



SASSEUR REAL ESTATE INVESTMENT TRUST
Condensed Interim Financial Statements
For the Half Year and Full Year Ended 31 December 2023

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SASSEUR REAL ESTATE INVESTMENT TRUST
Condensed Interim Financial Statements
For the Half Year and Full Year Ended 31 December 2023

Introduction

Sasseur Real Estate Investment Trust (“Sasseur REIT” or the “Trust”) is a Singapore real estate investment trust constituted pursuant to a trust deed dated 30 October 2017, as supplemented and amended by the 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 REIT and its subsidiaries are collectively known as the “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 to invest principally, directly or indirectly, in a diversified portfolio of income-producing real estate, primarily comprising outlet malls, as well as real estate-related assets, with an initial focus on Asia.

Sasseur REIT’s portfolio of properties comprises four outlet malls strategically located in People’s Republic of China (“PRC”), namely Sasseur (Chongqing Liangjiang) Outlet, Sasseur (Chongqing Bishan) Outlet, Sasseur (Hefei) Outlet and Sasseur (Kunming) Outlet.

Sasseur REIT is presenting its condensed interim financial statements for the financial period from 1 July 2023 to 31 December 2023 (“2H 2023”) and the financial year from 1 January 2023 to 31 December 2023 (“FY 2023”).

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.

Summary of Sasseur REIT Group Results

	2H 2023 ⁽¹⁾ \$’000	2H 2022 ⁽¹⁾ \$’000	Change %	FY 2023 ⁽¹⁾ \$’000	FY 2022 ⁽¹⁾ \$’000	Change %
EMA rental income	63,232	60,059	5.3	126,726	125,932	0.6
EMA rental income (exclude straight-line adjustments)	62,337	57,827	7.8	124,914	121,324	3.0
Income available for distribution to Unitholders	39,384	43,434	(9.3)	83,350	88,503	(5.8)
Distribution per Unit (“DPU”) (cents) ⁽²⁾	2.927	3.140	(6.8)	6.249	6.550	(4.6)

In the absence of the Entrusted Management Agreements (“EMA”), the distribution per Unit would be 6.445 Singapore cents for FY 2023 without retention of income available for distribution.

Footnotes:

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

2H 2023	2H 2022	Change	FY 2023	FY 2022	Change
5.3336	5.0505	(5.3)	5.2715	4.9020	(7.0)

(2) \$3.1 million (2H 2022: \$4.8 million) and \$6.0 million (FY 2022: \$8.2 million) of the income available for distribution for 2H 2023 and FY 2023 respectively have been retained for the principal amortisation of onshore loans and asset enhancement initiatives.

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CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Trust	
		31 December 2023 ⁽¹⁾ \$'000	2022 ⁽¹⁾ \$'000	31 December 2023 ⁽¹⁾ \$'000	2022 ⁽¹⁾ \$'000
Assets					
Non-current assets					
Investment properties ⁽²⁾	3	1,580,190	1,638,981	-	-
Interests in subsidiaries		-	-	1,047,947	1,080,917
		1,580,190	1,638,981	1,047,947	1,080,917
Current assets					
Prepayments, deposits and other receivables	4	26,042	28,104	354	224
Cash and short-term deposits	5	140,834	100,755	3,765	33,214
Derivative financial instruments		614	-	77	-
		167,490	128,859	4,196	33,438
Total assets		1,747,680	1,767,840	1,052,143	1,114,355
Liabilities					
Non-current liabilities					
Loans and borrowings	6	369,895	-	-	-
Loan from a related party	6	57,279	-	-	-
Other payables	7	-	-	195,435	-
Deferred tax liabilities		114,970	111,667	-	-
		542,144	111,667	195,435	-
Current liabilities					
Other payables and accruals	7	142,285	69,635	1,329	1,257
Loans and borrowings	6	5,439	487,355	-	240,099
Derivative financial instruments		23	23	-	23
Tax payables		38,177	31,361	27	29
		185,924	588,374	1,356	241,408
Total liabilities		728,068	700,041	196,791	241,408
Net assets		1,019,612	1,067,799	855,352	872,947
Represented by:					
Unitholders' funds		1,019,612	1,067,799	855,352	872,947
Units in issue and to be issued ('000)	8	1,245,670	1,233,752	1,245,670	1,233,752
Net asset value per Unit (\$)	9	0.82	0.87	0.69	0.71

Footnotes:

- (1) The results of the Group's foreign subsidiaries were translated using the closing SGD:RMB rates of 1: 5.3772 and 1: 5.1831 as at 31 December 2023 and 31 December 2022 respectively.
- (2) Investment properties are stated at fair value based on the valuations performed by independent valuers, Jones Lang LaSalle Corporate Appraisal and Advisory Limited and Colliers Appraisal & Advisory Services Co., Limited as at 31 December 2023 and 31 December 2022 respectively. In RMB terms, the valuation of the investment properties is RMB8,497.0 million as at 31 December 2023, which is 0.02% higher than the valuation of RMB8,495.0 million as at 31 December 2022. The fairly stable valuation reflects the resilience of the investment properties' performance. In SGD terms, valuation of investment properties is 3.6% lower as at 31 December 2023 as compared to 31 December 2022, mainly due to lower translated value arising from depreciation of Renminbi against Singapore Dollar on 31 December 2023 as compared to 31 December 2022.

The accompanying notes form an integral part of the condensed interim financial statements.

SASSEUR REAL ESTATE INVESTMENT TRUST
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CONDENSED INTERIM CONSOLIDATED STATEMENT OF TOTAL RETURN

		Group			
	Note	2H 2023	2H 2022	FY 2023	FY 2022
		\$'000	\$'000	\$'000	\$'000
EMA rental income ⁽¹⁾	10	63,232	60,059	126,726	125,932
Manager's management fees ⁽²⁾		(3,938)	(4,343)	(8,335)	(8,850)
Trustee's fees		(160)	(168)	(321)	(342)
Other trust expenses ⁽³⁾		(742)	(712)	(1,268)	(1,296)
Finance income		103	113	286	171
Finance costs	11	(12,916)	(13,942)	(27,409)	(26,280)
Exchange differences ⁽⁴⁾		(1,551)	1,069	(813)	110
Change in fair value of financial derivatives ⁽⁵⁾		(1,848)	(294)	614	70
Total return before fair value adjustments to investment properties and tax		42,180	41,782	89,480	89,515
Fair value adjustments to investment properties ⁽⁶⁾		(2,184)	(6,952)	(3,101)	(9,328)
Total return for the period/year before tax		39,996	34,830	86,379	80,187
Tax expense	12	(14,157)	(8,473)	(23,958)	(18,089)
Total return for the period/year attributable to Unitholders		25,839	26,357	62,421	62,098

Footnotes:

- (1) The Group receives EMA rental income under the Entrusted Management Agreement (EMA), and all the operating expenses of the properties are borne by the Entrusted Manager.
- (2) The Manager's base fee is calculated at 10.0% per annum of the income available for distribution to Unitholders. The Manager has elected to receive 100% of its base fee in the form of Units for FY 2023 and FY 2022.
- (3) Other trust expenses consist of recurring operating expenses such as audit fees, tax advisory fees, valuation fees, legal and other professional fees, annual listing fees, investor relations expenses and other miscellaneous expenses.
- (4) Exchange differences comprise realised and unrealised foreign exchange differences. The unrealised exchange loss relates mainly to the translation of foreign currency denominated transactions and monetary items for the Group, partially offset against realised exchange gain mainly arose from the settlement of foreign exchange forward contracts.
- (5) Change in fair value of financial derivatives relates to the mark-to-market valuation of interest rate swap and cross currency swap contracts which were entered into to hedge interest rates and foreign currency risk exposures. These fair value adjustments have no impact on the income available for distribution to Unitholders.
- (6) Fair value adjustments to investment properties relate to change in fair value of investment properties and straight-line adjustments (see Note 3) and have no impact on the income available for distribution to Unitholders.

The accompanying notes form an integral part of the condensed interim financial statements.

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CONDENSED INTERIM CONSOLIDATED DISTRIBUTION STATEMENT

	Group			
	2H 2023	2H 2022	FY 2023	FY 2022
	\$'000	\$'000	\$'000	\$'000
Income available for distribution to Unitholders as at 1 January	-	-	-	-
Total return for the period attributable to Unitholders	25,839	26,357	62,421	62,098
Distribution adjustments (Note A)	13,545	17,077	20,929	26,405
	39,384	43,434	83,350	88,503
Less: Amount retained for the principal amortisation of onshore loans and asset enhancement initiatives	(3,054)	(4,837)	(5,980)	(8,181)
Amount available for distribution to Unitholders	36,330	38,597	77,370	80,322
Distribution to Unitholders:				
Distribution of 1.849 cents per Unit for the period from 1/1/2023 to 31/3/2023	-	-	(22,812)	-
Distribution of 1.473 cents per Unit for the period from 1/4/2023 to 30/6/2023	-	-	(18,220)	-
Distribution of 1.512 cents per Unit for the period from 1/7/2023 to 30/9/2023	(18,746)	-	(18,746)	-
Distribution of 1.415 cents per Unit for the period from 1/10/2023 to 31/12/2023	(17,583) ¹	-	(17,583) ¹	-
Distribution of 1.822 cents per Unit for the period from 1/1/2022 to 31/3/2022	-	-	-	(22,269)
Distribution of 1.588 cents per Unit for the period from 1/4/2022 to 30/6/2022	-	-	-	(19,456)
Distribution of 1.838 cents per Unit for the period from 1/7/2022 to 30/9/2022	-	(22,568)	-	(22,568)
Distribution of 1.302 cents per Unit for the period from 1/10/2022 to 31/12/2022	-	(16,029) ²	-	(16,029) ²
Total distribution to Unitholders	(36,329)	(38,597)	(77,361)	(80,322)
Amount available for distribution to Unitholders as at 31 December	1	-	9	-
Distribution per Unit (DPU) (cents) ³:	2.927	3.140	6.249	6.550
Note A – Distribution adjustments comprise:				
- Manager's management fees paid/payable in Units	3,938	4,343	8,335	8,850
- Amortisation of borrowing-related transaction costs	(1,220)	3,176	1,518	6,423
- Straight-line adjustments	(895)	(2,232)	(1,812)	(4,608)
- Fair value adjustments to investment properties	2,184	6,952	3,101	9,328
- Deferred tax expense	5,377	5,292	7,485	6,624
- Exchange differences	2,313	(748)	2,916	(142)
- Change in fair value of financial derivatives	1,848	294	(614)	(70)
Distribution adjustments	13,545	17,077	20,929	26,405

¹ Distribution relating to the period from 1 October 2023 to 31 December 2023 will be made subsequent to the reporting date (Note 18).

² Distribution relating to the period from 1 October 2022 to 31 December 2022 was made in March 2023.

³ The DPU relates to the distributions in respect of the relevant financial period.

The accompanying notes form an integral part of the condensed interim financial statements.

SASSEUR REAL ESTATE INVESTMENT TRUST
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CONDENSED INTERIM STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS

	Group		Trust	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
As at 1 July	1,031,046	1,175,301	838,977	884,602
Operations				
Total return for the period attributable to Unitholders	25,839	26,357	49,403	26,026
Net increase in net assets resulting from operations	25,839	26,357	49,403	26,026
Unitholders' transactions				
Units in issue				
- Manager's management fees paid in Units	1,874	2,351	1,874	2,351
- Distribution to Unitholders	(36,966)	(42,024)	(36,966)	(42,024)
	(35,092)	(39,673)	(35,092)	(39,673)
Units to be issued				
Manager's management fees payable in Units	2,064	1,992	2,064	1,992
Net decrease in net assets resulting from Unitholders' transactions	(33,028)	(37,681)	(33,028)	(37,681)
Foreign currency translation reserve				
Movement in foreign currency translation reserve	(4,245)	(96,178)	-	-
As at 31 December	1,019,612	1,067,799	855,352	872,947
	Group		Trust	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
At 1 January	1,067,799	1,209,208	872,947	911,694
Operations				
Total return for the year attributable to Unitholders	62,421	62,098	49,877	39,821
Net increase in net assets resulting from operations	62,421	62,098	49,877	39,821
Unitholders' transactions				
Units in issue				
- Manager's management fees paid in Units	6,271	6,858	6,271	6,858
- Distribution to Unitholders	(75,807)	(87,418)	(75,807)	(87,418)
	(69,536)	(80,560)	(69,536)	(80,560)
Units to be issued				
Manager's management fees payable in Units	2,064	1,992	2,064	1,992
Net decrease in net assets resulting from Unitholders' transactions	(67,472)	(78,568)	(67,472)	(78,568)
Foreign currency translation reserve				
Movement in foreign currency translation reserve	(43,136)	(124,939)	-	-
At 31 December	1,019,612	1,067,799	855,352	872,947

The accompanying notes form an integral part of the condensed interim financial statements.

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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	FY 2023	FY 2022
	\$'000	\$'000
Cash flows from operating activities		
Total return for the year before tax	86,379	80,187
<u>Adjustments for:</u>		
Manager's management fees paid/payable in units	8,335	8,850
Straight-line adjustments	(1,812)	(4,608)
Change in fair value of investment properties	3,101	9,328
Change in fair value of financial derivatives	(614)	(70)
Finance costs	27,409	26,280
Finance income	(286)	(171)
	122,512	119,796
Cash flows before changes in working capital		
<u>Changes in working capital:</u>		
Prepayments, deposits and other receivables (excluding mid-term deposits)	818	(8,271)
Mid-term deposits	-	6,405
Other payables and accruals	68,015	(43,730)
	191,345	74,200
Cash generated from operations		
Tax paid	(6,164)	(7,237)
Interest received	247	163
	185,428	67,126
Net cash generated from operating activities		
Cash flows from investing activity		
Capital expenditure on investment properties	(532)	(4,078)
	(532)	(4,078)
Net cash used in investing activity		
Cash flows from financing activities		
Proceeds from bank loans	395,193	-
Loan from a related party	59,505	-
Repayments of bank loans	(491,138)	(5,592)
Payment of borrowing-related transaction costs	(13,513)	-
Distribution to Unitholders	(75,807)	(87,418)
Interest paid	(18,904)	(19,382)
Decrease/(increase) in restricted cash	115	(3,016)
	(144,549)	(115,408)
Net cash used in financing activities		
Net increase/(decrease) in cash and cash equivalents	40,347	(52,360)
Cash and cash equivalents at beginning of the year	90,833	152,421
Effect of exchange rate changes on cash and cash equivalents	17	(9,228)
	131,197	90,833
Cash and cash equivalents at end of the year		

The accompanying notes form an integral part of the condensed interim financial statements.

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CONDENSED INTERIM STATEMENT OF PORTFOLIO

Description of Property	Location	Tenure of Land	Remaining Term of Lease (Year)	Lease Expiry	Valuation		Valuation		Percentage of Total Net Assets attributable to Unitholders	
					31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
					RMB'000	RMB'000	\$'000	\$'000	%	%
Sasseur (Chongqing Liangjiang) Outlet	No. 1 Aotelaisi Road, Beibuxin District, Chongqing	Leasehold	23.4	2047	3,129,000	3,129,000	581,901	603,693	57.0	56.5
Sasseur (Chongqing Bishan) Outlet	No. 9 Baiyang Road, Bishan District, Chongqing	Leasehold	27.8	2051	834,000	834,000	155,099	160,908	15.0	15.1
Sasseur (Hefei) Outlet	No. 1888 Changning Avenue, Gaoxin District, Hefei, Anhui Province	Leasehold	29.6	2053	2,882,000	2,880,000	535,967	555,652	53.0	52.0
Sasseur (Kunming) Outlet	No. 181 Aotelaisi Avenue, Anning City, Kunming, Yunnan Province	Leasehold	30.3	2054	1,652,000	1,652,000	307,223	318,728	30.0	29.8
Investment properties, at valuation					8,497,000	8,495,000	1,580,190	1,638,981	155.0	153.4
Other assets and liabilities (net)							(560,578)	(571,182)	(55.0)	(53.4)
Net assets attributable to Unitholders							1,019,612	1,067,799	100.0	100.0

The accompanying notes form an integral part of the condensed interim financial statements.

SASSEUR REAL ESTATE INVESTMENT TRUST
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. General

Sasseur Real Estate Investment Trust (the "Trust") is a Singapore real estate investment trust constituted pursuant to a trust deed dated 30 October 2017, as supplemented and amended by the First Supplemental Deed dated 19 March 2018 (the "Trust Deed") made between Sasseur Asset Management Pte. Ltd. (the "Manager") and DBS Trustee Limited (the "Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries in trust for the Unitholders of the Trust.

The Trust was constituted as a private trust on 30 October 2017 ("date of constitution") and admitted to the Official List of Singapore Exchange Securities Trading Limited (the "SGX-ST") on 28 March 2018 (the "Listing Date"). The Trust was established to acquire an initial portfolio of four retail outlet malls located in People's Republic of China ("PRC") comprising Sasseur (Chongqing Liangjiang) Outlet, Sasseur (Chongqing Bishan) Outlet, Sasseur (Hefei) Outlet and Sasseur (Kunming) Outlet (collectively, the "Initial Portfolio" or "Properties").

The registered office of the Manager is located at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632. The principal place of business is located at 7 Temasek Boulevard, #06-05, Suntec Tower One, Singapore 038987.

The principal activity of the Trust is to invest principally, directly or indirectly, in a diversified portfolio of income-producing real estate, primarily comprising retail outlet malls, as well as real estate related assets, with an initial focus in Asia.

2. Basis of preparation

The condensed interim financial statements for the six months and full year ended 31 December 2023 have been prepared in accordance with Financial Reporting Standard ("FRS") 34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore, the recommendations of Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Investment Funds* applicable to interim financial statements issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the recognition and measurement principles of Singapore FRS.

The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with FRS, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Trust's functional currency.

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2. Basis of preparation (continued)

Going concern

As at 31 December 2023, the current liabilities of the Group exceeded the current assets by \$18.4 million (31 December 2022: \$459.5 million). Notwithstanding the net current liabilities position, the condensed interim financial statements are prepared on a going concern basis, as the Manager is of the opinion that the Group will be able to meet its current obligations as and when they fall due based on the Group's existing financial resources.

2.1. New and amended standards adopted by the Group

A number of amendments to standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

The Group and the Trust have adopted the following amendments to FRS, which is effective for the financial periods beginning on 1 January 2023:-

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 and FRS Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to FRS 8: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to FRS 12: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023

The adoption of the amendments to FRS did not have any material financial impact on the financial statements of the Group and the Trust for the financial year ended 31 December 2023.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period is included in Note 14.

2.3 Seasonal operations

The Group's businesses are not disrupted significantly by seasonal or cyclical factors during the financial year.

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3. Investment properties

	Group	
	2023 \$'000	2022 \$'000
<u>Consolidated Statement of Financial Position</u>		
As at 1 January	1,638,981	1,801,013
Capital expenditure incurred	1,636	4,078
Change in fair value of investment properties	(1,289)	(4,720)
Exchange differences	(59,138)	(161,390)
	1,580,190	1,638,981
<u>Consolidated Statement of Total Return</u>		
Change in fair value of investment properties	(1,289)	(4,720)
Net effect of straight-line adjustments ¹	(1,812)	(4,608)
	(3,101)	(9,328)
Fair value adjustments to investment properties recognised in the Consolidated Statement of Total Return	(3,101)	(9,328)

¹ Arising from accounting for EMA rental income on a straight-line basis, the difference between revenue recognised and the contractual cash flows is included in the carrying value of the investment properties and subsequently adjusted to the fair value adjustments to investment properties recognised in the Consolidated Statement of Total Return.

Investment properties comprise retail properties which are leased to external tenants.

Valuation of investment properties

Investment properties are stated at fair value based on valuations performed as at 31 December 2023. The valuations were performed by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer with a recognised and relevant professional qualification and with a recent experience in the location and category of the properties being valued.

Properties pledged as security

As at 31 December 2023, investment properties with an aggregate carrying amount of \$1,272,967,000 (31 December 2022: \$1,801,013,000) have been pledged as security to secure bank loans (see Note 6).

4. Prepayments, deposits and other receivables

	Group		Trust	
	31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
Refundable deposits	28	29	-	-
VAT/GST recoverables	7,465	6,128	351	183
Other receivables	10,191	7,964	-	8
Amounts due from related parties (trade)	8,302	13,950	-	-
	25,986	28,071	351	191
Prepayments	56	33	3	33
	26,042	28,104	354	224

Included in other receivables of the Group is an amount of \$9,337,000 (31 December 2022: \$4,743,000) 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.

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5. Cash and short-term deposits

	Group		Trust	
	31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
Cash and short-term deposits	140,834	100,755	3,765	33,214
Less: Restricted cash	(9,637)	(9,922)	-	(5,217)
Cash and cash equivalents	131,197	90,833	3,765	27,997

Restricted cash relates to cash held in interest escrow accounts for interest payment for bank loans.

6. Loans and borrowings

	Group		Trust	
	31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
Secured bank loans	384,860	488,340	-	240,874
Loan from a related party	57,279	-	-	-
Less: Unamortised transaction costs	(9,526)	(985)	-	(775)
	432,613	487,355	-	240,099
Non-current	427,174	-	-	-
Current	5,439	487,355	-	240,099
	432,613	487,355	-	240,099

In March 2023, the Group has successfully refinanced all its onshore and offshore loans due in March 2023.

Secured bank loans

As at 31 December 2023, the Group has the following onshore and offshore facilities:

The Group through its PRC wholly-owned subsidiaries, Chongqing Sasseur Suge Apparel Joint Stock Co., Ltd., Sasseur (Chongqing) Business Co., Ltd. and Hefei Sasseur Commercial Management Co., Ltd. has put in place an aggregate amount of RMB975.0 million, 5-year onshore term loans, with repayment of 1.5% of initial loan principal semi-annually (the "onshore loans").

The Group, through its wholly-owned subsidiaries, Sasseur Bishan (BVI) Limited and Sasseur Hefei Limited, has also put in place offshore loans which comprise term loans of \$125.0 million and US\$54.1 million, and a \$10 million revolving credit facility (collectively the "offshore loans").

Loan from a related party

On 3 February 2023, the Group, through its wholly-owned subsidiaries, Kunming Sasseur Commercial Management Co., Ltd. has entered into a one year loan agreement with a wholly-owned subsidiary of the Sponsor (with extension for up to another year with mutual agreement) under which an unsecured interest-bearing loan of RMB308.0 million ("Sponsor Loan") has been granted. On 7 December 2023, Kunming Sasseur Commercial Management Co., Ltd. has exercised its option to extend the Sponsor Loan for another year with the maturity in March 2025.

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6. Loans and borrowings (continued)

The weighted average cost of borrowings was 5.6% (31 December 2022: 4.8%) per annum. As at 31 December 2023, the Group had an aggregate leverage ratio of 25.3% (31 December 2022: 27.6%) and interest coverage ratio of 4.3 times (31 December 2022: 4.4 times).

The Group's secured bank borrowings are generally secured by:

- (a) mortgages on the borrowing subsidiaries' investment properties (see Note 3) and
- (b) assignment of all rights, titles and benefits with respect to the properties mortgaged.

7. Other payables and accruals

	Group		Trust	
	31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
Refundable security deposits	7,885	7,614	-	-
Interest payables	3,466	820	-	659
VAT and other tax payables	1,290	102	-	-
Construction payables	3,605	3,499	-	-
Amounts due to subsidiaries (non-trade)	-	-	572	14
Amounts due to related parties (non-trade)	1,482	1,082	-	18
Accrued expenses	996	831	699	546
Property tax payables	1,108	475	-	-
Other payables	122,453	55,212	58	20
	142,285	69,635	1,329	1,257

Construction payables consist mainly of retention sum of completed construction works arising from acquisition of investment properties and related assets and liabilities, and asset enhancement works.

Included in other payables is an amount of \$116,657,000 (31 December 2022: \$50,202,000) relating to sale proceeds collected from customers on behalf of the tenants.

Included in non-current other payables of \$195,435,000 relate mainly to loans from subsidiaries to the Trust for the Trust to repay its offshore loans due in March 2023.

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8. Units in issue and to be issued

	Group and Trust			
	2023		2022	
	Number of Units '000	\$'000	Number of Units '000	\$'000
As at 1 July	1,236,926	574,303	1,225,174	646,420
Units in issue:				
- Manager's management fees paid in Units	5,722	3,899	5,918	4,384
- Distribution to Unitholders	–	(36,966)	–	(42,024)
Total Units in issue at end of the period	1,242,648	541,236	1,231,092	608,780
Units to be issued:				
- Manager's management fees payable in Units ¹	3,022	2,064	2,660	1,992
Total Units in issue and to be issued as at 31 December	1,245,670	543,300	1,233,752	610,772

	Group and Trust			
	2023		2022	
	Number of Units '000	\$'000	Number of Units '000	\$'000
As at 1 January	1,231,092	608,780	1,217,119	685,118
Units in issue:				
- Manager's management fees paid in Units	11,556	8,263	13,973	11,080
- Distribution to Unitholders	–	(75,807)	–	(87,418)
Total Units in issue at end of the year	1,242,648	541,236	1,231,092	608,780
Units to be issued:				
- Manager's management fees payable in Units ¹	3,022	2,064	2,660	1,992
Total Units in issue and to be issued as at 31 December	1,245,670	543,300	1,233,752	610,772

¹ 3,022,032 Units to be issued as payment of the Manager's management fees for the period from 1 October 2023 to 31 December 2023 based on the volume-weighted average Unit price of \$0.6829 for the last 10 Business Days immediately preceding 31 December 2023.

There were no treasury units as at 31 December 2023 and 31 December 2022.

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9. Net asset value per Unit

	Group		Trust	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Total Units in issue and to be issued at end of year ('000)	1,245,670	1,233,752	1,245,670	1,233,752
Net asset ¹ (\$'000)	1,019,612	1,067,799	855,352	872,947
NAV and NTA per Unit	0.82	0.87	0.69	0.71

¹ Net asset value and net tangible asset are the same as there are no intangible assets as at the end of each reporting year.

10. EMA rental income

	Group			
	2H 2023 \$'000	2H 2022 \$'000	FY 2023 \$'000	FY 2022 \$'000
EMA rental income	63,232	60,059	126,726	125,932

EMA rental income is accounted for on a straight-line basis over the lease term. Excluding net effect of straight-line adjustments, EMA rental income for six months and full year ended 31 December 2023 are \$62,337,000 (six months ended 31 December 2022: \$57,827,000) and \$124,914,000 (31 December 2022: \$121,324,000) respectively (Note 15).

11. Finance costs

Included in the effective interest expenses on borrowings are the following:

	Group			
	2H 2023 \$'000	2H 2022 \$'000	FY 2023 \$'000	FY 2022 \$'000
Interest expenses on loans and borrowings	10,595	10,610	22,130	19,552
Amortisation of borrowing-related transaction costs	2,265	3,176	5,003	6,423
Other borrowing costs	56	156	276	305
	12,916	13,942	27,409	26,280

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12. Tax expense

The major components of tax expense are:

	2H 2023	2H 2022	Group FY 2023	FY 2022
	\$'000	\$'000	\$'000	\$'000
Current tax expense				
Current period/year	8,834	5,139	16,527	13,423
Adjustments in respect of current tax of previous period/year	(54)	(1,958)	(54)	(1,958)
	8,780	3,181	16,473	11,465
Deferred tax expense				
Movement in temporary differences	5,377	5,292	7,485	6,624
	14,157	8,473	23,958	18,089

13. Earnings per Unit ("EPU")

	2H 2023	2H 2022	Group FY 2023	FY 2022
Weighted average number of Units ('000)	1,238,959	1,227,075	1,235,949	1,223,648
Total return after tax (\$'000)	25,839	26,357	62,421	62,098
EPU ¹ (cents) – basic and diluted ²	2.086	2.148	5.050	5.075

¹ EPU is calculated by dividing the total return for the period after tax against the weighted average number of Units in issue for the reporting period.

² Diluted EPU is the same as the basic EPU as there are no dilutive instruments in issue during the reporting period.

14. Fair values of assets and liabilities

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3: unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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14. Fair values of assets and liabilities (continued)

(c) Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurements for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Derivative financial instruments

The fair values of interest rate swap, cross currency swap and foreign currency forward contracts are based on valuations provided by the financial institutions that are the counterparties of the transactions. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates or exchange rates, where applicable, for a similar financial instrument at the measurement date.

(d) Level 3 fair value measurements

Information about significant unobservable inputs used in Level 3 fair value measurements

Investment properties

Investment properties are stated at fair value based on independent valuations performed by Jones Lang LaSalle Corporate Appraisal and Advisory Limited as at 31 December 2023. The independent valuers have the appropriate professional qualifications and recent experience in the location and category of the properties being valued.

The fair values were generally calculated using the Discounted Cash Flow (“DCF”) approach. The DCF approach calculates the present values of future cash flows over a specified time period, including the potential proceeds of a deemed disposition, to determine the fair value. The DCF approach converts the earnings of a property into an estimate of value. The final step in the appraisal process involves the reconciliation of the individual valuation techniques in relationship to their substantiation by market data, and the reliability and applicability of each valuation technique to the subject property.

The valuation techniques used in determining the fair value involve certain estimates including those relating to discount rates and rental rates per square foot, which are unobservable. In relying on the valuation reports, the Manager has exercised its judgement and is satisfied that the valuation techniques and estimates used are reflective of the current market conditions.

The fair value measurement for investment properties has been categorised under Level 3 of the fair value hierarchy based on the inputs to the valuation technique used.

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14. Fair values of assets and liabilities (continued)

(d) Level 3 fair value measurements (continued)

The following table shows the Group's valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used:

Valuation technique	Significant unobservable inputs	Range of significant unobservable inputs	Relationship of significant unobservable inputs to fair value
2023			
Discounted cash flow approach	Discount rate	10.0% to 11.0%	The higher the rate, the lower the fair value.
	Rental rate per square foot per annum ¹	\$24 to \$83	The higher the rate, the higher the fair value.
2022			
Discounted cash flow approach	Discount rate	9.3% to 10.8%	The higher the rate, the lower the fair value.
	Rental rate per square foot per annum ¹	\$25 to \$94	The higher the rate, the higher the fair value.

¹ Average rental rate over remaining lease term per gross floor area based on square feet.

The investment properties categorised under Level 3 of the fair value hierarchy are generally sensitive to the significant unobservable inputs tabled above. A significant movement of each input would result in a significant change to the fair value of the respective investment properties.

The Group assesses the fair value of investment properties on a yearly basis.

15. Related party transactions

For the purposes of these financial statements, parties are considered to be related to the Group, if the Sponsor has the direct and indirect ability to control the parties, jointly control or exercise significant influence over the parties in making financial and operating decisions. Related parties may be individuals or other entities.

In the normal course of its business, the Group carried out transactions with related parties on terms agreed between the parties. During the period/year, in addition to the related party information disclosed elsewhere in the financial statements, the following significant related party transactions were carried out at terms agreed between the parties and included in the Group's total return before tax:

	2H 2023	2H 2022	FY 2023	FY 2022
	\$'000	\$'000	\$'000	\$'000
EMA rental income received/receivable from Entrusted Manager (Note 10)	62,337	57,827	124,914	121,324
Manager's management fees paid/payable	3,938	4,343	8,335	8,850
Trustee's fees paid/payable	160	168	321	342
Interest expenses on loan from a related party	1,423	–	2,322	–

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16. Financial ratios

	Group	
	FY 2023	FY 2022
	%	%
Ratio of expenses to weighted average net assets ¹		
- Including performance component of the Manager's management fees	0.97	0.97
- Excluding performance component of the Manager's management fees	0.97	0.97
Portfolio turnover rate ²	-	-

¹ The ratios are computed in accordance with the guidelines of the Investment Management Association of Singapore ("IMAS"). The expenses used in the computation relate to expenses of the Group, excluding finance costs, exchange differences and tax expense.

² The ratio is computed based on the lower of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value.

17. Operating segments

For the purpose of making resource allocation decisions and the assessment of segment performance, the Manager reviews internal management reports of the Group's investment properties. This forms the basis of identifying the operating segments of the Group under FRS 108 *Operating Segments*.

The Group's reportable segments are investment properties located in PRC used primarily for retail purposes. The Group has four reportable segments as follows:

- (a) Chongqing Sasseur Suge Apparel Joint Stock Co., Ltd. ("Sasseur (Chongqing Liangjiang) Outlet")
- (b) Sasseur (Chongqing) Business Co., Ltd. ("Sasseur (Chongqing Bishan) Outlet")
- (c) Hefei Sasseur Commercial Management Co., Ltd. ("Sasseur (Hefei) Outlet")
- (d) Kunming Sasseur Commercial Management Co., Ltd. ("Sasseur (Kunming) Outlet")

Segment revenue comprises mainly income generated under the EMA and is reported to the Manager for the purpose of assessment of segment performance. In addition, the Manager monitors the non-financial assets as well as financial assets attributable to each segment when assessing segment performance.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly the Manager's management fee, trustee's fees, trust expenses, finance income, finance costs, tax expense, exchange differences and related assets and liabilities.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

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17. Operating segments (continued)

Information regarding the Group's reportable segments is presented in the tables below:

Segment results

Group	2H 2023				Unallocated \$'000	Total \$'000
	Sasseur (Chongqing Liangjiang) Outlet \$'000	Sasseur (Chongqing Bishan) Outlet \$'000	Sasseur (Hefei) Outlet \$'000	Sasseur (Kunming) Outlet \$'000		
EMA rental income	29,096	5,551	17,608	10,977	–	63,232
Manager's management fees	–	–	–	–	(3,938)	(3,938)
Trustee's fees	–	–	–	–	(160)	(160)
Other trust expenses						
- Other income	37	7	623	(41)	–	626
- Other expenses	(254)	(43)	(140)	(89)	(842)	(1,368)
Finance income	–	–	–	–	103	103
Finance costs	(2,784)	(432)	(1,309)	(1,418)	(6,973)	(12,916)
Exchange differences	1,199	–	(5)	–	(2,745)	(1,551)
Change in fair value of financial derivatives	–	–	–	–	(1,848)	(1,848)
Total return before fair value adjustments to investment properties and tax	27,294	5,083	16,777	9,429	(16,403)	42,180
Fair value adjustments to investment properties	(956)	(500)	(134)	(594)	–	(2,184)
Total return for the period before tax	26,338	4,583	16,643	8,835	(16,403)	39,996
Tax expense					(14,157)	(14,157)
Total return for the period					(30,560)	25,839
Segment assets	654,554	169,443	584,559	327,254	11,870	1,747,680
Segment liabilities	224,719	34,336	160,990	99,611	208,412	728,068
Other segment information:						
Capital expenditure	366	335	154	347	–	1,202

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17. Operating segments (continued)

Segment results (continued)

Group	2H 2022				Unallocated \$'000	Total \$'000
	Sasseur (Chongqing Liangjiang) Outlet \$'000	Sasseur (Chongqing Bishan) Outlet \$'000	Sasseur (Hefei) Outlet \$'000	Sasseur (Kunming) Outlet \$'000		
EMA rental income	26,969	5,354	17,049	10,687	–	60,059
Manager's management fees	–	–	–	–	(4,343)	(4,343)
Trustee's fees	–	–	–	–	(168)	(168)
Other trust expenses						
- Other income	12	15	15	2	–	44
- Other expenses	–	(1)	(44)	(42)	(669)	(756)
Finance income	–	–	–	–	113	113
Finance costs	(4,131)	(812)	(1,612)	(966)	(6,421)	(13,942)
Exchange differences	351	–	225	2	491	1,069
Change in fair value of financial derivatives	–	–	–	–	(294)	(294)
Total return before fair value adjustments to investment properties and tax	23,201	4,556	15,633	9,683	(11,291)	41,782
Fair value adjustments to investment properties	(1,559)	(2,484)	(1,857)	(1,052)	–	(6,952)
Total return for the period before tax	21,642	2,072	13,776	8,631	(11,291)	34,830
Tax expense					(8,473)	(8,473)
Total return for the period					(19,764)	26,357
Segment assets	633,599	169,168	597,969	333,625	33,479	1,767,840
Segment liabilities	204,242	37,881	143,662	66,792	247,464	700,041
Other segment information:						
Capital expenditure	943	547	61	(3)	–	1,548

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17. Operating segments (continued)

Segment results (continued)

Group	FY 2023				Unallocated \$'000	Total \$'000
	Sasseur (Chongqing Liangjiang) Outlet \$'000	Sasseur (Chongqing Bishan) Outlet \$'000	Sasseur (Hefei) Outlet \$'000	Sasseur (Kunming) Outlet \$'000		
EMA rental income	57,802	11,286	35,413	22,225	–	126,726
Manager's management fees	–	–	–	–	(8,335)	(8,335)
Trustee's fees	–	–	–	–	(321)	(321)
Other trust expenses						
- Other income	64	13	797	23	–	897
- Other expenses	(257)	(44)	(140)	(89)	(1,635)	(2,165)
Finance income	–	–	–	–	286	286
Finance costs	(6,106)	(1,024)	(2,749)	(2,702)	(14,828)	(27,409)
Exchange differences	–	–	(5)	–	(808)	(813)
Change in fair value of financial derivatives	–	–	–	–	614	614
Total return before fair value adjustments to investment properties and tax	51,503	10,231	33,316	19,457	(25,027)	89,480
Fair value adjustments to investment properties	(1,363)	(583)	(394)	(761)	–	(3,101)
Total return for the year before tax	50,140	9,648	32,922	18,696	(25,027)	86,379
Tax expense					(23,958)	(23,958)
Total return for the year					(48,985)	62,421
Segment assets	654,554	169,443	584,559	327,254	11,870	1,747,680
Segment liabilities	224,719	34,336	160,990	99,611	208,412	728,068
Other segment information:						
Capital expenditure	547	411	254	424	–	1,636

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17. Operating segments (continued)

Segment results (continued)

Group	FY 2022				Unallocated \$'000	Total \$'000
	Sasseur (Chongqing Liangjiang) Outlet \$'000	Sasseur (Chongqing Bishan) Outlet \$'000	Sasseur (Hefei) Outlet \$'000	Sasseur (Kunming) Outlet \$'000		
EMA rental income	56,723	11,493	35,207	22,509	–	125,932
Manager's management fees	–	–	–	–	(8,850)	(8,850)
Trustee's fees	–	–	–	–	(342)	(342)
Other trust expenses						
- Other income	40	19	23	43	–	125
- Other expenses	–	(1)	(97)	(82)	(1,241)	(1,421)
Finance income	–	–	–	–	171	171
Finance costs	(8,672)	(1,704)	(3,386)	(2,042)	(10,476)	(26,280)
Exchange differences	–	–	141	2	(33)	110
Change in fair value of financial derivatives	–	–	–	–	70	70
Total return before fair value adjustments to investment properties and tax	48,091	9,807	31,888	20,430	(20,701)	89,515
Fair value adjustments to investment properties	(2,614)	(2,700)	(2,531)	(1,483)	–	(9,328)
Total return for the year before tax	45,477	7,107	29,357	18,947	(20,701)	80,187
Tax expense					(18,089)	(18,089)
Total return for the year					(38,790)	62,098
Segment assets	633,599	169,168	597,969	333,625	33,479	1,767,840
Segment liabilities	204,242	37,881	143,662	66,792	247,464	700,041
Other segment information:						
Capital expenditure	2,079	1,387	579	33	–	4,078

18. Subsequent event

Distribution

On 21 February 2024, the Manager declared a distribution of 1.415 Singapore cents per Unit for the period from 1 October 2023 to 31 December 2023.

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OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

(A) SALES, TRANSFERS, CANCELLATION AND/OR USE OF TREASURY UNITS

There were no sales, transfers, cancellation and/or use of treasury units as at the end of the financial year ended 31 December 2023.

(B) AUDIT STATEMENT

(a) Whether the figures have been audited or reviewed, and in accordance with which standard (e.g. the Singapore Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", or an equivalent standard)

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

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

Not applicable.

(C) REVIEW OF PERFORMANCE OF THE GROUP

Consolidated Statement of Total Return	2H 2023 \$'000	2H 2022 \$'000	Change %	FY 2023 \$'000	FY 2022 \$'000	Change %
EMA rental income	63,232	60,059	5.3	126,726	125,932	0.6
Manager's management fees	(3,938)	(4,343)	9.3	(8,335)	(8,850)	5.8
Trustee's fees	(160)	(168)	4.8	(321)	(342)	6.1
Other trust expenses	(742)	(712)	(4.2)	(1,268)	(1,296)	2.2
Finance income	103	113	(8.8)	286	171	67.3
Finance costs	(12,916)	(13,942)	7.4	(27,409)	(26,280)	(4.3)
Exchange differences	(1,551)	1,069	n.m.	(813)	110	n.m.
Change in fair value of financial derivatives	(1,848)	(294)	n.m.	614	70	n.m.
Total return before fair value adjustments to investment properties and tax	42,180	41,782	1.0	89,480	89,515	(0.0)
Fair value adjustments to investment properties	(2,184)	(6,952)	68.6	(3,101)	(9,328)	66.8
Total return before tax	39,996	34,830	14.8	86,379	80,187	7.7
Tax expense	(14,157)	(8,473)	(67.1)	(23,958)	(18,089)	(32.4)
Total return after tax attributable to Unitholders	25,839	26,357	(2.0)	62,421	62,098	0.5
<u>Distribution Statement</u>						
Total return after tax attributable to Unitholders	25,839	26,357	(2.0)	62,421	62,098	0.5
Distribution adjustments	13,545	17,077	(20.7)	20,929	26,405	(20.7)
Income available for distribution to Unitholders	39,384	43,434	(9.3)	83,350	88,503	(5.8)
Less: Amount retained	(3,054)	(4,837)	36.9	(5,980)	(8,181)	26.9
Amount to be distributed Unitholders	36,330	38,597	(5.9)	77,370	80,322	(3.7)

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2H 2023 vs 2H 2022

In RMB terms, total outlet sales for 2H 2023 were higher than that of 2H 2022 by RMB745.8 million or 44.8%. The increase was attributable to a lower sales base in 2H 2022 due to pandemic-related lockdowns and travel restrictions.

EMA rental income (excluding straight-line adjustments) for 2H 2023 was higher by RMB39.6 million or 13.5% as compared to 2H 2022. In SGD terms, EMA rental income (excluding straight-line adjustments) for 2H 2023 was higher than 2H 2022 by \$4.5 million or 7.8%, mainly due to the weakening of Renminbi against Singapore Dollar as compared to 2H 2022.

Manager's management fees for 2H 2023 were lower than 2H 2022 by \$0.4 million, mainly due to lower distributable income in 2H 2023.

Finance costs for 2H 2023 were lower than 2H 2022 by \$1.0 million or 7.4%, mainly attributable to lower finance cost on the Group's borrowings, as a result of lower amounts drawn to refinance earlier loans due in March 2023.

Exchange differences for 2H 2023 were lower than 2H 2022 by \$2.6 million, mainly due to the translation of foreign currency denominated transactions and monetary items for the Group, partially offset against realised exchange gain mainly arose from the settlement of foreign exchange forward contracts.

Net fair value loss on financial derivatives of \$1.8 million for 2H 2023 were attributable to the mark-to-market valuation of interest rate swap and cross currency swap contracts which were entered into to hedge interest rates and foreign currency risk exposures.

Change in fair value of investment properties of \$2.2 million for 2H 2023, which has no impact on the distributable income to the Unitholders.

Tax expense for 2H 2023 was higher than 2H 2022 by \$5.7 million, mainly due to the absence of one-off non-recurring tax refund of \$2.1 million relating to FY 2021 for Chongqing Liangjiang Outlet which was received in FY 2022 and the absence of reversal of over provision for income tax amounted to \$1.5 million relating to 1H 2022 for Chongqing Liangjiang Outlet, from corporate tax rate of 25% to preferential tax rate of 15%.

Income available for distribution to Unitholders before retention for 2H 2023 was \$39.4 million, 9.3% lower compared to \$43.4 million for 2H 2022.

For 2H 2023, approximately \$3.1 million (2H 2022: \$4.8 million) of the income available for distribution has been retained for the principal amortisation of onshore loans and asset enhancement initiatives. After cash retention, the amount to be distributed to Unitholders for 2H 2023 was \$36.3 million, 5.9% lower compared to \$38.6 million distributed to Unitholders for 2H 2022.

FY 2023 vs FY 2022

In RMB terms, total outlet sales for FY 2023 were higher than that of FY 2022 by RMB1,128.9 million or 31.9%. The increase was attributable to strong rebound in outlet sales in FY 2023 as compared to a lower sales base in FY 2022 due to pandemic-related lockdowns and travel restrictions.

EMA rental income (excluding straight-line adjustments) for FY 2023 was higher by RMB63.7 million or 10.7% as compared to FY 2022. In SGD terms, EMA rental income (excluding straight-line adjustments) for FY 2023 was higher than FY 2022 by \$0.4 million or 3.0%, mainly due to the weakening of Renminbi against Singapore Dollar as compared to FY 2022.

Manager's management fees for FY 2023 were lower than FY 2022 by \$0.5 million, mainly due to lower distributable income in FY 2023.

Finance costs for FY 2023 were higher than FY 2022 by \$1.1 million or 4.3%, mainly attributable to higher weighted average cost of borrowings of 5.6% (FY 2022: 4.8%).

Exchange differences for FY 2023 were lower than FY 2022 by \$0.9 million, mainly due to the translation of foreign currency denominated transactions and monetary items for the Group, partially offset against realised exchange gain mainly arose from the settlement of foreign exchange forward contracts.

Net fair value gain on financial derivatives of \$0.6 million for FY 2023 were attributable to the mark-to-market valuation of interest rate swap and cross currency swap contracts which were entered into to hedge interest rates and foreign currency risk exposures.

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Change in fair value of investment properties of \$3.1 million for FY 2023, which has no impact on the distributable income to the Unitholders.

Tax expense for FY 2023 was higher than FY 2022 by \$5.9 million, mainly due to the absence of one-off non-recurring tax refund of \$2.1 million relating to FY 2021 for Chongqing Liangjiang Outlet which was received in FY 2022 and higher operational profit in FY 2023.

Income available for distribution to Unitholders before retention for FY 2023 was \$83.4 million, 5.8% lower compared to \$88.5 million for FY 2022.

For FY 2023, approximately \$6.0 million (FY 2022: \$8.2 million) of the income available for distribution has been retained for the principal amortisation of onshore loans and asset enhancement initiatives. After cash retention, the amount to be distributed to Unitholders for FY 2023 was \$77.4 million, 3.7% lower compared to \$80.3 million distributed to Unitholders for FY 2022.

(D) VARIANCE FROM FORECAST OR PROSPECT STATEMENT

Not applicable.

(E) OUTLOOK AND PROSPECTS

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

Market updates and outlook

China's Gross Domestic Product ("GDP") grew 5.2%¹ in the fourth quarter of 2023 ("4Q 2023") on a year-on-year ("Y-o-Y") basis, compared to +4.9% for the third quarter of 2023. The country's economic growth accelerated to 5.2% YoY in 2023, surpassing the official government target of around 5.0% and 2022's pandemic-hit pace of 3.0%. The growth for 2023 was partly due to 2022's lower GDP base arising from frequent pandemic-related lockdowns and travel restrictions.

However, the country's economic recovery in 2023 from pandemic-related lockdowns has been more gradual than expected amidst domestic and international headwinds. While consumption has been a major driver of growth, consumer confidence remained tepid in 2023. China's retail sales of consumer goods registered RMB47.15 trillion, a 7.2% Y-o-Y increase in 2023¹. In December 2023, China's retail sales of consumer goods rose by 7.4% Y-o-Y, missing market expectations, mainly due to slower automobile and home appliance sales growth although Y-o-Y growth in restaurant sales was higher.

The United Nations expects China's GDP to slow down to 4.7% in 2024, with the property sector correction and faltering external demand continuing to weigh on the growth of fixed asset investment, industrial production and exports². Most of the provincial-level regions in China have set a target of more than 5% for GDP growth in 2024³.

To further stimulate growth, the Chinese Government has implemented various policy measures, including reductions in policy rates and mortgage rates, and has increased public sector investments, financed with new bonds. In December 2023, China's Central Economic Work Conference, a tone-setting meeting for economic growth in 2024, has outlined plans to stimulate domestic consumption and increase residents' incomes, with investments to be strategically used to boost consumer spending⁴. In January 2024, to boost economic growth, the government announced a package of major policies, including a cut in the reserve requirement ratio to inject RMB1 trillion of long-term liquidity into the market⁵. In February 2024, China cut its five-year loan prime rate for the first time since June 2023, from 4.2% to 3.95% to further prop up the economy⁶.

¹ National Bureau of Statistics of China Press Release, 17 January 2024.

² United Nations, "World economic situation and prospects 2024", January 2024.

³ China Daily, "China's local two sessions convey confidence in 2024 economy", 29 January 2024.

⁴ China Briefing, "China's Central Economic Work Conference outlines key priorities for 2024", 21 December 2023.

⁵ Global Times, "China injects \$140b into market, in major policy package to boost economy", 24 January 2024.

⁶ CNBC, "China boosts property funding with first cut in key loan rate since June", 19 February 2024.

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Chongqing Market Update

Chongqing's 2023 GDP grew 6.1% Y-o-Y⁷, outstripping China's national GDP Y-o-Y growth rate by 0.9 percentage points. This also marks the first time the city's GDP crossed RMB3 trillion, joining the ranks of Beijing, Shanghai, Shenzhen and Guangzhou⁸.

In 2023, total retail sales of consumer goods in the city reached RMB1,510 billion, an increase of 8.6% from 2022 and 1.4 percentage points higher than the national level⁹. This reflects the result of the Chongqing municipal government's efforts to encourage consumer spending through an array of policies.

Prime retail property in Chongqing registered a new supply of 372,000 square meters (sq m) in 2023 with the entrance of 5 new developments, a record low in 10 years due to delays in upcoming developments¹⁰. The completion of the delayed developments is expected to contribute to the city's retail space supply in 2024. There were no new outlets that opened in the second half of 2023 in Chongqing.

Hefei Market Update

Hefei's 2023 GDP grew 5.8% Y-o-Y, surpassing China's national GDP Y-o-Y growth rate by 0.6 percentage points. The city's GDP of RMB1,267 billion placed it in top position amongst the 16 cities in Anhui province, in terms of economic growth¹¹.

In 2023, total retail sales of consumer goods in the city recorded RMB527.1 billion, representing a 5% Y-o-Y increase¹². Hefei has set its growth target at around 6% for year 2024. The city aims to establish itself as China's answer to the "Motor City of Detroit" in the United States, as Hefei is now home to Volkswagen, Nio and BYD research centers¹³.

In 2023, no new outlets opened in Hefei.

Kunming Market Update

Kunming achieved a GDP of RMB786.5 billion in 2023 representing a 3.3% Y-o-Y increase¹⁴. In 2023, the city's total retail sales of consumer goods recorded RMB357.4 billion, representing a 5.5% Y-o-Y increase¹⁴. The city's per capita disposable income increased by 3.6% Y-o-Y to RMB45,551 in 2023, surpassing Yunnan province's level of RMB28,421 and the national average of RMB39,218¹⁵.

On 13 December 2023, the Kunming Municipal Government released a "3-Year Action Plan for Sustainable Consumption Growth in Kunming City (2023-2025)", proposing to achieve RMB430 billion in total retail sales of consumer goods in Kunming city by end-2025, with an average annual growth rate of more than 8%, through various economic stimulus policies¹⁶. This will boost retail spending in Kunming in the medium term.

In 2023, no new outlets opened in Kunming.

Outlook

As China's economic growth may continue to face near-term challenges, the Chinese government is stepping up various policy measures to further stimulate economic and consumption growth.

In the medium to long term, continued urbanisation and rising income levels are expected to sustainably drive consumption growth in China. According to simulations by the McKinsey Global Institute, the number of upper-middle and high-income households in China may reach 200 million by 2025 and 260 million by 2030¹⁷. The number of high-income cities is projected to hit 82 by 2025 and 93 by 2030.

Amidst the economic uncertainties and consumption downgrade situation in China, consumer dynamics are increasingly shifting towards "smart shopping", as consumers seek to stretch their purchasing power. This bodes well for Sasseur REIT, given its outlet malls' clear "value-for-money" proposition as well as the growing middle-class population segment.

⁷ Chongqing's municipal government, "Press conference by Chongqing municipal government", 19 January 2024.

⁸ iChongqing, "Chongqing's GDP Exceeds RMB 3 Trillion, Joining Elite Club", 19 January 2024.

⁹ Xinhua News, "重庆市统计局负责人解读经济社会发展情况", 20 January 2024.

¹⁰ Jones Lang Laselle, "2023年重庆商业与物流地产市场报告", 18 January 2024.

¹¹ Ifeng News Anhui, "独家! 安徽各市 2023年经济数据出炉", 6 February 2024.

¹² Hefei Announcements, "创历史新高, 合肥这份'成绩单'公布!", 2 February 2024.

¹³ South China Morning Post, "China's top city economies set 2024 GDP growth targets above 5%", 19 January 2024.

¹⁴ Kunming Statistical Bureau, "2023年昆明市经济运行情况", 30 January 2024.

¹⁵ Kunming Announcements "从8个关键词透视高质量发展成色", 26 January 2024.

¹⁶ Finance World, "Kunming's 2025-target of RMB430 billion for retail sales of consumer goods", 13 December 2023.

¹⁷ McKinsey & Company, "China consumption: Start of a new era", November 2023.

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(F) 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 2023 to 31 December 2023

Distribution type/rate: Tax exempt income distribution of 1.415 Singapore 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.

Record date 19 March 2024

Date payable 28 March 2024

(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 October 2022 to 31 December 2022

Distribution type/rate: Tax exempt income distribution of 1.302 Singapore 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.

(G) GENERAL MANDATE RELATING TO INTERESTED PERSON TRANSACTIONS

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

(H) 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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(I) Segmental Information

	FY 2023 RMB'000	FY 2022 RMB'000	FY 2023 \$'000	FY 2022 \$'000
EMA rental income (excluding straight-line adjustments)				
Sasseur (Chongqing Liangjiang) Outlet	300,458	268,020	56,997	54,676
Sasseur (Chongqing Bishan) Outlet	58,630	54,290	11,122	11,075
Sasseur (Hefei) Outlet	183,968	166,182	34,899	33,900
Sasseur (Kunming) Outlet	115,426	106,242	21,896	21,673
	658,482	594,734	124,914	121,324

(J) 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 (C) and (I) for the review of actual performance.

(K) Breakdown of Revenue

	FY 2023 \$'000	Group FY 2022 \$'000	Change %
First half year			
EMA rental income as reported	63,494	65,873	(3.6)
Total return after tax	36,582	35,741	2.4
Second half year			
EMA rental income as reported	63,232	60,059	5.3
Total return after tax	25,839	26,357	2.0

(L) Breakdown of Total Distribution

	FY 2023 \$'000	FY 2022 \$'000
In respect of period:		
1 July 2023 to 30 September 2023	18,746	-
1 April 2023 to 30 June 2023	18,220	-
1 January 2023 to 31 March 2023	22,812	-
1 October 2022 to 31 December 2022	16,029	-
1 July 2022 to 30 September 2022	-	22,568
1 April 2022 to 30 June 2022	-	19,456
1 January 2022 to 31 March 2022	-	22,269
1 October 2021 to 31 December 2021 (paid out on 29 March 2022)	-	23,125
	75,807	87,418

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(M) 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., as manager of Sasseur Real Estate Investment Trust (the “**Manager**”), confirms that there is no person occupying a managerial position in the Manager who is a relative of a director, chief executive officer, substantial shareholder of the Manager 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

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

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

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

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

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

Tan Hong Lye, Cecilia
Chief Executive Officer

21 February 2024