



**SASSEUR REAL ESTATE INVESTMENT TRUST**  
**Condensed Interim Financial Statements**  
**For the Half Year Ended 30 June 2023**

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**SASSEUR REAL ESTATE INVESTMENT TRUST**  
**Condensed Interim Financial Statements**  
**For the Half Year Ended 30 June 2023**

**Introduction**

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

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

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

Sasseur REIT is presenting its condensed interim financial statements for the financial period from 1 January 2023 to 30 June 2023 (“1H 2023”).

**Distribution Policy**

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

**Summary of Sasseur REIT Group Results**

	1H 2023 <sup>(1)</sup>	1H 2022 <sup>(1)</sup>	Change
	\$’000	\$’000	%
EMA rental income	63,494	65,873	(3.6)
EMA rental income (exclude straight-line adjustments)	62,577	63,497	(1.4)
Income available for distribution to Unitholders	43,966	45,069	(2.4)
Distribution per Unit (“DPU”) (cents) <sup>(2)(3)</sup>	3.322	3.410	(2.6)

**Footnotes:**

- (1) The results of the Group’s foreign subsidiaries were translated using the average SGD:RMB rates of 1: 5.2094 and 1: 4.7535 for 1H 2023 and 1H 2022 respectively.
- (2) The DPU of 3.322 Singapore cents is equivalent to 17.306 Renminbi cents for 1H 2023.
- (3) For 1H 2023, approximately \$2.9 million (1H 2022: \$3.3 million) of the income available for distribution has been retained for the principal amortisation of onshore loans and working capital purposes.

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**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

	Note	Group		Trust	
		30 June 2023 <sup>(1)</sup> \$'000	31 December 2022 <sup>(1)</sup> \$'000	30 June 2023 <sup>(1)</sup> \$'000	31 December 2022 <sup>(1)</sup> \$'000
<b>Assets</b>					
<b>Non-current assets</b>					
Investment properties <sup>(2)</sup>	3	1,590,008	1,638,981	-	-
Interests in subsidiaries		-	-	1,077,913	1,080,917
		1,590,008	1,638,981	1,077,913	1,080,917
<b>Current assets</b>					
Prepayments, deposits and other receivables	4	19,751	28,104	370	224
Cash and short-term deposits	5	95,423	100,755	10,255	33,214
Derivative financial instruments		2,557	-	-	-
		117,731	128,859	10,625	33,438
<b>Total assets</b>		<b>1,707,739</b>	<b>1,767,840</b>	<b>1,088,538</b>	<b>1,114,355</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Loans and borrowings	6	377,779	-	-	-
Other payables	7	-	-	208,149	-
Deferred tax liabilities		110,353	111,667	-	-
		488,132	111,667	208,149	-
<b>Current liabilities</b>					
Other payables and accruals	7	95,620	69,635	41,388	1,257
Loans and borrowings	6	1,208	487,355	-	240,099
Loan from a related party	6	57,633	-	-	-
Derivative financial instruments		-	23	-	23
Tax payables		34,100	31,361	24	29
		188,561	588,374	41,412	241,408
<b>Total liabilities</b>		<b>676,693</b>	<b>700,041</b>	<b>249,561</b>	<b>241,408</b>
<b>Net assets</b>		<b>1,031,046</b>	<b>1,067,799</b>	<b>838,977</b>	<b>872,947</b>
<b>Represented by:</b>		<b>1,031,046</b>	<b>1,067,799</b>	<b>838,977</b>	<b>872,947</b>
Unitholders' funds					
<b>Units in issue and to be issued ('000)</b>	8	1,239,842	1,233,752	1,239,842	1,233,752
<b>Net asset value per Unit (\$)</b>	9	<b>0.83</b>	<b>0.87</b>	<b>0.68</b>	<b>0.71</b>

**Footnotes:**

- (1) The results of the Group's foreign subsidiaries were translated using the closing SGD:RMB rates of 1: 5.3442 and 1: 5.1831 as at 30 June 2023 and 31 December 2022 respectively.
- (2) The decrease in investment properties as at 30 June 2023 is mainly due to depreciation of Renminbi against Singapore Dollar.

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

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

	Note	1H 2023 \$'000	Group 1H 2022 \$'000
EMA rental income <sup>(1)</sup>	10	63,494	65,873
Manager's management fees <sup>(2)</sup>		(4,397)	(4,507)
Trustee's fees		(161)	(174)
Other trust expenses <sup>(3)</sup>		(526)	(584)
Finance income		183	58
Finance costs	11	(14,493)	(12,338)
Exchange differences <sup>(4)</sup>		738	(959)
Change in fair value of financial derivatives <sup>(5)</sup>		2,462	364
<b>Total return before fair value adjustments to investment properties and tax</b>		<b>47,300</b>	<b>47,733</b>
Fair value adjustments to investment properties <sup>(6)</sup>	3	(917)	(2,376)
<b>Total return for the period before tax</b>		<b>46,383</b>	<b>45,357</b>
Tax expense	12	(9,801)	(9,616)
<b>Total return for the period attributable to Unitholders</b>		<b>36,582</b>	<b>35,741</b>

**Footnotes:**

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

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**SASSEUR REAL ESTATE INVESTMENT TRUST**  
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**CONDENSED INTERIM CONSOLIDATED DISTRIBUTION STATEMENT**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Income available for distribution to Unitholders as at 1 January	-	-
Total return for the period attributable to Unitholders	36,582	35,741
Distribution adjustments (Note A)	7,384	9,328
	43,966	45,069
Less: Amount retained for the principal amortisation of onshore loans and working capital	(2,926)	(3,344)
Amount available for distribution to Unitholders	41,040	41,725
Distribution to Unitholders:		
Distribution of 1.849 cents per Unit for the period from 1/1/2023 to 31/3/2023	(22,812)	-
Distribution of 1.473 cents per Unit for the period from 1/4/2023 to 30/6/2023	(18,220) <sup>1</sup>	-
Distribution of 1.822 cents per Unit for the period from 1/1/2022 to 31/3/2022	-	(22,269)
Distribution of 1.588 cents per Unit for the period from 1/4/2022 to 30/6/2022	-	(19,456) <sup>2</sup>
Total distribution to Unitholders	(41,032)	(41,725)
Income available for distribution to Unitholders as at 30 June	8	-
<b>Distribution per Unit (DPU) (cents)<sup>3</sup>:</b>	<b>3.322</b>	<b>3.410</b>
<b>Note A – Distribution adjustments comprise:</b>		
- Manager's management fees paid/payable in Units	4,397	4,507
- Amortisation of borrowing-related transaction costs	2,738	3,247
- Straight-line adjustments	(917)	(2,376)
- Fair value adjustments to investment properties	917	2,376
- Deferred tax expense	2,108	1,332
- Unrealised exchange differences	603	606
- Change in fair value of financial derivatives	(2,462)	(364)
Distribution adjustments	7,384	9,328

<sup>1</sup> Distribution relating to the period from 1 April 2023 to 30 June 2023 will be made subsequent to the reporting date (Note 18).

<sup>2</sup> Distribution relating to the period from 1 April 2022 to 30 June 2022 was made in September 2022.

<sup>3</sup> The DPU relates to the distributions in respect of the relevant financial period.

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**CONDENSED INTERIM STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS**

	Group		Trust	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>As at 1 January</b>	1,067,799	1,209,208	872,947	911,694
<b>Operations</b>				
Total return for the period attributable to Unitholders	36,582	35,741	474	13,795
<b>Net increase in net assets resulting from operations</b>	36,582	35,741	474	13,795
<b>Unitholders' transactions</b>				
Units in issue				
- Manager's management fees paid in Units	2,372	2,474	2,372	2,474
- Distribution to Unitholders	(38,841)	(45,394)	(38,841)	(45,394)
	(36,469)	(42,920)	(36,469)	(42,920)
Units to be issued				
Manager's management fees payable in Units	2,025	2,033	2,025	2,033
<b>Net decrease in net assets resulting from Unitholders' transactions</b>	(34,444)	(40,887)	(34,444)	(40,887)
<b>Foreign currency translation reserve</b>				
Movement in foreign currency translation reserve	(38,891)	(28,761)	-	-
<b>As at 30 June</b>	<b>1,031,046</b>	<b>1,175,301</b>	<b>838,977</b>	<b>884,602</b>

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**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

	Note	1H 2023 \$'000	Group 1H 2022 \$'000
<b>Cash flows from operating activities</b>			
Total return for the period before tax		46,383	45,357
<u>Adjustments for:</u>			
Manager's management fees paid/payable in Units		4,397	4,507
Straight-line adjustments	3	(917)	(2,376)
Change in fair value of investment properties	3	917	2,376
Change in fair value of financial derivatives		(2,462)	(364)
Finance costs	11	14,493	12,338
Finance income		(183)	(58)
		<b>62,628</b>	<b>61,780</b>
<b>Cash flows before changes in working capital</b>			
<u>Changes in working capital:</u>			
Prepayments, deposits and other receivables (excluding mid-term deposits)		7,328	(1,187)
Mid-term deposits		-	6,405
Other payables and accruals		22,502	(23,168)
		<b>92,458</b>	<b>43,830</b>
<b>Cash generated from operations</b>			
Tax paid		(3,229)	(5,236)
Interest received		147	58
		<b>89,376</b>	<b>38,652</b>
<b>Net cash generated from operating activities</b>			
<b>Cash flows from investing activity</b>			
Capital expenditure on investment properties		(348)	(2,530)
		<b>(348)</b>	<b>(2,530)</b>
<b>Net cash used in investing activity</b>			
<b>Cash flows from financing activities</b>			
Proceeds from bank loans		395,193	-
Repayments of bank loans		(488,357)	(2,877)
Loan from a related party		59,505	-
Payment of borrowing-related transaction costs		(13,371)	-
Distribution to Unitholders		(38,841)	(45,394)
Interest paid		(8,323)	(8,701)
Decrease/(increase) in restricted cash		481	(855)
		<b>(93,713)</b>	<b>(57,827)</b>
<b>Net cash used in financing activities</b>			
<b>Net decrease in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of the period		90,833	152,421
Effect of exchange rate changes on cash and cash equivalents		(24)	(2,127)
		<b>86,124</b>	<b>128,589</b>
<b>Cash and cash equivalents at end of the period</b>	5	<b>86,124</b>	<b>128,589</b>

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

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**STATEMENT OF PORTFOLIO**

Description of Property	Location	Tenure of Land	Remaining Term of Lease (Year)	Lease Expiry	Carrying amount as at 30 June 2023 RMB'000	Carrying amount as at 30 June 2023 \$'000	Percentage of Total Net Assets attributable to Unitholders as at 30 June 2023 %
Sasseur (Chongqing Liangjiang) Outlet	No. 1 Aotelaisi Road, Beibuxin District, Chongqing	Leasehold	23.9	2047	3,129,968	585,676	56.8
Sasseur (Chongqing Bishan) Outlet	No. 9 Baiyang Road, Bishan District, Chongqing	Leasehold	28.3	2051	834,405	156,133	15.1
Sasseur (Hefei) Outlet	No. 1888 Changning Avenue, Gaoxin District, Hefei, Anhui Province	Leasehold	30.1	2053	2,880,534	539,002	52.3
Sasseur (Kunming) Outlet	No. 181 Aotelaisi Avenue, Anning City, Kunming, Yunnan Province	Leasehold	30.8	2054	1,652,412	309,197	30.0
Investment properties, at valuation					8,497,319	1,590,008	154.2
Other assets and liabilities (net)						(558,962)	(54.2)
Net assets attributable to Unitholders						1,031,046	100.0

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



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**STATEMENT OF PORTFOLIO**

Description of Property	Location	Tenure of Land	Remaining Term of Lease (Year)	Lease Expiry	Valuation as at 31 December 2022 RMB'000	Valuation as at 31 December 2022 \$'000	Percentage of Total Net Assets attributable to Unitholders as at 31 December 2022 %
Sasseur (Chongqing Liangjiang) Outlet	No. 1 Aotelaisi Road, Beibuxin District, Chongqing	Leasehold	24.4	2047	3,129,000	603,693	56.5
Sasseur (Chongqing Bishan) Outlet	No. 9 Baiyang Road, Bishan District, Chongqing	Leasehold	28.8	2051	834,000	160,908	15.1
Sasseur (Hefei) Outlet	No. 1888 Changning Avenue, Gaoxin District, Hefei, Anhui Province	Leasehold	30.6	2053	2,880,000	555,652	52.0
Sasseur (Kunming) Outlet	No. 181 Aotelaisi Avenue, Anning City, Kunming, Yunnan Province	Leasehold	31.3	2054	1,652,000	318,728	29.8
Investment properties, at valuation					8,495,000	1,638,981	153.4
Other assets and liabilities (net)						(571,182)	(53.4)
Net assets attributable to Unitholders						1,067,799	100.0

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

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

**1. General**

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

The Trust was constituted as a private trust on 30 October 2017 (“date of constitution”) and admitted to the Official List of Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 28 March 2018 (the “Listing Date”). The Trust was established to acquire an initial portfolio of four retail outlet malls located in People’s Republic of China (“PRC”) comprising Sasseur (Chongqing Liangjiang) Outlet, Sasseur (Chongqing Bishan) Outlet, Sasseur (Hefei) Outlet and Sasseur (Kunming) Outlet (collectively, the “Initial Portfolio” or “Properties”). The 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 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 a sale 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 turn owns 100% of the interest in the BVI Holding Companies, which indirectly owns the Properties.

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

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

**2. Basis of preparation**

The condensed interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with Financial Reporting Standard (“FRS”) 34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore, the recommendations of Statement of Recommended Accounting Practice (“RAP”) 7 *Reporting Framework for Investment Funds* applicable to interim financial statements issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes (the “CIS Code”) issued by the Monetary Authority of Singapore (“MAS”) and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the recognition and measurement principles of Singapore FRS.

The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2022.

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

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

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**2. Basis of preparation (continued)**

*Going concern*

As at 30 June 2023, the current liabilities of the Group and the Trust exceeded the current assets by \$71 million (31 December 2022: \$460 million) and \$31 million (31 December 2022: \$208 million) respectively. Notwithstanding the net current liabilities position, the condensed interim financial statements are prepared on a going concern basis, as the Manager is of the opinion that the Group and the Trust will be able to meet its current obligations as and when they fall due based on the Group and the Trust's existing financial resources.

**2.1. New and amended standards adopted by the Group**

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

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

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

The adoption of the amendments to FRS did not have any material financial impact on the financial statements of the Group and the Trust for the financial period ended 30 June 2023.

**2.2. Use of judgements and estimates**

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

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

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

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

**2.3 Seasonal operations**

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

**SASSEUR REAL ESTATE INVESTMENT TRUST**  
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**3. Investment properties**

	Group	
	30 June 2023 \$'000	31 December 2022 \$'000
<u>Consolidated Statement of Financial Position</u>		
As at 1 January	1,638,981	1,801,013
Capital expenditure incurred	434	4,078
Change in fair value of investment properties	-	(4,720)
Exchange differences	(49,407)	(161,390)
<b>At end of the period/year</b>	<b>1,590,008</b>	<b>1,638,981</b>
<u>Consolidated Statement of Total Return</u>		
Change in fair value of investment properties	-	(4,720)
Net effect of straight-line adjustments <sup>1</sup>	(917)	(4,608)
Fair value adjustments to investment properties recognised in the Consolidated Statement of Total Return	(917)	(9,328)

<sup>1</sup> 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.

Carrying values of investment properties

Investment properties are stated at fair value based on valuations performed as at 31 December 2022, adjusted for capital expenditure incurred subsequent to the valuation date and translation differences. The valuations were performed by Colliers Appraisal & Advisory Services Co., 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.

Management is of the view that there was no indication of material changes to the carrying values of the investment properties as at 30 June 2023.

Properties pledged as security

As at 30 June 2023, investment properties with an aggregate carrying amount of \$1,280,811,000 (31 December 2022: S\$1,801,013,000) have been pledged as security to secure bank loans (see Note 6).

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**4. Prepayments, deposits and other receivables**

	Group		Trust	
	30 June 2023 \$'000	31 December 2022 \$'000	30 June 2023 \$'000	31 December 2022 \$'000
Refundable deposits	28	29	-	-
VAT/GST recoverables	5,885	6,128	361	183
Other receivables <sup>1</sup>	5,764	7,964	-	8
Amounts due from related parties (trade)	7,863	13,950	-	-
	19,540	28,071	361	191
Prepayments	211	33	9	33
	19,751	28,104	370	224

<sup>1</sup> Included in other receivables of the Group is an amount of \$4,801,000 (31 December 2022: \$6,831,000) 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.

**5. Cash and short-term deposits**

	Group		Trust	
	30 June 2023 \$'000	31 December 2022 \$'000	30 June 2023 \$'000	31 December 2022 \$'000
Cash and short-term deposits <sup>1</sup>	95,423	100,755	10,255	33,214
Less: Restricted cash <sup>2</sup>	(9,299)	(9,922)	-	(5,217)
Cash and cash equivalents	86,124	90,833	10,255	27,997

<sup>1</sup> Included in cash and short-term deposits is an amount of \$73,400,000 (31 December 2022: \$50,202,000) relating to sale proceeds collected from customers on behalf of the tenants.

<sup>2</sup> Restricted cash relates to cash held in interest escrow accounts for interest payment for bank loans.

**6. Loans and borrowings**

	Group		Trust	
	30 June 2023 \$'000	31 December 2022 \$'000	30 June 2023 \$'000	31 December 2022 \$'000
Secured bank loans	390,588	488,340	-	240,874
Loan from a related party	57,633	-	-	-
Less: Unamortised transaction costs	(11,601)	(985)	-	(775)
	436,620	487,355	-	240,099
Non-current	377,779	-	-	-
Current	58,841	487,355	-	240,099
	436,620	487,355	-	240,099

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

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**6. Loans and borrowings (continued)**

**Secured bank loans**

As at 30 June 2023, the Group has the following onshore and offshore facilities:

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

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

**Loan from a related party**

The loan from a related party relates to a 1-year unsecured interest-bearing loan of RMB308.0 million which can be extended up to another year on mutual agreement.

The weighted average cost of borrowings for the period ended 30 June 2023 is 5.8% (31 December 2022: 4.9%) and aggregate leverage is 26.2% (31 December 2022: 27.6%). As at 30 June 2023, the interest coverage ratio was 4.0 times (31 December 2022: 4.4 times).

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

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

**7. Other payables and accruals**

	Group		Trust	
	30 June 2023 \$’000	31 December 2022 \$’000	30 June 2023 \$’000	31 December 2022 \$’000
Refundable security deposits	7,198	7,614	–	–
Interest payables	3,689	820	–	659
VAT and other tax payables	302	102	–	–
Construction payables <sup>1</sup>	3,055	3,499	–	–
Amounts due to subsidiaries (non-trade)	–	–	40,538	14
Amounts due to related parties (non-trade)	1,424	1,082	341	18
Accrued expenses	655	831	449	546
Property tax payables	533	475	–	–
Other payables <sup>2</sup>	78,764	55,212	60	20
	95,620	69,635	41,388	1,257

<sup>1</sup> Construction payables consist mainly of retention sum of completed construction works arising from acquisition of investment properties and related assets and liabilities, and asset enhancement works.

<sup>2</sup> Included in other payables is an amount of \$73,400,000 (31 December 2022: \$50,202,000) relating to sale proceeds collected from customers on behalf of the tenants.

Included in non-current other payables of \$208,149,000 relate to loans from subsidiaries for the Trust to repay its offshore loans.

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**8. Units in issue and to be issued**

	<b>30 June 2023</b>		<b>31 December 2022</b>	
	<b>Group and Trust</b>		<b>Group and Trust</b>	
	Number of Units '000	\$'000	Number of Units '000	\$'000
<b>As at beginning of the period/year</b>	1,231,092	608,780	1,217,119	685,118
<b>Units in issue:</b>				
- Manager's management fees paid in Units	5,834	4,364	13,973	11,080
- Distribution to Unitholders	–	(38,841)	–	(87,418)
<b>Total Units in issue at end of the period/year</b>	1,236,926	574,303	1,231,092	608,780
<b>Units to be issued:</b>				
- Manager's management fees payable in Units <sup>1</sup>	2,916	2,025	2,660	1,992
<b>Total Units in issue and to be issued at end of the period/year</b>	1,239,842	576,328	1,233,752	610,772

<sup>1</sup> 2,915,896 Units to be issued as payment of the Manager's management fees for the period from 1 April 2023 to 30 June 2023 based on the volume-weighted average Unit price of \$0.6944 for the last 10 Business Days immediately preceding 30 June 2023.

<sup>2</sup> There were no treasury units as at 30 June 2023 and 31 December 2022.

**9. Net asset value (NAV) and net tangible asset (NTA) per Unit**

	<b>Group</b>		<b>Trust</b>	
	<b>30 June 2023</b>	<b>31 December 2022</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Number of Units in issue and to be issued ('000)	1,239,842	1,233,752	1,239,842	1,233,752
Net asset (\$'000)	1,031,046	1,067,799	838,977	872,947
NAV and NTA per Unit <sup>1</sup>	0.83	0.87	0.68	0.71

<sup>1</sup> The computation of NAV and NTA is based on the number of Units in issue and to be issued as at the end of each reporting period. NAV and NTA are the same as there are no intangible assets as at the end of each reporting period.

**10. EMA rental income**

	<b>Group</b>	
	<b>1H 2023</b>	<b>1H 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
EMA rental income	63,494	65,873

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 \$62,577,000 (6 months ended 30 June 2022: \$63,497,000) (Note 15).

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**11. Finance costs**

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

	<b>Group</b>	
	<b>1H 2023</b>	<b>1H 2022</b>
	\$'000	\$'000
Interest expenses on loans and borrowings	11,535	8,942
Amortisation of borrowing-related transaction costs	2,738	3,247
Other borrowing costs	220	149
	14,493	12,338
	14,493	12,338

**12. Tax expense**

The major components of tax expense are:

	<b>Group</b>	
	<b>1H 2023</b>	<b>1H 2022</b>
	\$'000	\$'000
<b>Current tax expense</b>		
Current period	7,693	8,284
	7,693	8,284
<b>Deferred tax expense</b>		
Movement in temporary differences	2,108	1,332
	9,801	9,616
	9,801	9,616

**13. Earnings per Unit ("EPU")**

	<b>Group</b>	
	<b>1H 2023</b>	<b>1H 2022</b>
Weighted average number of Units ('000)	1,232,889	1,220,163
Total return after tax (\$'000)	36,582	35,741
EPU <sup>1</sup> (cents) – basic and diluted <sup>2</sup>	2.967	2.929
	2.967	2.929

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

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





**14. Fair values of assets and liabilities (continued)**

**(c) Level 2 fair value measurements**

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

*Derivative financial instruments*

The fair values of interest rate swap, interest rate cap 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*

Investment properties are stated at fair value based on independent valuations performed by Colliers Appraisal & Advisory Services Co., Limited as at 31 December 2022, adjusted for capital expenditure incurred subsequent to the valuation date and translation differences. 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 2022 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 2022. Management is of the view that there was no indication of material changes to the carrying values of the investment properties as at 30 June 2023. The 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.

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

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**15. Related party transactions**

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

In the normal course of its business, the Group carried out transactions with related parties on terms agreed between the parties. During the period, in addition to those disclosed elsewhere in the financial statements, the following significant related party transactions took place at terms agreed between the parties:

	<b>Group</b>	
	<b>1H 2023</b>	<b>1H 2022</b>
	\$'000	\$'000
EMA rental income received/receivable from Entrusted Manager (Note 10)	62,577	63,497
Manager's management fees paid/payable	4,397	4,507
Trustee's fees paid/payable	161	174
Interest expenses on loan from a related party	899	–

**16. Financial ratios**

	<b>Group</b>	
	<b>1H 2023</b>	<b>1H 2022</b>
	%	%
Ratio of expenses to weighted average net assets <sup>1</sup>		
- Including performance component of the Manager's management fees	0.99	0.90
- Excluding performance component of the Manager's management fees	0.99	0.90
Portfolio turnover rate <sup>2</sup>	–	–

<sup>1</sup> The annualised 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.

<sup>2</sup> The annualised 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.

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**17. Operating segments**

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

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

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

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

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

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

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**17. Operating segments (continued)**

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

**Segment results**

Group	1H 2023				Unallocated \$'000	Total \$'000
	Sasseur (Chongqing Liangjiang) Outlet \$'000	Sasseur (Chongqing Bishan) Outlet \$'000	Sasseur (Hefei) Outlet \$'000	Sasseur (Kunming) Outlet \$'000		
EMA rental income	28,706	5,735	17,805	11,248	–	63,494
Manager's management fees	–	–	–	–	(4,397)	(4,397)
Trustee's fees	–	–	–	–	(161)	(161)
Other trust expenses						
- Other income	27	6	174	64	–	271
- Other expenses	(3)	(1)	–	–	(793)	(797)
Finance income	–	–	–	–	183	183
Finance costs	(3,322)	(592)	(1,440)	(1,284)	(7,855)	(14,493)
Exchange differences	(1,199)	–	–	–	1,937	738
Change in fair value of financial derivatives	–	–	–	–	2,462	2,462
<b>Total return before fair value adjustments to investment properties and tax</b>	<b>24,209</b>	<b>5,148</b>	<b>16,539</b>	<b>10,028</b>	<b>(8,624)</b>	<b>47,300</b>
Fair value adjustments to investment properties	(407)	(83)	(260)	(167)	–	(917)
Total return for the period before tax	23,802	5,065	16,279	9,861	(8,624)	46,383
Tax expense					(9,801)	(9,801)
Total return for the period					(18,425)	36,582
Segment assets	625,926	166,464	564,112	323,875	27,362	1,707,739
Segment liabilities	198,313	32,341	109,767	95,092	241,180	676,693
<b>Other segment information:</b>						
Capital expenditure	181	76	100	77	–	434

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**17. Operating segments (continued)**

**Segment results (continued)**

Group	1H 2022				Unallocated \$'000	Total \$'000
	Sasseur (Chongqing Liangjiang) Outlet \$'000	Sasseur (Chongqing Bishan) Outlet \$'000	Sasseur (Hefei) Outlet \$'000	Sasseur (Kunming) Outlet \$'000		
EMA rental income	29,754	6,139	18,158	11,822	–	65,873
Manager's management fees	–	–	–	–	(4,507)	(4,507)
Trustee's fees	–	–	–	–	(174)	(174)
Other trust expenses						
- Other income	28	4	8	41	–	81
- Other expenses	–	*	(53)	(40)	(572)	(665)
Finance income	–	–	–	–	58	58
Finance costs	(4,541)	(892)	(1,774)	(1,076)	(4,055)	(12,338)
Exchange differences	(351)	–	(84)	–	(524)	(959)
Change in fair value of financial derivatives	–	–	–	–	364	364
<b>Total return before fair value adjustments to investment properties and tax</b>	<b>24,890</b>	<b>5,251</b>	<b>16,255</b>	<b>10,747</b>	<b>(9,410)</b>	<b>47,733</b>
Fair value adjustments to investment properties	(1,055)	(216)	(674)	(431)	–	(2,376)
Total return for the period before tax	23,835	5,035	15,581	10,316	(9,410)	45,357
Tax expense					(9,616)	(9,616)
Total return for the period					(19,026)	35,741
Segment assets	704,934	186,246	640,347	361,151	33,886	1,926,564
Segment liabilities	240,172	44,578	152,323	72,888	241,302	751,263
<b>Other segment information:</b>						
Capital expenditure	1,136	840	518	36	–	2,530

\* Denote amounts less than \$1,000.

**18. Subsequent event**

On 11 August 2023, the Manager declared a distribution of 1.473 Singapore cents per Unit for the period from 1 April 2023 to 30 June 2023.

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**OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2**

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

There were no sales, transfers, cancellation and/or use of treasury units as at the end of the current financial period ended 30 June 2023.

**(B) AUDIT STATEMENT**

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

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

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

Not applicable.

**(C) REVIEW OF PERFORMANCE OF THE GROUP**

**1H 2023 vs 1H 2022**

In RMB terms, total outlet sales for 1H 2023 were higher than that of 1H 2022 by RMB383.1 million or 20.5%. The increase was attributable to pent-up demand following re-opening of the Chinese economy, and a lower sales base in 1H 2022 due to lockdowns across China then.

EMA rental income (excluding straight-line adjustments) for 1H 2023 was higher by RMB24.2 million or 8.0% as compared to 1H 2022. In SGD terms, EMA rental income (excluding straight-line adjustments) for 1H 2023 was lower than 1H 2022 by \$0.9 million or 1.4%, mainly due to the weakening of Renminbi against Singapore Dollar as compared to 1H 2022.

Manager's management fees for 1H 2023 were lower than 1H 2022 by \$0.1 million, mainly due to lower base fee which is in line with lower distributable income in 1H 2023.

Finance costs for 1H 2023 were higher than 1H 2022 by \$2.2 million or 17.5%, mainly attributable to higher weighted average cost of borrowings of 5.8% (1H 2022: 4.5%).

Net fair value gain on financial derivatives of \$2.5 million for 1H 2023 were attributable to the mark-to-market valuation of interest rate swap, interest rate cap and cross currency swap contracts which were entered into to hedge interest rates and foreign currency risk exposures.

Tax expense for 1H 2023 was higher than 1H 2022 by \$0.2 million or 1.9%, mainly due to the higher deferred tax provided arising from unremitted earnings of PRC subsidiaries.

Income available for distribution to Unitholders before retention for 1H 2023 was \$44.0 million, 2.4% lower compared to \$45.1 million for 1H 2022.

For 1H 2023, approximately \$2.9 million (1H 2022: \$3.3 million) of the income available for distribution has been retained for the principal amortisation of onshore loans and working capital purposes. After cash retention, the amount to be distributed to Unitholders for 1H 2023 was \$41.0 million, 1.6% lower compared to \$41.7 million distributed to Unitholders for 1H 2022.

**(D) VARIANCE FROM FORECAST OR PROSPECT STATEMENT**

Not applicable.

**(E) OUTLOOK AND PROSPECTS**

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

**Market updates and outlook**

China's Gross Domestic Product ("GDP") grew 6.3%<sup>1</sup> in the second quarter of 2023 ("2Q 2023") on a year-on-year ("Y-o-Y") basis, as compared to +2.9% and +4.5% for the fourth quarter of 2022 and first quarter of 2023 respectively. This brings the GDP growth for the first half 2023 ("1H 2023") to 5.5%, mainly driven by a recovery in domestic consumption since the re-opening of the economy in December 2022.

According to the International Monetary Fund ("IMF"), manufacturing activity and consumption of services in China rebounded at the beginning of the year when Chinese authorities abandoned their strict lockdown policies although the growth momentum has slowed since April 2023<sup>2</sup>. In June 2023, China's retail sales of consumer goods rose by 3.1% Y-o-Y, lower than the 12.7% growth in May and 18.4% growth in April<sup>1</sup>. For the period of January to June 2023, the retail sales of consumer goods registered RMB 22.76 trillion, a Y-o-Y increase of 8.2%<sup>1</sup>.

The IMF has reiterated its 2023 real GDP growth for China at 5.2%<sup>2</sup>, noting that while consumption growth has evolved broadly in line with their April 2023 projections, investment has underperformed due to the ongoing real estate downturn in China.

**New measures to boost economic growth**

In June 2023, China's central bank cut benchmark lending rates for the first time in almost a year as policymakers push ahead with monetary support to spur more robust growth in the economy<sup>3</sup>. Both the one-year and 5-year loan prime rates ("LPR") were reduced by 10 basis points.

On 24 July 2023, the Chinese government issued 11 measures to boost household spending and signaled that it may release more stimulus measures in the second half of 2023 to further spur domestic consumption<sup>4</sup>.

On 31 July 2023, the Chinese authorities issued another 20 measures to boost domestic consumption, including support for expanding real estate and auto sales, underscoring the country's intensifying efforts to ensure steady economic recovery<sup>5</sup>.

**Chongqing Market Update**

Chongqing achieved a GDP of RMB 1,435 billion in 1H 2023 with a 4.6% Y-o-Y increase<sup>6</sup>. This rate of growth is lower than the 6% target set by the Chongqing municipal government<sup>7</sup>. According to the municipal government press conference held on 20 July 2023, the total retail sales in consumer goods in Chongqing totaled RMB 738 billion for 1H 2023. This represents a 6.2% Y-o-Y increase. The municipal government expects the upward trend in retail consumption to continue in the second half of 2023<sup>8</sup>.

The municipal administration of Chongqing continues to implement initiatives to establish the city as China's most dynamic city. Among the initiatives launched by the government in 2Q 2023 was "Love Chongqing 2023 – New-age Shopping(爱尚重庆·2023 重庆高品质消费新场景)"<sup>9</sup>. The purpose of this series of exhibitions which focused on new retail concepts and brands, was to spur domestic consumption in the city.

In May 2023, authorities in Chongqing hosted an International Consumption Festival (国际消费节)<sup>10</sup>. The festival drew many visitors to Chongqing from other Chinese cities and abroad. Chongqing Liangjiang Outlet was chosen by the government as the venue for the Festival's opening ceremony.

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<sup>1</sup> National Bureau of Statistics of China, Press Release dated 17 July 2023.

<sup>2</sup> International Monetary Fund, "World Economic Outlook", July 2023.

<sup>3</sup> Financial Times, "China cuts benchmark lending rates as policy easing picks up", 20 June 2023.

<sup>4</sup> Global Times, "China's consumption to further rebound in H2", 18 July 2023.

<sup>5</sup> Global Times, "China issues 20 measures to boost consumption amid growing efforts to stabilize growth", 31 July 2023.

<sup>6</sup> Press Conference by Chongqing Municipal Govt - CQ News Net dated 20 July 2023.

<sup>7</sup> 6% Target GDP Growth in Chongqing for 2023 – iChongqing 14 January 2023.

<sup>8</sup> Chongqing Retail Sales Growth CQ News Net dated 20 July 2023.

<sup>9</sup> 重庆市商务委员会 dated 19 April 2023.

<sup>10</sup> 重庆市商务委员会 dated 9 May 2023.



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On 19 May 2023, the Forbes China's City Consumer Development Forum ranked Chongqing as China's 4th most dynamic<sup>11</sup> cities after Beijing, Shanghai and Guangzhou.

No new outlets opened for business in 2Q 2023. Mix-C Phase II and Wu-yue Plaza entered the retail market, increasing the total supply of high-quality retail properties in the city to about 7.873 million square meters<sup>12</sup>.

Hefei Market Update

For 1H 2023, no new outlets opened in Hefei. Hefei achieved a 6.1% Y-o-Y increase in 1H 2023 GDP of approximately RMB 5.8 billion, which ranks it as the top city in terms of GDP growth rate, amongst the 16 cities in Anhui Province, China<sup>13</sup>. In 1H 2023, total retail sales of consumer goods in Hefei recorded RMB 272.8 billion, representing a 5.7% Y-o-Y increase.

Hefei continues to deliver positive growth in terms of its key economic key indicators. We expect retail consumption in the city to improve in the second half of 2023. We continue to strengthen our trade mix and promotional activities at the Hefei Outlet to attract more shoppers.

Kunming Market Update

Kunming achieved a GDP of RMB 396.7 billion in 1H 2023 with a 3.8% Y-o-Y increase<sup>14</sup>. In 1H 2023, total retail sales of consumer goods in Kunming recorded RMB 164.2 billion, representing a 6.7% Y-o-Y increase. The growth in sales for the city's food & beverage ("F&B") segment registered a record high growth rate of 12.3% Y-o-Y in 1H 2023, reaching RMB 29 billion.

In 1H 2023, no new outlets opened in Kunming. During this period, tourist arrivals in Yunnan province, where Kunming Outlet is located, rebounded strongly by 35% from the same period in 2019. The robust recovery in tourist arrivals is expected to benefit the outlet<sup>15</sup>.

We have embarked on an asset enhancement initiative ("AEI") to expand the F&B category of Kunming Outlet to ride on the trend of growing popularity of F&B restaurants in the city. Two new well-known F&B brand names, namely Kentucky Fried Chicken & Erlanggang ("二郎岗") will make their debut in the outlet in the third quarter of 2023.

Outlook

Post the re-opening of China's economy, the shift of consumer preferences towards high-quality and lower-cost products bodes well for the outlet industry which offers attractive value propositions.

There remain a few catalysts for China's consumption growth. China's household savings rate, which has reached a multi-year high in 2022, can be expected to fire up domestic consumption and retail sales if only just 20% of the RMB 17.8 trillion extra household savings were spent in 2023<sup>16</sup>. Global management consultancy firm, McKinsey, also remains positive on the medium-term outlook on China's consumption, noting that an additional 50 plus million households may reach upper-middle-class by 2025<sup>17</sup>.

Sasseur REIT's outlets are therefore well-positioned to benefit from China's current recovery in domestic consumption demand, underpinned by its operational resilience and counter-cyclical in navigating economic cycles as well as the outlets' focus on the growing Chinese middle-class population.

Historically, Sasseur outlets' sales in the second half have been stronger than the first half of the year due to retail seasonality factors, coupled with mega sales events and promotional activities that typically take place in the second half of the year. Barring any unforeseen circumstances, the trend is expected to continue this year.

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<sup>11</sup> Chongqing 本地宝 dated 5 July 2023

<sup>12</sup> Savills Research – July 2023

<sup>13</sup> Hefei Daily dated 30 July 2023

<sup>14</sup> 昆明发布 dated 25 July 2023

<sup>15</sup> China Daily, Tourism revenue of China's Yunnan tops RMB 693b, 23 July 2023

<sup>16</sup> Global Times, "China's elevated bank savings are valuable assets to back consumption", 19 February 2023.

<sup>17</sup> McKinsey, "China consumption: Still cautiously optimistic?", 28 July 2023.

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**(F) DISTRIBUTION**

**(a) Current financial period**

Any distribution declared for the current financial period? Yes

Name of distribution: Distribution for the financial period from 1 April 2023 to 30 June 2023

Distribution type/rate: Distribution of 1.473 Singapore cents per Unit comprising two components:  
1. Tax exempt income distribution: 1.343 Singapore cents  
2. Capital distribution: 0.130 Singapore cents

Par value of units: Not applicable

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

Capital distribution represents a return of capital to Unitholders for Singapore income tax purpose. The amount of capital distribution will reduce the cost of Sasseur REIT Units for Singapore income tax purposes. For Unitholders who are liable to Singapore income tax on profits from sale of Units, the reduced cost base of their Units will be used to calculate the taxable trading gains when the Units are disposed of.

Record date 11 September 2023

Date payable 26 September 2023

**(b) Corresponding period of the preceding financial period**

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

Name of distribution: Distribution for the financial period from 1 April 2022 to 30 June 2022

Distribution type/rate: Tax exempt income distribution of 1.588 Singapore cents per Unit

Par value of units: Not applicable

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

**(G) GENERAL MANDATE RELATING TO INTERESTED PERSON TRANSACTIONS**

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

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

**(H) CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL**

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

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**(I) CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Manager which may render the unaudited interim financial statements of the Group and the Trust for the financial period ended 30 June 2023 to be false or misleading, in any material aspect.

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

Mr Cheng Heng Tan  
Director

Dr Gu Qingyang  
Director

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

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

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

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

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

Tan Hong Lye, Cecilia  
Chief Executive Officer

11 August 2023