

ART COMMERCE



SINGAPORE CORPORATE AWARDS 2020/2021 (SPECIAL EDITION)
CORPORATE EXCELLENCE AND RESILIENCE AWARD

SINGAPORE CORPORATE GOVERNANCE AWARD
(REITS & BUSINESS TRUSTS) RUNNER-UP

BEST CORPORATE COMMUNICATIONS & INVESTOR RELATIONS (GOLD)

BEST GOVERNED & TRANSPARENT COMPANY (GOLD)

CERTIFICATE FOR EXCELLENCE IN INVESTOR RELATIONS

**ASIA'S
FIRST
OUTLET
MALL
REIT**

**2021
ANNUAL
REPORT**



Sustainable Development

**STEADFAST
GROWTH**

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Sasseur (Chongqing Liangjiang) Outlets

VISION

To be the world-class premier outlet mall REIT in Asia

MISSION

To deliver consistent and strong performance for our unitholders by offering unrivalled experiential outlet shopping to our customers

CORPORATE OBJECTIVES

The key objectives are to provide unitholders with a stable and attractive rate of return on their investment through regular and stable distributions and to achieve long-term sustainable growth in DPU and NAV per Unit, while maintaining an appropriate capital structure for Sasseur REIT.

FY2021 KEY HIGHLIGHTS



DISTRIBUTION YIELD

8.4%

Based on closing price of **\$0.845**
on 31 December 2021



DISTRIBUTION PER UNIT

SG7.104¢

FY2020: SG6.545¢



NAV PER UNIT¹

SG98.94¢

FY2020: SG91.40¢



AGGREGATE LEVERAGE¹

26.1%

FY2020: 27.9%



SHOPPER TRAFFIC

10.6m

FY2020: 10.1m



VIP MEMBERSHIP¹

2.6m

FY2020: 2.1m



OCCUPANCY RATE²

94.5%

FY2020: 93.5%



TOTAL OUTLET SALES

RMB4.18b

FY2020: RMB3.73b



PORTFOLIO VALUATION¹

RMB8.50b

FY2020: RMB8.14b

1 As of 31 Dec of the financial year.

2 Occupancy is calculated based on average of the last day of each month in 4Q 2021.

AWARDS



**SINGAPORE CORPORATE AWARDS 2020/2021
(SPECIAL EDITION)**

Corporate Excellence and
Resilience Award



**SECURITIES INVESTORS ASSOCIATION
(SINGAPORE) CHOICE AWARDS 2021**

Singapore Corporate Governance
Award Runner-up
(REITs & Business Trusts)



**GLOBAL GOOD GOVERNANCE AWARD™
2021**

Best Corporate Communications
& Investor Relations (Gold)

Best Governed and Transparent
Company (Gold)



**IR MAGAZINE AWARDS
- SOUTH EAST ASIA 2021**

Certificate for Excellence in Investor
Relations

CORPORATE PROFILE

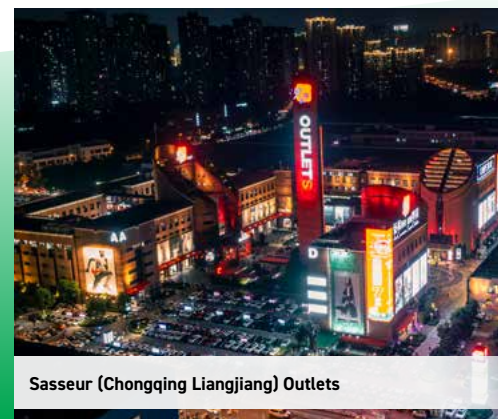


Sasseur (Kunming) Outlets

Sasseur REIT is a real estate investment trust (“**REIT**”) listed on the Mainboard of the Singapore Exchange (“**SGX**”) since 28 March 2018. It is the first listed outlet mall REIT in Asia, with four outlets in China under its portfolio.

Sponsored by Sasseur Cayman Holding Limited (“**Sponsor**”), a leading outlet operator with 14 outlets under its operations as of 31 December 2021 – including the four outlets in Sasseur REIT’s portfolio.

Sasseur REIT is well positioned to benefit from the fast-growing outlet sector in China, that is driven by rising consumption from the rapidly expanding Chinese middle class. As of 31 December 2021, Sasseur REIT’s portfolio comprised four outlets located in the cities of Chongqing, Bishan, Hefei and Kunming, with a total asset value of RMB 8.5 billion.



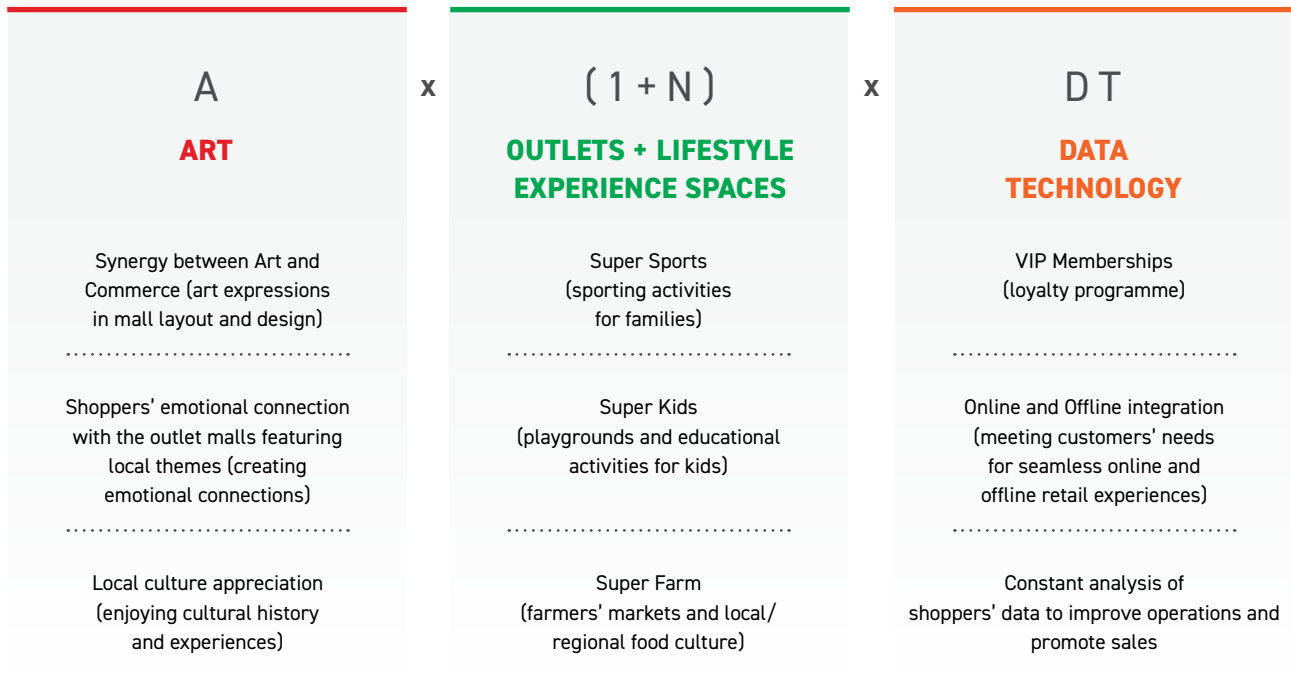
Sasseur (Chongqing Liangjiang) Outlets



Sasseur (Hefei) Outlets

Sasseur Outlet DNA

Passion for **ART AND COMMERCE**



Sasseur (Chongqing Liangjiang) Outlets is located at No. 1 Aotelaishi Road in the northeast of Chongqing. It commenced operations in August 2008 and is the most mature outlet in the portfolio. Despite operating for over a decade, it continues to enjoy healthy growth in sales and shopper traffic. The outlet had undergone a RMB 45 million asset enhancement initiative ("AEI") which completed in December 2021. The AEI included conversion of office space at level 5 into income generating retail spaces, further boosting the variety of brands for customers.

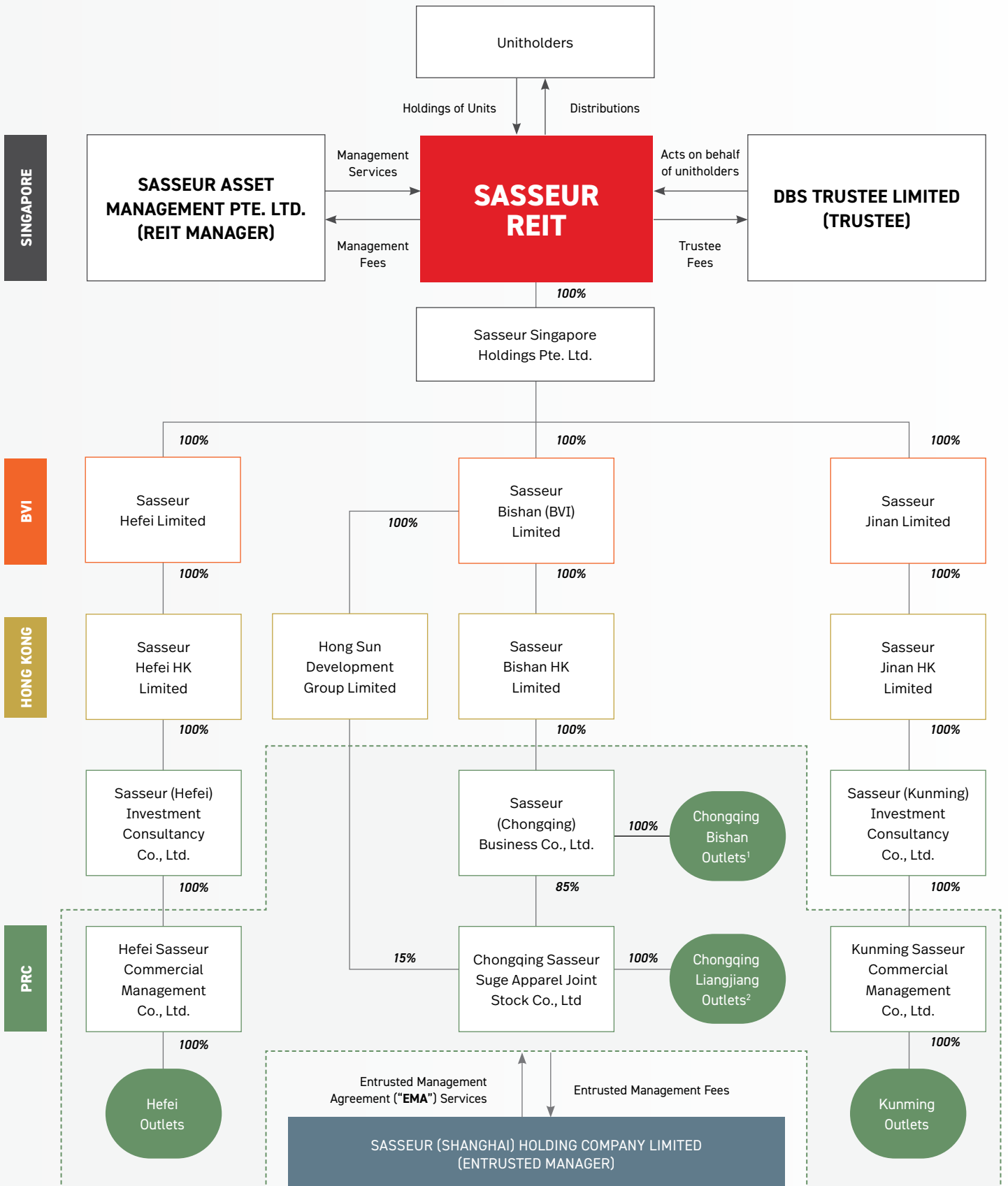
Sasseur (Chongqing Bishan) Outlets commenced operations in October 2014 and is located in the Bishan District of Chongqing Municipality. Bishan is located about 30km west of Chongqing city centre and the outlet attracts local residents and visitors from the west of Chongqing and neighbouring Sichuan Province. In August 2021, the outlet embarked on an AEI to enhance its overall positioning to increase its appeal to shoppers. The AEI is expected to be completed in 1Q 2022.



Sasseur (Hefei) Outlets commenced operations in May 2016. It is located in the fast-growing High-Tech Development Zone to the west of the Hefei city centre. The outlet is well-positioned to capture the growing demand as Hefei is one of the fastest-growing cities in China. An asset enhancement initiative was completed in December 2020 to convert its Block B into a sports theme section to meet growing demand for sports fashion and accessories.

Sasseur (Kunming) Outlets is located in Kunming, Yunnan Province, and commenced operations in December 2016. The outlet is nestled within a new living and leisure zone developed by the local authorities to strengthen its economic capabilities with a focus in tourism and modern technology industries. Kunming is also a fast-growing city with potential to attract migrant population as its economy continues to develop.

REIT STRUCTURE



1 Formerly known as Bishan Outlets
 2 Formerly known as Chongqing Outlets

ORGANISATION STRUCTURE

Sasseur Asset Management Pte. Ltd.

BOARD OF DIRECTORS

CHIEF EXECUTIVE OFFICER

Investment

**Asset
Management**

**Investor
Relations
& Capital
Markets**

**Compliance
& Risk
Management**

Finance

**Human
Resource &
Administration**

Sasseur (Chongqing Bishan) Outlets

JOINT STATEMENT OF CHAIRMAN & CEO

Dear Unitholders,

On behalf of the Board of Directors, we are delighted to present Sasseur REIT's Annual Report for the financial year ended 31 December 2021 ("FY2021"), and the key highlights of our strong asset and financial performance despite a challenging and uncertain economic backdrop, the global COVID-19 pandemic and a fairly volatile operating environment in China in 2021. This was largely attributable to our portfolio's resilience, as well as comprehensive scenario planning and risk management protocols implemented by the REIT Manager, which allowed Sasseur REIT's operations to continue with minimal disruptions.

As we continue to live in the era of the pandemic, we remain focused in further strengthening Sasseur REIT's portfolio resilience and exercising prudent capital management to navigate the road ahead and emerge stronger.

A REMARKABLE PERFORMANCE DESPITE THE UNCERTAIN AND VOLATILE OPERATING ENVIRONMENT

2021 has been a remarkable year for Sasseur REIT, which we see as a proxy to the Chinese domestic economy. While China's economic growth slowed down visibly in the second half of 2021 due to multiple COVID-19 outbreaks, power shortages and a regulatory crackdown in certain sectors, the overall economic recovery remained stable. China delivered a respectable 8.1% GDP growth on the strength of its domestic market, higher than the average global GDP growth of 5.5% in 2021 as stated by the World Bank. Throughout the year, our REIT Management Team and the Entrusted Manager Team on the ground remained focused and steadfast, undeterred by the challenges brought about by the tumultuous macroeconomic backdrop.

Sasseur REIT's strong performance was also the result of Sasseur Group's ("**Sponsor**") tenacity and drive to excel in the face of challenges. Led by an astute management, Sasseur Group's unique 'Art Commerce' business model ensures that the design and lifestyle elements at the REIT's outlets are constantly refreshed to attract consumers seeking an aspirational lifestyle.

SPONSOR'S STRONG OPERATIONAL CAPABILITIES

Since the beginning of the COVID-19 outbreak in China in early 2020, Sasseur Group correctly assessed the severity of the situation and proactively took the lead in the industry with decisive and rapid counter measures, such as the temporary closure of all Sasseur Group outlets including the four outlets owned by Sasseur REIT, strengthening business operations through a range of intensive operational reforms to enhance organisational resilience and management capabilities, as well as a focused strategy to pivot to digital platforms to increase the contribution from online sales. This has helped the Group to successfully turn a "crisis" into an "opportunity", achieving rapid recovery and growth in performance after the COVID-19 outbreak came under control. The unexpected pandemic has also become a catalyst and an accelerator for the Sponsor's organisational changes, demonstrating the Sponsor's strong business operational capabilities as it swiftly adapts to market changes.

Joint Statement of Chairman & CEO



MR XU RONGCAN, VITO
Founder and Chairman



MS CECILIA TAN
Chief Executive Officer

JOINT STATEMENT OF CHAIRMAN & CEO

UNIQUE AND INNOVATIVE EMA MODEL

Sasseur REIT's stellar set of financial performance over the past two years is a testament to the strength and resilience of the REIT's unique and innovative Entrusted Management Agreement ("EMA") model, which enabled the REIT to be relatively cushioned from the impact of the severe pandemic outbreak in China during 2020, and benefitted from a strong rebound in sales performance in FY2021.

The Sponsor's business ethos of "Art Commerce, Core Operational Capabilities" has stood the test of time over the last 33 years. This has enabled the establishment of a strong professional team who delivers results with enthusiasm and creativity, thereby maintaining the long-term sustainable growth of outlet sales. This has led the REIT and retail brands to embrace a fundamentally unique retail business model that better aligned the interests of both the landlord and the tenant whereby the conventional fixed rent structure is replaced by a sales commission model which is directly linked to tenant's sales, similar to the online sales commission model.

The EMA model has a fixed component to provide a stable growing income and a variable component to enable unitholders to participate in the upside in sales performances of the outlets. Under this model, every sale from the tenants is captured in the REIT's bank account from which a certain percentage is drawn out as the variable rent component, allowing all unitholders of Sasseur REIT to enjoy the growth brought on by the higher sales. Coupled with the in-built 3% annual step-up of the fixed component under the EMA, this has ensured that Sasseur REIT can achieve a fair, transparent and stable growth and serves to align the REIT Manager's interests with that of the unitholders.

OUTSTANDING FINANCIAL PERFORMANCE

In FY2021, EMA Rental Income increased 5.5% year-on-year ("y-o-y") to RMB 611.9 million, lifted by an 11.7% increase in the variable component. This is in line with the 12.3% sales growth recorded by Sasseur REIT's four outlets, which posted total sales of RMB 4,184.6 million. The rise in sales reflected the resilience of the portfolio despite the volatile business environment and COVID-19 restrictions in certain parts of China. Robust consumption trends where Sasseur REIT's outlets are located, coupled with intensive promotional efforts

in close collaboration with tenants, contributed to the higher sales as well.

We ended FY2021 on a high note with Sasseur REIT's FY2021 distributable income hitting a record high, surpassing pre-COVID-19 levels. In FY2021, distributable income increased 19.3% y-o-y to S\$93.9 million and distribution per unit ("DPU") was up 8.5% y-o-y to 7.104 Singapore cents. This is a new milestone which was 8.5% higher than previous year DPU of 6.545 Singapore cents, despite retaining S\$7.7 million in FY2021 to fund the REIT's various asset enhancement initiatives and other working capital purposes. If no retention was made, DPU for FY2021 would have been 7.740 Singapore cents, a double-digit growth of 18.3% over that of FY2020's. This also marked Sasseur REIT's third consecutive year of DPU growth since its listing in March 2018.

The REIT's portfolio of four outlets was valued at about RMB8.50 billion as at 31 December 2021, 4.4% higher than the valuation as at 31 December 2020, as well as 3.5% higher than pre-COVID valuations as at 31 December 2019. This is all the more commendable when considered against the backdrop of a challenging retail market and serves as a validation of our effective portfolio and asset management strategies. Sasseur REIT's NAV per unit of nearly 99 Singapore cents as at 31 December 2021 is underpinned by the underlying strong fundamentals of the portfolio as reflected in the higher asset valuation and a firm RMB exchange rate.

Sasseur REIT continues to have the lowest gearing level amongst S-REITs. On the strength of its higher property valuations, its gearing dropped to 26.1% as at 31 December 2021 as compared to 27.9% as at 31 December 2020. Its interest coverage ratio improved from 4.0 times from a year ago to 5.1 times as at 31 December 2021. These reflect the strong fundamentals of the portfolio as well as prudent capital management, with an expanded debt headroom to pursue potential acquisition opportunities.

We believe that it is imperative to position Sasseur REIT's balance sheet for future growth, and to that end, we have already embarked on the refinancing pathway, ahead of the scheduled maturity of both onshore and offshore debts of approximately S\$518.6 million in March 2023. We aim to address the concentration risk by staggering future debt maturities and amounts through this refinancing exercise. Over time, we will endeavour to raise borrowings through

Joint Statement of Chairman & CEO

different avenues in order to diversify the sources of capital and to tap on a wider base of capital providers.

All in all, Sasseur REIT has indeed grown from strength to strength since listing and has performed remarkably well.

While China's recent push for 'common prosperity' could pose some short-term challenges for its economy and businesses, it is expected to provide long term sustainable benefits in time to come. The various initiatives are expected to ease the cost pressures, thereby freeing up more discretionary spending power for the middle-income population, which is the main customer base for our outlets. This augurs well for Sasseur REIT as a proxy to China's strong domestic market.

Overall, the Chinese government's dual circulation strategy would be the mainstay policy for its economy, and would be the key driver to propel consumption demand.

INDUSTRY PROSPECTS

The World Bank projected a slower economic but still healthy growth of 5.1% in 2022 for China, which is still higher than the projected global GDP growth of 4.1%. China has set its GDP target of around 5.5% for 2022. Despite the potentially slower economic growth, we believe the outlet business remains appealing due to its unique positioning as a value-for-money shopping destination. China outlet sector's structural growth trend continues to be supported by the country's rising middle class with higher disposable income, increased globalisation of brands and growing demand for affordable luxury goods.

COUNTER-CYCLICAL NATURE OF OUTLET BUSINESS

It is noteworthy that whilst businesses globally have been greatly affected by the outbreak of COVID-19 pandemic in 2020, we observed that the pace of recovery and growth of the outlet sector around the world, be it in Europe, the United States or Asia, has been the fastest. This has once again proven our belief that the outlet sector is the strongest link in the entire

fashion industry value chain. Indeed, as a saying goes "The worse the economy and the tighter the days, the better is the business of outlets", our experience has shown that consumers are more likely to buy discounted goods when the economy is in a downcycle. At the same time, outlet tenants are also more eager to clear inventories through discounting. This is the counter-cyclical nature of outlet business when economic prospects are weak.

According to research by China Insights Consultancy, the outlet market in China is expected to post a compounded annual growth rate of 17.9% between 2021 and 2030. By the end of that period, sales of the outlet sector in China would reach an estimated US\$96.2 billion, surpassing that of the United States at US\$91.5 billion.

The bullish industry projection matches Sasseur REIT's experience. According to industry research group Outlet China, despite the uncertain business environment, the number of outlets with sales of over RMB 1 billion increased to 46 last year¹, compared to 39 outlets in 2020 and 34 in 2019². This also marked the year where a single outlet crossed RMB 5 billion in sales for the first time.

Chinese consumers' retail spending has proven to be remarkably resilient despite macro concerns and COVID-19 restrictions. Sasseur REIT's 12.3% y-o-y increase in total sales is in line with China's total retail sales, which improved 12.5% to RMB 44.1 trillion³. This bodes well for Sasseur REIT as China looks to expand its domestic consumption on a sustainable basis.

Sasseur REIT's outlets are also well-positioned to benefit from China's continued improvement in domestic air-travels, with inter-city travelling boosting shopper traffic in our outlets especially during holiday seasons. However, we are closely monitoring the risk factors which may affect our outlets business and adjust our strategies accordingly. Some of these risks include outbreak of COVID-19 that may occur in cities where our outlets are located which may result in lock-down of the cities if the COVID situation becomes severe. This will in-turn affect our operations.

1 Source: <https://outletscn.com/news/business-data/2021chinaoutletssalesrank0126/>

2 Source: <https://www.chinadaily.com.cn/a/202102/18/WS602dc1d7a31024ad0baa93f1.html>

3 Source: National Bureau of China's Statistics http://www.stats.gov.cn/english/PressRelease/202201/t20220118_1826503.html

JOINT STATEMENT OF CHAIRMAN & CEO

We are also mindful of the interest rate hikes in the US which may affect economies across the globe with repercussions on the S-REIT sector in general. The heightened geo-political risks as witnessed in the recent Russia-Ukraine conflict which broke out in late February 2022, is another point of concern which could potentially disrupt energy and food supplies. However, with Sasseur REIT's unique position as the proxy for China's growing and recovering domestic economy and consumption, we remain cautiously optimistic as Chinese leaders have pledged more support for the economy including lowering interest rate and injecting more liquidity into the economy. This is in stark contrast from other major central banks around the world who are looking to increase interest rates.

ACTIVE ASSET MANAGEMENT STRATEGIES

Our concerted strategy to extract value through AEI has borne fruit. During 2021, we successfully improved the positioning of both Hefei and Sasseur (Chongqing Liangjiang) Outlets through well-executed AEIs and raised their respective occupancy levels. We aim to maximise each outlet's returns by enhancing shopper experience with the additions of high-yielding tenants from all trade sectors, as well as popular international and domestic brand names. We have also successfully combined the management of Sasseur (Chongqing Liangjiang) Outlets and Sasseur (Chongqing Bishan) Outlets into a 'unified ecosystem', thereby unlocking value by improving synergies, cross-selling, joint-promotions and utilisation of mall space of these two outlets.

We continue to actively support tenants with best retail practices as part of our strategy to cultivate 'Retail Champions' – tenants with sales potential to achieve sales of at least RMB 10 million per year. We align our interests with our tenants and work in close partnership with them to strategically optimise sales performances through inventory management, providing incentives for promoters and advising on refining in-store experience.

As part of our collaboration with our tenants, all four outlets have stepped up on promotional efforts and active customer engagement. By enhancing our programmes for VIP members through cross industry promotions and events, coupled with bespoke customer services to enhance shoppers experiences, we saw a 25% y-o-y increase in the number of VIPs, reaching a new high of 2.64 million VIP membership as of 31 Dec 2021.

In addition, we also adopted an omnichannel marketing strategy to reach a wider customer base through both online and offline engagements. Our online digital efforts span across popular social media platforms including Xiao Hong Shu (小红书), Wei Bo (微博), and TikTok (抖音) which cater to the tech-savvy and younger generation of consumers. We also regularly conduct livestreams to complement our promotional events, to attract shoppers to our outlets.

LONG TERM GROWTH STRATEGY

Delivering growth to our unitholders is one of our top priorities. Apart from organic growth coming from active asset management, we will ardently pursue suitable accretive acquisition opportunities by leveraging on the wide network and pipeline assets of our Sponsor. We will place our focus on target cities in China with large population base and favourable demographic trends, and identify income-producing properties with attractive fundamentals and long-term growth potential.

In October 2021, Sasseur Group continued to expand its footprint and branding in China with the opening of its 14th new outlet in Suzhou. Amongst the Sponsor's Right of First Refusal ("ROFR") assets are two large-scale malls with good growth prospects, each located in Xi'an and Guiyang. We will be looking to bring these assets into Sasseur REIT when the time is right.

Outside of the Sponsor's properties, we continue to assess potential third-party acquisition opportunities carefully with a view to enhancing unitholder value. We will evaluate all our options closely and make acquisitions that meet our investment criteria for Sasseur REIT.

Supported by our robust balance sheet, Sasseur REIT will continue to press ahead with asset enhancement works and finetuning tenant mix through active lease renewals to improve asset positioning and shopper experience. The Entrusted Manager will continue to implement trade-mix diversification plans across our outlets to sharpen the appeal of the outlets and take advantage of strong domestic consumption.

Joint Statement of Chairman & CEO

INVESTOR RELATIONS

While the global pandemic constrained businesses in the past two years, it is imperative for us to stay engaged with our investors proactively. The COVID-19 pandemic has restricted face-to-face meetings, but we made a conscious effort to maintain a high level of engagement and transparency. At Sasseur REIT, we are committed to providing timely updates and disclosures to our valued unitholders and the broader investment community. As part of our communications programme, we continue to update all stakeholders on corporate developments through regular analyst and media engagements. Besides participating in external panel discussions and investor webinars, we also pivoted to communicating through digital formats more actively and also raised our visibility and profile on well-followed social media platforms like LinkedIn. We appreciate the value and importance of providing viable channels for unitholders to raise questions and have their concerns addressed as part of an effective investor relations programme.

Our intensive investor engagement efforts were recognised by IR Magazine who awarded us the Certificate for Excellence in Investor Relations and we were also nominated for the Best Investor Relations Website (South East Asia) Award.

ACCOLADES AND RECOGNITIONS

The Year 2021 has been a bumper year for Sasseur REIT with the crowning of four accolades, which include:

- The Highly Esteemed Corporate Excellence and Resilience Award by Singapore Corporate Awards 2020/2021 (Special Edition);
- Singapore Corporate Governance Award Runner-up (REITs & Business Trusts Category) by SIAS Investors' Choice Awards 2021;
- Best Corporate Communications & Investor Relations (Gold); and
- Best Governed and Transparent Company (Gold) by Global Good Governance Award™ 2021

We have also seen improved rankings from 25th to 17th place in the Singapore Governance and Transparency Index 2021, and from 34th to 20th place in the Governance Index for Trusts 2021. These achievements were the fruits of labour and dedication of the team.

During FY2021, the core management team of the REIT Manager underwent a smooth succession and leadership renewal. Building on the solid foundation laid by the original team, the new team has further strengthened areas such as corporate governance, risk and compliance management, while maintaining positive interactions with the investing community.

At the same time, we will continue to uphold a high level of corporate transparency by ensuring timely and high standards of disclosure. We will share the operational performance in an open and fair manner, reflecting the high level of compliance, openness and efficiency of the REIT Manager's governance. We will continue to place great emphasis in upholding strong corporate governance principles and building trust with stakeholders, in addition to our commitment to continue delivering sustainable returns for our unitholders.

APPRECIATION

Sasseur REIT's many significant accomplishments in 2021 would not have been possible without the contributions of our Board of Directors, the REIT Management and Entrusted Manager teams, supportive unitholders, collaborative business partners and committed tenants.

On behalf of the Board, we also wish to express our appreciation to the management and staff of Sasseur Group for their innovation, tenacity and commitment to excellence in the face of a challenging environment over the year. We would also like to thank our tenants, shoppers and business partners for their faith and trust.

We look forward to your continued support as we take Sasseur REIT to greater heights and set new frontiers in the years ahead.

主席与首席执行官致辞

尊敬的单位持有人，

我们谨此代表董事会提供截至2021年12月31日财政年度（“2021财年”）的砂之船房地产投资信托基金（“砂之船房托”）的年度报告。尽管经济背景充满挑战和不确定，在全球新冠疫情大流行以及2021年中国相当多变的经营环境下，我们仍保持强劲的资产和亮眼的财务业绩。这主要归功于我们的投资组合的韧性，以及房托管理人实施的全面的规划和风险管理协定，这使得砂之船房托继续在以最小幅度的干扰之下运营。

随着我们继续生活在疫情大流行的时代，我们将继续专注于进一步加强砂之船房托的投资组合韧性，并进行审慎的资本管理，开拓前方的道路并变得更加壮大。

在运营环境不确定和多变的情况下，仍有出色的表现

2021年对于砂之船房托来说是不平凡的一年，我们将其视为对中国国内经济的代表。尽管在新冠疫情、电力短缺和某些行业的监管打压之下，中国经济增长在2021年下半年明显放缓，但整体经济复苏仍然保持稳定。中国凭借国内市场的强劲表现，实现了8.1%的可见GDP增长，高于世界银行公布2021年全球GDP平均增长的5.5%。一整年来，我们房托的管理团队和委托管理人团队始终保持专注与坚定，不惧由动荡的宏观经济背景所带来的挑战。

砂之船房托的强劲表现，也是砂之船集团（“发起人”）在面对挑战时坚韧不拔和追求卓越的成果。在精明的管理层带领下，集团独特的“艺术商业”理念确保其商场的设计和生活方式元素不断得到更新，并吸引追求理想生活方式的消费者。

发起人强大的运营能力

自2020年初冠病疫情在中国爆发以来，发起人成功预判了形势的严峻性，并且率先在行业内作出了快速和积极的应对措施，这包括了快速关闭了集团所有门店，包括房托所拥有的四个奥特莱斯，并加强内部深、细、新经营能力改革。发起人团队也专注于线上平台的战略，积极谋划线上销售等等，以增加在线销售的贡献，成功实现了转“危”为“机”，在疫情得到稳定控制之后，实现了业绩的快速恢复和增长。意外而来的疫情成为了发起人组织变革的转换器和加速器，发起人快速适应市场变化，显示出强大的商业运营能力。

独有和创新的EMA模式

砂之船房托过去两年的出色财务表现验证了砂之船房托独特且创新的委托管理协议（“EMA”）模式的实力和韧性，使房托能够相对缓解2020年中国爆发疫情所带来的严重影响，并于2021财年，受益于销售业绩的强劲反弹。

发起人33年来始终坚定实施“艺术商业、营运为本”的战略方针，建立了一支有激情、创造力的强大专业营运团队，长期保持了奥特莱斯销售的可持续高增长。EMA模式是个独特的零售商业模式，该模式更好地协调了业主和租户的利益，从而将传统商场惯用的业主固定租金模式，替换为一种与租户的销售额直接挂钩的销售佣金模式，类似于“互联网联营抽扣模式”。

在EMA模式中，有一个固定部份以提供稳定增长的收入，以及一个浮动部份，让单位持有人能参与并受益于房托奥特莱斯销售业绩的上升。而零售租户的每一笔销售都进入了房托的银团监管的账户，并从中抽取一定比例作为房托的EMA浮动租金，让房托的所有投资者都享受了销售带来的高增长。再加上EMA固定部份中每年3%的固定增长的租金，确保了房托在疫情期间获得公正、透明而又有稳定增长的收益。这有助于将房托管理人的利益与单位持有人保持一致。

出色的财务表现

在2021财年，EMA租金收入同比增长5.5%至人民币6.119亿元，其中浮动部份增长了11.7%。这与砂之船房托的四个奥特莱斯购物中心所记录的12.3%销售额增长一致，总销售额为人民币41.846亿元。尽管中国某些地区的商业环境动荡且受到新冠疫情的限制，但销售额的增长反映了投资组合的韧性。砂之船房托在强劲的消费趋势下，加上与租户密切合作的密集促销活动，促成了更高的销售额。

砂之船房托的2021财年可分配收入创下历史新高，让我们以优异的业绩结束了2021财年，并超越了新冠疫情之前的水平。在2021财年，可分配收入同比增长了19.3%至9390万新元，而每单位派息（“DPU”）则同比增长了8.5%至7.104新分。这是一个新的里程碑，尽管在2021财年保留了770万新元用于资助房托的各种资产增值计划和其他营运资金用途，但仍比上一年6.545新分的DPU高出8.5%。在无保留的情况下，2021财年的DPU则将为7.740新分，比2020财年增长18.3%。这也代表了砂之船房托自2018年3月上市以来连续三年实现DPU增长。

截至2021年12月31日，房托的奥特莱斯组合估值约人民币85.0亿元，比2020年12月31日的估值高出4.4%，比2019年12月31日疫情前估值高出3.5%。考虑到在这充满挑战的奥特莱斯市场下，这一点更加值得赞许，并且能够证明我们的投资组合和资产管理策略是有效的。截至2021年12月31日，砂之船房托的每单位资产净值接近99新分，这得益于我们投资组合强劲的基本面，也受益于较高的资产估值和坚挺的人民币汇率。

砂之船房托在S-REIT中继续拥有最低的负债水平。凭借较高的物业估值，其资产负债率从2020年12月31日的27.9%下降至2021年12月31日的26.1%。其利息覆盖率从一年前的4.0倍提升至2021年12月31日的5.1倍。这反映了我们投资组合的强劲基本面以及审慎的资本管理，并扩大了债务空间，让我们可以寻求潜在的收购机会。

我们认为砂之船房托必须优化其资产负债表，以实现未来的增长。我们已经开始在为2023年3月约5.186亿新元的境内和境外债务到期之前，做再融资的计划。我们的目标是通过再融资计划错开未来的债务期限和金额，以解决集中风险。随着时间的推移，我们将努力通过不同的途径融资，以使资金来源多样化，以开拓更广泛的资本来源。

总而言之，砂之船房托自上市以来就不断发展壮大，并且表现非常出色。

虽然中国最近推动的“共同繁荣”可能会对经济和企业带来一些短期挑战，但预计它将在未来提供长期的可持续利益。各项举措有望能缓解成本压力，从而为我们奥特莱斯的主要客户群中的中等收入人群，释放更多可自由支配的消费能力。这预示着砂之船房托代表将受益于这强大国内市场。

总体而言，中国政府的双循环战略将是其经济的中流砥柱，并将成为推动消费需求的关键驱动力。

行业前景

世界银行预计中国2022年经济增速放缓但仍然保持5.1%的健康增长，仍然高于全球预期GDP增长的4.1%。而中国已将2022年的GDP目标定为5.5%左右。尽管经济增长可能放缓，但我们认为奥特莱斯业务作为物有所值的购物目的地的独特定位，仍然具有很大的吸引力。中国奥特莱斯购行业的结构性增长趋势得益于中国不断壮大的中产阶级、可支配收入增加、品牌全球化程度提高以及对价格合理奢侈品不断增长的需求。

奥莱行业有着“逆周期”增长特性

自2020年新冠疫情发生以来，全球的商业都受到很大影响。但我们不难发现，无论是欧美、还是亚洲，奥莱行业的恢复速度和增长速度都是最快的，这再次证明了奥莱行业是整个时装产业链最值得信赖的一环。“经济越差，日子越紧，奥莱折扣的生意越好”。我们从过去的经验中发现，消费者在经济下行时更有可能购买打折商品，因为它们更具有高性价比。与此同时，租户也更需要通过打折来快速清理库存。这是在经济前景疲软时，奥莱业务的逆周期特性。

根据中国灼识咨询的一项研究，预计中国的奥特莱斯业务在2021年至2030年之间将以17.9%的复合年增长率增长。到后期，中国的奥特莱斯业务预计将达到相当于962亿美元，超过美国市场预期的915亿美元。

看涨的行业预测与砂之船房托的经验相符。根据行业研究机构中国奥莱网的数据，尽管在商业环境不确定的情况下，去年销售额超过10亿元的奥特莱斯数量却增加到46家¹，相比起2020年的39家以及2019年的34家²。这也是单一奥特莱斯的销售额首次突破50亿元的一年。

主席与首席执行官致辞

尽管存在宏观经济担忧和新冠疫情限制，但事实证明，中国消费者的奥特莱斯支出具有显著的弹性。砂之船房托的总销售额同比增长了12.3%，与中国达到44.1万亿元人民币³的12.5%零售总额增长一致。这对砂之船房托来说是个好的预示，因中国希望以可持续的方式，来继续扩大其国内消费。

砂之船房托的奥特莱斯处于有利位置，可从中国国内航空旅游的复苏中受益，尤其是在假期期间城际旅行，增加奥特莱斯的客户流量。然而，我们也密切关注可能影响我们奥特莱斯业务的风险因素，并相应调整我们的策略。其中风险包括可能在我们的奥特莱斯所在的城市爆发疫情，如果情况变得严重，可能会导致城市封锁。这将会影响到我们奥特莱斯的运营。

我们也留意到美联储已经开始加息，这可能会影响全球经济，并对整个S-REIT行业带来影响。正如最近于2022年2月下旬爆发的俄罗斯与乌克兰冲突，说明了地缘政治，也是另一个风险，可能扰乱全球能源和食品供应。然而，砂之船房托作为中国国内经济和消费增长复苏的代表，我们仍然保持谨慎乐观，因为中国领导人已承诺为经济提供更多支持，包括降低利率和向经济注入更多流动性的资金。这与世界上其他已经并希望提高利率的主要中央银行形成鲜明对比。

积极资产管理策略

我们通过资产改造计划（“AEI”），来提升物业的战略已经取得了成果。在2021年，我们通过执行有效的AEI，成功提升了合肥和重庆两江奥特莱斯的定位，提升了各自的出租率。我们的目标是通过增加来自所有领域的高收益租户以及著名的国际和国内品牌来增强购物者体验，从而极力提高每个奥特莱斯的回报。我们也成功地将重庆两江店和重庆璧山店的管理结合成一个“统一的生态系统”，从而通过提高这两家奥特莱斯的协同效应、交叉销售、联合推广和商场空间的利用，释放更高的价值。

我们将继续积极支持具有潜力的奥特莱斯租户，以作为我们培养“零售冠军”战略的一部分——这些租户每年的销售额至少可达到1000万人民币，具有上行的销售潜力。我们与租户的利益保持一致，并密切合作，通过库存管理等战略，提升销售业绩，为促销员提供激励，并不断完善客户的到店体验。

作为我们与租户合作的一部分，所有四个奥特莱斯都加强了促销力度与积极的客户参与。通过跨行业的促销与活动加强我们的VIP计划，再加上客制的服务以提升购物体验，我们看到了25%VIP数量的同比增长，截至2021年12月31日，达到了264万VIP数量的新高。此外，我们还采取了全渠道营销策略，通过线上和线下的互动以接触更广泛的客户群。我们的在线电子化工作跨越流行的社交媒体平台，包括小红书、微博和抖音，满足了精通科技群和年轻一代消费者的需求。我们还定期进行直播，加强我们的促销活动，以吸引购物者光顾我们的奥特莱斯。

长期增长战略

我们的首要任务包括为我们的单位持有人带来增长。除了来自动产管理的有机增长外，我们将通过利用我们的发起人的广泛网络和管道资产，积极寻求合适的增值收购机会。我们将把重点放在人口基数大、人口趋势良好的中国目标城市，并锁定具有吸引力的基本面和长期增长潜力的物业。

2021年10月，砂之船集团在苏州开设了第14家奥特莱斯，继续扩大在中国的业务版图和品牌影响力。发起人的优先购买权资产，包括了两个具有良好增长前景的大型奥特莱斯，分别位于西安和贵阳。我们将寻求在适当的时机将这些资产纳入砂之船房托。

在发起人的物业之外，我们将继续仔细评估潜在的收购机会，为单位持有人创造更高价值。我们将仔细评估我们所有的选择，并进行符合砂之船房托投资标准的收购。

在我们稳健的资产负债表的支撑之下，砂之船房托将继续推进资产增值工作，并通过积极续约来优化租户组合，以改善资产定位和购物体验。委托管理人将继续在我们的奥特莱斯实施业态组合多元化计划，以提高吸引力并挖掘强劲的国内消费。

1 资料来源: <https://outletscn.com/news/business-data/2021chinaoutletssalesrank0126/>

2 资料来源: <https://www.chinadaily.com.cn/a/202102/18/WS602dc1d7a31024ad0baa93f1.html>

3 资料来源: 中国国家统计局 http://www.stats.gov.cn/english/PressRelease/202201/t20220118_1826503.html

投资者关系

尽管全球疫情大流行在过去的两年来限制了许多企业，我们仍必须与投资者保持积极的联系。新冠疫情大流行限制了面对面的会议，但我们致力地保持了高水平的参与度和透明度。在砂之船房托，我们致力于向我们尊贵的单位持有人和更广泛的投资界提供及时的更新和披露。作为投资者关系沟通计划的一部分，我们通过定期的分析师、媒体人和投资者研讨会，继续向所有利益相关者通报公司发展的最新情况。除了参与外部讨论和网络研讨会外，我们也积极地通过电子形式进行交流，提高了我们在领英等广受欢迎的社交媒体平台上的知名度与形象。砂之船房托重视投资者关系的价值和重要性，并感激单位持有人通过各种渠道，向我们提出问题并解答他们的疑虑。

我们积极的投资者关系工作，获得了投资者关系杂志颁发的卓越投资者关系证书的认可，我们还被提名为最佳投资者关系网站（东南亚）奖项。



奖项与认可

2021年是砂之船房托的丰收年，荣获四项荣誉，其中包括：

- 2020/2021年新加坡企业奖（特别版）颁发的备受推崇企业卓越和韧性奖；
- 2021年SIAS投资者选择奖颁发的新加坡公司治理奖亚军（房地产投资信托和商业信托类别）；
- 由2021年全球良好治理奖颁发的最佳企业沟通与投资者关系（金奖）；和
- 最佳治理和透明公司（金奖）

砂之船房托也在2021年的新加坡治理和透明度指数排名中，从第25位提升到第17位，在信托治理指数中的排名从第34位提升到第20位。这些奖项彰显了砂之船团队的辛勤工作和奉献精神。

在2021财年中，房托管理团队的核心成员完成了迭代和领导层更新，在原有团队打造的良好基础上，新团队在公司治理，风险及合规管理等方面有了进一步的加强，并与投资社区保持着良性互动。

砂之船房托将继续坚持良好的公司治理原则，将在运营方面取得的业绩，公开公正，并及时地分享给市场，体现了房托合规、透明、高效的治理水平。我们致力与利益相关者建立信任，同时承诺继续为我们的单位持有人提供可持续的回报。

感谢

砂之船房托在2021年之所以能取得许多重大成就，得感谢我们的董事会、房托管理团队和委托管理团队、以及支持我们的单位持有人、业务合作伙伴和租户的贡献。

我们也谨此代表董事会，感谢砂之船集团的管理层和员工在过去一年面对充满挑战的环境时所表现出的创新、坚韧和追求卓越的表现。对于我们的单位持有人、业务合作伙伴，租户和客户，我们要感谢大家对砂之船房托的支持和信任。

我们期待您的继续支持，团队将带领砂之船房托继续开拓新的领域，迈向另一高峰！

STRONG

& RESILIENT GROWTH

PERFORMANCE REVIEW

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Sasseur (Chongqing Liangjiang) Outlets

FINANCIAL HIGHLIGHTS



Total Outlet Sales

(RMB million)

4,184.6

4,826.1

3,727.2

4,184.6

2019

2020

2021

CHONGQING LIANGJIANG¹

(RMB million)

2,178.2

HEFEI

(RMB million)

900.4

2,342.5

1,852.3

2,178.2

1,140.4

845.1

900.4

2019

2020

2021

2019

2020

2021

CHONGQING BISHAN²

(RMB million)

374.0

KUNMING

(RMB million)

732.0

459.1

368.5

374.0

884.1

661.3

732.0

2019

2020

2021

2019

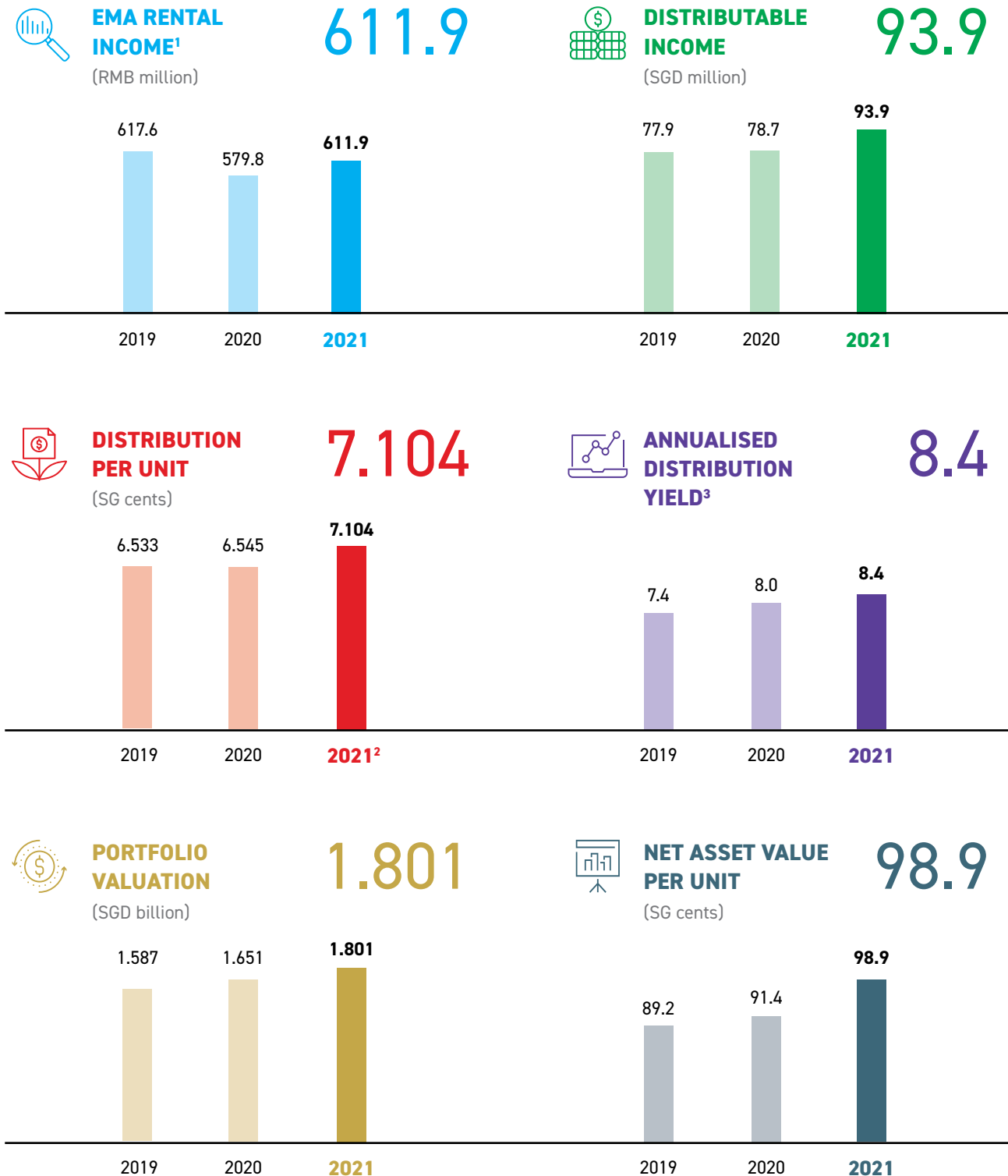
2020

2021

Notes:

- 1 Formerly known as Chongqing Outlets
- 2 Formerly known as Bishan Outlets

Financial Highlights



Notes:

- 1 EMA rental income exclude straight-line adjustments.
- 2 After retention for asset enhancement initiatives and working capital.
- 3 Annualised distribution yield based on the closing price of S\$0.885, S\$0.820, S\$0.845 as at 31 December 2019, 31 December 2020 and 31 December 2021 respectively.



Sasseur (Hefei) Outlets

YEAR IN BRIEF 2021

22 APR 2021

FY2020 Annual General Meeting

4 MAR 2021

CGS-CIMB - Okasan
Securities Investor
Presentation

18 MAY 2021

CLSA Group Call Investor
Presentation

8 JUN 2021

Maybank Kim Eng Investor Presentation

15 JUN 2021

DBS-SGX-REITAS Virtual Conference



Sasseur (Chongqing Liangjiang) Outlets

8 JUL 2021

CLSA Group Call Investor Presentation

14 JUL 2021

OCBC Securities Investor Webinar

8 SEP 2021

SGX-Haitong International Singapore Corporate Day - Investor Presentation

16 NOV 2021

Sasseur REIT Won Best Governed and Transparent Company (Gold) and Best Corporate Communications & Investor Relations (Gold) at the Global Good Governance Awards 2021

17 NOV 2021

Sasseur REIT Won Corporate Excellence and Resilience Award at the Singapore Corporate Awards 2020/2021 (Special Edition)

18 NOV 2021

Phillip Securities Investor Presentation

24 NOV 2021

SGX REITAS Investor Presentation

1 AUG 2021

Appointment of New Chief Executive Officer

17 AUG 2021

Soochow Securities Investor Presentation

25 AUG 2021

Citi-SGX-REITAS REITS / Sponsors Forum 2021 Investor Presentation

12 OCT 2021

Sasseur REIT Won Prestigious Singapore Corporate Governance Award at SIAS' Investors Choice Awards 2021

25 OCT 2021

SGX - NH Securities Virtual SREITs Corporate Access Investor Presentation

1 DEC 2021

Appointment of New Chief Financial Officer

FINANCIAL REVIEW

FINANCIAL OVERVIEW

CONSOLIDATED STATEMENT OF TOTAL RETURN AND DISTRIBUTION STATEMENT	FY2021 S\$'000	FY2020 S\$'000	CHANGE %
EMA Rental Income¹	127,507	115,758	10.1
REIT Manager's Management Fees	(11,083)	(7,910)	(40.1)
Trust Expenses	(1,557)	(2,515)	38.1
Exchange Differences	3,354	3,341	0.4
Finance Costs (net)	(23,947)	(28,412)	15.7
Total Return before Fair Value Adjustments and Tax	94,274	80,262	17.5
Change in Fair Value of Financial Derivatives	183	(225)	n.m.
Fair Value Adjustments to Investment Properties	69,698	(15,798)	n.m.
Total Return before Tax	164,155	64,239	>100
Tax Expense	(41,298)	(17,216)	n.m.
Total Return Attributable to Unitholders	122,857	47,023	>100
Distribution Adjustments	(28,952)	31,712	n.m.
Income Available for Distribution to Unitholders	93,905	78,735	19.3
Less: Amount retained ²	(7,713)	-	n.m.
Amount to be distributed to Unitholders	86,192	78,735	9.5

n.m. - Not meaningful

EMA RENTAL INCOME

Sasseur REIT's EMA rental income (excluding straight-line adjustments) was S\$127.5 million, increasing by S\$11.7 million or 10.1% as compared to FY2020. In RMB terms, EMA rental income (excluding straight-line adjustments) increased 5.5% year-on-year ("y-o-y") to RMB 611.9 million, lifted by 11.7% increase in the variable component of EMA rental income attributed to 12.3% higher sales as compared to FY2020. The increase in sales reflected the resilience of the portfolio despite the volatile business environment in China. Sasseur REIT continued to see robust consumption trends in the cities where its outlets are located, coupled with intensive promotional efforts in close collaboration with tenants which led to the higher sales.

MANAGEMENT FEES

Sasseur REIT adopts a base and performance fee structure based on distributable income (or income available for distribution to Unitholders) and distribution per Unit ("DPU") growth respectively to derive the management fees to the REIT Manager which is aligned with the interests of the Unitholders. Under the Trust Deed, the Manager is entitled to receive a base fee of 10.0% per annum of the distributable income, as well as a performance fee of 25.0% of the difference in DPU in a financial year compared to the preceding financial year, multiplied by the weighted average number of issued Units. The Manager's management fees of S\$11.1 million for FY2021 was 40.1% higher than FY2020 due to higher base fee on higher distributable income and performance fee on the growth of DPU y-o-y.

The REIT Manager has elected to receive 100% of its management fees in the form of Units for FY2021.

1 For a more meaningful comparison, EMA rental income excludes straight-line adjustments of S\$(7,343,000) for FY2021 and S\$(9,490,000) for FY2020.

2 S\$7.7 million of the income available for distribution has been retained to fund asset enhancement initiatives and for working capital purposes.

FINANCE COSTS

Finance costs (net) of S\$23.9 million were 15.7% lower than FY2020 largely due to the refinancing exercise in September 2020, which successfully lowered the weighted average cost of borrowings to 4.4% (FY2020: 4.9%). More information on the borrowings is available in the Capital Management section.

TRUST EXPENSES

Trust expenses of S\$1.6 million were 38.1% lower than FY2020 largely due to the absence of non-recurring tax advisory fees incurred for the purpose of obtaining preferential tax rate on dividend received from the PRC Property Companies and additional professional fees incurred for the refinancing in FY2020.

FAIR VALUE ADJUSTMENTS TO INVESTMENT PROPERTIES AND CHANGE IN FAIR VALUE OF FINANCIAL DERIVATIVES

Change in fair value of investment properties represents the fair value gain on investment properties based on the portfolio valuation carried out by Savills Real Estate Valuation (Beijing) Limited as at 31 December 2021 compared to the carrying value of the properties.

Fair value gain on investment properties of S\$69.7 million was largely due to higher future tenants' sales growth and improved performance expected by the valuer, after adjusting for capital expenditures on investment properties. More information on the investment properties is available in the Valuation of Properties section.

Net fair value gain on financial derivatives of S\$0.2 million were attributable to the mark-to-market valuation of interest rate swap contracts which were entered into to hedge interest rate exposure.

These fair value adjustments do not have an impact on income available for distribution to unitholders.

TAX EXPENSE

Tax expense of S\$41.3 million was higher than FY2020 by S\$24.1 million largely due to higher operational profit as compared to FY2020 which was impacted by the temporary closure of outlets as a result of the outbreak of the COVID-19 pandemic in early 2020 and deferred tax expense arising from fair value gain on investment properties.



Sasseur (Hefei) Outlets

FINANCIAL REVIEW

DISTRIBUTION ADJUSTMENTS

Distribution adjustments include non-tax deductible expenses relating to the REIT Manager's management fees which are payable in the form of Units, amortisation of upfront debt-related transaction costs, change in fair value of investment properties, deferred tax expense, change in fair value of financial derivatives as well as unrealised exchange differences.

DISTRIBUTION ADJUSTMENTS	FY2021 S\$'000	FY2020 S\$'000	CHANGE %
REIT Manager's management fees payable in Units	11,083	7,910	40.1
Amortisation of upfront debt-related transaction costs	6,367	8,098	(21.4)
Fair value adjustments to investment properties	(69,698)	15,798	n.m.
Deferred tax expense	26,259	3,263	n.m.
Unrealised exchange differences	(2,780)	(3,582)	22.4
Change in fair value of financial derivatives	(183)	225	n.m.
Total distribution adjustments	(28,952)	31,712	n.m.

DISTRIBUTABLE INCOME

Income available for distribution to unitholders before retention for FY2021 was S\$93.9 million, 19.3% higher as compared to S\$78.7 million for FY2020. S\$7.7 million of the income available for distribution for FY2021 has been retained to fund asset enhancement initiatives and for working capital purposes. After cash retention, the amount distributed and to be distributed to unitholders for FY2021 was S\$86.2 million.

STATEMENT OF FINANCIAL POSITION HIGHLIGHTS	AS AT 31 DEC 2021	AS AT 31 DEC 2020	CHANGE %
Investment Properties (S\$'000)	1,801,013	1,651,052	9.1
Total Assets (S\$'000)	1,989,839	1,858,208	7.1
Total Borrowings (S\$'000)	510,572	504,254	1.3
Total Liabilities (S\$'000)	780,631	752,794	3.7
Net Assets attributable to Unitholders (S\$'000)	1,209,208	1,105,414	9.4
Number of Units in Issue and Issuable ('000)	1,222,205	1,209,412	1.1
Net Asset Value per Unit (S\$)	0.99	0.91	8.2

ASSETS

As at 31 December 2021, the total assets held by Sasseur REIT were S\$1,989.8 million compared to S\$1,858.2 million as at 31 December 2020. The increase in total assets of S\$131.6 million was mainly due to the fair value gain on investment properties and net translation gains relating to total assets denominated in Renminbi arising from appreciation of Renminbi against Singapore dollar as compared to 31 December 2020. More information on the investment properties is available in the Valuation of Properties section.

UNITS IN ISSUE

During FY2021, Sasseur REIT issued 10,580,783 new Units as payment of management fees to the REIT Manager. As a result, the total number of Units in issue increased to 1,217,119,076 as at 31 December 2021 from 1,206,538,293 as at 31 December 2020.

NET ASSET VALUE

Net Asset Value (“NAV”) per Unit as at 31 December 2021 was higher at 98.94 Singapore cents from 91.40 Singapore cents as at 31 December 2020, mainly attributed to the fair value gain on investment properties and net translation gains relating to assets and liabilities denominated in Renminbi arising from appreciation of Renminbi against Singapore dollar as compared to 31 December 2020.

ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore and the provisions of the Trust Deed.

VALUATION OF PROPERTIES

OUTLETS	RMB/S\$ MILLION	VALUATION AS AT 31 DECEMBER 2021	VALUATION AS AT 31 DECEMBER 2020	CHANGE (%)
CHONGQING LIANGJIANG ¹	RMB	3,121.0	2,982.0	4.7
	S\$	661.5	604.7	9.4
CHONGQING BISHAN ²	RMB	838.0	809.0	3.6
	S\$	177.6	164.1	8.2
HEFEI	RMB	2,883.0	2,758.0	4.5
	S\$	611.1	559.3	9.3
KUNMING	RMB	1,655.0	1,593.0	3.9
	S\$	350.8	323.0	8.6
PORTFOLIO	RMB	8,497.0	8,142.0	4.4
	S\$	1,801.0	1,651.1	9.1

As at 31 December 2021, Sasseur REIT’s properties were independently assessed at S\$1,801.0 million (RMB8,497.0 million) by Savills Real Estate Valuation (Beijing) Limited. The Trustee had appointed the valuer for the valuation of properties as at 31 December 2021. In RMB terms, valuation of investment properties was 4.4% higher than RMB8,142.0 million valued as at 31 December 2020, which were driven by higher future tenants’ sales growth and improved performance expected by the valuer, after adjusting for capital expenditures on investment properties. In Singapore dollar terms, valuation of investment properties was 9.1% higher as compared to 31 December 2020. The increase was mainly due to the fair value gain on investment properties and net translation gains relating to valuation of investment properties denominated in Renminbi arising from appreciation of Renminbi against Singapore Dollar as compared to 31 December 2020.

Notes:

- 1 Formerly known as Chongqing Outlets
- 2 Formerly known as Bishan Outlets

UNIT PRICE PERFORMANCE

SASSEUR REIT TRADING DATA IN FY2021

Highest Unit Price At Closing (S\$)	0.970
Lowest Unit Price At Closing (S\$)	0.810
Closing Unit Price on 31 December 2021 (S\$)	0.845
Total Trading Volume (million units)	435
Average daily trading volume (million units)	1.72

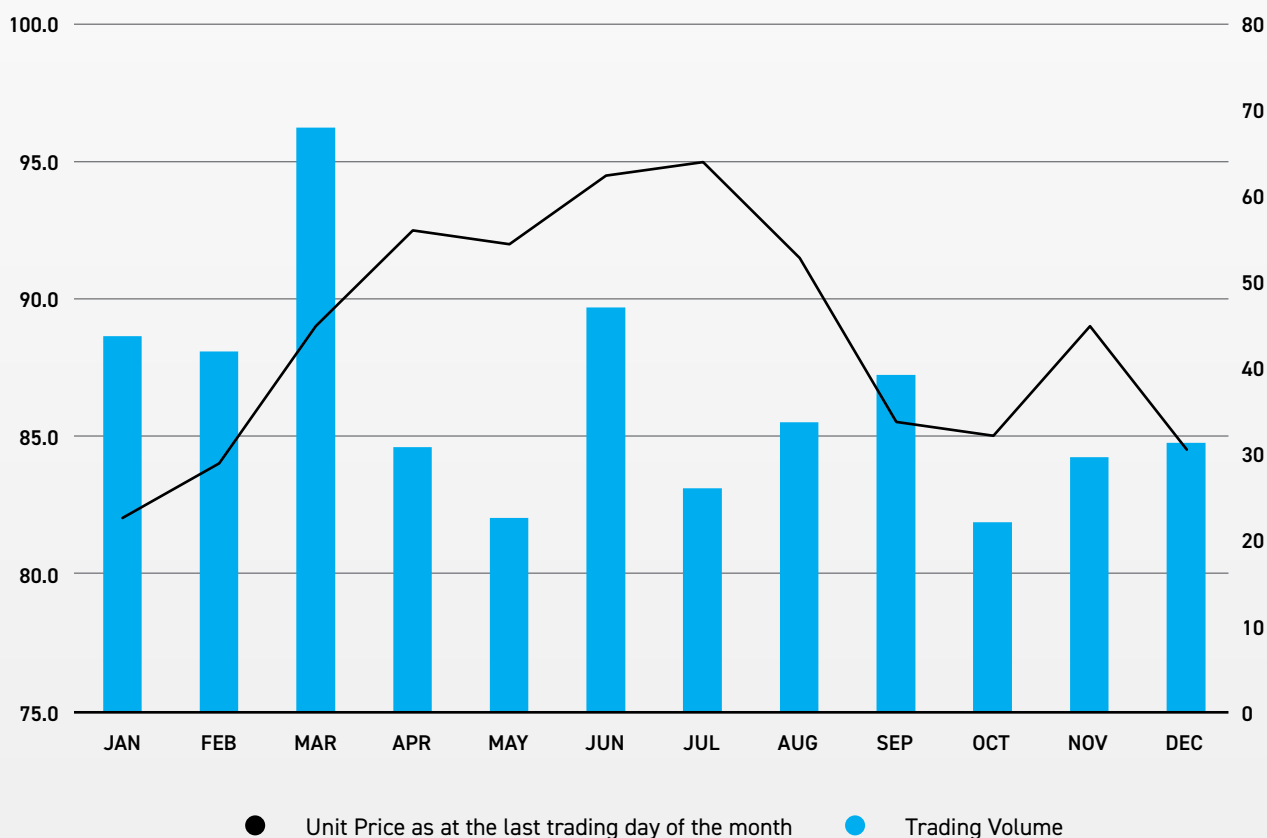
Source: ShareInvestor, Miraql

UNIT PRICE

(Singapore cents)

TRADING VOLUME

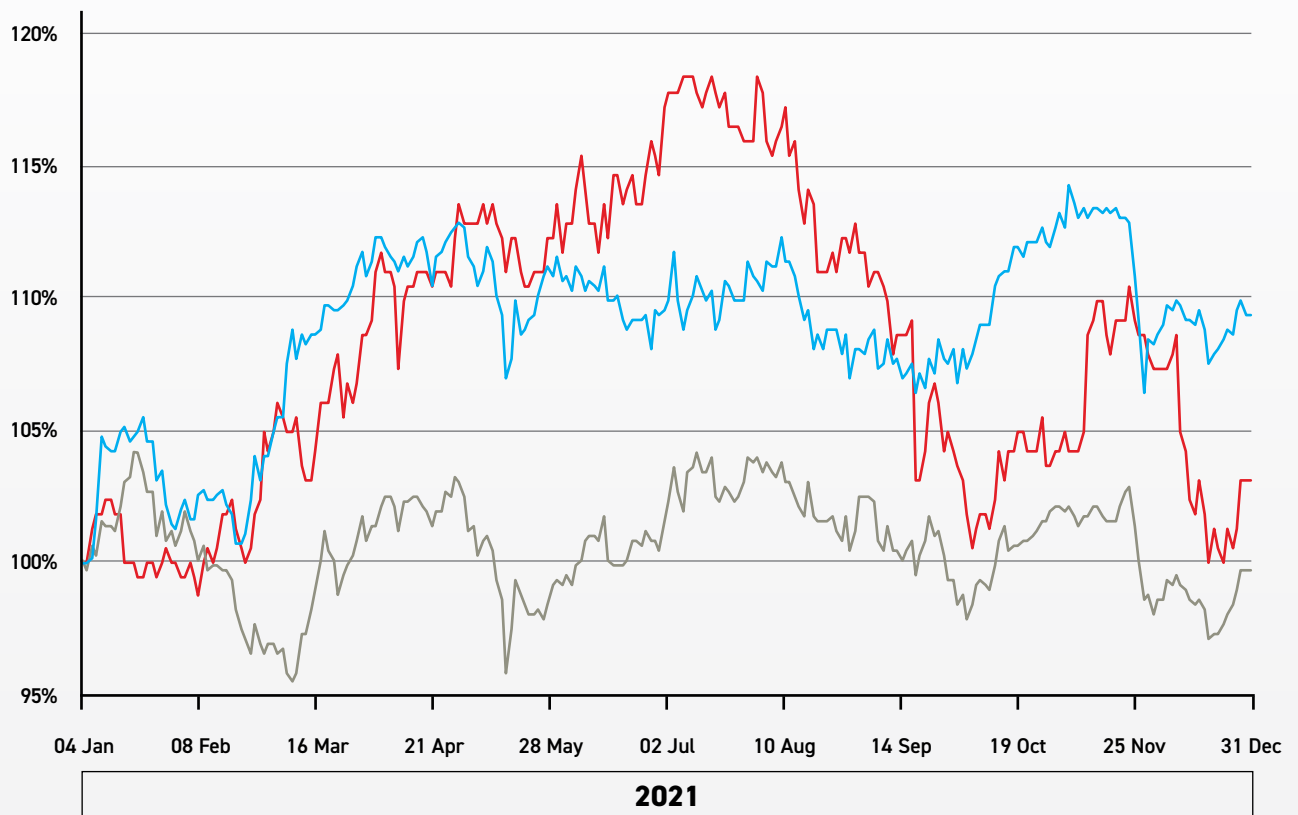
(million units)



Unit Price Performance

COMPARATIVE TRADING PERFORMANCE VS MAJOR INDICES

PRICE



● Sasseur REIT ● FTSE ST Real Estate Investment Trusts Index ● Straits Times Index



LEADER IN

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Sasseur (Chongqing Liangjiang) Outlets

品牌故事

艺术与商业的对话

1980年代，对于中国内地而言，是一个充满惊奇、梦想和浪漫气息的年代，一个将哲学启蒙、思想自由、艺术探索澎湃地交织在一起的精神黄金时代。那个时代，并不以物质的丰盛见长，却涌现出大量中国当代最杰出的诗人、作家、画家、音乐人，其影响力直到今天，依然巨大。

1985年，重庆北碚，西南师范大学。

二十岁的徐荣灿骑着一辆嘎吱作响的二八零自行车，风吹拂起他的长发，肩上的帆布背包里，装着他的青春激情和艺术梦想——几本教材、一台老相机。对于艺术美学有着敏锐直觉的徐荣灿，彼时选择用镜头去捕捉他所看到的，用胶片来表达他所想到的——外表简单而内心细腻的他，更喜欢选择用黑白胶片来叙述他对世界的感受。庄子说：五色乱目。在他看来，纯粹的黑白与变幻莫测、微妙灵动的灰色一起，更能真实地还原光影交错的丰富的瞬间，更有冻结时间的魔力。在光影的神奇混合中，艺术的基因也被深深地植入到他的血液里。

1988年，成为西南师范大学一名年轻教师的徐荣灿创下了一个奇迹——年轻的生物系老师——不仅在自己的专业上获得全国的奖项，还在全国性的青年摄影家比赛中拿了奖。这也许就是一种暗示——这个年轻人今后注定会用某种方式，去和艺术做极其精彩的对话。

好的艺术作品就是精神交流的载体，一群怀着梦想的年轻人，一瓶啤酒、一把吉它，就可以在球场边聊一整夜。从文学、艺术，到音乐，人生……不断地有人加入，最初的两两知己的聚会变成了越来越多的一群朋友的狂欢。梦想也在年轻不羁的灵魂碰撞下越来越广阔。作为这群追梦人的领头者，徐荣灿更看重创造过程中的精神愉悦。他东拼西凑了6500元人民币，第一次尝试着把艺术感受放置于活动空间，变成可持续的体验。在他看来，艺术或许不仅仅是有限的平面展示，它可以变成一个立体的体验空间。

1989年，重庆北碚。西南大学的校园一隅。一间小小的咖啡馆悄然开张了。竹篱笆的墙上挂满了老照片，船家的缆绳挂着大红的灯笼，厚实的实木门正好迎着夕阳的方向。就像对自己最心爱的孩子，取个什么名字呢？从开始创作到开门迎宾，已过月余，仍然没有想出合适的名字。那时台湾歌手苏芮的专辑《台北东京》刚刚火到内地。台北、东京，是遥远而陌生的两个地名，却让人联想到多元的生活影像与文化背景。专辑里的一首《砂之船》是大家的最爱，这首歌夜夜吟唱在绿荫深处的小咖啡馆，淡淡的忧伤与青春的迷茫经由苏芮的空灵歌声，婉婉悠扬，很符合文艺青年的心境。但徐荣灿感受到的却是小船终会抵达的梦想和远方。就叫“砂之船”吧，这个名字代表了徐荣灿对艺术现状的思考，也寄托了他对未来的期望。于是门口放一摞的土陶罐，贴着大红的纸，酣畅淋漓地写上了三个书法字——“砂之船”。一旁的一位青年法语老师脱口而出“SASSEUR”，这是一个法文单词，意指经由自然动力推动的风车，是营造自然与人类和谐关系的产物，浪漫优雅。从此，“砂之船”代表着自然、自由、乐观、理想的这个名字被叫响了。

就是这间代表着啤酒、音乐、艺术、情感……名为“砂之船”的小咖啡馆，很快成了校园艺术菁英们的据点——诗人，画家，乐队，每天都排满了地下摇滚表演、美术批评沙龙……在那个精神浪漫的年代，这里俨然就是他们走出坚硬的制度化文化困境的美妙乌托邦。

咖啡馆不赚钱，但咖啡馆的沙龙氛围，让徐荣灿开始思考——获得视觉与体验快感是人类的本能，而现代人对艺术的本能渴望，已经在转化为对美好生活品质的追求。艺术源于生活，它的终极目标不是远离生活的独立存在，只有更贴近人们的现实生活，艺术才能更有活力，让生命的存在更有意义、更富于美感。

“我喜欢的东西，一定有人喜欢！”1991年，徐荣灿在离职申请上签下了自己的大名，结束了让普通人羡慕的大学老师的生涯，只带走了“砂之船”这一个名字。在欧洲短期游学之后，位于重庆解放碑临江路砂之船时装屋开张了。这是他第一次真正地将艺术理念与商业相融合。小店空间不大，砖墙、岩石，原木一如既往地粗犷，装备了专业级的音响，涂鸦的墙上挂满了从沿海淘来的牛仔褲、棉卫衣。代表西方年轻人的生活方式、别具一格的店面让“砂之船”在这个传统商业中心里一炮而红。很快，从一家小店，发展出两家、三家……客人越来越多，店面越开越大，货品也越来越丰富。市场的热烈反应让他看到了艺术与商业碰撞的火花。

90年代中期，中国复苏的市场开始呈现出繁荣的景象，一些国际品牌开始在中国寻找商业机会。徐荣灿，这个艺术气质与商业头脑兼具的人很容易就吸引到他们的关注。而徐荣灿也深深认识到在真正的奢侈品里面蕴含了丰富的历史、人文、技术，它们不仅是物质消费品，更是一种文化和艺术精神的消费。这样的认知与国际品牌长期发展的愿景高度一致，基于相互的了解与认可，双方很快建立了良好的合作关系。

1997年，由李嘉诚投建的，代表当时重庆最高消费水准的大都会购物广场开业，整个一楼的名品区，砂之船代理的国际品牌专卖店就占据了半壁江山。



Sasseur (Chongqing Bishan) Outlets

对于艺术美学有着敏锐直觉的徐荣灿，彼时选择用镜头去捕捉他所看到的，用胶片来表达他所想到的，在光影的神奇混合中，艺术的基因也被深深地植入到他的血液里。

1999年，为了更深入地了解奢侈品背后的文化逻辑，徐荣灿选择再次游学欧洲。东方与西方、历史与未来的文化的碰撞再次深深震撼了他。他开始渴望能拥有一个自己的品牌，来释放他对艺术、服装和时尚的理解。2001年，游学归来的他成立了自己的女装品牌，品牌延用了他最心爱的名字“SASSEUR”。与此同时，他在重庆璧山郊外的森林里设计修建了自己的品牌总部，与之前的空间设计不同，这一次，是全新的创作，再次沉醉于创作的激情里，每一栋建筑都由他亲自规划与设计，依山而建的红砖建筑群最终以他梦想的方式高低错落呈现在三十多亩的青山绿水之间，除了满足SASSEUR品牌设计、生产、展示的功能，小型酒店、网球场、游泳池……使得这里不仅仅是SASSEUR的品牌总部，更是一座远离尘俗的意式的时尚庄园。

自创品牌是一段神奇的体验——一边代理国际名品，一边打造自己的服装品牌——从国际品牌里学习经验，从中国市场里吸取养分，同时充分表达自己对于时尚的认知。这个定位于中高端市场的女装一经推出就得到了市场的认可，短短两年时间，“SASSEUR”就在中国二十几个城市开设了专卖店。随着市场的拓展，原材料采购和生产周期的限制，让商品与市场需求总是存在不可调和的矛盾。良好的业绩背后，日益增大的库存让徐荣灿发现了服装产业持续经营的危机。怎样在保证业绩增长的前提下降低库存，让资金高效流动，这不仅仅是砂之船女装的痛点，也是所有品牌服装的痛点。2005年，砂之船再次在重庆机场路旁拿地七十亩，开始规划筹建自己的品牌管理基地，为未来的集团化管理做准备。徐荣灿经常一边彻夜画着品牌基地的建筑草图，一边思考着如何打开这个服装产业链中的死结。

与生俱来的艺术天分与时尚触角，让徐荣灿的内心在意大利这个古老的国度感受到深深的共鸣，痴迷于意式生活方式的他经常会往来于意大利采风，在此期间，怀着对服装产业链的思考，徐荣灿发现了奥特莱斯这个新奇的事物。奥特莱斯的原意是“出口、出路”，这种专供品牌销售过季下架商品的营销形态，一方面让所有品牌商可以合理消化库存且不影响品牌形象，另一方面“名品、低价”的高性价比实质能让更多的消费者受益。这个关于“消费人性本质”的发现让徐荣灿欣喜不已，经过深思熟虑，他做了一个大胆的规划——停止代理合作，关闭女装品牌，把原本的品牌生产基地规划为奥特莱斯商场，在品牌的库存压力与消费者的性价比需求之间搭建一个链接平台。这个规划一经提出，就受到来自各方的反对与质疑——是的，已经走过最艰难的创业期，眼看着事业的大路越走越宽阔，在这样的关键时候押上集团所有成熟的业务去开辟一条前途未卜的险径，让一切回归为零，这确实是让大多数人不能理解。得不到团队支持的徐荣灿，也不由得对自己的想法产生了深深的犹疑。

2004年的夏末秋初，三位朋友相约前来参观璧山的砂之船品牌总部，充满意式风情和艺术氛围的庄园式园区让他们深感震撼，参观完毕，围坐在徐荣灿办公室的露台，远近都是极好的风景，话题从对园区建筑设计规划的赞叹自然就切换到了徐荣灿那个深藏于心的梦想。从产业的痛点，到闭环的形成，再到消费者、品牌方、经营者的利益分析，再到接下来需要解决的问题：没有商业地产的经验、没有甲方运营的经验、没有商业团队、没有项目所在地的区位优势……类似这样的讨论已经有很多次了，每次探讨的结果都会让他对自己的决策多一份犹豫。而这一次，因为一个女子的加入，现场俨然变成了一次支持与反对的灵感撞击的头脑风暴。坚定的站在徐荣灿一方的就是杨雪，时年二十一岁的她，内心纯净，聪慧伶俐，有勇善谋。讨论最后，干脆利落几个字落地有声：“为什么不试试！所有问题都有解决的办法，这么好的想法，不去实施，你永远也不会知道行不行。”看似淡定的坚毅，瞬间让徐荣灿恢复时在离职申请上签字的豪迈自信。这是很长一段时间以来，徐荣灿所得到的最肯定和直接的支持。复杂的问题变得简单，也让他胸中郁藏的所有藩篱顿消。他记住了她的名字——杨雪。他的才情与情怀感染了她，她的灵动与聪慧也打动了她，因为这一句话，从此，一个人的梦想，成为两个人的江湖。

砂之船下决心全面转航，成为中国第三家投入奥特莱斯行业中的企业。要将原有的品牌基地规划调整为奥特莱斯，要完成的不仅仅是项目调规的行政手续，还有与之配合的周边交通动线改造，涉及到交通、园林，市政，路管……多个行政主管部门，“所有问题都有解决的办法”——为了从封闭的机场高速开一个下道口直达项目，杨雪抱着规划图一个部门一个部门的跑，硬是把不可能变为可能。机场高速的匝道开口，无疑从根本上改变了砂之船集团首个奥莱项目的交通属性，打通了项目未来成功的主动脉。全面转航的砂之船面临的重大问题还是招商，集团的各部门都在摸索当中完成了部门组建与分工，唯有国际品牌的招商工作一直搁浅，同样没有经验的杨雪又再次担当，带着一群新人从零开始，梳理出意向合作国际品牌，按着商品吊牌上的地址一个个一轮轮拜访，也硬是让最初理想设定中的卖场品牌规划从图纸变成了现实……并没有太多工作经验的杨雪，凭着与徐荣灿同样的时尚敏感度，凭着对这一份梦想执着而坚定的热爱，以她特有的冷静与勇气快速地在各类工作中完成角色切换。徐荣灿所有天马行空的创意，总能经过她变成可以落地实现的好点子。而正是这种相互的肯定与认可，又激发出相互更多的潜力。向着梦想飞奔的脚步越来越充满激情——激情是不可思议的力量，激情带来创造力，也带来勇气与斗志，所有的困难都变成充满乐趣的挑战：于是，原本只满足品牌开发生产需求的现代化厂房变成了布局合理的商城，原本拦在机场路外需要绕行的砂之船奥莱有了一条从机场路直达的宽阔匝道，原本空白的招商团队在经历过实战中的学习之后，快速成长为业内最具活力的生力军……徐荣灿与杨雪之间无缝衔接的默契，无疑是砂之船成功转型的加速剂。

能引发人们共鸣共情的艺术作品才是好作品，商业也如是——能深知各方需求才能成为成功的商业体。此时的砂之船，经历了服装产业链中的所有角色：设计、生产、销售，也经历了商业中的所有角色：消费者、代理商、制造商、品牌商，恰恰是这些优于同行业的经验，让砂之船能够快速地完成角色转换，也给未来砂之船在奥莱行业中的持续稳定的运营奠定了坚实的基础。



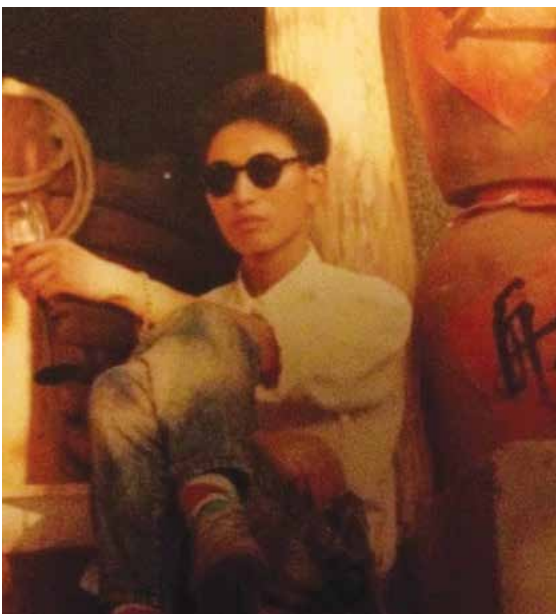
品牌故事

2008年8月8日，重庆砂之船奥莱开业迎宾，全城轰动。充满艺术魅力的商业空间环境，来自全球的时尚品牌，从消费到体验，无不刷新了一座城市的观感。商业成功与否，业绩是硬指标。开业首年，砂之船重庆奥莱年业绩4.5亿，跃居中国奥莱前三甲；开业第四年，5.5万平米的营业面积实现销售12亿元，年坪效达2.2万，位居全国行业之首。同时，砂之船奥莱项目对城市区域的价值影响力首次得以凸显——原本是一片荒地的区域，因为一个砂之船奥莱的成功，竟然在短短数年内发展为一个城市级特色商圈，不仅极大地促进了区域土地价值，还使该区域产生出强大的经济内生力，不仅改变了区域的城市风貌建设，更是在客流、社零总额、城市活力、城市就业与税收上迅速提升了一个区域的发展城市水准。这种影响力，将伴随着砂之船的每一次城市拓展，而被不断的演绎下去。

重庆砂之船奥莱的成功，由此引起了政商各界的热切关注。2010年，杭州市政府向砂之船发出邀请。砂之船，这个诞生于中国西部的年轻商业品牌，从此开始首次走出重庆，接下来，南京、合肥、昆明、长春、西安、贵阳、长沙……到2021年年末，砂之船奥莱已在中国布局十八个项目，其中十四个项目在营，福州、上海嘉定、南京II店、石家庄四个新项目也已完成签约即将落地。砂之船奥莱的旋风，伴随着徐荣灿的艺术商业理想，愈演愈烈。

与此同时，砂之船的成功也持续吸引着国际资本市场的关注。2011年，砂之船集团与全球领先的美国华平投资集团完成战略重组。2015年全球奢侈品零售巨头LVMH旗下全球最大的消费品投资公司 L CATTERTON ASIA 成为砂之船集团的重要战略股东，给企业发展带来了强大的资源优势。2016年，“砂之船超级奥莱全球发布会”在重庆盛大举行。平安不动产成为砂之船重要战略股东，同时，全球最大消费品投资公司 L CATTERTON ASIA 增持砂之船股份。

深入骨髓的艺术思维也给徐荣灿的商业实践带来深远的影响。让艺术改变生活的初衷一直影响着。如果说最初的精品小店让他感受到服装之美，接下来的国际品牌代理的经历则让他触摸到品牌文化之美，品牌制造商让他体会到技术之美，砂之船的艺术商业环境打造让他深入建筑之美。建筑是艺术，但艺术不仅仅是建筑，艺术是种子，是对自然的敬畏，对历史的尊重，对人性的歌颂。中国很



Sasseur (Chongqing Liangjiang) Outlets

从此开始首次走出重庆，接下来，南京、合肥、昆明、长春、西安、贵阳、长沙……到2021年年末，砂之船奥莱已在中国布局十八个项目，其中十四个项目在营，福州、上海嘉定、南京II店、石家庄四个新项目也已完成签约即将落地。砂之船奥莱的旋风，伴随着徐荣灿的艺术商业理想，愈演愈烈。

大，每一个城市的个性、历史、文化都不同。他把每一个项目都当成自己的艺术作品——从建筑设计，环境设计，到商业氛围营造，同时力图在地域文化中抓取设计要素，建立商业、艺术与体验者之间的和谐共融联系。也正是在这种思维的影响下，强调体验感的砂之船奥莱更具温度与识别度。他希望砂之船奥莱不仅能满足人们消费的需求，同时也是源于自然，发于心灵的艺术作品，从而成为当地的文化地标。

用艺术家的情怀去打造商业环境，用企业家的思维去开拓市场的空间，用不忘初心的坚持去滋养梦想。当砂之船旗下四个项目在2018年成功在新加坡交易所完成REIT上市时，面对一个崭新的发展格局和充满广阔空间的未来，砂之船品牌文化里最基本价值观——“追求美、发现美，创造美、传播美”，却永远不会改变。这句话不仅铭刻着徐荣灿投身商业的初心，也闪烁着砂之船品牌的“艺术基因”光芒，标示着砂之船集团未来发展的愿景：“用艺术商业，做超级奥莱”。

从1989年在西南师范大学校园深处由“情感、艺术、音乐、时尚”碰撞出的咖啡馆，到今天辉煌的商业帝国，一路走来，徐荣灿与杨雪共同携手，推动砂之船创造了无数经典，让“砂之船”这一品牌——无论是时尚品位，还是人生态度都成为了女性追求的先导和典范，SASSEUR 砂之船这个美丽的名字无疑已成为砂之船集团创始人徐荣灿先生生命中无法剥离的部分，2009年的12月31号这一天，砂之船重庆奥莱首创的跨年营销活动刷新业绩纪录印证了砂之船奥特莱斯获得的巨大成功，也标志着他们共同的梦想的实现。就在这一天，徐荣灿将SASSEUR这个充满浪漫诗意、在他心里至高无上的名字郑重地赠予了他一生中的最爱——杨雪女士——这位能与他一起去实现共同梦想，集美丽、智慧于一身的女人，同时也是砂之船集团“四品四美”企业文化最完美的代言人。

“男人要做对三件事，爱情与婚姻结合，爱好与事业结合，选对合作伙伴。我是一个很幸运的人，到今天，这三件事我都做对了。”徐荣灿曾在25周年庆的感言里如是感慨。而他与杨雪，因为对爱情和事业共同的信仰，已经完美的将爱情与事业相融合了。

“激情、创造力、美”是深植于砂之船集团的艺术商业DNA，情感思维是砂之船集团发展的核心力量。三十年过去了，那种很美、很浪漫、很有诗意、富有情感的原创艺术商业思想，一直是砂之船商业的永恒主题。

THE SASSEUR STORY

DIALOGUE BETWEEN ART AND COMMERCE

The 1980s was a time of wonder, dreams and romance for mainland China, a golden age of spiritual and philosophical enlightenment, freedom of thought and artistic expression. During those days of transition, life was hard and material goods were scarce. That was when a large number of China's most outstanding post-modern poets, novelists, painters and musicians emerged and whose influence continues to this day.



ART COMMERCE

Xu Rongcan's affinity with artistry in the practice of business (what he termed "**Art Commerce**") had its roots in Southwest China Normal University located at Beibei, a scenic town in the outskirts of Chongqing. As a young man of 20, on a creaking old bicycle, with wind caressing his hippie styled hair, rucksack on his shoulder, his most valuable possessions were his youthful passion, dreams of artistry and an old camera. Xu, with his keen sense of art aesthetics, captured what he saw with his lens and expressed what he felt with films. He loved using black and white films to describe his feelings about the world. From literature, art, to music and life, Xu was surrounded by other young people who shared his dreams; they would often meet over beer while enjoying guitar music through the night together. To Xu, art was not two dimensional. He believed art could be experiential. In 1989, he invested RMB 6,500 and started his first brick and mortar business based on his unique Art Commerce concept.

It was a small bar called "Ship of Sand" that was named after a popular song by a then well-known singer, Su Rui. "Sasseur" was the French name given to the establishment by a young French language teacher whom Xu knew. A year later, the Sasseur Bar had yet to return a profit, but it had become the favoured gathering place for artistic elites in the university campus, including poets, art critics, painters, music bands and underground rock performers.

LEADING MERCHANDISER OF INTERNATIONAL DESIGNER FASHION PRODUCTS

"If I like it, others will too!" Xu left the university in 1991 and toured Europe. After this tour, Xu opened the Sasseur fashion house in Chongqing's Jiefangbei district, which was later to become the top shopping destination in Western China. The store was outfitted with brick walls, rocks and logs giving it a rustic charm. Its graffiti wall was covered with jeans and cotton-padded hoodies procured from the coastal cities in China. Sasseur's unique store decor - symbolic of iconic and youthful Western lifestyles - was a big hit. China's economic reforms during the boom of the mid-nineties attracted many international fashion labels to set up stores in China to cater to the consumer class. Sasseur's iconic apparel store caught the eyes of these fashion labels. Xu himself understood international brands: an apparel label can only attain luxury brand status by virtue of its rich history, culture, as well as consistent and superior technical quality. It cannot exist simply as just another good consumer product. Sasseur successfully obtained distribution rights for many international brands. Sasseur was so successful that it occupied half the floor for international designer merchandise at the Li Kashing-owned Metropolitan Plaza in Chongqing, which was the most glamorous shopping destination in Western China.

THE SASSEUR STORY

THE SASSEUR WOMEN'S FASHION BRAND WAS TARGETED AT THE MID-TO-HIGH END MARKET, AND WAS QUICKLY RECOGNISED SOON AFTER ITS LAUNCH. IN JUST TWO YEARS, SASSEUR HAD OPENED STORES IN OVER 20 CITIES ACROSS CHINA.

In 1999, Xu visited Europe again to gain a better understanding of the culture behind luxury goods. The clash between the cultures of the East and West of the time came as a shock to him. Xu longed for his own fashion brand that would embody his own values and beliefs about art, clothing and fashion. When he returned in 2001, Xu established his own brand of women's clothing, under the name of "Sasseur". At the same time, he began designing and building a headquarters in the forested area outside Bishan, Chongqing. The building was an indulgence of Xu's personal passions, and materialised as a beautiful red brick building that stood out among the green mountains and water. In addition to office functions, the building featured small hotels, tennis courts and swimming pools, likening itself to an Italian-style manor hidden away from the hustle and bustle of the city.

Creating his own fashion brand was a surreal experience for Xu, and it allowed him to express his passion for fashion in a way that was not available to him before. The Sasseur women's fashion brand was targeted at the mid-to-high end market, and was quickly recognised soon after its launch. In just two years, Sasseur had opened stores in over 20 cities across China.



OUTLET FOR EXCESS INVENTORY

As the consumer market expanded, restrictions on imports of raw materials led to a disconnect between supply and demand. This issue posed a challenge to every brand in the clothing industry, and taught Xu how to manage his inventory while ensuring that the business continued to grow at a steady pace. In 2005, Sasseur acquired another 70 acres of land by Chongqing Airport Road to develop its own brand management base. Xu often sketched ideas for the layout of the base through the night, while pondering the solution to unlock the supply chain in the clothing industry.

Xu's inherent artistic and fashion spirit resonated deeply with the ancient country of Italy. He was obsessed with the Italian lifestyle and often travelled there to get ideas for fashion styles. Xu soon discovered outlet shops which were still a novelty back then. The business strategy of exclusively selling off-season merchandise allowed fashion brands to comfortably offload inventory without affecting their image and status.

At 21 years of age, Yang Xue was a spirited and smart individual who firmly supported Xu in the pursuit of his dream:

“WHY NOT DO IT? EVERY PROBLEM HAS A SOLUTION, AND IF YOU DON'T GIVE IT A SHOT YOU WILL NEVER KNOW IF IT WORKS.”



The high quality goods at lower prices were extremely attractive to consumers. Xu picked up on this, and made the bold decision to reimagine the Sasseur base into an outlet mall. This outlet mall would be the vital link between fashion brands looking to offload their inventory, and consumers looking for more affordable branded goods.

This decision was met with a lot of opposition. The business had gone through many challenges over the years to reach the success it had now; wiping the slate clean and starting from scratch to pursue an unproven concept was a huge risk. Xu himself could not help but have his own doubts and fears. In 2004, three friends visited the Sasseur headquarters in Bishan, and were pleasantly surprised by the beautiful Italian architecture and artistic atmosphere. Their conversation with Xu naturally shifted from admiration of the headquarters' design and architecture to his latest plans. The overhaul of Sasseur's identity would pose many new challenges; it would need to develop new supply chains and fulfil the needs of

consumers and brands. Sasseur also lacked expertise in commercial real estate, and the location of the headquarters provided no geographical advantage for the operation.

Xu continued to question his own decision, until the appearance of a woman who would provide the support needed to bolster his own resolve. At 21 years of age, Yang Xue was a spirited and smart individual who firmly supported Xu in the pursuit of his dream: “Why not do it? Every problem has a solution, and if you don't give it a shot you will never know if it works.”

These calm and assuring words gave Xu the confidence he needed to finally make the decision to leave the business and chase his own dreams. Her unwavering support helped Xu overcome personal barriers that were holding him back. Xu and Yang Xue's unique personalities could not help but be attracted to each other, and from that point a single man's dream had become a dream for two.

Sasseur had resolved to become the third company to invest in the outlet industry in China. The transformation of the headquarters into an outlet mall required a complete overhaul of the surrounding infrastructure, including public transportation and road design. Every problem has a solution: to connect Sasseur to the closed-off airport expressway, Yang Xue followed through and worked with each and every municipal department, succeeding in what was supposed to be an impossible task.

The ramp connecting the airport expressway to Sasseur undoubtedly opened up many opportunities for the outlet mall. While Sasseur had completed its physical transformation, it still lacked investors from the fashion industry. Yang Xue led the Group as it sought out and fostered relationships with many international fashion brands, catering to their individual needs and finding a place for them in Sasseur. Yang Xue shared the same passion for fashion as Xu, and her persistent love for his dream spurred her on to take on different roles. It was her that would turn Xu's incredible ideas into reality. The melding of the two spirited individuals generated even more creativity and passion, and turned daunting difficulties into challenges waiting to be solved. The duo was undoubtedly the catalyst that catapulted Sasseur through its transformation into the success it is today.

THE SASSEUR STORY



Sasseur (Chongqing Liangjiang) Outlets

AS WITH ART, A SUCCESSFUL BUSINESS IS ONE THAT MEETS THE UNSPOKEN NEEDS AND DESIRES OF THE INDIVIDUAL. OVER TIME, SASSEUR HAD BECOME PROFICIENT IN ALL ASPECTS OF THE CLOTHING INDUSTRY: DESIGN, PRODUCTION AND SALES, AS WELL AS ALL ROLES IN THE BUSINESS: CONSUMERS, AGENTS, MANUFACTURERS AND BRAND OWNERS.

This experience laid the foundation for Sasseur's transformation and its growing business in the outlet industry.

On 8 August 2008, Sasseur (Chongqing Liangjiang) Outlets opened to the public. With its tailored commercial space full of artistic charm and flushed with international fashion brand offerings, it became an instant sensation. Its business performance was a clear indicator of its success. Sasseur (Chongqing Liangjiang) Outlets brought in RMB 450 million in its first year, ranking among the top three outlets in China. In its fourth year, it achieved RMB 1.2 billion, clinching first place within the industry. At the same time, the outlet mall brought about a transformation of the surrounding landscape. Originally a wasteland, the area was quickly developed into a bustling city within a few years, raising the development standard of the city to compete with the rest of China.

The success of Sasseur (Chongqing Liangjiang) Outlets garnered attention from political and business circles. In 2010, the Hangzhou Municipal Government invited Sasseur to set up an establishment in its city. This would be Sasseur's first expansion outside of Chongqing. Since then, Sasseur started expanding its outlets business from Chongqing to other tier 1 and 2 cities in China, including Hangzhou, Nanjing, Hefei, Kunming, Changchun, Xi'an, Guiyang, Changsha and etc. By the end of 2021, Sasseur had 18 outlet projects across China, 14 of which are currently in operation and 4 more new projects (Fuzhou, Shanghai Jiading, Nanjing II and Shijiazhuang) to be launched soon.

SUCCESSFULLY ATTRACTED INTERNATIONAL INVESTORS

In 2011, Warburg Pincus, a world leader in private equity investments from the U.S. restructured and invested in the Sasseur Group. Warburg Pincus sold its stake to L Catterton Asia, the world's largest consumer goods investment company owned by global luxury retail giant LVMH in 2015, and L Catterton Asia became an important strategic shareholder. L Catterton Asia's strategic stake in the company brought important resources and advantages to the development of the company. In 2016, Sasseur held its Global Outlet Conference in Chongqing. Ping An Real Estate became another strategic stakeholder, while L Catterton Asia increased its stake in Sasseur.

Xu's artistic inclinations have always had a profound impact on his business practices. While a boutique shop allowed him to experience the beauty of clothing, the partnerships with international fashion brands allowed him to experience the beauty of brand business and culture. Xu further delved into art in his business through the architecture of Sasseur Outlets. Beyond just architecture, art was a platform to explore and promote a respect for the environment and love for human nature and history.



Each city in China is unique, with its own personality, history and culture. Likewise, Xu imbued each new project with elements from its location, creating a harmonious connection between art, commerce and the human experience. This gave Sasseur Outlets a unique image that made each building a landmark in its own right.

When Sasseur listed its four malls in Chongqing, Bishan, Hefei and Kunming as a REIT on the Singapore Exchange in 2018, it faced new challenges. Xu stayed true to his original values: "Pursuing, Discovering, Creating and Spreading Beauty". His vision of the Art Commerce soul of Sasseur pushed the business further to become a premium outlet operator.

From its first incarnation as a bar to the outlet empire today, the name Sasseur had become an integral part of Xu's life. Together with Yang Xue, they achieved numerous successes with the Sasseur brand, making it a symbol of class and beauty. Sasseur has no doubt become an inseparable part of Xu's life. On 31 December 2009, following a successful run of Sasseur (Chongqing Liangjiang) Outlets' New Year's Eve promotional events, Xu solemnly bestowed the name of Sasseur to Yang Xue to thank her for her unwavering support throughout the years. Yang Xue was a perfect embodiment of the "Beauty" culture of Sasseur.

Xu expressed this feeling in his speech at the 25th anniversary of Sasseur: "In life a man must pursue success in three aspects, love in marriage, love of work, and finding the right partner. I am lucky to have found all three."

The common beliefs of love and career have forged an unbreakable bond between Xu and Yang Xue over the years.

THE VIRTUES OF PASSION, CREATIVITY AND BEAUTY ARE DEEPLY INGRAINED INTO THE DNA OF SASSEUR'S BUSINESS. THIRTY YEARS ON, THEY CONTINUE TO DRIVE SASSEUR AS IT REACHES NEW HEIGHTS.

SASSEUR GROUP IN 2021



Sasseur (Chongqing Liangjiang) Outlets

2021 was a year filled with challenges but Sasseur Group forged ahead in high spirits. The Group received multiple industry recognitions and awards, improving its ranking to 283rd place among the top 500 service enterprises in China.

REVIEW OF TOP TEN NEWS OF SASSEUR GROUP IN 2021



SASSEUR GROUP CLINCHED 3 MAJOR AWARDS AT THE 20TH CHINA RETAIL AWARDS CEREMONY

- 2020 Commercial Real Estate City New Landmark Project (Sasseur Nanjing Outlets)
- 2020 Influential Commercial Project (Sasseur Yangzhou Outlets)
- 2021 Most Anticipated Commercial Project (Sasseur Suzhou Bay Outlets)



WON 8 AWARDS AT THE 8TH CHINA OUTLETS INDUSTRY DEVELOPMENT FORUM AND THE 2020 CHINA OUTLETS AWARDS CEREMONY

- Sasseur Group: The Innovative Awards of China's Outlet Operator with Best Commercial Conversion Capability
- Sasseur Nanjing Outlets: Award in Recognition for Sales Above RMB 1.5 billion
- Sasseur Xi'an Outlets: Award in Recognition for Sales Above RMB 1.5 billion
- Sasseur Guiyang Outlets: Award in Recognition for Sales Above RMB 1.0 billion
- Sasseur Guiyang Outlets: 2020 China Outlet Top 10 Growth Award
- Sasseur Hangzhou Outlets: 2020 City Outlet Exemplary Award
- **Sasseur Hefei Outlets: 2020 Most Growth Potential Outlet Award (Property under Sasseur REIT's Portfolio)**
- Sasseur Yangzhou Outlets: 2020-21 New Outlet Award

Sasseur Group in 2021



Sasseur Group hosted its annual Super Outlet Anniversary Sale in all of its outlets in the month of September. The highly anticipated event attracted large crowds and recorded bumper sales during the period.



Sasseur (Changsha) Outlets was awarded the 2021 CCFA Golden Lily Best Marketing Project Awards by China Chain Store & Franchise Association for its creative marketing during the new year's sales event.

2021 中国服务业企业 500 强		
名次	企业名称	营业收入 / 万元
280	江阴市金桥化工有限公司	1792031
281	山东远通汽车贸易集团有限公司	1785466
282	安徽出版集团有限责任公司	1766343
283	砂之船商业管理集团有限公司	1725606
284	张家港市泽厚贸易有限公司	1719783
285	宁波君安控股有限公司	1718611
286	天津现代集团有限公司	1685112
287	广州无线电集团有限公司	1683380
288	青岛农村商业银行股份有限公司	1668464

With a group total revenue of RMB 17.26 billion, Sasseur Group was ranked 283rd place in the 2021 Top 500 China Service Enterprise, further improving from 304th place in 2020. This is the most recognised ranking system in China published by China Enterprise Confederation and China Enterprise Directors Association. Sasseur Group was first included in the Top 500 China Service Enterprise in 2018 and further improved its ranking through the years as a result of its strong operational capabilities.

SASSEUR GROUP IN 2021



CHINA-SINGAPORE (CHONGQING) CONNECTIVITY INITIATIVE - SASSEUR SUPER OUTLETS ART AND LIFESTYLE FESTIVAL

On 16 September 2021, Sasseur Group signed a strategic cooperation agreement with four China government agencies, namely China-Singapore (Chongqing) Demonstration Initiative on Strategic Connectivity Administrative Bureau (CCIB), Chongqing Municipal Commission of Commerce, Chongqing Municipal Commission of Culture and Tourism Development, and Chongqing Liangjiang New Area Administrative Committee on the annual hosting of the China-Singapore (Chongqing) Connectivity Initiative Sasseur Super Outlets Art and Lifestyle Festival event.

The festival involves a series of events such as a fashion conference, international cuisine exhibition, business forum and nationwide Sasseur Outlets shopping carnival where shoppers can enjoy great discounts, while appreciating the elements of art within the outlets.

This event also aims to showcase fashion resources from Singapore and worldwide, promote cultural exchanges and cooperation between China and Singapore, and to promote Chongqing as an international city.



GOLDEN MALL 2021 SPECIAL BUSINESS EXCELLENCE AWARD

Sasseur Group was awarded Golden Mall 2021 Special Business Excellence Award at The 19th Annual Conference of Mall China. It exemplifies the success of the Group's "Art Commerce, Super Outlet" philosophy and showcases its contribution towards the development of commerce.



Sasseur Group's 14th outlet welcomed its grand opening in Suzhou, China. The new outlet spreads across 120,000 sqm and offers more than 600 brands to provide shoppers with a complete and unique outlet shopping experience. The opening event was graced by local officials and renowned Hongkong actress Carina Lau (刘嘉玲).



Sasseur (Suzhou Bay) Outlets



SASSEUR GROUP IN 2021



Artist Impression of Sasseur (Shijiazhuang) Outlets

Sasseur Group was conferred 2021 Outstanding Commercial Real Estate Operator Award and 2022 Most Anticipated Commercial Project Award for Sasseur (Shijiazhuang) Outlets at the 2021 Annual Business Summit organised by Linkshop.



Sasseur Group was ranked 37th in the 2021 China Top 100 Retail and Commercial Real Estate Enterprise at the 2021 Winshang Top 100 Research Results Publication Award Ceremony for its outstanding outlet operation capabilities. At the same event, Sasseur (Nanjing Jiangbei) Outlets, which has not commenced operations, was also awarded the Top 100 Most Anticipated Shopping Mall of the Year.

BOARD OF DIRECTORS

FOR REIT MANAGER



MR XU RONGCAN, VITO
Non-Executive and
Non-Independent Chairman

Date of First Appointment:

11 April 2017

Mr Xu founded Sasseur Group in 1989, and is currently the Chairman of the Board of Sasseur Group, the Sponsor of Sasseur REIT. He is an innovative leader with artistic passions, acute business insight and outstanding strategic planning capability.

As the founder of Sasseur Group and a pioneer in Chinese “Art Commerce” business ideology, Vito Xu created a Super Outlet empire with his unique artistic approach. With 30 years of experience focusing on the outlet mall operation led by the “Art Commerce” DNA, under the four core thought processes which incorporates emotions, aesthetics, sense of place and capital management, he initiated the new business concept of “Art Commerce Super Outlets” in 2016 and brings innovation to the outlets industry with his unique “A × (1+N) × DT” business model. Under the leadership of Vito Xu, Sasseur Group has grown into a Top 500 Chinese Service Enterprise and is the sponsor of the first outlet mall real estate investment trust listed on SGX, as well as the leading super outlets brand in the global outlet industry.

Vito Xu was lauded by various institutions for his contributions to the development of the industry. As a testimony to his achievements, his many awards include “the Knight of the Order of the Italian Star” by the Italian president, “Meritorious Figure of the 40th Anniversary of China’s Commercial Reform and Opening-up”, and “Outstanding Asian Entrepreneur”, amongst others.

Ms Yang is the co-founder of Sasseur Outlets and is currently the Co-chairman of the Board of Sasseur Group. She is the spouse of the Non-Executive and Non-Independent Chairman, Mr Xu Rongcan.

As co-founder of Sasseur Outlets, Sasseur Yang is a key figure in the strategic development of Sasseur Group. With her ingrained fashion sense and delicate but decisive business actions, she contributed in many ways in the development of Sasseur Group, especially in the areas of public relations, international brand leasing, strategic planning, consolidating the collaboration between Sasseur Group and various brands, which led to the successful opening of the first Sasseur outlet in Chongqing.

Sasseur Yang is responsible for the strategic development of Sasseur Group, heading its nominating & remuneration committee, international brand centre, Sasseur outlet branding, human resources, domestic and international public relations.

She was named “Most Stylish Figure of 2019” by Yaok Institute (要客学院).



MS YANG XUE
Non-Executive and
Non-Independent Director

Date of First Appointment:

16 November 2017

BOARD OF DIRECTORS

FOR REIT MANAGER

Dr Gu has been an Associate Professor of the Lee Kuan Yew School of Public Policy of the National University of Singapore since August 2009, where he conducts lectures on the Chinese economy, economics of the public sector and urban development.

He has been an economic adviser to some provincial and municipal governments in China. As economic adviser, he provides advice to the Chinese governments for economic development of new zones, experiments on the PRC's new type of urban cluster. He was an Assistant Professor at the Nanyang Technological University of Singapore from July 2001 to July 2009, where he taught mathematical economics, microeconomics and macroeconomics and cost-benefit analysis and undertook research work relating to the Chinese economy, econometric modelling, reform of state-owned enterprises and international trade and finance. He carried out research on the Chinese economy, Singapore public policy and urban development from June 1997 to July 2001 as a research officer in the East Asian Institute of the National University of Singapore. He has been an Independent Director for three other companies, including China Life Insurance (Singapore) Pte. Ltd. He is also the Editor-in-Chief of the Journal of Infrastructure, Policy and Development since 2016.



DR GU QINGYANG

**Lead Independent Director,
Chairman of the Nominating and
Remuneration Committee**

Date of First Appointment:

16 November 2017



MR MARIO BOSELLI

Independent Director

Date of First Appointment:

16 November 2017

Mr Boselli began his career in 1959 in his family's silk mill which was established in 1586 in Garbagnate Monastero, taking over the reins from his father, Carlo Boselli. For four decades from the 1970s till the 2000s, Mr Boselli developed the company's textile supply chain and grew the business both at home and abroad. He left the family business in 2005 to pursue new goals for his career.

Mr Boselli's distinguished career includes his time as President of the Italian Fashion Chamber, Federtessile, Fiera Internazionale di Milano, Pitti Immagine, International Silk Association (Lyon), Italian-Slovak Chamber of Commerce (Bratislava), and Italy-Hong Kong Association. For his accomplishments, Mr Boselli was appointed the Cavaliere del Lavoro (1990), the Commandeur de l'Ordre National de la Legion d'Honneur (France 2002) and the Cavaliere di Gran Croce Ordine al Merito della Repubblica Italiana (2007).

Mr Boselli was born in Como, Italy in 1941, and is married with three children. He is President of Banca 5 (Intesa Sanpaolo Group), Italy China Foundation and Italy China Institute, and sits on the boards of several listed and non-listed companies.

Board of Directors



MR CHENG HENG TAN

**Independent Director,
Chairman of the Audit and Risk Committee**

Date of First Appointment:

16 November 2017

Mr Cheng brings to the REIT Manager 33 years of extensive experience with Ernst & Young LLP (then known as Turquand, Youngs & Co) from April 1977 to June 2010. He was admitted as an audit partner of Ernst & Young LLP from July 1990 and he retired as a Senior Partner in June 2010. His professional experience covered financial audit, bank audit, training and group administration as well as initial public offerings in Singapore, Taiwan, China and USA. After retirement, Mr Cheng operated the famous Omakase Burger restaurant until October 2021.

Mr Cheng was an Independent Director of Singapore-listed Chip Eng Seng Corporation Ltd. from July 2011 to April 2017, where he chaired the Nominating Committee and was a member of its Audit and Remuneration Committees. He is also an Independent Director of Powermatic Data Systems Limited.

Mr Cheng was a journalist with two Chinese language daily newspapers in Singapore from December 1970 to July 1975. He is a Life Fellow member of The Institute of Singapore Chartered Accountants.

Mr Wu has practised with Drew & Napier LLC since April 2008, and has been a Director at Drew & Napier LLC since May 2016. His areas of practice include corporate finance, capital markets, and general corporate legal advisory work.

He was with Hoh Law Corporation (formerly known as Hoh & Partners) as a legal executive from November 2003 to April 2008, Hoh & Partners as a Chinese law adviser from January 2002 to June 2003, Colin Ng & Partners as a foreign counsel from June 2003 to October 2003, and with Pan-Commercial Pte. Ltd. as a legal adviser and foreign trade assistant from July 1999 to December 1999 where he assisted with the company's trading business and investments in the PRC. He started his career as a Judicial Clerk with the Supreme People's Court of the PRC (July 1995 to June 1998), where he was mainly responsible for reviewing legal cases, conducting legal research and drafting legal documents.

Mr Wu has been an Independent Director of Shengli Oil & Gas Pipe Holdings Limited (listed on the mainboard of the Hong Kong Stock Exchange) since March 2015, where he chairs the Remuneration Committee and is a member of the Audit Committee and the Nominating Committee.



MR WU GENG

Independent Director

Date of First Appointment:

16 November 2017

REIT MANAGEMENT TEAM



**MS TAN HONG LYE,
CECILIA**
Chief Executive Officer

Ms Tan brings with her to the REIT Manager more than 20 years of professional career experience spanning across a wide spectrum of real estate expertise in real estate investment banking, real estate direct investment, REIT management, real estate fund management and property development.

Ms Tan started her professional career in investment banking with N.M. Rothschild & Sons Singapore and JP Morgan Singapore, where she was involved in a wide range of capital markets and cross-border M&A transactions. She has accumulated significant real estate expertise backed by extensive management experience from numerous leadership and senior roles in REIT management, real estate investment, real estate fund management, and property development companies.

Before joining Sasseur Asset Management Pte Ltd, Ms Tan was the Senior Strategic Adviser to Mr Vito Xu, the Chairman of Sasseur Group from July 2019 to June 2021. She was also an Independent Director of Roxy-Pacific Holdings Limited, a SGX-listed company involved in property development and hospitality activities, from 1 October 2019 to 30 July 2021.

Her previous appointments included being the Chief Financial Officer and Chief Operating Officer of KOP Group Pte Ltd, Executive Vice-President (Real Estate Fund Management) of Pacific Star Group, and Chief Investment Officer of Macquarie Pacific Star Prime REIT Management Pte Ltd, the manager of Macquarie MEAG Prime REIT (now known as Starhill Global REIT).

Ms Tan holds a Master of Applied Finance from Macquarie University, Australia and she graduated with a Second Upper Class Honours Degree in Business Administration from the National University of Singapore. She is effectively bilingual and is proficient in both English and Chinese languages.



MR XIE JIANFENG
Chief Financial Officer

Mr Xie has over 20 years of experience in finance, audit, accounting, corporate finance and treasury functions.

Mr Xie started his career with PricewaterhouseCoopers (“PwC”) China as an audit professional from September 2001 to September 2014 in Beijing. During his time with PwC China, he assisted clients in capital markets transactions such as IPO listings in Hong Kong and China, secondary market private placements and bond offerings. He was seconded to PwC United Kingdom from 2005 to 2007 as part of a talent development program in recognition of his outstanding performance.

Before joining Sasseur Asset Management Pte Ltd, Mr Xie was the General Manager of the Finance Department of Sasseur Group, the Sponsor of Sasseur REIT since May 2018. He reported directly to the Chief Financial Officer of Sasseur Group, and was in charge of Sasseur Group’s financial operations including financing, cash management, accounting and tax management. He had gained considerable insights and working knowledge of the unique business model and operations of Sasseur outlets during his time with Sasseur Group, and had established a good network of relationships across various core departments in Sasseur Group.

Mr Xie graduated from Central University of Finance and Economy with a Bachelor’s Degree in Management. He is also a Chartered Accountant with The Chinese Institute of Certified Public Accountants. Mr Xie is fluent in both English and Chinese languages.

REIT Management Team



MR CHENG HSING YUEN
Head of Asset Management

Mr Cheng Hsing Yuen is responsible for the asset management function of all the outlets located in three cities in China under Sasseur REIT. His key focus is creating value for all stakeholders through strategic asset planning and asset enhancement initiatives (AEI) at the asset level to enhance the attractiveness of the outlets for a sustainable income growth. He brings with him more than 25 years of experience in asset and property management for various asset classes, ranging from retail malls, offices, business parks and industrial buildings.

Prior to joining Sasseur Asset Management Pte Ltd, Mr Cheng was the Senior Asset Manager at Mapletree Industrial Trust. He was responsible for developing strategies to maximise the performance of industrial properties including business parks, data centres as well as portfolio reporting. He has also held portfolio management positions in Ascendas Pte. Ltd and NTUC Income. His role included formulating Key-Performing-Index measures for assets, leasing and tenant-relationship management plans and AEI programs. He worked closely with the property managers to execute proactive asset management plans to optimise operational and financial performance and manage property expenses.

Mr Cheng holds a Master of Science (Real Estate) and Bachelor of Social Sciences (Honours) Degrees from the National University of Singapore. He is effectively bilingual and proficient in both the English and Chinese languages.



**MS WONG SIEW LU, CFA,
CA (SINGAPORE)**
Head of Investor Relations
and Capital Markets

Ms Wong is in charge of Investor Relations and Capital Markets function of Sasseur REIT. She brings over 15 years of extensive international experience in investor relations, capital markets (buy-side), corporate banking, and has been actively involved in capital raising, M&A transactions, corporate strategy and business development.

As the liaison between Sasseur REIT and the investment community, Ms Wong nurtures relationships with institutional and retail investors, research analysts and the media. She is also the main point of contact with investors and stakeholders.

Ms Wong had extensive international exposure to various industries and roles, having worked and lived in 6 countries over the course of her career. Prior to joining Sasseur Asset Management Pte Ltd in February 2019, she held corporate banking positions at National Australia Bank as well as investment analyst positions at asset management firms, before heading investor relations role at previous SGX Mainboard-listed oil and gas company, Falcon Energy Group Limited.

Ms Wong holds a Bachelor of Applied Science (Computational Finance) Degree from National University of Singapore. She is a Chartered Financial Analyst (CFA) Charterholder and a Chartered Accountant of Singapore, as well as a member of the Institute of Singapore Chartered Accountants. She is fluent in English, Chinese, Malay and Cantonese.

SPONSOR TEAM

Mr Xu Jun joined Sasseur Group in 2011 and has successively served in various managerial roles such as General Manager of the Investment & Development Center, Deputy Executive President and CEO of the Group. He is responsible for the overall management of the Group and its subsidiaries.

With more than 20 years of experience in commercial operation and commercial real estate investment and development, a veteran in China's commercial real estate industry, he participated in the planning, development and operation of multiple commercial real estate projects in China. He had held senior managerial roles in Peugeot, Nike and Esquel Group. He holds a Bachelor's Degree from South China University of Technology.



MR XU JUN (JIM)
President



MR ZHENG YUAN LAI
Senior Vice President

Mr Zheng Yuan Lai joined Sasseur Group in 2007. He currently heads the Business Management Center and oversees the subsidiaries in Chongqing, Kunming, Xi'an, Changchun, Changsha, Lanzhou and Shijiazhuang.

He formerly served in Pacific Department Store Co., Ltd., successively as Section Chief, Assistant Manager, and General Manager. He has more than 30 years of experience in business planning, business operation and marketing. He is one of the founders of China Outlet Industry Association, and was appointed as a senior lecturer by the Outlet Business School in 2016. He graduated from Chengdu University of Technology and is also an Adjunct Professor (since 2020) at the Business School of Chengdu University of Technology.

Ms Wang Fu Qin joined Sasseur Group in 2019. She currently serves as the Deputy Director of the Board's Strategy Committee and assists the President in managing the Information Center.

With more than 20 years of experience in the retail industry, she formerly served in Shenzhen Maoye International Holdings Co., Ltd., as the Vice President and Executive Director, responsible for integrating the post-merger business of listed companies such as Cheng Shang Group Co.,Ltd, Qinhuangdao Bohai Physical Distribution Holding Co.,Ltd and Shenyang Commercial City Co.Ltd. Ms Wang was the former Chief Operating Officer of Intime Retail (Group) Co., Ltd., and was responsible for overall management of nationwide retail store operations. She holds an Executive MBA from China Europe International Business School.



MS WANG FU QIN
Senior Vice President



MR ZENG JIAN ZHENG
Vice President

Mr Zeng Jian Zheng joined Sasseur Group in 2013 and currently heads the International Brands Center.

He also oversees subsidiaries in Nanjing, Hangzhou, Hefei, Yangzhou, Suzhou and Shanghai Jiading.

Mr Zeng formerly served as the Deputy General Manager of Deji Group. He was in charge of brands management at Jiangsu Desheng Industrial Co., Ltd, a subsidiary company of Deji Group before 2006. From 2006 to 2012, he was responsible for the leasing and operation management of Deji Plaza. He graduated with a Bachelor's Degree from Xiamen University, majoring in Accounting and Statistical Accounting.

Mr Yang Dong Sheng joined Sasseur Group in 2017 and currently heads the President's Office and Group Financial Management Center.

Mr Yang's previous experiences include serving as the Vice President of Doyen Holdings Group Co., Ltd, the Vice President, Board Secretary and Chief Financial Officer of Dima Holdings Co., Ltd., the General Manager of Chongqing Dima Industry Co.,Ltd, and the Chief Financial Officer of Jiangsu Jiandong Group Co., Ltd.

Mr Yang graduated with a Bachelor's Degree in Investment Economics Management from Shanghai University of Finance and Economics. He is a Certified Public Accountant in China.



MR YANG DONG SHENG
Vice President

Mr Long Jian joined Sasseur Group in 2019 and currently heads the Human Resources and Administration Center.

He previously served as Human Resource Vice President of Dongfang Shineray Holding Co., Ltd., Deputy General Manager of Human Resources Department of China Unicom (Chongqing Branch), General Manager of China Unicom (Fengjie Branch), and Director of Human Resources Department of Chongqing University of Technology.

He had presided over cooperation projects with IBM, Accenture and Peking University, and won several honours such as Chongqing Excellent Teacher and National Personnel Research Achievement Award.

Mr Long is the representative of the 5th People's Congress of Chongqing and the 5th Party representative of Fuling District. He holds a Master's Degree in Enterprise Management from Chongqing University and was also an Associate Professor of Economics at Chongqing University of Technology.



MR LONG JIAN
Vice President

EFFECTIVE

& TIMELY COMMUNICATION

STAKEHOLDER ENGAGEMENT

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Sasseur (Hefei) Outlets

INVESTOR RELATIONS

We are committed to provide investment communities and media communities with clear, timely, and unbiased information on Sasseur REIT's business and performance. We place great emphasis in ensuring high standards of disclosure and corporate transparency.

All material information such as announcements, press releases, financial results, presentation slides and annual reports are regularly and promptly issued through SGXNet and our corporate website at www.sasseurreit.com to ensure timely dissemination of information to the public. Investors and the public can sign up for email alerts on our corporate website to receive updates on Sasseur REIT's latest announcements and press releases.

We proactively engage retail and institutional investors, analysts and media to communicate our business model and address their concerns via announcements, webinars, post-results briefings, face-to-face meetings, teleconferences, investor conferences, roadshows and site visits.

In 2021, despite the challenges posed by COVID-19, we actively participated in several online roadshows and webinars to introduce the REIT to a wider group of audience. We also held our post-results briefings quarterly, providing updates to investors and analysts on Sasseur REIT's financial results, operational performance, etc.

Sasseur REIT is currently covered by five research houses (CGS-CIMB, DBS Group Research, KGI Securities, Maybank Kim Eng and UOB Kay Hian). Since December 2019, Sasseur REIT was included in the widely recognised FTSE EPRA Nareit Global Emerging Index and is also a component stock of GPR/APREA Composite Index and GPR/APREA Composite REIT Index.

As a recognition of Sasseur REIT's excellent investor relations practices, it was nominated for the Best IR Website (South East Asia) Award by IR Magazine and awarded the Certificate for Excellence in Investor Relations. In addition, Sasseur REIT was awarded Best Corporate Communications & Investor Relations (Gold) at the Global Good Governance Awards 2021.

Other awards won by Sasseur REIT in 2021 were:

- Corporate Excellence and Resilience Award at the Singapore Corporate Awards Special Edition 2020/2021
- Singapore Corporate Governance Award (REITs & Business Trusts) Runner-up at the Securities Investors Association (Singapore) Choice Awards 2021
- Best Governed & Transparent Company (Gold) at the Global Good Governance Awards 2021

INVESTOR & MEDIA RELATIONS CALENDAR 2021

	EVENT	FORMAT (LOCATION)
FIRST QUARTER	Sasseur REIT - CGS-CIMB - Okasan Securities Investor Presentation	Webinar
	FY2020 Annual General Meeting	Webinar
SECOND QUARTER	Sasseur REIT - CLSA Group Call Investor Presentation	Webinar
	Sasseur REIT - Maybank Kim Eng Investor Presentation	Webinar
	Sasseur REIT - DBS-SGX-REITAS Virtual Conference	Webinar
	Sasseur REIT - CLSA Group Call Investor Presentation	Webinar
THIRD QUARTER	Sasseur REIT - OCBC Securities Investor Webinar	Webinar
	Sasseur REIT - Soochow Securities Investor Presentation	Webinar
	Sasseur REIT - Citi-SGX-REITAS REITS / Sponsors Forum 2021 Investor Presentation	Webinar
	Sasseur REIT - SGX-Haitong International Singapore Corporate Day - Investor Presentation	Webinar
	Won Prestigious SG Corporate Governance Award at SIAS' Investors Choice Award 2021	(Singapore)
FOURTH QUARTER	Sasseur REIT - SGX - NH Securities Virtual SREITs Corporate Access Investor Presentation	Webinar
	Won Corporate Excellence and Resilience Award at Singapore Corporate Awards Special Edition 2020/2021	(Singapore)
	Won 2 Awards at Global Good Governance Awards 2021 Best Governed & Transparent Company (Gold) Best Corporate Communications & Investor Relations (Gold)	Virtual Event
	IR Magazine Forum and Awards - Panel Discussion	Webinar
	Sasseur REIT - Phillip Securities Investor Presentation	Webinar
	Sasseur REIT - SGX REITAS Investor Presentation	Webinar



ANALYST COVERAGE (As at 31 December 2021)

- CGS-CIMB
- DBS Group Research
- KGI Securities
- Maybank Kim Eng
- UOB Kay Hian

UNITHOLDER AND MEDIA ENQUIRIES

If you have any enquiries or would like to find out more about Sasseur REIT, please contact:

Ms Wong Siew Lu

Head of Investor Relations and Capital Markets

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Email: ir@sasseurreit.com

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Tel : +65 6536 5355

Fax : +65 6536 1360

Website : www.boardroomlimited.com

For depository-related matters such as change of details pertaining to unitholders' investment records, please contact:

The Central Depository (Pte) Limited

9 North Buona Vista Drive
#01-19/20 The Metropolis
Singapore 138588

Tel : +65 6535 7511

Email : asksgx@sgx.com

Website : www.sgx.com/cdp

FINANCIAL AND DISTRIBUTION CALENDAR

FY2020 Annual General Meeting	22 April 2021
First quarter results announcement	12 May 2021
First quarter distribution to unitholders	25 Jun 2021
Second quarter results announcement	13 Aug 2021
Second quarter distribution to unitholders	28 Sep 2021
Third quarter results announcement	12 Nov 2021
Third quarter distribution to unitholders	28 Dec 2021
Full year results announcement	18 Feb 2022
Fourth quarter distribution to unitholders	29 March 2022
FY2021 Annual General Meeting	21 Apr 2022





EXPERIENTIAL SHOPPING

UNIQUE BUSINESS MODEL

PROPERTY PORTFOLIO

56 ENTRUSTED MANAGEMENT AGREEMENT (“EMA”) MODEL

58 MARKETING AND PROMOTION

60 PROPERTY PORTFOLIO

70 PARTNER BRANDS

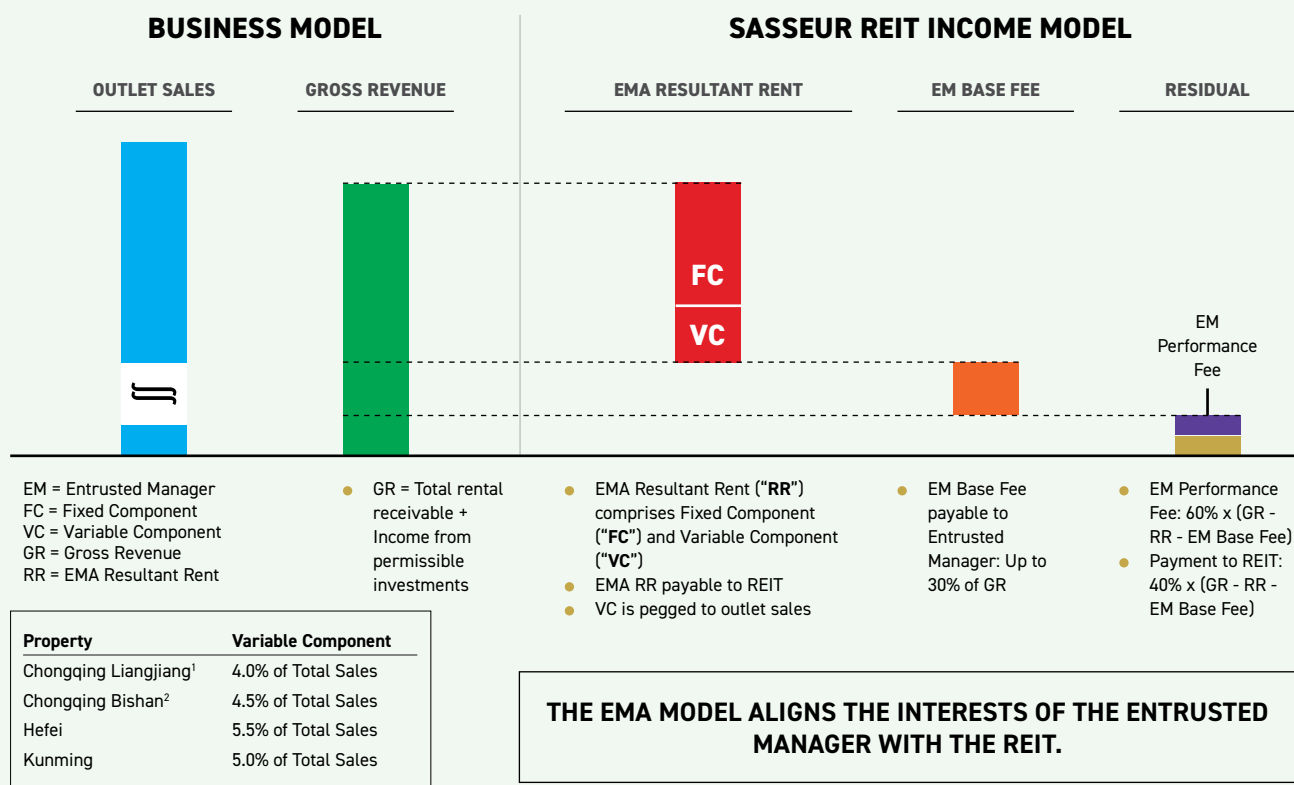
71 OPERATIONS REVIEW





VIP

ENTRUSTED MANAGEMENT AGREEMENT (“EMA”) MODEL



EMA RENTAL INCOME

The EMA Rental Income received or receivable from the Entrusted Manager is stipulated under the Entrusted Management Agreements and is derived from the rental income from tenants (see “Financial Statements – Notes to Financial Statements – 1. General – Entrusted Management Agreement” page 167 for further details).

The EMA Rental Income consists of (i) EMA Resultant Rent, which is the sum of fixed component and variable component and (ii) performance sharing as described below.

The EMA Rental Income for the financial periods ending 31 December 2021 and 31 December 2020 are shown in the table below.

	FY2021 RMB million	FY2020 RMB million	Change %
Fixed Component	421.8	409.6	3.0
Variable Component	190.1	170.2	11.7
EMA Rental Income	611.9	579.8	5.5

In the absence of the EMA, the distribution per unit would be 6.017 Singapore cents for FY2021 without retention of income available for distribution.

Notes:

- Formerly known as Chongqing Outlets
- Formerly known as Bishan Outlets

Entrusted Management Agreement (“EMA”) Model

EMA RENTAL INCOME COMPRISES:

(i) EMA Resultant Rent

EMA Resultant Rent is the sum of fixed component and variable component.

- **Fixed Component**

The Fixed Component is subject to an annual step-up of 3% over the term of the Entrusted Management Agreements.

- **Variable Component**

The Variable Component for each property will be pegged to a percentage of their respective total sales in accordance with the following percentages:

Property	Variable Component
Sasseur (Chongqing Liangjiang) Outlets	4.0% of total sales
Sasseur (Chongqing Bishan) Outlets	4.5% of total sales
Sasseur (Hefei) Outlets	5.5% of total sales
Sasseur (Kunming) Outlets	5.0% of total sales

(ii) Performance Sharing

Performance sharing is based on the differential between the Gross Revenue and EMA Resultant Rent and after deducting the EM Base Fee.

PERFORMANCE RESERVE

Under the Master Entrusted Management Agreement, the Sponsor will provide a performance reserve of RMB100.0 million to Sasseur REIT in the form of bank guarantees (which will be placed with an independent financial institution of good financial standing, that is considered to be of investment grade) or cash which the Trustee can call or draw upon without requiring the approval of the Sponsor (i) as security for performance by the Sponsor and the Entrusted Manager, as the case may be, of all their respective obligations under the Entrusted Management Agreements; and (ii) to secure or indemnify the Trustee as well as any of the subsidiaries of Sasseur REIT against (a) any losses, damages, liabilities or expenses incurred or sustained arising out of any default by the Sponsor and the Entrusted Manager, as the case may be, under the EMA and (b) any claims, losses, damages, liabilities or other obligations by the Trustee or any of the subsidiaries of Sasseur REIT at any time against the Entrusted Manager in relation to any matter arising out of or in connection with the Properties.

The Sponsor has provided a bank guarantee issued by China Citic Bank International pursuant to the Performance Reserve requirement. Fitch Ratings affirmed China Citic Bank International's long-term credit rating “BBB+” with stable outlook.

MARKETING AND PROMOTION



INNOVATIVE MARKETING AND PROMOTIONS

Sasseur Outlets offer exciting and fun promotional events throughout the year. Our promotions and events are curated based on the preferences and profile of our tenants and shoppers. Our strategic marketing activities aim to build shopper loyalty by providing experiential shopping, which encourages greater spending at our outlets.



Marketing and Promotion



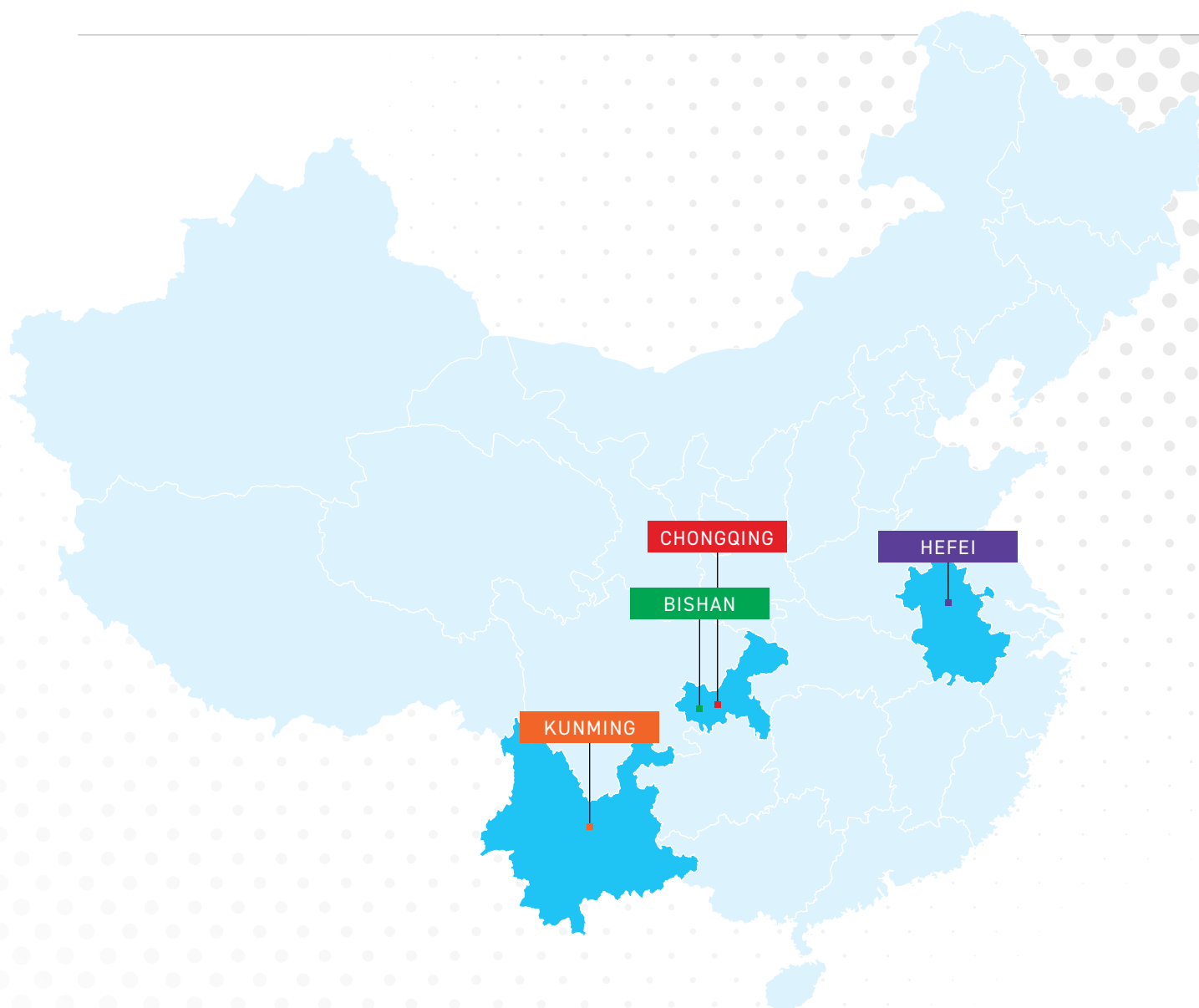
Months ahead of our major event of the year, the Sasseur Anniversary Sales, our Entrusted Manager will start building up interest through various online platforms and traditional media advertisements. For FY2021, the Sasseur Anniversary Sales saw large throngs of people and cars streaming into our outlets throughout the day.

In response to restrictions imposed on in-person marketing events due to sporadic COVID-19 outbreaks in China, a blend of both offline and online marketing events were rolled out to attract shoppers. Adapting to evolving consumer trends, we leveraged on 6 online platforms to enhance the overall shopping experience and increase awareness. This omni-channel approach has helped to create seamless connectivity between the online and offline retail experience, enhancing our ability to capture potential shoppers online, while continuing to attract them to visit and shop at our physical stores.

In our continuous pursuit of excellence, the operational teams of all our four outlets are assessed on their event planning abilities from two angles. Firstly, the ingenuity of the promotional programs executed and secondly, the number of repeated visits by each outlet's existing pool of VIP members. The operational team will leverage on all existing resources by working closely with well-known brand names and online platforms to achieve their targets.



PROPERTY PORTFOLIO



SALES (RMB)
billion **4.185**

NET LETTABLE AREA¹
sqm **312,784**

VALUATION (RMB)¹
billion **8.497**

VIP MEMBERS¹
million **2.639**

SHOPPER TRAFFIC
million **10.6**

OCCUPANCY²
% **94.5**

1 As at 31 December 2021

2 Occupancy is calculated based on average of the last day of each month in 4Q 2021

Chongqing Liangjiang

Commencement of Operations	May 2008
Net Lettable Area¹	50,885 sqm
No. of Tenants¹	374
Occupancy²	100%
Acquired Value (RMB mil)	2,452
Valuation as at 31 Dec 2021 (RMB mil)	3,121
Shopper Traffic ('000)	4,858
VIP Members ('000)¹	885
Top Brands	Nike, +39, Coach, FILA, Adidas,



Chongqing Bishan

Commencement of Operations	October 2014
Net Lettable Area¹	47,249 sqm
No. of Tenants¹	199
Occupancy²	83.5%
Acquired Value (RMB mil)	729
Valuation as at 31 Dec 2021 (RMB mil)	838
Shopper Traffic ('000)	1,172
VIP Members ('000)¹	387
Top Brands	Nike, +39, Adidas, Bosideng, FILA



Hefei

Commencement of Operations	May 2016
Net Lettable Area¹	144,583 sqm
No. of Tenants¹	353
Occupancy²	95.7%
Acquired Value (RMB mil)	2,250
Valuation as at 31 Dec 2021 (RMB mil)	2,883
Shopper Traffic ('000)	2,197
VIP Members ('000)¹	801
Top Brands	Nike, Adidas, Coach, FILA, Skechers



Kunming

Commencement of Operations	December 2016
Net Lettable Area¹	70,067 sqm
No. of Tenants¹	244
Occupancy²	96.7%
Acquired Value (RMB mil)	1,350
Valuation as at 31 Dec 2021 (RMB mil)	1,655
Shopper Traffic ('000)	2,342
VIP Members ('000)¹	566
Top Brands	Nike, Adidas, +39, Li-ning, Bosideng



1 As at 31 December 2021

2 Occupancy is calculated based on average of the last day of each month in 4Q 2021

PROPERTY PORTFOLIO



Sasseur (Chongqing Liangjiang) Outlets

CHONGQING LIANGJIANG OUTLETS

Sasseur (Chongqing Liangjiang) Outlets is located at No. 1 Aotelaisi Road, Beibuxin District, Chongqing. The vicinity of the property comprises of various residential and commercial developments, including Rong Chuang Zi Feng Jun (融创紫枫郡), Hong Cheng (红城), Chongqing Meilian Suning Tesco Plaza (重庆美联苏宁易购广场), and IKEA Shopping Mall.

The property is around 7 kilometres away from the Guanyinqiao (观音桥) retail hub, around 20 kilometres away from the Jiefangbei (解放碑) retail hub, and about 10 kilometres away from Chongqing Jiangbei International Airport. In addition, Sasseur (Chongqing Liangjiang) Outlets is in the north of the Chongqing Economic and Technological Development Zone which is one of the key development areas and will continue to enjoy preferential policies to boost its growth. China has announced an ambitious development plan for the Chongqing – Chengdu economic circle which will help accelerate the growth in the western region and facilitate the dual circulation strategy. This will form an important growth driver for the western region¹.

¹ South China Morning Post dated 22 Oct 2021

► OCCUPANCY

100.0%

► SHOPPER TRAFFIC

4.858M

► VIP MEMBERS

885,000



Sasseur (Chongqing Liangjiang) Outlets

重庆两江 CHONGQING LIANGJIANG OUTLETS



Sasseur (Chongqing Liangjiang) Outlets

The property abuts Airport Road, which is an arterial road in Chongqing. It enjoys convenient accessibility and is well-served by various modes of public transport. Bus stops and taxi stands are available around the property, connecting the subject area to various destinations in Chongqing.

The property comprises three 7-storey retail buildings and a 2-storey retail building held by Chongqing PRC Property Company. The property has a total gross floor area (“GFA”) of approximately 73,373 sqm and a total net lettable area (“NLA”) of approximately 50,885 sqm, and is erected on 22 parcels of land with a total site area of approximately 40,189 sqm.

Sasseur (Chongqing Liangjiang) Outlets targets middle and upper-class consumers with higher disposable income. The outlet was designed and built to reflect Italian architectural style, distinguishing itself through an experiential shopping concept. Sasseur (Chongqing Liangjiang) Outlets has been repositioned to offer a wide variety of retail offerings that cater to the preferences of today’s consumers. It houses more than 370 stores spread over 7 retail levels (including a basement level). The outlet features international brands and sports retailers including Sandro, Coach, FILA, Crocs, Puma and ANTA. Additionally, asset enhancement initiatives (“AEI”) for the property which commenced in year 2020 were completed in December 2021, with around 14,000 sqm of leasable space being improved and revamped. Two popular brands, Nike and Adidas, set up their new factory outlets in the middle of 2021.

We managed to creatively unlock value at this 14-year-old flagship outlet by converting a management office at level 5 into revenue-generating retail spaces featuring food and beverage, sports brands and ad-hoc sales booths. A soft launch of this retail level was held in September 2021 before the start of the anniversary sales and saw encouraging patronage.

PROPERTY PORTFOLIO



Sasseur (Chongqing Bishan) Outlets

CHONGQING BISHAN OUTLETS

Sasseur (Chongqing Bishan) Outlets is located at the southeast corner of Shuangxing Avenue and Biqing Road, Bishan District of Chongqing. Commuters travelling from the east and north of Sichuan, and the west of Chongqing, would have to cross Bishan in order to enter into Chongqing city centre. The vicinity of the property comprises of various residential and industrial developments built in the last decade.

The property is around 4 kilometres away from Bishan station, Light Rail Line 1, around 21 kilometres away from Chongqing South railway station and around 42 kilometres away from Chongqing Jiangbei International Airport.

The property abuts Biqing Road, which is a secondary road in the Bishan District. It enjoys convenient accessibility and is well-served by various modes of public transportation. Bus stops and taxi stands are available around the property, connecting the subject area to various destinations in Chongqing.

► OCCUPANCY

83.5%

► SHOPPER TRAFFIC

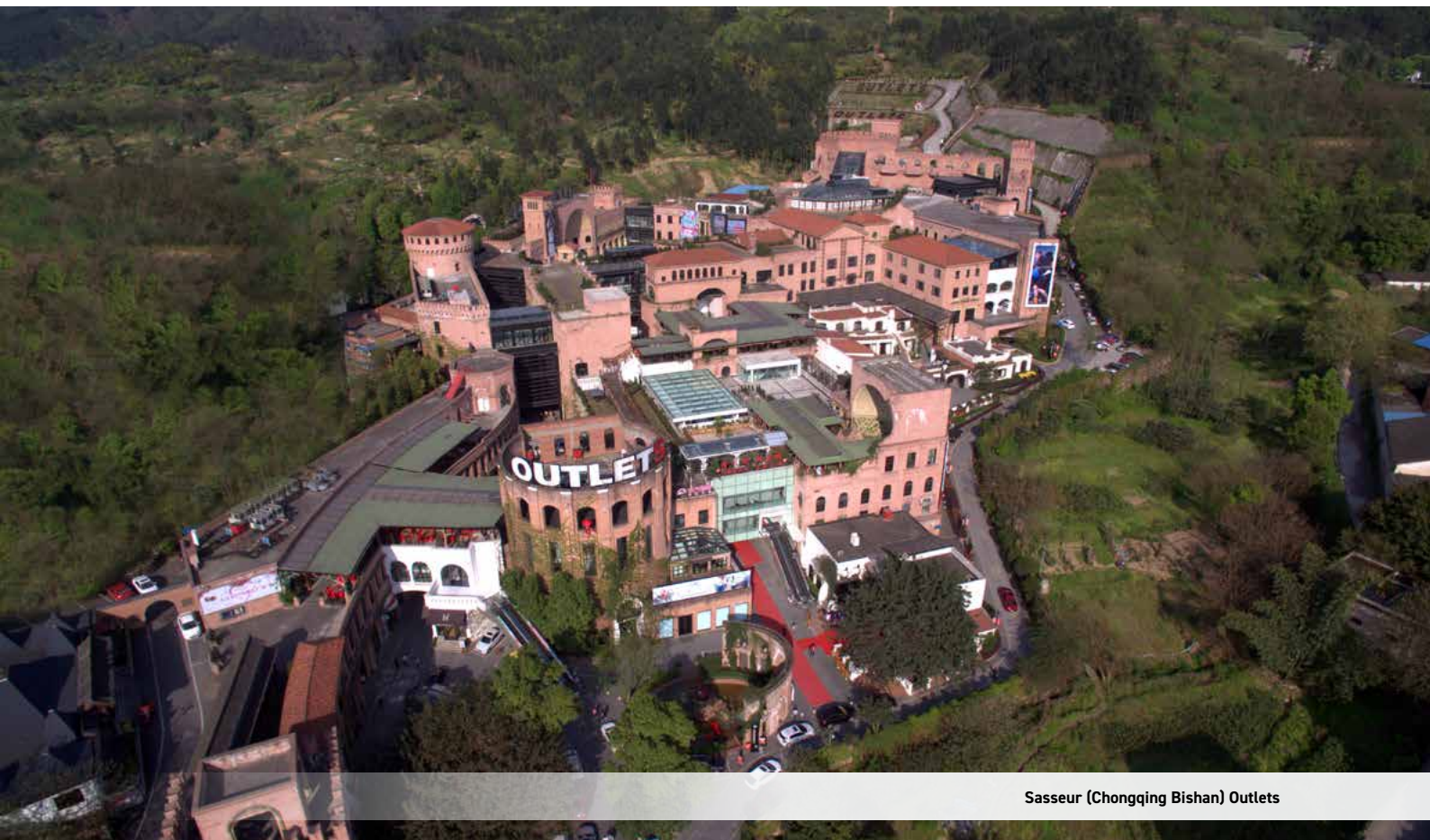
1.172M

► VIP MEMBERS

387,000



Sasseur (Chongqing Bishan) Outlets



Sasseur (Chongqing Bishan) Outlets

Sasseur (Chongqing Bishan) Outlets offers a diverse shopping and dining experience catering to the needs of the population. It 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. Over the past year, more than 30 new brands were introduced into the outlet, boosting its product offerings to cater to a wider range of shoppers.

Sasseur (Chongqing Bishan) Outlets is undergoing AEI to improve shopper circulation and mall aesthetics to enhance its shopping experience. The AEI is expected to be completed by 1Q 2022.

Sasseur (Chongqing Bishan) Outlets has a campus style layout, with 21 blocks of retail buildings spread over an undulated site, comprising seven 4-storey buildings, seven 3-storey buildings, five 2-storey buildings, two single-storey buildings and approximately 400 underground car parking lots. The property has a total GFA of approximately 68,791 sqm and a total NLA of approximately 47,249 sqm and is erected on a parcel of land with a site area of approximately 78,793 sqm.

PROPERTY PORTFOLIO



Sasseur (Hefei) Outlets

HEFEI OUTLETS

Sasseur (Hefei) Outlets is located at No. 1888 Changning Avenue, Gaoxin District, Hefei. It is situated within close proximity to the precious ecological landscape resource in Hefei – Wangzui Lake (王咀湖). The developments in the neighborhood are mainly residential and educational institutions. Sasseur (Hefei) Outlets is located in the High-Tech Industrial Development Zone, which is one of the top national high-tech industrial development zones in China. The high-tech school district of the University of Science and Technology of China is located at the northeast of the property. The various established residential developments in the vicinity form a large catchment population for this outlet.

The property is 24 kilometres away from Hefei railway station and 23 kilometres away from Hefei Xinqiao International Airport. There are two metro stations near the property, one along Metro Line 2, and the other along the newly completed Metro Line 4 launched in December 2021. Both stations are approximately 1.2 kilometres from Sasseur (Hefei) Outlets. The Metro Line 2 station will also become an interchange in the future, with the addition of the upcoming Metro Line 7, further connecting Sasseur (Hefei) Outlets with the city centre, thereby improving the accessibility of Sasseur (Hefei) Outlets and broadening its consumer base.

► OCCUPANCY

95.7%

► SHOPPER TRAFFIC

2.197M

► VIP MEMBERS

801,000



Sasseur (Hefei) Outlets



Sasseur (Hefei) Outlets

Sasseur (Hefei) Outlets caters to middle class consumers by offering a wide range of entertainment choices as well as luxury brands. With more than 350 stores spread over 5 retail levels (including a basement level), it offers shoppers a one-stop shopping, dining and entertainment destination. Sasseur (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. Other attractions include an indoor zoo and a children's edutainment centre spanning over two levels, which have consistently drawn large crowds and groups from schools and companies.

The AEI to reposition Block B of Sasseur (Hefei) Outlets has proven to be successful, having attracted several international and domestic sports brands to set up their flagship stores. The thematic "Super Sports" concept has been well represented by popular domestic brands like "Li Ning, Anta, X-step and Peak", as well as international sports brands such as "Nike, Adidas, Skechers and FILA".

PROPERTY PORTFOLIO



Sasseur (Kunming) Outlets

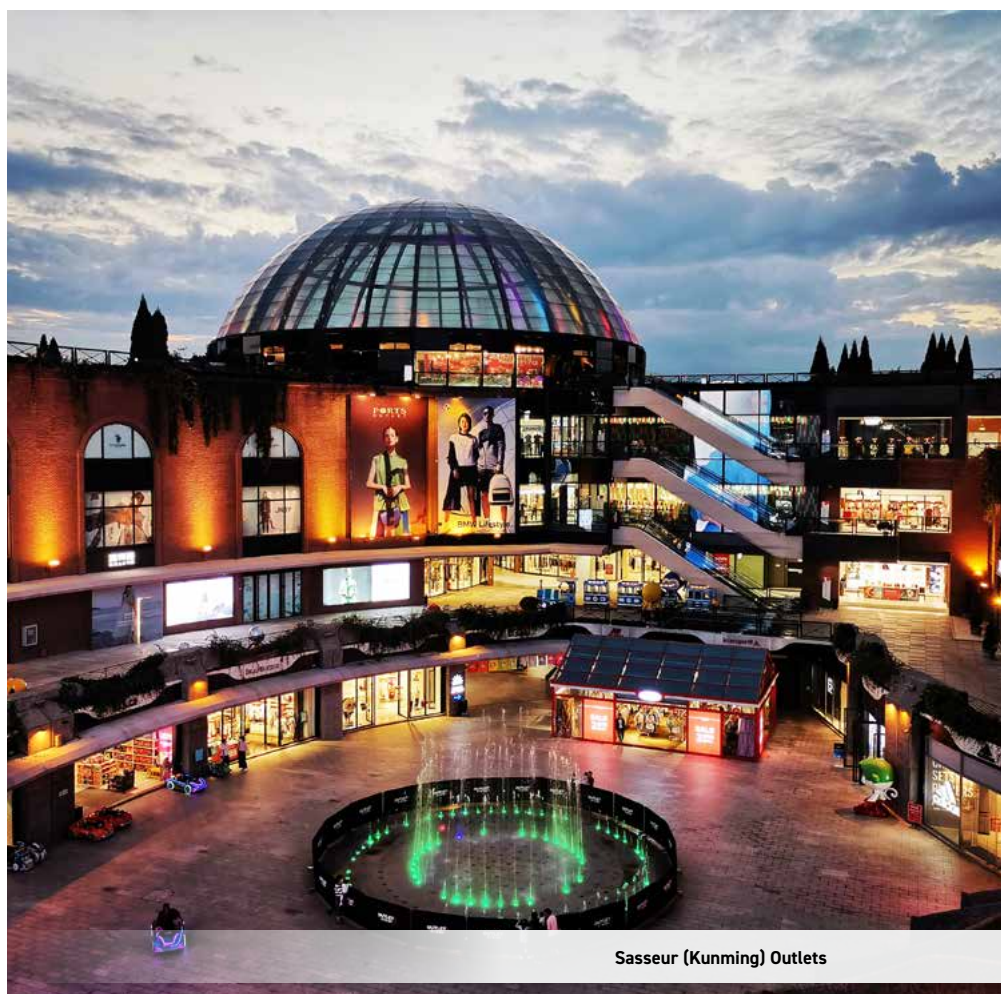
KUNMING OUTLETS

Sasseur (Kunming) Outlets is located at 181 Aotelaisi Avenue, Anning City, Kunming. The vicinity of the property comprises of various residential and commercial developments, tourist attractions and the New Kunhua Hospital (新昆华医院) The property is sited in the northeast of Anning City, and well-served by public transport. It is about 25 minutes' drive to Anning Bus Station, a half-hour' drive to the city centre of Kunming, and a one hour drive to the Kunming Changshui Airport. The established land transport network across these regions provide an impetus to the growth of the regional economies, and support the retail business at Sasseur (Kunming) Outlets.

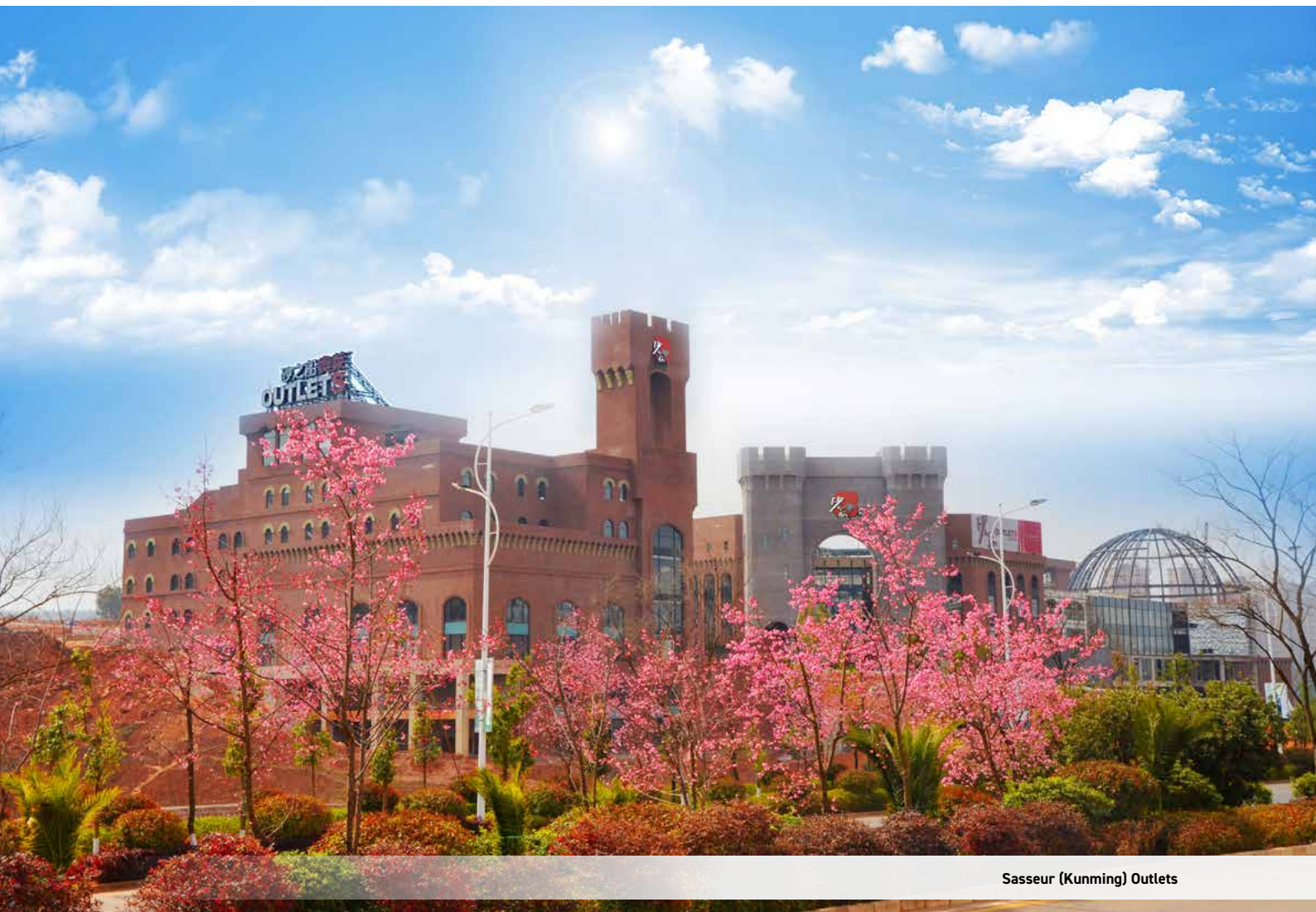
► OCCUPANCY
96.7%

► SHOPPER TRAFFIC
2.342M

► VIP MEMBERS
566,000



Sasseur (Kunming) Outlets



Sasseur (Kunming) Outlets

Sasseur (Kunming) Outlets comprises two 7-storey buildings and eleven ground floor retail shops. It offers an exciting array of retail options including outlet shopping, restaurants, service offerings, children entertainment and hotel facilities, providing shoppers with a comprehensive lifestyle and entertainment experience intended to promote retail spending and enhance customer loyalty. The outlets have more than 240 stores spread over 4 retail levels and 3 basements, overseeing a man-made lake surrounded by luscious green landscaping. Sasseur (Kunming) Outlets is positioned to cater to the growing middle-class consumers, satisfying their preference for international brands such as FILA, MISS Sixty and Adidas. The outlet also carries popular domestic brands to cater to a wider customer base.

PARTNER BRANDS



OPERATIONS REVIEW

MACROECONOMIC PERFORMANCE IN 2021

China rebounded quickly from the pandemic in 2020. Its economy had a robust start in 2021 driven by strong growth in exports, but began to slow down visibly in the second half of the year amid a series of regulatory clampdowns in the real estate, technology and education sectors. Consumer spending was dampened after authorities responded to COVID-19 outbreaks by blocking most access to cities including Ningbo, Dalian and Heilongjiang, and imposed travel controls in other areas.

From October to December 2021, the country's economy grew by 4%¹ from a year earlier, a further deceleration from the 18.3% jump in the first quarter of 2021. Total retail sales of consumer goods in 2021 reached RMB 44.08 trillion, rose by 12.5% over the previous year, averaging a growth rate of 3.9% in two years. Nonetheless, China's GDP growth beats expectations with 8.1% in 2021, fastest in 10 years according to China National Bureau of Statistics (NBS). Data from NBS indicated that China's GDP in 2021 topped RMB 114.367 trillion with its two-year average growth standing at 5.1%, and its GDP per capita came in at US\$12,551 which NBS described as "surpassed the world's average".

¹ <https://news.cgtn.com/news/2022-01-17/China-s-GDP-tops-114-36-trillion-yuan-in-2021-16T64Jt0na8/index.html>

² Zhang Jie, Consumption remains biggest contributor to economic growth, China Daily, 30 July 2019

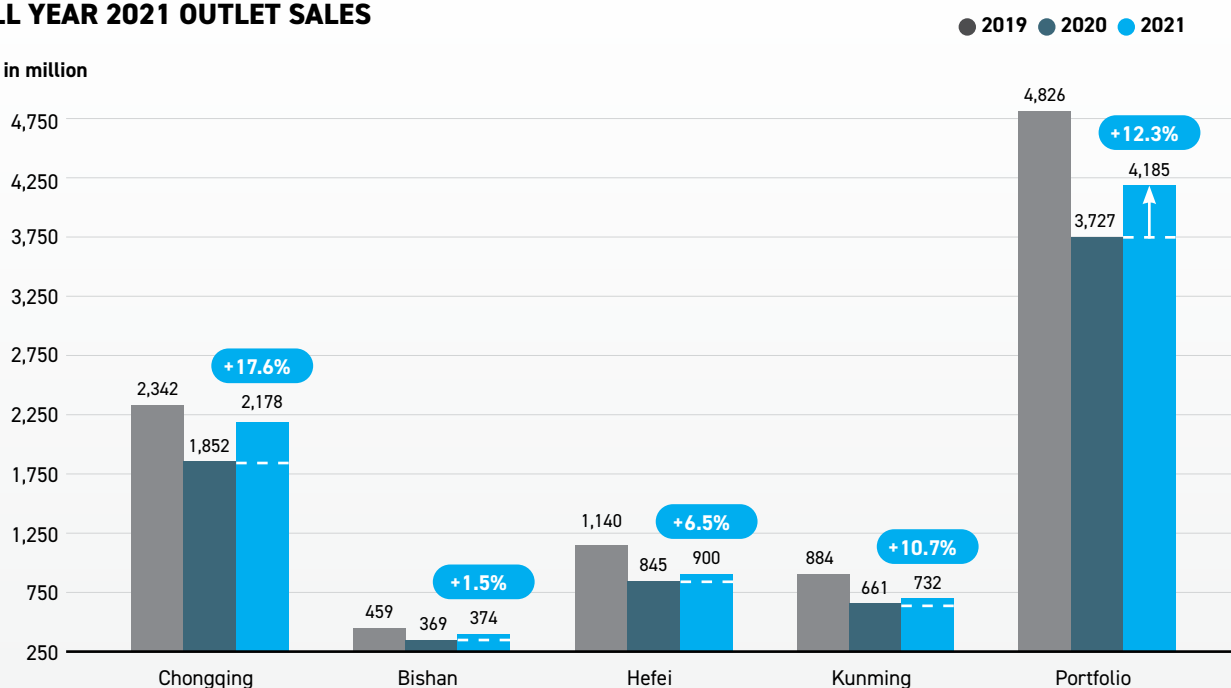
OVERVIEW OF PORTFOLIO PERFORMANCE

Sasseur REIT's portfolio consists of 4 quality assets located in 3 cities across China with an aggregate GFA of approximately 377,737 sqm.

Total outlet sales for FY2021 was RMB 4,185 million, 12.3% higher than the RMB 3,727 million in FY2020, but 13.3% lower than the RMB 4,826 million in FY2019. Even at the national level, China's retail sales only grew a dismal 1.7% y-o-y in December 2021. While sales figures have yet to recover to pre-pandemic levels due to sporadic outbreaks of COVID-19 from time to time, we are cautiously optimistic that our portfolio will continue to do well. China's relative exposure to the rest of the world has declined because the major driver of its economic growth has switched from trade and investment to domestic consumption, which now accounts for 60% to 70%² of China's GDP growth. As China's consumer market and domestic supply chains have matured, more goods and services are being produced and consumed domestically. Sasseur REIT's outlets are well-positioned to benefit from these economic trends notwithstanding the disruption of business due to outbreak of COVID-19.

FULL YEAR 2021 OUTLET SALES

RMB in million



OPERATIONS REVIEW

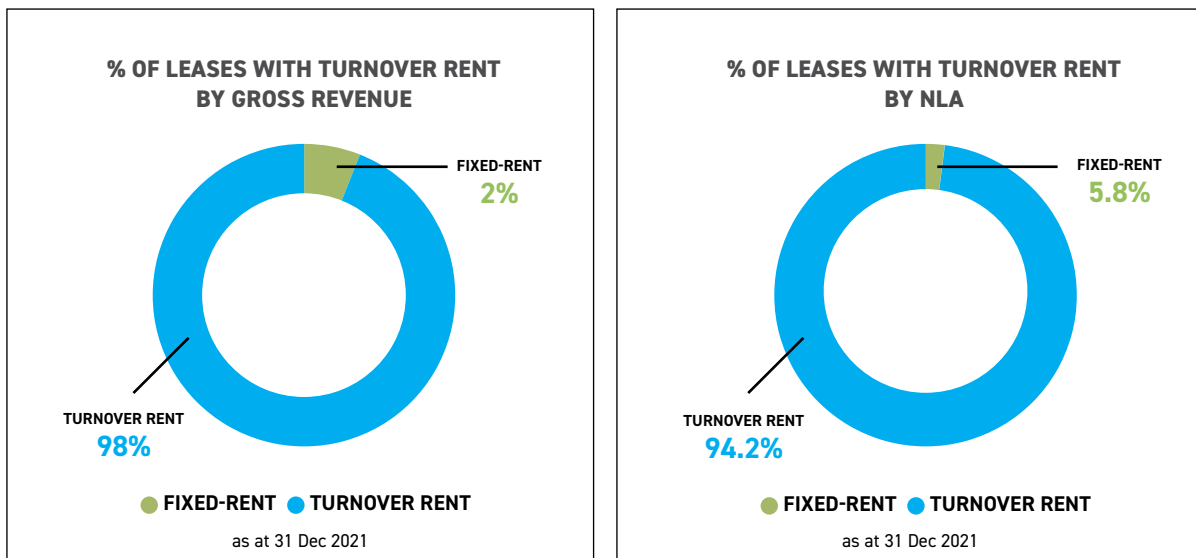
‘SALES-DRIVEN’ ASSET MANAGEMENT

Sasseur REIT’s performance is tied closely to the tenants’ sales at the outlets. Our interests are aligned with our tenants and we are committed to their success. This underscores the resilience of Sasseur REIT’s unique business model, which is almost entirely sales driven as well as mitigation of risks through the fixed and variable components of our rental income under the Entrusted Management Agreement model.

Through the REIT Manager’s proactive asset management strategy, Sasseur REIT’s portfolio has achieved high occupancy levels, a well-staggered lease expiry profile as well as a high-quality and well-diversified tenant base. Our approach has added strength and resilience to Sasseur REIT’s portfolio. Our outlets not only offer wide-ranging and popular international and domestic brands at attractive discounts, but also provide an exciting venue for people to meet and experience well-curated lifestyle activities. Our Entrusted Managers are continuously looking for ways to refresh the outlets to keep up with China’s dynamic retail landscape and the evolving spending habits of Chinese consumers. We continue to strive to deliver strong results by channeling resources to promote high yielding brands to grow their business and introducing new and promising international and domestic brands.

The sponsor’s unique ‘A x (1+N) x DT’ business model has also placed Sasseur REIT in a good stead in the face of the volatile and challenging retail market. The number ‘1’ represents the ‘value-for-money’ outlet positioning and ‘N’ is equivalent to lifestyle and experiential positioning within the outlet, serving as a double-destination attraction for shoppers.

LEASE STRUCTURE TO CAPTURE SALES’ GROWTH

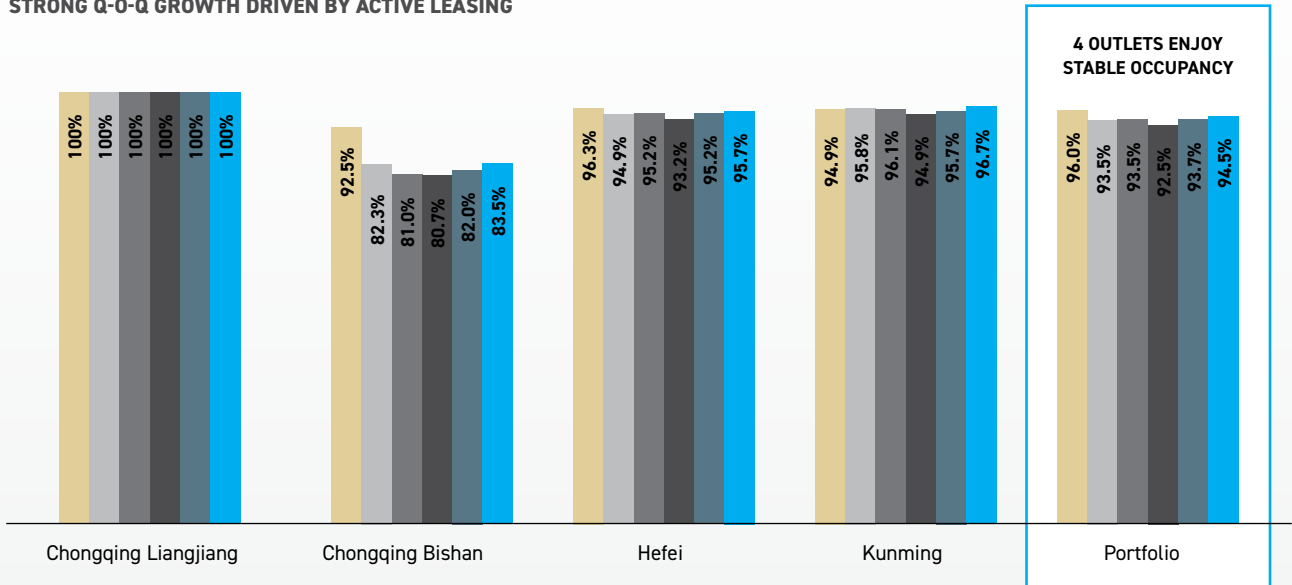


The majority of Sasseur REIT’s leases are structured to capture the sales growth of high performing tenants. This arrangement provides Unitholders with a stable and growing revenue cashflow. Approximately 98% and 94% of the leases in terms of Gross Revenue (“GR”) and NLA respectively contain turnover rent provisions. The interests of both landlord and retailers are aligned under such a lease structure. As at 31 Dec 2021, for anchor tenants, the lease structure is on a fixed rent basis with a built-in annual step-up component. Tenants’ sales data can be tracked accurately and quickly as all tenants’ point-of-sale systems are integrated into the Entrusted Manager’s system. This arrangement also contributed to a low arrears of less than 1% for FY 2021.

IMPROVING PORTFOLIO OCCUPANCY

STRONG Q-O-Q GROWTH DRIVEN BY ACTIVE LEASING

● 2019 ● 2020 ● 1Q21 ● 2Q21 ● 3Q21 ● 4Q21



* Occupancy is calculated based on average of the last day of the 3 months.

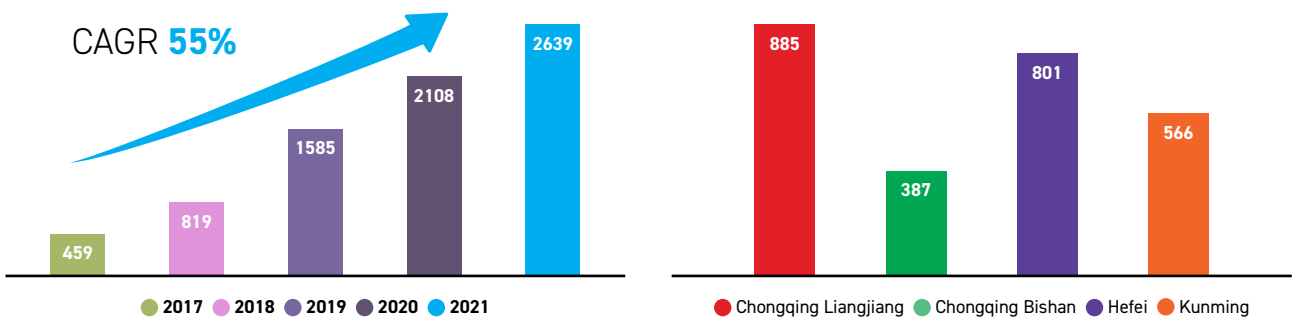
Our portfolio's overall occupancy increased to 94.5% in 4Q 2021, compared to 93.7% in 3Q 2021. All outlets recorded higher occupancy levels showing the results of our proactive asset management strategies. Despite pandemic related uncertainties, our leasing momentum remained strong. As at 31 December 2021, we have secured more than 310 new leases and renewed more than 990 leases.

The improvement in portfolio occupancy was mainly attributed to the major reconstitution of tenant mix and the AEI carried out at Chongqing Liangjiang and Chongqing Bishan. The operations principle of the Entrusted Manager is to build a strong and close relationship with all the tenants, a 'win-win' strategy for all stakeholders.

STRONG GROWTH IN VIP MEMBERSHIP

TOTAL VIP MEMBERS ON PORTFOLIO ('000)

TOTAL VIP MEMBERS BY OUTLETS ('000)

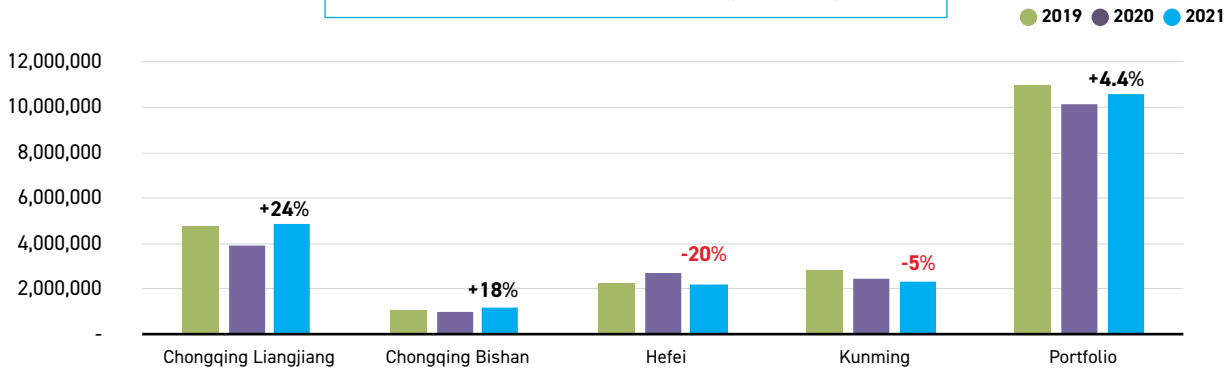


Our VIP membership drive is critical to achieving our annual sales target. The sales contribution from VIP members increased from circa 50% to 60% of total sales from 2018 to 2021. We renewed our membership drive plans annually with a strong push in the months of July, September and December. These months coincide with our year-round major promotional events like Anniversary Sales, summer promotions and year-end events. Total VIP Members as at 31 December 2021 was 2,639 million. This is an increase of 25% from FY2020 or an additional 531,000 new members recruited for the year.

OPERATIONS REVIEW

SHOPPER TRAFFIC

SHOPPER TRAFFIC FLOW Y-O-Y (2019-2021)



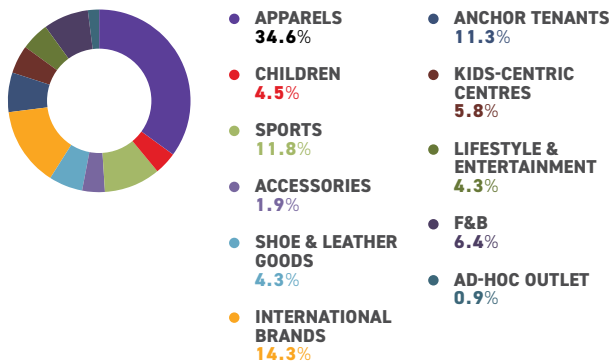
Strong recovery in shopper traffic for FY2021 despite the disruption caused by the pandemic. Total number of shoppers for the full year was 10.6 million which is an increase of 4.4% from FY2020.

The total shopper traffic of the portfolio in FY2021 increased by 4.4% to 10.6 million (FY2020: 10.1 million), attributed to improved consumer sentiment and proactive asset management. Shopper traffic has recovered to around 95% to 97% of pre COVID-19 levels since China managed to successfully control the spread of COVID-19 in the first quarter of 2020. Emerging signs of recovery were observed, with shopper traffic and tenant sales increasing 4.4% and 12.3% y-o-y respectively.

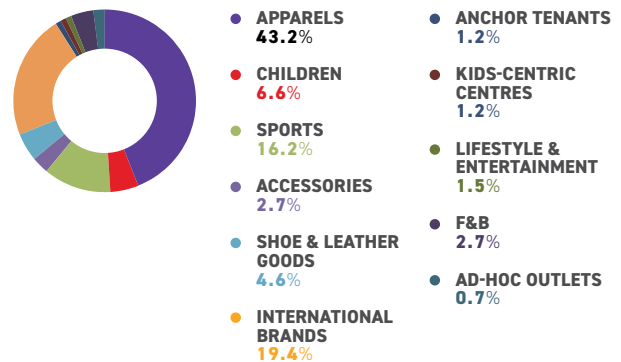
VIBRANT TRADE MIX

DIVERSIFIED TRADE MIX

BREAKDOWN OF NLA¹ BY TRADE SECTOR



BREAKDOWN OF REVENUE² BY TRADE SECTOR



60.7% BY NLA

FASHION, SPORTS AND INTERNATIONAL BRANDS

78.8% BY REVENUE

¹ As percentage of the portfolio's net lettable areas as at 31 December 2021

² As percentage of the portfolio's gross revenue as at 31 December 2021

As at 31 December 2021, 43.2% of combined outlets' Gross Revenue was attributable to the apparels sector, followed by 19.4% and 16.2% from the international brands and sports sectors respectively. Throughout the year, we have implemented trade-mix diversification plans at all the outlets, allowing us to stay ahead of retail trends and remain competitive to attract new tenants.

Sasseur REIT boasts a well-diversified portfolio from 11 different trade sectors. Apparels continues to be the largest sector accounting for more than 40% of Portfolio Gross Revenue. The top three largest trade sectors of apparels, sports and international brands contributed close to 79% of total Gross Revenue. There is a marginal decline in Gross Revenue for apparels and international brands vs FY2020.

This was a result of our concerted efforts to streamline the trade mix to achieve wider diversity and reduce the risks of overreliance on a particular sector. At the same time, we have also increased our offerings for food and beverages and more lifestyle activities for kids.

PORTFOLIO LEASE EXPIRY PROFILE

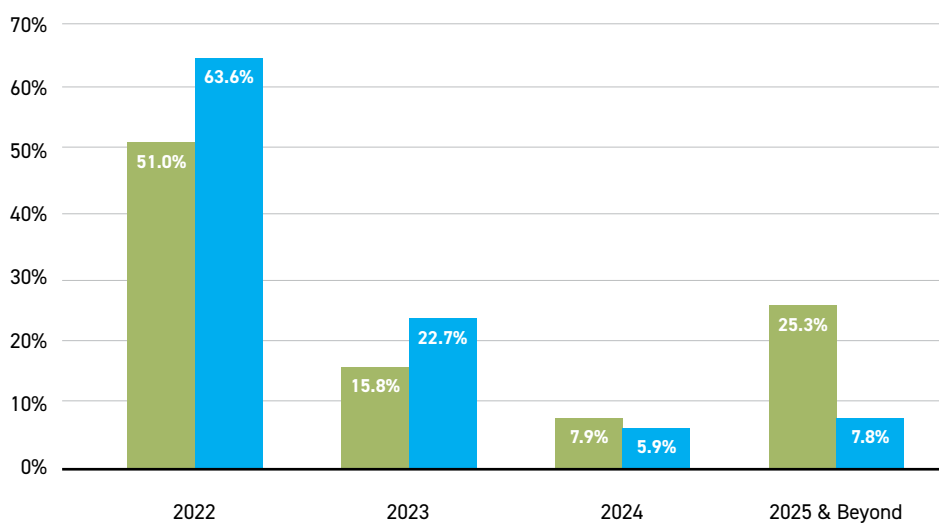
As at 31 December 2021, the lease expiry profile for the portfolio remained well balanced with a portfolio weighted average lease expiry (“WALE”) of 1.3 years by Gross Revenue and 2.7 years by NLA. The typical lease terms are 5 to 10 years for anchor tenants and 1 to 3 years for other tenants. Unlike conventional leases, shorter leases are a core leasing feature of Sasseur outlets. This is to allow us to replace under-performing tenants with other brands that are better suited to the current consumer trends and renew leases at higher rates for brands that perform well. With the majority of our rental income pegged to tenants’ sales, our interest is aligned with the tenants.

The REIT Manager strives to achieve a stable and sustainable income growth and proactively manages the lease expiry profiles to mitigate the concentration of lease expiries in any given year. Approximately 64% and 23% of the leases by Gross Revenue will expire in FY2022 and FY2023 respectively. With majority of the leases signed on a sales-based model, the sales commission for these leases are pegged to market upon expiry, which provides an opportunity to capture the upside during a good market.

WEIGHTED AVERAGE LEASE EXPIRY (WALE)

Deliberate short leases for quick adjustment to trade mix to align the trade mix with the fast changing consumer preferences in China.

LEASE EXPIRY BY NLA & GROSS REVENUE



WEIGHTED AVERAGE LEASE EXPIRY (YEARS)

1.3

BY GROSS REVENUE

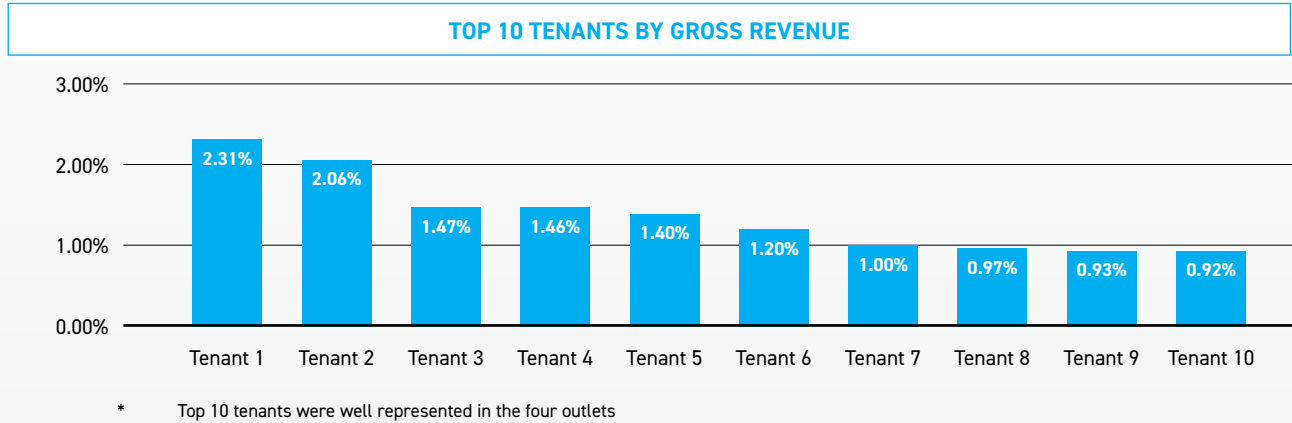
2.7

BY NET LETTABLE AREA

* As at 31 December 2021

OPERATIONS REVIEW

PORTFOLIO TENANTS' PROFILE & TOP 10 TENANTS



The four outlets have more than 1,100 tenants. As at 31 December 2021, no single tenant has contributed more than 2.3% of Gross Revenue. Top 10 tenants contributed about 14% of portfolio Gross Revenue.

Breakdown of Tenants in Portfolio

(As at 31 December 2021)



Sasseur REIT offers a diversified range of trade mix in our outlets. This lowers dependence on any particular tenant, which enabled Sasseur REIT to mitigate concentration risk and enhance portfolio resilience.

ASSET ENHANCEMENT INITIATIVES

The REIT Manager implemented several strategic AElS to enhance the appeal of the outlets. We managed to creatively unlock value at the most matured 14 year-old flagship Sasseur (Chongqing Liangjiang) Outlets by converting a management office at Level 5 into revenue-generating retail spaces featuring food and beverage, sports brands and ad-hoc sales booths. A soft launch of this new retail level was held in September 2021 before the anniversary sales and saw encouraging patronage. AEl works at Sasseur (Chongqing Liangjiang) Outlets were completed in December 2021, with the benefits expected to be fully realised in FY2022 onwards.



UPGRADING MAIN ATRIUM WITH LED DISPLAY / UPGRADING OF TYPICAL LIFT LOBBY

To further enhance the positioning of its asset, Sasseur REIT embarked on AEs for Sasseur (Chongqing Bishan) Outlets in 2021, with completion scheduled by March 2022. This AEI aims to redesign the shopper traffic circulation for better shopping experiences. Shop layouts will be reconfigured to optimise space for popular sports and local brands. In addition, more carpark lots will be added to cater to greater demand during peak periods. This AEI is built upon the merger of

operations of both Sasseur (Chongqing Liangjiang) Outlets and Sasseur (Chongqing Bishan) Outlets into a 'unified ecosystem'. With greater internal efficiencies, joint promotional activities and cross-marketing between both outlets, Sasseur (Chongqing Bishan) Outlets is expected to see improved occupancy and sales upon the completion of the AEI. The outlet's average occupancy improved to 83.5% in 4Q 2021, reversing the downward trend since 1Q 2021.

IMPROVEMENT TO STORE DISPLAY FAÇADE IN SASSEUR (CHONGQING BISHAN) OUTLETS



CONVERSION OF A MANAGEMENT OFFICE AT LEVEL 5 OF SASSEUR (CHONGQING LIANGJIANG) OUTLETS INTO REVENUE GENERATING RETAIL SPACES



SUSTAINABILITY

BOARD STATEMENT

The Board of Directors is pleased to present Sasseur Real Estate Investment Trust's ("**Sasseur REIT**") third Sustainability Report, covering the financial year ended 31 December 2021 ("**FY2021**"). This report discloses Sasseur Asset Management Pte. Ltd. (the "**REIT Manager**") and Sasseur (Shanghai) Holding Company Limited's (the "**Entrusted Manager**") joint efforts in managing Sasseur REIT's environmental, social and governance ("**ESG**") impacts throughout the value chain.

In FY2021, the COVID-19 pandemic has persisted and continued to affect the recovery of the retail real estate sector. Despite the pandemic, Sasseur REIT is proud to be awarded runner-up in the Singapore Corporate Governance Award (REITs & Business Trusts) at the Securities Investors Association (Singapore) Choice Awards 2021. These awards are a testament to our efforts in being the best despite challenges faced.

Sasseur REIT remains committed to our sustainability goals and aspires to become the world's leading outlet mall REIT amidst the COVID-19 pandemic. In addition to improving our financial performance, we work towards social goals such as providing safe social spaces, enhancing product and service quality, advancing urbanisation and mitigating environmental impacts.

As part of our strategy of responding to and managing the COVID-19 pandemic, we are collaborating with key stakeholders, reinventing ways of working to emerge stronger in the evolving business landscape while ensuring the safety of everyone. To ensure the viability of our business, we work closely with our brand partners and local authorities to drive sales and support economic recovery. As the health and safety of our employees and customers are of utmost importance, we ensure compliance with governmental regulations and guidelines and have stepped up on the cleaning and disinfection of our outlets and offices. We are committed to safeguarding the physical and mental well-being of our employees and supporting local communities in tiding over these difficult times.

The pandemic has also highlighted the importance of sustainability and stakeholders are placing more focus on sustainable developments. Sasseur REIT continues to strengthen its sustainability focus and will play its part to build on past sustainability initiatives, increasing transparency and staying committed to its sustainability goals. We will also continue to work with various stakeholders to understand their key concerns and how sustainability issues impact our business.

To align our business objectives with our sustainability goals, especially as the pandemic has elevated the importance of ESG issues, the Board considers sustainability issues as part of the strategic formulation of Sasseur REIT's business plans. The Board sets the strategic direction and goals in ensuring strong corporate governance, fair employment practices and efficient consumption of resources, on top of delivering robust financial results. The material ESG factors presented in this report have been revalidated to be relevant for the current year by the Board, who is responsible for overseeing the management and monitoring of these ESG issues.

We remain vigilant in upholding our commitments towards sustainability while creating long-term value for our stakeholders.

ABOUT SASSEUR REIT

Sasseur REIT is the first outlet mall REIT listed in Asia. As of 31 December 2021, Sasseur REIT has a portfolio of four outlets located in Chongqing, Bishan, Hefei and Kunming. Sasseur REIT is managed by Sasseur Asset Management Pte. Ltd., while Sasseur (Shanghai) Holding Company Limited act as the Entrusted Manager. The REIT Manager's main responsibility is to manage Sasseur REIT's assets and liabilities for the benefit of unitholders. Under the Entrusted Management Agreements, the Entrusted Manager manages the end-to-end operations of the Properties for and on behalf of the PRC Property Companies. Striving for constant improvement and exceptional performance, the REIT Manager and Entrusted Manager work closely together through regular meetings and sharing of information via various digital platforms to communicate on a real-time basis on leasing activities, business plans and consumer trends.

The REIT Manager is an indirect wholly-owned subsidiary of Sasseur Cayman Holding Limited (the "**Sponsor**"), a part of the Sasseur group (the "**Sponsor Group**") which is one of the leading premium outlet operators in the People's Republic of China ("**PRC**"), ranked 283rd place among the top 500 service companies in the PRC in 2021, an improvement from 304th place in 2020. With more than 30 years of experience in Art Commerce, the Sponsor Group is recognised in Asia as a leading outlet operator who adopts a strategic approach of integrating aesthetics, emotions, sense of place and capital management, based on its "A x (1+N) x DT" Super Outlet business model. Through its business model, the Sponsor Group provides multidimensional social ecosystems within its outlets by merging art, outlet shopping, social spaces, and the use of data technology.

ABOUT THIS REPORT

REPORTING FRAMEWORK

This report has been prepared in accordance with the sustainability reporting requirements of the SGX-ST Listing Rules 711A and 711B and the Global Reporting Initiative ("**GRI**") Standards: Core option. The GRI Standards were selected as it is an internationally recognised reporting framework. It covers a comprehensive range of sustainability disclosures that is suited to Sasseur REIT's industry and business model.

REPORTING PERIOD AND SCOPE

The reporting period covered in this report is from 1 January 2021 to 31 December 2021.

Unless otherwise stated, this report covers the following entities:

- Sasseur REIT
- The REIT Manager
- The Entrusted Manager
- Sasseur REIT's portfolio of properties in Chongqing, Bishan, Hefei and Kunming.

The remaining entities within the trust structure are excluded from the report as there are no employees within these entities.

For performance related to environmental factors (energy and water), the data disclosed covers Sasseur REIT's portfolio of properties in Chongqing, Bishan, Hefei and Kunming. Employee-related performance data disclosed in this report covers the employees of the REIT Manager and the Entrusted Manager.


No external assurance was sought for this report. External assurance by independent professional bodies will be considered as our reporting matures over time.

FEEDBACK




The REIT Manager values and welcomes all feedback from stakeholders as they are integral to the continuous improvement of our sustainability practices and reporting. Please send all comments and suggestions to ir@sasseurreit.com.

SUSTAINABILITY

SUSTAINABILITY OVERVIEW

ESG FACTORS	INDICATOR	FY2021 PERFORMANCE	TARGETS FOR FY2021	TARGETS FOR FY2022
Governance - Regulatory Compliance 	Anti-bribery, corruption, and fraud¹			
	Instances of bribery, corruption and fraud reported	<u>REIT Manager and Entrusted Manager</u> Zero instances of bribery, corruption and fraud <u>Entrusted Manager</u> Conducted 7 criminal risk prevention trainings for key personnel	<u>REIT Manager and Entrusted Manager</u> Achieved - Zero tolerance towards bribery, corruption and fraud, and compliance with applicable laws and regulations <u>Entrusted Manager</u> Achieved - Provide one or more relevant training to key personnel	<u>REIT Manager and Entrusted Manager</u> Zero tolerance towards any acts of bribery, corruption, and fraud, and comply with applicable AML, Combating the Financing of Terrorism (“CFT”) and unilateral and domestic laws and regulations. <u>Entrusted Manager</u> Conduct one or more criminal risk prevention training to key personnel
	Socioeconomic and environmental compliance			
Non-compliance with laws and/or regulations in the socioeconomic and environmental areas	<u>REIT Manager and Entrusted Manager</u> Zero instances of socioeconomic and environmental non-compliance <u>Entrusted Manager</u> Conducted 6 legal risk prevention trainings on release of public information for key personnel	<u>REIT Manager and Entrusted Manager</u> Achieved - Zero socioeconomic and environmental non-compliance <u>Entrusted Manager</u> Achieved - Enhance the Risk Assessment Model Achieved - Conduct three or more relevant trainings to key personnel	<u>REIT Manager and Entrusted Manager</u> Zero cases of fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social, economic, and environmental areas <u>Entrusted Manager</u> Provide three or more legal risk prevention trainings on release of public information to key personnel Provide one or more risk management training to key personnel	

1 Non GRI aspect.




ESG FACTORS	INDICATOR	FY2021 PERFORMANCE	TARGETS FOR FY2021	TARGETS FOR FY2022
Governance - Regulatory Compliance 	Responsible business practices¹			
	Instances of counterfeit reports	<u>Entrusted Manager</u> Zero instances of counterfeit reports	<u>Entrusted Manager</u> Achieved - Ensure that authentic high-quality products are sold at Sasseur REIT outlets	<u>Entrusted Manager</u> Ensure that authentic high-quality products are sold at Sasseur REIT outlets
	Cyber security¹			
	Instances of customer data loss	<u>REIT Manager and Entrusted Manager</u> Zero instances of customer data loss	<u>REIT Manager and Entrusted Manager</u> Achieved - Strengthen our cyber security capabilities to protect data	<u>REIT Manager and Entrusted Manager</u> Strengthen our cyber security capabilities to protect our data Adopt measures to heighten our ability to monitor any potential cyber-attacks and threats of data breach, formalising preventive measures before these risks become a significant event <u>REIT Manager</u> Conduct an IT security awareness training for employees and Board of Directors annually
Environmental - Energy 	Energy Consumption			
	Energy consumption within the organisation	<u>Entrusted Manager</u> 206,722 GJ (↑FY2020: 174,771GJ)	<u>Entrusted Manager</u> Not achieved - Reduce energy intensity by 1% from FY2020 ²	<u>Entrusted Manager</u> Reduce the total energy consumption or energy intensity by 1% from FY2021
Energy intensity	<u>Entrusted Manager</u> 0.45 GJ/m ² (↑FY2020: 0.38 GJ/m ²)			
Environmental - Water 	Water Management			
	Water withdrawal	<u>Entrusted Manager</u> 613.14 ML (↑FY2020: 291.7ML)	<u>Entrusted Manager</u> Not achieved - Reduce water intensity by 1% from FY2020 ³	<u>Entrusted Manager</u> Reduce water intensity by 1% from FY2021
Water intensity	<u>Entrusted Manager</u> 1.34 m ³ /m ² (↑FY2020: 0.64 m ³ /m ²)			

1 Non GRI aspect.

2 Refer to "Energy Consumption" on page 93 for a detailed explanation.

3 Refer to "Water Consumption" on page 96 for a detailed explanation.

SUSTAINABILITY

ESG FACTORS	INDICATOR	FY2021 PERFORMANCE	TARGETS FOR FY2021	TARGETS FOR FY2022
Social – Talent Management and Retention 	Diversity and equal opportunity			
	New employee hire rate	<u>REIT Manager and Entrusted Manager</u> 60%	<u>REIT Manager and Entrusted Manager</u> Achieved - Continue practicing fair employment	<u>REIT Manager and Entrusted Manager</u> Continue fair employment practices
	Employee turnover rate	<u>REIT Manager and Entrusted Manager</u> 41%	Not achieved - Maintain or increase average training hours per employee ⁴	Maintain or increase average training hours per employee
	Competitive Compensation			
	Percentage of employees receiving regular performance and career development reviews	<u>REIT Manager and Entrusted Manager</u> 100%	<u>REIT Manager</u> Not achieved - Launch a new leadership development programme ⁴	<u>Entrusted Manager</u> In the e-learning system, complete the creation of a “Sasseur Encyclopedia”, documenting past cases for learning
	Training and Career Development			
Average hours of training per year per employee	<u>REIT Manager and Entrusted Manager</u> 3.11 hours <u>REIT Manager</u> 25.5 hours <u>Entrusted Manager</u> 2.32 hours	Not achieved - Introduce a new e-learning system to improve training accessibility and frequencies ⁴ <u>Entrusted Manager</u> Achieved - Standardise performance reviews	Continually improve the standardisation of performance reviews of employees	
Social – Local Communities (Additional Disclosure) 	Community development initiatives and contributions	<u>REIT Manager</u> SGX Bull Charge Virtual Charity Run 2021 <u>Entrusted Manager</u> Sasseur (Chongqing Liangjiang) Outlets and Sasseur (Chongqing Bishan) Outlets: Donation campaign for breast cancer	N/A ⁵ - Continue to plan and organise more partnerships to drive greater positive changes in the communities, making volunteerism an intrinsic part of Sasseur Group’s work culture	N/A ⁵
Managing the impacts of COVID-19 (Additional Disclosure) 	Continuing stakeholder engagement and communication		N/A ⁵	N/A ⁵
	Complying with relevant governmental guidelines and health advisories			
	Putting people first: health and safety, mental well-being			
	Strengthening business resilience and revitalising local economies			

4 Refer to “Training and Career Development” on pages 103 and 104 for a detailed explanation.

5 Target-setting is not required as this is a non-material disclosure.

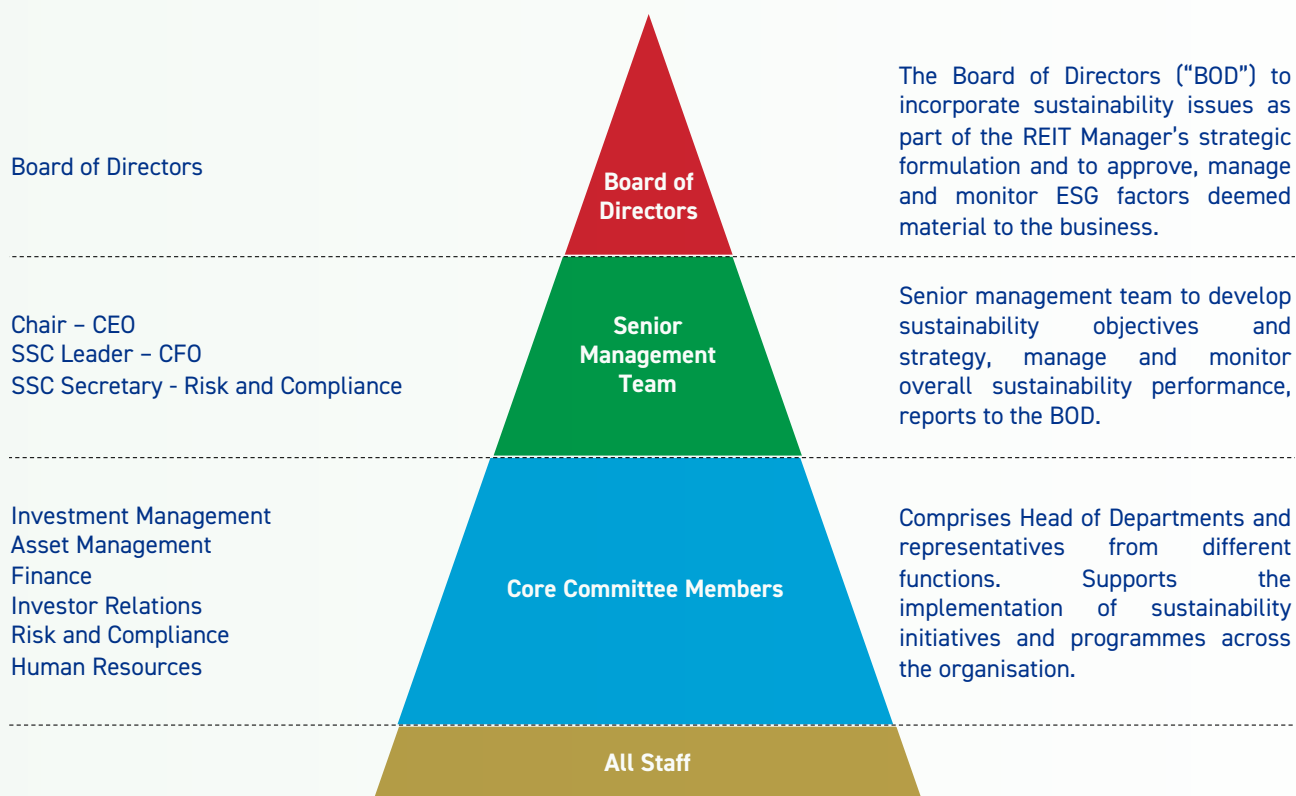
MANAGING SUSTAINABILITY

SUSTAINABILITY GOVERNANCE

The REIT Manager and Entrusted Manager recognise that an effective and healthy corporate governance culture is critical to Sasseur REIT's performance and reputation. Climate-related issues are taken into consideration when the Board reviews the strategies of Sasseur REIT.

The Board oversees the management of Sasseur REIT's sustainability performance, with support from the Sustainability Steering Committee ("**SSC**"). The SSC plays a leading role in developing Sasseur REIT's sustainability objectives and strategies as well as monitoring and driving sustainability performance and responsible business practices.

The SSC meets when required, and reports material developments to the Board when necessary. It is led by the Chief Executive Officer ("**CEO**"), with Core Committee Members from the Investment Management, Asset Management, Finance, Investor Relations, Risk and Compliance, and Human Resources functions. Refer to the figure below for Sasseur REIT's sustainability governance structure.









Sasseur REIT's sustainability governance structure

SUSTAINABILITY

STAKEHOLDER ENGAGEMENT

To address our stakeholders' concerns and expectations, we remain committed to open dialogue and frequent stakeholder engagements throughout the year which facilitate the continuous improvement of our operations. The table below details our engagement activities with our key stakeholders.

KEY STAKEHOLDER GROUPS	RELEVANCE TO SASSEUR REIT	KEY ENGAGEMENT MODES	KEY INTERESTS OF STAKEHOLDERS
 <p>Investment Communities Investors, Analysts and Media</p>	<ul style="list-style-type: none"> The REIT Manager is committed to provide accurate and timely disclosure We are proactive in engaging investors, analysts, and media through regular two-way communications 	<ul style="list-style-type: none"> Half-yearly and full year financial reporting Business and operational updates Annual General Meeting Bilateral communications via emails, calls, and meetings Sasseur REIT website Investor conferences Non-deal roadshows Webinars 	<ul style="list-style-type: none"> Financial and operational performance Business strategy and outlook Capital and risk management Corporate governance
 <p>Tenants</p>	<ul style="list-style-type: none"> Tenants are key to the success of the business as their goods and services attract customers to the outlets, thus contributing to the sales and income for Sasseur REIT 	<ul style="list-style-type: none"> Knowledge sharing sessions Training sessions conducted by the Entrusted Manager for promoters of tenants Meetings and discussions to review sales targets set for the year, stock inventories for promotional activities 	<ul style="list-style-type: none"> Good property maintenance to enhance shoppers' experience Mall publicity through collaborative promotional activities planned for the year Good flow of shopper traffic Strategic partnership, online projects, new product launches, discounts, VIP membership etc.
 <p>Shoppers</p>	<ul style="list-style-type: none"> Shoppers are crucial to the economic viability of the outlet business 	<ul style="list-style-type: none"> Enquiries and feedback through Customer Service Centre Marketing and promotional events Sasseur Group website Social media Loyalty programmes 	<ul style="list-style-type: none"> Quality products Availability of promotion campaigns Diversity of retail mix Safe and clean environment Family-friendliness Membership benefits
 <p>Government and authorities</p>	<ul style="list-style-type: none"> Sasseur REIT complies with the rules and regulations set by the local government and authorities 	<ul style="list-style-type: none"> Communication and consultations with government agencies and authorities Co-organised community engagement projects 	<ul style="list-style-type: none"> Compliance with regulatory requirements Contributions to industry/community Good corporate governance Environmental impact

KEY STAKEHOLDER GROUPS	RELEVANCE TO SASSEUR REIT	KEY ENGAGEMENT MODES	KEY INTERESTS OF STAKEHOLDERS
 <p>Employees</p>	<ul style="list-style-type: none"> • People drive our business growth and success. We strive to have a diverse, safe, and healthy work environment for our employees to perform in their work 	<ul style="list-style-type: none"> • Orientation programmes for new joiners • Employee appraisals • Employee townhall and 360-degree feedback sessions • Training and career development programmes • Team cohesion activities • Internal staff communication and newsletters 	<ul style="list-style-type: none"> • Fair employment practices • Good corporate governance • Skills development and career progression • Employee welfare management
 <p>Local Communities</p>	<ul style="list-style-type: none"> • We seek to contribute back to the local communities as part of our corporate social responsibility 	<ul style="list-style-type: none"> • Employee voluntarism • Social entrepreneurship 	<ul style="list-style-type: none"> • Contributions to community

DELIVERING EXCEPTIONAL VALUE

In 2021, Sasseur REIT received multiple accolades and awards in recognition of our achievements.

Some examples are listed below:

- Awarded the Corporate Excellence and Resilience Award at the Singapore Corporate Awards 2020/2021 (Special Edition).
- Awarded the runner-up in the Singapore Corporate Governance Award (REITs & Business Trusts) at the Securities Investors Association (Singapore) Choice Awards 2021.
- Awarded Best Governed and Transparent Company (Gold) and Best Corporate Communications & Investor Relations (Gold) awards at the Global Good Governance Awards organised by The Pinnacle Group International. This is a testament to Sasseur REIT's strong track record of financial disclosure, transparency, and corporate governance.
- Nominated for the Best Annual Report (Small Cap) in 2020 and Best IR Website in 2021 amongst listed companies in the South East Asia region and was awarded a Certificate for Excellence in Investor Relations by the IR Magazine Awards – South East Asia 2021.
- Included as one of the 95 listed companies in the SGX Fast Track Programme which recognises listed companies that have a strong track record in corporate governance and have maintained a good compliance track record.
- Ranked 17th place in the Singapore Governance and Transparency Index 2021 (REIT's and Business Trust Category) compared to 25th place in 2020.
- Ranked 20th place in the Governance Index for Trusts 2021 compared to 34th place in 2020.



Ms Cecilia Tan (CEO) with the Corporate Excellence and Resilience Award



Singapore Corporate Governance Award 2021

SUSTAINABILITY

MATERIALITY ASSESSMENT

Sasseur REIT has been conducting materiality assessments to identify the ESG issues that are of significant relevance to Sasseur REIT and its stakeholders annually since 2019, guided by the GRI Principles of Materiality and Stakeholder Engagement.

The materiality assessment process started with the identification of material factors relevant to Sasseur REIT, strategically reviewed to ensure alignment with Sasseur REIT’s business strategies. In order to address key stakeholders’ concerns, the material factors were prioritised based on Sasseur REIT’s existing risk analysis and disclosures, global and local emerging trends, peer benchmarking and internal stakeholder views.

In 2021, a materiality assessment was conducted and Sasseur REIT refreshed its material factors to ensure relevance. The material factors identified in the prior year were deemed to be relevant in the current year by the REIT Manager, approved by the Board. The following table summarises Sasseur REIT’s material factors.

FOCUS AREAS	MATERIAL SUSTAINABILITY MATTERS
Governance	Regulatory Compliance
Environment	Energy consumption
	Water management
Focusing on People	Talent Retention and Training
	Local Communities (Additional Disclosure)
COVID-19	Managing the Impacts of COVID-19 (Additional Disclosure) ⁶

MANAGING THE IMPACTS OF COVID-19⁶

The outbreak of COVID-19 in 2020 has presented the retail sector globally, including China, with unprecedented challenges. The immediate impact was one of a public health crisis where Sasseur Group, and the REIT Manager respectively took measures to safeguard the health and safety of its key stakeholders such as employees and customers, implemented relevant measures to minimise business disruptions and accelerated the pace of organisational reforms and invested in the training and upskilling of its employees. All of these efforts are aimed at future-proofing the business for long-term sustainable growth.

At the core of our strategies in managing the ongoing effects of the COVID-19 pandemic is “putting people first” and strengthening business resilience.

⁶ This is an additional disclosure, not a material factor due to the temporary nature of a disease outbreak.

(a) Putting people first

Human resource is one of the most important assets in both the Sponsor and the REIT Manager. Therefore, it is imperative that we look after the well-being of our employees and create a safe and conducive working environment. We also take steps to safeguard the health and safety of customers, suppliers and tenants as needed.

To safeguard the health and well-being of our employees and customers, we comply with governmental guidelines and health advisories, such as having quarterly professional deep cleaning and increasing the disinfection of high touch points in the outlets and offices, conducting temperature taking for employees and visitors and observing safe distancing measures. The Entrusted Manager has also set up a special committee comprising key management personnel who are in charge of staying updated on advisories rolled out by the Chinese government, as well as outbreaks in various affected areas which will lead to travelling restrictions.

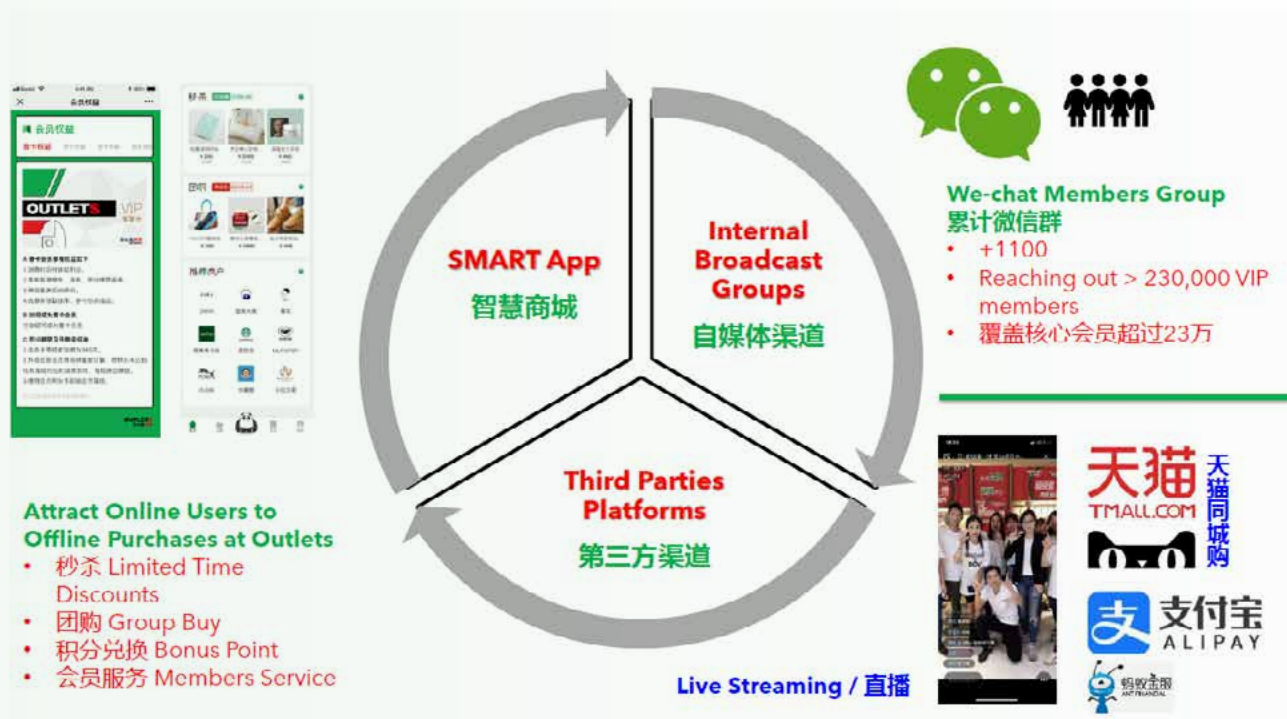
Furthermore, employees of the REIT Manager were allowed to work from home until further notice, placing the well-being of the team at top priority. The team can return to the office

for essential matters while following the COVID-19 guidelines set in place to reduce exposure. The REIT Manger conducted weekly team calls and department calls to coordinate work matters. The Human Resource Department regularly check in on staff wellness through WhatsApp or phone calls.

(b) Strengthening business resilience

The REIT Manager has a Business Continuity Plan ("BCP") which provides a framework to identify, respond to and recover from an event which interrupts normal business operations. It sets out clear guidelines and procedures to be adhered to by employees to restore the orderly and expeditious operations of the REIT Manager in the event of a disruption, major incident and/or crisis. This is aimed at strengthening the responsiveness and resilience of the REIT Manager's operations.







As part of Sasseur Group's initiatives to stay connected and relevant during the pandemic, a digital Eco-Environment Framework was developed. This framework includes a SMART App, internal broadcast groups and third parties' platforms, seen below:



Sasseur Group Eco-Environment Framework

SUSTAINABILITY

Online platforms are also utilised as a response strategy to mitigate the impact of the COVID-19 pandemic and to increase the long-term resilience and sustainability of the outlet business. The table below describes the 6 channels used to promote and compliment outlet sales:

CHANNEL	FEATURES	VALUE PROPOSITION
 Ye ao lai zhi bo (夜奥莱直播)	Official online shopping live streaming platform.	Simultaneously sell products online to increase exposure and sales.
 企业微信 WeCom	Official fans and customers can gather to exchange and share information. It also serves as an after-sales platform.	Platform that generates publicity and can be used to service customers. Provides an optimal shopping experience for customers to view products and discounts available, engaging customers to stay on longer.
 视频号 WeChat	Share content and goods in the form of videos.	There are a large number of people using WeChat in China, hence the large audience base makes it an efficient channel to promote items and generate publicity.
 Xiaohongshu	Social media and e-commerce platform.	Attract youths who are looking for trendy items as this platform is popular among the younger crowd.
 Weibo	Official voice and information platform.	Used as a means to build online presence through communication and exchanges with multiple parties.
 Dou Yin	Share content of goods and discounts in the form of videos.	Popular amongst youths, videos are used to boost sales through sharing information on the malls, promoting the brands and developing an e-commerce presence for stores.

GOVERNANCE

REGULATORY COMPLIANCE

We believe that an ethical business conduct, coupled with compliance with laws and regulations, are fundamental in building and maintaining trust among our stakeholders. Sasseur REIT upholds high standards of corporate governance by actively managing our compliance risks through the Compliance Monitoring Programme. We also conduct our business with integrity, review and update our policies and procedures, and provide timely updates to the Board of Directors on applicable laws and regulations. Regulatory compliance in the REIT Manager and Entrusted Manager is governed by the Risk and Compliance Department and Legal and Compliance Department respectively.

The table below presents a summary of the key governance policies and initiatives that the REIT Manager and Entrusted Manager have implemented.

POLICIES AND INITIATIVES	
Policy on anti-bribery, corruption, and fraud	<p>Employees are required to abide by the Employee Code of Conduct, which sets out the expected conduct of all employees and provides guidance on issues including the prohibition of accepting gratuities, anti-bribery, management of conflicts of interest and anti-corruption.</p> <p>The Individual Accountability and Conduct Framework was written with reference to the MAS Guidelines on Individual Accountability and Conduct. The Framework focuses on achieving two key outcomes being (a) ethical business practices that safeguard unitholders' interests and ensure fair treatment; and (b) prudent risk-taking behaviour and robust risk management that supports the REIT Manager's safety and soundness.</p> <p>The Personal Account Dealing Policy sets out the procedures to all Directors and employees of the REIT Manager with regards to dealings in Sasseur REIT and aims to prevent insider trading through effective trading restrictions on dealings in securities. Directors and the CEO are also required to submit monthly declarations relating to changes in their business interests and shareholdings.</p> <p>The Conflict of Interest Policy provides a framework to provide guidance to the Board of Directors, Audit and Risk Committee ("ARC"), executive officers and employees of the REIT Manager on dealing with conflict of interest issues.</p> <p>The Interested Person Policy sets out the procedures to identify interested person / party transactions and highlights the relevant announcement, approval, and disclosure requirements. The Entrusted Manager's Legal and Compliance Department conducts investigations on related party transactions on a quarterly basis.</p> <p>The Anti-Money Laundering Manual assists the REIT Manager in understanding its legal and regulatory obligations as well as the internal policies and procedures instituted by the REIT Manager when conducting its business.</p> <p>Employees are required to declare gifts and entertainment, Fit and Proper⁷, and conflict of interest.</p> <p>The REIT Manager has also established a Whistle-Blowing Policy which provides a framework to encourage the REIT Manager's employees and stakeholders such as customers, suppliers, and service providers to report any concern or complaint, possible improprieties in matters of financial reporting, and other malpractices. The Whistle-Blowing Policy is available on Sasseur REIT's website at https://www.sasseurreit.com/whistle-blowing.html.</p> <p>Performance achieved for FY2021:</p> <p>There were zero instances of bribery, corruption and fraud reported during the year.</p> <p>In addition, the Entrusted Manager conducted 7 criminal risk prevention trainings for key personnel.</p> <p>Targets for FY2022:</p> <p>Zero tolerance towards any acts of bribery, corruption, and fraud, and comply with applicable AML/CFT and unilateral and domestic laws and regulations.</p> <p>In addition, the Entrusted Manager aims to provide one or more criminal risk prevention training to key personnel.</p>

⁷ The REIT Manager's employees and directors are required to provide a Fit and Proper Criteria Declaration at their onboarding and on an annual basis.

SUSTAINABILITY

POLICIES AND INITIATIVES

Policy on compliance with laws and regulations

The management keeps abreast of changing regulatory requirements by actively monitoring government updates and manages our compliance risks through timely disclosure of material information and submissions to regulators. To keep pace with changes to regulations and accounting standards, where these changes have an important bearing on the disclosure obligations of the REIT Manager or its Directors, the Directors are briefed either during Board meetings or at specially convened sessions involving the relevant advisers and professionals, if necessary, or via circulation of Board papers.

The REIT Manager's Outsourcing Risk Management Framework sets out the procedures for identifying, measuring, mitigating, and controlling the potential risks from the use of service providers as well as to ensure the continuity of the outsourced arrangement.

Sasseur REIT has a Compliance Manual which documents the requirements under the SGX Mainboard Listing Rules and Code on Collective Investment Schemes that are applicable to Sasseur REIT. Since the REIT Manager is a holder of a Capital Markets Services Licence ("CMSL") for REIT Management and regulated by the Monetary Authority of Singapore ("MAS"), the Compliance Manual also documents the requirements under the Securities and Futures Act ("SFA"), as well as the accompanying regulations, notices, guidelines, and circulars applicable to the REIT Manager.

Regular trainings were conducted for relevant personnel to ensure that they understand and abide by laws and regulations. For example, the CMSL representatives from the REIT Manager attend a yearly compliance training to keep abreast on applicable updates. As at 31 December 2021, the REIT Manager has 10 CMSL representatives, of whom, 3 CMSL representatives have at least 5 years of experience relevant to trust management.

Within the Entrusted Manager, a Legal and Compliance Department is set up to review publicly released information, conduct internal trainings as well as compliance inspections. All 4 outlets are subjected to periodic inspections, where a "Compliance Audit Report" will be produced. Any non-compliance matters raised will be investigated and reported to the Legal and Compliance Department of the Entrusted Manager and the Risk and Compliance Department of the REIT Manager for timely reviews and resolutions.

In 2021, the Entrusted Manager's Legal and Compliance Department revised the Compliance Manual to ensure compliance with relevant laws and regulations. A securities account registration mechanism and an employee transaction review mechanism were also added.

Performance achieved for FY2021:

There were zero cases of fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social, economic, and environmental areas.

In addition, the Entrusted Manager conducted 2 risk management trainings and 6 legal risk prevention trainings on release of public information for key personnel.

The Legal and Compliance Department of the Entrusted Manager developed legal risk prevention trainings on release of public information and carried out the training for the operations and planning departments.

The Entrusted Manager also enhanced its risk assessment model. Four new types of risk management items have been added, namely corporate governance organisational structure, business scope, anti-unfair competition, and corporate information disclosure.

Targets for FY2022:

Zero cases of fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social, economic, and environmental areas.

In addition, the Entrusted Manager aims to provide three or more legal risk prevention trainings on release of public information and one or more risk management training to key personnel.

POLICIES AND INITIATIVES

Policy on responsible business practices

Customers are naturally concerned about their experiences and quality of goods and services when shopping with us.

We are committed to fair dealing practices for our customers and have taken the following proactive steps which includes:

- Performing regular inspections on items sold in our outlets with rigorous due diligence processes.
- Ensuring our employees are properly trained with high service standards in handling complaints to ensure that customer feedback and concerns are investigated and resolved in a timely, effective, and fair manner.
- Outlets' exceptional return and refund policies that provide assurance and helps build trust in our outlets. This includes instituting severe penalties on merchants as safeguards against the sale of fake goods.

Performance achieved for FY2021:

There were zero instances of counterfeit reports during the year, ensuring that only authentic high-quality products are sold at our outlets.

Targets for FY2022:

We will continue to ensure that authentic high-quality products are sold at our outlets, which are fundamental to our reputation and licence to operate.

Policy on Cyber Security

Sasseur REIT recognises the increased risk of cyber-attacks and hence places high importance on cyber security in the organisation. We continuously strive to strengthen our IT infrastructure, ensuring that personal data are used or maintained in a responsible manner and in compliance with regulations.

In order to maintain the integrity and availability of the data environment, the REIT Manager has an Information Security Policy which defines the technical controls and security configurations that users and IT administrators are required to implement. It also provides users with policies and guidelines regarding the acceptable use of the REIT Manager's technology equipment and email.

In addition, the REIT Manager has a Handling of Confidential Information Policy, which sets out the procedures on information classification based on the sensitivity of information, providing guidance to employees on handling confidential information. The REIT Manager also ensures compliance with the Personal Data Protection Act.

Performance achieved for FY2021:

There were zero instances of customer data loss during the year.

In FY2021, the REIT Manager organised an IT Security Awareness Training which was attended by the Board of Directors and employees.

We also strengthened our cyber security capabilities to protect our data by adopting measures to heighten our ability to monitor any potential cyber-attacks and threats to breach of data. This includes a technology risk management audit conducted for the REIT Manager against the MAS Guidelines on Technology Risk Management, formalising preventive measures before risks become significant events.

Targets for FY2022:

Continue to strengthen our cyber security capabilities to protect our data.

We will also adopt measures to enhance our ability to monitor any potential cyber-attacks and threats to breach of data, formalising preventive measures before they become a significant event.

The REIT Manager aims to conduct an IT Security Awareness Training for employees and Board of Directors annually.

SUSTAINABILITY

ENVIRONMENT

Sasseur REIT is committed to identifying and responding to climate change and other environmental risks. We strive to minimise the environmental footprint of the operations at our portfolio of properties.

To effectively monitor and implement our energy and water management processes, the Sasseur Group developed a Smart Property Management System which was successfully rolled out at the Sasseur (Guiyang) Outlets. The system leverages on the Internet of Things to monitor and analyse property equipment and resource consumption data, enabling timely maintenance and standardisation of improved processes across all our outlets. Sasseur Group is refining the system and working towards its implementation across all the outlets managed by Sasseur Group, including the four outlets under Sasseur REIT.

ENERGY CONSUMPTION

Due to the phenomenon of climate change, energy and related carbon emissions are issues of global concern. Internally, efficient use of energy can reduce the organisation's operating costs and carbon footprint. Stakeholders are interested in Sasseur REIT's commitment to energy and its associated greenhouse gas ("GHG") emissions. To mitigate climate change, the Entrusted Manager seeks to reduce energy consumption within the outlets through continuous monitoring, process optimisation and behavioral change.

The Entrusted Manager abide by its Standard Operating Procedure ("SOP") Guidelines for Energy Conservation Management, established based on best practices in energy usage such as adjusting air-condition temperature and exterior lighting operation timing in relation to seasonal changes. The SOP is reviewed annually to maintain its relevance, with the Safety and Quality Department conducting quarterly inspections of all the outlets to ensure adherence to the SOP.

An in-house energy saving team within the Entrusted Manager's Property Management Department was also set up, which regularly monitors and reviews the energy consumption. Energy budget is included as a part of the annual budget of the outlets, thus setting targets for the operating team on the ground.

Within the outlets, the Entrusted Manager keeps a close watch on the energy usage for prompt identification of abnormalities by monitoring energy consumption every 2 hours through inspections and recording of equipment operating data to ensure optimal operating conditions. Every 4 hours, inspections are conducted at all the power distribution rooms. Tracking energy usage, the Engineering team runs analytical reviews on the monthly energy consumptions, comparing the data with the previous periods and budgets to assess energy performance of the outlets.

Regular inspections by professionals of the Maintenance Department ensures that all equipment meet design standards and energy-saving requirements. Furthermore, financial cost analysis of equipment usage is conducted to provide energy-saving test reports.

In addition, the Entrusted Manager also works closely with the tenants to manage energy usage responsibly. At tenants' monthly meetings, employees from the Entrusted Manager's Business Management Department will advocate energy-saving and emission reduction initiatives. During tenants' renovation, the Entrusted Manager review their renovation plans and recommend them to use energy-saving lamps to reduce energy consumption. Daily checks are also conducted by the Property Management Department to ensure that the tenants' main power switches and gas valves are closed after operating hours.

Energy consumption efforts undertaken by all the outlets in 2021 are listed below.

At **Sasseur (Chongqing Liangjiang) Outlets**, the temperature control board of the air-conditioner in each store has been uniformly transformed and installed. The Engineering Department will uniformly switch and control the temperature, carrying out energy conservation and consumption reduction management, thereby saving more than 200,000 kWh of electricity every year.

At **Sasseur (Chongqing Bishan) Outlets**, shop control panels are uniformly set at 26°C and the coil power in vacant areas are turned off. Other initiatives include:

Electricity:

- Central air-conditioning host sets the inlet and outlet water temperature according to the weather conditions.
- Cooling tower with compressors that will switch on and off based on timing and surrounding temperatures. For example, the compressors are switched off 1 hour before the outlet closes.

Water pump:

- The water pump operation timing is controlled according to the weather conditions and inlet and outlet water temperature.
- The main engine for the air-conditioning and water pump will be switched off one hour in advance to let the chilled water pump continue to circulate, ensuring that the outlet is still cool after operating hours.

Gas boiler:

- Energy is saved by controlling the outlet's gas boiler temperature according to the weather.
- The gas boiler will be shut down one hour in advance and will continue circulating if the water pump is not shut down.
- The upper limit of the temperature is set according to weather. One boiler will be turned on if the temperature is above 10°C and two boilers if the temperature is below 10°C.
- In total, 4 months of heating was required in a year and with 1,000m³ of gas saved per month, a total of 4,000m³ of gas was saved in a year.

In **Sasseur (Hefei) Outlets**, energy-saving measures include:

- According to the change of seasonal power load, the number of operating transformers is adjusted to reduce the power loss of transformers. There are 8 months in a year where 12 transformers are adjusted to 6 transformers, saving 70,000kWh per annum.
- The floating valve inside the water tank is regulated to reduce water usage.
- The air-conditioning water supply is changed from the dedicated water tank for secondary water supply to the domestic water tank for pressurized water supply, reducing the annual cleaning of air-conditioning water tanks and thus reducing water consumption by 300m³.

In **Sasseur (Kunming) Outlets**, frequency converters were added to 6 air-conditioning circulating water pumps, saving 4,580 kWh of electricity per month and 55,000 kWh of electricity throughout the year.

Performance achieved for FY2021:

In 2021, the 4 outlets consumed 206,722 giga joules ("GJ") of energy in total. Electricity usage accounted for more than 91.75% of total energy consumption, together with other energy sources including 8.24% natural gas⁸ and 0.01% diesel. Energy intensity was 0.45 GJ/m² of net operating area, an 18.42% increase from 2020.

Sasseur REIT was unable to meet the FY2021 target due to the following reasons:

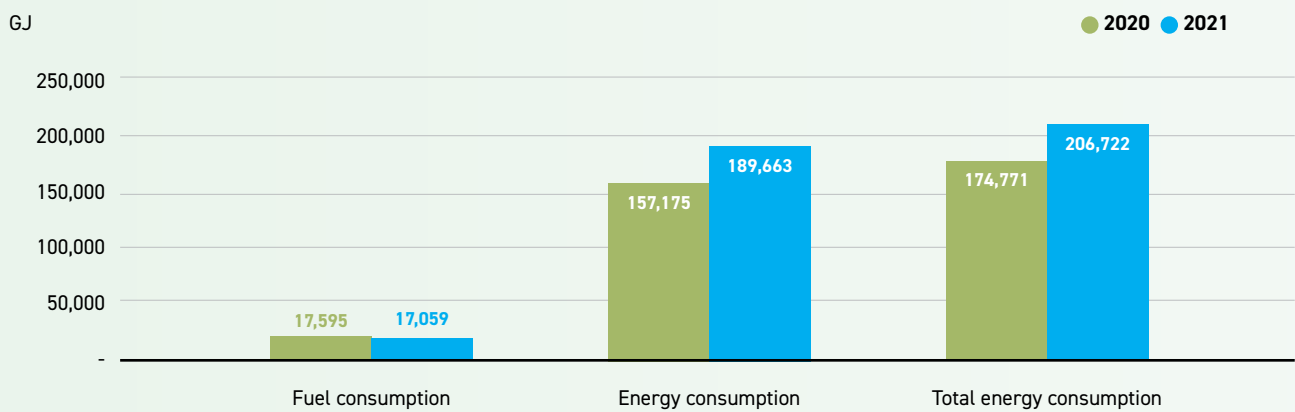
- In 2020, all 4 outlets suspended operations for almost 1.5 months due to the severe outbreak of the COVID-19 pandemic, resulting in a lower absolute consumption for 2020 as compared to 2021.
- In 2021, asset enhancement initiatives, which requires higher electrical usage, were carried out at Sasseur (Chongqing Liangjiang) Outlets and Sasseur (Chongqing Bishan) Outlets. This included massive civil and engineering works such as re-routing the driveway, converting office space to retail space, fire system overhaul, as well as the installation of façade LED display.
- The higher energy usage is also attributed to more re-configuration works being carried out in shop units across the four outlets.

⁸ For our Kunming outlet, natural gas is used for cooking purposes only. For the rest of our three outlets, natural gas is used for cooking and heating purposes.

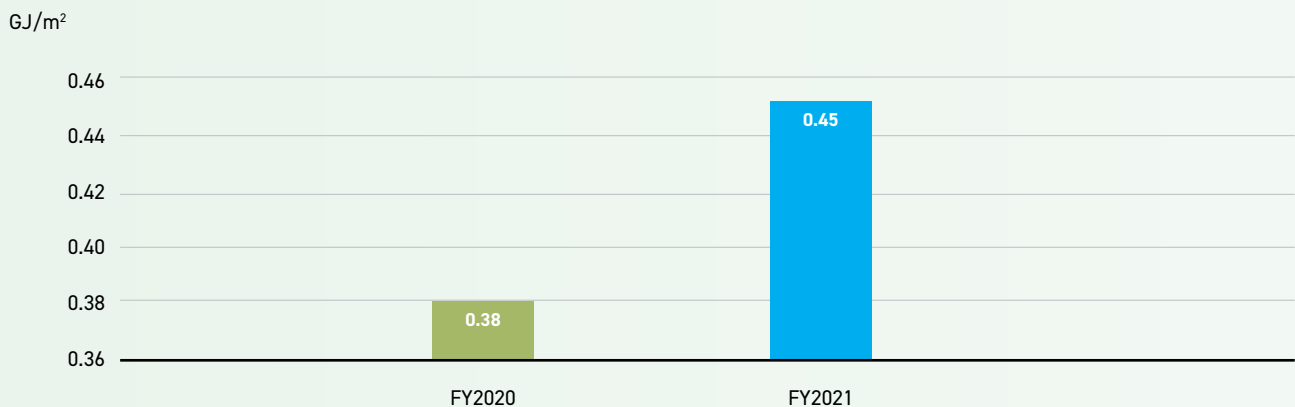
SUSTAINABILITY

ENERGY CONSUMPTION		FY2020	FY2021	% INCREASE / (DECREASE) 2021
Fuel consumption (GJ)		17,595	17,059	(3.05%)
Electricity consumption	[megawatt hour ("MWh")]	43,660	52,684	20.67%
	(GJ)	157,175	189,663	
Total energy consumption (GJ)		174,771	206,722	18.28%
Energy intensity (GJ/m ² of net operating area)		0.38	0.45	18.42% ⁹

FY2021 ENERGY CONSUMPTION AGAINST FY2020



FY2021 ENERGY CONSUMPTION INTENSITY AGAINST FY2020



Targets for FY2022:

For FY2022, we target to reduce the total energy consumption or energy intensity by 1% from FY2021.

⁹ Percentage difference between total energy consumption and energy intensity are due to rounding differences.

WATER MANAGEMENT

As water is a shared and limited resource, we are committed to responsible water management and strive to reduce water consumption.

The key areas of water usage within the 4 outlets are for air-conditioning, restrooms, and cleaning. Water consumption is monitored daily by the Entrusted Manager's Property Management Department through inspections and recording of metre readings to ensure timely investigation and identification of any abnormalities. Daily checks are also made after stores are closed to ensure that the valves in restrooms and tenant's main water valves are shut and function normally.

In addition, the Entrusted Manager works closely with the tenants to manage water usage responsibly. At tenants' monthly meetings, employees from the Entrusted Manager's Business Management Department will advocate water reduction measures.

To reduce pressure on potable water especially in areas of high-water stress, water is drawn from the river near Sasseur (Kunming) Outlets for landscape irrigation, saving about 5,000m³ of potable water annually. Each of our malls has its own bio-treatment pond, where sewage will be treated to meet national regulatory requirements before discharge. In addition, rain and sewage are discharged separately and sewage pump pits are cleared on schedule. Every week, inspections are conducted on the outdoor drainage network and water pumps are maintained and lubricated by the Property Management Department. Such efforts made in reducing sewage discharge would reduce the pressure on water treatment facilities.

The sewage quality pipeline is regularly inspected to prevent inadequate discharge. Regular cleaning, disinfection and testing of the secondary water supply tank is done to ensure the safety of the drinking water quality. The Engineering team meets monthly to track water usage and sewage discharge data (i.e., quality of sewage). The local government also conducts regular spot checks on the use of water resources and sewage discharge.

At Sasseur (Chongqing Liangjiang) Outlets, water is kept for fire extinguishing purposes and to clean the roads, saving approximately 300m³ of water every year which would have been discarded. There are also plans to replace the open-type cooling tower in blocks A,B,C,D with a closed circuit type of cooling tower to reduce the water circulation and emission. This proposal will be reviewed by the Property Management Department.

Key water management initiatives during the year include the following:

- Install sub-meters in the main water use areas to closely monitor the water consumption.
- Promote water-saving awareness through posters such as ways to use water-saving methods to clean the water tank.
- Reward employees who provide effective environmental protection advice.
- Regular inspections of restrooms to prevent water from overflowing.
- Regular inspections of water tanks and fountains that are automatically refilled to prevent water from overflowing.
- Regular monitoring of water consumption at night to determine whether there is water leakage.

Performance achieved for FY2021:

In 2021, our 4 outlets withdrew 613.14 mega litres ("ML") of freshwater in total, comprising municipal water. Our water intensity was 1.34 m³/m² of net operating area, a 109.3% increase from 2020. Among the cities that we operate in, Kunming is categorised under "Areas of High-Water Stress" by the World Resource Institute's "Aqueduct Water Risk Atlas"¹⁰, and 10.2% of water consumption occurred in Kunming.

10 Accessible at: <https://www.wri.org/resources/maps/aqueduct-water-risk-atlas>, data was assessed on 14 March 2022.

SUSTAINABILITY

Sasseur REIT was unable to meet the FY2021 target due to the following reasons:

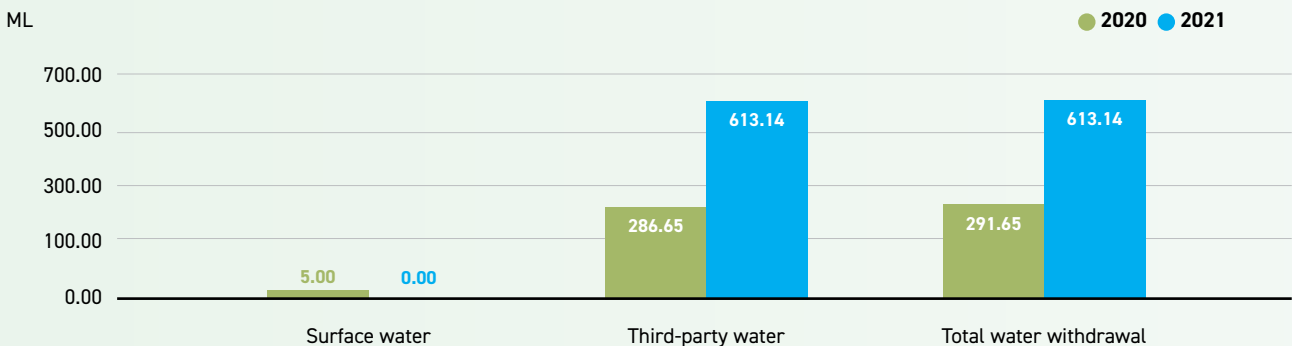
- In 2020, all 4 outlets suspended operations for almost 1.5 months due to the severe outbreak of the COVID-19 pandemic, resulting in a lower absolute consumption for 2020 as compared to 2021.
- In 2021, asset enhancement initiatives, which requires higher electrical usage, were carried out at Sasseur (Chongqing Liangjiang) Outlets and Sasseur (Chongqing Bishan) Outlets. This included massive civil and engineering works such as re-routing the driveway, converting office space to retail space, fire system overhaul, as well as the installation of façade LED display.
- The higher water usage is also attributed to more re-configuration works being carried out in shop units across the four outlets.

WATER WITHDRAWAL	FY2020	FY2021	% INCREASE / (DECREASE) 2021
Surface water (ML)	5.0	-	(100%)
Third-party water (ML)	286.65	613.14	113.9%
Total water withdrawal (ML)	291.65	613.14	110.2%
Water intensity (m ³ /m ² of net operating area)	0.64	1.34	109.3% ¹¹

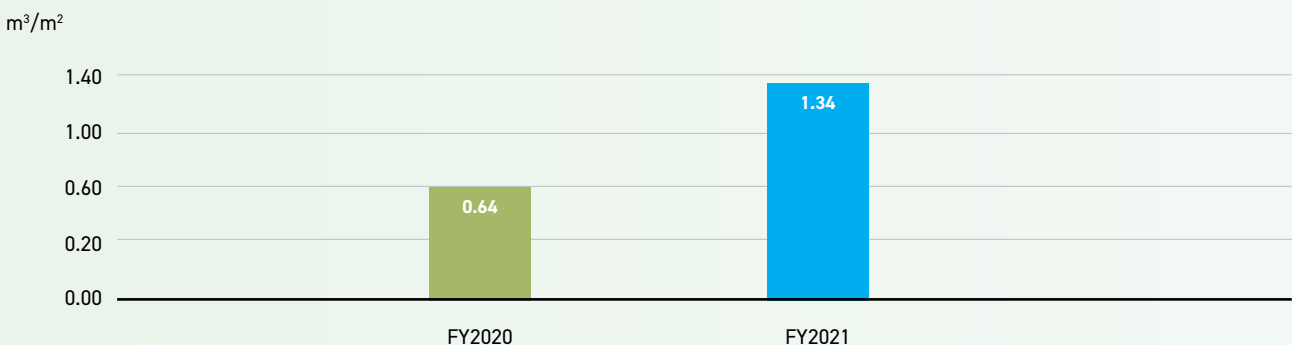
Targets for FY2022:

For FY2022, we target to reduce our water intensity by 1% from FY2021.

FY2021 WATER WITHDRAWAL AGAINST FY2020



FY2021 WATER INTENSITY AGAINST FY2020



¹¹ Percentage difference between total water withdrawal and water intensity are due to rounding differences

FOCUS ON PEOPLE

A team of high-performing and committed employees who uphold good work ethics are at the heart of Sasseur REIT's success. It is imperative that we remain as an employer of choice to continually attract, retain, and develop talent. The Employee Handbook is made available to every employee, ensuring that they are aware and informed about human resource policies, staff benefits as well as the terms of their employment.

We strive to provide an engaging and rewarding environment for our employees through competitive compensation packages and career development programmes, helping them discover and develop their potentials to the fullest. We also contribute back to the society through various Corporate Social Responsibility ("CSR") activities.

TALENT RETENTION AND TRAINING

DIVERSITY AND EQUAL OPPORTUNITY

At Sasseur REIT, we believe that diversity is essential to build a dynamic and engaging team. The REIT Manager is a signatory to the Tripartite Alliance for Fair Employment Practices and adopts a fair employment policy that provides everyone with equal opportunities free from discrimination. This includes:

- Recruiting and selecting employees on the basis of merit (such as skills, experience, or ability to perform the job), regardless of age, race, gender, religion, national origin, sexual orientation, family status, disability, medical condition, or other characteristics protected by applicable law.
- Treating employees fairly with respect and implementing progressive human resource management systems.
- Providing employees with equal opportunity to be considered for training and development based on their strengths and needs, and to help them achieve their full potential.
- Rewarding employees fairly based on their ability, skill set, performance, contribution, and experience.
- Under the premise of obtaining the retired employees' consent, as long as they are fit for work, we will continue to hire them over the retirement age with no mandatory retirement policy.

As at 31 December 2021, our total headcount is at 384 for both the REIT Manager and Entrusted Manager, with no temporary employees. We celebrate a strong female representation among our senior management, with 77% of them being female. This bears testament to our culture of attracting and grooming talents based on merit. A detailed profile of our employees is illustrated in the charts below.

Overall employees



BY LOCATION

CHINA: **371**
SINGAPORE: **13**



BY GENDER

FEMALE: **237**
MALE: **147**



BY EMPLOYEE CATEGORY¹²

SENIOR MANAGEMENT: **53**
MIDDLE MANAGEMENT: **186**
ASSOCIATE: **145**



BY AGE GROUP

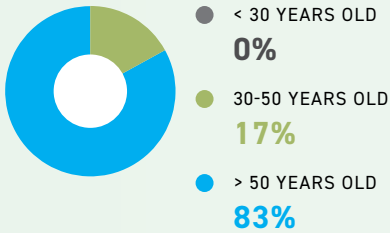
<30 YEARS OLD: **128**
30-50 YEARS OLD: **231**
> 50 YEARS OLD: **25**

12 Our definition of each employee category is as follows: senior management includes C-suites level among the REIT Manager as well as General Manager from each outlet, middle management includes Heads of Department, Senior Managers, Directors, Managers and equivalent among both the REIT Manager and the Entrusted Manager; associate includes the rest of the employees.

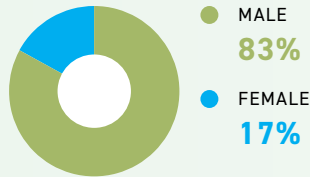
SUSTAINABILITY

DIVERSITY OF BOARD OF DIRECTORS

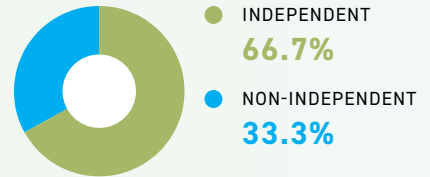
BOARD OF DIRECTORS BY AGE GROUP



BOARD OF DIRECTORS BY GENDER



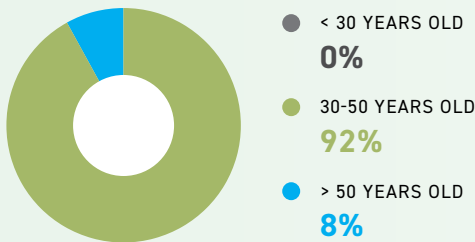
BOARD OF DIRECTORS BY INDEPENDENCE



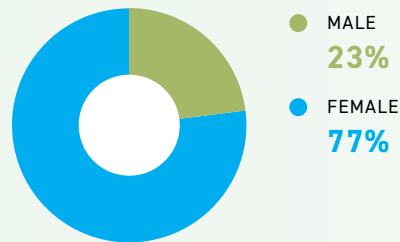
DIVERSITY OF EMPLOYEES

SENIOR MANAGEMENT

SENIOR MANAGEMENT LEVEL BY AGE GROUP

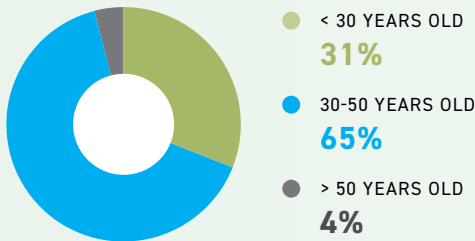


SENIOR MANAGEMENT LEVEL BY GENDER

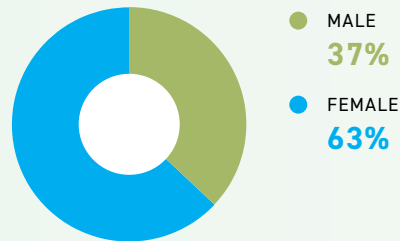


MIDDLE MANAGEMENT

MIDDLE MANAGEMENT LEVEL BY AGE GROUP

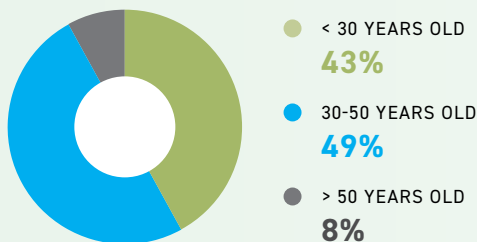


MIDDLE MANAGEMENT LEVEL BY GENDER

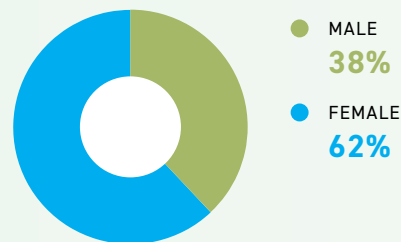


ASSOCIATES

ASSOCIATE LEVEL BY AGE GROUP



ASSOCIATE LEVEL BY GENDER




New hires and turnovers:

In 2021, we hired 229 new employees and had a turnover of 161 employees. Our annual new hires rate and turnover rate stood at 60% and 41% respectively, both an increase from 12% and 26% respectively in 2020.

The REIT Manager has an induction programme conducted by the CEO, in order to better integrate and help new hires understand the history, business, values and mission of the Company. For all resignees, the Human Resource Department will conduct an exit interview to understand the reason(s) behind his/her resignation. The feedback will in turn be reviewed and used confidentially for further improvement of the work environment and processes.

The Entrusted Manager uses the “Employee Recruitment and Change Management System” and “Headhunting Management System”, which constitutes both internal and external personnel, helping with the recruitment process and recording procedures undertaken. The “Salary and Welfare System”, “Employee Code of Conduct”, and “Attendance Management System” are also abided by, which stipulate working hours, vacations and other employment benefits, remuneration and bonuses and codes of conduct. The resignation of each unit is monitored quarterly, and relevant analysis will be carried out to find out the cause of resignation.

FY2021 NEW HIRES




BY AGE GROUP

<30 YEARS OLD: **119**

30-50 YEARS OLD: **94**


>50 YEARS OLD: **16**



BY GENDER

FEMALE: **111**

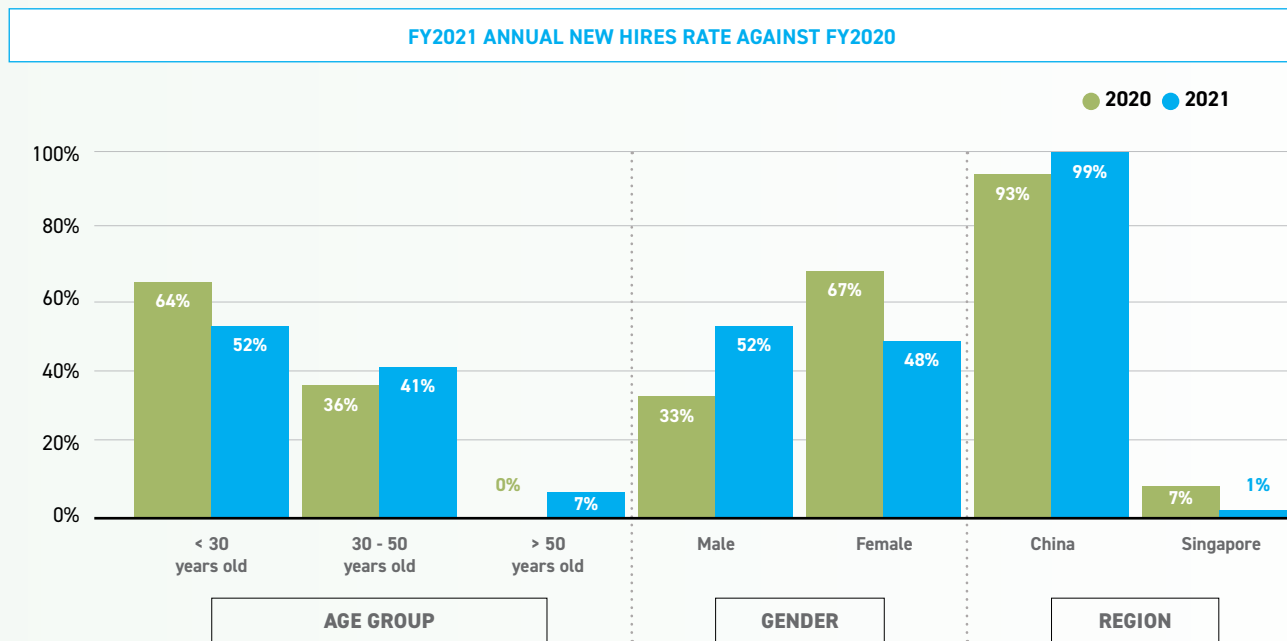
MALE: **118**



BY REGION

CHINA: **227**

SINGAPORE: **2**



SUSTAINABILITY

FY2021 TURNOVER



BY AGE GROUP

<30 YEARS OLD: **94**
 30-50 YEARS OLD: **65**
 >50 YEARS OLD: **2**



BY GENDER

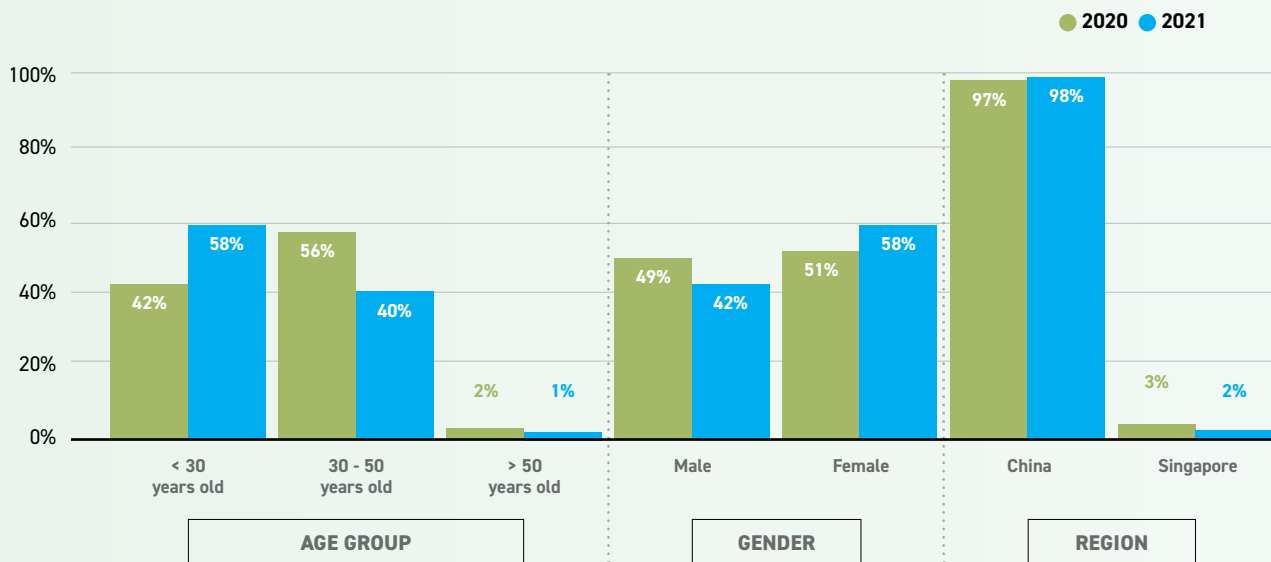
FEMALE: **93**
 MALE: **68**



BY REGION

CHINA: **158**
 SINGAPORE: **3**

FY2021 ANNUAL TURNOVER RATE AGAINST FY2020



COMPETITIVE COMPENSATION

To competitively compensate and motivate its employees, Sasseur Group has launched a signature Business Partnership Programme as illustrated below.

Business Partnership Programme

The Business Partnership Program is Sasseur Group's unique profit-sharing programme which aims to reward and incentivise employees, including those from the Entrusted Manager. The programme offers visible and tangible short-term incentives and includes prospects for long-term career development and achievements. The aim of this programme is for employees to have a mindset change from being a worker, to a partner. This change, coupled with the prospects of profit sharing and long-term career success, helps to stimulate a sense of ownership, passion, and creativity among the management team. As a result of the programme, increased employee motivation translated to Sasseur REIT's improved financial performance. In FY2021, sales achieved a year-on-year increase of 12%, with rental income increasing by 8%. Earnings before interest, tax, depreciation, and amortisation ("EBITDA") also experienced a year-on-year increase of 6%.

To fairly distribute compensation, we conduct annual performance appraisals and salary reviews to reward our employees accordingly. For the Entrusted Manager, performance appraisal is based on quarterly individual performance and the organisational performance ranking. Within the Entrusted Manager, each department's overall performance will also be evaluated monthly based on the "four-dimensional integration" framework, which includes plan management, budget management, business indicator evaluation, and internal audit. The "four-dimensional integration" working group evaluates business departments every month, and every functional centre is evaluated quarterly.

During the annual performance appraisals, the REIT Manager's Head of Departments will meet their subordinate to discuss on the work performance, environment, trainings provided, future expectations and potential career advancements. In 2021, the REIT Manager revamped its performance appraisal process with 360 degree feedback and personality tests.

All employees of the REIT Manager and Entrusted Manager received performance reviews and career development reviews in 2021.

Promotion will be based on the performance and merits of the employee, as well as increase in job scope and responsibilities. This could arise from any of the following situations:

- Taking over a more senior appointment left vacant by another employee;
- Assuming a more senior rank after a certain number of years of service;
- Restructuring of the department due to business expansion or staff reduction; or
- Organisational restructure which may involve a redesign of job scope and responsibility to achieve a better job fit for certain employees.

With all factors such as job suitability and the number of years of relevant experience being equal, incumbent employees will be given priority for promotion or transfer over external candidates whenever a job opportunity arises.

Employee benefits are provided to all full-time employees of the REIT Manager. This includes leave benefits, health benefits and insurance benefits. Employees may be awarded a variable bonus subject to the Company's performance, the employee's individual work performance, the employee's achievement of agreed key performance indicators and at the sole discretion of the Company.

TRAINING AND CAREER DEVELOPMENT

Every employee has an equal opportunity to be considered for training and development to help them achieve their full potential, either recommended by their respective Head of Departments ("HOD") or through voluntary application supported by their HOD. Apart from opportunities for company sponsored external trainings or certification programmes, we also have a strong internal training programme in the REIT Manager.

All employees of the REIT Manager are encouraged to attend trainings, conferences, and seminars for their professional and personal development. The REIT Manager also sponsors part-time courses relevant to the employee's area of work, conducted locally by recognised institutions, schools and universities.

Through a third-party service provider, the Entrusted Manager evaluates each employee's attitude toward their career development and their psychological state. The results are used to guide the formulation of company policies and employee care programmes. In 2021, a 5-year implementation plan was established to guide talents across all levels, at the same time improving the structure of the human resources system. The plan is based on five mechanisms: evaluation, training, usage, incentive mechanism, and competition.

In 2021, the Entrusted Manager implemented the "Sasseur Encyclopedia" for employees to share their good practices and experiences from projects. A total of 669 case studies were logged, which is accessible to other employees. Furthermore, a total of 373 brand employees were trained in the live broadcast business training for the Super Store Manager and Super Shopping Guide. The purpose is to help the performance of Sasseur REIT Night Out's live broadcast performance and attract offline traffic while improving the skills of Sasseur Group.

One of the most prominent programmes is the 3-Tier Leadership Development Programme conducted by the Sasseur Group.

SUSTAINABILITY

3-Tier Leadership Development Programme

Tier 1: Under the leadership of the senior management, 21 talents were identified to succeed as potential outlet general managers. They were provided with training throughout the year to improve their leadership and business skills, as well as to better understand the Sasseur Group’s business model and operating philosophy.

Tier 2: Under the leadership of the senior management, 38 potential department heads were identified and cultivated to lead the various departments. Throughout the year, these talents were trained on the requisite skills for specific departments such as property, finance, human resource, audit, etc.

Tier 3: We strive to equip the employees from the Business Management and Digital Marketing departments with management and professional competence that are aligned with the expectations of the outlets core management team.

We aim to equip the employees from the Property Management Department with course development and skills that enable them to provide training to other employees. In 2021, 11 new certification courses have been added, including 3 courses on property management, 4 courses on general education, 2 courses on legal affairs and 2 courses on digital business. 55 new certified lecturers were also hired. As of 31 December 2021, there were a total of 205 certified lecturers.



3-Tier Leadership Development Programme

WORKPLACE WELL-BEING

Sasseur Group’s vision, mission and values are not only embodied in its business and customer service, but also in its team spirit of employees. To build a strong team spirit, Sasseur Group has embarked on several initiatives to build and promote an engaging corporate culture. In 2019, the Sasseur Group launched its internal newsletter publication “Chuan Di”, which provides employees with a platform to share experiences and stories that promote cultural corporate values. Till date, the platform is still actively in use and has greatly enhanced cohesion and instilled a sense of belonging for employees.

We believe that the senior management needs to be open to voices of the employees, and their feedback can be used to improve the company. In this regard, the Entrusted Manager uses the yearly Gallup Q12 Employee Engagement Survey and monthly townhall meetings to gain insights from employees on leadership, team culture, development, and other issues. Breaking away from the traditional system where superiors provide feedback to subordinates, the REIT Manager and Entrusted Manager also adopted a 360-degree feedback system where subordinates can also provide feedback to their superiors, implemented and supervised by the Human Resource department.

In order to commend the top performers, set a positive example and motivate the employees, the Entrusted Manager awarded a total of 113 personal honours and 12 group honours to top performers.

Performance achieved for FY2021:

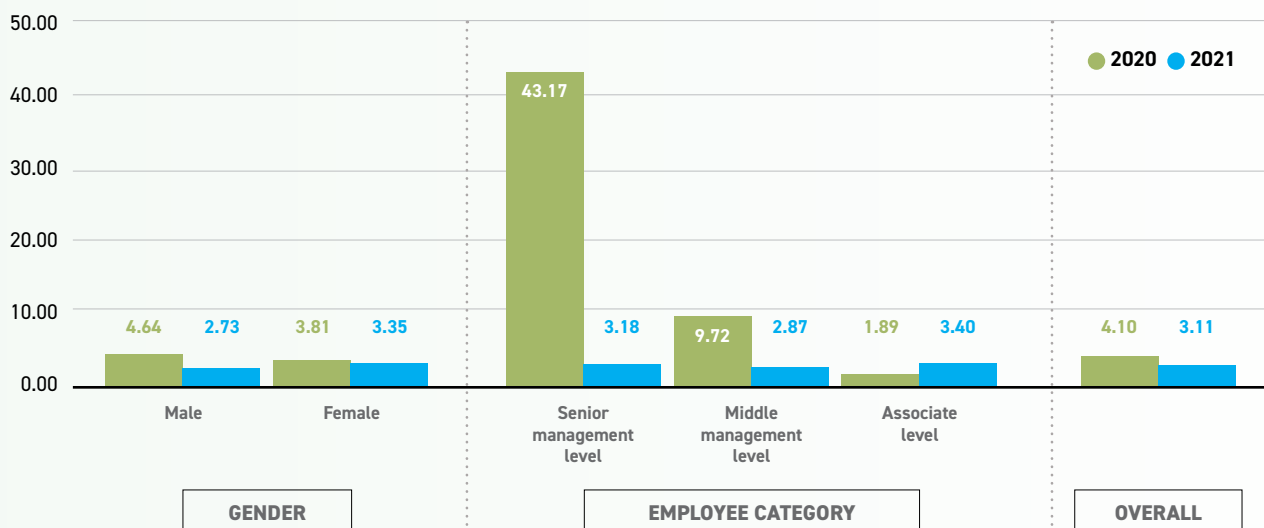
Diversity and equal opportunity

We continued to practice fair treatment in recruitment and selection of employees on the basis of merit, regardless of age, race, gender.

Competitive Compensation

The REIT Manager and Entrusted Manager improved the standardisation of employee performance reviews to ensure fairness. Performance reviews were conducted for all employees in order to create a robust performance evaluation and competitive compensation framework.

FY2021 AVERAGE TRAINING HOURS PER EMPLOYEE AGAINST FY2020



Training and Career Development

In 2021, the REIT Manager's average training hours per employee increased to 25.5 hours, while the Entrusted Manager's average training hours per employee decreased to 2.32 hours. This resulted in the overall training hours per employee to decrease from FY2020 to 3.11 hours.

The Entrusted Manager could not meet the training hours target due to the COVID-19 pandemic, which reduced the number of in-person centralised trainings conducted. Instead, on-the-job training, which did not constitute as training hours for the employees, were conducted.

SUSTAINABILITY

The REIT Manager did not implement the leadership development programme and e-learning system as there were other training and development plans. Employees can request for trainings they would like to attend based on their need to learn new skills or address any skill gaps.

Targets for FY2022:

Diversity and equal opportunity

In the upcoming year, we aim to continue practicing fair employment.

The REIT Manager and Entrusted Manager aims to maintain or reduce the employee turnover rate.

Competitive Compensation

The Entrusted Manager aims to continually improve the standardisation of employee performance reviews to ensure fairness.

Training and Career Development

The REIT Manager and Entrusted Manager aims to either maintain or increase average training hours per employee.

In addition, the Entrusted Manager aims to complete the creation of a "Sasseur Encyclopedia" in the e-learning system to document past cases for learning.

LOCAL COMMUNITIES

As socially responsible enterprises, Sasseur Group and the REIT Manager are committed to serving local communities and helping the different underprivileged segment of the society. We encourage our employees to contribute their time and effort to give back to the society.

Performance achieved for FY2021:

Breast Cancer Donation Campaign (Sasseur (Chongqing Liangjiang) Outlets and Sasseur (Chongqing Bishan) Outlets)
Sasseur (Chongqing Liangjiang) Outlets and Sasseur (Chongqing Bishan) Outlets launched a donation campaign to provide support to women after their breast cancer operation. During the event, patients were invited to share their stories, and were provided with complimentary products after the event.

300 sets of post-operative brassieres and breast implants were also donated to The Cancer Rehabilitation Society of

the Chinese Anti-Cancer Association. This donation not only demonstrated the social responsibility of Sasseur Group, but also sets out an example for the society to spread compassion to all.



Breast Cancer Donation Campaign

SGX Bull Charge Virtual Charity Run 2021

As a bronze bull sponsor, the REIT Manager donated S\$10,000 to the SGX Bull Charge Virtual Charity Run 2021, which donates to the several charitable organisations in Singapore. This is the REIT Manager's third year of participation as a sponsor, and we registered a contingent of 100 participants in support of the virtual charity run event.

The beneficiaries of SGX Bull Charge include AWWA Ltd, Autism Association (Singapore), Fei Yue Community Services, HSCA Community Services and Shared Services for Charities, where programmes conducted by the beneficiaries cater to people of all ages - children and youth, families, and the elderly.



REIT Manager's employees taking part in the SGX Bull Charge Virtual Charity Run 2021

GRI STANDARDS CONTENT INDEX

GRI STANDARD	DISCLOSURE TITLE	SECTION/PAGE REFERENCE
GRI 101: Foundation 2016 (GRI 101 does not contain any disclosures)		
GRI 102: General Disclosures 2016		
Organisational Profile		
102-1	Name of the organisation	Sasseur Real Estate Investment Trust (" Sasseur REIT ")
102-2	Activities, brands, products, and services	Annual Report, Corporate Profile, page 2
102-3	Location of headquarters	7 Temasek Boulevard, #06-05, Suntec Tower One, Singapore 038987
102-4	Location of operations	Sustainability Report, About This Report, page 79
102-5	Ownership and legal form	Annual Report, REIT Structure, page 4
102-6	Markets served	Annual Report, Corporate Profile, page 2
102-7	Scale of the organisation	Sustainability Report, About This Report, page 79 Sustainability Report, Focus on People, page 97
102-8	Information on employees and other workers	Sustainability Report, About This Report, Focus on People, page 97
102-9	Supply chain	Our suppliers are mainly contractors and vendors providing electricity and water. Compliance with local government and legal requirements is required for appointed contractors and service providers.
102-10	Significant changes to the organisation and its supply chain	There were no significant changes to the organisation and its supply chain in FY2021.
102-11	Precautionary Principle or approach	Annual Report, Enterprise Risk Management, pages 117 to 119
102-12	External initiatives	The REIT Manager is a signatory to the Tripartite Alliance for Fair Employment Practices.
102-13	Membership of associations	REIT Association of Singapore (" REITAS ")
Strategy		
102-14	Statement from senior decision-maker	Annual Report, Joint Statement of Chairman & CEO, pages 6 to 11 Sustainability Report, Board Statement, page 78
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behaviour	Sustainability Report, Governance – Regulatory Compliance, pages 88 to 91 Annual Report, Corporate Governance Report, pages 122 to 152
Governance		
102-18	Governance structure	Sustainability Report, Sustainability Governance, page 83

GRI STANDARDS CONTENT INDEX

GRI STANDARD	DISCLOSURE TITLE	SECTION/PAGE REFERENCE
Stakeholder Engagement		
102-40	List of stakeholder groups	Sustainability Report, Stakeholder Engagement, pages 84 to 85
102-41	Collective bargaining agreements	N/A
102-42	Identifying and selecting stakeholders	Sustainability Report, Stakeholder Engagement, pages 84 to 85
102-43	Approach to stakeholder engagement	Sustainability Report, Stakeholder Engagement, pages 84 to 85
102-44	Key topics and concerns raised	Sustainability Report, Stakeholder Engagement, pages 84 to 85
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Annual Report, REIT Structure, page 4 Sustainability Report, About This Report, page 79
102-46	Defining report content and topic Boundaries	Sustainability Report, About This Report, Materiality Assessment, page 86
102-47	List of material topics	Sustainability Report, About This Report, Materiality Assessment, page 86
102-48	Restatements of information	There has been no restatement of figures or information disclosed in our previous report.
102-49	Changes in reporting	Sustainability Report, About This Report, page 79
102-50	Reporting period	1 January 2021 to 31 December 2021
102-51	Date of most recent report	The Annual Report/ Sustainability Report 2020 was published on 7 April 2021.
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	ir@sasseurreit.com
102-54	Claims of reporting in accordance with the GRI Standards	Sustainability Report, About This Report, page 79
102-55	GRI content index	GRI Standards Content Index, pages 105 to 107
102-56	External assurance	We have not sought external assurance for this reporting period and will consider it in the future.
Material Factors		
Regulatory Compliance		
103-1	Explanation of the material topic and its Boundary	Sustainability Report, Governance – Regulatory Compliance, pages 88 to 91
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
307-1	Non-compliance with environmental laws and regulations	
419-1	Non-compliance with laws and regulations in the social and economic area	
Non-GRI	Anti-bribery, corruption and fraud	
	Responsible business practices	
	Cyber security	

GRI Standards Content Index

GRI STANDARD	DISCLOSURE TITLE	SECTION/PAGE REFERENCE
Energy Consumption		
103-1	Explanation of the material topic and its Boundary	Sustainability Report, Environment – Energy Consumption, pages 92 to 94
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
302-1	Energy consumption within the organisation	
302-3	Energy intensity	
Water Management		
103-1	Explanation of the material topic and its Boundary	Sustainability Report, Environment – Water Management, pages 95 to 96
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
303-1	Interactions with water as a shared resource	
303-2	Management of water discharge-related impacts	
303-3	Water withdrawal	
Talent Retention and Training		
103-1	Explanation of the material topic and its Boundary	Sustainability Report, Focus on People – Talent Retention and Training, pages 97 to 104
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
401-1	New employee hires and employee turnover	
404-2 (a)	Programs for upgrading employee skills and transition assistance programs	
404-3	Percentage of employees receiving regular performance and career development reviews	
405-1	Diversity of governance bodies and employees	
Additional Factors		
Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	Sustainability Report, Focus on People – Local Communities, page 104
Managing the Impacts of COVID-19		
Non-GRI	Managing the impacts of COVID-19	Sustainability Report, Managing the Impacts of COVID-19, pages 86 to 88

TCFD REPORT

1. INTRODUCTION

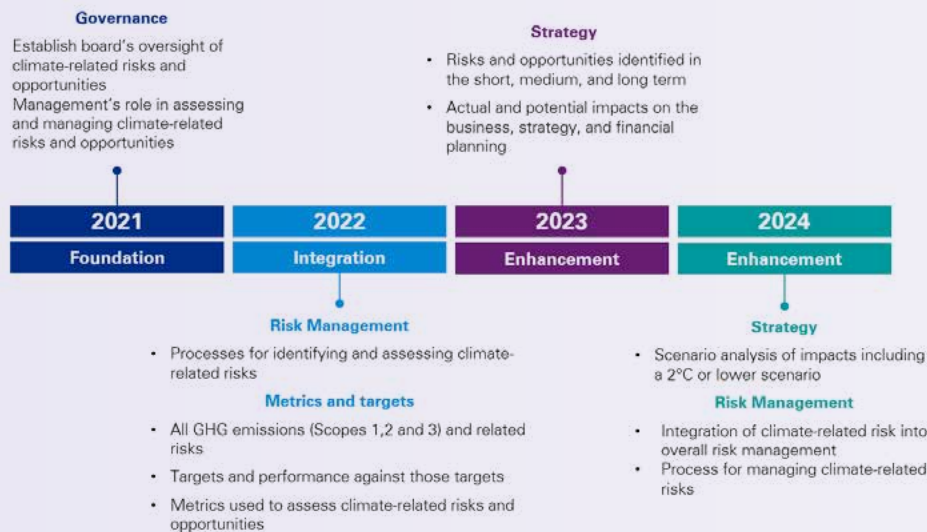
Climate change and society's response towards it is a foundational driver towards risks and opportunities in the global economy. According to the latest Intergovernmental Panel on Climate Change report¹, the impact of climate change can be felt across the globe, evident from the recent flood events seen in China, where Sasseur REIT's outlets are located. Although climate change presents risks, there are also climate opportunities for the real estate sector. With a deeper understanding of these risks and opportunities, countries and companies globally are placing more emphasis on climate change by responding to climate risks and seizing the opportunities for climate action.

We strive to reduce our environmental impact and build operational resilience to address the impact of climate change to our business and environment, with the aim of achieving carbon neutrality by 2050.

This section of the report is our first step towards the adoption of the Taskforce for Climate-related Financial Disclosure ("TCFD"). It aligns with the recommendations set out by TCFD and outlines the physical and transitional risks that Sasseur REIT is likely to experience. This is also in line with the Monetary Authority of Singapore's Guidelines on Environmental Risk Management for Asset Managers.

TCFD provides us with a consistent, comparable and reliable internationally recognised reporting framework to be better equipped in providing our investors and stakeholders with insights on how we are building resilience towards climate-related risks and opportunities. In aligning with TCFD, we hope to facilitate more informed financial decisions by investors, lenders and other stakeholders, and provide them with a greater understanding of how we view sustainability. We believe that transparency is most important, and as such, we are committed to continually improve how we manage and disclose our risks in future reports.

Embarking on the first year of our TCFD journey, our Board has engaged with the management team and attended workshops on climate-related risks and opportunities. Through the workshops, solid foundations were built as participants learnt about the various types of risks and opportunities, how it would affect Sasseur REIT, as well as how best to respond to key trends in line with TCFD recommendations. We are cognisant that more has to be done to improve our disclosures. Thus, the roadmap below identifies Sasseur REIT's strategy in the next 4 years, where climate-related risks and opportunities will be integrated into our business strategy to meet the everchanging landscape.



Sasseur REIT's 4-year road map

1 Sixth Assessment Report (ipcc.ch)

2. TCFD DISCLOSURE

Our disclosure based on the 4 pillars of the Task Force on Climate-related Financial Disclosures (“TCFD”) is set out below:

SASSEUR REIT'S DISCLOSURE		
Governance	a) Describe the board's oversight of climate-related risks and opportunities.	<p>The REIT Manager and Entrusted Manager recognise that an effective corporate governance culture is critical to Sasseur REIT's performance and reputation. Climate-related issues are taken into consideration when the Board reviews the strategies of Sasseur REIT. The Board will ensure that the management team is well equipped with climate issues through trainings on sustainability topics.</p> <p>The Board oversees the management of Sasseur REIT's sustainability performance, with support from the Sustainability Steering Committee (“SSC”). The SSC plays a leading role in developing Sasseur REIT's sustainability objectives and strategies as well as monitoring and driving sustainability performance and responsible business practices.</p> <p>The SSC meets as and when required and this is led by the Chief Executive Officer (“CEO”), with Core Committee Members from the Investment Management, Asset Management, Finance, Investor Relations, Risk and Compliance and Human Resource functions. The SSC reports material developments to the Board when required.</p>
	b) Describe management's role in assessing and managing climate-related risks and opportunities	<p>Sasseur REIT's management also plays a crucial role in assessing and managing climate-related risks and opportunities. The CEO is the Chair of the SSC and is also in charge of climate change within Sasseur REIT. She works with the Board to manage climate-related risks by developing environmental, social and governance (“ESG”) targets and goals. The CFO is the Co-chair and SSC Leader responsible for ensuring the timely completion of sustainability projects and deliverables, while providing regular progress updates to the Chair of the SSC.</p> <p>The Core Committee Members comprise the Head of Departments and representatives from different functions such as Investment Management, Asset Management, Finance, Investor Relations, Risk and Compliance and Human Resources. They help to coordinate information and data, involving relevant department members when necessary.</p> <p>The key roles and responsibilities can be found below:</p> <div style="text-align: center;"> </div> <p><i>SSC's key responsibilities</i></p>

TCFD REPORT

SASSEUR REIT'S DISCLOSURE		
Risk management	<p>a) Describe the organisation's processes for identifying and assessing climate-related risks.</p> <p>b) Describe the organisation's processes for managing climate-related risks</p> <p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management</p>	<p>The responsibility of managing risks lie with the CEO, the Board, and Audit and Risk Committee ("ARC"). Every quarter, key risks are reviewed and monitored by the ARC.</p> <p>Going forward, Sasseur REIT will be looking at incorporating climate related risks into its enterprise risk management process.</p> <p>The risks are assessed based on their likelihood, impact and the optimal mitigation. The risk register is then reviewed by the ARC for consideration and adoption. From FY2022, climate-related risks and opportunities will be highlighted and reported to the ARC at least annually.</p>
Strategy	<p>a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term</p>	<p>Sasseur REIT considers short, medium, and long-term horizons to be 0 to 5 years, 6 to 15 years and more than 15 years respectively. Given that Sasseur REIT's properties are long-term fixed assets, climate-related risks often happen in the medium and longer terms.</p> <p>Sasseur REIT understands the importance of identifying climate-related risks and opportunities, given how it would heavily impact the way businesses operate in the future.</p> <p>Given the nature of the real estate industry, where assets are fixed and long-term in nature, material climate changes would greatly impact Sasseur REIT. The real estate sector would face greater carbon reduction requirements over the coming decades with more adaptation required, potentially translating into higher transition costs. TCFD divides climate related risks into two major categories:</p> <p>Physical risks</p> <p>Physical risks posed by climate change can heavily affect the livelihood, operations, and well-being of Sasseur REIT's key stakeholders including the employees of the REIT Manager and the Sponsor. Physical risks affect countries globally and poses a financial threat to many countries. Over the last few years, there is an increase in the intensity of climate catastrophes and the impact of climate change can be felt more severely and at a greater scale. Sasseur REIT's assets in China are also exposed to physical risks such as floods.</p>

SASSEUR REIT'S DISCLOSURE

Strategy	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Transitional risks				
		Transitional risks such as new decarbonisation regulations being rolled out in the industry and on a national level affects Sasseur REIT's strategy and operations. In order to respond to the market and regulatory demands, companies are forced to re-evaluate their investments and commitments to climate change.				
		Sasseur REIT has identified several climate-related risks and opportunities that are relevant to its operations in the table below:				
		Risk type	Risk	Time horizon	Risk description	Opportunities
		Physical	Tropical cyclones (acute)	Short to medium-term	Large-scale atmospheric environmental conditions over the South China Sea change to favour more tropical cyclone formation. This will lead to an increase in operating costs due to disruptions and damages to properties.	Investment in flood prevention infrastructure.
Flooding (acute)	Short to medium-term	Increase in rainfall patterns – Increase in frequency and intensity of flash floods. Increase in rainfall can lead to greater damage (e.g., leakage and water damage).				
Sea level rise (chronic)	Long-term	Rising sea levels can cause mass flooding that would pose transportation difficulties and supply chain disruptions to the business. The workforce would also be impacted due to health, safety and absenteeism concerns.				
Transitional	Market risk – increased cost of lower carbon materials and production	Short to medium-term	The switch from traditional raw materials to low carbon materials could increase the operating and investment costs.	Investments to future-proof buildings to ensure energy and water efficiency would be needed.		

TCFD REPORT

SASSEUR REIT'S DISCLOSURE						
Strategy	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Risk type		Time horizon	Risk description	Opportunities
		Risk	Risk			
		Transitional	Reputational – increased stakeholder pressure to be sustainable	Short to medium-term	Consumers and investors are becoming increasingly aware of the sustainability and environmental impact of their consumption patterns, which affects their decision to support organisations that are not sustainable. If climate risks are not managed adequately, there may be negative feedback. The failure to meet industry standards or match the performance of peers in achieving sustainability targets would affect the reputation of companies.	Effective communication of sustainability commitments, policies, targets and strategies to key stakeholders.
			Policy & legal - Stricter carbon legislations	Long-term	In 2021, China launched a national carbon market, an Emissions Trading System ("ETS"), which would increase the operating costs for the pass-through of indirect carbon cost.	Steps taken to reduce carbon emissions such as investing in greener technologies and reducing electricity consumption are crucial as companies would face higher operating costs for not decarbonising.
			Policy & legal - Changes in laws and regulations	Long-term	In 2020, China plans to reach peak emissions before 2030 and carbon neutrality by 2060. Financial institutions are also encouraged to reduce emissions and help to meet global targets.	Investments in new buildings and retrofitting existing buildings to comply with new regulations and laws.
<p><i>Identified environmental risks and opportunities</i></p> <p>The processes used to determine the risks and opportunities which are material to Sasseur REIT are listed under the risk management section on page 110.</p>						

SASSEUR REIT'S DISCLOSURE		
Metrics and targets	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	<p>Sasseur REIT is reporting on the following metrics to manage climate-related risks associated with water, and energy:</p> <ul style="list-style-type: none"> • Energy consumption, energy intensity (page 94 of Sustainability Report) • Water withdrawal, water intensity (page 96 of Sustainability Report) <p>Sasseur REIT has also provided past year's data to allow for trend analysis. Based on Sasseur REIT's materiality review, climate-related risks such as energy and water have been identified as material to the business.</p>
	b) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	<p>Sasseur REIT has set the following targets to manage climate-related risks associated with water, and energy:</p> <ul style="list-style-type: none"> • Energy consumption, energy intensity (page 94 of Sustainability Report) • Water withdrawal, water intensity (page 96 of Sustainability Report)



Sasseur (Hefei) Outlets

TCFD REPORT

3. OUR DISCLOSURE PROGRESS AND NEXT STEPS

As this is the first year of aligning our business to the TCFD, we understand that more has to be done to improve our disclosures. Thus, the roadmap below identifies Sasseur REIT’s strategy in the next 3 years, where climate-related risks and opportunities will be integrated into our business strategy to meet the everchanging landscape.

NEXT STEPS		ACTION STEPS	FY2022	FY2023	FY2024
Risk Management	The organisation’s processes for identifying and assessing climate-related risks and opportunities	• Develop existing and emerging regulatory requirements related to climate change (e.g., limits on emissions) as well as other relevant factors considered			
		• Develop processes for assessing the potential size and scope of identified climate-related risks and;			
		• Develop definitions of risk terminology used or references to existing risk classification frameworks used			
		• Describe, where appropriate, engagement activity with investee companies to encourage better disclosure and practices related to climate-related risks in order to improve data availability and asset managers’ ability to assess climate-related risks			
		• Describe the identification and assessment of material climate-related risks for each product or investment strategy. This might include a description of the resources and tools used in the process			
	Organisation’s processes for managing climate-related risks	• Develop processes for managing climate-related risks, including the considerations to mitigate, transfer, accept, or control those risks			
		• Develop processes for prioritising climate-related risks, including how materiality determinations are made within the organisation			
		• Develop management strategies for material climate-related risks for each product or investment strategy			
	Processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management	• Develop processes for identifying, assessing, and managing climate-related risks to be integrated into the organisation’s overall risk management			

NEXT STEPS		ACTION STEPS	FY2022	FY2023	FY2024
Strategy	Climate-related risks and opportunities the organisation has identified over the short, medium, and long term	<ul style="list-style-type: none"> Develop processes used to determine which risks and opportunities could have a material financial impact on the organisation 			
	Impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	<ul style="list-style-type: none"> Determine how identified climate-related issues have affected the business, strategy, and financial planning 			
		<ul style="list-style-type: none"> Impact on the businesses and strategy in the following areas: <ul style="list-style-type: none"> Products and services Supply chain and/or value chain Adaptation and mitigation activities Investment in research and development Operations (including types of operations and location of facilities) 			
		<ul style="list-style-type: none"> Impact on financial planning in the following areas: <ul style="list-style-type: none"> Operating costs and revenues Capital expenditures and capital allocation Acquisitions or divestments Access to capital 			
		<ul style="list-style-type: none"> Develop strategies for climate-related issues to serve as an input to financial planning process, the time period(s) used, and how these risks and opportunities are prioritised 			
		<ul style="list-style-type: none"> Reflect a holistic picture of the interdependencies among the factors that affect the ability to create value over time 			
		<ul style="list-style-type: none"> Climate-related risks and opportunities are factored into relevant products or investment strategies 			
		<ul style="list-style-type: none"> Describe how each product or investment strategy might be affected by the transition to a lower-carbon economy 			
	Resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<ul style="list-style-type: none"> Develop ways to ensure strategies are resilient to climate-related risks and opportunities, taking into consideration a transition to a lower-carbon economy consistent with a 2°C or lower scenario and, where relevant to the organisation, scenarios consistent with increased physical climate-related risks 			
		<ul style="list-style-type: none"> Strategies that may be affected by climate-related risks and opportunities; Strategies that might change to address such potential risks and opportunities; and The climate-related scenarios and associated time horizon(s) considered 			

TCFD REPORT

NEXT STEPS		ACTION STEPS	FY2022	FY2023	FY2024	
Metrics and targets	Metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	• Key metrics used to measure and manage climate-related risks and opportunities	■			
		• Metrics on climate-related risks associated with water, energy, land use, and waste management where relevant and applicable.	■			
		• Where climate-related issues are material, consider describing whether and how related performance metrics are incorporated into remuneration policies			■	
		• Internal carbon prices and climate-related opportunity metrics. E.g. Revenue from products and services designed for a lower-carbon economy		■		
		• Metrics for historical periods to allow for trend analysis	■			
		• Where not apparent, provide a description of the methodologies used to calculate or estimate climate-related metrics	■			
		Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	• Disclose Scope 1 and Scope 2 GHG emissions and, if appropriate, Scope 3 GHG emissions and the related risks. GHG emissions should be calculated in line with the GHG Protocol methodology to allow for aggregation and comparability across organisations and jurisdictions	■		
			• Industry-specific GHG efficiency ratios			■
			• GHG emissions and associated metrics for historical periods to allow for trend analysis	■		
			• Description of the methodologies used to calculate or estimate the metrics	■		
Targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	• Other goals may include efficiency or financial goals, financial loss tolerances, avoided GHG emissions through the entire product life cycle, or net revenue goals for products and services designed for a lower-carbon economy	■				
	• State: <ul style="list-style-type: none"> ◦ if target is absolute or intensity based, ◦ time frames over which the target applies, ◦ base year from which progress is measured, and ◦ key performance indicators used to assess progress against targets. 	■				
	• Methodologies used to calculate targets and measures	■				

ENTERPRISE RISK MANAGEMENT

Enterprise Risk Management (“ERM”) is an integral part of the business strategy for Sasseur Real Estate Investment Trust (“Sasseur REIT”). Sasseur Asset Management Pte Ltd (the “REIT Manager”) practices a proactive approach towards risk management applied towards both strategic and operational levels. This approach enables it to manage risks in a systematic and consistent manner, support its business objectives and strategy, thereby creating and preserving value.

RISK MANAGEMENT GOVERNANCE STRUCTURE

The Board of Directors (the “Board”) has overall responsibility for the governance of risk. The Board is responsible for setting Sasseur REIT’s risk appetite and risk tolerance limits as well as reviewing Sasseur REIT’s risk oversight structure to ensure appropriate accountability by risk owners, and that material risks are properly monitored on a regular and timely manner to detect deviations and ensure compliance. For these purposes, the Board is supported by the Audit and Risk Committee (the “ARC”), which assists the Board in discharging risk management oversight responsibility by ensuring the establishment, review and assessment of Sasseur REIT’s policies and systems of risk management and internal control.

The REIT Manager is responsible for the implementation and practice of ERM across Sasseur REIT.

The REIT Manager’s ERM framework is based on the principles and guidelines of the International Organisation for Standardization (“ISO”) 31000 on Risk Management and the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) ERM Integrated Framework.

The ERM Framework is also supplemented by an outsourced Internal Audit function which reviews the design and implementation of internal controls to provide reasonable assurance to the ARC on the adequacy and effectiveness of the risk management and internal control systems.

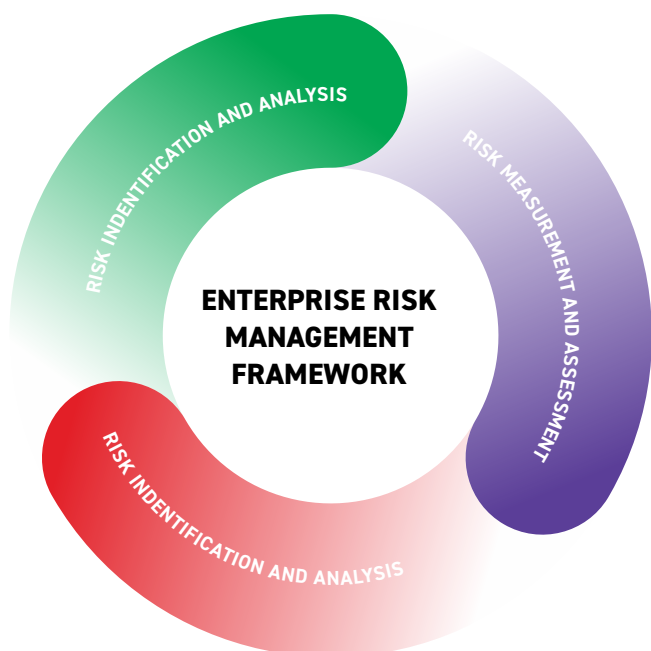
MANAGING MATERIAL RISKS

The REIT Manager undertakes an iterative and comprehensive approach in identifying, managing, monitoring and reporting material risks across Sasseur REIT. Such material risks include:

FOREIGN CURRENCY RISK

Sasseur REIT’s revenue is derived primarily from Chinese Renminbi (“RMB”) denominated dividend income, which has to be converted into Singapore dollar (“SGD”) for the payment of distributions. As a result, Sasseur REIT is exposed to fluctuations of the RMB against the SGD. In order to manage this exposure, the REIT Manager adopts foreign currency risk management strategies as follows:

- 1) The REIT Manager has used RMB denominated borrowings to match the revenue stream generated from its assets as a natural currency hedge. As at 31 December 2021, about 54% of the borrowings are RMB denominated.
- 2) The REIT Manager has adopted a foreign currency risk management and hedging strategy to hedge up to a maximum quantum of 100% of the distributable income from RMB to SGD to minimise any foreign currency risk. The hedging quantum will be at the management’s absolute discretion with supportive market data and advice from professionals, provided it does not exceed the maximum quantum. Sasseur REIT has entered into foreign currency forward contracts from time to time to hedge foreign currency risk exposure on distribution.



ENTERPRISE RISK MANAGEMENT



INTEREST RATE RISK

Sasseur REIT is exposed to interest rate risk arising from loans it had taken to fund the acquisition of its portfolio of assets. The REIT Manager adopts a proactive interest rate management strategy to manage the risk associated with changes in interest rates on the loans while also seeking to ensure that Sasseur REIT's ongoing cost of debt remains competitive. The REIT Manager will also endeavour to utilise interest rate hedging strategies where appropriate from time to time, to optimise risk-adjusted returns to unitholders. As at 31 December 2021, 40% of the offshore loans had been hedged using floating-for-fixed interest rate swaps to reduce interest rate volatility.

INVESTMENT RISK

Inadequate evaluation on investment opportunities and a lack of understanding on investment targets could result in poor investment decisions which are not consistent with Sasseur REIT's growth strategy. The risks involved in investment activities are managed through a rigorous and disciplined due diligence process which takes into consideration various investment criteria such as asset valuation, yield and sustainability of the investment target. Sensitivity analysis is also conducted to assess the impact of changes in assumptions used. The REIT Manager also appoints external third-party consultants such as legal counsels and tax consultants to conduct rigorous due diligence of investment targets to ensure that the target is suitable for investment and complies with the requirements found in the SGX-ST Listing Rules and Code on Collective Investment Schemes. All investment decisions are also tabled for deliberation and approval by the Board.

REGULATORY AND COMPLIANCE RISK

The REIT Manager is subject to applicable laws and regulations in both Singapore and the PRC. This includes the various regulations, notices and guidelines under the purview of MAS, which are applicable to the REIT Manager as a Capital Markets Services Licence holder. In addition, the REIT Manager needs to comply with the requirements found in the SGX-ST Listing Rules, the Code on Collective Investment Schemes, the Securities and Futures Act, the Code of Corporate Governance and the provisions of Sasseur REIT's Trust Deed, amongst others. The REIT Manager has established a compliance monitoring programme to ensure that applicable regulatory requirements and relevant policies and procedures are complied with. Trainings are also provided to employees and Board of Directors to ensure that they are kept abreast on updates to laws and regulations. The REIT Manager also seeks legal and tax advice where necessary.

FRAUD, BRIBERY AND CORRUPTION RISK

The REIT Manager regards integrity as one of its core values. All employees are required to abide by a strong code of ethics and uphold the highest standards of professional conduct. The REIT Manager has a Code of Conduct in place which sets out the behaviour and conduct expected of all employees. A Conflict of Interest Policy has also been established to provide guidance to the Board, ARC, executive officers and employees of the REIT Manager on dealing with conflict of interest issues. In addition, the REIT Manager also has a Whistle-Blowing Policy to provide a communication channel for all employees of the REIT Manager, as well as other persons, who may in confidence raise concerns about possible improprieties and obstructive action with the REIT Manager.

ECONOMIC AND COMPETITION RISK

Sasseur REIT is exposed to geopolitical and macroeconomic risks which may reduce revenue, increase cost and result in downward revaluation of our assets. It also faces competition from established players, online businesses and new market entrants which may impact the tenant occupancy rate and sales revenue. However, the REIT Manager believes that the risks are not as significant because the underlying business of the outlets comprises mid to high-end brands and lifestyle activities targeted at the Chinese middle class, and is less affected by online competition and economic downturn. In addition, the Sasseur outlets business model had demonstrated recession resilience consistently. The Sasseur Group is one of the leading premium outlet groups in the PRC with about 30 years' experience, and is ranked within the top 500 service companies in the PRC.

Nevertheless, the REIT Manager has adopted a relentless approach to strengthen its competitiveness in offering experiential outlet shopping through high quality products and services, competitive pricing, product differentiation, branding, asset enhancement and numerous lifestyle activities. Sasseur REIT has a differentiated business model which combines art with a one-stop shopping experience, together with the use of Data Technology to analyse customer profiles and tailor effective marketing strategies to attract shoppers. Sasseur REIT also promotes tenant and customer loyalty through tenant-centric initiatives and shopper loyalty programmes. A team of the Sponsor's in-house business experts provides regular analysis on market trends, while the Sponsor's in-house marketing experts organise major shopping events regularly to attract larger shopping crowds.

LIQUIDITY RISK

Sasseur REIT actively monitors its investment deposits and borrowings to ensure sufficient liquidity in the form of cash and banking facilities in order to meet its capital, refinancing and operating needs. An annual budget and forecast for revenue and expenses is established and monitored by management on a regular basis. To manage liquidity risk, the REIT Manager maintains adequate levels of liquid reserves to cover its working capital obligations and monitors the cash flow on a regular basis. In addition, the REIT Manager is proactive in managing its debt maturity profile and engages with lenders on refinancing existing loans ahead of the loan maturity date. Sasseur REIT also manages its capital structure to ensure that its debt maturity profile is well spread out and monitors its financial covenants closely to ensure that it complies with loan obligations.

INFORMATION TECHNOLOGY RISK

IT risk consists of cyber fraud risk, information security risk and technology infrastructure risk. Increasing threats of information security such as hacking, phishing and website defacement may pose the risk of sensitive data leakage and financial loss. The REIT Manager has engaged a professional third-party IT service provider to manage IT risk and ensure availability, authorised access, accuracy and agility of IT systems. An Information Security Policy is also in place to ensure the integrity and availability of the REIT Manager's data environment. Moreover, annual trainings are conducted for employees and Board of Directors to raise awareness on IT risks.

ENVIRONMENTAL RISK

Environmental risk poses potential financial and reputational impact to Sasseur REIT. Physical risk arises from climate change resulting in increased occurrences of weather events such as flash floods, droughts, prolonged heatwaves and rising sea levels. Transition risk arises from changes in public policies and shift in stakeholder preferences. Sasseur REIT has adopted guidelines and practices to cut down on unnecessary energy consumption. This includes establishing Guidelines for Energy Conservation Management and implementation of energy saving initiatives at our outlet malls. For more information on Sasseur REIT's efforts to reduce its carbon footprint, please refer to pages 78 to 104 for Sasseur REIT's Sustainability Report.

HEALTH AND SAFETY RISK

Sasseur REIT has established robust practices and procedures to protect the well-being of our visitors, tenants and staff. The Property Management team at every outlet identifies areas which poses safety hazards to all stakeholders. These will be flagged out and rectified during regular meetings. In addition, professional contractors are also engaged to conduct regular maintenance and inspections at our outlet malls. The REIT Manager has established a Business Continuity Plan ("BCP") and BCP exercises are conducted annually. Fire drills are also conducted regularly at the outlet malls.

CAPITAL MANAGEMENT

KEY FINANCIAL INDICATORS	As at 31 Dec 2021	As at 31 Dec 2020
Gross borrowings (S\$ million)	518.6	518.5
Aggregate leverage (%)	26.1	27.9
Average debt maturity (years)	1.2	2.2
Debt headroom ^{1,2} (S\$ million)	952.0	823.0
Available undrawn facilities (S\$ million)	8.0	1.0
Weighted average cost of debt ³ (%)	4.4	4.9
Interest coverage ratio ⁴ (times)	5.1	4.0

The REIT Manager adopts a disciplined and proactive approach in ensuring adequate funding and managing refinancing requirements and interest rate exposure. On a regular basis, the REIT Manager monitors to optimise Sasseur REIT's capital structure so as to minimise the cost of capital.

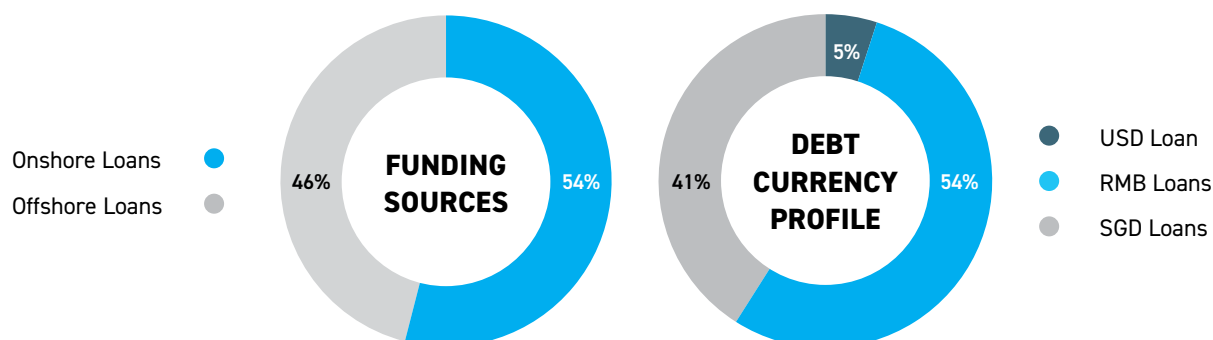
Sasseur REIT, through its PRC property subsidiaries, has put in place an aggregate amount of RMB1,960 million 5-year onshore loans with repayment of 1% of initial loan principal semi-annually. The onshore loans have been partially repaid in September 2020 and pared down to RMB1,350 million. Accordingly, the semi-annual repayments have been reduced to 1% of pared down loan principal.

Sasseur REIT has also put in place offshore loans, which after refinancing in September 2020, 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.

The following table summarises the facilities that Sasseur REIT had as at 31 December 2021:

SOURCES OF FUNDING	Onshore Loans	Offshore Loans	
Currency	RMB	SGD	USD
Outstanding Quantum ⁵	1.31 billion	214 million	20 million
Maturity	March 2023	March 2023	March 2023
Floating Rate	5-year LPR	SOR	USD LIBOR

Sasseur REIT continues to maintain a relatively low aggregate leverage ratio of 26.1% as at 31 December 2021. Aggregate leverage ratio had decreased from 27.9% as at 31 December 2020, mainly due to higher property valuations. The interest coverage ratio⁴ improved from 4.0 times from a year ago to 5.1 times as at 31 December 2021. These reflect the strong fundamentals of the portfolio as well as prudent capital management, with an expanded debt headroom to pursue potential acquisition opportunities. Both onshore and offshore loans of approximately S\$518.6 million will mature in March 2023, with average debt maturity of 1.2 years as at 31 December 2021. The REIT Manager is actively exploring refinancing opportunities with a view to de-risk the current debt profile of Sasseur REIT by staggering its debt maturity and amount.



1 Debt headroom is computed based on total assets and assuming a corresponding increase in total assets with new debts raised.

2 Based on MAS prescribed leverage limit of 50%.

3 Includes borrowing-related fees.

4 Based on dividing the trailing 12 months EBITDA (excluding the effects of any fair value changes of financial derivatives and investment properties, and foreign exchange translation) by the trailing 12 months interest expense and borrowing-related fees as set out in the CIS Code.

5 Based on SGD:RMB and USD:SGD exchange rates of 4.7179 and 1.3514 as at 31 December 2021 respectively.



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INTRODUCTION

Sasseur Real Estate Investment Trust ("**Sasseur REIT**") is a real estate investment trust listed on the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 28 March 2018 ("**Listing Date**"). Sasseur REIT is managed by Sasseur Asset Management Pte. Ltd. (the "**REIT Manager**" or the "**Company**").

The REIT Manager was appointed in accordance with the terms of the Deed of Trust constituting Sasseur REIT dated 30 October 2017 (as supplemented on 19 March 2018) ("**Trust Deed**").

The primary role of the REIT Manager is to manage Sasseur REIT's assets and liabilities for the benefit of the unitholders of Sasseur REIT ("**Unitholders**") and set the strategic direction of Sasseur REIT in accordance with its mandate and make recommendations to DBS Trustee Limited, in its capacity as trustee of Sasseur REIT (the "**Trustee**"), on any investment or divestment opportunities for Sasseur REIT and the enhancement of the assets of Sasseur REIT in accordance with the stated investment strategy for Sasseur REIT. The research, evaluation and analysis required for this purpose are coordinated and carried out by the REIT Manager.

Other functions and responsibilities of the REIT Manager include but are not limited to the following:

- a) using its best endeavours to conduct Sasseur REIT's business in a proper and efficient manner and ensuring that its related parties will conduct all transactions with or for Sasseur REIT at arm's length basis and on normal commercial terms;
- b) coordinating the annual budget process and preparing the annual budget proposal of the Company and Sasseur REIT, with explanations for major variances, written commentary on key issues and any relevant assumptions, for approval by the directors of the REIT Manager ("**Directors**");
- c) ensuring compliance with all applicable and relevant requirements, laws and regulations including but not limited to the Securities and Futures Act 2001 (the "**SFA**"), the Listing Manual of SGX-ST, the Code on Collective Investment Schemes (the "**CIS Code**") including Appendix 6 to the CIS Code (the "**Property Funds Appendix**") issued by the Monetary Authority of Singapore ("**MAS**") and the Trust Deed;
- d) establishing a framework of prudent and effective controls which enables financial, operational, compliance and information technology risks to be managed;
- e) attending to all regular communications with the Unitholders; and
- f) supervising and overseeing the management of real estate (including but not limited to lease audit, systems control, data management and business plan implementation) in accordance with the provisions of the Trust Deed.

The REIT Manager has developed and, on an ongoing basis, maintains sound and transparent policies and practices to meet the specific business needs of Sasseur REIT and to provide a firm foundation for a trusted and respected business enterprise.

The board of Directors (the "**Board**") and Management of the REIT Manager aspire to the highest standards of corporate governance. The REIT Manager remains focused on complying with the substance and spirit of the principles of the Code of Corporate Governance 2018 (the "**Code**") while achieving operational excellence and delivering Sasseur REIT's long-term strategic objectives. It is fully committed to continuous improvement of its corporate governance practices as it firmly believes that it is essential in protecting the interests of the Unitholders.

CORPORATE GOVERNANCE

This report describes Sasseur REIT and its subsidiaries (the “Group”) corporate governance framework and practices that were in place throughout the financial year under review. The Board confirms that the Company had adhered to the principles and provisions of the Code, where they are applicable, relevant and practicable to the Group. Any deviations from the provisions of the Code or areas of non-compliance have been explained accordingly.

(A) BOARD MATTERS

THE BOARD’S CONDUCT OF AFFAIRS

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Board is collectively responsible for the long-term success of Sasseur REIT. The Board works with the REIT Manager’s Management to achieve this and Management remains accountable to the Board.

The Board is responsible for the REIT Manager’s corporate governance standards and policies, underscoring their importance to the REIT Manager. It recognises that good corporate governance establishes and maintains a legal and ethical environment, which is critical to the performance and success of the REIT Manager and essential for preserving and enhancing the interests of all stakeholders.

The principal roles of the Board are to:

- guide the corporate strategy and directions of the REIT Manager;
- ensure that senior management discharges business leadership and demonstrates the highest quality of management skills with integrity and enterprise;
- ensure that measures relating to corporate governance, financial regulations and other required policies are in place and enforced;
- oversee the proper conduct of the REIT Manager through the Code of Conduct and Ethics;
- set the appropriate tone-from-the top and desired organisational culture; and
- ensure proper accountability within the REIT Manager.

CORPORATE GOVERNANCE

All Directors exercise due care and independent judgement and make decisions objectively at all times as fiduciaries in the best interests of Unitholders. Apart from the Board's statutory duties and responsibilities, the Board provides leadership to the Chief Executive Officer ("CEO") and Management, and sets the strategic vision, direction and long-term objectives for Sasseur REIT. The key strategies of the REIT Manager are:

- Active Asset Management and Asset Enhancement Strategy – To achieve growth in revenue and sales and maintain optimal occupancy levels, and implementing pro-active policies to improve the yields and enhance organic growth;
- Acquisition Growth Strategy – To pursue selective acquisitions of quality income-producing properties used mainly for outlet mall purposes initially in the PRC and subsequently in other countries;
- Divestment Strategy – To realise properties' optimal market potential and value; and
- Capital and Risk Management Strategy – To employ an appropriate mix of debt and equity and to utilise hedging strategies where appropriate.

The REIT Manager believes in being a responsible corporate citizen and acknowledges its responsibilities toward society, the environment and its stakeholders. The REIT Manager seeks to manage its business in a fair and ethical manner to demonstrate its consideration towards employees and the wider community. The REIT Manager is committed to providing a safe and healthy working environment for its employees and shoppers of Sasseur REIT's properties.

To assist the Board in the discharge of its oversight function, the Audit and Risk Committee ("**ARC**") and the Nominating and Remuneration Committee ("**NRC**") (collectively the "**Board Committees**") have been constituted with clear written terms of reference. These Board Committees play an important role in ensuring good corporate governance.

Each of these Board Committees operates under delegated authority from the Board, with the Board retaining the overall oversight. The Board may form other Board committees as and when required. Membership of the Board Committees is managed to ensure an equitable distribution of responsibilities among Board members, to maximise the effectiveness of the Board and to foster active participation and contribution from Board members. Diversity of experience, knowledge and appropriate skills are considered in the composition of the respective Board Committees.

The Board meets at least once every quarter, and as required by business imperatives. Board and Board Committees' meetings are scheduled prior to the start of each financial year. Where exigencies prevent a Director from attending a Board meeting in person, the Constitution of the REIT Manager permits the Director to participate via audio or video conference or by similar electronic communication means. If a Director is unable to attend a Board or Board Committees meeting, he or she still receives all the papers and materials for discussion at that meeting. He or she will review them and will advise the Chairman of the Board or the relevant Board Committees of his or her views and comments on the matters to be discussed so that they can be conveyed to other participants present at the meeting. The Board and Board Committees may also make decisions by way of resolutions in writing.

In each meeting where matters requiring the Board's approval are to be considered, all members of the Board participate in the discussions and deliberations; and resolutions in writing are circulated to all Directors for their consideration and approval. The exception is where a Director has a conflict of interest in a particular matter in which case, he or she will be required to recuse himself or herself from the deliberations and abstain from voting on the matter. This principle of collective decisions adopted by the Board ensures that no individual influences or dominates the decision-making process.

CORPORATE GOVERNANCE

The number of meetings held by the Board, the ARC and the NRC as well as the attendance of Directors at the meetings held during the financial year ended 31 December 2021 (“FY2021”) are summarised in the table below:

Meetings	Board of Directors	ARC	NRC	AGM
Total meetings held in FY2021	4	4	1	1
Name of Director	Attended	Attended	Attended	Attended
Mr Xu Rongcan	4	N.A.	1	1
Ms Yang Xue	4	N.A.	N.A.	1
Dr Gu Qingyang	4	4	1	1
Mr Mario Boselli	4	N.A.	N.A.	1
Mr Cheng Heng Tan	4	4	N.A.	1
Mr Wu Geng	4	4	1	1

The REIT Manager believes in the overall contribution of its Directors beyond their attendance at formal Board and Board Committees’ meetings. The REIT Manager believes that a Director’s contributions based on his attendance at formal meetings alone would not represent his/her overall contributions, which include being accessible to Management for guidance or exchange of views outside the formal environment of Board and Board Committees’ meetings.

Apart from matters that specifically require the Board’s approval, to assist the Board in discharging its oversight function, it has delegated authority to Board Committees and Management for transactions below certain limits to facilitate operational efficiency. In connection therewith, the Board has adopted a set of delegation of authority guidelines which establishes approval limits to facilitate operational efficiency as well as arrangements for inter alia (i) annual budget in respect of annual operating and capital expenditure budget, and payment for expenditures within approved budgets; (ii) interested person transactions within the approved threshold limits; (iii) treasury matters such as bank credit facilities (including guarantee facility), investment of financial assets, opening of bank accounts, inter-company loan/advances/entrusted loan/standby letter of credit (including signing of inter-company loan agreements); and (iv) new investments and divestments.

Matters requiring specific Board approval have been clearly communicated to Management in writing. This includes business strategy, issuance of new units, income distributions and other returns to Unitholders, matters which involve a conflict of interest with a controlling Unitholder or a Director, acquisitions and disposals, approval of annual budgets, financial plans, business and operational updates, unaudited half-yearly and full year result announcements and audited financial statements.

Upon appointment, each new Director will be given a formal appointment letter setting out the terms of his/her appointment as well as his/her duties and obligations, including his/her responsibilities and fiduciaries and on the policies relating to conflict of interest. A tailored induction and orientation programme is also conducted to provide the new Director with information on the business activities, strategic direction, policies and corporate governance practices of the REIT Manager, as well as his/her statutory duties and other duties and responsibilities as a Director. Directors who have no prior experience as a director of an issuer listed on the SGX-ST will be provided with training on the roles and responsibilities of a director of a listed issuer in accordance with the listing rules of the SGX-ST. The costs of training are borne by the REIT Manager.

CORPORATE GOVERNANCE

To keep pace with changes to regulations and accounting standards, where these changes have an important bearing on the disclosure obligations of the REIT Manager or its Directors, the Directors are briefed either during Board meetings or at specially convened sessions involving the relevant advisers and professionals, if necessary, or via circulation of Board papers. Management will also provide the Board with relevant and adequate information in a timely manner through regular updates, and at least quarterly during the quarterly Board meetings on financial results, market trends and business developments.

To ensure the Directors can fulfil their obligations and to continually improve the performance of the Board, all Directors are encouraged to undergo continual professional development during the term of their appointment, and are provided opportunities to develop and maintain their skills and knowledge. Directors are also encouraged to be members of the Singapore Institute of Directors (“**SID**”) and for them to receive updates and training from SID to stay abreast of relevant developments in financial, legal and regulatory requirements, and business trends. The costs of arranging and funding of the training of Directors will be borne by the REIT Manager. The REIT Manager maintains a training record to track Directors’ attendance at training and professional development courses.

In FY2021, the Board attended regulatory compliance training conducted by KPMG Services Pte. Ltd. (“**KPMG**”) which covered various topics including corporate governance and key requirements of a REIT Manager holding a Capital Markets Services Licence. In addition, the Board also attended a Task Force on Climate-related Financial Disclosures (“**TCFD**”) workshop conducted by KPMG which covered topics such as the latest climate related developments, introduction to TCFD, climate related risk and opportunities and its impact on Sasseur REIT as well as an introduction to scenario analysis. An IT security awareness training which was conducted by BitCyber Pte. Ltd. was also organised for the Board.

An effective and robust Board, whose members engage in open and constructive debate to develop and refine proposals on strategy, is fundamental to good corporate governance. In this regard, the Board must be kept well-informed of Sasseur REIT’s business and affairs and the industry in which Sasseur REIT operates.

The ARC and Board meet at least once every quarter. At each Board meeting, the CEO provide updates on Sasseur REIT’s business and operations, and the Chief Financial Officer (“**CFO**”) provides updates on financial performance. Presentations in relation to specific business areas are also made by members of Management to allow the Board to develop a good understanding of the progress of Sasseur REIT’s business and also promotes active engagement between the Board and Management. Where necessary, the CEO or the CFO also briefs the relevant Board member(s) prior to the Board and/or Board Committees’ meetings to facilitate a more effective discussion at these meetings.

CORPORATE GOVERNANCE

Provision of Information to the Board and the Board Committees

The REIT Manager recognises the importance of providing the Board with complete and adequate information on a timely basis prior to Board meetings and on an ongoing basis, to enable the Directors to make informed decisions to discharge their duties and responsibilities. The Board and Board Committees' papers are generally sent to Directors at least three days before each of the Board or Board Committees' meeting, so that Directors have sufficient time to review and consider matters tabled for discussion. However, sensitive matters may be tabled at the meeting itself or discussed without any papers being distributed prior to the meeting. Members of the Management team who can provide additional insight into the matters at hand would be present at the relevant time during the Board meeting. The Board has separate and independent access to the REIT Manager's senior management for further clarification, if required.

Access to Management, Company Secretaries and Independent Professional Advisers

The Chairman, the CEO and the relevant members of Management are present at Board and Board Committees' meetings to address any queries which the Board or Board Committees' members may have. In addition, Board members have separate and independent access to Management, the Joint Company Secretaries and independent professional advisers (where necessary) at the Company's expense.

The Joint Company Secretary(ies) prepares minutes of the Board and Board Committees' meetings. He/she assists the Chairman of the Board and the Board Committees in ensuring that proper procedures are followed and that the REIT Manager's Constitution, the Board Committees' terms of reference, the Trust Deed, relevant rules, regulations, best practices, and internal policies, including applicable provisions of the Property Funds Appendix, are complied with. Under the direction of the Chairman of the Board and the Board Committees, the Joint Company Secretary(ies) is responsible for ensuring information flows within and among the Board, the Board Committees and Management. He/she also works with Management to ensure that the Board and Board Committees' papers are provided to each Director ahead of meetings. In the year under review, at least one of the Joint Company Secretaries or in his absence, his representative attended all Board meetings. The appointment and/or change of the Joint Company Secretaries are subject to approval by the Board.

Where decisions to be taken require expert opinion or specialised knowledge, the Directors, whether as a group or individually, may seek independent professional advice as and when necessary in furtherance of their duties at the Company's expense. The appointment of such independent professional adviser is subject to approval by the Board.

The CEO, CFO and the Joint Company Secretaries are the primary channels of communication between the REIT Manager and the SGX-ST.

CORPORATE GOVERNANCE

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Currently, the Board of the REIT Manager comprises six (6) Non-Executive Directors, of whom four (4) are Independent Directors which constitute majority of the Board, in compliance with Provisions 2.2 and 2.3 of the Code.

Currently, there is no alternate Director appointed.

The current composition of the Directors in the Board and Board Committees is as follows:

Name of Director	ARC	NRC
Mr Xu Rongcan (Non-Executive and Non-Independent Chairman)	-	M
Ms Yang Xue (Non-Executive and Non-Independent Director)	-	-
Dr Gu Qingyang (Lead Independent Director)	M	C
Mr Mario Boselli (Independent Director)	-	-
Mr Cheng Heng Tan (Independent Director)	C	-
Mr Wu Geng (Independent Director)	M	M

C - Chairman

M - Member

The current Board comprises individuals who are business leaders and professionals with legal, audit and accounting, retail management and real estate backgrounds. Together, the Board as a group provides an appropriate balance and diversity of skills with core competencies such as industry knowledge, business and management experience, age, gender (1 female Director), strategic planning and customer-based experience, and ethnicity. Their varied backgrounds enable Management to benefit from their diverse expertise and experience to further the interests of Sasseur REIT. Each Director brings to the Board skills, experience, insights and sound judgement which, together with his/her strategic networking relationships, serve to further the interests of Sasseur REIT. Profiles of the Directors are provided on pages 43 to 45 of this Annual Report.

The Board embraces diversity and has adopted a Board Diversity Policy. The Board recognises that a diverse Board introduces fresh perspectives into the Boardroom, adds value to the policies and practices of the REIT Manager, supports the REIT Manager's achievement of its strategic objectives and enhances long-term sustainable performance. A diverse Board includes and leverages on the differences between the Directors in terms of skills, knowledge and experience, gender, age, ethnicity and culture, geography and tenure. These aspects of diversity will be considered in determining the optimum composition of the Board and when possible, balanced appropriately.

The NRC has set an objective to ensure that the Board comprises Directors with various skills, knowledge and experience, gender, age, ethnicity and culture, geography and tenure. As part of the Board renewal process, the NRC will review these objectives from time to time and may recommend changes or may recommend additional objectives to achieve greater diversity.

The NRC reviews from time to time the size and composition of the Board with a view to ensuring that the size of the Board is appropriate in facilitating effective decision-making, taking into account the scope and nature of the operations of the Group, and that the Board has a strong element of independence. The Board with the concurrence of the NRC is of the view that the current Board size is appropriate taking into consideration the nature and scope of Sasseur REIT's operations.

CORPORATE GOVERNANCE

As part of the process of assessing the independence of each Director as established by the Board, each of the Independent Directors and members of the ARC and the NRC is required to confirm, upon appointment, as well as on an annual basis, whether there are any material relationships based on the definition of independence set out in the Code which would render him or her non-independent. An Independent Director is one who:

- i) is independent in conduct, character and judgement, and has no relationship with the REIT Manager, its related corporations, shareholders who hold 5.0% or more of the voting shares (the “**Substantial Shareholders**”) of the REIT Manager, or Unitholders who hold 5.0% or more of the Units (the “**Substantial Unitholders**”) in issue, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement, in the best interests of the Unitholders;
- ii) is independent from any management and business relationship with the REIT Manager and Sasseur REIT, and from every Substantial Shareholder of the REIT Manager and every Substantial Unitholder;
- iii) is not a Substantial Shareholder of the REIT Manager or a Substantial Unitholder;
- iv) has not served on the Board for a continuous period of nine (9) years or longer;
- v) is not employed or has been employed by the REIT Manager or Sasseur REIT or any of their related corporations in the current or any of the past three (3) financial years; and
- vi) does not have an immediate family member who is employed or has been employed by the REIT Manager or Sasseur REIT or any of their related corporations in the current or any of the past three (3) financial years and whose remuneration is or was determined by the Board.

The relevant Directors had provided declarations of their independence which have been deliberated upon by the NRC. The NRC, having conducted an annual review of the independence, is of the view that the Independent Directors are independent and that no individual or small group of individuals dominate the Board’s decision-making process, and has made its recommendations to the Board.

The Board has determined, after taking into account the views of the NRC, each of Dr Gu Qingyang, Mr Mario Boselli, Mr Cheng Heng Tan and Mr Wu Geng to be independent in terms of their character and judgement in the discharge of their responsibilities as Directors and there are no relationships or circumstances which are likely to affect, or could appear to affect, the Director’s judgement. Each member of the NRC had recused himself from deliberations on his own independence.

Mr Xu Rongcan and Ms Yang Xue are Executive Directors of the Sponsor, which is a controlling Unitholder of Sasseur REIT. As such, Mr Xu Rongcan and Ms Yang Xue are Non-Executive and Non-Independent Directors of the REIT Manager.

None of the Directors have served on the Board beyond nine (9) years from the date of his/her first appointment.

As there are no Executive Directors, all Non-Executive and Non-Independent Directors and the Independent Directors contribute to the Board process by monitoring and reviewing Management’s performance against goals and objectives. The views and opinions of the Independent Directors and the Non-Executive and Non-Independent Directors provide alternative perspectives to Sasseur REIT’s business and enable the Board to make informed and balanced decisions. This also enables the Board to interact and work with Management to help shape the strategic process.

CORPORATE GOVERNANCE

When reviewing Management's proposals or decisions, the Independent Directors bring their objective independent judgement to bear on business activities and transactions involving conflicts of interest and other complexities.

The Non-Executive and Non-Independent Directors and Independent Directors meet regularly without the presence of Management as and when the need arose. The Chairman of such meetings provides feedback to the Board and/or the Chairman as appropriate.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered power of decision-making.

Mr Xu Rongcan (Non-Executive and Non-Independent Chairman of the REIT Manager) and Ms Tan Hong Lye, Cecilia (CEO of the REIT Manager) are two (2) separate persons and are not immediate family members. This ensures a balance of power and authority, increased accountability and greater capacity of the Board for independent decision making.

The Chairman is responsible for leadership of the Board and for facilitating the conditions for the overall effectiveness of the Board, Board Committees and individual Directors. This includes setting the agenda of the Board in consultation with the CEO and promoting constructive engagement among the Directors as well as between the Board and the CEO on strategic issues. The Chairman plays a significant leadership role by providing clear oversight, direction, advice and guidance to the CEO and Management on strategies. He also ensures that the Directors work together with the Management in a constructive manner to address strategic, business, operational, capital management, risk, corporate governance and financial issues. At the Board meetings, the Chairman ensures that adequate time is available for discussion of all agenda items and strategic issues. At annual general meetings and other Unitholders' meetings, the Chairman will seek to ensure that there is constructive dialogue between Unitholders, the Board and the Management.

The CEO of the REIT Manager, together with the Management, has full executive responsibilities over the business direction and strategies, and operational decisions in managing Sasseur REIT.

As the Chairman is not an Independent Director, in accordance with Provision 3.3 of the Code and in the spirit of good corporate governance, Dr Gu Qingyang has been appointed as the Lead Independent Director of the REIT Manager. The principal responsibilities of the Lead Independent Director are to act as Chairman of the Board when matters concerning the Chairman are to be considered, and to be available to the Board and Unitholders for communication of Unitholders' concerns when other channels of communication through the Chairman or CEO are inappropriate or inadequate, as well as for leading all deliberations on feedback regarding performance of the CEO and any interested party transactions. As the Lead Independent Director, Dr Gu Qingyang has the discretion to hold meetings with the Independent Directors (without the presence of Management) as he deems appropriate or necessary, and he will provide feedback to the Chairman, where appropriate. Contact details of the Lead Independent Director is available on Sasseur REIT's website at <https://www.sasseurreit.com/lead-id-contact.html>.

The division of responsibilities between the Chairman, Lead Independent Director and CEO have been set out in writing and approved by the Board.

CORPORATE GOVERNANCE

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The Board has established a NRC which comprises three (3) Non-Executive Directors, a majority of whom, including the NRC Chairman are Independent Directors. The composition of the NRC is as follows:

Dr Gu Qingyang	Lead Independent Director	NRC Chairman
Mr Wu Geng	Independent Director	NRC member
Mr Xu Rongcan	Non-Executive and Non-Independent Chairman	NRC member

The NRC has written terms of reference setting out the scope and authority in performing the functions of the NRC, which include but are not limited to the following:

- a) reviewing the structure, size and composition (including the skills, gender, age, qualification, experience and diversity) of the Board and Board Committees (taking into account SGX-ST Listing Rules 210(5)(c) and Provisions 2.1 to 2.4 of the Code. The NRC will then recommend changes, if any, to the Board;
- b) identifying and nominating candidates to fill Board vacancies as they occur;
- c) following the Board's confirmation, the NRC will send the newly appointed Director a formal appointment letter which clearly sets out his/her roles and responsibilities, authority, and the Board's expectations in respect of his/her time commitment as a Director of the Company;
- d) recommending the membership of the Board Committees to the Board;
- e) reviewing the independent status of Non-Executive Directors annually or when necessary;
- f) developing the performance evaluation framework for the Board, the Board Committees and individual Directors. The NRC proposes objective performance criteria for the Board, the Board Committees and individual Directors. The NRC conducts the evaluations, analyses the findings and reports the results to the Board and will also recommend areas that need improvement;
- g) recommending that the Board removes or reappoints a Non-Executive Director at the end of his/her term. In making such recommendations, the NRC considers the Director's performance, commitment and his/her ability to continue contributing to the Board;
- h) reviewing other directorships held by each Director and decide whether or not a Director is able to carry out, and has been adequately carrying out, his/her duties as a Director, taking into consideration the Director's number of listed company directorships and principal commitments, and the NRC may in its discretion determine the maximum number of listed company directorships which any Director may hold;
- i) identifying and developing training programmes/schedules for the Board and assisting with similar programmes for the Board Committees. The NRC will ensure that all Board appointees undergo the appropriate induction programme;

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- j) reviewing and ensuring that there is a clear division of responsibilities between the Chairman and CEO of the Company in place;
- k) providing the Board with its succession plans for the Board Chairman, Directors, CEO and key management personnel of the Company;
- l) keeping up to date with developments in corporate governance initiatives, changes to relevant legislations, strategic issues and commercial changes that may affect the Company and the industry in which it operates;
- m) undertaking such other functions and duties as may be required by the Board under the Code, statute or SGX-ST Listing Rules (where applicable); and
- n) taking into account all relevant legal and regulatory requirements, including the principles and provisions of the Code, when determining the Company's remuneration policies. In doing so, the NRC also considers the Company's risk appetite and ensure that the policies are aligned to long-term goals.

In respect of the Directors' other listed company directorships and principal commitments, a maximum limit of 9 has been set for the number of listed company directorships which any Director may hold. The Board takes the view that the number of listed company directorships that an individual may hold should be considered on a case-by-case basis, as a person's available time and attention may be affected by many different factors, such as his or her individual capacity, whether he or she is in full-time employment, the nature of his or her other responsibilities and his or her near term plan regarding some of the other appointments. The contributions by Directors to and during meetings of the Board and Board Committees as well as their attendance at such meetings, in addition to each of their principal commitments, should also be taken into account. The NRC and the Board will review the number of listed company directorships of the Directors on an annual basis or from time to time when the need arises. A Director with multiple directorships is expected to ensure that he or she can devote sufficient time and attention to the affairs of the REIT Manager.

Pursuant to its Terms of Reference, the NRC is required to determine if a Director has been adequately carrying out his/ her duties as a Director of the Company, particularly if he/her has multiple Board representations in listed companies and other principal commitments. In view of this, the NRC, having considered the confirmations received by the Independent Directors, is of the view that such multiple board representations (where applicable) do not hinder each Independent Director from carrying out his duties as a Director of the Company. The NRC is satisfied that sufficient time and attention have been accorded by these Directors to the affairs of the Company. The Board concurred with the NRC's views.

The NRC is responsible for reviewing the succession plans for the Board, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel, and the appointment of Directors (including alternate directors, if applicable). The NRC will lead and make recommendations to the Board on the appointment of new Directors, if necessary, as follows:

1. the NRC will review the balance and diversity of skills, experience, age, gender, expertise and qualification required by the Board, as well as the optimal size of the Board required to facilitate decision-making;
2. following such review and in consultation with Management, the NRC will assess the relevant attributes and corresponding representation and desired profile, underpinning any particular appointment;
3. external support (for example, search consultants) may be used to source for potential candidates if required. Directors and the Management may also make suggestions;

CORPORATE GOVERNANCE

4. suitable candidates are carefully evaluated by the NRC so that recommendations made on proposed candidates are objective and well supported. The NRC meets shortlisted candidates to assess suitability, and to ensure the candidates are aware of the level of commitment required; and
5. the NRC recommends the proposed appointee(s) for the Board's consideration. New Directors are formally appointed by way of a Board resolution.

The appointment of Directors, or to change the nature of the appointment of a Director from non-executive to executive is subject to the approval of the MAS.

The NRC is also responsible for determining the independence of a Director on an annual basis and had adopted the Code's definition of an Independent Director. The process for assessing the independence of a Director is set out on page 129.

The listed company directorships and principal commitments of each Director are as follows:

Name of Directors¹	Position	Present Directorships in Other Listed Companies	Past Directorships in Other Listed Companies Over the Preceding Three (3) Years	Other Principal Commitments
Mr Xu Rongcan (Spouse of Ms Yang Xue)	Non-Executive and Non-Independent Chairman	Nil	Nil	<ul style="list-style-type: none"> • Sasseur Cayman Holding Limited, Executive Director and Chairman • Changchun Sasseur Zhongdong Commercial Management Co. Ltd, Non-Executive Director • Changsha Sha Min Enterprise Management Co. Ltd, Non-Executive Director • Changsha Sasseur Zhong Min Bai Hui Outlets Business Management Co. Ltd, Non-Executive Director • Sasseur Vito (BVI) Limited, Non-Executive Director • Sasseur Super Outlet Development Pte Ltd, Executive Director • Sasseur Kunming Limited, Non-Executive Director • Sasseur Nanjing Limited, Non-Executive Director
Ms Yang Xue (Spouse of Mr Xu Rongcan)	Non-Executive and Non-Independent Director	Nil	Nil	<ul style="list-style-type: none"> • Sasseur Cayman Holding Limited, Non-Executive Director • Hangzhou Sasseur Commercial Management Co. Ltd, Non-Executive Director • Changsha Sha Min Enterprise Management Co. Ltd, Non-Executive Director • Shanghai Shayi Business Co., Ltd, Non-Executive Director • Shanghai Sasseur Super Outlet Brand Management Co. Ltd, Executive Director

¹ Other key information regarding the Directors is set out in the "Board of Directors" section in this Annual Report.

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Name of Directors¹	Position	Present Directorships in Other Listed Companies	Past Directorships in Other Listed Companies Over the Preceding Three (3) Years	Other Principal Commitments
Dr Gu Qingyang	Lead Independent Director	PCI-Suntek Technology Co. Ltd ² , Non-Executive Director	Nil	<ul style="list-style-type: none"> China Life Insurance (Singapore) Co. Ltd, Independent Non-Executive Director National University of Singapore, Associate Professor, Lee Kuan Yew School of Public Policy Fuzhou New Zone (People's Republic of China), Economic Advisor Suzhou GSUN Fund Management Co., PTD, Independent Director
Mr Mario Boselli	Independent Director	GIGLIO.COM S.P.A. ³ , Non-Executive Director	Nil	<ul style="list-style-type: none"> Banca 5 S.P.A, Non-Executive Director M.Seventy S.R.L, Non-Executive Director Mario Boselli S.R.L, Chief Executive Schmid S.P.A, Non-Executive Director F.lli De Cecco di Filippo – Fara San Martino S.P.A., Non-Executive Director Prestitalia S.P.A, Non-Executive Director
Mr Cheng Heng Tan	Independent Director	Powermatic Data Systems Limited ⁴ , Independent Director	Nil	<ul style="list-style-type: none"> Omakase Pte Ltd, Executive Director Omakase Burger Pte Ltd, Executive Director Omakase Burger (Orchard) Pte Ltd, Executive Director Omakase IT Pte Ltd, Executive Director
Mr Wu Geng	Independent Director	Shengli Oil & Gas Pipe Holdings Limited ⁵ , Independent Non-Executive Director	<ul style="list-style-type: none"> TEE International Limited⁴, Independent Non-Executive Director DeLong Holdings Limited⁶, Independent Non-Executive Director 	<ul style="list-style-type: none"> Drew & Napier LLC, Director Chalco Trading Singapore Pte. Ltd, Independent Non-Executive Director

1 Other key information regarding the Directors is set out in the "Board of Directors" section in this Annual Report.

2 Listed on The Shanghai Stock Exchange.

3 Listed on Borsa Italiana.

4 Listed on The Singapore Exchange Limited.

5 Listed on The Stock Exchange of Hong Kong Limited.

6 Delisted from The Singapore Exchange Limited with effect from 26 September 2019.

CORPORATE GOVERNANCE

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The REIT Manager believes that oversight from a strong and effective board goes a long way towards guiding a business enterprise to achieving success.

The Board strives to ensure that there is an optimal blend in the Board in terms of background, experience and knowledge in business and general management, expertise relevant to Sasseur REIT's business and track record, and that each Director can bring to the Board an independent and objective perspective to enable balanced and well considered decisions to be made in the interests of Sasseur REIT.

Whilst board performance is ultimately reflected in the long-term performance of Sasseur REIT, the Board believes that engaging in a regular process of evaluation of board performance in order to identify key strengths and areas for improvement is essential to effective stewardship and attaining success for Sasseur REIT.

As part of the REIT Manager's commitment towards improving corporate governance, the Board has approved and implemented a process to evaluate the effectiveness of the Board as a whole, each of the Board Committees and individual Directors on an annual basis. As part of the process, a questionnaire is sent to the Directors, and the evaluation results are aggregated and reported to the Chairman of the Board. The overall evaluation results are deliberated upon by the NRC and also shared with the Board and follow up action is taken where necessary with a view to enhancing the effectiveness of the Board, Board Committees and individual Directors in the discharge of its and their duties and responsibilities. The Board evaluation process for FY2021 was facilitated by Boardroom Corporate & Advisory Services Pte. Ltd. ("**Boardroom**"), the REIT Manager's corporate secretarial agent. Save for Boardroom's appointment as external facilitator to conduct the Board evaluation and as the REIT Manager's corporate secretarial agent and unit registrar, Boardroom does not have any other connection with the REIT Manager or any of the Directors.

Board and Board Committees

The evaluation categories covered in the questionnaire include Board composition, Board processes, strategy, performance and governance, access to information and Board Committee effectiveness. As part of the questionnaire, the Board also considers whether the creation of value for Unitholders has been taken into account in the decision-making process. For FY2021, the outcome of the evaluation was satisfactory and the Directors on the whole provided affirmative ratings across all the evaluation categories.

Individual Directors

The evaluation categories covered in the questionnaire include attendance and preparation for Board meetings, contributions, initiative, knowledge of Sasseur REIT's business as well as participation in Board meetings. For FY2021, the outcome of the evaluation was satisfactory and each of the Directors on the whole received affirmative ratings across all the evaluation categories.

The Board also recognises that contributions by an individual Director can take different forms including providing objective perspectives on issues, facilitating business opportunities and strategic relationships, and accessibility to Management outside of the formal environment of Board and Board Committee meetings.

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(B) REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his and her own remuneration.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

DISCLOSURE ON REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The composition of the NRC has been set out on page 131. The NRC has written terms of reference setting out its scope and authority in performing the functions of a remuneration committee, which include but are not limited to the following:

- a) taking into account all relevant legal and regulatory requirements, including the principles and provisions of the Code, when determining the Company's remuneration policies. In doing so, the NRC considers the Company's risk appetite and ensure that the policies are aligned to long-term goals;
- b) ensuring that the level and structure of remuneration of the Board and the key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company;
- c) setting the remuneration policy for Directors and key management personnel;
- d) reviewing and approving fees for each Director of the Company and recommending for the Board's approval;
- e) reviewing and approving salary for each key management personnel and recommending for the Board's approval;
- f) monitoring the level and structure of remuneration for key management personnel relative to the internal and external peers and competitors;
- g) ensuring that the remuneration of the Non-Executive Directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities;
- h) reviewing the remuneration of employees related to the Directors, CEO or substantial shareholders, if any, to ensure that their remuneration packages are in line with staff remuneration guidelines and commensurate with the respective job scopes and level of responsibilities. Bonuses, pay increases and/or promotion for these related employees will also be subject to the review and approval of the NRC;

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- i) reviewing ongoing appropriateness and relevance of the Company's remuneration policy (including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind are covered) and other benefit programs (where appropriate);
- j) obtaining reliable, up-to-date information on the remuneration practices of other companies and the relevant market benchmarks through the appointment of external consultants;
- k) overseeing any major changes in employee benefits or remuneration structures;
- l) reviewing the design of all long-term and short-term incentive plans for approval by the Board and shareholders;
- m) reviewing the REIT Manager's obligations arising in the event of termination of a Director's and executive officer's contracts of service and ensuring that such contracts of service contain fair and reasonable termination clauses which are not overly generous;
- n) setting performance measures and determining targets for any performance-related pay schemes operated by the Company;
- o) working and liaising, as necessary, with all other Board Committees on any other matters connected with remuneration matters; and
- p) undertaking such other functions and duties as may be required by the Board under the Code, statute or SGX-ST Listing Rules (where applicable).

Sasseur REIT is externally managed by the REIT Manager and accordingly has no personnel of its own. Directors' fees of all Directors and remuneration of the employees of the REIT Manager are paid by the REIT Manager and not by Sasseur REIT. The REIT Manager adopts the principle that remuneration matters should be appropriately structured and benchmarked with good market practices to attract qualified talent to grow and manage its business. The remuneration structure supports the continuous development of the management bench strength to ensure robust talent management and succession planning.

The underlying principles governing the REIT Manager's remuneration policy for its key management personnel are as follows:

- Rewarding and motivating the REIT Manager's Management team to work towards achieving the strategic goals and business results/performance of Sasseur REIT and the REIT Manager; and
- Enhancing the retention of key talents to build strong organisational capabilities and ensuring competitive remuneration relative to the appropriate external talent markets.

The REIT Manager has put in place a performance-based remuneration system as reviewed and approved by the NRC, with the endorsement of the Board, using key performance indicators ("KPI") to assess areas such as financial, investor relations, investments, asset management, risk management, performance of Sasseur REIT's unit price against the FTSE ST Real Estate Investment Trusts Index, trading volume, distribution per unit as well as an appraisal system with qualitative and quantitative achievements, where applicable, for key management personnel of the REIT Manager. The NRC is also responsible for approving all KPI and targets to drive the performance of Sasseur REIT and the REIT Manager. The remuneration structure is designed with the objective of retaining, rewarding and motivating each individual to stay competitive and relevant while maintaining the right behaviours such that there would be no unintended consequences in terms of modifying work habit.

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At present, there are four (4) key management personnel (including the CEO). In arriving at the annual remuneration package for the CEO and key management personnel, the NRC takes into consideration the remuneration policy and framework, performance of the REIT Manager in relation to the approved KPIs and reference to compensation benchmarks within the industry, as appropriate. The Board and NRC have reviewed and ensured that the level and structure of remuneration for the CEO, key management personnel and Directors align with the long-term interests and risk management policies of the REIT Manager.

The key objectives and features of the REIT Manager's policy on the remuneration of its Directors are as follows:

- the level of Directors' fees should be appropriate (but not excessive) to attract and motivate the Directors to provide good stewardship of the REIT Manager and the Group;
- Directors' fees are reviewed annually based on each Director's level of responsibilities, holding appointments as Chairman or member of Board Committees and subject to the approval of the REIT Manager's shareholder;
- to ensure that each Director's fees are commensurate with his or her responsibilities and time spent, each Director is paid a basic retainer and Directors who perform additional services through the Board committees are paid additional fees for such services;
- no Director is involved in deciding his or her own remuneration.

The Board had endorsed, with the concurrence of the NRC, an amount of S\$804,000 as Directors' fees for FY2021. In reviewing the Directors' fees, the NRC took into consideration the expertise and experience of each Director and his/her contributions to the Board. No member of the Board will be involved in any decision of the Board relating to his own remuneration. Each of the NRC members, being interested in the matter, recused himself from all discussions and abstained from the recommendations in respect of their own fees.

If required and/or necessary, the NRC will seek expert's advice inside and/or outside the Company on remuneration of all Directors and key management personnel. No remuneration consultant was appointed in FY2021.

The Code and the Notice to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management (issued pursuant to Section 101 of the Securities and Futures Act) require:

- the disclosure of the remuneration of each individual Director and the CEO on a named basis, and
- the disclosure of the remuneration of at least the top five key management personnel (who are neither Directors nor the CEO) in bands of S\$250,000.

The breakdown of the Directors' fees for FY2021 is set out in the table below:

Name of Director	Director's Fees (S\$)
Mr Xu Rongcan	234,000
Ms Yang Xue	180,000
Mr Cheng Heng Tan	105,000
Dr Gu Qingyang	100,000
Mr Mario Boselli	100,000
Mr Wu Geng	85,000

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Remuneration of the CEO and Key Management Personnel for FY2021

Name of Key Management Personnel	Fixed	Variable	Benefits in Kind	Other Long-Term	Total
	Component ¹	Component ²		Incentives	
	%	%	%	%	%
S\$250,001 to S\$500,000					
Ms Tan Hong Lye, Cecilia ³	75.07	24.46	0.47	-	100.00
Mr Cheng Hsing Yuen	76.04	23.96	0.00	-	100.00
Ms Wong Siew Lu	76.25	23.75	0.00	-	100.00
Mr Anthony Ang Meng Huat ⁴	85.28	14.72	0.00	-	100.00
Mr Ken Chew Hian Chin ⁵	85.03	14.36	0.61	-	100.00
S\$250,000 and below					
Mr Xie Jianfeng ⁶	100.00	0.00	0.00	-	100.00
Ms Jaslyn Leong Mei Kuan ⁷	100.00	0.00	0.00	-	100.00

1 Fixed Component refers to base salary and Annual Wage Supplement, if applicable, for FY2021.

2 Variable Component refers to variable or performance related bonus for FY2021.

3 Ms Tan Hong Lye, Cecilia was appointed as the CEO of the REIT Manager with effect from 1 August 2021.

4 Mr Anthony Ang Meng Huat retired as the CEO of the REIT Manager with effect from 31 July 2021.

5 Mr Ken Chew Hian Chin resigned as the Chief Operating Officer of the REIT Manager with effect from 14 December 2021.

6 Mr Xie Jianfeng was appointed as the CFO of the REIT Manager with effect from 1 December 2021.

7 Ms Jaslyn Leong Mei Kuan resigned as the Head of Finance of the REIT Manager with effect from 26 September 2021.

No compensation is payable to any Director, the CEO, key management personnel or staff of the REIT Manager in the form of options in units or pursuant to any bonus or profit-sharing plan or any other compensation relating to any profit-linked agreement or arrangement. Remuneration of the Directors, the CEO and key management personnel of the REIT Manager is paid in cash.

The aggregate remuneration paid to the key management personnel (which excludes the CEO) for FY2021 is approximately S\$1,138,929.12

There were no employees of the REIT Manager who were substantial shareholders of the REIT Manager or immediate family members of a Director, the CEO or a substantial shareholder of the REIT Manager, and whose remuneration exceeds S\$100,000 in FY2021.

The REIT Manager has decided (a) to disclose the CEO's remuneration in bands of S\$250,000 (instead of on a quantum basis), (b) to disclose the remuneration of the three (3) key management personnel (excluding the CEO) of the REIT Manager in bands of S\$250,000, and (c) to disclose the total remuneration of the key management personnel (excluding the CEO) of the REIT Manager. The REIT Manager's decision takes into consideration the sensitive and confidential nature of remuneration matters and the importance of the continuity of a stable management team in the competitive environment which the REIT Manager operates. Due to the existing size of the management team, the REIT Manager only has three (3) key management personnel other than the CEO for FY2021. The REIT Manager is of the view that disclosure in such manner is not prejudicial to the interests of the Unitholders as the indicative range for the CEO's remuneration, as well as the total remuneration of the key management personnel, is made known to the Unitholders. In addition, sufficient information is provided on the REIT Manager's remuneration framework to enable the Unitholders to understand the link between Sasseur REIT's performance and the remuneration of the key management personnel. The REIT Manager believes that its practices and policies on setting and disclosure of remuneration are in line with the intent of Principle 8 of the Code.

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There are no contractual provisions to allow the REIT Manager to reclaim incentive components of remuneration from key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the REIT Manager and Sasseur REIT.

Presently, the REIT Manager does not have a share option scheme or long-term incentive scheme in place. The NRC has reviewed the REIT Manager's remuneration framework and is satisfied that there is reasonable mitigation of any potential misalignment of interests of Unitholders, taking into account (a) the NRC's discretion to determine whether the remuneration payable is in line with the remuneration framework, and (b) the substantial emphasis placed on the performance of Sasseur REIT which have been included as part of the KPIs. However, this does not rule out the possibility of the REIT Manager implementing a share option scheme or long-term incentive scheme in the future.

There are no termination, retirement or post-employment benefits that are granted over and above what have been disclosed.

(C) ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The REIT Manager has put in place an adequate and effective system of internal controls addressing material financial, operational, compliance and information technology risks to safeguard Unitholders' interests and Sasseur REIT's assets.

The Board has overall responsibility for the governance of risk and oversees the REIT Manager in the design, implementation and monitoring of the risk management and internal control systems. The ARC assists the Board in carrying out the Board's responsibility of overseeing the risk management framework and policies of Sasseur REIT.

The REIT Manager adopts an Enterprise Risk Management ("ERM") Framework to manage risks in a systematic and consistent manner. The ERM Framework and Risk Management Policy are reviewed annually. More information on the REIT Manager's ERM Framework, including the material risks identified, can be found on pages 117 to 119 of this Annual Report.

In line with the Code, the ARC, with the concurrence of the Board, had adopted a Management Assurance Confirmation Statement ("Management Assurance Statement"). For FY2021, the CEO and the CFO had provided a Management Assurance Statement confirming that:

- i) they are aware of their responsibilities for establishing, maintaining and evaluating the adequacy and effectiveness of the risk management and internal controls of Sasseur REIT;
- ii) the financial records of Sasseur REIT have been properly maintained and the financial statements give a true and fair view of Sasseur REIT's operations and finances;
- iii) to the best of their knowledge and in addition to the review conducted by Ernst & Young LLP ("EY"), the external auditors ("External Auditors") of Sasseur REIT, nothing has come to the Management's attention, which may render the full year financial results of Sasseur REIT for FY2021 to be false or misleading in any material aspect;

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- iv) there are no known significant deficiencies or lapses in the risk management and internal controls system relating to Sasseur REIT's financial, operational, compliance and information technology controls which could adversely affect Sasseur REIT's ability to record, process, summarise or report financial data, or of any fraud, whether material or not; and
- v) the risk management and internal control systems of Sasseur REIT are adequate and effective.

Based on the system of internal controls and risk management policies and procedures established and maintained by Sasseur REIT and the REIT Manager, work done by the Internal Auditors and External Auditors, reviews performed by Management, various Board Committees and the Board and the receipt of assurance from the CEO, the CFO, the Board, with the concurrence of the ARC, is of the opinion that taking into account the nature, scale and complexity of Sasseur REIT's and the REIT Manager's operations, Sasseur REIT's and the REIT Manager's risk management and internal controls system were adequate and effective in addressing the financial, operational, compliance and information technology risks as at 31 December 2021.

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

The Board has established an ARC which comprises three Independent Directors. The composition of the ARC is as follows:

Mr Cheng Heng Tan	Independent Director	ARC Chairman
Dr Gu Qingyang	Lead Independent Director	ARC member
Mr Wu Geng	Independent Director	ARC member

The ARC members bring with them invaluable recent and relevant managerial and professional expertise in accounting and related financial management domains. The ARC Chairman, Mr Cheng Heng Tan, is a member of the Institute of Singapore Chartered Accountants, among other professional affiliations. Mr Wu Geng also has recent and relevant financial management experience and expertise. None of the ARC members was previously a partner of the incumbent External Auditors, EY, within a period of two (2) years commencing on the date of their ceasing to be a partner or director, nor does any of the ARC members hold any financial interest in EY.

The ARC has explicit authority to investigate any matter within its terms of reference. Management is required to provide the fullest co-operation in providing information and resources, and in implementing or carrying out all requests made by the ARC. The ARC has direct access to the Internal Auditors and External Auditors and full discretion to invite any Director or executive officer to attend its meetings. Similarly, both Internal Auditors and External Auditors are given unrestricted access to the ARC.

The ARC meets at least four (4) times a year and, as and when deemed appropriate to carry out its function, where applicable, is guided by the following key terms of reference:

- a) reviewing the financial reporting issues and judgements so as to ensure the integrity of financial statements, and of announcements on the financial performance and recommending changes, if any, to the Board;
- b) overseeing and reviewing the adequacy and effectiveness of the risk management function;
- c) overseeing management in establishing the risk management framework;

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- d) reviewing and reporting to the Board at least annually on the adequacy and effectiveness of the Company's risk management and internal control systems;
- e) reviewing the assurance provided by the CEO and CFO that the financial records have been properly maintained, and that the financial statements give a true and fair view of the Company's operations and finances;
- f) reviewing the adequacy, effectiveness, independence, scope and results of the internal audit function;
- g) reviewing the scope and results of the external audit and the independence and objectivity of the external audit. The ARC shall then recommend to the Board the appointment, reappointment and removal of the external auditors and its remuneration and terms of engagement;
- h) ensuring that the Company complies with the requisite laws and regulations;
- i) ensuring the Company has programmes and policies in place to identify and prevent fraud;
- j) overseeing the establishment and operation of the whistleblowing process in the Company;
- k) reviewing all interested person transactions and related party transactions;
- l) reviewing and providing their views on all hedging policies and instruments to be implemented by Sasseur REIT to the Board;
- m) reviewing and approving the procedure for the entry into any foreign exchange hedging transactions and monitoring the implementation of such policy, including reviewing the instruments, processes and practices in accordance with the policy for entering into foreign exchange hedging transactions approved by the Board;
- n) reviewing the processes and procedures in relation to the appointment or removal of legal representatives of the PRC Companies annually;
- o) exercising oversight over the undertakings given by each of the Sponsor and the Entrusted Manager to the REIT Manager and the Trustee that (i) it will immediately inform the Trustee and the REIT Manager of any matter that has a materially adverse impact on its ability to perform its obligations under the Entrusted Management Agreements (including matters pertaining to the Sponsor and the Entrusted Manager's creditworthiness); and (ii) it will not unilaterally novate or assign any of the Individual Entrusted Management Agreements or the Master Entrusted Management Agreement, as the case may be, to other parties, and will inform the REIT Manager and the Trustee of any changes to the Individual Entrusted Management Agreements, or the Master Entrusted Management Agreement, as the case may be (including any such novation or assignment);
- p) assessing on an annual basis and where there are changes to the financial and/or credit standing of the financial institutions providing the banker's guarantee pursuant to the Performance Reserve, whether the standing of the banker's guarantee or banker's performance bond provided has been diminished arising from the changes;
- q) determining when the income support safeguards implemented post-listing (save for the Performance Reserve) would fall away;

CORPORATE GOVERNANCE

- r) in relation to the Performance Reserve, overseeing (i) that the banker's guarantee provided in respect of the Performance Reserve is obtained or placed with an independent financial institution of good financial standing (i.e. at least investment grade); (ii) the withdrawal and utilisation of the Performance Reserve by Sasseur REIT during the term of the Entrusted Management Agreements; and (iii) where the term of the banker's guarantee is shorter than the duration of the income support and is subject to periodic renewal, that the Sponsor should ensure that the banker's guarantee would be renewed;
- s) exercising oversight over the undertakings of the REIT Manager pursuant to the Entrusted Management Agreements (including the disclosures required in the announced full year financial results and annual reports of Sasseur REIT pursuant to the undertakings in relation to the Entrusted Management Agreements);
- t) reviewing the internal guidelines and monitoring the procedures put in place by the REIT Manager to ensure that the transactions entered into by the PRC Property Companies under the Entrusted Management Agreements are conducted on normal commercial terms and will not be prejudicial to Sasseur REIT and its minority Unitholders;
- u) reviewing at least quarterly in each financial year the transactions entered into by the PRC Property Companies under the Entrusted Management Agreements to ascertain the guidelines and procedures established by the REIT Manager to monitor interested person transactions have been complied with;
- v) reviewing and considering the terms of the Entrusted Management Agreements on an annual basis to ensure that the commercial terms of the Entrusted Management Agreements would not be prejudicial to the interests of Sasseur REIT and its Unitholders and be in compliance with Sasseur REIT's internal controls systems;
- w) conducting an annual assessment on whether the relevant PRC Property Company should exercise the Buy Back Option to acquire the development rights to the Phase 2 Developments and where the Sponsor is unable to complete the development of the Phase 2 Developments prior to the completion date of 31 December 2020 (as set out in the Grant Agreements), conducting an assessment on whether Sasseur REIT should grant the Sponsor a further extension of the completion date in accordance with the terms of the relevant Grant Agreements; and
- x) deliberating on and putting forth proposals to the Board on measures to mitigate conflicts of interest situations involving Sasseur REIT.

The ARC has reviewed the nature and extent of non-audit services provided by the External Auditors in FY2021 and the fees paid for such services. The aggregate amount of fees paid and payable to the External Auditors for FY2021 was S\$465,042:

Audit fees: S\$380,819

Non-audit fees: S\$84,223

The External Auditors have also confirmed their independence and that they complied with the Code of Professional Conduct and Ethics of the Institute of Singapore Chartered Accountants in respect of the relative size of audit fees and non-audit fees. The ARC has reviewed and is satisfied that the independence of the External Auditors has not been impaired by the provision of those services.

CORPORATE GOVERNANCE

The internal audit function is outsourced to PricewaterhouseCoopers Risk Services Pte. Ltd. (“**PwC**” or “**Internal Auditors**”) which is staffed by qualified executives. The ARC approves the hiring, removal, evaluation and compensation of the auditing firm to which the internal audit function is outsourced. The Internal Auditors have unfettered access to all the Group’s documents, records, properties and personnel, including access to the ARC. PwC reports to the ARC Chairman and has unrestricted access to the ARC, and is guided by the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The ARC will review the findings of the Internal Auditors and will ensure that the Group follows up on the Internal Auditors’ recommendations. The ARC will review the adequacy of the internal audit function annually to ensure that the internal audit function is adequately resourced and able to perform its function effectively and objectively. The ARC also reviews the independence of the internal audit function. For FY2021, the ARC is satisfied that the internal audit function is independent, effective and adequately resourced.

In FY2021, the ARC also met with the internal and external auditors, without Management’s presence, to discuss the reasonableness of the financial reporting process, the system of internal controls, and the significant comments and recommendations by the auditors. Where relevant, the ARC makes reference to best practices and guidance for Audit Committees in Singapore including practice directions issued from time to time in relation to the Financial Reporting Surveillance Programme administered by the Accounting and Corporate Regulatory Authority of Singapore.

The REIT Manager confirms, on behalf of Sasseur REIT, that Sasseur REIT complies with Rule 712 and Rule 715 of the Listing Rules.

Changes to the accounting standards and accounting issues which have a direct impact on the financial impact on the financial statements were reported to and discussed with the ARC at its meetings.

Key Audit Matter

In the review of the financial statements, the ARC has discussed with Management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The ARC had discussed and reviewed the following key audit matter impacting the financial statements with the Management and the External Auditors:

Key Audit Matter	How this issue was addressed by the ARC
Valuation of investment properties	<p>The ARC evaluated the objectivity, independence and expertise of the external appraisers. The valuation as at 31 December 2021 was performed by Savills Real Estate Valuation (Beijing) Limited.</p> <p>The ARC reviewed the valuation methodology, assumptions and outcomes, and discussed the valuation details with Management.</p> <p>The valuation of investment properties was also an area of focus for the External Auditor. The ARC considered the findings of the External Auditor, including their assessment of the appropriateness of the valuation methodology and key assumptions applied in the valuation of the investment properties.</p> <p>The ARC was satisfied with the valuation methodology and the valuation for investment properties as disclosed in the financial statements.</p>

CORPORATE GOVERNANCE

Whistle-Blowing Policy

The ARC is responsible for oversight and monitoring of whistle-blowing policies, processes and reporting. The Company has put in place a whistle-blowing policy endorsed by the ARC. The whistle-blowing policy sets out the procedures for employees of the REIT Manager and any other person who may in confidence, raise concerns about possible corporate improprieties on matters of financial reporting or other matters. A dedicated secured e-mail address has been set up to allow whistle-blowers to contact the ARC Chairman at arcchair@sasseurreit.com directly for any wrongdoing or concerns.

Upon receiving a whistle-blowing report, an email will be sent to the whistle-blower to acknowledge receipt of the report within 3 working days. All whistle-blowing reports will be handled confidentially, to the extent permitted by laws and regulations. Employees' and any other persons' identities will not be disclosed without prior consent.

Following a review of the complaint or concern, the ARC Chairman, where appropriate, will take steps to have the matter investigated. The ARC Chairman may also appoint independent parties to conduct investigations in relation to the whistle-blowing report. If, at the conclusion of an investigation, it is determined that a violation has occurred or the allegations are substantiated, remedial action which commensurate with the severity of the offence will be taken. All subsequent actions and decisions taken following the receipt of whistle-blowing reports will be documented and circulated to the ARC or tabled for discussion every quarter.

The REIT Manager does not tolerate the harassment or victimisation of anyone raising a wrongdoing or concern in good faith. The REIT Manager will ensure that no one will be at risk of suffering from retribution as a result of raising a concern even if they are mistaken, unless the individual raises a matter they know to be untrue.

The whistle-blowing policy has been made available to all employees of the REIT Manager and is also available on Sasseur REIT's website at <https://www.sasseurreit.com/whistle-blowing.html>.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDERS RIGHTS AND CONDUCT OF GENERAL MEETING

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Timely Disclosure of Information

The REIT Manager is committed to achieving effective communication with the public and keep all Unitholders and other relevant stakeholders and analysts informed of the performance and changes in Sasseur REIT or its business which would be likely to materially affect the price or value of the Units, on a timely and consistent basis, for the purposes of assisting Unitholders and investors in their investment decisions.

CORPORATE GOVERNANCE

For FY2021, the REIT Manager provided the Unitholders with quarterly and full year financial statements within the relevant periods prescribed by the SGX-ST Listing Manual after they are reviewed by the ARC and approved by the Board. These financial statements are accompanied by news releases and presentation slides issued to the media and which are also posted on the SGXNet. In presenting the quarterly and full year financial statements to Unitholders, the Board aims to provide Unitholders with a balanced, clear and understandable assessment of Sasseur REIT's performance, position and prospects. With effect from 1 January 2022, the REIT Manager will provide the Unitholders with half-yearly and full year financial statements. To update the market, the REIT Manager will also release business and operational updates for the 1st quarter and 3rd quarter on SGXNet.

The REIT Manager believes in conducting itself in ways that seek to deliver maximum sustainable value to Unitholders. Best practices are promoted as a means to build an excellent business for Unitholders and the REIT Manager is accountable to Unitholders for Sasseur REIT's performance. Prompt fulfilment of statutory and regulatory reporting requirements is but one way to maintain Unitholders' confidence and trust in the capability and integrity of the REIT Manager.

The Trust Deed is available for inspection at the REIT Manager's office (prior appointment would be appreciated).

Investor Relations

The REIT Manager has a dedicated team performing the investor relations function which facilitates effective communication with Unitholders, analysts, fund managers and the media. The REIT Manager actively engages with Unitholders and has in place an Investor Relations Policy which sets out the principles and practices that the REIT Manager applies in order to provide Unitholders and prospective investors of Sasseur REIT with balanced and understandable information necessary to make well-informed investment decisions and to ensure a level playing field. It also provides a specific investor relations contact, through which Unitholders are able to ask questions and receive responses in a timely manner. The Investor Relations Policy is available on Sasseur REIT's website at https://investor.sasseurreit.com/ir_policy.html.

The REIT Manager upholds a strong culture of continuous disclosure and transparent communication with Unitholders and the investment community. All material information, including press releases on major developments, relating to Sasseur REIT would be communicated on a timely basis via announcements through the SGX-ST via SGXNet at first instance before publishing the same on Sasseur REIT's website at <http://www.sasseurreit.com/>.

Other than publicly released announcements and its corporate website, the REIT Manager also seeks to engage Unitholders and the investment community through the following channels:

- i) Site visits;
- ii) Annual reports/Circulars to Unitholders;
- iii) Notices of, and explanatory notes for annual general meetings ("**AGM**") and extraordinary general meetings ("**EGM**");
- iv) Investor, media and analyst briefings; and
- v) Other individual or group meetings both in person and virtually, local/overseas conferences, conference calls, roadshows, and emails.

More information on the REIT Manager's investor relations activities with Unitholders, investors and analysts can be found in the "Investor Relations" section on pages 52 to 53 of this Annual Report.

CORPORATE GOVERNANCE

The Company does not practice selective disclosure, and in the event that any inadvertent disclosure is made to a select group, the Company will make the same disclosure publicly to all others as promptly as possible.

The REIT Manager is committed to treat all Unitholders fairly and equitably. In addition, there are relevant laws and regulations together with the Trust Deed governing specific Unitholders rights. These rights include among others, the right to participate in profit distributions, the right to attend and vote in general meetings.

General Meetings

General meetings are the principal forum for dialogue with Unitholders. Unitholders are encouraged to attend the AGMs and EGMs (if any) to ensure high level of accountability and to stay informed of the Group's strategy and goals. At such general meetings, Unitholders will be informed of the rules, including voting procedures, that govern general meetings and are also given the opportunity to share and communicate their views and seek clarification with the Board on issues relating to the Group's performance either informally or formally at or after the AGM.

The REIT Manager is not implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved. Nonetheless, Unitholders can vote at the general meetings in person or by appointing a proxy, through proxy forms which are sent together with the Annual Reports or circulars, as the case may be. Where a registered holder for the time being of Units is a relevant intermediary (including, but not limited to, a nominee company, a custodian bank or a CPF agent bank) ("**Holder**"), the Holder may, for the avoidance of doubt, appoint more than one proxy to exercise all or any of its rights to attend, speak and vote at every meeting, provided that each proxy must be appointed to exercise the rights attached to a different Unit or Units held by it (which number of Units and Class shall be specified).

The duly completed and signed proxy forms are required to be submitted to the REIT Manager's registered office address 72 hours before the general meeting. The Annual Report or Circular, as the case may be, and notices of the general meetings are dispatched to Unitholders, together with explanatory notes at least 14 clear days before each meeting for ordinary resolutions and at least 21 clear days for extraordinary resolutions to be passed. The notice is also advertised in a national newspaper and announced on SGX-ST via SGXNet.

Each distinct issue is proposed as a separate resolution at the general meeting.

Where possible, all the Directors will attend Unitholders' meetings. In particular, the Chairman of the Board and the respective Chairman of the ARC and the NRC, including the Lead Independent Director are required to be present to address questions at general meetings. The External Auditors are also available at such meetings to assist the Directors to address Unitholders' queries on the conduct of audit and the preparation and content of the Auditors' Report, where necessary.

The Joint Company Secretary(ies) of the REIT Manager prepare minutes of Unitholders' meetings, which incorporate comments or queries from Unitholders and responses from the Board, Management and Auditors (if applicable). These minutes are available to Unitholders upon request. Minutes of the general meetings are also uploaded on Sasseur REIT's website at https://investor.sasseurreit.com/agm_egm.html.

To ensure transparency in the voting process and better reflect Unitholders' interests, the REIT Manager will conduct electronic poll voting for all the resolutions proposed at the general meetings. An independent scrutineer is also appointed to validate the vote tabulation procedures. Votes cast, for or against and the respective percentages, on each resolution are tallied and displayed 'live' on-screen to Unitholders immediately at such general meetings. The total number of votes cast for or against the resolutions and the respective percentages are also announced on SGXNet after the general meetings.

CORPORATE GOVERNANCE

In view of the COVID-19 pandemic, the AGM in year 2021 was held via electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the “**Order**”). The Order also provides that the alternative arrangements apply to meetings held during the period commencing from 27 March 2020 and extended to 30 June 2021, providing the listed issuers with the option to conduct general meetings via electronic means.

Alternative arrangements relating to attendance at the AGM via electronic means i.e., live audio-visual webcast or live audio-only stream, submission of questions to the Company in advance of the AGM, addressing substantial and relevant questions prior to and at the AGM and appointing the Chairman of the AGM as the proxy at the AGM, were put in place. The minutes of the AGM held in year 2021 was uploaded to Sasseur REIT’s website and SGXNet within one month from the date of the AGM.

After due consideration of public health and other risks, Sasseur REIT will hold its forthcoming AGM via electronic means. The REIT Manager will ensure that arrangements are in place to facilitate Unitholders’ participation.

Distribution Policy

Sasseur REIT makes distribution to the Unitholders on a quarterly basis. Sasseur REIT’s distribution policy is to distribute at least 90% of its annual income available for distribution for each financial year. The actual level of distribution will be determined at the discretion of the Board of Directors of the REIT Manager.

(E) MANAGING STAKEHOLDER RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of Sasseur REIT are served.

In order to review and assess the material factors relevant to Sasseur REIT’s business activities, the REIT Manager from time to time proactively engages with various stakeholders, including employees, vendors and tenants, and the investment community, to gather feedback on the sustainability matters which have significant impact to the business and operations of Sasseur REIT and its stakeholders. The REIT Manager’s strategy and key areas of focus in relation to the management of stakeholder relationships during FY2021 are set out on pages 78 to 104 of the Annual Report.

Sasseur REIT maintains a current corporate website at <http://www.sasseurreit.com/> to communicate and engage with its stakeholders.

CORPORATE GOVERNANCE

(F) ADDITIONAL INFORMATION

DEALING IN SECURITIES

The Group has adopted a Personal Account Dealing Policy to provide guidance to its officers regarding dealings in the Company's securities, in compliance with Rule 1207(19) of the SGX-ST Listing Manual.

For FY2021, the Directors and officers (whom include both of the REIT Manager and any subsidiary or related corporation), had been notified of the closed window period by an internal memorandum, which set out prohibitions against dealing in the Company's securities during the period beginning one (1) month and two (2) weeks before the date of the announcement of the full year or quarterly results respectively and ending immediately after the announcement of the relevant results.

As announced on SGXNet on 18 February 2022, Sasseur REIT had adopted half-yearly reporting of its financial results with effect from 1 January 2022, which is in line with the amendments to the Listing Manual of the SGX-ST which came into effect on 7 February 2020. The next financial results reporting will be for the six-month period ending 30 June 2022.

In view of the above, the Investor Relations Policy and Internal Compliance Code on Dealing with Securities Transactions had been updated to reflect the closed window period of (i) one (1) month before the date of the announcement of the half-yearly and full year results; and (ii) two (2) weeks before the date of the announcement of the business and operational updates.

Any employee who intends to deal in the Company's securities outside of the prohibition period are required to seek approval from the CEO before the intended purchase or sale. In the case of the CEO and Directors, written approval is required to be sought from the ARC Chairman before the intended purchase or sale. In the case of the ARC Chairman, written approval is required to be sought from the Chairman of the Board before the intended purchase or sale.

Directors and officers are also advised against dealing in the securities on short-term consideration and when they are in possession of any unpublished material price-sensitive information of the Group, and to be mindful of the law on insider trading.

DEALING WITH CONFLICTS OF INTEREST

In accordance with the Compliance Manuals adopted by the REIT Manager, the following principles and procedures have been established to deal with potential conflicts of interest which the REIT Manager (including its Directors, executive officers and employees) may encounter in managing Sasseur REIT:

- a) the REIT Manager is a dedicated manager to Sasseur REIT and will not manage any other REIT or be involved in any other real estate property business without obtaining approval from the MAS;
- b) all resolutions at meetings of the Board or Board resolutions in relation to matters concerning Sasseur REIT must be approved by a majority vote of the Directors, including at least one Independent Director;
- c) in respect of matters in which Sasseur REIT's Sponsor, shareholder and/or its subsidiaries have an interest, whether directly or indirectly, the nominees appointed by the relevant shareholder, Sponsor or subsidiary to the Board will abstain from voting. For such matters, the quorum must comprise a majority of the Independent Directors and shall exclude such Directors who are the nominees of the Sponsor, shareholder and/or its subsidiaries;

CORPORATE GOVERNANCE

- d) in respect of matters in which a Director or his associates have an interest, whether direct or indirect, such interested Director will abstain from voting. In such matters, the quorum must comprise a majority of the Directors and shall exclude such interested Director(s);
- e) any decision by the REIT Manager not to take action against a related party of the REIT Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such related party; and
- f) at least majority of the Board shall comprise Independent Directors.

In addition, the Trust Deed provides that if the REIT Manager is required to decide whether to or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of the Trust with such person which is a Related Party of the REIT Manager, the REIT Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) who shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee, on behalf of the Trust, has a prima facie case against the party allegedly in breach under such agreement, the REIT Manager shall be obliged to take appropriate action in relation to such agreement. The Directors of the REIT Manager (including its Independent Directors) will have a duty to ensure that the REIT Manager shall comply with the aforesaid.

Any decision by the REIT Manager not to take action against a Related Party of the REIT Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such Related Party and shall be reported to and communicated to the ARC.

INTERESTED PERSON TRANSACTIONS (“IPT”) / RELATED PARTY TRANSACTIONS (“RPT”)

IPT Policies and Procedures

RPT refers to IPT under the SGX-ST Listing Manual and “Interested Party Transactions” under the Property Funds Appendix.

The REIT Manager has in place policies and procedures and established an internal control system on IPTs to ensure that all future RPTs will be undertaken on normal commercial terms and not be prejudicial to the interests of Sasseur REIT and its Unitholders.

As a general rule, the REIT Manager must demonstrate to its ARC that such transactions satisfy the foregoing criteria. This may entail obtaining (where practicable) quotations from parties unrelated to the REIT Manager or obtaining two or more valuations from independent professional valuers (in compliance with the Property Funds Appendix).

The REIT Manager maintains a register to record all RPTs which are entered into by Sasseur REIT and the bases, including any quotations from unrelated parties and independent valuations, on which they are entered into.

The REIT Manager has also incorporated into its internal audit plan a review of IPTs/RPTs entered into by Sasseur REIT to ascertain that the guidelines and procedures established to monitor that RPTs have been complied with. The Trustee will also have the right to review such audit reports to ascertain that the Property Funds Appendix has been complied with. The review will include the examination of the nature of the transaction and its supporting documents or such other data deemed necessary to the ARC. If a member of the ARC has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction.

Further, the following procedures will be undertaken:

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) equal to or exceeding S\$100,000 in value but below 3.0% of the value of Sasseur REIT's net tangible assets (based on the latest audited accounts) will be subject to review by the ARC at regular intervals;

CORPORATE GOVERNANCE

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of Sasseur REIT's net tangible assets (based on the latest audited accounts) will be subject to the review and prior approval of the ARC. Such approval shall only be given if the transactions are on normal commercial terms and not prejudicial to the interests of Sasseur REIT and its Unitholders and are consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the REIT Manager. Further, under the SGX-ST Listing Manual and the Property Funds Appendix, such transactions would be announced via SGXNet; and
- transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) equal to or exceeding 5.0% of the value of Sasseur REIT's net tangible assets (based on the latest audited accounts) will be reviewed and approved prior to such transactions being entered into, on the basis described in the preceding paragraph, by the ARC which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers. Furthermore, under the Listing Manual and the Property Funds Appendix, such transactions would have to be approved by the Unitholders at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

Pursuant to the SGX-ST Listing Manual, transactions with a value below S\$100,000 are disregarded for the purpose of the announcement and Unitholders' approval requirements under the SGX-ST Listing Manual as set out in the paragraph above. Accordingly, such transactions are excluded from aggregation with other transactions involving the same Related Parties.

Where matters concerning Sasseur REIT relate to transactions entered into or to be entered into by the Trustee for and on behalf of Sasseur REIT with a Related Party of the REIT Manager (which would include relevant "associates" as defined under the SGX-ST Listing Manual) or Sasseur REIT, the Trustee is required to consider the terms of such transactions to satisfy itself that such transactions are conducted on normal commercial terms, are not prejudicial to the interests of Sasseur REIT and the Unitholders; and are in accordance with all applicable requirements of the Property Funds Appendix and/or the SGX-ST Listing Manual relating to the transaction in question.

Further, the Trustee has the discretion under the Trust Deed to decide whether or not to enter into a transaction involving a related party of the REIT Manager or Sasseur REIT. If the Trustee is to sign any contract with a related party of the REIT Manager or Sasseur REIT, the Trustee will review the contract to ensure that it complies with the requirements relating to interested party transactions in the Property Funds Appendix (as may be amended from time to time) and the provisions of the SGX-ST Listing Manual relating to interested person transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to REITs.

Save for the transactions described under "Related Party Transactions in Connection with the Setting Up of Sasseur REIT and the Offering" in the Prospectus, Sasseur REIT will comply with Rule 905 of the SGX-ST Listing Manual by announcing any IPT in accordance with the SGX-ST Listing Manual if such transaction, by itself or when aggregated with other IPTs entered into with the same interested person during the same financial year, is 3.0% or more of Sasseur REIT's latest audited net tangible assets.

The aggregate value of all IPTs in accordance with the SGX-ST Listing Manual in a particular financial year, each of at least S\$100,000 in value and which are subject to Rules 905 and 906 of the SGX-ST Listing Manual, will be disclosed in Sasseur REIT's Annual Report for the relevant financial year.

All IPTs are subject to review by the ARC at its quarterly meetings to ensure that such transactions are conducted on an arm's length basis and are not prejudicial to the interests of the Unitholders.

Details of all IPTs (equal to or exceeding S\$100,000 each in value) entered into by Sasseur REIT in FY2021 are disclosed on page 212 of this Annual Report.

CORPORATE GOVERNANCE

MATERIAL CONTRACTS

The dates of, parties to, and general nature of every material contract which the Trustee has entered into within the two years preceding the date of Prospectus (not being contracts entered into in the ordinary course of the business of Sasseur REIT) are as follows:

- i) the Trust Deed;
- ii) the Sponsor ROFR;
- iii) the BVI Holding Companies Sale and Purchase Agreements;
- iv) the Grant Agreements;
- v) the Purchase Option Agreements;
- vi) the Master Entrusted Management Agreement;
- vii) the Individual Entrusted Management Agreements;
- viii) the Licence Agreements;
- ix) the Deed of Indemnity in relation to Sasseur (Chongqing Bishan) Outlets; and
- x) the Deed of Indemnity in relation to the Non-Registration of Tenancy Agreements.

REPORT OF THE TRUSTEE

DBS Trustee Limited (the “**Trustee**”) is under a duty to take into custody and hold the assets of Sasseur Real Estate Investment Trust (the “**Trust**”) held by it or through its subsidiaries (collectively known as the “**Group**”) in trust for the holders of units (the “**Unitholders**”) in the Trust. In accordance with the Securities and Futures Act 2001, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of Sasseur Asset Management Pte. Ltd. (the “**REIT Manager**”) for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 30 October 2017 which was supplemented by a first supplemental deed dated 19 March 2018 (the “**Trust Deed**”) between the REIT Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the REIT Manager has, in all material respects, managed the Trust and its subsidiaries during the year covered by these financial statements, set out on pages 159 to 211, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

**For and on behalf of the Trustee,
DBS Trustee Limited**

Jane Lim Puay Yuen
Director

Singapore
16 March 2022

STATEMENT BY THE REIT MANAGER

In the opinion of the directors of Sasseur Asset Management Pte. Ltd. (the “**REIT Manager**”), the REIT Manager of Sasseur Real Estate Investment Trust (the “**Trust**”), the accompanying financial statements set out on pages 159 to 211 comprising the Statement of Financial Position and Consolidated Statement of Portfolio of the Group and the Statement of Financial Position of the Trust as at 31 December 2021, the Consolidated Statement of Total Return, Consolidated Distribution Statement, Consolidated Statement of Changes in Unitholders' Funds and Consolidated Statement of Cash Flows of the Group and the Statement of Changes in Unitholders' Funds of the Trust for the year ended 31 December 2021 are drawn up so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Trust as at 31 December 2021, the consolidated total returns, consolidated distributable income, consolidated changes in unitholders' funds, consolidated cash flows of the Group and the changes in unitholders' funds of the Trust for the year ended 31 December 2021 and the statement of portfolio of the Group as at 31 December 2021 in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed between DBS Trustee Limited and the REIT Manager dated 30 October 2017 which was supplemented by a first supplemental deed dated 19 March 2018. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet their financial obligations as and when they materialise.

**For and on behalf of the REIT Manager,
Sasseur Asset Management Pte. Ltd.**

Cheng Heng Tan
Director

Singapore
16 March 2022

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2021

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Sasseur Real Estate Investment Trust (the “Trust”) and its subsidiaries (collectively, the “Group”), which comprise the statement of financial position and consolidated statement of portfolio of the Group and the statement of financial position of the Trust as at 31 December 2021, the consolidated statement of total return, consolidated distribution statement, consolidated statement of changes in unitholders' funds and consolidated statement of cash flows of the Group and the statement of changes in unitholders' funds of the Trust for the year ended 31 December 2021 and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position and the statement of changes in unitholders' funds of the Trust are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “Reporting framework for Unit Trusts” (“RAP 7”) issued by the Institution of Singapore Chartered Accountants, so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Trust as at 31 December 2021 and the consolidated total returns, consolidated distributable income, consolidated changes in unitholders' funds, consolidated cash flows of the Group, and the changes in unitholders' funds of the Trust for the year ended 31 December 2021 and the statement of portfolio of the Group as at 31 December 2021.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (“ACRA”) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2021

Key Audit Matters (continued)

Valuation of investment properties

As at 31 December 2021, the carrying amount of investment properties was \$1,801,013,000 which accounted for 90.5% of total assets. The valuation of the investment properties is significant to our audit due to its magnitude. In addition, their valuation is complex and highly dependent on a range of estimates made by the REIT Manager of the Trust (the "REIT Manager") and the external valuer engaged by the REIT Manager annually. As disclosed in Note 19(d), the valuations of investment properties are highly sensitive to changes in the significant unobservable inputs, particularly those relating to rental rates and discount rates. Furthermore, there was an increase in the levels of estimation uncertainty and judgement required in determining the valuation of investment properties arising from the changes in market and economic conditions brought upon by the COVID-19 pandemic.

We assessed the Group's process relating to the selection of the external valuer, the determination of the scope of work of the valuer, and the review of the valuation reports issued by the external valuer. We evaluated the objectivity, independence and expertise of the external valuer. We also read the terms of engagement between the Group and the valuer to ascertain whether there are matters that might have affected their objectivity or placed limitations in the scope of their work.

We involved our internal real estate and valuation specialists to assist us in assessing the appropriateness of the valuation model and the reasonableness of the significant assumptions used in the valuation of investment properties. We assessed the appropriateness of the valuation model used by considering the valuation method adopted for similar property types. We evaluated the reasonableness of the significant assumptions used in the estimation process adopted by the REIT Manager and the external valuer by comparing them against available industry data, taking into consideration comparability and market factors. We inquired and obtained explanations from management and the external valuer on the key valuation adjustments in response to the heightened level of estimation uncertainty. We assessed the reasonableness of the movements in fair value of the investment properties based on available industry data and current property market outlook and the associated deferred tax consequences arising from the fair value changes. We also assessed the adequacy of disclosures in Note 19(d) to the consolidated financial statements relating to the significant assumptions used in the valuation process, given the estimation uncertainty and sensitivity of the valuations.

Other Information

The REIT Manager is responsible for other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2021

Responsibilities of the REIT Manager for the Financial Statements

The REIT Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "*Reporting framework for Unit Trusts*" ("**RAP 7**") issued by the Institution of Singapore Chartered Accountants, and for such internal control as the REIT Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the REIT Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the REIT Manager either intends to terminate the Group or to cease the Group's operations, or has no realistic alternative but to do so.

The REIT Manager's responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the REIT Manager.
- Conclude on the appropriateness of the REIT Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2021

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the REIT Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the REIT Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the REIT Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Low Yen Mei.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
16 March 2022

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021

	Note	Group		Trust	
		2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
Assets					
Non-current assets					
Investment properties	4	1,801,013	1,651,052	-	-
Interests in subsidiaries	5	-	-	1,101,028	951,941
		1,801,013	1,651,052	1,101,028	951,941
Current assets					
Prepayments, deposits and other receivables	6	29,065	51,212	877	144,455
Cash and short-term deposits	7	159,761	155,944	47,852	37,101
		188,826	207,156	48,729	181,556
Total assets		1,989,839	1,858,208	1,149,757	1,133,497
Liabilities					
Non-current liabilities					
Loans and borrowings	8	508,115	501,895	237,151	240,484
Deferred tax liabilities	9	115,805	85,232	-	-
		623,920	587,127	237,151	240,484
Current liabilities					
Other payables and accruals	10	123,177	137,047	791	889
Loans and borrowings	8	2,457	2,359	-	-
Derivative financial instruments	11	93	276	93	276
Tax payables		30,984	25,985	28	11
		156,711	165,667	912	1,176
Total liabilities		780,631	752,794	238,063	241,660
Net assets		1,209,208	1,105,414	911,694	891,837
Represented by:					
Unitholders' funds		1,209,208	1,105,414	911,694	891,837
Units in issue and to be issued ('000)	12	1,222,205	1,209,412	1,222,205	1,209,412
Net asset value per unit (\$)		0.99	0.91	0.75	0.74

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF TOTAL RETURN

For the financial year ended 31 December 2021

	Note	Group	
		2021 \$'000	2020 \$'000
EMA rental income ¹	13	134,850	125,248
Manager's management fees		(11,083)	(7,910)
Trustee's fees		(340)	(328)
Other trust expenses	14	(1,217)	(2,187)
Finance income		162	64
Finance costs	15	(24,109)	(28,476)
Exchange differences		3,354	3,341
Change in fair value of financial derivatives		183	(225)
Total return before fair value adjustments to investment properties and tax		101,800	89,527
Fair value adjustments to investment properties	4	62,355	(25,288)
Total return for the year before tax		164,155	64,239
Tax expense	16	(41,298)	(17,216)
Total return for the year attributable to Unitholders		122,857	47,023

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.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED DISTRIBUTION STATEMENT

For the financial year ended 31 December 2021

	Group	
	2021 \$'000	2020 \$'000
Income available for distribution to Unitholders at beginning of the year	7	9
Total return for the year attributable to Unitholders	122,857	47,023
Distribution adjustments (Note A)	(28,952)	31,712
	93,905	78,735
Less: Amount retained for asset enhancement initiatives and working capital	(7,713)	-
Amount available for distribution to Unitholders	86,199	78,744
Distribution to Unitholders:		
Distribution of 1.759 cents per Unit for the period from 1/1/2021 to 31/3/2021	(21,274)	-
Distribution of 1.614 cents per Unit for the period from 1/4/2021 to 30/6/2021	(19,564)	-
Distribution of 1.831 cents per Unit for the period from 1/7/2021 to 30/9/2021	(22,236)	-
Distribution of 1.900 cents per Unit for the period from 1/10/2021 to 31/12/2021	(23,125) ¹	-
Distribution of 1.334 cents per Unit for the period from 1/1/2020 to 31/3/2020	-	(15,990)
Distribution of 1.512 cents per Unit for the period from 1/4/2020 to 30/6/2020	-	(18,165)
Distribution of 1.764 cents per Unit for the period from 1/7/2020 to 30/9/2020	-	(21,235)
Distribution of 1.935 cents per Unit for the period from 1/10/2020 to 31/12/2020	-	(23,347) ²
Total distribution to Unitholders	(86,199)	(78,737)
Income available for distribution to Unitholders at end of the year	-	7
Distribution per Unit (DPU) (cents)³:	7.104	6.545
Note A - Distribution adjustments comprise:		
- Manager's management fees payable in Units	11,083	7,910
- Amortisation/write-off of borrowing-related transaction costs	6,367	8,098
- Straight-line adjustments	(7,343)	(9,490)
- Fair value adjustments to investment properties	(62,355)	25,288
- Deferred tax expense	26,259	3,263
- Exchange differences	(2,780)	(3,582)
- Change in fair value of financial derivatives	(183)	225
Distribution adjustments	(28,952)	31,712

1 Distribution relating to the period from 1 October 2021 to 31 December 2021 will be made subsequent to the reporting date (Note 24).

2 Distribution relating to the period from 1 October 2020 to 31 December 2020 was made in the subsequent financial year.

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

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS

For the financial year ended 31 December 2021

	Note	Group		Trust	
		2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
At beginning of the year		1,105,414	1,069,163	891,937	863,464
Operations					
Total return for the year attributable to Unitholders		122,857	47,023	95,195	95,287
Net increase in net assets resulting from operations		122,857	47,023	95,195	95,287
Unitholders' transactions					
Units in issue					
- Manager's management fees paid in Units		6,861	5,539	6,861	5,539
- Distribution to Unitholders	12	(86,421)	(74,881)	(86,421)	(74,881)
		(79,560)	(69,342)	(79,560)	(69,342)
Units to be issued					
Manager's management fees payable in Units	12	4,222	2,371	4,222	2,371
Net decrease in net assets resulting from Unitholders' transactions		(75,338)	(66,971)	(75,338)	(66,971)
Foreign currency translation reserve					
Movement in foreign currency translation reserve		56,275	56,142	-	-
Hedging reserve					
Movement in hedging reserve		-	57	-	57
At end of the year		1,209,208	1,105,414	911,794	891,837

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

	Note	Group	
		2021 \$'000	2020 \$'000
Cash flows from operating activities			
Total return for the year before tax		164,155	64,239
<u>Adjustments for:</u>			
Manager's management fees payable in Units		11,083	7,910
Straight-line adjustments	4	(7,343)	(9,490)
Change in fair value of investment properties	4	(62,355)	25,288
Change in fair value of financial derivatives		(183)	225
Finance costs	15	24,109	28,476
Finance income		(162)	(64)
Cash flows before changes in working capital		129,304	116,584
<u>Changes in working capital:</u>			
Prepayments, deposits and other receivables (exclude mid-term deposits)		2,450	1,516
Mid-term deposits		23,251	(22,891)
Other payables and accruals		(23,681)	5,903
Cash generated from operations		131,324	101,112
Tax paid		(11,370)	(8,082)
Interest received		161	64
Net cash generated from operating activities		120,115	93,094
Cash flows from investing activity			
Capital expenditure on investment properties	4	(5,821)	(4,691)
Net cash used in investing activity		(5,821)	(4,691)
Cash flows from financing activities			
Proceeds from bank loans	8	-	248,366
Repayments of bank loans		(12,603)	(238,440)
Payment of borrowing-related transaction costs		-	(7,881)
Distribution to Unitholders		(86,421)	(74,881)
Interest paid	8	(17,254)	(19,899)
Decrease/(increase) in restricted cash		2,342	(539)
Net cash used in financing activities		(113,936)	(93,274)
Net increase/(decrease) in cash and cash equivalents		358	(4,871)
Cash and cash equivalents at beginning of the year		146,550	146,147
Effect on exchange rate changes on cash and cash equivalents		5,513	5,274
Cash and cash equivalents at end of the year	7	152,421	146,550

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF PORTFOLIO

As at 31 December 2021

Description of Property	Location	Tenure of Land	Remaining Term of Lease (Year)	Lease Expiry	Valuation as at 31 December 2021	Valuation as at 31 December 2021	Percentage of Total Net Assets attributable to Unitholders as at 31 December 2021
					RMB'000	\$'000	%
Chongqing Liangjiang Outlets ¹	No. 1 Aotelaisi Road, Beibuxin District, Chongqing	Leasehold	25.4	2047	3,121,000	661,523	54.7
Chongqing Bishan Outlets ²	No. 9 Baiyang Road, Bishan District, Chongqing	Leasehold	29.8	2051	838,000	177,621	14.7
Hefei Outlets	No. 1888 Changning Avenue, Gaoxin District, Hefei, Anhui Province	Leasehold	31.6	2053	2,883,000	611,077	50.5
Kunming Outlets	No. 181 Aotelaisi Avenue, Anning City, Kunming, Yunnan Province	Leasehold	32.3	2054	1,655,000	350,792	29.0
Investment properties, at valuation					8,497,000	1,801,013	148.9
Other assets and liabilities (net)						(591,805)	(48.9)
Net assets attributable to Unitholders						1,209,208	100.0

1 Formerly known as Chongqing Outlets

2 Formerly known as Bishan Outlets

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF PORTFOLIO

As at 31 December 2021

Description of Property	Location	Tenure of Land	Remaining Term of Lease (Year)	Lease Expiry	Valuation as at 31 December 2020	Valuation as at 31 December 2020	Percentage of Total Net Assets attributable to Unitholders as at 31 December 2020
					RMB'000	\$'000	%
Chongqing Liangjiang Outlets ¹	No. 1 Aotelaisi Road, Beibuxin District, Chongqing	Leasehold	26.4	2047	2,982,000	604,696	54.7
Chongqing Bishan Outlets ²	No. 9 Baiyang Road, Bishan District, Chongqing	Leasehold	30.8	2051	809,000	164,051	14.8
Hefei Outlets	No. 1888 Changning Avenue, Gaoxin District, Hefei, Anhui Province	Leasehold	32.6	2053	2,758,000	559,273	50.6
Kunming Outlets	No. 181 Aotelaisi Avenue, Anning City, Kunming, Yunnan Province	Leasehold	33.3	2054	1,593,000	323,032	29.2
Investment properties, at valuation					8,142,000	1,651,052	149.3
Other assets and liabilities (net)						(545,638)	(49.3)
Net assets attributable to Unitholders						1,105,414	100.0

1 Formerly known as Chongqing Outlets

2 Formerly known as Bishan Outlets

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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 “**REIT 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 Chongqing Liangjiang Outlets (formerly known as Chongqing Outlets), Chongqing Bishan Outlets (formerly known as Bishan Outlets), Hefei Outlets and Kunming Outlets (collectively, the “**Initial Portfolio**” or “**Properties**”). The Properties were acquired through the following steps.

On 16 November 2017, Sasseur Cayman Holding II Ltd. (the “**Cayman Holdco**”) and Sasseur Cayman Holding Limited (the “**Sponsor**”) entered into a sales and purchase agreement where the Cayman Holdco purchased the BVI Holding Companies (set out in Note 5) and in return, the Cayman Holdco issued its shares to the Sponsor as consideration for the BVI Holding Companies. On the same day, the Cayman Holdco then transferred the shares of the BVI Holding Companies to the Trust by entering into sales and purchase agreement where the Trust issued Consideration Units to the Cayman Holdco as purchase consideration for the BVI Holding Companies. The Trust then incorporated a wholly-owned subsidiary, Sasseur Singapore Holdings Pte. Ltd. (“**Singapore Holdco**”) and Singapore Holdco issued its shares as consideration for the transfer of shares of the BVI Holding Companies. As a result, the Trust owns 100% interest in the Singapore Holdco, which in turns owns 100% of the interest in the BVI Holding Companies, which indirectly owns the Properties.

The registered office of the REIT 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 comprised retail outlet malls, as well as real estate related assets, with an initial focus in Asia.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

1. GENERAL (CONTINUED)

Entrusted Management Agreement

On 1 March 2018, the Trustee, the REIT Manager and the Sponsor have entered into a Master Entrusted Management Agreement (“**EMA**”) in relation to management of the Properties' operations. Sasseur (Shanghai) Holding Company Limited, a wholly-owned subsidiary of the Sponsor, is the Entrusted Manager of the Trust.

The terms of the EMA are for 10 years from the Listing Date. Pursuant to the terms of the EMA, all the operating expenses of the properties shall be borne by the Entrusted Manager throughout the entire EMA duration.

Under the EMA, Group is entitled to receive EMA rental income, a sum of fixed rent (the “**fixed component**”) and a variable rent (the “**variable component**”) plus performance sharing if any. The fixed component for each Properties shall increase at an escalation rate of 3.0% per annum, in line with inflationary expectation. EMA Resultant Rent is the sum of fixed component and variable component. Performance sharing is based on the differential between the Gross Revenue and EMA Resultant Rent and after deducting the Entrusted Manager Base Fee (“**EM Base Fee**”), defined in Note 1(c).

The variable component for each Property is pegged to a percentage of their respective total sales of a range between 4.0% to 5.5%. Gross Revenue is property income plus the income received or receivable by the “PRC Property Companies” from investments in other permissible investments. PRC Property Companies are the subsidiaries of the Trust listed in Note 5.

Unlike conventional lease arrangements, whereby tenants make rental payments to the landlord on a monthly basis, a “point-of-sale and cash management system” is put in place whereby the total sale proceeds of goods sold by the retail tenants are deposited into the bank accounts of each respective PRC Property Companies. The PRC Property Companies will deduct rental income from the total sale proceeds and return the balance to each retail tenant.

On 28 June 2021, the Trustee, the REIT Manager and the Sponsor have entered into a Deed of Amendment to the EMA (the “**Amendment EMA**”) to make certain administrative amendments to the EMA originally dated 1 March 2018 (the “**Original EMA**”). The Amendment EMA to clarify certain provisions relating to the description of the entrusted management fees formula and reimbursement arrangements. Notwithstanding these amendments, there are no material adverse impact on the calculation of EM Base Fees, EM Performance Fees, EMA Resultant Rent as defined in the Original EMA.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

1. GENERAL (CONTINUED)

The fee structures of these services are as follows:

(a) Management fee

The REIT Manager is entitled under the Trust Deed to receive the following remuneration for the provision of asset management services:

Base fee

Pursuant to the Trust Deed, the REIT Manager is entitled to a Base Fee not exceeding the rate of 10.0% per annum (or such lower percentage as may be determined by the REIT Manager in its absolute discretion) of the distributable income. The Base Fee is payable to the REIT Manager either in the form of cash or Units out of the Properties as the REIT Manager may elect, in such proportions as may be determined by the REIT Manager.

The REIT Manager has elected to receive 100.0% of its Base Fee in the form of Units for the financial years ended 31 December 2021 and 31 December 2020.

The portion of the Base Fee, payable either in the form of cash or Units, is payable quarterly in arrears. Where the Base Fee is payable in Units, Units will be issued based on the volume weighted average price for a Unit for all trades transacted on SGX-ST in the ordinary course of trading for the last 10 business days (as defined in the Trust Deed) immediately preceding the relevant business day.

Performance fee

Pursuant to the Trust Deed, the REIT Manager is entitled to a performance fee of 25.0% of the difference in Distribution Per Unit ("DPU") in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance fee, but after accounting for the Base Fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year. The performance fee is payable if the DPU in any financial year exceeds the DPU in the preceding financial year, notwithstanding that the DPU in such relevant financial year may be less than the DPU in any financial year(s) prior to the preceding financial year.

A performance fee of \$1,692,000 (2020: \$36,000) is payable for the financial year ended 31 December 2021.

The performance fee is payable to the REIT Manager either in the form of cash or Units as the REIT Manager may elect, in such proportions as may be determined by the REIT Manager.

The REIT Manager has elected to receive 100.0% of its performance fee in the form of Units for the financial years ended 31 December 2021 and 31 December 2020.

The portion of the performance fee, payable either in the form of cash or Units, is payable annually in arrears. Where the performance fee is payable in Units, Units will be issued based on the volume weighted average price for a Unit for all trades transacted on SGX-ST in the ordinary course of trading for the last 10 business days (as defined in the Trust Deed) immediately preceding the relevant business day.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

1. GENERAL (CONTINUED)

(a) Management fee (continued)

Acquisition fee

Pursuant to the Trust Deed, the REIT Manager is entitled to receive an acquisition fee of 0.75% of the acquisition price of any real estate purchased, whether directly or indirectly through one or more subsidiaries, by the Trust (pro-rated if applicable to the proportion of the Trust's interest in the real estate acquired) from related parties and 1.0% of the acquisition price for all other cases (or such lower percentage as may be determined by the REIT Manager in its absolute discretion).

The acquisition fee is payable to the REIT Manager either in the form of cash or Units as the REIT Manager may elect, in such proportions as may be determined by the REIT Manager. In respect of any acquisition of real estate assets from related parties, such a fee should be in the form of Units issued by the Trust at the prevailing market price(s) instead of cash. Such Units should not be sold within 1 year from the date of their issuance.

The acquisition fee is payable as soon as practicable after completion of the acquisition or sale. There was no acquisition fee paid for the Initial Portfolio of assets acquired by the Trust. No acquisition fee was paid for the financial years ended 31 December 2021 and 31 December 2020.

Divestment fee

Pursuant to the Trust Deed, the REIT Manager is entitled to receive a divestment fee of 0.5% (or such lower percentage as may be determined by the REIT Manager in its absolute discretion) of the sale price of any real estate sold or divested, the underlying value of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle, the sale price of any investment sold or divested by the Trust whether directly or indirectly through one or more subsidiaries, by the Trust.

The divestment fee is payable to the REIT Manager either in the form of cash or Units as the REIT Manager may elect, in such proportions as may be determined by the REIT Manager. Any payment to third party agents or brokers in connection with the disposal of any assets shall be paid to such persons out of the Properties, and not out of the divestment fee received or to be received by the REIT Manager. No divestment fee was paid for the financial years ended 31 December 2021 and 31 December 2020.

Development management fee

Pursuant to the Trust Deed, the REIT Manager is entitled to receive a development management fee of 3.0% of the total project costs incurred in development projects. Project costs is defined to mean the sum of construction cost based on project final account prepared by the project quantity surveyor or issued by the appointed contractor; principal consultants fees, cost of obtaining all approval for the project, site staff cost, interest costs on borrowings used to finance project cashflow, any other costs including contingency expenses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

1. GENERAL (CONTINUED)

(a) Management fee (continued)

Development management fee (continued)

The development management fee is payable in equal instalments over the construction period of each development project based on best estimates. The divestment fee is payable as soon as practicable after completion of the acquisition or sale. No development management fee was paid for the financial years ended 31 December 2021 and 31 December 2020.

(b) Trustee's fee

The Trustee's fee shall not exceed 0.1% per annum of the value of the Deposited Properties, subject to a minimum of S\$15,000 per month, excluding out-of-pocket expenses and GST, in accordance with the Trust Deed. The Trustee's fee is accrued daily and will be paid monthly in arrears in accordance with the Trust Deed. The actual fee payable will be determined between the REIT Manager and the Trustee from time to time.

(c) Entrusted management fee

The Entrusted Manager is entitled to a management fee per annum comprising Base Fee ("**EM Base Fee**") and a variable performance fee ("**EM Performance Fee**").

EM Base Fee

EM Base Fee is derived from 30% of Gross Revenue.

EM Performance Fee

EM Performance Fee is determined as 60% of the differential between the Gross Revenue and EMA Resultant Rent after deducting EM Base Fee. The EM Performance Fee is payable annually. No EM Performance Fee is payable for the financial years ended 31 December 2021 and 31 December 2020.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" ("**RAP 7**") issued by the Institute of Singapore Chartered Accountants, and 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. BASIS OF PREPARATION (CONTINUED)

2.2 Functional and presentation currency

The Group's consolidated financial statements are presented in Singapore dollars ("SGD" or "\$"). The Trust and each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "functional currency"). The functional currency of the Trust and its directly held subsidiary, Sasseur Singapore Holdings Pte. Ltd. are in SGD and the functional currency of all the indirectly held subsidiaries in Note 5 are in Chinese Renminbi ("RMB"). The presentation currency is SGD as the financial statements are meant primarily for users in Singapore. All values in the tables are rounded to the nearest thousand (\$'000), except when otherwise indicated.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

2.4 Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements in conformity with RAP 7 requires the REIT Manager to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses and the disclosure of contingent liabilities at the end of each reporting period.

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

There are no critical judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial information.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Fair value of investment properties

The investment properties are stated at fair value based on independent valuations undertaken by Savills Real Estate Valuation (Beijing) Limited on 31 December 2021. The independent valuers have the appropriate professional qualifications and recent experience in the location and category of the properties being valued.

The fair value of the investment properties is determined by the independent valuers using the Discounted Cash Flow ("DCF") approach. The key assumptions are provided in Note 19(d).

The aggregate carrying amount of the investment properties at fair value as at 31 December 2021 is \$1,801,013,000 (2020: \$1,651,052,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied by the Group consistently to the period presented in these financial statements.

3.1 Basis of consolidation and business combination

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Trust and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Trust. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

(b) Business combinations

Business combinations are accounted for using the acquisition method as at acquisition date, which is the date on which control is transferred to the Group. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values as at acquisition date. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit and loss. Any excess of the sum of fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit and loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit and loss.

When the acquisition of an investment property does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. Acquisition-related costs are capitalised to the investment property at the time the acquisition is completed.

(c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the investee.

In the Trust's statement of financial position, investment in subsidiaries are accounted for at cost less impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Revenue recognition

Revenue is recognised to the extent that it is received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

(a) EMA rental income

EMA rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in profit and loss due to its operating nature except for contingent rental income which is recognised when it arises. Tenant lease incentives are recognised as a reduction of rental income over the lease term on a straight-line basis.

(b) Finance income

Finance income comprises interest income which is recognised as it accrues using the effective interest method.

3.3 Expenses

Management fees

Management fees are recognised on an accrual basis using the applicable formula stipulated in Note 1(a).

Trust expenses

Trust expenses are recognised on an accrual basis. Included in trust expenses is the Trustee's fee which is based on the applicable formula stipulated in Note 1(b).

3.4 Finance expenses

Finance costs comprise interest expense incurred on borrowings, amortisation and write-off of borrowing-related transaction costs.

3.5 Earnings per Unit

The Group presents basic and diluted earnings per Unit data for its Units. Basic earnings per Unit is calculated by dividing the total return for the year attributable to Unitholders of the Trust by the weighted average number of Units outstanding during the year.

3.6 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, and short-term fixed deposits that are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Foreign currencies

Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Trust and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity.

For consolidation purpose, the assets and liabilities of foreign operations are translated into Singapore dollars at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in foreign currency translation reserve. On disposal of a foreign operation, the cumulative amount in the foreign currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

3.8 Investment properties

Investment properties are properties that are owned by the Group and are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise. Fair values are determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers in such manner and frequency required under the CIS Code issued by MAS.

3.9 Financial instruments

(a) Non-derivative financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Financial instruments (continued)

(a) Non-derivative financial assets (continued)

Initial recognition and measurement (continued)

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets and liabilities are offset and the net amount presented in the Consolidated Statements of Financial Position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(ii) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Financial instruments (continued)

(a) Non-derivative financial assets (continued)

Subsequent measurement (continued)

Investments in debt instruments (continued)

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) Non-derivative financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the Statements of Financial Position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Financial instruments (continued)

(b) Non-derivative financial liabilities (continued)

The Group classifies non-derivative financial liabilities as financial liabilities measured at amortised cost. Such financial liabilities are recognised initially at fair value and any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised or impaired, and through the amortisation process.

Other financial liabilities comprise other payables, rental security deposits and loans and borrowings.

(c) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in the statement of total return as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of total return.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other. Hedging relationships are designated using the principles under FRS 109.

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised and presented in the hedging reserve in Unitholders' fund. The effective portion of changes in the fair value of the derivative that is recognised in the hedging reserve is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statement of total return.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Financial instruments (continued)

(c) Derivative financial instruments and hedge accounting (continued)

When the hedged forecast transaction subsequently results in the recognition of a non-financial item, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to the statement of total return in the same period or periods during which the hedged expected future cash flows affect the statement of total return.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to the statement of total return in the same period or periods as the hedged expected future cash flows affect the statement of total return.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to the statement of total return.

Net investment hedges

The Group designates certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on net investments in foreign operations.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised and presented in the foreign currency translation reserve in Unitholders' funds. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains or losses on the non-derivative is recognised immediately in the statement of total return. The amount recognised in translation reserve is reclassified to the statement of total return as a reclassification adjustment on disposal of the foreign operation.

Furthermore, for all cash flow hedges, including hedges of transactions resulting in the recognition of non-financial items, the amounts accumulated in the cash flow hedge reserve were reclassified to the statement of total return in the same period or periods during which the hedged expected future cash flows affected the statement of total return.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Impairment of financial assets

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

3.11 Unitholders' funds

Unitholders' funds are classified as equity. Issue costs relate to expenses incurred in connection with the issue of Units. These expenses are deducted directly against Unitholders' funds.

3.12 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Taxes (continued)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and
- temporary differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment properties that are measured at fair value in the PRC, the presumption that the carrying amounts will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.13 Distribution policy

The Trust makes distribution to the Unitholders on a quarterly basis. The Trust's distribution policy is to distribute at least 90% of its annual income available for distribution for each financial year. The actual level of distribution will be determined at the discretion of the Board of Directors of the REIT Manager.

3.14 Leases – as lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 3.2(a). Contingent rents are recognised as revenue in the period in which they are earned.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Segment reporting

For management purposes, the Group is organised into operating segments based on individual investment property within the Group's portfolio. The properties are independently managed by the Entrusted Managers who are responsible for the performance of the property under their charge. Discrete financial information is provided to the REIT Manager on a property by property basis. The REIT Manager regularly reviews this information in order to allocate resources to each property and to assess the property's performance.

3.16 New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

3.17 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but are not yet effective for the financial year ended 31 December 2021. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to FRS 103: <i>Reference to the Conceptual Framework</i>	1 January 2022
Annual Improvements to FRS 2018-2020	1 January 2022
Amendments to FRS 1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
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 Group expects that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4. INVESTMENT PROPERTIES

	Group	
	2021 \$'000	2020 \$'000
Consolidated Statement of Financial Position		
At 1 January	1,651,052	1,587,197
Adjustments to pre-IPO accrued costs capitalised ^{1,2}	(1,474)	(2,841)
Capital expenditure incurred	5,821	4,691
Change in fair value of investment properties	69,698	(15,798)
Exchange differences	75,916	77,803
At 31 December	1,801,013	1,651,052
Consolidated Statement of Total Return		
Change in fair value of investment properties	69,698	(15,798)
Net effect of straight-line adjustments ³	(7,343)	(9,490)
Fair value adjustments to investment properties recognised in the Consolidated Statement of Total Return	62,355	(25,288)

1 Adjustments to pre-IPO accrued costs capitalised in 2021 comprised mainly the adjustment for over-accrued contract costs at IPO whereby final settlement made during the year.

2 Adjustments to pre-IPO accrued costs capitalised in 2020 comprised mainly the adjustment for over-accrued liabilities for Hefei's initial portfolio at IPO whereby the amount of RMB 13.9 million was waived off by a creditor in July 2020.

3 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, which has been determined based on valuations performed as at 31 December 2021. The valuations were performed by Savills Real Estate Valuation (Beijing) 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. Details of valuation techniques and inputs are disclosed in Note 19(d).

Properties pledged as security

As at 31 December 2021 and 2020, all investment properties are pledged as security to secure bank loans (see Note 8).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

5. INTERESTS IN SUBSIDIARIES

	Trust	
	2021	2020
	\$'000	\$'000
Unquoted equity investment at cost	951,558	951,558
Non-trade amounts due from subsidiaries	149,470	383
	1,101,028	951,941

The non-trade amounts due from subsidiaries are unsecured, non-interest bearing and settlement is neither planned nor likely to occur in the foreseeable future. As the non-trade amounts due from subsidiaries are, in substance, a part of the Trust's net investment in the subsidiaries, it is stated at cost less accumulated impairment.

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective equity interest held	
			2021	2020
			%	%
Direct subsidiary:				
Sasseur Singapore Holdings Pte. Ltd. ¹	Singapore	Investment holding	100	100
Indirect subsidiaries:				
<u>British Virgin Islands ("BVI") Holding Companies</u>				
Sasseur Bishan (BVI) Limited ²	British Virgin Islands	Investment holding	100	100
Sasseur Hefei Limited ²	British Virgin Islands	Investment holding	100	100
Sasseur Jinan Limited ²	British Virgin Islands	Investment holding	100	100
<u>Hong Kong ("HK") Holding Companies</u>				
Sasseur Bishan HK Limited ²	Hong Kong	Investment holding	100	100
Hong Sun Development Group Limited ²	Hong Kong	Investment holding	100	100
Sasseur Hefei HK Limited ²	Hong Kong	Investment holding	100	100
Sasseur Jinan HK Limited ²	Hong Kong	Investment holding	100	100

¹ Audited by Ernst & Young LLP Singapore

² Audited by Ernst & Young Hua Ming LLP Shanghai Branch

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

5. INTERESTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Country of incorporation	Principal activities	Effective equity interest held	
			2021	2020
			%	%
Indirect subsidiaries:				
<u>PRC Holding Companies</u>				
Sasseur (Hefei) Investment Consultancy Co., Ltd. ²	People's Republic of China	Investment holding	100	100
Sasseur (Kunming) Investment Consultancy Co., Ltd. ²	People's Republic of China	Investment holding	100	100
<u>PRC Property Companies</u>				
Chongqing Sasseur Suge Apparel Joint Stock Co., Ltd. ²	People's Republic of China	Property holding	100	100
Sasseur (Chongqing) Business Co., Ltd. ²	People's Republic of China	Property holding	100	100
Hefei Sasseur Commercial Management Co., Ltd. ²	People's Republic of China	Property holding	100	100
Kunming Sasseur Commercial Management Co., Ltd. ²	People's Republic of China	Property holding	100	100

² Audited by Ernst & Young Hua Ming LLP Shanghai Branch

6. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Group		Trust	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Mid-term deposits	6,405	29,656	-	-
Refundable deposits	32	189	-	-
VAT/GST recoverables	7,701	8,844	843	1,027
Other receivables	6,414	5,908	1	-
Amounts due from subsidiaries (non-trade)	-	-	-	143,395
Amounts due from related parties (trade)	8,478	6,582	-	-
	29,030	51,179	844	144,422
Prepayments	35	33	33	33
	29,065	51,212	877	144,455

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

6. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (CONTINUED)

Mid-term deposits are deposits placed with financial institutions with maturity periods more than three months. The interest rates of mid-term deposits of the Group ranged from 2.19% to 3.07% (2020: 1.90% to 3.50%) per annum.

Included in other receivables of the Group is an amount of \$3,519,000 (2020: \$4,154,000) 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.

Amounts due from subsidiaries and amounts due from related parties are unsecured, non-interest bearing, repayable upon demand and are to be settled in cash.

In 2021, the Trust has revised the terms on the amounts due from subsidiaries (non-trade), to allow repayment to be made at the discretion of the subsidiaries. Accordingly, these amounts due from subsidiaries are in substance, a part of the Trust's net investment in the subsidiaries and have been reclassified to interests in subsidiaries as at 31 December 2021 (see Note 5).

Amount due from related parties of \$8,478,000 (2020: \$6,582,000) has been settled in full after 31 December 2021.

7. CASH AND SHORT-TERM DEPOSITS

	Group		Trust	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash and short-term deposits	159,761	155,944	47,852	37,101
Less: Restricted cash	(7,340)	(9,394)	(2,509)	(2,502)
Cash and cash equivalents	152,421	146,550	45,343	34,599

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

The interest rates of short-term deposits placed with financial institutions for the Group and Trust ranged from 0.30% to 3.30% (2020: 0.01% to 1.60%) per annum and 0.06% to 0.75% (2020: 0.01% to 1.35%) per annum respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

8. LOANS AND BORROWINGS

	Group		Trust	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Secured bank loans	518,619	518,510	241,028	247,462
Less: Unamortised transaction costs	(8,047)	(14,256)	(3,877)	(6,978)
	510,572	504,254	237,151	240,484
Non-current	508,115	501,895	237,151	240,484
Current	2,457	2,359	-	-
	510,572	504,254	237,151	240,484

The Group through its subsidiaries, Chongqing Sasseur Suge Apparel Joint Stock Co., Ltd., Sasseur (Chongqing) Business Co., Ltd., Hefei Sasseur Commercial Management Co., Ltd. and Kunming Sasseur Commercial Management Co., Ltd. has put in place an aggregate amount of RMB 1,960 million, 5-year onshore term loans, with repayment of 1% of initial loan principal semi-annually. The onshore term loans have been partially repaid in September 2020 and pared down to RMB 1,350 million. Accordingly, the semi-annual repayments have been reduced to 1% of pared down loan principal.

The Trust has also put in place offshore loans, which after refinancing in September 2020, comprise of term loans of \$214 million and US\$20 million and revolving loan of \$8 million (collectively the “**offshore loans**”).

As at 31 December 2021, the Group has drawn down all these term loans and has unutilised revolving loan of \$8 million (31 December 2020: \$1 million) available to meet its future obligations. The offshore loans were hedged using floating-for-fixed interest rate swaps (see Note 11).

The weighted average cost of borrowings of the onshore term loans and offshore loans are 5.7% (2020: 5.7%) per annum and 2.8% (2020: 3.4%) per annum respectively.

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

- (a) mortgages on the borrowing subsidiaries' investment properties (see Note 4) and
- (b) assignment of all rights, titles and benefits with respect to the properties mortgaged.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

8. LOANS AND BORROWINGS (CONTINUED)

The outstanding principal, interest rate and maturity of the loans and borrowings are as follows:

	Nominal interest rate	Term	Year of maturity	Group		Trust	
				Face value	Carrying amount	Face value	Carrying amount
				\$'000	\$'000	\$'000	\$'000
2021							
Onshore loans ¹	4.75%	5.0 years	2023	277,591	273,421	-	-
Offshore loans	1.47% to 1.78%	2.5 years	2023	241,028	237,151	241,028	237,151
				518,619	510,572	241,028	237,151

	Nominal interest rate	Term	Year of maturity	Group		Trust	
				Face value	Carrying amount	Face value	Carrying amount
				\$'000	\$'000	\$'000	\$'000
2020							
Onshore loans ¹	4.75%	5.0 years	2023	271,048	263,770	-	-
Offshore loans	1.56% to 3.11%	2.5 years	2023	247,462	240,484	247,462	240,484
				518,510	504,254	247,462	240,484

¹ 1% of the pared down onshore term loans principal of RMB 1,350 million (2020: RMB1,350 million) is to be repaid semi-annually.

A reconciliation of liabilities arising from the Group's financing activities is as follows:

Group	At	Loans principal and related cost payments	Non-cash changes		At
	1 January 2021		Exchange differences	Finance cost (Note 15)	31 December 2021
	\$'000	\$'000	\$'000	\$'000	\$'000
Loans and borrowings	504,254	(12,603)	12,256	6,665	510,572
Interest payables	311	(17,254)	(61)	17,444	440

Group	At	Proceeds from bank loans	Loans principal and related cost payments	Non-cash changes		At
	1 January 2020			Exchange differences	Finance cost (Note 15)	31 December 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Loans and borrowings	478,600	248,366	(246,321)	15,261	8,348	504,254
Interest payables	194	-	(19,899)	(112)	20,128	311

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

9. DEFERRED TAX LIABILITIES

	Group		Trust	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Deferred tax liabilities	115,805	85,232	-	-

Movements in deferred tax of the Group during the period are as follows:

Deferred tax asset/ (liabilities)	Tax losses carried forward \$'000	Investment properties \$'000	Tax on unrepatriated profits \$'000	Total \$'000
At 1 January 2020	-	(74,403)	(3,671)	(78,074)
Recognised in Consolidated Statement of Total Return	1,532	(2,558)	(2,237)	(3,263)
Exchange differences	24	(3,703)	(216)	(3,895)
At 31 December 2020	1,556	(80,664)	(6,124)	(85,232)
Recognised in Consolidated Statement of Total Return	(612)	(23,231)	(2,416)	(26,259)
Exchange differences	59	(4,055)	(318)	(4,314)
At 31 December 2021	1,003	(107,950)	(8,858)	(115,805)

10. OTHER PAYABLES AND ACCRUALS

	Group		Trust	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Refundable security deposits	8,415	7,379	-	-
Interest payables	440	311	267	248
VAT and other tax payables	1,432	757	-	-
Construction payables	4,229	4,938	-	-
Amounts due to subsidiary (non-trade)	-	-	13	54
Amounts due to related parties (non-trade)	1,044	931	-	41
Accrued expenses	800	640	448	445
Property tax payables	659	945	-	-
Other payables	106,158	121,146	63	101
	123,177	137,047	791	889

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

The non-trade amounts due to related parties are unsecured, interest-free and repayable on demand in cash.

Included in other payables is an amount of \$101,953,000 (2020: \$115,890,000) relating to sale proceeds collected from customers on behalf of the tenants.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

11. DERIVATIVE FINANCIAL INSTRUMENTS

	Group and Trust			
	2021		2020	
	Contractual notional amount	Liabilities	Contractual notional amount	Liabilities
	\$'000	\$'000	\$'000	\$'000
Interest rate swaps	96,600	93	177,600	245
Cross currency swap	-	-	26,462	31
	96,600	93	204,062	276
Derivative financial instruments as a percentage of the Group's net assets		0.01%		0.02%
Derivative financial instruments as a percentage of the Trust's net assets		0.01%		0.03%

Interest rate swaps

The Group enters into interest rate swaps to manage its exposure to interest rate movements on its floating rate interest-bearing borrowings by swapping the interest expense on these borrowings from floating rate to fixed rate. The fixed interest rates on these interest rate swaps range from 1.970% to 1.980% per annum (2020: 1.665% to 1.700% per annum) and the floating interest rates are based on 3-month swap offer rate. The Group held interest rate swaps for a term of 9 months, ending 10 September 2022 (2020: a term of 1 year, ending 10 December 2021).

The changes in fair value of the interest rate swaps are recognised in the consolidated statement of total return.

Cross currency swap

In 2020, the Group entered into cross currency swap to manage its exposure to interest rate and foreign currency movements on its floating rate interest-bearing USD denominated borrowing by swapping the interest expense on this borrowing from floating rate denominated in USD to fixed rate denominated in SGD. During the financial year ended 31 December 2020, the fixed interest rate on this cross currency swap was 1.670% per annum and the floating interest rate was based on 3-month USD London interbank offered rate. The cross currency swap matured on 10 December 2021.

The changes in fair value of the cross currency swap are recognised in the consolidated statement of total return.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

12. UNITS IN ISSUE AND TO BE ISSUED

	2021		2020	
	Group and Trust		Group and Trust	
	Number of Units		Number of Units	
	'000	\$'000	'000	\$'000
At beginning of the year	1,206,539	762,307	1,196,495	829,699
Issue of Units:				
- Manager's management fees paid in Units	10,580	9,232	10,044	7,489
- Distribution to Unitholders	-	(86,421)	-	(74,881)
Total issued Units at 31 December	1,217,119	685,118	1,206,539	762,307
Units to be issued:				
- Manager's management fees payable in Units	5,086	4,222	2,873	2,371
Total Units issued and to be issued at 31 December	1,222,205	689,340	1,209,412	764,678

During the financial year, the following Units were issued and to be issued:

- (a) 2,702,636 Units were issued in satisfaction of the REIT Manager's management fee for the period from 1 January 2021 to 31 March 2021 based on the volume weighted average price for the last 10 Business Days immediately preceding 31 March 2021 of \$0.8747.
- (b) 2,320,410 Units were issued in satisfaction of the REIT Manager's management fee for the period from 1 April 2021 to 30 June 2021 based on the volume weighted average price for the last 10 Business Days immediately preceding 30 June 2021 of \$0.9366.
- (c) 2,684,030 Units were issued in satisfaction of the REIT Manager's management fee for the period from 1 July 2021 to 30 September 2021 based on the volume weighted average price for the last 10 Business Days immediately preceding 30 September 2021 of \$0.8656.
- (d) 5,085,952 Units were to be issued in satisfaction of the REIT Manager's management fee for the period from 1 October 2021 to 31 December 2021 based on the volume weighted average price for the last 10 Business Days immediately preceding 31 December 2021 of \$0.8302.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

12. UNITS IN ISSUE AND TO BE ISSUED (CONTINUED)

For the prior financial year, the following Units were issued and to be issued:

- (a) 2,698,964 Units were issued in satisfaction of the REIT Manager's management fee for the period from 1 January 2020 to 31 March 2020 based on the volume weighted average price for the last 10 Business Days immediately preceding 31 March 2020 of \$0.5926.
- (b) 2,411,658 Units were issued in satisfaction of the REIT Manager's management fee for the period from 1 April 2020 to 30 June 2020 based on the volume weighted average price for the last 10 Business Days immediately preceding 30 June 2020 of \$0.7531.
- (c) 2,749,083 Units were issued in satisfaction of the REIT Manager's management fee for the period from 1 July 2020 to 30 September 2020 based on the volume weighted average price for the last 10 Business Days immediately preceding 30 September 2020 of \$0.7725.
- (d) 2,873,707 Units were to be issued in satisfaction of the REIT Manager's management fee for the period from 1 October 2020 to 31 December 2020 based on the volume weighted average price for the last 10 Business Days immediately preceding 31 December 2020 of \$0.8248.

Each Unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- One vote per Unit;
- Receive income and other distributions attributable to the Units held;
- Participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust;
- Attend all Unitholders' meetings. The Trustee or the REIT Manager may (and the REIT Manager shall at request in writing of not less than 50 Unitholders or Unitholders representing not less than 10% of the total Units issued) may at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed.

The restrictions of a unitholder include the following:

- A Unitholder has no equitable or proprietary interest in the underlying asset of the Group and is not entitled to the transfer to it of any asset (or any part thereof) or of any real estate or interest in any asset and the real estate-related assets (or any part thereof) of the Group.
- A Unitholder's liability is limited to the amount paid or payable for any Units. The provisions of the Trust Deed provide that no Unitholders will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

13. EMA RENTAL INCOME

	2021	2020
	\$'000	\$'000
EMA rental income	134,850	125,248

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 is \$127,507,000 (2020: \$115,758,000) (Note 21).

14. OTHER TRUST EXPENSES

Included in other trust expenses are the following:

	2021	2020
	\$'000	\$'000
Auditors of the Group:		
- Audit fees	381	375
- Non-audit fees	84	503
Legal expenses	-	450
Valuation and other professional fees	177	147
Other expenses	575	712
	1,217	2,187

15. FINANCE COSTS

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

	2021	2020
	\$'000	\$'000
Interest expenses on loans and borrowings	17,444	20,128
Amortisation of borrowing-related transaction costs	6,367	5,660
Write-off of borrowing-related transaction costs	-	2,438
Other borrowing costs	298	250
	24,109	28,476

Write-off of borrowing-related transaction costs relates to write-off of unamortised upfront fees on borrowings that were refinanced or repaid ahead of their maturity dates during the financial year ended 31 December 2020.

Please also see Loans and Borrowings in Note 8.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

16. TAX EXPENSE

The major components of tax expense are:

	2021 \$'000	2020 \$'000
Current tax expense		
Current year	14,996	15,279
Under/(over) provision in prior years	43	(1,326)
	15,039	13,953
Deferred tax expense		
Movement in temporary differences	26,259	3,263
	41,298	17,216

Reconciliation of effective tax rate:

	2021 \$'000	2020 \$'000
Total return for the year before tax	164,155	64,239
Tax calculated using Singapore income tax rate of 17% (2020: 17%)	27,906	10,921
Adjustments:		
Non-deductible expenses	4,763	3,293
Effects of different tax rates in foreign jurisdictions	10,869	2,012
Effect of preferential tax rate ¹	(4,085)	(139)
Tax losses not allowed to be carried forward ²	1,802	2,455
Under/(over) provision in prior years	43	(1,326)
	41,298	17,216

1 Effect of preferential tax rate is a tax rate of 15% for the Chongqing Bishan Outlets and Kunming Outlets (2020: Chongqing Bishan Outlets) obtained from the State Administration of Taxation of the People's Republic of China.

2 Tax losses resulted from losses from the Trust.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

17. EARNINGS PER UNIT

	Group	
	2021	2020
	cents	cents
Basic and diluted earnings per Unit	10.144	3.917

Basic earnings per Unit is calculated by dividing the total return for the year after tax against the weighted average number of Units for the year:

	Group	
	2021	2020
	\$'000	\$'000
Total return for the year after tax	122,857	47,023

	Group	
	2021	2020
	Number of Units '000	Number of Units '000
Weighted average number of Units	1,211,076	1,200,661

Weighted average number of Units for the year comprises of:

- (a) The weighted average number of Units in issue for the year; and
- (b) The estimated weighted average number of Units issuable as payment of Manager's management fees.

Diluted earnings per Unit is the same as the basic earnings per Unit as there are no dilutive instruments in issue during the year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

18. FINANCIAL RISK MANAGEMENT

Capital management

The REIT Manager aims to optimise the capital structure and cost of capital, within the borrowing limits set out in the Property Fund Appendix. The REIT Manager's strategy of the management of capital involves adopting and maintaining appropriate Aggregate Leverage level to ensure optimal returns to Unitholders, while maintaining flexibility in respect of future capital expenditures or acquisitions. The REIT Manager will endeavour to employ an optimal capital structure, comprising an appropriate mix of debt and equity in financing the acquisition of properties and asset enhancement activities of its properties.

The REIT Manager will, in the event that the Group incurs any future borrowings, periodically review the Group's capital management policy with respect to its Aggregate Leverage and modify the policy as its management deems prudent in light of prevailing market conditions. The REIT Manager will endeavour to match the maturity of the Group's indebtedness with the maturity of the Group's investment assets, and to employ long-term, fixed-rate debt to the extent practicable in view of market conditions in existence from time to time.

The Group is subject to the aggregate leverage limit as defined in the Property Funds Appendix of the CIS Code. With effect from 1 January 2016, the CIS Code stipulates that the total borrowings and deferred payments (collectively the "Aggregate Leverage") of a property fund should not exceed 45.0% of its deposited properties.

With effect from 16 April 2020, Monetary Authority of Singapore ("MAS") has raised the leverage limit from 45.0% to 50.0%, to provide real estate investment trusts listed on the Singapore Exchange with greater flexibility to manage their capital structure amid the challenging environment created by the COVID-19 pandemic.

As of 31 December 2021, Aggregate Leverage of the Group is 26.1% (2020: 27.9%). The Group has complied with the Aggregate Leverage limit of 50.0% during the financial year.

Overview of risk management

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors of the REIT Manager is responsible for setting the objectives and underlying principles of financial risk management for the Group. This is supported by comprehensive internal processes and procedures which are formalised in the REIT Manager's organisational and reporting structure, operating manuals and delegation of authority guidelines.

The following sections provide details regarding the Group's and Trust's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

18. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to Chinese Renminbi (“RMB”), Singapore dollar (“SGD”) and United States dollar (“USD”). Foreign exchange risk arises from future transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the companies within the Group.

The Group and Trust have transactional currency exposures arising from cash and short-term deposits, prepayments, deposits and other receivables and loans and borrowings that are denominated in a currency other than their functional currency. These transactions are mainly denominated in RMB, SGD and USD.

The Group’s strategy is to achieve a natural hedge through local RMB financing. To mitigate the foreign currency risk, the REIT Manager will enter into forward currency contracts to limit the Group’s exposure for the RMB denominated cash flows.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

The Group’s and the Trust’s exposure to foreign currency risk is as follows:

Group	RMB	SGD	USD	Total
2021	\$’000	\$’000	\$’000	\$’000
Cash and short-term deposits	–	189	1,311	1,500
Loans and borrowings	–	–	(27,028)	(27,028)
Net assets/(liabilities)	–	189	(25,717)	(25,528)

Trust	RMB	SGD	USD	Total
2021	\$’000	\$’000	\$’000	\$’000
Cash and short-term deposits	40,917	–	1,300	42,217
Loans and borrowings	–	–	(27,028)	(27,028)
Net assets/(liabilities)	40,917	–	(25,728)	15,189

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

18. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (continued)

Foreign currency risk (continued)

Group 2020	RMB \$'000	SGD \$'000	USD \$'000	Total \$'000
Cash and short-term deposits	-	395	250	645
Loans and borrowings	-	-	(26,462)	(26,462)
Net assets/(liabilities)	-	395	(26,212)	(25,817)

Trust 2020	RMB \$'000	SGD \$'000	USD \$'000	Total \$'000
Prepayments, deposits and other receivables	118,456	-	19,847	138,303
Cash and short-term deposits	-	-	238	238
Loans and borrowings	-	-	(26,462)	(26,462)
Net assets/(liabilities)	118,456	-	(6,377)	112,079

The following table demonstrates the sensitivity of the Group' and Trust's total return before tax to a reasonably possible change in the RMB, SGD and USD exchange rates against the functional currency of the companies within the Group, with all other variables held constant.

		Increase/(decrease) in total return before tax	
		Group 2021 \$'000	Trust 2021 \$'000
RMB	- strengthened by 5%	-	2,046
RMB	- weakened by 5%	-	(2,046)
SGD	- strengthened by 5%	9	-
SGD	- weakened by 5%	(9)	-
USD	- strengthened by 5%	(1,286)	(1,286)
USD	- weakened by 5%	1,286	1,286

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

18. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (continued)

Foreign currency risk (continued)

		Increase/(decrease) in total return before tax	
		Group	Trust
		2020	2020
		\$'000	\$'000
RMB	- strengthened by 5%	-	5,923
RMB	- weakened by 5%	-	(5,923)
SGD	- strengthened by 5%	20	-
SGD	- weakened by 5%	(20)	-
USD	- strengthened by 5%	(1,311)	(319)
USD	- weakened by 5%	1,311	319

Interest rate risk

The Group adopts a proactive interest rate management policy to manage the risk associated with changes in interest rates on the Group's loan facilities while also seeking to ensure that the ongoing cost of debt remains competitive.

The Group proactively seeks to minimise the level of interest rate risk by hedging certain amounts of the Group's borrowings at fixed rates. 40.1% of the offshore loans has been hedged using floating-for-fixed interest rate swaps. As at 31 December 2021, the Group has hedged approximately 18.6% (2020: 39.2%) of its borrowings at fixed rates.

Included in the Group's borrowings, 53.5% of its borrowings is RMB denominated onshore loans. The RMB denominated onshore loans bear interest rate referenced against 5-year Loan Prime Rate ("LPR") and the LPR is revised every 3 to 5 years with minimal changes to its LPR. As the LPR is observed to be stable with minimal changes to its rate, the Group does not use derivative financial instrument to hedge its interest rate risk on onshore loans. The Group will periodically review the Group's hedging policy with respect to the interest rate risk and modify the hedging portion as its management deems prudent in light of prevailing market conditions.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

18. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (continued)

Interest currency risk (continued)

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the Group's unhedged floating rate loans and borrowings, with all other variables held constant and the impact on the Group's profit before tax.

	Increase/ (decrease) in basis points	2021 \$'000	2020 \$'000
Group			
- SGD	25	(361)	(175)
- SGD	(25)	361	175
- RMB	25	(694)	(678)
- RMB	(25)	694	678

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. The Group has minimal exposure to credit risk through its "point-of-sale and cash management system".

For other financial assets (including cash and short-term deposits), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group believes that there is no credit risk inherent in the Group's other receivables, based on historical payment behaviours. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position.

Financial assets that are neither past due nor impaired

Other receivables that are neither past due nor impaired are with creditworthy debtors with good payment track records with the Group.

Derivative financial instruments are only entered into with banks and financial counterparties with sound credit ratings.

Cash and short-term deposits are placed with financial institutions which are regulated.

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For the financial year ended 31 December 2021

18. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's and the Trust's approach to managing liquidity is to ensure, as far as possible, that they will always have sufficient liquidity to meet their liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's and the Trust's reputation.

The REIT Manager monitors liquidity risk and maintains a level of cash and short-term deposits deemed adequate by management to finance the Group's and the Trust's operations and to mitigate the effects of fluctuations in cash flows. In addition, the REIT Manager also monitors and observes the CIS Code issued by MAS concerning limits on total borrowings.

The Group's loans and borrowings are set out in Note 8.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

Group	Carrying amount	Contractual cash flows	Cash flows		
			Within 1 year	Within 2 to 5 years	More than 5 years
2021	\$'000	\$'000	\$'000	\$'000	\$'000
Non-derivative financial liabilities					
Other payables and accruals ¹	121,745	121,745	121,745	-	-
Loans and borrowings	510,572	540,253	23,133	517,121	-
	632,317	661,998	144,878	517,121	-

¹ Excludes VAT and other tax payables.

Trust	Carrying amount	Contractual cash flows	Cash flows		
			Within 1 year	Within 2 to 5 years	More than 5 years
2021	\$'000	\$'000	\$'000	\$'000	\$'000
Non-derivative financial liabilities					
Other payables and accruals	791	791	791	-	-
Loans and borrowings	237,151	246,384	4,360	242,025	-
	237,942	247,175	5,151	242,025	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

18. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

Group 2020	Carrying amount \$'000	Contractual cash flows \$'000	Cash flows		
			Within 1 year \$'000	Within 2 to 5 years \$'000	More than 5 years \$'000
Non-derivative financial liabilities					
Other payables and accruals ¹	136,290	136,290	136,290	-	-
Loans and borrowings	504,254	555,783	22,326	533,457	-
	640,544	692,073	158,616	533,457	-

¹ Excludes VAT and other tax payables.

Trust 2020	Carrying amount \$'000	Contractual cash flows \$'000	Cash flows		
			Within 1 year \$'000	Within 2 to 5 years \$'000	More than 5 years \$'000
Non-derivative financial liabilities					
Other payables and accruals	889	889	889	-	-
Loans and borrowings	240,484	256,417	4,106	252,311	-
	241,373	257,306	4,995	252,311	-

19. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

19. FAIR VALUES OF ASSETS AND LIABILITIES (CONTINUED)

(b) Assets and liabilities measured at fair value

The following table shows the classification of each class of assets and liabilities measured at fair value at the end of the reporting period:

Group	Fair value		
	Level 2	Level 3	Total
2021	\$'000	\$'000	\$'000
Assets measured at fair value			
Non-financial assets			
Investment properties			
- <i>Retail outlet malls</i>	-	1,801,013	1,801,013
Total non-financial assets	-	1,801,013	1,801,013
Liabilities measured at fair value			
Financial liabilities			
Derivative financial instruments			
- <i>Interest rate swaps</i>	93	-	93
Total financial liabilities	93	-	93

Group	Fair value		
	Level 2	Level 3	Total
2020	\$'000	\$'000	\$'000
Assets measured at fair value			
Non-financial assets			
Investment properties			
- <i>Retail outlet malls</i>	-	1,651,052	1,651,052
Total non-financial assets	-	1,651,052	1,651,052
Liabilities measured at fair value			
Financial liabilities			
Derivative financial instruments			
- <i>Interest rate swaps</i>	245	-	245
- <i>Cross currency swap</i>	31	-	31
Total financial liabilities	276	-	276

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

19. 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 swaps and cross currency swap 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

The investment properties are stated at fair value based on independent valuations undertaken by Savills Real Estate Valuation (Beijing) Limited on 31 December 2021. The independent valuers have the appropriate professional qualifications and recent experience in the location and category of the properties being valued.

The valuation reports for 31 December 2021 have highlighted estimation uncertainty arising from the COVID-19 pandemic and a higher degree of caution is to be exercised when relying on the valuations. The valuations were based on information available and market conditions as at 31 December 2021. Values may change subsequently as the impact of COVID-19 is fluid and continues to evolve. The REIT Manager will continue to monitor the situation and seek professional advice on the property values as and when necessary.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

19. FAIR VALUES OF ASSETS AND LIABILITIES (CONTINUED)

(d) Level 3 fair value measurements (continued)

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

Investment properties (continued)

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 REIT Manager has exercised its judgment 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.

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
2021			
Discounted cash flow approach	Discount rate	9.3% to 11.0%	The higher the rate, the lower the fair value.
	Rental rate per square foot per annum ¹	\$25 to \$97	The higher the rate, the higher the fair value.
2020			
Discounted cash flow approach	Discount rate	10.0% to 11.5%	The higher the rate, the lower the fair value.
	Rental rate per square foot per annum ¹	\$27 to \$85	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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

19. FAIR VALUES OF ASSETS AND LIABILITIES (CONTINUED)

(d) Level 3 fair value measurements (continued)

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

Investment properties (continued)

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.

Movements in Level 3 assets and liabilities measured at fair value

The reconciliation for investment properties measured at fair value based on significant unobservable inputs (Level 3) is disclosed in Note 4.

Valuation policies and procedures

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on valuation of investment properties. In accordance to the CIS Code, the Group rotates the independent valuers every two years.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant unobservable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information are reasonably available. For valuations that are sensitive to the unobservable inputs used, external valuation experts are required, to the extent practicable, to use up to two valuation approaches to allow for cross-checks.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

19. FAIR VALUES OF ASSETS AND LIABILITIES (CONTINUED)

(e) Fair value and classification of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of the Group's and the Trust's current financial assets and liabilities approximate their fair values. The carrying amounts of the Group's and the Trust's non-current loans and borrowings with floating interest rates approximate their fair values because they are floating rate instruments that are repriced to market interest rates on or near the end of the reporting period.

(f) Fair value and classification of financial instruments that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

The following table shows the fair value and classification of financial instruments not measured at fair value at the end of the reporting period:

Group	Fair value	
	Level 3	Total
2021	\$'000	\$'000
Financial liabilities		
- <i>Onshore loans</i>	262,616	262,616
Total financial liabilities	262,616	262,616

Group	Fair value	
	Level 3	Total
2020	\$'000	\$'000
Financial liabilities		
- <i>Onshore loans</i>	245,436	245,436
Total financial liabilities	245,436	245,436

Determination of fair value

Onshore loans

The fair value as disclosed in the table above are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

20. COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group		Trust	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Capital commitments in relation to investment properties	2,026	2,329	-	-

(b) Operating lease commitments – as lessor

The Group's PRC Property Companies have entered into separate individual Entrusted Management Agreements ("EMAs") with its Entrusted Manager to operate, maintain, manage and market the properties and are entitled to receive a sum of fixed rent which increases at an escalation rate of 3.0% per annum. Future minimum rental receivable under the EMAs is as follows:

	Group	
	2021 \$'000	2020 \$'000
Within 1 year	90,537	84,225
After 1 year but within 5 years	390,135	362,936
After 5 years	130,654	222,831
	611,326	669,992

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

21. 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 year, in addition to those disclosed elsewhere in the financial statements, the following significant related party transactions took place at terms agreed between the parties:

	Group	
	2021	2020
	\$'000	\$'000
EMA rental income received/receivable from Entrusted Manager (Note 13)	127,507	115,758
Manager's management fees paid/payable	11,083	7,910
Trustee's fees paid/payable	340	328

22. FINANCIAL RATIOS

	Group	
	2021	2020
	%	%
Ratio of expenses to weighted average net assets ¹		
- Including performance component of the REIT Manager's management fees	1.10	0.94
- Excluding performance component of the REIT Manager's management fees	0.95	0.94
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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

23. OPERATING SEGMENTS

For the purpose of making resource allocation decisions and the assessment of segment performance, the REIT 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. ("**Chongqing Liangjiang Outlets**")
- (b) Sasseur (Chongqing) Business Co., Ltd. ("**Chongqing Bishan Outlets**")
- (c) Hefei Sasseur Commercial Management Co., Ltd. ("**Hefei Outlets**")
- (d) Kunming Sasseur Commercial Management Co., Ltd. ("**Kunming Outlets**")

Segment revenue comprises mainly income generated under the Entrusted Management Agreement ("**EMA**") and is reported to the REIT Manager for the purpose of assessment of segment performance. In addition, the REIT 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 REIT 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

23. OPERATING SEGMENTS (CONTINUED)

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

Segment results

2021 Group	Chongqing Llangjiang Outlets ¹ \$'000	Chongqing Bishan Outlets ² \$'000	Hefei Outlets \$'000	Kunming Outlets \$'000	Unallocated \$'000	Total \$'000
EMA rental income	60,465	12,148	37,331	24,906	-	134,850
Manager's management fees	-	-	-	-	(11,083)	(11,083)
Trustee's fees	-	-	-	-	(340)	(340)
Other trust expenses						
- Other income	30	28	68	69	-	195
- Other expenses	-	-	(1)	(19)	(1,392)	(1,412)
Finance income	-	-	-	-	162	162
Finance costs	(9,266)	(1,803)	(3,578)	(2,146)	(7,316)	(24,109)
Exchange differences	-	*	47	(1)	3,308	3,354
Change in fair value of financial derivatives	-	-	-	-	183	183
Total return before fair value adjustments to investment properties and tax	51,229	10,373	33,867	22,809	(16,478)	101,800
Fair value adjustments to investment properties	21,690	5,208	23,025	12,432	-	62,355
Total return for the year before tax	72,919	15,581	56,892	35,241	(16,478)	164,155
Tax expense					(41,298)	(41,298)
Total return for the year					(57,776)	122,857
Segment assets	723,266	191,857	655,545	371,644	47,527	1,989,839
Segment liabilities	254,526	48,779	160,327	79,091	237,908	780,631
Other segment information:						
Capital expenditure	4,504	171	1,081	65	-	5,821

¹ Formerly known as Chongqing Outlets

² Formerly known as Bishan Outlets

* Denote amounts less than \$1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

23. OPERATING SEGMENTS (CONTINUED)

Segment results (continued)

2020 Group	Chongqing Llangjiang Outlets ¹ \$'000	Chongqing Bishan Outlets ² \$'000	Hefei Outlets \$'000	Kunming Outlets \$'000	Unallocated \$'000	Total \$'000
EMA rental income	55,335	11,590	35,163	23,160	-	125,248
Manager's management fees	-	-	-	-	(7,910)	(7,910)
Trustee's fees	-	-	-	-	(328)	(328)
Other trust expenses						
- Other income	45	8	11	29	-	93
- Other expenses	(86)	(21)	(30)	(117)	(2,026)	(2,280)
Finance income	-	-	-	-	64	64
Finance costs	(6,536)	(2,612)	(8,091)	(4,585)	(6,652)	(28,476)
Exchange differences	-	-	244	(1)	3,098	3,341
Change in fair value of financial derivatives	-	-	-	-	(225)	(225)
Total return before fair value adjustments to investment properties and tax	48,758	8,965	27,297	18,486	(13,979)	89,527
Fair value adjustments to investment properties	(5,823)	(3,867)	(7,906)	(7,692)	-	(25,288)
Total return for the year before tax	42,935	5,098	19,391	10,794	(13,979)	64,239
Tax expense					(17,216)	(17,216)
Total return for the year					(31,195)	47,023
Segment assets	699,977	174,427	600,833	346,770	36,201	1,858,208
Segment liabilities	251,575	45,280	141,014	73,950	240,975	752,794
Other segment information:						
Capital expenditure	3,458	39	606	588	-	4,691

1 Formerly known as Chongqing Outlets

2 Formerly known as Bishan Outlets

24. SUBSEQUENT EVENT

On 18 February 2022, the REIT Manager declared a distribution of 1.900 cents per Unit for the period from 1 October 2021 to 31 December 2021.

25. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements were authorised for issue by the REIT Manager and the Trustee on 16 March 2022.

INTERESTED PERSON TRANSACTIONS

The transactions entered into with interested persons for the financial year ended 31 December 2021, which fall under the SGX-ST Listing Manual and Appendix 6 of the Code on Collective Investment Schemes (excluding transactions of less than S\$100,000 each) are as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review	
		excluding transactions less than S\$100,000 and transactions conducted under Unitholders' mandate pursuant to Rule 920	transactions conducted under Unitholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		S\$'000	S\$'000
Sasseur (Shanghai) Holding Company Limited	Entrusted Manager		
- EMA rental income		127,507	-
Sasseur Asset Management Pte. Ltd.	Manager		
- Management fees		11,083	-
DBS Trustee Limited	Trustee		
- Trustee fees		340	-

Save as disclosed above, there were no additional interested person transactions (excluding transactions of less than S\$100,000 each) or other material transactions entered into during the financial year under review.

The fees and charges payable by Sasseur REIT to the REIT Manager under the Trust Deed, and receivables from the Entrusted Manager under the Master Entrusted Management Agreement and the Individual Entrusted Management Agreements, the Property Sale and Purchase Agreements, each of which constitutes an interested person transaction, are deemed to have been specifically approved by the Unitholder upon purchase of the Units and are therefore not subject to Rules 905 and 906 of the Listing Manual of the SGX-ST to the extent that there is no subsequent change to the rates and/or bases of the fees charged thereunder which will affect Sasseur REIT.

Please also see Related Party Transactions in Note 21 to the Financial Statements.

SUBSCRIPTION OF SASSEUR REIT UNITS

Total issuable units in relation to the REIT Manager's management fees for the year ended 31 December 2021 was 5,085,952 Units and will be issued in the first quarter of 2022.

UNITHOLDERS' INFORMATION

As at 2 March 2022

ISSUED AND FULLY PAID UNITS

Number of units : 1,217,119,076 units ("Units")

Voting rights : One vote per Unit

There were no treasury units and subsidiary holdings, and there is only one class of Units in Sasseur REIT.

STATISTICS OF UNITHOLDINGS

Size of Unitholdings	Number of Unitholders	%	Number of Units	%
1 - 99	4	0.07	8	0.00
100 - 1,000	840	13.77	742,950	0.06
1,001 - 10,000	3,238	53.07	17,019,054	1.40
10,001 - 1,000,000	1,998	32.75	100,803,600	8.28
1,000,001 and above	21	0.34	1,098,553,464	90.26
	6,101	100.00	1,217,119,076	100.00

SUBSTANTIAL UNITHOLDERS AS AT 2 MARCH 2022

(As recorded in the Register of Substantial Unitholders)

	Direct Interest	%	Deemed Interest	%
Sasseur Cayman Holding II Ltd. ⁽¹⁾	-	-	693,386,776	56.97
Sasseur Cayman Holding Limited ⁽¹⁾	-	-	693,386,776	56.97
Sasseur (BVI) Holding II Limited ⁽¹⁾	-	-	693,386,776	56.97
Shimmer Fair Management Limited ⁽¹⁾	-	-	693,386,776	56.97
TMF (Cayman) Ltd. ⁽¹⁾	-	-	693,386,776	56.97
Xu Rongcan ⁽¹⁾	-	-	693,386,776	56.97
Yang Xue ⁽²⁾	11,132,900	0.91	682,253,876	56.06

Notes:

(1) Shimmer Fair Management Limited ("Shimmer Fair Management") is the sole shareholder of Sasseur (BVI) Holding II Limited ("Sasseur (BVI) Holding II"). Sasseur (BVI) Holding II holds 80.4208% of the share capital of Sasseur Cayman Holding Limited (the "Sponsor") and the Sponsor is in turn the sole shareholder of Sasseur Cayman Holding II Ltd. ("Cayman Holdco").

Cayman Holdco is the sole shareholder of SAMPL and is deemed to be interested in 2,208,376 Units held by SAMPL.

TMF (Cayman) Ltd. ("TMF (Cayman)") as the trustee of Xu Family Trust is the sole shareholder of Shimmer Fair Management. The Xu Family Trust is a discretionary trust established by Mr. Xu Rongcan as settlor and the sole member of the Protective Committee and Investment Committee of Xu Family Trust, for the benefit of its beneficiaries, being Mr. Xu Rongcan who is the primary beneficiary of the Xu Family Trust during his lifetime and whilst not incapacitated.

In addition, as the sole power to make investment decision relating to the assets of the Xu Family Trust is vested on an investment committee, of which Mr. Xu Rongcan is the sole member, only he can make all decisions relating to any purchase, sale, exchange, or retention of the shares in Shimmer Fair Management as well as the exercise of any voting and other rights on behalf of the Xu Family Trust.

UNITHOLDERS' INFORMATION

As at 2 March 2022

As Cayman Holdco is deemed to be interested in 429,775,600 Units held through CGS-CIMB Securities Singapore Pte. Ltd., 160,000,000 held through China Merchants Bank, 88,000,000 Units held through KGI Securities (Singapore) Pte. Ltd, 2,269,900 Units held through Haitong International Securities (Singapore) Private Limited and 2,208,376 Units held by SAMPL, each of the Sponsor, Sasseur (BVI) Holding II, Shimmer Fair Management, TMF (Cayman) and Mr. Xu Rongcan is also deemed to be interested in the 682,253,876 Units.

Mr. Xu Rongcan is the spouse of Ms. Yang Xue and is deemed to be interested in 11,132,900 Units held by Ms. Yang Xue.

(2) Ms. Yang Xue is the spouse of Mr. Xu Rongcan and is deemed to be interested in the Units which he has an interest in.

TWENTY LARGEST UNITHOLDERS AS AT 2 MARCH 2022

No.	Name of Unitholders	Number of Units	%
1.	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	431,219,400	35.43
2.	BPSS NOMINEES SINGAPORE (PTE.) LTD.	170,955,300	14.05
3.	DBS NOMINEES (PRIVATE) LIMITED	156,919,618	12.89
4.	KGI SECURITIES (SINGAPORE) PTE. LTD	88,351,200	7.26
5.	CITIBANK NOMINEES SINGAPORE PTE LTD	69,985,842	5.75
6.	RAFFLES NOMINEES (PTE.) LIMITED	38,931,587	3.20
7.	DBSN SERVICES PTE. LTD.	38,295,870	3.15
8.	HSBC (SINGAPORE) NOMINEES PTE LTD	28,193,432	2.32
9.	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	18,641,200	1.53
10.	PHILLIP SECURITIES PTE LTD	10,494,239	0.86
11.	UOB KAY HIAN PRIVATE LIMITED	7,872,200	0.65
12.	IFAST FINANCIAL PTE. LTD.	7,166,900	0.59
13.	MAYBANK SECURITIES PTE. LTD.	6,399,100	0.53
14.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	4,696,500	0.39
15.	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	4,381,900	0.36
16.	DB NOMINEES (SINGAPORE) PTE LTD	4,228,100	0.35
17.	ABN AMRO CLEARING BANK N.V.	3,872,000	0.32
18.	OCBC SECURITIES PRIVATE LIMITED	2,729,400	0.22
19.	SASSEUR ASSET MANAGEMENT PTE LTD	2,208,376	0.18
20.	CHAN SEN MENG	1,700,000	0.14
	TOTAL:	1,097,242,164	90.17

PERCENTAGE OF UNITHOLDING IN PUBLIC'S HANDS

Based on the information made available to the REIT Manager as at 2 March 2022, approximately 42.96% of the Units in Sasseur REIT are held in the hands of public. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

UNITHOLDERS' INFORMATION

As at 2 March 2022

UNITHOLDINGS OF DIRECTORS OF THE REIT MANAGER AS AT 2 MARCH 2022

Name of Director	Direct Interest No. of Units	Deemed Interest No. of Units
Xu Rongcan ⁽¹⁾	–	693,386,776
Yang Xue ⁽²⁾	11,132,900	682,253,876
Cheng Heng Tan	350,000	–
Gu Qingyang	312,500	–
Wu Geng	125,000	–
Mario Boselli	–	–

Notes:

- (1) Shimmer Fair Management Limited (“**Shimmer Fair Management**”) is the sole shareholder of Sasseur (BVI) Holding II Limited (“**Sasseur (BVI) Holding II**”). Sasseur (BVI) Holding II holds 80.4208% of the share capital of Sasseur Cayman Holding Limited (the “**Sponsor**”) and the Sponsor is in turn the sole shareholder of Sasseur Cayman Holding II Ltd. (“**Cayman Holdco**”).

Cayman Holdco is the sole shareholder of SAMPL and is deemed to be interested in 2,208,376 Units held by SAMPL.

TMF (Cayman) Ltd. (“**TMF (Cayman)**”) as the trustee of Xu Family Trust is the sole shareholder of Shimmer Fair Management. The Xu Family Trust is a discretionary trust established by Mr. Xu Rongcan as settlor and the sole member of the Protective Committee and Investment Committee of Xu Family Trust, for the benefit of its beneficiaries, being Mr. Xu Rongcan who is the primary beneficiary of the Xu Family Trust during his lifetime and whilst not incapacitated.

In addition, as the sole power to make investment decision relating to the assets of the Xu Family Trust is vested on an investment committee, of which Mr. Xu Rongcan is the sole member, only he can make all decisions relating to any purchase, sale, exchange, or retention of the shares in Shimmer Fair Management as well as the exercise of any voting and other rights on behalf of the Xu Family Trust.

As Cayman Holdco is deemed to be interested in 429,775,600 Units held through CGS-CIMB Securities Singapore Pte. Ltd., 160,000,000 held through China Merchants Bank, 88,000,000 Units held through KGI Securities (Singapore) Pte. Ltd, 2,269,900 Units held through Haitong International Securities (Singapore) Private Limited and 2,208,376 Units held by SAMPL, each of the Sponsor, Sasseur (BVI) Holding II, Shimmer Fair Management, TMF (Cayman) and Mr. Xu Rongcan is also deemed to be interested in the 682,253,876 Units.

Mr. Xu Rongcan is the spouse of Ms. Yang Xue and is deemed to be interested in 11,132,900 Units held by Ms. Yang Xue.

- (2) Ms. Yang Xue is the spouse of Mr. Xu Rongcan and is deemed to be interested in the Units which he has an interest in.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**AGM**”) of the holders of the units of Sasseur Real Estate Investment Trust (“**Sasseur REIT**” and the holders of units of Sasseur REIT, the “**Unitholders**”) will be held by way of electronic means on Thursday, 21 April 2022 at 3.00 p.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Report of DBS Trustee Limited, as trustee of Sasseur REIT (the “**Trustee**”), the Statement by Sasseur Asset Management Pte. Ltd., as manager of Sasseur REIT (the “**REIT Manager**”), and the Audited Financial Statements of Sasseur REIT for the financial year ended 31 December 2021 and the Auditors’ Report thereon.

(Resolution 1)

2. To re-appoint Ernst & Young LLP as Auditors of Sasseur REIT to hold office until the conclusion of the next AGM of Sasseur REIT, and to authorise the REIT Manager to fix their remuneration.

(Resolution 2)

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolution, with or without any modifications:

3. The authority be and is hereby given to the REIT Manager, to
 - (a) (i) issue units in Sasseur REIT (“**Units**”) whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the REIT Manager may in its absolute discretion deem fit; and

- (b) issue Units in pursuance of any Instrument made or granted by the REIT Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

provided that:

- (1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) must not exceed fifty per cent. (50%) of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a pro rata basis to Unitholders (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) must not exceed twenty per cent. (20%) of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below);

NOTICE OF ANNUAL GENERAL MEETING

- (2) subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (the “SGX-ST”) for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) shall be based on the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) at the time this Resolution is passed, after adjusting for:
- (a) any new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and
 - (b) any subsequent bonus issue, consolidation or subdivision of Units;
- (3) in exercising the authority conferred by this Resolution, the REIT Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the deed of trust constituting Sasseur REIT (as supplemented) (the “Trust Deed”) for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);
- (4) unless revoked or varied by the Unitholders in a general meeting, the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of Sasseur REIT or (ii) the date by which the next AGM of Sasseur REIT is required by the applicable laws or regulations or the Trust Deed to be held, whichever is earlier;
- (5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the REIT Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and
- (6) the REIT Manager and the Trustee, be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the REIT Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interest of Sasseur REIT to give effect to the authority conferred by this Resolution.

[Please see Explanatory Note]

(Resolution 3)

By Order of the Board
Sasseur Asset Management Pte. Ltd.
(Company Registration No. 201707259N)
as Manager of Sasseur REIT

Chester Leong
Cho Form Po
Joint Company Secretaries

30 March 2022

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Note:

Ordinary Resolution 3 above, if passed, will empower the REIT Manager from the date of this AGM until (i) the conclusion of the next AGM of the Unitholders of Sasseur REIT, or (ii) the date by which the next AGM of the Unitholders of Sasseur REIT is required by the applicable laws and regulations or the Trust Deed to be held, whichever is earlier, to issue Units and to make or grant Instruments (such securities, warrants or debentures) convertible into Units and to issue Units pursuant to such Instruments, up to a number not exceeding, in total, fifty per cent. (50%) of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any), of which up to twenty per cent. (20%) may be issued other than on a pro rata basis to Unitholders (excluding treasury Units and subsidiary holdings, if any).

For the purpose of determining the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) at the time this Ordinary Resolution is passed, after adjusting for new Units arising from the conversion or exercise of any Instruments which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Units.

Fund raising by issuance of new Units may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual and the Trust Deed or any applicable laws and regulations in such instances, the REIT Manager will then obtain the approval of Unitholders accordingly.

Notes:

1. The Annual General Meeting ("**AGM**") is being convened and will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternate Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. This Notice will be sent to Unitholders by electronic means via publication on the Sasseur REIT's website at the URL www.sasseurreit.com and made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Printed copies of this Notice will also be sent to Unitholders.
2. The proceedings of this AGM will be broadcasted "live" through an audio-and-video webcast and audio-only feed. Unitholders and investors holding Units through Central Provident Fund ("**CPF**") or Supplementary Retirement Schedule ("**SRS**") ("**CPF/SRS Investors**") who wish to follow the proceedings must pre-register at <https://complete-corp.com/sasseur-agm/> no later than 3.00 p.m. on 18 April 2022. Following verification, an email containing instructions on how to join the "live" broadcast will be sent to authenticated persons by 3.00 p.m. on 20 April 2022.
3. Investors holding Units through relevant intermediaries ("**Investors**") (other than CPF/SRS Investors) will not be able to pre-register at <https://complete-corp.com/sasseur-agm/> for the "live" broadcast of the AGM. An Investor (other than CPF/SRS Investors) who wishes to participate in the "live" broadcast of the AGM should instead approach his/her relevant intermediary as soon as possible in order to make the necessary arrangements. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number) to the Proxy Processing Agent, Complete Corporate Services Pte. Ltd., via email to sasseur-agm@complete-corp.com no later than 3.00 p.m. on 18 April 2022.

In this Notice of AGM, a "relevant intermediary" means:

- (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

NOTICE OF ANNUAL GENERAL MEETING

- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds Units in that capacity; or
- (c) the Central Provident Fund Board (“**CPF Board**”) established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

4. **Due to the current COVID-19 restriction orders in Singapore, a Unitholder will not be able to attend the AGM in person. A Unitholder will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A Unitholder (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such Unitholder wishes to exercise his/her/its voting rights at the AGM.** The accompanying proxy form for the AGM may be accessed at the Sasseur REIT’s website at the URL www.sasseurreit.com, and will also be made available on the SGX-ST’s website at the URL <https://www.sgx.com/securities/company-announcements>.

Where a Unitholder (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of Chairman of the Meeting as proxy for that resolution will be treated as invalid.

CPF or SRS Investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days prior to the AGM (by 8 April 2022).

5. The Chairman of the Meeting, as proxy, need not be a Unitholder of Sasseur REIT.
6. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the REIT Manager in the following manner:
- (a) if submitted by post, be lodged at 10 Anson Road, #29-07 International Plaza, Singapore 079903; or
 - (b) if submitted electronically, be submitted via email to the REIT Manager at email address sasseur-agm@complete-corp.com,

in either case not less than seventy-two (72) hours before the time appointed for holding the AGM.

A Unitholder who wishes to submit instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for Unitholders to submit completed proxy forms by post, Unitholders are strongly encouraged to submit completed proxy forms electronically via email.

NOTICE OF ANNUAL GENERAL MEETING

7. Unitholders and Investors will not be able to ask questions “live” during the broadcast of this AGM. All Unitholders and Investors may submit questions relating to the business of this AGM no later than 3.00 p.m. on 11 April 2022:
- (a) via the pre-registration website at <https://complete-corp.com/sasseur-agm/>;
 - (b) by email to [sassEUR-agm@complete-corp.com](mailto:sasseur-agm@complete-corp.com); or
 - (c) by post to 10 Anson Road, #29-07 International Plaza, Singapore 079903.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult to submit questions by post, Unitholders and Investors are strongly encouraged to submit their questions via the pre-registration website or by email. The REIT Manager will answer all substantial and relevant questions prior to, or at this AGM.

8. The Annual Report 2021 may be accessed at the Sasseur REIT’s website at the URL www.sasseurreit.com.

Important reminder:

Due to the constantly evolving COVID-19 situation in Singapore, the REIT Manager may be required to change the arrangements for the AGM at short notice. Unitholders should check Sasseur REIT’s website at the URL www.sasseurreit.com or announcement on SGX-ST’s website at the URL <https://www.sgx.com/securities/company-announcements> for the latest updates on the status of the AGM.

Personal data privacy:

By submitting an instrument appointing the Chairman of the Meeting to attend, speak and vote at the Meeting and/or any adjournment thereof, a Unitholder of Sasseur REIT consents to the collection, use and disclosure of the Unitholder’s personal data by the REIT Manager (or its agents or service providers) for the purpose of the processing and administration and analysis by the REIT Manager (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the REIT Manager (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

**SASSEUR REAL ESTATE
INVESTMENT TRUST
("SASSEUR REIT")**

(Constituted in the Republic of
Singapore pursuant to a deed
of trust dated 30 October 2017
(as supplemented))

PROXY FORM

IMPORTANT:

1. The Annual General Meeting ("AGM") is being convened and will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Notice of AGM will be sent to Unitholders by electronic means via publication on the Sasseur REIT's website at the URL www.sasseurreit.com and made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Printed copies of the Notice of AGM will also be sent to Unitholders.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically access via live audio-visual website or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Annual General Meeting, addressing of substantial and relevant questions at the Annual General Meeting and voting by appointing the Chairman of the Meeting as proxy at the Annual General Meeting, are set out in Sasseur REIT's announcement dated 30 March 2022. This announcement may be accessed at the Sasseur REIT's website at the URL www.sasseurreit.com and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
3. Due to the current COVID-19 restriction orders in Singapore, a Unitholder will not be able to attend the AGM in person. A Unitholder will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A Unitholder (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such Unitholder wishes to exercise his/her/its voting rights at the Annual General Meeting.
4. CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days prior to the AGM (by 8 April 2022).
5. By submitting an instrument appointing the Chairman of the Meeting as proxy, the Unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 30 March 2022.
6. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a Unitholder's proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting.**

I/We*, _____ (Name), NRIC/Passport number* _____
of _____ (Address)

being a Unitholder/Unitholders of Sasseur REIT (and the units of Sasseur REIT, the "**Units**"), hereby appoint(s) the Chairman of the Meeting as my/our proxy to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting (the "**Meeting**") of Sasseur REIT to be convened and held by way of electronic means on Thursday, 21 April 2022 at 3.00 p.m. and at any adjournment thereof.

I/We have indicated with an "X" in the appropriate box against each item below on how I/we wish the Chairman of the Meeting as my/our proxy to vote, or to abstain from voting.

No.	Resolutions relating to:	For	Against	Abstain
	ORDINARY BUSINESS			
1	To receive and adopt the Report of DBS Trustee Limited, as trustee of Sasseur REIT (the " Trustee "), the Statement by Sasseur Asset Management Pte. Ltd., as manager of Sasseur REIT (the " REIT Manager "), and the Audited Financial Statements of Sasseur REIT for the financial year ended 31 December 2021 and the Auditors' Report thereon.			
2	To re-appoint Messrs Ernst & Young LLP as Auditors of Sasseur REIT to hold office until the conclusion of the next AGM of Sasseur REIT, and to authorise the REIT Manager to fix their remuneration.			
	SPECIAL BUSINESS			
3	To authorise the REIT Manager to issue Units and to make or grant convertible instruments.			

Note: Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes "For" or "Against" a resolution, please indicate with an "X" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please indicate with an "X" in the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of Units that the Chairman of the Meeting as your proxy is directed to abstain from voting in the "Abstain" box provided in respect of that resolution. **In the absence of specific directions in respect of a resolution, the appointment of Chairman of the Meeting as your proxy for that resolution will be treated as invalid.**

Dated this _____ day of April 2022

TOTAL NUMBER OF UNITS HELD:

Signature of Unitholder(s)
or, Common Seal of Corporate Unitholder

*Delete where inapplicable



Notes:

1. Please insert the total number of units (Units) held by you. If you have Units entered against your name in the Depository Register (maintained by the Central Depository (Pte) Limited), you should insert that number of Units. If you have Units registered in your name in the Register of Unitholders (maintained by or on behalf of the REIT Manager), you should insert that number of Units. If you have Units entered against your name in the Depository Register and Units registered in your name in the Register of Unitholders, you should insert the aggregate number of Units. If no number is inserted, this instrument of proxy will be deemed to relate to all Units held by you.
2. **Due to the current COVID-19 restriction orders in Singapore, a Unitholder will not be able to attend the AGM in person. A Unitholder will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A Unitholder (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such Unitholder wishes to exercise his/her/its voting rights at the Annual General Meeting.** This proxy form may be accessed at the Sasseur REIT's website at the URL www.sasseurreit.com, and will be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Printed copies of the proxy form will also be sent to Unitholders. Where a Unitholder (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days prior to the AGM (by 8 April 2022).

3. The Chairman of the Meeting, as proxy, need not be a Unitholder of the Company.
4. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the REIT Manager in the following manner:
 - (a) if submitted by post, be lodged at 10 Anson Road, #29-07 International Plaza, Singapore 079903; or
 - (b) if submitted electronically, be submitted via email to the REIT Manager at email address sasseur-agm@complete-corp.com,

in either case not less than seventy-two (72) hours before the time appointed for holding the AGM.

A Unitholder who wishes to submit instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for Unitholders to submit completed proxy forms by post, Unitholders are strongly encouraged to submit completed proxy forms electronically via email.

5. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing the Chairman of the Meeting as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument (failing previous registration with the REIT Manager), if the instrument appointing the Chairman of the Meeting as proxy is submitted by post, be lodged with the instrument of proxy or, if the instrument appointing the Chairman of the Meeting as proxy is submitted electronically via email, it must be emailed with the instrument, failing which the instrument may be treated as invalid.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing the Chairman of the Meeting a proxy, the Unitholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 30 March 2022.

GENERAL:

The REIT Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form. In addition, in the case of Units entered in the Depository Register, the REIT Manager may reject a Proxy Form lodged if the Unitholder, being the appointor, is not shown to have Units entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by CDP to the REIT Manager.

CORPORATE INFORMATION

THE REIT MANAGER

Sasseur Asset Management Pte. Ltd.

Company Registration Number: 201707259N

BUSINESS OFFICE ADDRESS (REIT MANAGER)

7 Temasek Boulevard
#06-05 Suntec Tower One
Singapore 038987
Telephone: +65 6255 2953
Fax: +65 6873 0930

REGISTERED OFFICE ADDRESS (REIT MANAGER)

1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632
Telephone: +65 6536 5355
Fax: +65 6536 1360

BOARD OF DIRECTORS (REIT MANAGER)

Non-Executive:

Xu Rongcan (Chairman)
Yang Xue
Gu Qingyang (Lead Independent Director)
Mario Boselli (Independent Director)
Cheng Heng Tan (Independent Director)
Wu Geng (Independent Director)

AUDIT AND RISK COMMITTEE (REIT MANAGER)

Cheng Heng Tan (Chairman)
Gu Qingyang
Wu Geng

NOMINATING AND REMUNERATION COMMITTEE (REIT MANAGER)

Gu Qingyang (Chairman)
Xu Rongcan
Wu Geng

COMPANY SECRETARIES (REIT MANAGER)

Chester Leong
Kevin Cho

TRUSTEE

DBS Trustee Limited
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982
Telephone: +65 6878 8888
Fax: +65 6878 3977

UNIT REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632
Telephone: +65 6536 5355
Fax: +65 6536 1360

AUDITOR

Ernst & Young LLP
One Raffles Quay
Level 18, North Tower
Singapore 048583

AUDIT PARTNER-IN-CHARGE

Low Yen Mei
(Appointed with effect from financial year ended
31 December 2018)

STOCK CODE

CRPU



SASSEUR ASSET MANAGEMENT PTE. LTD.

As Manager of Sasseur REIT

Company Registration No.: 201707259N

7 Temasek Boulevard,
#06-05, Suntec Tower One,
Singapore 038987

Tel: +65 6255 2953

Fax: +65 6873 0930

www.sasseurreit.com