cash and cash equivalents	144,686	64,791

Footnote:

- This relates to cash balances which are used to secure bank facilities.

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

	REIT Group	
	1Q 2021 S\$'000	1Q 2020 S\$'000
<b>At beginning of the period</b>	<b>1,105,414</b>	<b>1,069,163</b>
<b>Operations</b>		
Change in Unitholders' funds resulting from operations before distribution	20,404	13,983
<b>Net increase in net assets resulting from operations</b>	<b>20,404</b>	<b>13,983</b>
<b>Unitholders' transactions</b>		
Manager's management fees payable in units	2,364	1,599
Distribution to Unitholders	(23,347)	(19,491)
<b>Net decrease in net assets resulting from Unitholders' transactions</b>	<b>(20,983)</b>	<b>(17,892)</b>
<b>Movement in foreign currency translation reserve</b>	<b>12,982</b>	<b>46,921</b>
<b>Movement in hedging reserve</b>	<b>-</b>	<b>57</b>
<b>Total Unitholders' funds as at end of the period</b>	<b>1,117,817</b>	<b>1,112,232</b>

	REIT	
	1Q 2021 S\$'000	1Q 2020 S\$'000
<b>At beginning of the period</b>	<b>891,837</b>	<b>863,464</b>
<b>Operations</b>		
Change in Unitholders' funds resulting from operations before distribution	3,509	17,605
<b>Net increase in net assets resulting from operations</b>	<b>3,509</b>	<b>17,605</b>
<b>Unitholders' transactions</b>		
Manager's management fees payable in units	2,364	1,599
Distribution to Unitholders	(23,347)	(19,491)
<b>Net decrease in net assets resulting from Unitholders' transactions</b>	<b>(20,983)</b>	<b>(17,892)</b>
<b>Movement in hedging reserve</b>	<b>-</b>	<b>57</b>
<b>Total Unitholders' funds as at end of the period</b>	<b>874,363</b>	<b>863,234</b>

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

	REIT	
	1Q 2021 Units	1Q 2020 Units
<b>Units in issue:</b>		
At beginning of the period	1,206,538,293	1,196,494,243
Manager's management fees paid in Units	2,873,707	2,184,345
<b>Total Units issued as at end of the period</b>	<b>1,209,412,000</b>	<b>1,198,678,588</b>
<b>Units to be issued:</b>		
Manager's management fees payable in Units <sup>(1)</sup>	2,702,636	2,698,964
<b>Total Units to be issued as at end of the period</b>	<b>2,702,636</b>	<b>2,698,964</b>
<b>Total Units issued and to be issued as at end of the period</b>	<b>1,212,114,636</b>	<b>1,201,377,552</b>

Footnote:

- (1) There are 2,702,636 units to be issued in satisfaction of the Manager's management fees for 1Q 2021 based on the volume-weighted average price for the last 10 Business Days immediately preceding 31 March 2021 of S\$0.8747.

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

There were no treasury units as at 31 March 2021 and 31 December 2020. The total number of issued units in Sasseur REIT was 1,209,412,000 as at 31 March 2021 (31 December 2020: 1,206,538,293).

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury units as at the end of the current financial period reported on.**

Not applicable.

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

The figures have neither been audited nor reviewed by our auditors.

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

Not applicable.

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

Except as disclosed in paragraph 5 below, the REIT Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the audited financial statements for the financial year ended 31 December 2020.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what had changed, as well as the reasons for, and the effect of, the change.**

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

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

	REIT Group	
	1Q 2021	1Q 2020
<b>EPU</b>		
Weighted average number of Units in issue	1,206,953,384	1,197,075,989
Total return after tax (S\$'000)	20,404	13,983
Basic and diluted EPU <sup>(1)(2)</sup> (cents)	1.691	1.168
<b>DPU</b>		
Number of Units issued as at end of the period	1,209,412,000	1,198,678,588
Income available for distribution to Unitholders (S\$'000)	23,641	15,994
Amount to be distributed to Unitholders (S\$'000)	21,277	15,994
DPU <sup>(3)</sup> (cents)	1.759	1.334

Footnotes:

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

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

	REIT Group		REIT	
	31 Mar 2021	31 Dec 2020	31 Mar 2021	31 Dec 2020
Number of Units issued and to be issued	1,212,114,636	1,209,412,000	1,212,114,636	1,209,412,000
Net asset (S\$'000)	1,117,817	1,105,414	874,363	891,837
NAV and NTA per unit <sup>(1)</sup> (cents)	92.22	91.40	72.14	73.74

Footnote:

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

**8 Review of the Performance**

In RMB terms, total outlet sales for 1Q 2021 were significantly higher than that of 1Q 2020 by RMB 602.1 million or 112.6%. EMA rental income (excluding straight-line adjustments) for 1Q 2021 was higher by RMB 30.2 million or 23.7% as compared to 1Q 2020. In SGD terms, EMA rental income (excluding straight-line adjustments) for 1Q 2021 was higher by S\$7.0 million or 27.8%.

Higher manager's management fees for 1Q 2021 were due to higher distributable income.

Lower finance costs for 1Q 2021 were largely due to lower interest expenses on borrowings by S\$1.2 million or 21.8% contributed by lower interest rates on the offshore loans.

Net fair value gains on financial derivatives of S\$0.3 million recognised in 1Q 2021 were attributable to the mark-to-market valuation of interest rate swap and cross currency swap contracts which were entered into to hedge interest rate and foreign currency risk exposures.

Higher tax expense in 1Q 2021 is mainly attributable to higher operational profit as compared to 1Q 2020 which was impacted by the temporary closure of outlets due to the outbreak of COVID-19 pandemic in early 2020.

The amount to be distributed to Unitholders for 1Q 2021 was S\$21.3 million, 33.0% higher compared to S\$16.0 million for 1Q 2020. In anticipation of asset enhancement initiatives and working capital requirements, 10% of the income available for distribution or S\$2.4 million has been retained.

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

Not applicable.

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

China's Gross Domestic Product ("GDP") grew 18.3%<sup>1</sup> in the first quarter of 2021 ("1Q 2021") on a Year-on-Year ("YoY") basis (compared to +4.9% and +6.5% for the third and fourth quarter of 2020 respectively). This represented a healthy growth rate that reflected a strong recovery from a deep coronavirus-induced trough in early 2020 and the continued momentum of recovery of the world's second largest economy.

Economists<sup>2</sup> forecast GDP growth topping 6% for 2021, the goal set by China at the National People's Congress in March 2021. Strong global demand for pandemic-related and electronic products will continue supporting China's manufacturing sector and exports. The well-controlled pandemic within China had strengthened the consumer and business sentiments.

From January to March 2021, total retail sales of social consumer goods reached 10,522.1 billion yuan, representing a year-on-year increase of 33.9 percent and an average growth rate of 4.2% over the last two years.

Chongqing Market Update

In the first quarter of 2021, Florentia Village outlet, which belongs to the Italian real estate development group RDM, opened phase 1 of its new outlet in Chongqing. It comprises about 37,000 square meters of floor space hosting about 100 brands. Two other retail projects also entered the Chongqing market, adding around 345,000 sqm to the total supply of retail space of 5.4 million sqm. Chongqing city has announced clear development goals for business growth in its new five-year 2021-2025 plan. These goals include an average annual growth target of about 6% for total retail sales of consumer goods, and progress towards building a consumption-driven international city by 2025<sup>3</sup>.

Hefei and Kunming Market Update

For 1Q 2021, no new outlets was opened in Hefei and Kunming. Sales had been improving with intensive promotional activities in our outlets to attract shoppers.

The luxury goods market in mainland China achieved around 48% growth in 2020, reaching nearly RMB 346 billion. This staggering growth rate is mainly due to a drop in international tourism, contributing to a double digit increases in the rate of domestic luxury spending. As the global luxury market declined at an expected rate of 23% in 2020, China's share of that market nearly doubled, growing from about 11% in 2019 to 20% in 2020. If this growth continues, China is expected to become the largest luxury goods market globally by 2025<sup>4</sup>.

Sasseur REIT's outlets are well-positioned to benefit from all these positive trends notwithstanding the disruption of business by COVID-19.

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

<sup>2</sup> Nikkei Asia, 9 April 2021

<sup>3</sup> Cushman and Wakefield 1Q21 Retail Report, 13 April 2021

<sup>4</sup> Bain & Co report: "China's Unstoppable Luxury Market", Dec 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 January 2021 to 31 March 2021

Distribution type: Tax-Exempt Income Distribution

Distribution rate: 1.759 cents per unit

Par value of units: Not applicable

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

(b) Corresponding period of the preceding financial period

Any distribution declared for the corresponding period of the immediate preceding financial period? Yes

Name of distribution: Distribution for the financial period from 1 January 2020 to 31 March 2020

Distribution type: Tax-Exempt Income Distribution

Distribution rate: 1.334 cents per unit

Par value of units: Not applicable

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

(c) Books closure date 11 June 2021

(d) Date payable 25 June 2021

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

Not applicable. A distribution has been declared for the period from 1 January 2021 to 31 March 2021.

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

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

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

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

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

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Manager which may render the unaudited interim financial statements of Sasseur REIT Group and the REIT for the financial period ended 31 March 2021 to be false or misleading, in any material aspect.

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

Mr Cheng Heng Tan  
Director

Dr Gu Qingyang  
Director

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

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

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

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

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

Anthony Ang  
Chief Executive Officer

12 May 2021