



SASSEUR REAL ESTATE INVESTMENT TRUST
(a real estate investment trust constituted on 30 October 2017
under the laws of the Republic of Singapore)

ANNOUNCEMENT OF POTENTIAL LITIGATION

The Board of Directors (the "**Board**") of Sasseur Asset Management Pte. Ltd., as manager of Sasseur Real Estate Investment Trust ("**Sasseur REIT**", and Sasseur Asset Management Pte. Ltd. as manager of Sasseur REIT, the "**Manager**"), would like to announce that on 13 September 2018, Hefei Sasseur Commercial Management Co., Ltd. (合肥砂之船商业管理有限公司) ("**Sasseur Hefei**"), a wholly-owned subsidiary of Sasseur REIT, received notice that Zhongjian Sanju No.2 Construction Engineering Co., Ltd. (中建三局第二建设工程有限责任公司) ("**ZS2**") had initiated an action against it in the Anhui Higher People's Court, Anhui City, People's Republic of China ("**PRC**"). The action by ZS2 against Sasseur Hefei arose out of a disagreement between the Sponsor and ZS2 over the final construction sum payable in respect of Sasseur (Hefei) Outlets ("**Hefei Outlets**") which was completed in May 2016.

ZS2's claim is for a sum of approximately RMB148.4 million and its legal costs (the "**Claim**"). In connection with the Claim, ZS2 had also sought and obtained interim orders from the courts to freeze some of the bank accounts of Sasseur Hefei in the PRC. In this regard, Sasseur Hefei has applied and has successfully gotten the same courts to strike out the previous orders for the freeze resulting in the freeze on its key bank accounts to be lifted. As such, the Manager is of the view that there will not be any disruptions to the operations of Sasseur Hefei and Hefei Outlets.

The Manager understands from the Sponsor that the Claim alleged by ZS2 is baseless and without merit. The Manager is currently evaluating the Claim with the Sponsor and seeking advice from its PRC legal counsels. In consultation with its PRC legal counsels, the Manager and the Sponsor intend to take such steps as necessary to vigorously defend Sasseur Hefei against the Claim.

Further, pursuant to the sale and purchase agreement entered into between the Sponsor, its wholly-owned subsidiary, Sasseur Cayman Holding II Ltd. and DBS Trustee Limited (as trustee of Sasseur REIT) on 16 November 2017 for the acquisition of Hefei Outlets (the "**SPA**"), the Sponsor had irrevocably and unconditionally undertaken to indemnify Sasseur REIT against, amongst other things, any losses that Sasseur REIT and its subsidiaries may suffer in connection with additional construction payables that were not already provided for in the SPA. As the amount of RMB117.5 million had been previously provided for in the SPA in respect of the construction accounts payables incurred by ZS2, the Claim of RMB148.4 million represents an additional RMB30.9 million over the corresponding amount already provided for in the SPA.

In light of the foregoing, the Board is of the view that the legal proceedings described above is not expected to have any material impact on Sasseur REIT's distribution per unit for the current financial year ending 31 December 2018.

The Manager will make further announcements as and when material developments on the present matter arise.



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By Order of the Board

Sasseur Asset Management Pte. Ltd.

(Company registration no. 201707259N)

(as Manager of Sasseur Real Estate Investment Trust)

Anthony Ang Meng Huat

Chief Executive Officer

25 September 2018

The value of the Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager, DBS Trustee Limited, as trustee of Sasseur REIT, Sasseur Cayman Holding Limited, as the sponsor of Sasseur REIT or any of their respective affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Holders of Units (the "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 the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

Sponsorship Statement:

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