

ARI COMMERCE

BEST COMMERCIAL REIT ASIA 2020 BEST RETAIL REIT (PLATINUM) BEST CEO (PLATINUM) BEST INVESTOR RELATIONS (PLATINUM) ASIA'S FIRST OUTLET MALL REIT

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Building Resilience NEXTLAP OF GROWT

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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

Awards







1 Source: SGX Publication "SREITs & Property Trusts Chartbook - January 2021" Report

SEPTEMBER 2020

7TH ASIA PACIFIC REITS AWARD 2020

Best Retail REIT (Platinum) Best CEO (Platinum) Best Investor Relations (Platinum) **NOVEMBER 2020**

CAPITAL FINANCE INTERNATIONAL

Best Commercial REIT Asia 2020

Corporate Profile



As of 31 December 2020, Sasseur REIT's portfolio comprised four outlet malls located in Chongqing, Bishan, Hefei and Kunming, with a total asset value of RMB 8.1 billion.

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 outlet malls in China in its portfolio.

Sponsored by Sasseur Cayman Holding Limited ("Sponsor"), a leading outlet mall operator of 13 malls – including the four outlet malls 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.



Sasseur DNA Passion for Art And Commerce

A	x (1+N)	x DT
Art	Outlets + Lifestyle Experience Spaces	Data Technology
Synergy between art and commerce (art expressions in mall layout and design)	Super Sports (sporting activities for families)	VIP Memberships (loyalty programme)
Shoppers' emotional connection with the outlet malls featuring local themes (creating emotional connections)	Super Kids (playgrounds and educational activities for kids)	Online and Offline integration (meeting customers' needs for seamless online and offline retail experiences)
Local culture appreciation (enjoying cultural history and experiences)	Super Farm (farmers' markets and local/ regional food culture)	Constant analysis of shoppers' data to improve operations and promote sales.



Chongqing Outlets commenced operations in August 2008 in the northeastern part of Chongqing, and is the most mature mall in the portfolio. Despite operating for over a decade, it continues to enjoy healthy growth in sales and foot traffic year-on-year.

Bishan Outlets is located in the Bishan District of Chongqing Municipality and it commenced operations in October 2014. Located in the upstream area of the Yangtze River, it attracts local residents and commuters travelling from the east and north of the Sichuan and the west of Chongqing. **Hefei Outlets** commenced operations in 2016. It is located in the fast-growing High-Tech Development Zone to the west of the city centre of Hefei. The outlet is well-positioned to capture the growing consumer demand as Hefei is one of the fastest-growing cities in China.

Kunming Outlets commenced operations in December 2016 in Taiping New City, a new living and leisure zone developed by the local authorities to strengthen its economic capabilities with a focus in tourism and high-tech industries. Kunming is also fast-growing city that attracts migrants from other parts of China as its economy continues to develop.

Trust Structure



Organisation Structure



Sasseur Asset

Management Pte. Ltd.



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Joint Statement of Chairman & CEO

Mr. Xu Rongcan, Vito Founder and Chairman **Mr. Anthony Ang** Chief Executive Officer

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DEAR UNITHOLDERS,

We are pleased to present to you the results for the financial year ended 31 December 2020 ("FY2020") which must rank as the most challenging year in the history of Sasseur REIT, and indeed of its Sponsor. COVID-19 pandemic ("pandemic") has had a wide-ranging and significant impact on humanity, economies, businesses and supply chains. The retail sector globally has experienced major disruption and drastic changes, with the global economies still dealing with the consequeces.

In January 2020, COVID-19 pandemic broke out in China. While most retail establishments did not cease operations inititally, Sasseur, believing that safety of our customers and staff must be our first priority, made a bold decision to close our outlets and was the first outlet operator to act so quickly. It proved to be a very good decision as zero COVID-19 infection happened in our outlets. When we closed the outlets for about seven weeks, we also seized the opportunity to strengthen our outlets business by adopting a range of decisive operational changes to enhance organisational resilience and management capabilities. These were fully tested and proven during this challenging period. By proactively making contingency plans, and launching intensive and innovative marketing activities to stimulate purchases, we were able to achieve a quick and strong rebound in our business when we reopened the outlets. After reopening, shoppers have returned in droves to our outlets, leading to a strong improvement in sales and helping to lift Distribution per Unit ("DPU") for the year by 0.2% in spite of the business disruption, compared to the pre-COVID-19 level a year ago.

Sasseur REIT's achievement of maintaining DPU was commendable in view of the deterioration in performance of many businesses in 2020. It may be attributed to several factors. The first is the speed and pace of recovery of China's economy since the early days of the pandemic. The second is the combination of Sasseur's strong management, the 'art-commerce' approach to revitalise the outlets and attract consumers seeking an aspirational lifestyle, and our ability to balance out risk and rewards for the tenant, the outlet owners and REIT unitholders even amidst the pandemic.

We are very encouraged by the financial performance as well as the accolades received. Clearly, while contending with the severe disruption and financial loss that impacted the retail sector, Sasseur REIT stood out as the only one among nine retail REITs listed on Singapore Exchange to deliver positive returns this year¹.

Financial

Performance

Reflecting the impact of the pandemic, our Entrusted Management Agreement ("EMA") rental income for 2020 declined 6.1% to RMB 579.8 million from RMB 617.6 million in 2019, in line with the fall in total sales of the four retail outlets to RMB 3.73 billion, which was 22.8% lower than that of 2019.

While the temporary closures coincided with the first half of 2020, the swift recovery of China's economy coupled with the resilience of the Sasseur business model and management saw the swift and decisive recovery in financial performance in the second half. For 2H 2020, EMA Rental income of RMB 311.7 million was 16.3% higher compared to 1H2020 while income available while Income Available for Distribution to unitholders was S\$44.6 million, an increase of 30.5%.

Distributable Income and DPU both increased 1.0% and 0.2% year-on-year, to \$\$78.7 million (2019: \$\$77.9 million) and 6.545 Singapore cents (2019: 6.533 Singapore cents) respectively. On top of sales recovery, the increases were also contributed by a reduction in interest rates due to the successful refinancing of Sasseur REIT's loans in September 2020, lower income tax as well as a favourable foreign exchange rate.

DPU for 4Q 2020 increased 18.8% year-onyear. In fact, through this year of crisis, Sasseur REIT's DPU grew every quarter, averaging a 13% increase per quarter.

Our balance sheet remains healthy. Total debt of Sasseur REIT at the end of 2020 stood at S\$519 million (end-2019: S\$492 million). Aggregate leverage remains stable at 27.9% (end-2019: 27.8%) while the interest coverage ratio has improved significantly to 5.9 times (2019: 4.8 times).

Source: SGX Publication "SREITs & Property Trusts Chartbook - January 2021" Report

Joint Statement of Chairman & CEO

Sasseur's unique 'art-commerce' ensures that the design and lifestyle elements at its outlets are constantly refreshed, avoiding the biggest problem of homogeneity in retail business in China, and giving vibrancy to the Sasseur outlets.



NEW REFLECTIONS ON THE OUTLETS SECTOR IN CHINA

As you read this report, we would have crossed our third year of listing on the Singapore Exchange. A crisis such as that experienced in 2020 – and the resilience and commendable performance of Sasseur REIT in the midst of it – has provided an occasion to reflect on how the operating environment has changed, and how we are to navigate going forward.

China is the only major economy to have recovered from the pandemic. As of 2019, China's consumers spent US\$111 billion on luxury goods, accounting for over a third of global spending for this sector². This is expected to grow in 2021 as the economic recovery gathers pace. The number of outlets with over RMB 1 billion in sales more than doubled between 2015 and 2019³. Indeed, according to a research by China Insights Consultancy, the retail outlets market in China is expected to post a compounded annual growth rate of 17.9% between 2021 and 2030. By the latter period, sales of the outlet sector in China is expected to reach the equivalent of US\$ 96.2 billion, surpassing the US\$ 91.5 billion expected of the market in the United States.

But behind the statistics, a closer analysis – to some extent validated by Sasseur's experience through the crisis as an operator of retail outlets – also suggests the following:

- China's middle class continues to grow not just in size and spending power but also sophistication. Even in second and third-tier cities, buyers are increasingly aware of good brands, design and trends. There is also a clear demand for lifestyle experiences. This was amplified by the increase in outlets traffic and lifestyle events after the pandemic eased. This means that while shoppers can buy certain luxury items online, many will still choose to visit an outlet that offers the aspirational lifestyle and shopping experience.
- Sasseur's unique 'art-commerce' ensures that the design and lifestyle elements at its outlets are constantly refreshed, avoiding the biggest problem of homogeneity in retail business, in China, and giving vibrancy to the Sasseur outlets. 'Art commerce' provides consumers with meaningful emotional connections as they enjoy the Sasseur outlets environment. This requires the Sasseur team to have a deep understanding of the local retail market, local culture as well as the diverse brand knowledge and relationships. Over the years, adhering to this unique 'art-commerce' DNA, Sasseur's operation and management have continuously refined its business model, which was put to a major test in 2020. With this, Sasseur has once again also demonstrated its resilience against competition from e-commerce.

2 Source: Business Times Article "Covid-19 has trapped US\$111 billion of luxury spending in China", 9 July 2020

3 Source: Outletscn website

POST-PANDEMIC STRATEGY

We have not rested on our laurels. Drawing on past experience and the lessons from the response to the pandemic, the Entrusted Manager gained fresh insights and has outlined initiatives to further refine our business model. The key initiatives are summarized below:

- Optimising tenant mix to lift sales per square metre through in-depth analysis of data within each outlet and for each tenant;
- Actively supporting tenants with best-practices to create more 'retail champions' – tenants that can achieve sales of at least RMB 10 million per annum;
- iii) Combining the management of Chongqing and Bishan outlets into a 'unified ecosystem' so as to improve synergies, cross-selling, joint-promotions and utilization of outlet space;
- iv) Refining the aspirational lifestyle experience and positioning of the outlet malls to attract more top international brands to set up their own directly managed stores, as well as adding more thematic F&B outlets to attract more shoppers; and
- v) Enhancing our VIP programs through cross-industry promotions to increase the number of VIPs and promote spending at outlets.

Some of these initiatives have already been implemented. Over time, we are confident that they will help increase operational efficiencies within the Group as well as our engagement with tenants and brand owners. This in turn will lift the total experience of shoppers and the value proposition of Sasseur.

LOOKING AHEAD

The strong recovery of Sasseur REIT augurs well for 2021 and beyond. We have passed a major test with good results and have started refining our proven business model even further. The new initiatives will gradually contribute to better financial performance for Sasseur REIT. Our asset enhancement initiatives in the first half of 2021 are proceeding on schedule.

Our Sponsor has added three new projects (Suzhou, Nanjing II and Shijiazhuang), bringing the number of pipeline projects to 12, a significant increase from 3 pipeline properties during IPO.

We will continue to evaluate potential acquisition opportunities carefully with a view to enhancing unitholder value.

AWARDS AND RECOGNITION

Sasseur REIT continues to receive significant recognition and coverage from the financial media and securities houses. Among the major accolades, Sasseur REIT:

- Awarded, for the second consecutive year, Best Retail REIT (Platinum), Best CEO (Platinum), Best Investor Relations (Platinum) at Asia Pacific REITs Awards 2020 in September 2020;
- Awarded, for the first time, Best Commercial REIT Asia 2020 by London-based Capital Finance International ("CFI") in November 2020

The awards underscore the hard work and dedication of the Sasseur team and inspire us to continue working towards better performance, and engaging our unitholders proactively.

APPRECIATION

We would like to take the opportunity to express appreciation to the Board for their guidance, the REIT Management and Entrusted Management teams for their contributions, hard work and support during an exceptionally challenging year. To our unitholders, business partners, tenants and customers, we would like to extend our gratitude for their support and faith in Sasseur REIT.



主席与首席执行官致辞



尊敬的单位持有人:

我们谨此向您提供截至2020年12月31日止财政年度 ("2020财年")的年度报告,这是砂之船房地产投 资信托基金("砂之船房托")和其发起人砂之船集团 ("砂之船"),历史上最具挑战性的一年。2019冠状病毒 疫情("冠病疫情")对人类、经济、商业和供应链产生了 广泛而深远的影响。全球零售业经历了剧变,在全球主要 经济体中仍未得到解决。

2020年1月,新冠疫情在国内爆发,在绝大部分零售企业 还没有反应的情况下,我们秉承生命至上的原则,率先决 定关闭了店铺,迄今为止我们做到了商场的零感染。因疫 情我们闭店约7周之久,但休业不休战,在此过程中我们抓 住机会,进行了一系列"深、细、新"的管理与变革,团队 的组织应变能力与经营管理能力得到了充分锻炼与大幅提 升。通过提前积极筹划密集的营销活动以及多项创新刺激 消费策略,使复业后各项营业指标有了很大的反弹增长。 重新开张后,购物者蜂拥而至,导致销售反弹,帮助提升 了今年的单位的派息("DPU"),与一年前在冠病疫情前 的水平相比增长了0.2%。

鉴于许多企业在2020年的业绩下滑,砂之船房托维持派息 的成就值得称赞。这可能归因于几个因素。首先是自疫情 初期以来,中国经济复苏的速度和步伐。第二个因素是砂 之船强大的管理能力,"艺术商业"理念使购物中心焕发活 力并吸引追求理想生活方式的消费者,以及我们有能力在 疫情中平衡租户、购物中心业主和砂之船房托单位持有人 的风险和回报。

我们的财务业绩以及获得的赞誉,使我们感到非常鼓舞。 显而易见,零售业受到了严重影响和财务损失,砂之船房 托依然成为了在新加坡交易所上市的九家零售房地产信托 基金中,唯一一家今年可带来正收益的零售REIT'。

财务业绩

我们在2020年的委托管理协议("EMA")租金收入从 2019年的人民币6.176亿元减少6.1%至人民币5.798亿元, 四个零售购物中心的总销售额下降至人民币人民币37.3亿 元,减幅为22.8%,比2019年低,这反映了冠病疫情的影响。

尽管于2020年上半年临时关闭了商场,中国经济快速复 苏,以及砂之船商业模式的弹性和管理层的努力帮助引导 了下半年财务业绩的快速和决定性的复苏。2020年下半 年,EMA租金收入为人民币3.117亿元,比2020年上半年 增长16.3%,可分配给单位持有人的收入为人民币4460万 元,增长30.5%。

可分配收入和DPU分别增长1.0%和0.2%,分别为7870 万新元(2019年:7790万新元)和6.545新分(2019 年:6.533新分)。增长的原因也在于利率降低,这是由于 2020年9月砂之船房托的贷款成功再融资,所得税降低以 及有利的汇率所致。2020年第四季度的DPU同比增长18.8 %。实际上,在今年的危机中,砂之船房托的DPU每个季 度都在增长,平均每个季度增长13%。

我们的资产负债表保持健康。截至2020年底,砂之船房托 的总债务为5.19亿新元(2019年底:4.92亿新元)。总杠 杆保持稳定在27.9%(2019年底:27.8%),而利息覆盖 率已大幅提高至5.9倍(2019:4.8倍)。

对中国奥特莱斯购物中心行业的新思考

当您阅读本报告时,我们已经跨过了在新加坡交易所上市 的第三的年头。2020年经历的危机,还有砂之船房托面对 危机的应变能力和值得称赞的表现,提供了砂之船一个机 会来思考运营环境如何变化以及我们如何前进。

中国是唯一从新冠疫情中恢复过来的主要经济体。截至2019年,中国消费者在奢侈品上的支出为1,110亿美元, 占该行业全球支出的三分之一以上²。随着经济复苏步伐 的加快,这一数字预计将在2021年持续增长。2015年至2019年,销售额超过10亿元人民币的奥特莱斯购物中心数 量增加了一倍以³。实际上,根据中国灼识咨询("China Insights Consultancy")的一项研究,预计中国的零售购 物中心市场在2021年至2030年之间将以17.9%的复合年增 长率增长。到后期,中国的零售业预计将达到相当于962亿 美元,超过了美国市场预期的915亿美元。

- 1 资料来源:新交所"SREIT 和财产信托图表手册-2021 年1 月"报告
- 资料来源: 2020 年7 月9 日《商业时报》文章"新冠疫情在中国困住 了1110 亿美元的奢侈品消费"
- 3 资料来源: Outletscn 网站



砂之船独有的"艺术商业"可确保 其商场的设计和生活方式元素不 断得到更新,从本质上解决了全 球实体商业"同质化"的最大的 题,赋予商业以灵魂,与消费者 在情感上产生共鸣。这要求我们 的团队对本地零售市场、当步和 的团队对本地的品牌关系有更加 深入的了解。多年来,秉承这种 独特的"艺术商业"DNA,砂之船 的经营管理不断得到完善,并在 2020年经历住严峻的考验。

但在统计数据的背后,经过砂之船在 危机中作为零售店经营者的仔细分析 下,还会得出以下结果:

- 中国的中产阶级不仅在规模和 消费能力上不断增长,而且还在 不断发展。即使在二线和三线城 市,购物者对品牌、设计和趋势 越来越注重。对生活方式的体验 也有明确的需求。疫情缓解后, 购物中心客流量和生活方式活动 的增加印证了这种情况。这意味 着,尽管购物者可以在线购买某 些奢侈品,但许多人仍会选择到 能够提供理想生活方式和购物体 验的购物中心。
- 砂之船独有的"艺术商业"可确 保其商场的设计和生活方式元素 不断得到更新、从本质上解决了 全球实体商业"同质化"的最大 问题, 赋予商业以灵魂, 与消费 者在情感上产生共鸣。这要求我 们的团队对本地零售市场、当地 文化以及多元化的品牌关系有更 加深入的了解。多年来,秉承 这种独特的"艺术商业"DNA, 砂之船的经营管理不断得到完 善,并在2020年经历住严峻的 考验。再次证明了奥特莱斯行业 和砂之船超级奥莱商业模式具有 穿越周期, 实现可持续增长的特 性,以及对电子商务竞争的抵御 能力。

后疫情策略

我们并没有固步自封。借鉴过去的经 验和应对疫情的经验教训,砂之船委 托管理团队得出新的见解,并概述了 进一步完善我们的业务模型的举措。 主要举措概述如下:

- 通过深入分析每个购物中心内和
 每个租户的数据,优化租户组合
 以提高每平方米的销售额;
- ii) 积极支持租户以最佳做法来培养 孵化更多的"零售冠军"租户, 这些租户每年的销售额至少可达 到1000万元人民币;
- iii) 将璧山和重庆奥特莱斯购物中心
 的管理整合到一个"统一的生态
 系统"中,以提高协同效应、交
 叉销售、联合促销和利用购物中
 心空间;
- iv) 完善理想的生活方式体验和奥特 莱斯购物中心的定位,以吸引更 多的国际顶级品牌开设自己的直
 营旗舰店,并增加更多的主题餐
 饮店,以吸引更多的购物者;
- v) 通过跨行业促销来加强我们的 VIP计划,以增加VIP数量并促进 商店消费。

其中一些举措已经实施。随着时间的 推移,我们相信它们将有助于提高集 团内部的运营效率,以及与租户和品 牌所有者的互动,而这将提升购物者 的总体体验和砂之船的价值主张。

展望未来

砂之船房托的强劲复苏预示着2021年 及以后的发展。我们经受住了严峻的 考验,并取得了良好的结果,并已开 始进一步完善我们久经考验的业务模 型。新举措将逐步为砂之船房托的财 务业绩做出贡献。我们的资产改进计 划 将于2021年上半年如期进行。 (苏州、南京二店和石家庄),使可 收购物业数量达到了12个,与2018年 首次公开募股时的三个可收购物业相 比有了显着增长。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。

奖项与认可

砂之船房托继续受到金融媒体和证券 公司的广泛认可和报道。砂之船房托 获得的主要荣誉如下:

- 于2020年10月,连续第二年在 2020年亚太房地产投资信托大 会中获得"最佳零售房地产投资 信托"(白金奖)、"最佳首席执 行官"(白金奖)和"最佳投资者 关系"(白金奖)三项大奖;
- 于2020年11月首次获得总部位于 伦敦的资本金融国际("Capital Finance International")颁发 的"2020年亚洲最佳商业房地产 投资信托基金"奖。

这些奖项彰显了砂之船团队的辛勤工 作和奉献精神,激励我们继续努力取 得更好的业绩,并积极吸引我们的单 位持有人。

感谢

我们想借此机会感谢董事会的指导, 以及砂之船管理层和员工在异常艰难 时期的贡献、辛勤工作和支持。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。

Performance Review

STRONG & RESILIENT GROWTH

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Financial Highlights

TOTAL OUTLET SALES (RMB million)



Note: 1

2018 refers to the period from 28 March 2018 (Listing Date) to 31 December 2018.



DISTRIBUTABLE INCOME (SGD million) 77.9 78.7



ANNUALISED DISTRIBUTION YIELD³

8.0 7.4





Notes:

- 2018 refers to the period from 28 March 2018 (Listing Date) to 31 December 2018. 1
- 2 EMA rental income exclude straight-line adjustments.
- 3 Annualised distribution yield based on the closing price of S\$0.650, S\$0.885, S\$0.820 as at 31 December 2018, 31 December 2019 and 31 December 2020 respectively.

YEAR IN BRIEF





28 SEP **Best Commercial REIT** Sasseur REIT Won Best - Asia 2020 at CFI Retail REIT, Best CEO & Awards Best IR at Asia Pacific **REITs Awards 2020 18 NOV** Sasseur REIT - SGX **25 SEP REITAS Investor** ALC-SGX Investment Webinar Webinar **15 JUL 16 SEP** NOV **KGI** Securities Sasseur REIT **Phillip Securities** supported SGX Bull Investor Webinar **Investor Webinar** Charge Charity Run as a Bronze Bull Sponsor JUL AUG SEP ОСТ NOV DEC 27 OCT **18 AUG** 1 DEC CGS-CIMB Lim & Tan Lim & Tan Investor Webinar Securities Investor

Webinar

23 NOV

Sasseur REIT Named



Lim & Tan Securities Retail Investors Webinar

9 DEC

UOB Kay Hian Investor Webinar

Financial Review

FINANCIAL OVERVIEW

Consolidated Statement of Total Return and Distribution Statement	FY2020 S\$'000	FY2019 S\$'000	Change %
EMA Rental Income ¹	115,758	122,060	(5.2)
Manager's Management Fees	(7,910)	(7,793)	(1.5)
Trust Expenses	(2,515)	(1,550)	(62.3)
Exchange Differences	3,341	(762)	n.m.
Finance Costs (net)	(28,412)	(27,697)	(2.6)
Total Return before Fair Value Adjustments and Tax	80,262	84,258	(4.7)
Change in Fair Value of Financial Derivatives	(225)	102	n.m.
Fair Value Adjustments to Investment Properties	(15,798)	91,035	n.m.
Total Return before Tax	64,239	175,395	(63.4)
Tax Expense	(17,216)	(49,250)	65.0
Total Return Attributable to Unitholders	47,023	126,145	(62.7)
Distribution Adjustments	31,712	(48,219)	n.m.
Income Available for Distribution to Unitholders	78,735	77,926	1.0

N.M. - Not Meaningful

1 For a more meaningful comparison, EMA rental income excludes straight-line adjustments of S\$(9,490,000) for FY2020 and S\$4,045,000 for FY2019.

EMA RENTAL INCOME

Sasseur REIT's EMA rental income (excluding straight-line adjustments) was lower by S\$6.3 million or 5.2%. In RMB terms, EMA rental income (excluding straight-line adjustments) was lower by RMB37.8 million or 6.1% as compared to FY2019 due to the temporary shutdown of its malls for up to 44 days in the first half of FY2020.

MANAGEMENT FEES

Sasseur REIT adopts the base and performance fee structure based on distributable income (or total return available for distribution to Unitholders) and distribution per unit ("DPU") growth respectively to derive the management fees to the 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 with the preceding financial year, multiplied by the weighted average number of issued Units. The Manager's management fees of S\$7.9 million for FY2020 was 1.5% higher than FY2019 due to higher distributable income and performance fee on the growth of DPU year-on-year.

The Manager has elected to receive 100% of its management fees in the form of units for FY2020.

FINANCE COSTS

Finance costs (net) of S\$28.4 million were 2.6% higher than FY2019 largely due to non-cash write-off of unamortised upfront fees with no impact on the distributable income to Unitholders, partially offset by lower interest expense on borrowings contributed by lower interest rate on the offshore loans. More information on the borrowings of the Group is available in the Capital Management section.

TRUST EXPENSES

Trust expenses of S\$2.5 million were 62.3% higher than FY2019 largely due to overprovision of S\$0.3 million in relation to Initial Public Offering costs has been written back in FY2019 and professional fees in relation to the S\$125 million offshore loan refinancing incurred during 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 losses on investment properties based on the portfolio valuation carried out by Jones Lang LaSalle Corporate Appraisal and Advisory Limited as at 31 December 2020 compared to the carrying value of the properties.

Fair value losses on investment properties of S\$15.8 million were largely due to the assumption of lower tenants' sales growth for Sasseur REIT's investment properties adopted by the valuer in view of the COVID-19 pandemic, after adjusted for capital expenditures on investment properties. More information on the investment properties is available in the Valuation of Properties section.

Net losses in fair value of financial derivatives of S\$0.2 million relate to the mark-to-market valuation of interest rate swaps and cross currency swap which were entered into to hedge interest rate and foreign currency risk exposure.

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

TAX EXPENSE

Tax expense of S\$17.2 million were lower than FY2019 by S\$32.0 million largely due to lower current tax resulting from lower operational profit and the reversal of deferred tax expense resulting from the recognition of fair value losses on investment properties as opposed to deferred tax expense that arose from fair value gains on investment properties in FY2019.

DISTRIBUTION ADJUSTMENTS

Distribution adjustments include non-tax deductible expenses relating to the 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	FY2020 S\$'000	FY2019 S\$'000	Change %
Manager's management fees payable in Units	7,910	7,793	1.5
Amortisation of upfront debt-related transaction costs	8,098	5,110	58.5
Fair value adjustments to investment properties	15,798	(91,035)	n.m.
Deferred tax expense	3,263	29,172	(88.8)
Unrealised exchange differences	(3,582)	843	n.m.
Change in fair value of financial derivatives	225	(102)	n.m.
Total distribution adjustments	31,712	(48,219)	n.m.

Financial Review

DISTRIBUTABLE INCOME

Income available for distribution of S\$78.7 million was 1.0% higher than FY2019 largely due to add-back of fair value losses on investment properties in FY2020 as opposed to fair value gains on investment properties have been deducted from the computation of distributable income in FY2019. The Manager continues to distribute 100.0% of distributable income to Unitholders.

Statement of Financial Position Highlights	As at 31 Dec 2020	As at 31 Dec 2019	Change %
Investment Properties (S\$'000)	1,651,052	1,587,197	4.0
Total Assets (S\$'000)	1,858,208	1,770,426	5.0
Total Borrowings (S\$'000)	504,254	478,600	5.4
Total Liabilities (S\$'000)	752,794	701,263	7.3
Net Assets attributable to Unitholders (S\$'000)	1,105,414	1,069,163	3.4
Number of Units in Issue and Issuable ('000)	1,209,412	1,198,679	0.9
Net Asset Value per Unit (S\$)	0.91	0.89	2.2

ASSETS

As at 31 December 2020, the total assets for Sasseur REIT were S\$1,858.2 million compared to S\$1,770.4 million as at 31 December 2019. The increase in total assets of S\$87.8 million was mainly due to net translation gains relating to total assets denominated in Renminbi arising from appreciation of Renminbi against Singapore dollar as compared to 31 December 2019, partially offset by the fair value losses on investment properties. More information on the investment properties is available in the Valuation of Properties section.

UNITS IN ISSUE

During FY2020, Sasseur REIT issued 10,044,050 new Units as payment of management fees to the Manager. As a result, the total number of Units in issue increased to 1,206,538,293 as at 31 December 2020 from 1,196,494,243 as at 31 December 2019.

NET ASSET VALUE

Net Asset Value ("NAV") per Unit as at 31 December 2020 was marginally higher at SG91.40 cents from SG89.20 cents as at 31 December 2019, mainly attributed to net translation gains relating to assets and liabilities denominated in Renminbi arising from appreciation of Renminbi against Singapore dollar as compared to 31 December 2019, partially offset by the fair value losses on investment properties.

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.

Financial Review

Outlets	RMB/S\$ million	Valuation as at 31 December 2020	Valuation as at 31 December 2019	Valuation as at 31 December 2018	Valuation as at IPO	Implied Acquisition Price	Discount Rate as at 31 December 2020	Discount Rate as at 31 December 2019
Chongqing	RMB	2,982.0	2,973.0	2,901.0	2,654.0	2,452.4	10.5%	10.0%
	S\$	604.7	574.6	579.5	542.5	501.3		
Bishan	RMB	809.0	824.0	790.0	789.0	729.1	10.5%	10.5%
	S\$	164.1	159.3	157.8	161.3	149.0		
Hefei	RMB	2,758.0	2,795.0	2,521.0	2,434.5	2,249.6	11.0%	11.0%
	S\$	559.3	540.2	503.6	497.6	459.8		
Kunming	RMB	1,593.0	1,620.0	1,495.0	1,460.5	1,349.6	11.5%	12.0%
	S\$	323.0	313.1	298.6	298.5	275.9		
Portfolio	RMB	8,142.0	8,212.0	7,707.0	7,338.0	6,780.7		
	S\$	1,651.1	1,587.2	1,539.5	1,499.9	1,386.0		

VALUATION OF PROPERTIES

As at 31 December 2020, Sasseur REIT's properties were independently assessed at S\$1,651.1 million (RMB8,142.0 million) by Jones Lang LaSalle Corporate Appraisal and Advisory Limited. The Trustee had appointed the valuer for the valuation of properties as of 31 December 2020. In RMB term, valuation of investment properties was 0.9% lower than RMB8,212.0 million valued as at 31 December 2019, which were driven by assumption of lower tenants' sales growth for Sasseur REIT's investment properties adopted by the valuer in view of the COVID-19 pandemic, after adjusted for capital expenditures on investment properties. In SGD term, valuation of investment properties was 4.0% higher as compared to 31 December 2019. The increase is mainly due to 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 2019, partially offset by the fair value losses on investment properties.



Unit Price Performance

SASSEUR REIT TRADING DATA IN FY2020

Highest Unit Price At Closing (S\$)	0.920
Lowest Unit Price At Closing (S\$)	0.530
Closing Unit Price on 31 December 2020	0.820
Total Trading Volume (million units)	561
Average daily trading volume (million units)	2.22

Source: ShareInvestor, Miraqle



Trading Volume (million units)

Unit Price (Singapore cents) as at the last trading day of the month

Unit Price Performance

COMPARATIVE TRADING PERFORMANCE VS MAJOR INDICES



Straits Times Index

Management Expertise

LEADER IN THE OUTLET INDUSTRY





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着响的二八零自行车,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,最初的三两知 已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情神愉悦。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。 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。

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,婉徊悠扬,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。在去欧洲短期游学 之后,位于重庆解放碑临江支路的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,原木一如既往地粗烁,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裤、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 术气质与商业头脑皆具的人很容易就吸 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。

1999年,为了更深入了解奢侈品背 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-·氻 代理国际名品,一边打造自己的服装品 -从国际品牌里学习经验,从中国 眒 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, 让商品与市场的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。 -方面让所有品牌商可以合理消化库存 且不影响品牌形像,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 了一个大胆的规划一 -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,每次的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。 坚定的站在徐荣灿之一方的就是杨雪, 时年二十一岁的她,内心纯净,聪慧伶 俐,有勇善谋。讨论最后,干干脆脆几 个字落地有声: "为什么不做! 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 -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 他,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"一一为了从封闭的机 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,无疑从跟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 临的最大问题还是招商,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-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的 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。







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--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2020 年年末,砂 之船奥莱已经在中国布局十三店,上海、苏 州、南京(2店)、石家庄四个城市也完成签 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 初衷一直影响着他。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年成功在新加坡联交所完成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"。 到2020年年末,砂之 船奥莱已经在中国布 局十三店,上海、苏 州、南京、石家庄四 个城市也完成签约即 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。

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,一路行来,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-一杨雪女 ·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。



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 Chongging. 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 wellknown singer, Su Rui. "Sasseur" was the French name given to the establishment by a young French language teacher who 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 cottonpadded 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 successfully product. Sasseur 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 Chongging, which was the most glamorous shopping destination in Western China.



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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, Chongging. building The was an indulgence of Xu's personal passions, and materialized 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 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 challenged 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 Chongging 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 traveled 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 with affecting their image and status. 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 admiring of the headquarters' design and architecture towards 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 calms and assuring words gave Xu the confidence he needed to finally make the decision to leave the business and chase his own dream. 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 completed had 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.

> 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."



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, Chongqing Outlet 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. Chongqing Outlet brought in RMB 450 million in its first year, ranking among the top three of 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 Chongqing Outlet 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. This was followed by Nanjing, Hefei, Kunming, Changchun, Xi'an, Guiyang and Changsha. By 2020, Sasseur had 13 outlets across China. Development in Shanghai, Suzhou, Nanjing and Shijiazhuang would soon follow.



SUCCESSFULLY ATTRACT 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 became an important strategic shareholder. L Catterton'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 artcommerce 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 became an inseparable part of Xu's life. On 31 December 2009, following a successful run of Chongqing Outlet's New Year 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 2020



2020 is an extraordinary year, we have gone through ups and downs and forged ahead. This year, we once again ranked among the top 500 service industries in China.

REVIEW OF THE TOP TEN NEWS OF SASSEUR GROUP IN 2020

In January 2020, at the 9th Yaok Choice Lifestyle Award Ceremony, Ms. Yang Xue, Sasseur Group cofounder and co-chairman of the Board of Directors was awarded the "Most Fashionable Figure of the Year" for her unique fashion aesthetics and keen fashion sense. Ms. Yang Xue was also featured on the cover of Fortune Character, one of the most recognised high-end media in China, and shared her journey with Sasseur in an exclusive interview with Yaok University.




In late January 2020, at the initial outbreak of COVID-19 pandemic, Sasseur Group voluntarily closed its 11 outlets for the safety of customers and employees, and implement a rent reduction policy for merchants.

After the pandemic was under control in late February, business resumed and pandemic prevention requirements were swiftly implemented to ensure safety and health of shoppers and staff. During the 1st May sales event, outlet sales rebounded and successfully surpassed the same period last year. In October 2020, Sasseur Outlets' sales recovery rate reached 100%, fully demonstrating the commercial creativity and tenacious vitality of "Art Commerce, Super Outlet".





In 2020, Sasseur Group received various prestigious industry awards as a form of recognition for its great work. At the China Outlets Awards Ceremony, Sasseur Group clinched multiple awards including 2019 Exemplary City Outlets Award (Sasseur Hangzhou Outlets), 2019 Innovative Marketing Awards (Sasseur Chongqing and Changsha Outlets) and 2020 Most Anticipated Outlets Award (Sasseur Xiamen Outlets). In addition, Sasseur Outlets were recognised with 8 awards for their sales achievement in 2019, with Sasseur Chongqing Outlets achieving the highest among them at above RMB 2.5 billion sales.

In June 2020, Sasseur Group won four awards at the 2020 Linkshop Conference:

- 1. Mr. Jim Xu, CEO of Sasseur Group, was awarded China Retail Personality of the Year.
- 2. China Innovative Retail Marketing Event of The Year 2019 (for the opening of Sasseur Lanzhou Outlets)
- 2019 Influential Commercial Project Award (Sasseur Kunming Outlets)
- 4. 2020 Most Anticipated Commercial Project Award (Sasseur Yangzhou Outlets)

In November, Sasseur Group won the "China Commercial Real Estate Operation Management Innovation Award" at the 17th China Commercial Real Estate Summit, while Sasseur Xi'an Outlets won the "China Commercial Real Estate Annual Most Watched Project Award".

Sasseur Group in 2020



Each year's September is Sasseur's most anticipated anniversary sale season where shoppers can get the best discounts and value-for-money shopping experience.

In September 2020, the Sasseur Outlet anniversary sale fever once again swept through the country. Our 11 outlets in 10 Chinese cities attracted droves of excited shoppers to shop overnight and immerse themselves in the unique shopping experience.



Sasseur Group in 2020

On 19 September 2020, Sasseur Group opened its 12th outlet: Sasseur Yangzhou Outlets.

Popular Chinese actor Jia Nailiang graced the event along with several other VIPs. The outlet operated without closing for 36 hours and achieved sales exceeding RMB51 million, writing a new chapter in Yangzhou's outlet business.





2020 中国服务业企业 500 强

名次	企业名称	营业收入 / 万元
301	浙江华通控股集团有限公司	1508744
302	青岛农村商业银行股份有限公司	1505416
303	營蒸医药股份有限公司	1500887
304	砂之船商业管理集团有限公司	1500527
305	广州高贺投资控股集团有限公司	1487590
306	广西柳州医药股份有限公司	1485682
307	常州市化工轻工材料总公司	1475638
308	广东宏川集团有限公司	1432410
309	洛阳银行股份有限公司	1431563
310	杭州联华华商集团有限公司	1430336

In 2018, the Sasseur Group was listed as one of the top 500 service enterprises in China for the first time. In 2020, the Sasseur Group once again won the honour and further improved its ranking from 2019, demonstrating the Group's strong operation and management capabilities.

Sasseur Group in 2020



On 7 November 2020, the 13th Outlet of Sasseur Group, Sasseur Xiamen Outlets ushered in a grand opening with the attendance of many governments and leaders. It was a grand opening ceremony, and the charm of Sasseur Super Outlets swept Wuyuan Bay, Xiamen, igniting much enthusiasm in the beautiful coastal city with passion, creativity and beauty. On 2 December 2020, the grand groundbreaking ceremony of the Sasseur Shijiazhuang Outlets was held, marking the official entry of the Sasseur Group into the North China market. The gross floor area is about 90,000 square meters, with 3000 car parking spaces, and more than 600 well-known international and domestic brands. It will definitely be an exciting new addition to the retail outlet scene in Shijiazhuang.

Sasseur Group in 2020



On 9th December, the "2019 Top Ten Chongqing Economic Personalities of the Year and Top Ten Liangjiang New Area Economic Personalities" award ceremony was held in Liangjiang New District.

The 2019 Top Ten Chongqing Economic Personalities of the Year Selection is based on the theme of "Innovation, Openness, Wisdom and Steadiness", closely following the national trends.

Xu Rongze, Executive Director of Sasseur Group, was awarded the title of "2019 Top Ten Chongqing Economic Personality of the Year". Receiving this award is not only a recognition of Xu Rongze's outstanding contribution, but also an affirmation of the outstanding performance and contribution of the Sasseur Group to economic development.

Board Of Directors



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). 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 creates a super outlet empire with his unique artistic approach. With 30 years of experience focusing on the outlet mall operation led by its unique art commerce DNA and "A \times (1+N) \times DT" business model, under the guideline of the Sasseur Super Thinking system that features emotional thinking, aesthetic thinking, scene thinking and capital thinking, and 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 listed on SGX, as well as a leading international business brand in the global outlet industry.

Vito Xu was lauded by various institutions for his contribution to the development of the industry. As a testimony to his achievements, his many awards includes "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", "Outstanding Asian Entrepreneur" etc.



MS. YANG XUE Non-Executive and Non-Independent Director

Date of First Appointment: 16 November 2017

Ms. Yang is the co-founder of Sasseur Outlets and is currently the co- chairman of the board of Sasseur Group (The Sponsor). As co-founder of Sasseur Group, Sasseur Yang is a key figure in the strategic development of the group. With her ingrained fashion sense and delicate but decisive business actions, she contributed in many roles in the development of the company, especially in the areas of public relations, international brand leasing, strategic planning etc. consolidating the collaboration between Sasseur and the brands, leading up to the successful opening of the first Sasseur outlet in Chongqing. She is the endorser of Sasseur Group's corporate culture.

Sasseur Yang is responsible for the strategic development of the group, heading the group's business resource center, business management center, human resource center, Sasseur REIT with a focus on branding and domestic and international public relations.

She was named " Most Stylish Figure of 2019" by Yaok Institute.

Board Of Directors



DR. GU QINGYANG Lead Independent Director

Date of First Appointment: 16 November 2017

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 the Fuzhou New Zone in the PRC since April 2017. As economic adviser, he provides advice to the Chinese government 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 of China Life Insurance (Singapore) Pte. Ltd. since June 2015.



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 Banca5 (Intesa Sanpaolo Group), Italy China Foundation and Italy China Institute, and sits on the boards of several listed and unlisted companies.

Board Of Directors



MR. CHENG HENG TAN Independent Director

Date of First Appointment: 16 November 2017

Mr. Cheng brings to the Group his extensive experience with Ernst & Young LLP (then known as Turquand, Youngs & Co) from April 1977 to June 2010. During his 33 years with Ernst & Young LLP, he amassed experience in financial audit, bank audit and training and administration. He was an audit partner of Ernst & Young LLP from July 1990 to June 2010, when he was responsible for financial audit, group administration as well as audit work in relation to initial public offerings.

In July 2010, he stepped down from his role in Ernst & Young LLP and is currently a self-employed restaurant operator. 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 was a journalist with two Chinese language daily newspapers in Singapore from December 1970 to July 1975.



MR. WU GENG Independent Director

Date of First Appointment: 16 November 2017

Mr. Wu has practiced 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, and 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.

REIT Management Team



MR. ANTHONY ANG MENG HUAT Chief Executive Officer

Mr. Ang brings to the Group his extensive and diverse experience over 35 years, in the management of REITs, real estate funds as well as other investment asset classes while working with the ARA Group ("ARA"), GIC Real Estate Pte Ltd ("GICRE"), Vertex Management ("Vertex"), Armstrong Industrial Corporation and the Singapore Economic Development Board ("EDB").

Before joining Sasseur, Mr. Ang was the CEO and Executive Director of ARA Asset Management (Fortune) Pte. Ltd., the manager of Fortune REIT. Prior to that, he served as the CEO of ARA's flagship US\$1.13 billion ARA Asia Dragon Fund.

Mr. Ang was with GIC Real Estate, serving as the EVP of Administration and Corporate Affairs for their global real estate investment operations. He also served as SVP in Vertex, managing venture capital investment, and Group GM and Executive Director of Armstrong Industrial Corporation Limited, overseeing its manufacturing business. Mr. Ang started his career at the EDB from 1979 and rose up the ranks to become the Regional Director of EDB's North America operation.

Mr. Ang is currently Singapore's Non-Resident Ambassador to the Republic of Tunisia. Mr. Ang holds a Bachelor of Science degree (Mechanical Engineering) with First Class Honours from Imperial College London, and an MBA from the European Institution of Business Administration ("INSEAD") in 1982 on a scholarship from the Singapore and French governments. He also completed an International Directorship Programme at INSEAD in 2019.



MR. CHEW HIAN CHIN (KEN) Chief Operating Officer

Mr. Chew is in charge of operational matters in Sasseur REIT, including investment and asset management for Sasseur REIT. He has 19 years of experience in real estate investment, fund and asset management for various asset classes, ranging from retail malls, offices, hotels, to warehouses and industrial parks, industry advisory, etc.

Mr. Chew was previously Fosun Group's Chief Representative in Singapore. He was responsible for investment and group-related matters and was also Fosun Property's Managing Director in charge of all property-related investments and asset management for Southeast Asia. He was previously a Vice President in CapitaMalls Asia and based in China. Before that, he worked as Mapletree Logistics' Representative in South Korea and Mapletree Group's Deputy General Manager in Japan. Prior to that, he worked in Tokyo at Itochu Corporation on secondment from the Mapletree group, and was responsible for Itochu's investment and asset management in the Asia Pacific region. His first job was with the Singapore Economic Development Board where he was Assistant Head for Biomedical Sciences, and the Japan and India markets for investment promotion.

Mr. Chew holds a Master of Information Science and Technology (Computer Science) and a Bachelor of Science Degree from the University of Tokyo and was awarded the joint Singapore Public Service Commission - Japan Monbusho scholarship. He is fluent in English, Chinese, Japanese and Korean.

REIT Management Team



MS. LEONG MEI KUAN (JASLYN), FCA (SINGAPORE) Head of Finance

Ms. Leong is in charge of finance functions of Sasseur REIT including financial reporting, treasury, taxation and capital management.

Ms. Leong has over 20 years of experience in audit, corporate finance, real estate fund accounting and treasury. Prior to joining the Manager, Ms. Leong was an Assistant Vice President at Mediacorp Pte Ltd, overseeing all finance management functions and strategic planning of the data center business. Prior to that, Ms. Leong was the Group Senior Finance Manager of Tuan Sing Holdings Limited, handling SGX reporting and corporate finance. Previously, she worked in CapitaMalls Asia Limited as a Senior Finance Manager, handling China real estate funds on financial reporting, corporate finance, treasury, acquisitions and divestments as well as strategic planning. Ms. Leong started her early years of career as an external auditor with Ernst & Young and held several finance positions in the electronics group of ST Engineering Limited.

Ms. Leong is a Fellow Chartered Accountant (Singapore) with the Institute of Singapore Chartered Accountants. She holds a professional degree with the Association of Chartered Certified Accountants (ACCA) and a Bachelor of Business degree from Nanyang Technological University.



MS. WONG SIEW LU, CFA, CA (SINGAPORE)

Head of Investor Relations and Corporate Affairs

Ms. Wong is in charge of Investor Relations and Corporate Affairs 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 SAMPL, 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 as part of Sasseur REIT's investor relations efforts. Her work has helped Sasseur REIT to clinch the Best Investor Relations award at the Asia Pacific REITs Award 2020 for two consecutive years – winning the Gold award in 2019 and the Platinum award in 2020 – for prompt and informative communication with stakeholders, analysts, media and the community.

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 REIT, 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 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 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.



Floren Chay Senior Manager, Admin and HR



Zhao Na Manager, Finance



Soh Xiang Ting Assistant Manager, Finance



Cheng Hsing Yuen Director, Asset Management



Sarah Lei Xixi Senior Manager, Investment and Asset Management



Vera Tan Manager, Risk and Compliance



Yak Shu Fen Executive, Admin and HR

REIT Management Team



Emily Soh Senior Manager, Finance



Tan See Cin Manager, Finance



Fang He Executive, Investor Relations and Corporate Affairs

Sponsor Team



MR. XU JUN (JIM) CEO of Sasseur Group

Xu Jun is responsible for the daily management of Sasseur Group. He is a real estate veteran, having participated in the planning, development and operation of dozens of commercial real estate projects in China over more than 2 decades. He formerly served in the senior management teams of Peugeot, Nike, Esquel Hong Kong. He joined Sasseur Group in 2011, and successively served as its General Manager, Deputy CEO, and CEO.



MS. WANG FUQIN COO of Sasseur Group

Wang Fuqin is responsible for business resource development, project operation management, information system and property management. With more than 20 years of experience in retail industry, she was vice president and executive director of Shenzhen Maoye International Holdings Co. Ltd., responsible for integrating post-merger business of listed companies such as Chengshang Group, Bohai Logistics and Shenyang Commercial City. She is also the former COO of Intime Commercial Group Co. Ltd., responsible for overall management of store operations in China. She holds an Executive MBA from China Europe International Business School.

Sponsor Team



MR. YANG DONG SHENG CFO of Sasseur Group

Yang Dong Sheng heads Sasseur Group's Finance Department and is in charge of financial management, financing, and capital management. He has extensive working experience in listed companies in China and has completed various domestic and foreign merger and acquisitions, issuances and corporate restructurings. Prior to joining Sasseur Group, he was the deputy CEO of Chongqing Dongyin Industrial group; deputy CEO, Board Secretary, and CFO of Dima Co Ltd; CFO of Jiangsu Jianghuai Engine Co., Ltd. Power Co Ltd. Mr Yang holds a Bachelor's Degree in Economic Management from Shanghai University of Finance and Economics. He is also a Certified Public Accountant of China.



MR. LONG JIAN CTO of Sasseur Group

Long Jian is the Head of Group's Human Resources Administration Center and is responsible for the company's planning operations, organization and talent development, legal compliance and management. He served as vice president of human resources operations of Dongfang Xinyuan Holdings Co., Ltd., deputy general manager of human resources department of Chongqing Branch of China Unicom, general manager of Fengjie branch, and director of human resources department of Chongqing University of Technology. He has presided over cooperation projects with IBM, Accenture and Peking University, and has won honours such as Chongqing Excellent Teacher and National Personnel Research Achievement Award. Mr Long holds a Master's Degree in Enterprise Management from Chongqing University and was also an Associate Professor of Economics at Chongqing University of Technology.

Stakeholder Engagement

EFFECTIVE & TIMELY COMMUNICATION



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 alert on our corporate website to receive updates on Sasseur REIT's latest announcement 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 2020, 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 and 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 Dec 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 conferred for second consecutive year the Best Investor Relations (Platinum) in 2020 at the Asia Pacific REITs Awards, an improvement from its gold award last year.

Sasseur REIT was also named as the Best Commercial REIT Asia 2020 award by London-based Capital Finance International ("CFI").

INVESTOR & MEDIA RELATIONS CALENDAR 2020

	EVENT	LOCATION
FIRST	DBS Beijing Conference - Overseas-listed REITs for Chinese Institutional Investors	Beijing
QUARTER	Evolve-AFS "2020 Winners" Investment Forum Presentation	Singapore
	Maybank Kim Eng / SGX Global REITs Webinar	Webinar
SECOND QUARTER	SGX - Bank of China (SG Branch) SREIT Webinar	Webinar
	DBS - Investor Webinar	Webinar
	Annual General Meeting	Webinar
	KGI Securities - Investor Webinar	Webinar
	CGS-CIMB Investor Webinar	Webinar
THIRD QUARTER	Phillip Securities Investor Webinar	Webinar
QUANTEN	ALC-SGX Investment Webinar 2020	Webinar
	The 7 th Edition Asia Pacific REITs Awards 2020	Webinar
FOURTH	Lim & Tan Securities Investor Webinar	Webinar
QUARTER	SGX REITAS Investor Webinar	Webinar

Investor Relations

FINANCIAL AND DISTRIBUTION CALENDAR

First quarter results announcement	14 May 2020
First quarter distribution to Unitholders	26 Jun 2020
Second quarter results announcement	14 Aug 2020
Second quarter distribution to Unitholders	25 Sep 2020
Third quarter results announcement	13 Nov 2020
Third quarter distribution to Unitholders	28 Dec 2020
Full year results announcement	26 Feb 2021
Fourth quarter distribution to Unitholders	26 March 2021
Annual General Meeting	22 Apr 2021





ANALYST COVERAGE (As at 31 December 2020)

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 Corporate Affairs

Tel: +65 6360 0290 Fax: +65 6873 0930 Email: wongsl@sasseurreit.com Website: www.sasseurreit.com

UNIT REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.

50 Raffles Place #32-01 Singapore Land Tower Singapore 048623

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

EXPERIENTIAL SHOPPING, UNIQUE BUSINESS MODEL

11

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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 148 to 149 for further details).

The EMA Rental Income consists of (i) EMA Resultant Rent, which is the sum of fixed component and variable component, subject to a Minimum Rent arrangement on the portfolio level, and (ii) performance sharing as described below.

The EMA Rental Income for the financial periods ending 31 December 2020 and 31 December 2019 are shown in the table below.

	FY2020 RMB'million	FY2019 RMB'million	Change %
Fixed Component	409.6	396.3	3.4
Variable Component	170.2	221.3	(23.1)
EMA Rental Income	579.8	617.6	(6.1)

In the absence of the EMA, the distribution per unit and the distribution yield (based on the closing price of S\$0.820) would be 4.637 Singapore cents and 5.7% for FY2020.

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
Chongqing Outlets	4.0% of total sales
Bishan Outlets	4.5% of total sales
Hefei Outlets	5.5% of total sales
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 RMB 100.0 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, at least 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, liability or expenses incurred or sustained arising out of any default by the Sponsor and the Entrusted Manager, as the case may be, under the Entrusted Management Agreements 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







YEAR-ROUND

ACTIVITIES

TO DRAW SHOPPERS

AND DRIVE SALES







Sasseur's carefully planned year-round activities forms an integral part of the community, by serving the people who live and work within our catchment area and beyond. We aim to create memorable experiences for our shoppers consistently in order to strengthen customer loyalty and encourage them to shop frequently at our outlets.

Sasseur's marketing and promotional activities are planned base on two guiding principles:

- (i) Fresh and exciting ideas that will draw crowds and
- (ii) Increase the frequency of repeated visits from existing customers

We will continue to actively commit resources to such activities as they are critical to the success of our outlets.



3.73011100

10.1 million

2.11 million

8,142



Occupancy 93.5%



CHONGQING









Commencement of Operations	August 2008
Net Lettable Area	50,885 sqm
No. of Tenants	389
Occupancy	100%
Implied Acquistion Value	2,452.4 million
Independent Valuation	2,982 million
Shopper Traffic	3.9 million
VIP Members	671.0 thousand
Top Brands	+39 Space, Coach, Adidas, PORTs,
	百貂汇
Commencement of Operations	October 2014
Net Lettable Area	47,308 sqm
No. of Tenants	194
Occupancy	81.4%
Implied Acquistion Value	729.1 million
Independent Valuation	809 million
Shopper Traffic	1.0 million
VIP Members	325.7 thousand
Top Brands	Nike, +39 Space, Adidas, FILA, POLO
Commencement of Operations	May 2016
Commencement of Operations Net Lettable Area	May 2016 144,583 sqm
· · · · · · · · · · · · · · · · · · ·	
Net Lettable Area	144,583 sqm
Net Lettable Area No. of Tenants	144,583 sqm 345
Net Lettable Area No. of Tenants Occupancy	144,583 sqm 345 94.9%
Net Lettable Area No. of Tenants Occupancy Implied Acquistion Value	144,583 sqm 345 94.9% 2,249.6 million
Net Lettable Area No. of Tenants Occupancy Implied Acquistion Value Independent Valuation	144,583 sqm 345 94.9% 2,249.6 million 2,758 million
Net Lettable Area No. of Tenants Occupancy Implied Acquistion Value Independent Valuation Shopper Traffic	144,583 sqm 345 94.9% 2,249.6 million 2,758 million 2.7 million
Net Lettable Area No. of Tenants Occupancy Implied Acquistion Value Independent Valuation Shopper Traffic VIP Members	144,583 sqm 345 94.9% 2,249.6 million 2,758 million 2.7 million 645.6 thousand
Net Lettable Area No. of Tenants Occupancy Implied Acquistion Value Independent Valuation Shopper Traffic VIP Members	144,583 sqm34594.9%2,249.6 million2,758 million2.7 million645.6 thousandNike, Adidas, Coach, FILA,
Net Lettable Area No. of Tenants Occupancy Implied Acquistion Value Independent Valuation Shopper Traffic VIP Members Top Brands	144,583 sqm34594.9%2,249.6 million2,758 million2.7 million645.6 thousandNike, Adidas, Coach, FILA, Skechers
Net Lettable Area No. of Tenants Occupancy Implied Acquistion Value Independent Valuation Shopper Traffic VIP Members Top Brands Commencement of Operations	144,583 sqm34594.9%2,249.6 million2,758 million2.7 million645.6 thousandNike, Adidas, Coach, FILA,SkechersDecember 2016
Net Lettable Area No. of Tenants Occupancy Implied Acquistion Value Independent Valuation Shopper Traffic VIP Members Top Brands Commencement of Operations Net Lettable Area	144,583 sqm34594.9%2,249.6 million2,758 million2.7 million645.6 thousandNike, Adidas, Coach, FILA,SkechersDecember 201670,067 sqm
Net Lettable Area No. of Tenants Occupancy Implied Acquistion Value Independent Valuation Shopper Traffic VIP Members Top Brands Commencement of Operations Net Lettable Area No. of Tenants	144,583 sqm 345 94.9% 2,249.6 million 2,758 million 2,758 million 645.6 thousand Nike, Adidas, Coach, FILA, Skechers December 2016 70,067 sqm 261
Net Lettable Area No. of Tenants Occupancy Implied Acquistion Value Independent Valuation Shopper Traffic VIP Members Top Brands Commencement of Operations Net Lettable Area No. of Tenants Occupancy	144,583 sqm 345 94.9% 2,249.6 million 2,758 million 2,758 million 2.7 million 645.6 thousand Nike, Adidas, Coach, FILA, Skechers December 2016 70,067 sqm 261 95.8%
Net Lettable Area No. of Tenants Occupancy Implied Acquistion Value Independent Valuation Shopper Traffic VIP Members Top Brands Commencement of Operations Net Lettable Area No. of Tenants Occupancy Implied Acquistion Value	144,583 sqm 345 94.9% 2,249.6 million 2,758 million 2.7 million 645.6 thousand Nike, Adidas, Coach, FILA, Skechers December 2016 70,067 sqm 261 95.8% 1,349.6 million
Net Lettable Area No. of Tenants Occupancy Implied Acquistion Value Independent Valuation Shopper Traffic VIP Members Top Brands Commencement of Operations Net Lettable Area No. of Tenants Occupancy Implied Acquistion Value Independent Valuation	144,583 sqm 345 94.9% 2,249.6 million 2,758 million 2,758 million 2,758 million 2.7 million 645.6 thousand Nike, Adidas, Coach, FILA, Skechers December 2016 70,067 sqm 261 95.8% 1,349.6 million 1,593 million
Net Lettable Area No. of Tenants Occupancy Implied Acquistion Value Independent Valuation Shopper Traffic VIP Members Top Brands Commencement of Operations Net Lettable Area No. of Tenants Occupancy Implied Acquistion Value Independent Valuation Shopper Traffic	144,583 sqm 345 94.9% 2,249.6 million 2,758 million 2.7 million 645.6 thousand Nike, Adidas, Coach, FILA, Skechers December 2016 70,067 sqm 261 95.8% 1,349.6 million 1,593 million 2.5 million



重庆

Chongqing Outlets

Chongqing Outlets is located at no. 1 Aotelaisi Road, Beibuxin District, Chongqing. The vicinity of the property comprises 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.

The property is around 7 kilometers away from the Guanyinqiao retail hub, around 20 kilometers away from the Jiefangbei retail hub, and about 10 kilometres away from Chongqing Jiangbei International Airport. In addition, Sasseur (Chongqing) 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 a considerable number of preferential policies to boost its growth.

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 transportation. The Jinyu transit station along line 3 is within walking distance to the Chongqing Outlets. This transit line brings shoppers from the southern and main urban areas to Chongqing Outlets. Bus stops and taxi stands are available around the property that connects the subject area to various destinations in Chongqing.







The property comprises three 7-storey retail buildings and a 2-storey retail building. 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.

Chongqing Outlets targets middle and upper-class consumers with higher disposable income. Chongqing Outlets was designed and built to reflect an Italian architectural style, distinguishing itself through an experiential shopping concept. Chongqing Outlets houses a cinema, children recreational facilities as well as an array of restaurants. It houses around 400 stores spread over 7 retail levels (including a basement). Chongqing Outlets features international brands and sports retailers including Versace, Armani, Nike, Adidas, Puma and The North Face.

The asset enhancement initiatives which commenced in year 2020 is progressing on schedule. More than 14,000 sqm of leasable space was revamped during the asset enhancement work with 44 new brands being introduced to the outlets. The result was positive with an improvement to sales. Two popular brands, Nike and Adidas, will be setting up their new flagship outlets by the middle of 2021.

璧山

Bishan Outlets

Bishan Outlets is located at the southeast corner of Shuangxing Avenue and Biqing Road, Bishan District of Chongqing. Commuters traveling from the east and north of Sichuan and the west of Chongqing have to cross Bishan in order to enter into Chongqing city centre.

The vicinity of the property comprises various residential and industrial developments developed in the recent decade. There are various established residential buildings, such as Shuangxing Yangguang (双星阳光), Hongkang Haoyu (宏康浩宇) and Weilan Shui'an (蔚蓝水岸).

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



OCCUPANCY

81.4%

SHOPPER TRAFFIC

VIP MEMBERS 325,700



The property abuts Biqing Road, which is a secondary road in the Bishan District. It is easily accessible and is well-served by various modes of public transportation. Bus stops and taxi stands are available around the property that connects it to various destinations in Chongqing.

Bishan Outlets offers a diverse shopping and dining experience. 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 activities.

The property comprises seven 4-storey retail buildings, seven 3-storey retail buildings, five 2-storey retail buildings, two 1-storey retail buildings and 400 underground car parking spaces. The property has a total gross floor area ("GFA") of approximately 68,791 sqm and a total net lettable area ("NLA) area of approximately 47,308 sqm and is erected on a parcel of land with site area of approximately 78,793 sqm.





合肥 Hefei Outlets

Hefei Outlets is located at No. 1888 Changning Avenue, Gaoxin District, Hefei. It is situated within close proximity to beautiful Wangzui Lake. The projects in the neighborhood are mainly residential and educational developments. The high-tech school district of the University of Science and Technology of China is located at the northeast of the property. There are various established residential developments, such as Xiangyuan Jingangwan (祥源金港湾), Languang Yongjin Bandao (蓝光雍锦半岛) and Yuehu Shanyuan (悦湖山院).The property is 24 kilometers away from Hefei railway station and 23 kilometers away from Hefei Xinqiao International Airport. There is a Metro Line 2 station, which is approximately 1.2 km from Hefei Outlets. There will also be two additional metro lines (namely Metro Line 4 and Metro Line 7) in the future, connecting Hefei Outlets with the city centre, thereby improving the accessibility of Hefei Outlets and broadening the consumer base. Hefei Outlets is located in the High-Tech Industrial Development Zone, which is one of the top PRC's national high-tech industrial development zones.

Hefei Outlets caters to middle class consumers by offering a wide range of entertainment choices as well as luxury brand stores. With more than 300 stores spread over 5 retail levels and a basement, it offers shoppers a one-stop shopping, dining and entertainment destination. Hefei Outlets also features one of the largest cinema complex in east China, with 17 screens and equipped with state-of-the-art audio and visual systems and more than 2,500 seats. Other attractions include an indoor zoo and children's edutainment centre, spanning over two levels. These attractions had consistently attracted large crowds and groups from schools and companies.



OCCUPANCY

94.9%

SHOPPER TRAFFIC

VIP MEMBERS



The asset enhancement initiatives to re-position block B to a sports' theme zone has proven successful. It attracted several international and domestic sports brands to set up their flagship stores. The thematic "super sports" is well represented by popular domestic brands like Li Ning, Anta, X-step and Peak and international sports brands such as Nike, Adidas, Skechers and FILA.



昆明

Kunming Outlets

Kunming Outlets is located at 181 Aotelaisi Avenue, Anning City, Kunming. The vicinity of the property comprises various residential and commercial developments, including Wanhu Xing Cheng (万湖新城), Kunhua Yuan (昆 华苑), Yunxi Ao Cheng (云锡奥城) and tourism spots and New Kunhua Hospital (新昆华医院) The property is sited in the northeast of Anning City, and well-served by public transportation. It is about 25 minutes' drive to Anning Bus Station, half an hour drive to the city centre of Kunming, and one hour drive to Kunnming Changshui Airport. The established land transportation network across these regions provides an impetus to the growth of regional economies, and support the business at the Kunming Outlets.

OCCUPANCY

95.8%

SHOPPER TRAFFIC

2.5M

465,900



Kunming Outlets comprises two 7-storey buildings and 11 ground floor retail shops. It offers an exciting array of retail options including outlet shopping, restaurants, children entertainment and other services, thereby providing its shoppers with a comprehensive lifestyle and entertainment experience intended to promote retail spending and enhance customer loyalty. The outlets has more than 250 stores spread over 4 retail levels and three basements, overlooking a man-made lake, surrounded by lush green landscape. Kunming Outlets is positioned to cater to the growing middle-class consumers in the area for luxurious brands. Kunming Outlets also carries popular domestic brands to serve a wider customer base.



Partner Brands



Operations Review

PORTFOLIO PERFORMANCE

Sasseur REIT's portfolio consists of 4 quality assets located in 3 cities across China with an aggregate Gross Floor Area ("GFA") of approximately 377,737 sqm. As at 4Q 2020, the portfolio had a committed occupancy of 93.5% and a WALE of 2.6 years by net lettable area ("NLA") and 1.1 years by Gross Revenue.

Total outlet sales for FY2020 were RMB 3,727 million, 22.8% lower than 2019 of RMB 4,826 million. At the height of the COVID-19 pandemic, Sasseur REIT temporarily closed its outlets for a period of up to seven weeks. As a result, the performance in 1Q 2020 was significantly affected by the outlets' closure. However, since reopening in March 2020, the improving economic and consumer sentiment in China, as well as Sasseur REIT's continual efforts to engage with both tenants and customers, have led to a marked improvement in sales for 2Q 2020 and its subsequent quarters. Amidst the pandemic, there remains some uncertainties and concerns over infections which slowed the recovery of retail sales in the country. While sales figures have not yet returned to pre-pandemic levels, Sasseur REIT is optimistic that as the situation improves, its outlets will perform well in 2021 because of two key factors:

- i. China is the only major economy to post a positive GDP growth for year 2020¹.
- ii. China's growing middle class population, our main target customer group, plays a pivotal role in fueling the country's economic recovery. This is supported by stronger domestic demand spurred by the central government's 'dual circulation' policy.

'Sales-Driven' Asset Management Model

Our performance is tied closely to tenants' actual sales performance. We are committed to the success of all tenants in our outlets, which aligns our interest with our tenants. This underscores the resilience of our model, with emphasis on experiential shopping at the outlets as well as mitigation of risks through the fixed and variable components of our rental income under the Entrusted Management Agreement income model.

Our Entrusted Manager's proactive asset management 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 provides an exciting venue for people to meet and experience the well-curated lifestyle activities. Our Entrusted Managers continuously looks for ways to refresh our outlets and keep up with China's dynamic retail landscape and spending habit of the Chinese consumers. We continued to strive to deliver strong results by channeling resources to assist high yielding brands to grow their business and introducing new and promising international and domestic brands. The Sponsor's unique 1+N business model has positioned us in a good stead in face of the volatile and challenging retail market. The number '1' represents the 'value-formoney' outlet shopping and 'N' refers to lifestyle and experiential elements within the mall, serving as a doubledestination for shoppers.

LEASE STRUCTURE TO CAPTURE SALES GROWTH

% OF LEASES WITH TURNOVER RENT BY GROSS REVENUE • FIXED RENT 3% • TURNOVER RENT 97%

% OF LEASES WITH TURNOVER RENT BY NLA



Most of Sasseur REIT's leases are structured to capture the sales growth of high performing tenants. This arrangement will provide Unitholders with a stable and growing cashflow. Approximately 97% and 88% of the leases (in terms of Gross Revenue and NLA respectively) contain turnover rent provisions. The interests of both landlord and retailers are aligned under this lease structure. 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 to the Entrusted Manager's system.

GDP grew 2.3% for 2020 according National Bureau of China's Statistics.

Operations Review

STRONG GROWTH IN VIP MEMBERSHIP

VIP membership plays a very important role in achieving our sales target. Therefore, at the start of the financial year, every outlet was given a targeted membership quantum to achieve on a monthly basis. Monthly average sales derived from members has improved from around 50% in 2019 to more than 60% in 2020 of total sales. Total VIP Members as at 31 December 2020 was 2.108 million. This is an increase of 33% from Year 2019.



VIP MEMBERS GROWTH BY OUTLETS

SHOPPER TRAFFIC

Sasseur REIT's shopper traffic fell marginally by 7.45% compared to 2019. This is mainly attributable to the closure of outlets in the first quarter of 2020. However, the recovery in shopper traffic improved by 5% in 3Q 2020 and 35% in 4Q 2020 versus the same period in 2019. Attractive promotional activities offering value for money discounts on most products, coupled with government incentives to encourage spending via e-shopping vouchers contributed to the strong sales recovery.


Operations Review

VIBRANT TRADE MIX

WELL DIVERSIFIED TENANT MIX



1 As percentage of the portfolio's net lettable areas as at 31 December 2020

2 As percentage of the portfolio's gross revenue as at 31 December 2020

As of 31 December 2020, 44.1% of combined outlets Gross Revenue ("GR") was attributable to the apparels sector, followed by 22.8% and 12.4% from the international brands and sports sectors respectively.

Sasseur REIT boasts a well-diversified portfolio from 11 different trade sectors. The top three largest trade sectors of apparels, sports and international brands contributed close to 60.7% of portfolio NLA and 76.3% of portfolio revenue. As part of our pro-active management efforts, we continue to adjust the trade mix to achieve a wider diversity and reduce the risks of over-relying on a particular sector for revenue. Over time, more food and beverage options and lifestyle activities will be introduced.

Operations Review

PORTFOLIO OCCUPANCY

The average portfolio occupancy rate stood at 93.5%² as at 4Q 2020, which is a 2.5% lower than the same period in 2019. The marginal drop in portfolio occupancy was attributed to major re-constitution of tenants' mix in view of changing circumstances due to the impact of COVID-19. The operating principle of the Entrusted Manager remains unchanged i.e. to build a strong and close relationship with all the tenants, and adopting a 'win-win' strategy for all stakeholders.



Hefei

Kunming

Portfolio

PORTFOLIO LEASE EXPIRY PROFILE

Bishan

Chongqing

As at 31 December 2020, the lease expiry profile for Sasseur REIT remained well balanced with a portfolio weighted average lease expiry ("WALE") of 1.1 years by gross revenue and 2.6 years by net lettable area. The typical lease terms are 5 to 10 years for anchor tenants and 1 to 3 years for other tenants. Unlike other REITs, Sasseur REIT has intentionally opted for a shorter lease period. This allows us to discontinue under-performing brands, replacing them with brands that are better suited to consumers' trends and renew leases at higher rates for brands that perform well. With the majority of our leases rental income pegged to tenants' sale, our interest is aligned with the tenants. For FY 2020, there were 690 renewals and 280 of new leases signed.

WEIGHTED AVERAGE LEASE EXPIRY (WALE)



2 Based on net lettable area available for leasing.

TENANT PROFILE & TOP 10 TENANTS





Sasseur REIT has more than 1,100 leases. As at 31 December 2020, no single tenant contributed more than 5.1% of gross revenue. Sasseur REIT's tenants come from a wide range of trade-sectors and provide good diversification.

BREAKDOWN OF TENANTS IN PORTFOLIO

(as at 31 December 2020)

OUTLETS	NO. OF TENANTS	
Chongqing	389	
Bishan	194	
Hefei	345	
Kunming	261	
Portfolio	1,189	

The 10 largest tenants accounted for about 15.5% of total gross revenue. The tenant diversification across trade sectors and low dependence on any particular tenant enabled Sasseur REIT to mitigate concentration risk and enhance portfolio resilience.

Operations Review

ASSET ENHANCEMENT INITIATIVES (AEI)

In 2020, we embarked on major AEI for Chongqing and Hefei outlets. Chongqing outlets underwent a repositioning with focus on aesthetic enhancement and landscaping initiatives. Hefei outlets saw some tenancy re-organisation to create a sports theme in Block B as well as building a pedestrian walkway to enhance shoppers' flow between Block A and B. The progress of both major AEI is proceeding smoothly and expected to be completed on schedule. The schedules of AEI work in Chongqing were skillfully planned to minimize disruption to shoppers.



ROFR PROPERTIES AND PIPELINE PROPERTIES

As a result of Sasseur REIT's right of first refusal over the Sponsor's assets (the "**ROFR Properties**") as well as the increase in retail properties under management by the Sponsor (the "**Pipeline Properties**")¹, Sasseur REIT has access to a pool of high-quality properties. As at the time of listing, Sasseur REIT had 2 ROFR Properties and 3 Pipeline Properties; and as at 31 December 2020, the number of Pipeline Properties had increased to 12. Sasseur REIT will undertake a prudent investment approach to acquire these properties, when the right opportunity arises, to enhance its portfolio.

ROFR PROPERTIES



PIPELINE PROPERTIES

1

	NANJING	HANGZHOU	CHANGCHUN	CHANGSHA	LANZHOU	YANGZHOU	XIAMEN	SUZHOU	NANJING II	SHIJIAZHUANG	SHANGHAI	SHENZHEN
Opening Date	May 2015	Jun 2011	Sep 2017	Dec 2018	Dec 2019	Sep 2020	Nov 2020	Sep 2021	Apr 2022	Sep 2022	~ 2022	~ 2022
GFA (sqm)	149,875	45,873	172,128	210,600	~100,000	114,650	74,987	~77,843	~100,00	~83,000	~109,000	~150,000
Car Park Lots	c. 8,000	c. 5,000	c. 4,000	c. 2,084	c. 2,500	c. 1,200	c. 1,500	c. 1,500	c. 1,100	c. 3,500	c. 2,500	c. 2,200

The Pipeline Properties are properties that are managed by the Sponsor but are not owned by the Sponsor. In respect of these Pipeline Properties, the Sponsor has been granted a right of first refusal to acquire the interest in any of the Pipeline Property if the relevant owner decides to divest its interest in such Pipeline Property. Therefore, should the Sponsor acquire interest in any of the Pipeline Properties and subsequently propose to divest any of its interest in such Pipeline Properties, the Sponsor shall first offer such interest in the Pipeline Property to Sasseur REIT.

ABOUT SASSEUR REIT

Sasseur Real Estate Investment Trust ("Sasseur REIT") is the first outlet mall REIT listed in Asia. As of 31 December 2020, Sasseur REIT has a portfolio of four retail outlet malls located in Chongqing, Bishan, Hefei and Kunming. Sasseur REIT is managed by Sasseur Asset Management Pte. Ltd. (the "Manager"), while Sasseur (Shanghai) Holding Company Limited act as the Entrusted Manager (the "Entrusted Manager"). The 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 Manager and Entrusted Manager work closely together through regular meetings and share information via various digital platforms to communicate on a real time basis on leasing activities, business plans and consumer trends.

The 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 groups in the People's Republic of China ("PRC"), ranked within the top 500 service companies in the PRC. With about 30 years of experience in art-commerce, the Sponsor Group is recognised in Asia as a leading outlet operator which adopts a strategic approach of integrating aesthetics, emotion, scenario planning and prudent 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 outlet malls by merging art, outlets, shopping, social spaces and the use of data technology.

BOARD STATEMENT

The Board of Directors (the "Board") is pleased to present Sasseur REIT's second Sustainability Report, covering the financial year ended 31 December 2020 ("FY2020"). This report discloses the Manager and Entrusted Manager's joint efforts in managing Sasseur REIT's environmental, social and governance ("ESG") impacts throughout the value chain.

Although FY2020 was a challenging year for the retail real estate sector, Sasseur REIT remains committed to its sustainability objectives and aspirations towards becoming the world's top outlet brand, providing high-quality premium products at attractive prices for consumers. 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.

Working alongside key stakeholders, we are responding to the COVID-19 pandemic by putting people first and reinventing ways of working to emerge stronger in the evolving business landscape. 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 outlet malls 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.

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, which 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 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 to 31 December 2020.

Unless otherwise stated, this report covers the following entities:

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

For performance related to environmental factors (energy and water), the data disclosed covers the abovementioned portfolio of properties. Employee-related performance data disclosed in this report covers the employees of the 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 Manager values and welcome all feedback from stakeholders as they are integral to the continuous improvements of our sustainability practices and reporting. Please send all comments and suggestions to ir@sasseurreit.com.



SUSTAINABILITY OVERVIEW

ESG FACTORS	INDICATOR	FY2020 PERFORMANCE	TARGETS FOR FY2020	TARGETS FOR FY2021		
GOVERNANCE - REGULATORY	Anti-bribery, corruptio	Anti-bribery, corruption and fraud ¹				
COMPLIANCE	Instances of bribery, corruption and fraud reported	Zero instances	Achieved - Zero tolerance towards bribery, corruption and fraud, and compliance with applicable laws and regulations	Zero tolerance towards bribery, corruption and fraud, and compliance with applicable laws and regulations Provide \geq 1 relevant training to key		
				personnel		
		nvironmental compliance				
	Non-compliance with laws and/or regulations in the	Zero non-compliance	Achieved - Zero socioeconomic and environmental non-	Zero socioeconomic and environmental non- compliance		
	socioeconomic and environmental areas		compliance Achieved - Provide ≥ 1 training related to occupational crime and ERM each	Enhance the Risk Assessment Model		
			Achieved - Add post- training feedback questionnaires			
	Responsible business practices ¹					
	Instances of counterfeit reports	Zero instances	Achieved - Ensure authentic high-quality products sold at our outlet malls	Ensure authentic high- quality products sold at our outlet malls		
	Cyber security ¹					
	Instances of customer data loss	Zero instances	Achieved - Strengthen our cyber security capabilities to protect data	Strengthen our cyber security capabilities to protect data		
			Uala	Provide ≥ 3 relevant trainings to key personnel		
ENVIRONMENTAL - ENERGY	Energy Consumption					
- ENERGY	Energy consumption within the organisation Energy intensity	174,770,748 MJ (total) 105.8 kWh/m ²	Achieved - Reduce our energy intensity from FY2019 level of 126.6	Reduce our energy intensity by 1% from FY2020		
ENVIRONMENTAL			kWh/m ²			
- WATER	Water Management	001 7 MI	Ashieved D	Daduar au		
	Water withdrawal Water intensity	291.7 ML 0.64 m³/m²	Achieved - Reduce our water intensity from FY2019 level of 0.77 m ³ / m ²	Reduce our water intensity by 1% from FY2020		

1 Non GRI aspect

ESG FACTORS	INDICATOR	FY2020 PERFORMANCE	TARGETS FOR FY2020	TARGETS FOR FY2021
SOCIAL – TALENT MANAGEMENT	Diversity and equal op	oportunity		
AND RETENTION	New employee hire rate	12%	Not achieved - Introduce a new e-learning system	Continue practicing fair employment
	Employee turnover rate	26%	to improve training accessibility and frequencies ²	Standardise performance reviews
	Competitive Compens	sation	Achieved - Launch	Introduce a new
	Percentage of employees receiving regular performance and career development reviews	100%	a new "2-tiered leadership development programme"	e-learning system to improve training accessibility and frequencies
	Training and Career D	evelopment		Maintain or increase average training hours
	Average hours of training per year per employee	4.10		Launch a new leadership development programme
SOCIAL - LOCAL COMMUNITIES (ADDITIONAL DISCLOSURE)	Community development initiatives and contributions	Bishan Outlets: Revitalising the Local Economy and Supporting Poverty Alleviation Chongqing Outlets: Revitalising the Regional Industrial Sector Kunming Outlets: Supporting Dreams with Love Hefei Outlets: Supporting Flood Fighting Efforts The Manager: SGX Bull Charge Virtual Charity Run 2020	N/A ³ - Continue to plan and organise more partnerships to drive greater positive changes in the communities, making volunteerism an intrinsic part of Sasseur's work culture	Continue to plan and organise more partnerships to drive greater positive changes in the communities, making volunteerism an intrinsic part of Sasseur's work culture
MANAGING THE IMPACTS OF COVID-19 (ADDITIONAL DISCLOSURE)	Continuing stakeholder engagement and communication Complying with relevant governmental		N/A ³	N/A ³
DISCLUSURE)	guidelines and health advisories Putting people first: health and safety, mental well-being			
0	Strengthening business revitalising local econor	mies	emic. We have set this as a EV202	

2 Sasseur was not able to achieve this target in FY2020 due to the COVID-19 pandemic. We have set this as a FY2021 target, hoping to achieve this in the upcoming year.

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

MANAGING SUSTAINABILITY

SUSTAINABILITY GOVERNANCE

The Manager and Entrusted Manager recognise that an effective corporate governance culture is critical to Sasseur REIT's performance and reputation. The Board oversees the management of Sasseur REIT's sustainability performance, with support from the Sustainability Steering Committee ("SSC"), which is led by the Chief Executive Officer ("CEO"), with senior representatives from the finance, property management, and compliance functions. 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 reports to the Board regularly on sustainability policies and practices.

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	KEY ENGAGEMENT MODES	KEY INTERESTS OF STAKEHOLDERS
INVESTORS AND UNITHOLDERS	 Quarterly financial reporting Annual General Meeting Bilateral communications via emails, calls and meetings Corporate website Investor conferences Non-deal roadshows Webinars 	 Financial and operational performance Business strategy and outlook Capital and risk management Corporate governance
TENANTS	 Knowledge sharing sessions Meetings and discussions 	 Good property maintenance Mall publicity Shopper traffic Strategic partnership
RETAIL SHOPPERS	 Enquiries and feedback through Customer Service Center Marketing and promotional events Live streaming platform Social media Loyalty programme 	 Quality products Availability of promotion campaigns Diversity of retail mix Safety Family-friendliness Membership benefits
GOVERNMENT AND AUTHORITIES	 Communication and consultations with government and authorities Co-organised community engagement projects 	 Compliance with regulatory requirements Contributions to industry/community Good corporate governance Environmental impact

KEY STAKEHOLDER GROUPS	KEY ENGAGEMENT MODES	KEY INTERESTS OF STAKEHOLDERS
EMPLOYEES	 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 	 Fair employment practices Good corporate governance Skills development and career progression Employee welfare management
LOCAL COMMUNITIES	Employee voluntarismSocial entrepreneurship	- Contributions to community

DELIVERING EXCEPTIONAL VALUE

In 2020, the REIT has received multiple accolades and awards in recognition of our achievements. Some examples are listed below:

Chongqing Outlets

- 2019 Outlets Leader Summit: Innovative Marketing Award by China Outlet Association
- 2020 Most Influential Commercial Project Award by City Council Marketing Department

Bishan Outlets

 2020 Trusted Consumer Brand Award by Bishan Market Supervision Bureau

Kunming Outlets

 2019 Influential Commercial Project Award



Figure 1 Award Ceremony at the Outlets Leader Summit for the year 2019



MATERIALITY ASSESSMENT

In 2019, a formal materiality assessment was conducted to identify the ESG issues that are of significant relevance to Sasseur REIT and its stakeholders. Guided by the GRI Principles of Materiality and Stakeholder Engagement, the material issues were identified and prioritised based on Sasseur REIT's existing risk analysis and disclosures, global and local emerging trends, peer benchmarking and internal stakeholder views.

This year, the material factors identified in the prior year were reviewed and deemed to be relevant in the current year by the 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	Talent Retention and Training	
People	Local Communities (Additional	
	Factor)	
COVID-19	Managing the Impacts of COVID-19	
	(Additional Factor) ⁴	

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 Manager and Entrusted Manager is governed by the Compliance Department and Legal Department respectively.

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

SASSEUR'S POLICIES AND INITIATIVES

Policy on anti-bribery, corruption and fraud 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 bribery, management of conflicts of interest and anti-corruption.

The Personal Account Dealing Policy, Conflict of Interest Policy, Interested Party Policy, as well as the Anti-Money Laundering ("AML") Manual are in place to ensure compliance when conducting its business. Employees are required to declare gifts and entertainment, Fit and Proper⁵, and conflict of interest, which are subjected to yearly internal audit checks for the Manager. Directors and the CEO have further quarterly declaration relating to changes in business interests and shareholdings. On the other hand, the Entrusted Manager's Compliance Department conducts investigations on related transactions on a quarterly basis.

Sasseur has also established a Whistle Blowing Policy which allows employees and stakeholders such as customers, suppliers and service providers to report possible improprieties regarding financial reporting or other malpractices to the Chairman of the Audit and Risk Committee ("ARC") in confidence.

Performance achieved for FY2020:

There were zero instances of bribery, corruption and fraud reported during the year.

Targets for FY2021:

We have zero tolerance towards any acts of bribery, corruption and fraud, and will comply with applicable AML, Combating the Financing of Terrorism ("CFT") and unilateral and domestic laws and regulations.

In addition, the Entrusted Manager aims to conduct at least 1 training for key personnel covering the mentioned fields.

⁴ This is an additional disclosure, not a material factor due to the temporary nature of a disease outbreak.

⁵ The Manager's employees and directors are required to provide a Fit and Proper Criteria Declaration at their onboarding and on an annual basis.

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 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.

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 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 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 Manager attend yearly compliance training to keep abreast on applicable updates.

Within the Entrusted Manager, a 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 Department of the Entrusted Manager and the Compliance Department of the Manager for timely reviews and resolutions, thereafter strengthening our Enterprise Risk Management ("ERM") framework.

In October 2020, the Compliance Department within the Entrusted Manager created a Risk Assessment Model that quantifies the risks within the mall's operations and calculates the possible losses when the risk occurs.

Performance achieved for FY2020:

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 during the year.

Sasseur REIT has also strengthened its Annual Report disclosures and was ranked 25th place in the Singapore Governance and Transparency Index 2020 (REIT's and Business Trust Category), an improvement from the 45th place in 2019.

Moreover, we have provided key management personnel with at least one training relating to occupational crime and ERM each. We have also implemented post-training feedback questionnaires to improve our content and delivery of compliance trainings.

Targets for FY2021:

In the coming year, we aim to maintain our record of zero cases of fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social, economic and environmental areas.

Additionally, the Entrusted Manager aims to enhance the Risk Assessment Model.

Policy on	Customers are naturally concerned about their experiences and value received when shopping with us.
responsible business practices	We are committed to fair dealing outcomes 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. Setting exceptional return and refund policies that provide assurance and helps build trust in our malls. This includes instituting severe penalties on merchants as safeguards against the sale of fake goods.
	Performance achieved for FY2020:
	There were zero instances of counterfeit reports during the year, ensuring that authentic high-quality products are sold at our outlet malls.
	Targets for FY2021:
	We will continue to ensure that authentic high-quality products are sold at our outlet malls, 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. As a trusted brand name, our IT Department strives to continuously strengthen our IT infrastructure, ensuring that personal data are used or maintained in a responsible manner.
	In order to maintain the integrity and availability of the data environment, the 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 Manager's technology equipment and email.
	In addition, the 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.
	Performance achieved for FY2020:
	There were zero instances of customer data loss during the year.
	In FY2020, the Manager organised a Technology Risk Management and Cyber Security Training which was attended by the Board of Directors and employees.
	We 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 cyber hygiene audit conducted for the Manager against the MAS Notice CMG-N03 on Cyber Hygiene, formalising preventive measures before risks become a significant event.
	Targets for FY2021:
	We will continue to strengthen our cyber security capabilities to protect our data. We will also adopt measures to heighten our ability to monitor any potential cyber-attacks and threats to breach of data, formalising preventive measures before they become a significant event.
	The Entrusted Manager aims to hold at least 3 trainings regarding data loss for key personnel in the upcoming year.

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, Sasseur developed a Smart Property Management System which was successfully piloted at one of the Sponsor's outlets at Guiyang during the year. 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. We are refining the system and working towards its implementation across the Sasseur Group.

ENERGY CONSUMPTION

Energy and its associated greenhouse gas ("GHG") emissions are emerging global concerns. To mitigate climate change, the Entrusted Manager seeks to reduce energy consumption within the outlet malls through continuous monitoring, process optimisation and behavioral change.

To manage our energy consumption, we abide by our Standard Operating Procedure ("SOP") Guidelines for Energy Conservation Management. The SOP, established based on best practices in energy usage such as adjusting air-condition temperature and exterior lighting operation timing in relation to seasonal changes, raises awareness among employees on energy conservation. The SOP is reviewed annually to maintain its relevance, with the Safety and Quality Department conducting quarterly inspections of all the outlet malls to ensure adherence to the SOP.

We have set up an in-house energy saving team within our Property Management Department which regularly monitors and reviews our energy consumption. Our energy budget is included as a part of our annual budget, thus setting KPIs for the operating team on the ground. Within the malls, we keep a close watch on our 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. At the end of each month, the team runs analytical reviews on the monthly energy consumption, comparing the data with the previous periods and budgets to assess our energy performance.

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

Through our monitoring efforts during the year, we continue to identify areas for improvement. Across our four malls, we have carried a few key energy-saving initiatives:

- · Utilising auto switches to allow adjustment of lighting based on time and natural lighting
- · Switching half of the carpark lighting to more energy-efficient induction lamps
- · Improving the load factor of transformers to reduce the number of transformers used
- · Synchronising escalator usage to the outlet operating hours on a real-time basis

Performance achieved:

In 2020, the 4 outlet malls consumed 174,770,748 mega joules ("MJ") of energy in total. Electricity usage accounted for more than 89.9% of total energy consumption, together with other energy sources including 10.05% natural gas⁶ and 0.02% diesel. Our energy intensity was 105.8 kWh/m² of net operating area, a 16.4% decrease from 2019, in line with our target to reduce our energy intensity⁷.

Energy consumption		FY2019	FY2020	% Increase / (Decrease)	
Fuel consumption (MJ)		23,637,287	17,595,584	(25.6%)	
Electricity consumption	[megawatt hour ("MWh")]	51,527	43,660		
	(MJ)	185,496,527	157,175,165	(15.3%)	
Total energy consumption (MJ)		209,133,814	174,770,748	(16.4%)	
Energy intensity (kWh/m² of net operating area)		126.6	105.8	(16.4%)	

Target:

For FY2021, we target to reduce our energy intensity by 1% from FY2020, excluding the periods for which operations at the outlets were suspended due to the COVID-19 pandemic⁸.

WATER MANAGEMENT

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

The key areas of water usage within our 4 outlet malls are for air conditioning, restrooms and cleaning. Water consumption is monitored daily by the Property Management Department through inspections and recording of meter 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 our tenants' main water valves are closed and function normally.

In addition, we work closely with our tenants to manage water usage responsibly. At our tenants' monthly meetings, employees from our Business Management Department will advocate for water reduction measures. To reduce pressure on potable water especially in areas of high water stress, we withdraw water from the river near the Kunming Outlets for landscape irrigation, saving about 5,000 cubic meters of potable water annually.

Moreover, 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. Our efforts made in reducing sewage discharge would reduce the pressure on water treatment facilities.

Our key water management initiatives during the year include the following:

- Installing water meters at the water points of the garbage rooms and air conditioning systems to monitor water consumption
- · Monitoring and controlling the quality and quantity of water supply in the air conditioning systems

⁶ For our Kunming Outlets, natural gas is used for cooking purposes only. For the rest of our three outlets, natural gas is used for cooking and heating purposes.

⁷ In 2020, our 4 outlet malls suspended operations for almost 2 months due to the COVID-19 pandemic. Therefore, energy consumption should be interpreted with this consideration in mind.

⁸ Energy consumption may vary subject to the impacts of the COVID-19 pandemic and the ensuing business disruptions. Nevertheless, we intend to continue our efforts in reducing our energy consumption and explore resource efficiency improvements at the properties.

Performance achieved:

In 2020, our 4 outlet malls consumed 291.7 mega litres (ML) of freshwater in total, comprising of surface water and municipal water. Our water intensity was 0.64 m^3/m^2 of net operating area, a 17.2% decrease from 2019, in line with our target to reduce our water intensity⁹.

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. 19% of our water consumption occurred in Kunming.

			% Increase /
Water withdrawal	FY2019	FY2020	(Decrease)
Surface water (ML)	_	5.0	100%
Third-party water (ML)	352.2	286.7	(18.6%)
Total water withdrawal (ML)	352.2	291.7	(17.2%)
Water intensity (m ³ /m ² of net operating area)	0.77	0.64	(17.2%)

Target:

For FY2021, we target to reduce our water intensity by 1% from FY2020, excluding the periods for which operations at the outlets were suspended due to the COVID-19 pandemic¹¹.

FOCUS ON PEOPLE

A team of high-performing and committed employees are at the heart of Sasseur'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 the human resource policies 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, we believe that diversity is essential to build a dynamic and engaging team. The 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), and regardless of age, race, gender, religion, national origin, sexual orientation, family status, disability, medical condition or other characteristics protected by applicable law;

⁹ In 2020, our 4 outlet malls suspended operations for almost 2 months due to the COVID-19 pandemic. Therefore, water withdrawal should be interpreted with this consideration in mind.

¹⁰ Assessible at: https://www.wri.org/resources/maps/aqueduct-water-risk-atlas, data was assessed on 1 February 2021.

¹¹ Water withdrawal may vary subject to the impacts of the COVID-19 pandemic and the ensuing business disruptions. Nevertheless, we intend to continue our efforts in reducing our energy consumption and explore resource efficiency improvements at the properties.

- · Treating employees fairly with respect;
- 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; and
- Rewarding employees fairly based on their ability, performance, contribution and experience.

As at 31 December 2020, our total headcount is at 338 for both the Manager and Entrusted Manager, with zero temporary employees. We celebrate a strong female representation among our senior management, with 67% 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: **324**

Singapore: 14

BY EMPLOYEE CATEGORY¹²

Senior Management: 9 Middle Management: 48 Associate: 281

BY GENDER

Female: **222** Male: **116**

BY AGE GROUP

<30 years old: **91** 30-50 years old: **223** > 50 years old: **24**



12 Our definition of each employee category is as follows: senior management includes C-suites level among the Manager and well as General Manager from each Outlet Mall; middle management includes Head of Departments ("HODs"), Senior Managers, Directors, Managers and equivalent among both the Manager and the Entrusted Manager; associate includes the rest of the employees.



In 2020, we hired 42 new employees and had a turnover of 88 employees. Our annual new hires rate and turnover rate stood at 12% and 26% respectively, both a decrease from 26% and 33% respectively in 2019.

The Manager has a compulsory 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 Resources 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.

FY2020 New hires



FY2020 Turnover

BY AGE GROUP		
<30 years old: 37	BY GENDER	BY REGION
-	Female: 45	China: 85
30-50 years old: 49	Male: 43	Singapora: 2
>50 years old: 2	IVIAIE. 45	Singapore: 3

FY2020 ANNUAL TURNOVER RATE AGAINST FY2019



Competitive Compensation

To competitively compensate and motivate our 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 FY2020, despite a year-on-year decrease of 23% in sales, rental income increased by 6%. Earnings before interest, tax, depreciation and amortisation ("EBITDA") also experienced a year-on-year increase of 9%.

We conduct annual performance appraisals and salary reviews to reward our employees accordingly. During the annual performance appraisals, the Manager's HODs will meet their subordinate to discuss the work performance, environment, trainings provided, future expectations and potential career advancements.

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. All employees received performance reviews and career development reviews in 2020.

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 HODs 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 Sasseur.

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

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 better understand the Company'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:

- (A) We strive to equip our 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.
- (B) We aim to equip our employees from the Property Management Department with course development and provision skills that enable them to provide training to other employees. To date, we have successfully trained 22 employees to take on the role as internal course lecturers and 39 employees as reserve lecturers, with 24 property courses developed.



In 2020, each employee received on average 4.10 hours of training per year, an increase from 3.56 hours last year.



FY2020 AVERAGE TRAINING HOURS PER EMPLOYEE AGAINST FY2019

Workplace well-being

Sasseur'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, we have embarked on several initiatives to build and promote an engaging corporate culture. In 2019, we launched our 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.

The Manager organised a team bonding event on 28 December 2020, with safe distancing measures in place. The "Sasseur Fun Trail" and team dinner for employees and the Board of Directors was organised to bid farewell to a stressful year 2020 and welcome a better year 2021. This initiative was well received by employees and promoted team bonding across the various departments.

Sasseur believes that the management needs to stay in touch with voices of the employees, and that feedback needs to be used to improve the Company. 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 Entrusted Manager also adopted a 360-degree feedback system where subordinates can also provide feedback to their superiors, implemented and supervised by the HR department.

Targets for FY2021:

Diversity and equal opportunity

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

Competitive Compensation

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

Training and Career Development

In the coming year, HR plans to work on introducing a new e-learning system to improve training accessibility and frequencies to all employees.

Sasseur also aims to either maintain or increase the average training hours per employee. On a more strategic level, the Manager plans to launch a new development programme, aimed at grooming a pipeline of future leaders.

LOCAL COMMUNITIES

As a socially responsible corporation, Sasseur REIT is committed to serving the local communities and benefiting society. Our employees are given opportunities to contribute their time and skills to the local communities.

Performance achieved:

BISHAN OUTLETS: REVITALISING THE LOCAL ECONOMY AND SUPPORTING POVERTY ALLEVIATION

In response to the government's call to revitalise the post-pandemic economy and drive industry recovery, our Bishan Outlets launched an 18-day spring shopping carnival with the theme of "LOHAS (Lifestyles of Health and Sustainability) Spring, Light Shopping Outlets" in April 2020. The theme of the spring shopping event promotes sustainable and healthy living. Under the guidance of the district government, Sasseur REIT will play a key role in enhancing consumers' one-touch shopping experience and contributing to Bishan's multi-dimensional approach to economic recovery and development.

Sasseur REIT recognises the importance of poverty alleviation through consumption in overcoming the impact of the COVID-19 pandemic and supporting poverty

13 Poverty alleviation products are products produced in povertystricken areas. alleviation. In October 2020, the Bishan Outlets contributed to the nationwide campaign to facilitate poverty alleviation through consumption by supporting the purchase and sale of poverty alleviation products¹³ in the Bishan District.

CHONGQING OUTLETS: REVITALISING THE REGIONAL INDUSTRIAL SECTOR

Our Chongqing Outlets collaborated with the local government on post-pandemic economic recovery efforts, with a focus on the manufacturing industry which is vital to the region. The Outlet engaged in cross-industry cooperation with automobile manufacturing brands such as Changan Ford and conducted promotional activities including a carnival, VIP membership discounts, and use of government-supported consumer vouchers. These efforts were made to drive sales for the regional industrial brands and facilitate the resumption of business activities.

KUNMING OUTLETS: SUPPORTING DREAMS WITH LOVE

On 16 December 2020, the Kunming Outlets launched a community service activity with the theme of "Supporting Dreams with Love" and partnered with Kunming School for the Blind and Dumb in Yunnan Province, sending love and warmth to the students.

To support the blind and dumb students who were mostly from poor families and lacking necessities, the Kunming Outlets initiated a fundraiser which raised RMB6,600 for the students. Through our charity work, we aim to help the blind and dumb students improve their learning and living conditions and encourage them to actively participate in social activities.



HEFEI OUTLETS: SUPPORTING FLOOD FIGHTING EFFORTS

In the autumn of 2020, Anhui Province experienced serious floods which affected residential houses and tracts of farmland. The Hefei Outlets promptly purchased and distributed instant noodles and mineral water to the frontline officers and soldiers fighting against the floods, as a form of support and encouragement.

THE MANAGER: SGX BULL CHARGE VIRTUAL CHARITY RUN 2020

As a bronze bull sponsor, the Manager donated \$\$10,000 to the SGX Bull Charge Virtual Charity Run 2020. Sasseur REIT registered a contingent of 100 participants who contributed a total of 1,969 kilometres of running distance from 30 October to 13 November 2020. This is the second year running that Sasseur REIT took part as one of the sponsors of SGX Bull Charge in support of charitable causes in Singapore.

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

Target:

We will continue to plan and organise more partnerships to drive greater positive changes in the communities. In the long term, we hope to make volunteerism an intrinsic part of our work culture and aligned to our businesses in a deeper way.

MANAGING THE IMPACTS OF COVID-1914

The COVID-19 pandemic and the ensuing business disruptions have presented the retail sector with a major and evolving challenge. Sasseur REIT has taken immediate action in ensuring our Business Continuity Plans ("BCP") are prioritised to minimise business disruptions and support recovery efforts.

The Manager's BCP 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 Manager in the event of a disruption, major incident and/or crisis. For enhanced oversight on compliance and risk management, a COVID-19 Update Report is sent to the ARC on a monthly basis.

While some of the measures taken including suspension of malls or shorter operating hours have impacted short-term profits, as a responsible corporate citizen, we stand firm on taking strong precautionary measures in order to protect the health and safety of our employees and customers. To remain accountable to our stakeholders, we have focused our efforts on developing business recovery plans and long-term strategies to remain resilient and adapt to the new norm of doing business.

- (a) Continuing stakeholder engagement and communication We communicate to stakeholders such as employees and customers on their roles and responsibilities as heightened coordination of all stakeholders can contribute to the effectiveness of our business continuity programmes. Experienced employees are trained to handle queries from customers where required.
- (b) Complying with relevant guidelines and health advisories on the COVID-19 from government agencies

An emergency committee is designated to keep abreast of regulatory requirements and guidelines for epidemic prevention and control to ensure adherence. Accordingly, we review and update our BCPs regularly and communicate them to employees to ensure alignment.

(c) Putting people first

To safeguard the health and well-being of our employees and customers, we comply with governmental guidelines and health advisories, such as by increasing the disinfection of high touch points in the outlets and office, conducting temperature taking for employees and visitors and observing safe distancing measures. In addition, we ensure the availability of sufficient protective supplies such as surgical masks, disinfectants, hand sanitizers, thermometers and health supplements for our employees and customers.

In the Kunming Outlets, the HR Department conducted a survey in February 2020 to understand the mental health of our employees amidst the COVID-19 outbreak. The employees with signs of poor mental health were provided with peer-to-peer counselling and a programme on "Mental Health Prevention Measures during Epidemic Prevention and Control Period" to help them tide over their difficulties.

The Manager has also stepped up its BCP by reviewing work processes and implementing flexible working arrangements to minimise interaction and potential disruption to business. Employees of the Manager have been working remotely from home since February 2020. The HR Department rolled out a survey in July 2020 to seek feedback from employees to make improvements to the work from home experience as it has become the new norm. (d) Strengthening business resilience and revitalising local economies

To bounce back stronger from the business disruptions and economic downturn following the pandemic outbreak, we seek to ensure that our business stays relevant by adapting to the new normal and working with local authorities to support economic recovery. As detailed under the "Local Communities" section, our Bishan and Chongqing Outlets have actively engaged consumers in the region.

Sasseur REIT is committed to continuously develop, implement, maintain and endorse measures that connect well-being, productivity and security for our stakeholders to stay resilient and to lead our industry's wider economic and social recovery.

CHONGQING OUTLETS: BOUNCING BACK STRONGER

While stores were closed in Chongqing to control the spread of COVID-19, brand employees drove online sales including WeChat communities which generated more than RMB2 million in sales during the closure period. During the closure, the Outlet persisted with promotional efforts online and maintained business communications with brand merchants to optimise brand channels and ensure supply chain resilience. As such, the first day of business reopening ushered in sales exceeding RMB10 million.

Amidst the challenges posed by the pandemic, we had made a concerted effort to adjust our brands profile and carried out asset enhancement initiatives to the outlet. As a result of these efforts, we see a marked improvement in sales during the anniversary promotion activities held in September 2020.

Sasseur REIT is committed to continuously develop, implement, maintain and endorse measures that connect well-being, productivity and security for our stakeholders to stay resilient and to lead our industry's wider economic and social recovery.

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

GRI STANDARDS CONTENT INDEX

GRI Standard	Disclosure Title	Section/Page Reference
GRI 101: FOUN	DATION 2016 (GRI 101 DOES NOT C	ONTAIN ANY DISCLOSURES)
GRI 102: GENEI	RAL DISCLOSURES 2016	
ORGANISATION	IAL 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 75
102-5	Ownership and legal form	Annual Report, Trust 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 75
		Sustainability Report, Focus on People, page 86
102-8	Information on employees and other workers	Sustainability Report, About This Report, Focus on People, page 86
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 FY2020
102-11	Precautionary Principle or approach	Annual Report, Enterprise Risk Management, pages 97 to 99
102-12	External initiatives	The 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 9 Sustainability Report, Board Statement, page 74
ETHICS AND IN	TEGRITY	
102-16	Values, principles, standards, and norms of behaviour	Sustainability Report, Governance – Regulatory Compliance, pages 80 to 82
COVERNANCE		Annual Report, Corporate Governance Report, pages 102 to 134
GOVERNANCE	O	Queteinskillte Den et Queteinskillte Osuennense, name 70
102-18	Governance structure	Sustainability Report, Sustainability Governance, page 78
		Sustainability Dapart, Stakabaldar Engagament, pagas 79 to 70
102-40	List of stakeholder groups	Sustainability Report, Stakeholder Engagement, pages 78 to 79
102-41 102-42	Collective bargaining agreements Identifying and selecting stakeholders	N/A Sustainability Report, Stakeholder Engagement, pages 78 to 79
102-43	Approach to stakeholder engagement	Sustainability Report, Stakeholder Engagement, pages 78 to 79
102-44	Key topics and concerns raised	Sustainability Report, Stakeholder Engagement, pages 78 to 79

GRI Standard	Disclosure Title	Section/Page Reference				
REPORTING PRACTICE						
102-45	Entities included in the	Annual Report, Trust Structure, page 4				
	consolidated financial statements	Sustainability Report, About This Report, page 75				
102-46	Defining report content and topic	Sustainability Report, About This Report, Materiality Assessment,				
	Boundaries	page 80				
102-47	List of material topics	Sustainability Report, Materiality Assessment, page 80				
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 75				
102-50	Reporting period	1 st January 2020 to 31 st December 2020				
102-51	Date of most recent report	The Annual Report/ Sustainability Report 2019 was published on				
		2 June 2020				
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 75				
102-55	GRI content index	GRI Standards Content Index, pages 94 to 96				
102-56	External assurance	We have not sought external assurance for this				
		reporting period and will consider it in the future				
MATERIAL FACT	TORS					
REGULATORY C	OMPLIANCE					
103-1	Explanation of the material topic					
	and its Boundary					
103-2	The management approach and					
	its components					
103-3	Evaluation of the management					
	approach	Sustainability Report, Governance				
307-1	Non-compliance with	 Regulatory Compliance, pages 80 to 82 				
	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	Sustainability Report, Governance – Regulatory Compliance, pages 80
		to 81
	Responsible business practices	Sustainability Report, Governance – Regulatory Compliance, page 82
	Cyber security	Sustainability Report, Governance – Regulatory Compliance, page 82

GRI Standard	Disclosure Title	Section/Page Reference				
ENERGY CONSUMPTION						
103-1	Explanation of the material topic and its Boundary					
103-2	The management approach and its components					
103-3	Evaluation of the management approach	Sustainability Report, Environment – Energy Consumption, pages 83 to 84				
302-1	Energy consumption within the organisation					
302-3	Energy intensity					
WATER MANAG	EMENT					
103-1	Explanation of the material topic and its Boundary	_				
103-2	The management approach and its components	_				
103-3	Evaluation of the management approach	Sustainability Report, Environment - – Water Management, pages 84 to 85				
303-1	Interactions with water as a shared resource	- Water Management, pages 64 to 65				
303-2	Management of water discharge- related impacts	_				
303-3	Water withdrawal					
TALENT RETEN	TION AND TRAINING					
103-1	Explanation of the material topic and its Boundary	_				
103-2	The management approach and its components	_				
103-3	Evaluation of the management approach	_				
401-1	New employee hires and employee turnover	_ Sustainability Report, Focus on People				
404-2 (a)	Programs for upgrading employee skills and transition assistance programs	- Talent Retention and Training, pages 85 to 91				
404-3	Percentage of employees receiving regular performance and career development reviews	-				
405-1	Diversity of governance bodies and employees					
ADDITIONAL FA	CTORS					
LOCAL COMMU	INITIES					
413-1	Operations with local community engagement, impact assessments, and development programs	Sustainability Report, Focus on People – Local Communities, pages 91 to 92				
MANAGING THE	E IMPACTS OF COVID-19					
Non-GRI	Managing the impacts of COVID-19	Sustainability Report, Managing the Impacts of COVID-19, pages 92 to 93				

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 "Manager") practices a proactive approach toward 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 Manager is responsible for the implementation and practice of ERM across Sasseur REIT.

ENTERPRISE RISK MANAGEMENT FRAMEWORK



The 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 and Risk Management Policy are reviewed and approved by the Board at least annually.

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 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 Manager adopts foreign currency risk management strategies as follows:

- The Manager has used RMB denominated borrowings to match the revenue stream generated from its assets as a natural currency hedge. As at 31 December 2020, about 52% of the borrowings are RMB denominated.
- 2) The Manager has adopted a foreign currency risk management and hedging strategy to ensure that at least 50% of the distributable income is hedged from RMB to SGD to minimise any foreign currency risk. Sasseur REIT has entered into foreign currency forward contracts to hedge foreign currency risk arising from the cash flows of its investments in the People's Republic of China ("PRC").

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 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 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 2020, 80% of the SGD denominated offshore loans and 100% of the United States dollar ("USD") denominated offshore loan had been hedged using floating-for-fixed interest rate swaps and cross currency swap to reduce interest rate volatility.

REGULATORY AND COMPLIANCE RISK

The 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 Manager as a Capital Markets Services Licence holder. In addition, the 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 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 Manager also seeks legal and tax advice where necessary.

FRAUD, BRIBERY AND CORRUPTION RISK

The 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 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 Manager on dealing with conflict of interest issues. In addition, the Manager also has a Whistle Blowing Policy to provide a communication channel for all employees of the Manager, as well as other persons, who may in confidence raise concerns about possible improprieties and obstructive action with the 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 Manager believes that the risks are not as significant because the underlying business of the outlets comprises mid to highend 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.

Enterprise Risk Management

Nevertheless, the Manager has adopted a relentless approach to strengthening 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 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 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 comprises 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 Manager has, via a professional third-party IT service provider, put in place policies and procedures to manage IT risk and ensure availability, authorised access, accuracy and agility of IT systems.

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 74 to 96 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



27.9% 27.8% as at 31 Dec 2019

DEBT MATURITY 2.24 Years 2.73 years as at 31 Dec 2019

AVERAGE



3.9% p.a.

FY2019: 4.4% p.a.

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

In September 2020, S\$125 million term loan facility was refinanced with term loans of S\$214 million and US\$20 million, as well as a revolving credit facility of S\$8 million. The term loans were fully drawn down and a S\$7 million was drawn down under the revolving credit facility. These term loans were substantially used to repay partial of the onshore term loans. Subsequently, the onshore term loans have been pared down to RMB 1,337 million and the semi-annual repayments have been reduced to 1% of pared down loan principal.

As at 31 December 2020, the total gross debt of Sasseur REIT was S\$518.5 million. Sasseur REIT was able to maintain a relatively low gearing ratio of 27.9% as at 31 December 2020.

DEBT MATURITY PROFILE

The average debt maturity for Sasseur REIT's total borrowings was approximately 2.24 years as at 31 December 2020.

DEBT MATURITY PROFILE

(AS AT 31 DECEMBER 2020) (SGD MILLION)



INTEREST RATE MANAGEMENT

As at 31 December 2020, 80% of the SGD denominated offshore loans and 100% of the USD denominated offshore loan had been hedged using floating-for-fixed interest rate swaps and cross currency swap to reduce interest rate volatility. The Manager will continue to monitor interest rate movements and employ interest rate hedging strategies where appropriate from time to time to optimise risk-adjusted returns to Unitholders. Sasseur REIT's weighted average cost of debt was 3.9% per annum for FY2020 while interest coverage ratio was a healthy 5.9 times.



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PROXY FORM

S B B S R

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 "Manager" or the "Company").

The 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 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 Manager.

Other functions and responsibilities of the 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 Manager ("Directors");
- c) ensuring compliance with all applicable and relevant requirements, laws and regulations including but not limited to the Securities and Futures Act, Chapter 289 of Singapore (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 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 Manager aspire to the highest standards of corporate governance. The 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.

This report describes the Group's 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 Manager's Management to achieve this and Management remains accountable to the Board.

The Board is responsible for the Manager's corporate governance standards and policies, underscoring their importance to the 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 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 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 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 Manager.

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 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 Manager believes in being a responsible corporate citizen and acknowledges its responsibilities toward society, the environment and its stakeholders. The Manager seeks to manage its business in a fair and ethical manner to demonstrate its consideration towards employees and the wider community. The 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 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.

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 2020 ("FY2020") are summarised in the table below:

Meetings	Board of Directors	ARC	NRC	AGM
Total meetings held in FY2020	4	4	2	1
Name of Director	Attended	Attended	Attended	Attended
Mr Xu Rongcan	4	N.A.	2	1
Ms Yang Xue	4	N.A.	N.A.	1
Dr Wang Jun ¹	3	N.A.	N.A.	1
Dr Zhou Yimin ²	1	N.A.	N.A.	0
Dr Gu Qingyang	4	4	2	1
Mr Mario Boselli	4	N.A.	N.A.	1
Mr Cheng Heng Tan	4	4	N.A.	1
Mr Wu Geng	4	4	2	1

1 Resigned as a Non-Executive and Non-Independent Director of the Manager with effect from 22 January 2021.

2 Resigned as a Non-Executive and Non-Independent Director of the Manager with effect from 1 July 2020.

The Manager believes in the overall contribution of its Directors beyond their attendance at formal Board and Board Committees' meetings. The 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, unaudited quarterly 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 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 Manager.

To keep pace with changes to regulations and accounting standards, where these changes have an important bearing on the disclosure obligations of the 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 Manager. The Manager maintains a training record to track Directors' attendance at training and professional development courses.

In FY2020, 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. The Board also attended a Technology Risk Management and Cybersecurity training conducted by RSM Risk Advisory Pte. Ltd. ("RSM"). In addition, the ARC attended the Audit Committee Essentials and Board Risk Committee Essentials seminar while the NRC attended the Nominating Committee Essentials and Remuneration Committee Essentials seminar. These seminars were conducted by the SID.

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 Group operates.

The ARC and Board meet at least once every quarter. At each Board meeting, the CEO and the Chief Operating Officer ("COO") provide updates on Sasseur REIT's business and operations, and the Head of Finance 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 Head of Finance 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.
Provision of Information to the Board and the Board Committees

The 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 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 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/her absence, his or her representative has 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, Head of Finance and the Joint Company Secretaries are the primary channels of communication between the Manager and the SGX-ST.

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 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)	_	Μ
Ms Yang Xue (Non-Executive and Non-Independent Director)	_	_
Dr Gu Qingyang (Lead Independent Director)	Μ	С
Mr Mario Boselli (Independent Director)	_	_
Mr Cheng Heng Tan (Independent Director)	С	_
Mr Wu Geng (Independent Director)	Μ	Μ

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 40 to 42 of this Annual Report.

The Board embraces diversity and formally adopted a Board Diversity Policy in 2020. The Board recognises that a diverse Board introduces fresh perspectives into the Boardroom, adds value to the policies and practices of the Manager, supports the 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 Sasseur REIT and its subsidiaries (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.

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 Manager, its related corporations, shareholders who hold 5.0% or more of the voting shares (the "Substantial Shareholders") of the 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 Manager and Sasseur REIT, and from every Substantial Shareholder of the Manager and every Substantial Unitholder;
- (iii) is not a Substantial Shareholder of the 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 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 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 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.

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 Manager) and Mr Anthony Ang Meng Huat (CEO of the 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.

Mr Anthony Ang Meng Huat, the CEO of the 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 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.

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 QingyangLead Independent DirectorNRC ChairmanMr Wu GengIndependent DirectorNRC memberMr Xu RongcanNon-Executive and Non-Independent DirectorNRC 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 should also propose 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 should consider the Director's performance, commitment and his/her ability to continue contributing to the Board;
- 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;
- 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;
- I) 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 should also consider 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 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;
- 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 one that is non-executive to one that is 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 in Principle 2 above.

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

Name of Directors ¹	Position	Present Directorships in Other Listed Companies	Past Directorships in Other Listed Companies Ove the Preceding Three (3) Years	r Other Principal Commitments
Mr Xu Rongcan (Spouse of Ms Yang Xue)	Non-Executive and Non-Independent Chairman	Nil	Nil	 Sasseur Cayman Holding Limited, Executive Director and Chairman
				 Changchun Sasseur Zhongdong Commercial Management Co. Ltd, Non-Executive Director
				 Hangzhou Sasseur 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

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

Name of Directors ¹	Position	Present Directorships in Other Listed Companies	Past Directorships in Other Listed Companies Ove the Preceding Three (3) Years	r Other Principal Commitments
Ms Yang Xue (Spouse of Mr Xu Rongcan)	Non-Executive and Non-Independent Director	Nil	Nil	 Sasseur Cayman Holding Limited, Executive Director Hangzhou Sasseur Commercial Management Co. Ltd, Non-Executive Director Changsha Sha Min Enterprise Management Co. Ltd, Non-Executive Director
Dr Gu Qingyang	Lead Independent Director	PCI-Suntek Technology Co. Ltd ² , Non- Executive Director	Nil	 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

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.

Name of Directors ¹	Position	Present Directorships in Other Listed Companies	Past Directorships in Other Listed Companies Over the Preceding Three (3) Years	r Other Principal Commitments
Mr Mario Boselli	Independent Director	Nil	Nil	 Banca 5 S.P.A, Non-Executive Director
				 Intesa Sanpaolo Forvalue S.P.A, Non-Executive Director
				M.Seventy S.R.L, Non-Executive Director
				Mario Boselli S.R.L, Chief Executive
				Chorustyle S.R.L., Non-Executive Director
				 Schmid S.P.A, Non-Executive Director
				 F.Ili De Cecco di Filippo – Fara San Martino S.P.A., Non-Executive Director
				 Prestitalia S.P.A, Non-Executive Director
Mr Cheng Heng Tan	ng Heng Tan Independent Director	Powermatic Data Systems Limited ³ , Independent Director	Corporation Ltd ³ ,	Omakase Pte Ltd, Executive Director
			Independent Director	Omakase Burger Pte Ltd, Executive Director
				Omakase Burger (Orchard) Pte Ltd, Executive Director
				Omakase IT Pte Ltd, Executive Director

Other key information regarding the Directors is set out in the "Board of Directors" section in this Annual Report. Listed on The Singapore Exchange Limited. 1

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Name of Directors ¹	Position	Present Directorships in Other Listed Companies	Past Directorships in Other Listed Companies Over the Preceding Other Principal Three (3) Years Commitments
Mr Wu Geng	Independent Director	Shengli Oil & Gas Pipe Holdings Limited ⁴ , Independent Non- Executive Director	 TEE International - Drew & Napier LLC, Limited³, Director Independent Non-Executive Chalco Trading Singapore Pte. Ltd, Independent Non-Executive Director Delong Holdings Limited⁵, Independent Non-Executive Foreland Fabritech Holdings Limited⁶, Independent Non-Executive

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

- 3 Listed on The Singapore Exchange Limited.
- 4 Listed on The Stock Exchange of Hong Kong Limited.
- 5 Delisted from The Singapore Exchange Limited with effect from 26 September 2019.
- 6 Delisted from The Singapore Exchange Limited with effect from 28 June 2019.

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 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 to attaining success for Sasseur REIT.

As part of the 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 FY2020 was facilitated by Boardroom Corporate & Advisory Services Pte. Ltd. ("Boardroom"), the Manager's corporate secretarial agent. Save for Boardroom's appointment as external facilitator to conduct the Board evaluation and as the Manager's corporate secretarial agent, Boardroom does not have any other connection with the 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 FY2020, 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 FY 2020, 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.

(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 under Principle 4. 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 should also consider the Company's risk appetite and ensure that the policies are aligned to long-term goals;
- 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 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;
- 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;

- 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;
- I) reviewing the design of all long-term and short-term incentive plans for approval by the Board and shareholders;
- m) reviewing the 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, statue or SGX-ST Listing Rules (where applicable).

Sasseur REIT is externally managed by the Manager and accordingly has no personnel of its own. Directors' fees of all Directors and remuneration of the employees of the Manager are paid by the Manager and not by Sasseur REIT. The 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 Manager's remuneration policy for its key management personnel are as follows:

- Rewarding and motivating the Manager's Management team to work towards achieving the strategic goals and business results/performance of Sasseur REIT and the 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 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") such as financial, investor relations, investments, performance of Sasseur REIT's unit price against the FTSE ST Real Estate Investment Trusts Index, total unitholder return, DPU as well as appraisal system with qualitative and quantitative achievements, where applicable, for key management personnel of the Manager. Risk management is part of the considerations and factored into the KPIs. The NRC is also responsible for approving all KPI and targets to drive the performance of Sasseur REIT and the 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 not have unintended consequences in terms of modifying work habit.

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 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 Manager.

The key objectives and features of the 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 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 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 FY2020. 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 FY2020.

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 FY2020 is set out in the table below:

Name of Director	Director's Fees (S\$)
Mr Xu Rongcan	234,000
Ms Yang Xue	180,000
Dr Wang Jun ¹	_
Dr Zhou Yimin ²	_
Dr Gu Qingyang	100,000
Mr Mario Boselli	100,000
Mr Cheng Heng Tan	105,000
Mr Wu Geng	85,000

1 Dr Wang Jun resigned as a Non-Executive and Non-Independent Director with effect from 22 January 2021.

2 Dr Zhou Yimin resigned as a Non-Executive and Non-Independent Director with effect from 1 July 2020.

Remuneration of the CEO and Key Management Personnel for FY2020

Name of Key Management Personnel	Fixed Component ¹ %	Variable Component ² %	Benefits in Kind %	Other Long-Term Incentives %	Total %
S\$500,001 to S\$750,000					
Mr Anthony Ang Meng Huat	77.77	22.23	0.00	_	100.00
S\$250,001 to S\$500,000					
Mr Ken Chew Hian Chin	79.88	19.44	0.68	_	100.00
Ms Jaslyn Leong Mei Kuan	72.82	27.18	0.00	_	100.00
S\$250,000 and below					
Ms Wong Siew Lu	72.98	27.02	0.00	_	100.00

1 Fixed Component refers to base salary and Annual Wage Supplement, if applicable, for FY2020.

2 Variable Component refers to variable or performance related bonus for FY2020.

No compensation is payable to any Director, the CEO, key management personnel or staff of the 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 Manager is paid in cash.

The aggregate remuneration paid to the key management personnel (which excludes the CEO) for FY2020 is approximately \$\$893,619.05.

There were no employees of the Manager who were substantial shareholders of the Manager or immediate family members of a Director, the CEO or a substantial shareholder of the Manager, and whose remuneration exceeds S\$100,000 in FY2020.

The 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 Manager in bands of S\$250,000, and (c) to disclose the total remuneration of the key management personnel (excluding the CEO) of the Manager. The 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 Manager operates. Due to the existing size of the management team, the Manager only has three (3) key management personnel other than the CEO for FY2020. The 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 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 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.

There are no contractual provisions to allow the 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 Manager and Sasseur REIT.

Presently, the Manager does not have a share option scheme or long-term incentive scheme in place. The NRC has reviewed the 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 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 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 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 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 Manager's ERM Framework, including the material risks identified, can be found on pages 97 to 99 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 FY2020, the CEO, the COO and the Head of Finance 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;
- 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 FY2020 to be false or misleading in any material aspect;
- 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 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 COO and the Head of Finance, 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 Manager's operations, Sasseur REIT's and the 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 2020.

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;
- d) reviewing and reporting to the Board at least annually on the adequacy and effectiveness of the risk management and internal control systems;
- e) reviewing the assurance provided by the CEO, COO and Head of Finance 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;
- 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 of 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 Manager and the Trustee that (i) it will immediately inform the Trustee and the 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 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);
- 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;
- 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;
- r) determining when the income support safeguards implemented post-listing (save for the Performance Reserve) would fall away;
- s) 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;

- exercising oversight over the undertakings of the 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);
- u) reviewing the internal guidelines and monitoring the procedures put in place by the 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;
- v) 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 Manager to monitor interested person transactions have been complied with;
- w) 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;
- x) 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
- y) 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 FY2020 and the fees paid for such services. The non-audit fees incurred was a one-time non-recurring tax advisory fee, and do not affect the independence and the objectivity of EY. The aggregate amount of fees paid and payable to the External Auditors for FY2020 was S\$878,466:

Audit fees: S\$374,815

Non-audit fees: S\$503,651

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.

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 FY2020, the ARC is satisfied with the independence, adequacy and effectiveness of the internal audit function.

In FY2020, 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 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	The ARC evaluated the objectivity, independence and expertise of the external appraisers. The valuation as at 31 December 2020 was performed by Jones Lang LaSalle Corporate Appraisal and Advisory Limited.
	The ARC reviewed the valuation methodology, assumptions and outcomes, and discussed the valuation details with Management.
	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.
	The ARC was satisfied with the valuation methodology and the valuation for investment properties as disclosed in the financial statements.

Whistle-Blowing Policy

The Company has put in place a whistle-blowing policy endorsed by the ARC where the employees of the Manager or any other person 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. 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 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 whistle-blowing policy has been made available to all employees of the 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 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.

The Manager provides 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.

The 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 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 Manager.

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

Investor Relations

The Manager has a dedicated team performing the investor relations function which facilitates effective communication with Unitholders, analysts, fund managers and the media. The Manager actively engages with Unitholders and has in place an Investor Relations Policy which sets out the principles and practices that the 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 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 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) Media and analyst briefings; and
- v) Other individual or group meetings, local/overseas conferences, conference calls, roadshows, and emails.

More information on the Manager's investor relations activities with Unitholders, investors and analysts can be found in the "Investor Relations" section on pages 50 to 51 of this Annual Report.

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 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 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 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 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 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.

In view of the COVID-19 pandemic, the AGM in year 2020 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 2020 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 Manager will ensure that arrangements are in place to facilitate unitholder 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 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 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 Manager's strategy and key areas of focus in relation to the management of stakeholder relationships during FY2020 are set out on pages 74 to 96 of the Annual Report.

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

(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.

To this end, the Manager has issued guidelines to its Directors and officers (whom include both of the Manager and any subsidiary or related corporation), who will be 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.

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

- a) the 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;
- 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 Manager not to take action against a related party of the 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 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 Manager, the 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 Manager shall be obliged to take appropriate action in relation to such agreement. The Directors of the Manager (including its Independent Directors) will have a duty to ensure that the Manager shall comply with the aforesaid.

Any decision by the Manager not to take action against a Related Party of the 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 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 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 Manager or obtaining two or more valuations from independent professional valuers (in compliance with the Property Funds Appendix).

The 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 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;
- 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 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 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 Manager or Sasseur REIT. If the Trustee is to sign any contract with a related party of the 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", 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 FY2020 are disclosed on page 201 of this Annual Report.

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 Bishan Outlets; and
- x) the Deed of Indemnity in relation to the Non-Registration of Tenancy Agreements.

Report of the Trustee

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, Chapter 289 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of Sasseur Asset Management Pte. Ltd. (the "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 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 Manager has, in all material respects, managed the Trust and its subsidiaries during the year covered by these financial statements, set out on pages 141 to 200, 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 25 March 2021

Statement by the Manager

In the opinion of the directors of Sasseur Asset Management Pte. Ltd. (the "Manager"), the Manager of Sasseur Real Estate Investment Trust (the "Trust"), the accompanying financial statements set out on pages 141 to 200 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 2020, 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 2020 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 2020, 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 2020 and the statement of portfolio of the Group as at 31 December 2020 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 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 Manager, Sasseur Asset Management Pte. Ltd.

Cheng Heng Tan Director

Singapore 25 March 2021

For the financial year ended 31 December 2020 to the Unitholders' of Sasseur Real Estate Investment Trust

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 2020, 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 2020 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 2020 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 2020 and the statement of portfolio of the Group as at 31 December 2020.

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.

For the financial year ended 31 December 2020 to the Unitholders' of Sasseur Real Estate Investment Trust

Key Audit Matters (continued)

Valuation of investment properties

As at 31 December 2020, the carrying amount of investment properties was \$1,651,052,000 which accounted for 88.9% 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 Manager of the Trust (the "Manager") and the external valuer engaged by the 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 price per square feet 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 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 adequacy of disclosures in Note 19(d) to the consolidated financial statements relating to the significant assumptions used in the valuations.

Other Information

The 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.

For the financial year ended 31 December 2020 to the Unitholders' of Sasseur Real Estate Investment Trust

Responsibilities of the Manager for the Financial Statements

The 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 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 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 Manager either intends to terminate the Group or to cease the Group's operations, or has no realistic alternative but to do so.

The 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 Manager.
- Conclude on the appropriateness of the 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.

For the financial year ended 31 December 2020 to the Unitholders' of Sasseur Real Estate Investment Trust

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 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 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 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 25 March 2021

Statements of Financial Position

As at 31 December 2020

		Gr	oup	Tru	ust	
	Note	2020	2019	2020	2019	
		\$'000	\$'000	\$'000	\$'000	
Assets						
Non-current assets						
Investment properties	4	1,651,052	1,587,197	—	—	
Investment in subsidiaries	5	-	-	951,941	951,941	
		1,651,052	1,587,197	951,941	951,941	
Current assets						
Prepayments, deposits and other receivables	6	51,212	28,536	144,455	27,407	
Cash and short-term deposits	7	155,944	154,693	37,101	8,392	
		207,156	183,229	181,556	35,799	
Total assets		1,858,208	1,770,426	1,133,497	987,740	
Liabilities						
Non-current liabilities						
Loans and borrowings	8	501,895	474,521	240,484	123,141	
Deferred tax liabilities	9	85,232	78,074	_	_	
		587,127	552,595	240,484	123,141	
Current liabilities						
Other payables and accruals	10	137,047	124,447	889	1,018	
Loans and borrowings	8	2,359	4,079	_	_	
Derivative financial instruments	11	276	108	276	108	
Tax payables		25,985	20,034	11	9	
		165,667	148,668	1,176	1,135	
Total liabilities		752,794	701,263	241,660	124,276	
Net assets		1,105,414	1,069,163	891,837	863,464	
Represented by:						
Unitholders' funds		1,105,414	1,069,163	891,837	863,464	
Units in issue and to be issued ('000)	12	1,209,412	1,198,679	1,209,412	1,198,679	
Net asset value per unit (\$)		0.91	0.89	0.74	0.72	

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 2020

		Gro	Group		
	Note	2020	2019		
		\$'000	\$'000		
EMA rental income ¹	13	125,248	118,015		
Manager's management fees		(7,910)	(7,793)		
Trustee's fees		(328)	(316)		
Other trust expenses	14	(2,187)	(1,234)		
Finance income		64	284		
Finance costs	15	(28,476)	(27,981)		
Exchange differences		3,341	(762)		
Change in fair value of financial derivatives		(225)	102		
Total return before fair value adjustments to investment properties and tax		89,527	80,315		
Fair value adjustments to investment properties	4	(25,288)	95,080		
Total return for the year before tax		64,239	175,395		
Tax expense	16	(17,216)	(49,250)		
Total return for the year attributable to Unitholders		47,023	126,145		

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 2020

	Gro	oup
	2020	2019
	\$'000	\$'000
Income available for distribution to Unitholders at beginning of the year	9	5
Total return for the year attributable to Unitholders	47,023	126,145
Distribution adjustments (Note A)	31,712	(48,218)
Amount available for distribution to Unitholders	78,735	77,927
Distribution to Unitholders:		
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)1	_
Distribution of 1.656 cents per Unit for the period from 1/1/2019 to 31/3/2019	-	(19,689)
Distribution of 1.608 cents per Unit for the period from 1/4/2019 to 30/6/2019	-	(19,161)
Distribution of 1.640 cents per Unit for the period from 1/7/2019 to 30/9/2019	-	(19,582)
Distribution of 1.629 cents per Unit for the period from 1/10/2019 to 31/12/2019	-	(19,491) ²
Total distribution to Unitholders	(78,737)	(77,923)
Income available for distribution to Unitholders at end of the year	7	9
Distribution per Unit (DPU) (cents) ³ :	6.545	6.533
Note A – Distribution adjustments comprise:		
- Manager's management fees payable in Units	7,910	7,793
- Amortisation/write-off of borrowing-related transaction costs	8,098	5,110
- Straight-line adjustments	(9,490)	4,045
- Fair value adjustments to investment properties	25,288	(95,080)
- Deferred tax expense	3,263	29,172
- Exchange differences	(3,582)	844
- Change in fair value of financial derivatives	225	(102)
Distribution adjustments	31,712	(48,218)

1 Distribution relating to the period from 1 October 2020 to 31 December 2020 will be made subsequent to the reporting date (Note 24).

2 Distribution relating to the period from 1 October 2019 to 31 December 2019 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 2020

Group Trust Note 2020 2019 2020 \$'000 \$'000 \$'000 At beginning of the year 1,069,163 1,073,966 863,464 904,057 Operations Total return for the year attributable to Unitholders 47,023 126,145 95,287 Net increase in net assets resulting from 47,023 95,287 operations 126,145 Unitholders' transactions Units in issue - Manager's management fees paid in Units 5,539 5,843 5,539 - Distribution to Unitholders 12 (74, 881)(100, 226)(74, 881)(100, 226)(69, 342)(94, 383)(69, 342)Units to be issued Manager's management fees payable in Units 12 2,371 1,950 2,371 Net decrease in net assets resulting from **Unitholders' transactions** (66, 971)(92, 433)(66, 971)Foreign currency translation reserve Movement in foreign currency translation reserve 56,142 (38, 458)**Hedging reserve** Movement in hedging reserve 57 (57)57

2019

\$'000

51,897

51,897

5,843

(94,383)

1,950

(92, 433)

(57)

863,464

At end of the year

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

1,105,414

1,069,163

891,837

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2020

	-	Group		
	Note	2020	2019	
		\$'000	\$'000	
Cash flows from operating activities				
Total return for the year before tax		64,239	175,395	
Adjustments for:				
Manager's management fees payable in units		7,910	7,793	
Straight-line adjustments	4	(9,490)	4,045	
Change in fair value of investment properties	4	25,288	(95,080)	
Change in fair value of financial derivatives		225	(102)	
Finance costs	15	28,476	27,981	
Finance income	-	(64)	(284)	
Cash flows before changes in working capital Changes in working capital:		116,584	119,748	
Prepayments, deposits and other receivables (exclude mid-term deposits)		1,516	3,011	
Mid-term deposits		(22,891)	(6,765)	
Other payables and accruals		5,903	(945)	
Cash generated from operations		101,112	115,049	
Tax paid		(8,082)	(6,290)	
Interest received		64	287	
Net cash generated from operating activities		93,094	109,046	
Cash flows from investing activities				
Acquisition of investment property	4	_	(20,058)	
Capital expenditure on investment properties	4	(4,691)	(2,261)	
Net cash used in investing activities		(4,691)	(22,319)	
Cash flows from financing activities				
Proceeds from bank loans	8	248,366	_	
Repayments of bank loans		(238,440)	(7,723)	
Payment of borrowing-related transaction costs		(7,881)	_	
Distribution to Unitholders		(74,881)	(100,226)	
Interest paid	8	(19,899)	(22,481)	
Increase in restricted cash		(539)	(95)	
Net cash used in financing activities	_	(93,274)	(130,525)	
Net decrease in cash and cash equivalents		(4,871)	(43,798)	
Cash and cash equivalents at beginning of the year		146,147	195,126	
Effect on exchange rate changes on cash and cash equivalents		5,274	(5,181)	
Cash and cash equivalents at end of the year	7	146,550	146,147	

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of Portfolio As at 31 December 2020

Description of Property	Location	Tenure of Land	Remaining Term of Lease (Year)	Lease Expiry	Valuation as at 31 December 2020 RMB'000	Valuation as at 31 December 2020 \$'000	Percentage of Total Net Assets attributable to Unitholders as at 31 December 2020 %
						φ 000	70
Chongqing Outlets	No. 1 Aotelaisi Road, Beibuxin District, Chongqing	Leasehold	26.4	2047	2,982,000	604,696	54.7
Bishan Outlets	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 Other assets and liabilities (net)					8,142,000	1,651,052 (545,638)	149.3 (49.3)
Net assets							
attributable to Unitholders						1,105,414	100.0

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



Description of Property	Location	Tenure of Land	Remaining Term of Lease (Year)	Lease Expiry	Valuation as at 31 December 2019 RMB'000	Valuation as at 31 December 2019 \$'000	Percentage of Total Net Assets attributable to Unitholders as at 31 December 2019 %
						\$ 000	70
Chongqing Outlets	No. 1 Aotelaisi Road, Beibuxin District, Chongqing	Leasehold	27.4	2047	2,973,000	574,615	53.8
Bishan Outlets	No. 9 Baiyang Road, Bishan District, Chongqing	Leasehold	31.8	2051	824,000	159,261	14.9
Hefei Outlets	No. 1888 Changning Avenue, Gaoxin District, Hefei, Anhui Province	Leasehold	33.6	2053	2,795,000	540,211	50.5
Kunming Outlets	No.181 Aotelaisi Avenue, Anning City, Kunming, Yunnan						
	Province	Leasehold	34.3	2054	1,620,000	313,110	29.3
Investment properties, at valuation Other assets and liabilities (net)					8,212,000	1,587,197 (518,034)	148.5
							(+0.0)
Net assets attributable to Unitholders						1,069,163	100.0

The accompanying accounting policies and explanatory notes form an integral part of the 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 Chongqing Outlets, 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.

The registered office of the Manager is located at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. 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 incomeproducing real estate, primarily comprised retail outlet malls, as well as real estate related assets, with an initial focus in Asia.

Entrusted Management Agreement

On 1 March 2018, the Trustee, the 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.

For the financial year ended 31 December 2020

1. GENERAL (CONTINUED)

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.

Property Income is defined as total amounts received or receivable from tenants under tenancy agreements, which includes other incomes such as payment for operation and property maintenance, advertising and promotional expense and service fees and other income including carpark incomes, income received or receivable from leasing of common areas.

Under the EMA, the Minimum Rent requirement will fall away if the Initial Portfolio achieved the Minimum Rent for two consecutive years commencing from the financial period ended 31 December 2018. For the financial periods with respect to 31 December 2018 and 31 December 2019, the Group's EMA rental income exceeded the respective periods' Minimum Rent requirement. As a result, the Minimum Rent requirement have fallen away from the financial year starting 1 January 2020 onwards.

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.

1. GENERAL (CONTINUED)

The fee structures of these services are as follows:

(a) Management fee

The 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 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 Manager in its absolute discretion) of the distributable income. The Base Fee is payable to the Manager either in the form of cash or Units out of the Properties as the Manager may elect, in such proportions as may be determined by the Manager.

The Manager has elected to receive 100.0% of its Base Fee in the form of Units for the financial years ended 31 December 2019 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 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 \$36,000 (2019: Nil) is payable for the financial year ended 31 December 2020.

The performance fee is payable to the Manager either in the form of cash or Units as the Manager may elect, in such proportions as may be determined by the Manager.

The Manager has elected to receive 100.0% of its performance fee in the form of Units for the financial year ended 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.

For the financial year ended 31 December 2020

GENERAL (CONTINUED) 1.

(a) Management fee (continued)

Acquisition fee

Pursuant to the Trust Deed, the 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 Manager in its absolute discretion).

The acquisition fee is payable to the Manager either in the form of cash or Units as the Manager may elect, in such proportions as may be determined by the 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 year ended 31 December 2020.

Divestment fee

Pursuant to the Trust Deed, the Manager is entitled to receive a divestment fee of 0.5% (or such lower percentage as may be determined by the 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 Manager either in the form of cash or Units as the Manager may elect, in such proportions as may be determined by the 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 Manager. No divestment fee was paid for the financial year ended 31 December 2020.

Development management fee

Pursuant to the Trust Deed, the 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.

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 year ended 31 December 2020.

1. GENERAL (CONTINUED)

(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 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 the lower of 30% of Gross Revenue and Gross Revenue less EMA Resultant Rent.

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 year ended 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.

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.

For the financial year ended 31 December 2020

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 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 Jones Lang LaSalle Corporate Appraisal and Advisory Limited on 31 December 2020. 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 2020 is \$1,651,052,000 (2019: \$1,587,197,000).

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.

For the financial year ended 31 December 2020

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 3.

3.1 Basis of consolidation and business combination

(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.

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.

EMA rental income (a)

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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. Nonmonetary 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.

For the financial year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment properties 3.8

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Financial instruments (continued)

(a) Non-derivative financial assets (continued)

Subsequent measurement (continued)

Investments in debt instruments (continued)

(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.

(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.

For the financial year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Financial instruments (continued)

Non-derivative financial liabilities (b)

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.

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.

Derivative financial instruments and hedge accounting (c)

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Financial instruments (continued)

(c) Derivative financial instruments and hedge accounting (continued)

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 fair value of the derivative of the derivative is recognised immediately in the statement of total return.

When the hedged forecast transaction subsequently results in the recognition of a nonfinancial item such as inventory, 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.

For the financial year ended 31 December 2020

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 3.

3.9 Financial instruments (continued)

(c) Derivative financial instruments and hedge accounting (continued)

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 nonderivative, 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.

The policy applied in the comparative information presented for 2019 is similar to that applied for 2020. Furthermore, for all cash flow hedges, including hedges of transactions resulting in the recognition of nonfinancial 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.

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(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.

For the financial year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

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 Manager on a property by property basis. The 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 Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to FRS 103: Definition of a Business

The amendment to FRS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

Amendments to FRS 107, FRS 109 and FRS 39 Interest Rate Benchmark Reform

The amendments to FRS 109 and FRS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmarkbased cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any effective interest rate hedge relationships.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 New and amended standards and interpretations (continued)

Amendments to FRS 1 and FRS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

Amendments to FRS 116 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to FRS 116 Leases. The amendments provide relief to lessees from applying FRS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under FRS 116, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the consolidated financial statements of the Group.

3.17 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

For the financial year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 Standards issued but not yet effective (continued)

Amendments to FRS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of FRS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement •
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Reference to the Conceptual Framework – Amendments to FRS 103

In May 2020, the IASB issued Amendments to FRS 103 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The Board also added an exception to the recognition principle of FRS 103 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of FRS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in FRS 103 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

FRS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to FRS standards process the IASB issued amendment to FRS 109. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

4. INVESTMENT PROPERTIES

	Group		
	2020	2019	
	\$'000	\$'000	
Consolidated Statement of Financial Position			
At 1 January	1,587,197	1,539,491	
Acquisition of investment properties	_	20,058	
Adjustments to pre-IPO accrued costs capitalised ^{1,2}	(2,841)	(13,013)	
Capital expenditure incurred	4,691	2,261	
Change in fair value of investment properties	(15,798)	91,035	
Exchange differences	77,803	(52,635)	
At 31 December	1,651,052	1,587,197	
Consolidated Statement of Total Return			
Change in fair value of investment properties	(15,798)	91,035	
Net effect of straight-line adjustments ³	(9,490)	4,045	
Fair value adjustments to investment properties recognised in the Consolidated			
Statement of Total Return	(25,288)	95,080	

1 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.

2 Adjustments to pre-IPO accrued costs capitalised in 2019 comprised mainly the adjustment for over-accrued construction costs for Hefei's initial portfolio at IPO whereby final settlement made in November 2019 was lower by RMB 62.5 million.

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 2020. The valuations were performed by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer with a recognised and relevant professional qualification and with a recent experience in the location and category of the properties being valued. Details of valuation techniques and inputs are disclosed in Note 19(d).

For the financial year ended 31 December 2020

INVESTMENT PROPERTIES (CONTINUED) 4.

Properties pledged as security

As at 31 December 2019 and 2020, all investment properties are pledged as security to secure bank loans (see Note 8).

Acquisition of investment properties

On 14 May 2019, the Group acquired additional shop units in Hefei Outlets with existing tenancies at the annex block of its Hefei site with total acquisition costs of \$20,058,000 and \$197,000 acquisition fee was paid and capitalised.

5. **INVESTMENT IN SUBSIDIARIES**

	Tr	Trust		
	2019	2018		
	\$'000	\$'000		
Unquoted equity investment at cost	951,558	951,558		
Non-trade amount due from subsidiary	383	383		
	951,941	951,941		

The non-trade amount due from subsidiary is unsecured and settlement is neither planned nor likely to occur in the foreseeable future. As the non-trade amount due from subsidiary was, in substance, a part of the Trust's net investment in the subsidiary, it is stated at cost less accumulated impairment.

5. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:

			Effective equit	y interest held
	Country of	Principal	2020	2019
Name of subsidiaries	incorporation	activities	%	%
Direct subsidiary:				
Sasseur Singapore Holdings Pte.				
Ltd.1	Singapore	Investment holding	100	100
Indirect subsidiaries:				
British Virgin Islands ("BVI") Holding	Companies			
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
Hong Kong ("HK") Holding Compan	ies			
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
PRC Holding Companies				
Sasseur (Hefei) Investment	People's Republic of			
Consultancy Co., Ltd. ²	China	Investment holding	100	100
Sasseur (Kunming) Investment	People's Republic of			
Consultancy Co., Ltd. ²	China	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 2020

INVESTMENT IN SUBSIDIARIES (CONTINUED) 5.

Details of the subsidiaries are as follows:

			Effective equity interest		
	Country of	Principal	2020	2019	
Name of subsidiaries	-		%	%	
Indirect subsidiaries: PRC Property Companies					
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

	Gro	pup	Tru	ust
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Mid-term deposits	29,656	6,765	_	_
Refundable deposits	189	300	_	_
VAT/GST recoverables	8,844	8,523	1,027	1,970
Other receivables	5,908	4,630	_	1
Amounts due from subsidiaries (non-trade)	_	_	143,395	25,300
Amounts due from related parties (trade)	6,582	8,098	_	_
	51,179	28,316	144,422	27,271
Prepayments	33	220	33	136
	51,212	28,536	144,455	27,407

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 1.90% to 3.50% (2019: 3.00%) per annum.

Included in other receivables of the Group is an amount of \$4,154,000 (2019: \$3,404,000) 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.

Amount due from related parties of \$6,582,000 (2019: \$8,098,000) has been settled in full after 31 December 2020.

7. CASH AND SHORT-TERM DEPOSITS

	Gre	oup	Trust		
	2020	2019	2020	2019	
	\$'000	\$'000	\$'000	\$'000	
Cash and short-term deposits	155,944	154,693	37,101	8,392	
Less: Restricted cash	(9,394)	(8,546)	(2,502)	(2,254)	
Cash and cash equivalents	146,550	146,147	34,599	6,138	

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 0.01% to 1.60% (2019: 0.30% to 1.60%) per annum and 0.01% to 1.35% (2019: 0.93% to 1.35%) per annum respectively.

For the financial year ended 31 December 2020

LOANS AND BORROWINGS 8.

	Gro	oup	Tro	ust
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Secured bank loans	518,510	492,459	247,462	125,000
Less: Unamortised transaction costs	(14,256)	(13,859)	(6,978)	(1,859)
	504,254	478,600	240,484	123,141
Non-current	501,895	474,521	240,484	123,141
Current	2,359	4,079	_	_
	504,254	478,600	240,484	123,141

The Group through its subsidiaries, Chongging Sasseur Suge Apparel Joint Stock Co., Ltd., Sasseur (Chongging) 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 1,337 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") (2019: \$125 million).

As at 31 December 2020, these term loans were fully drawn down and \$7 million of the revolving loan was drawn down. These offshore loans were hedged using floating-for-fixed interest rate swaps and cross currency swap (see Note 11).

The weighted average cost of borrowings of the onshore term loans and offshore loans are 5.7% (2019: 5.7%) per annum and 3.4% (2019: 4.6%) per annum respectively.

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

- mortgages on the borrowing subsidiaries' investment properties (see Note 4) and (a)
- (b) assignment of all rights, titles and benefits with respect to the properties mortgaged.

8. LOANS AND BORROWINGS (CONTINUED)

The outstanding principal, interest rate and maturity of the loans and borrowings are as follows:

				Group		Tr	ust
	Nominal interest rate	Term	Year of maturity	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
2019							
Onshore loans ¹	4.75%	5.0 years	2023	367,459	355,459	_	_
Offshore	0.000/ 1.0.570/		0001	105 000		105 000	
loan	3.23% to 3.57%	3.0 years	2021	125,000	123,141	125,000	123,141
				492,459	478,600	125,000	123,141

1 1% of the pared down onshore term loans principal of RMB 1,337 million (2019: RMB 1,960 million) is to be repaid semi-annually.

A reconciliation of liabilities arising from the Group's financing activities is as follows:

			Loans	Non-cash changes			
Group	At 1 January 2020 \$'000	Proceeds from bank Ioans \$'000	principal and related cost payments \$'000	Exchange differences \$'000	Finance cost (Note 15) \$'000	At 31 December 2020 \$'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 2020

LOANS AND BORROWINGS (CONTINUED) 8.

		Loans principal and related cost payments	Non-cash	_	
Group	At 1 January 2019		Exchange differences	Finance cost (Note 15)	At 31 December 2019
	\$'000	\$'000	\$'000	\$'000	\$'000
Loans and borrowings	493,277	(7,723)	(12,312)	5,358	478,600
Interest payables	249	(22,481)	(197)	22,623	194

DEFERRED TAX LIABILITIES 9.

	Group		Trust	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Deferred tax liabilities	85,232	78,074	_	_

Movements in deferred tax of the Group during the period are as follows:

Deferred tax asset/ (liabilities)	Tax losses carried forward	Investment properties	Tax on unrepatriated profits	Total
	\$'000	\$'000	\$'000	\$'000
At 1 January 2019	_	(48,655)	(2,289)	(50,944)
Acquisition	_	_	(247)	(247)
Recognised in Consolidated Statement of Total Return	_	(27,943)	(1,229)	(29,172)
Exchange differences	_	2,195	94	2,289
At 31 December 2019	_	(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)

10. OTHER PAYABLES AND ACCRUALS

	Group		Trust	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Refundable security deposits	7,379	7,167	_	_
Interest payables	311	194	248	1
VAT and other tax payables	757	922	_	—
Construction payables	4,938	6,397	_	_
Amounts due to subsidiary (non-trade)	_	_	54	55
Amounts due to related parties (non-trade)	931	500	41	133
Accrued expenses	640	892	445	706
Property tax payables	945	886	_	_
Other payables	121,146	107,489	101	123
	137,047	124,447	889	1,018

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 \$115,890,000 (2019: \$102,508,000) relating to sale proceeds collected from customers on behalf of the tenants.

11. DERIVATIVE FINANCIAL INSTRUMENTS

		Group and Trust			
	20	20	2019		
	Contractual notional amount	Liabilities	Contractual notional amount	Liabilities	
	\$'000	\$'000	\$'000	\$'000	
Interest rate swaps	177,600	245	62,500	51	
Cross currency swap	26,462	31	-	_	
Forward currency contract	_	_	11,000	57	
	204,062	276	73,500	108	
Derivative financial instruments as a percentage of the Group's net assets		0.02%		0.01%	
Derivative financial instruments as a percentage of the Trust's net assets		0.03%		0.01%	

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 1.665% to 1.700% per annum (2019: 1.990% 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 1 year, ending 10 December 2021 (2019: a term of 2 years, ending 28 March 2020).

The changes in fair value of the interest rate swaps are recognised in the consolidated statement of total return.

Cross currency swap

The Group enters 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. The fixed interest rate on this cross currency swap is 1.670% per annum and the floating interest rate is based on 3-month USD London interbank offered rate. The Group held cross currency swap for a term of 1 year, ending 10 December 2021.

The changes in fair value of the cross currency swap are recognised in the consolidated statement of total return.

11. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Forward currency contract

The Group enters into forward currency contracts to hedge foreign currency risk arising from the cash flows of the Group's investments in PRC.

The Group designates these forward currency contracts as cash flow hedges which were assessed to be highly effective. A realised gain of \$57,000 (2019: unrealised loss of \$57,000) was included in hedging reserve in Unitholders' funds in respect of these contracts.

12. UNITS IN ISSUE AND TO BE ISSUED

	2020 Group and Trust		2019 Group and Trust	
	Number of Units		Number of Units	
	'000	\$'000	'000	\$'000
At beginning of the year	1,196,495	829,699	1,180,280	918,029
Issue of Units:				
- Manager's management fees paid in Units	10,044	7,489	16,215	11,896
- Distribution to Unitholders	—	(74,881)	—	(100,226)
Total issued Units at 31 December	1,206,539	762,307	1,196,495	829,699
Units to be issued:				
- Manager's management fees payable in				
Units	2,873	2,371	2,184	1,950
Total Units issued and to be issued				
at 31 December	1,209,412	764,678	1,198,679	831,649

For the financial year ended 31 December 2020

12. UNITS IN ISSUE AND TO BE ISSUED (CONTINUED)

During the financial year, the following Units were issued and to be issued:

- (a) 2,698,964 Units were issued in satisfaction of the 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 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 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 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.

For the prior financial year, the following Units were issued and to be issued:

- (a) 2,670,792 Units were issued in satisfaction of the Manager's management fee for the period from 1 January 2019 to 31 March 2019 based on the volume weighted average price for the last 10 Business Days immediately preceding 31 March 2019 of \$0.737.
- 2,412,985 Units were issued in satisfaction of the Manager's management fee for the period from 1 April 2019 (b) to 30 June 2019 based on the volume weighted average price for the last 10 Business Days immediately preceding 30 June 2019 of \$0.7944.
- (c) 2,457,114 Units were issued in satisfaction of the Manager's management fee for the period from 1 July 2019 to 30 September 2019 based on the volume weighted average price for the last 10 Business Days immediately preceding 30 September 2019 of \$0.7968.
- 2,184,345 Units were to be issued in satisfaction of the Manager's management fee for the period from 1 (d) October 2019 to 31 December 2019 based on the volume weighted average price for the last 10 Business Days immediately preceding 31 December 2019 of \$0.8925.

12. UNITS IN ISSUE AND TO BE ISSUED (CONTINUED)

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 Manager may (and the 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.

13. EMA RENTAL INCOME

	2020	2019
	\$'000	\$'000
EMA rental income	125,248	118,015

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 \$115,758,000 (2019: \$122,060,000) (Note 21).
For the financial year ended 31 December 2020

14. OTHER TRUST EXPENSES

Included in other trust expenses are the following:

	2020	2019
	\$'000	\$'000
Auditors of the Group:		
- Audit fees	375	441
- Non-audit fees	503	312
Legal expenses	450	95
Valuation and other professional fees	147	120
Other expenses	712	266
	2,187	1,234

15. FINANCE COSTS

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

	2020	2019
	\$'000	\$'000
Interest expenses on loans and borrowings	20,128	22,623
Amortisation of borrowing-related transaction costs	5,660	5,110
Write-off of borrowing-related transaction costs	2,438	_
Other borrowing costs	250	248
	28,476	27,981

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.

Please also see Loans and Borrowings in Note 8.

Notes to the Financial Statements For the financial year ended 31 December 2020

16. TAX EXPENSE

The major components of tax expense are:

	2020	2019
	\$'000	\$'000
Current tax expense		
Current year	15,279	20,361
Over provision in prior years	(1,326)	(283)
	13,953	20,078
Deferred tax expense		
Movement in temporary differences	3,263	29,172
	17,216	49,250

Reconciliation of effective tax rate:

	2020	2019
	\$'000	\$'000
Total return for the year before tax	64,239	175,395
Tax calculated using Singapore income tax rate of 17% (2019: 17%)	10,921	29,817
Adjustments:		
Non-deductible expenses	3,293	5,320
Effects of different tax rates in foreign jurisdictions	2,012	12,359
Effect of preferential tax rate ¹	(139)	(513)
Tax losses not allowed to be carried forward ²	2,455	2,550
Over provision in prior years	(1,326)	(283)
	17,216	49,250

1 Effect of preferential tax rate is a tax rate of 15% for the 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.

For the financial year ended 31 December 2020

17. EARNINGS PER UNIT

	Gro	oup
	2020	2019
	cents	cents
Basic and diluted earnings per Unit	3.917	10.602

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:

	Gro	Group		
	2020	2019		
	\$'000	\$'000		
Total return for the year after tax	47,023	126,145		
	Gro	oup		
	2020	2019		
	Number of Units	Number of Units		
	'000	'000		
Weighted average number of Units	1,200,661	1,189,869		

Weighted average number of Units for the year comprises of:

The weighted average number of Units in issue for the year; and (a)

(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.

18. FINANCIAL RISK MANAGEMENT

Capital management

The Manager aims to optimise the capital structure and cost of capital, within the borrowing limits set out in the Property Fund Appendix. The 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 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 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 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 2020, Aggregate Leverage of the Group is 27.9% (2019: 27.8%). 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 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 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 2020

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 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.

18. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (continued)

Foreign currency risk (continued)

The Group's and the Trust's exposure to foreign currency risk is as follows:

Group	RMB	SGD	USD	Total
2020	\$'000	\$'000	\$'000	\$'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	RMB	SGD	USD	Total
2020	\$'000	\$'000	\$'000	\$'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
Group	RMB	SGD	USD	Total
2019	\$'000	\$'000	\$'000	\$'000
Cash and short-term deposits	_	1,495	3,015	4,510
Net assets	_	1,495	3,015	4,510
Trust	RMB	SGD	USD	Total
2019	\$'000	\$'000	\$'000	\$'000
Prepayments, deposits and other receivables	_	_	20,720	20,720
Net assets	_	_	20,720	20,720

Notes to the Financial Statements For the financial year ended 31 December 2020

18. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (continued)

Foreign currency risk (continued)

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	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

		Increase/(in total return	-
		Group	Trust
		2019	2019
		\$'000	\$'000
SGD	- strengthened by 5%	75	_
SGD	- weakened by 5%	(75)	_
USD	- strengthened by 5%	151	1,036
USD	- weakened by 5%	(151)	(1,036)

18. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (continued)

Interest rate risk

The Group has fixed-rate onshore term loans and 80% of the SGD denominated offshore loans and 100% of the USD denominated offshore term loan have been hedged using floating-for-fixed interest rate swaps and cross currency swap. The total borrowings carrying fixed-rate interest after hedging, amounted to 91.5% (2019: 87.3%) of the Group's borrowings which reduces interest rate volatility.

The Group has minimal interest rate risk as the Group has substantially hedged its floating-rate financial liabilities, and its total return after tax and operating cash flows are substantially independent of changes in market interest rates.

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.

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.

18. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (continued)

Liquidity risk (continued)

The 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 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:

		-	4	— Cash flows –	
Group	Carrying amount	Contractual cash flows	Within 1 year	Within 2 to 5 years	More than 5 years
2020	\$'000	\$'000	\$'000	\$'000	\$'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.

	Cash flows ————————————————————————————————————				
Trust	Carrying amount	Contractual cash flows	Within 1 year	Within 2 to 5 years	More than 5 years
2020	\$'000	\$'000	\$'000	\$'000	\$'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	_

Notes to the Financial Statements For the financial year ended 31 December 2020

18. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (continued)

Liquidity risk (continued)

The following are the contractual maturities of financial liabilities, including estimated interest payments:

Group	Carrying Contractual amount cash flows	Within 1 year	Within 2 to 5 years	More than 5 years \$'000	
2019	\$'000	\$'000 \$'000			\$'000
Non-derivative financial liabilities					
Other payables and accruals ¹	123,525	123,525	123,525	_	_
Loans and borrowings	478,600	553,092	29,416	523,676	_
	602,125	676,617	152,941	523,676	_

¹ Excludes VAT and other tax payables.

		-	•	Cash flows			
Trust	Carrying Contractu amount cash flow		Within 1 year	Within 2 to 5 years	More than 5 years		
2019	\$'000	\$'000	\$'000	\$'000	\$'000		
Non-derivative financial liabilities							
Other payables and accruals	1,018	1,018	1,018	_	_		
Loans and borrowings	123,141	129,768	4,456	125,312	_		
	124,159	130,786	5,474	125,312	_		

For the financial year ended 31 December 2020

19. FAIR VALUES OF ASSETS AND LIABILITIES

(a) Fair value hierarchy

The Group categories 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.

Assets and liabilities measured at fair value (b)

The following table shows the classification of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Fair value				
Group	Level 2	Level 3	Total		
2020	\$'000	\$'000	\$'000		
Assets measured at fair value					
Non-financial assets					
Investment properties					
- Retail outlet malls	_	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					
- Interest rate swaps	245	_	245		
- Cross currency swap	31	_	31		
Total financial liabilities	276	_	276		

19. FAIR VALUES OF ASSETS AND LIABILITIES (CONTINUED)

(b) Assets and liabilities measured at fair value (continued)

	Fair value					
Group	Level 2	Level 3	Total			
2019	\$'000	\$'000	\$'000			
Assets measured at fair value						
Non-financial assets						
Investment properties						
- Retail outlet malls		1,587,197	1,587,197			
Total non-financial assets		1,587,197	1,587,197			
Liabilities measured at fair value						
Financial liabilities						
Derivative financial instruments						
- Interest rate swap	51	_	51			
- Forward currency contract	57	_	57			
Total financial liabilities	108	_	108			

(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, cross currency swap and forward currency contract 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.

For the financial year ended 31 December 2020

19. FAIR VALUES OF ASSETS AND LIABILITIES (CONTINUED)

Level 3 fair value measurements (d)

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 Jones Lang LaSalle Corporate Appraisal and Advisory Limited on 31 December 2020. 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 2020 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 2020. Values may change subsequently as the impact of COVID-19 is fluid and continues to evolve. 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.

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 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
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	\$22 to \$75	The higher the rate, the higher the fair value.
2019			
Discounted cash flow approach	Discount rate	10.0% to 12.0%	The higher the rate, the lower the fair value.
	Rental rate per square foot per annum ¹	\$29 to \$93	The higher the rate, the higher the fair value.

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

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

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

For the financial year ended 31 December 2020

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)

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.

(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.

19. FAIR VALUES OF ASSETS AND LIABILITIES (CONTINUED)

(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:

	Fair value		
Group	Level 3	Total	
2020	\$'000 \$'000		
Financial liabilities			
- Onshore loans	245,436	245,436	
Total financial liabilities	245,436	245,436	

Fair value		
Level 3	Total	
\$'000	\$'000	
312,210	312,210	
312,210	312,210	
	Level 3 \$'000 312,210	

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.

For the financial year ended 31 December 2020

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:

	Gro	oup	Trust		
	2020	2019	2020	2019	
	\$'000	\$'000	\$'000	\$'000	
Capital commitments in relation to					
investment properties	2,329	4,223	—	_	

Operating lease commitments - as lessor (b)

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		
	 2020	2019	
	\$'000	\$'000	
Within 1 year	84,225	80,939	
After 1 year but within 5 years	362,936	348,779	
After 5 years	222,831	314,394	
	669,992	744,112	

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:

	Gro	Group		
	2020	2019		
	\$'000	\$'000		
EMA rental income received/receivable from Entrusted Manager (Note 13)	115,758	122,060		
Manager's management fees paid/payable	9,860	13,846		
Trustee's fees paid/payable	328	316		

22. FINANCIAL RATIOS

	Group		
	2020	2019	
	%	%	
Ratio of expenses to weighted average net assets ¹			
- Including performance component of the Manager's management fees	0.94	0.89	
- Excluding performance component of the Manager's management fees	0.94	0.89	
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.

For the financial year ended 31 December 2020

23. 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. ("Chongqing Outlets")
- (b) Sasseur (Chongqing) Business Co., Ltd. ("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 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.

Notes to the Financial Statements For the financial year ended 31 December 2020

23. OPERATING SEGMENTS (CONTINUED)

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

Segment results

2020	Chongqing Outlets	Bishan Outlets	Hefei Outlets	Kunming Outlets	Unallocated	Total
Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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

Notes to the Financial Statements For the financial year ended 31 December 2020

23. OPERATING SEGMENTS (CONTINUED)

Segment results (continued)

2019	Chongqing Outlets	Bishan Outlets	Hefei Outlets	Kunming Outlets	Unallocated	Total
Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
EMA rental income	52,428	10,809	32,911	21,867	_	118,015
Manager's management fees	_	_	_	_	(7,793)	(7,793)
Trustee's fees	_	_	_	_	(316)	(316)
Other trust expenses						
- Other income	81	28	9	44	_	162
- Other expenses	(85)	(18)	(304)	(18)	(971)	(1,396)
Finance income	_	_	_	_	284	284
Finance costs	(6,734)	(2,669)	(7,910)	(4,482)	(6,186)	(27,981)
Exchange differences	_	_	(52)	1	(711)	(762)
Change in fair value of financial derivatives		_	_	_	102	102
Total return before fair value adjustments to investment properties and tax	45,691	8,150	24,654	17,412	(15,592)	80,315
Fair value adjustments to investment properties	14,813	7,036	46,761	26,470		95,080
Total return for the year before tax	60,504	15,186	71,415	43,882	(15,592)	175,395
Tax expense					(49,250)	(49,250)
Total return for the year					(64,842)	126,145
Segment assets	643,947	177,986	604,717	334,569	9,207	1,770,426
Segment liabilities	296,671	60,307	142,857	77,568	123,860	701,263
Other segment information:						
Capital expenditure	414	83	1,239	525	_	2,261

24. SUBSEQUENT EVENT

On 26 February 2021, the Manager declared a distribution of 1.935 cents per Unit for the period from 1 October 2020 to 31 December 2020.

25. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements were authorised for issue by the Manager and the Trustee on 25 March 2021.

Interested Person Transactions

The transactions entered into with interested persons for the financial year ended 31 December 2020, 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:

Aggregate value of all interested person transactions during the financial year under review

Name of interested person	Nature of relationship	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 \$\$100,000)
		S\$'000	S\$'000
Sasseur (Shanghai) Holding Company Limited - EMA rental income	Entrusted Manager	115,758	_
Sasseur Asset Management Pte. Ltd. - Management fees	Manager	9,860	_
DBS Trustee Limited - Trustee fees	Trustee	328	-

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 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 Manager's management fees for the year ended 31 December 2020 was 2,873,707 Units and will be issued in the first quarter of 2021.

Unitholders' Information

ISSUED AND FULLY PAID UNITS

Number of units : 1,206,538,293 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	2	0.04	6	0.00
100 - 1,000	864	14.94	766,800	0.07
1,001 - 10,000	3,172	54.86	16,306,500	1.35
10,001 - 1,000,000	1,722	29.78	84,101,454	6.97
1,000,001 and above	22	0.38	1,105,363,533	91.61
	5,782	100.00	1,206,538,293	100.00

SUBSTANTIAL UNITHOLDERS AS AT 15 MARCH 2021

(As recorded in the Register of Substantial Unitholders)

	Direct Interest	%	Deemed Interest	%
Sasseur Cayman Holding II Ltd.(1)	-	_	686,481,393*	56.90
Sasseur Cayman Holding Limited ⁽¹⁾	_	_	686,481,393*	56.90
Sasseur (BVI) Holding II Limited ⁽¹⁾	-	_	686,481,393*	56.90
Shimmer Fair Management Limited ⁽¹⁾	-	_	686,481,393*	56.90
TMF (Cayman) Ltd.(1)	-	_	686,481,393*	56.90
Xu Rongcan ⁽¹⁾	-	_	697,614,293*	57.82
Yang Xue ⁽²⁾	11,132,900	0.92	686,481,393*	56.90

The disposal of 59,200 Units by Sasseur Asset Management Pte. Ltd. ("**SAMPL**") on 15 March 2021 (the "**Disposal**") has not been entered in the Depository Register. 686,481,393 Units and 697,614,293 Units are the resultant after the Disposal.

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 6,435,893 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.

Unitholders' Information As at 15 March 2021

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 589,775,600 Units held through CGS-CIMB Securities Singapore Pte. Ltd., 88,000,000 Units held through KGI Securities (Singapore) Pte. Ltd., 2,269,900 Units held through Haitong International Securities (Singapore) Private Limited and 6,435,893 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 686,481,393 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 15 MARCH 2021

No.	Name of Unitholders	Number of Units	%
1.	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	592,125,199	49.08
2.	DBS NOMINEES (PRIVATE) LIMITED	170,003,365	14.09
3.	CITIBANK NOMINEES SINGAPORE PTE LTD	89,356,213	7.41
4.	KGI SECURITIES (SINGAPORE) PTE. LTD	88,357,000	7.32
5.	RAFFLES NOMINEES (PTE.) LIMITED	41,766,716	3.46
6.	DBSN SERVICES PTE. LTD.	25,055,300	2.08
7.	HSBC (SINGAPORE) NOMINEES PTE LTD	18,788,214	1.56
8.	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	17,975,500	1.49
9.	PHILLIP SECURITIES PTE LTD	7,992,633	0.66
10.	UOB KAY HIAN PRIVATE LIMITED	7,064,600	0.59
11.	BPSS NOMINEES SINGAPORE (PTE.) LTD.	6,753,900	0.56
12.	SASSEUR ASSET MANAGEMENT PTE LTD	6,495,093	0.54
13.	DB NOMINEES (SINGAPORE) PTE LTD	5,690,100	0.47
14.	IFAST FINANCIAL PTE. LTD.	5,375,000	0.45
15.	MAYBANK KIM ENG SECURITIES PTE.LTD	5,303,300	0.44
16.	ABN AMRO CLEARING BANK N.V.	3,311,200	0.27
17.	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	3,052,900	0.25
18.	OCBC SECURITIES PRIVATE LIMITED	3,032,600	0.25
19.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	2,763,500	0.23
20.	YEO HOON CHONG	2,352,200	0.19
	TOTAL:	1,102,614,533	91.39

PERCENTAGE OF UNITHOLDING IN PUBLIC'S HANDS

Based on the information made available to the Manager as at 15 March 2021, approximately 42.07% 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 15 March 2021

UNITHOLDINGS OF DIRECTORS OF THE MANAGER AS AT 15 MARCH 2021

Name of Director	Direct Interest No. of Units	Deemed Interest No. of Units
Xu Rongcan ⁽¹⁾	_	697,614,293*
Yang Xue ⁽²⁾	11,132,900	686,481,393*
Cheng Heng Tan	350,000	_
Gu Qingyang	312,500	_
Wu Geng	125,000	_
Mario Boselli	-	-

The disposal of 59,200 Units by Sasseur Asset Management Pte. Ltd. ("SAMPL") on 15 March 2021 (the "Disposal") has not been entered in the Depository Register. 686,481,393 Units and 697,614,293 Units are the resultant after the Disposal.

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 6,435,893 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 589,775,600 Units held through CGS-CIMB Securities Singapore Pte. Ltd., 88,000,000 Units held through KGI Securities (Singapore) Pte. Ltd, 2,269,900 Units held through Haitong International Securities (Singapore) Private Limited and 6,435,893 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 686,481,393 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 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, 22 April 2021 at 10.30 a.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 "**Manager**"), and the Audited Financial Statements of Sasseur REIT for the financial year ended 31 December 2020 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 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 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 Manager may in its absolute discretion deem fit; and

(b) issue Units in pursuance of any Instrument made or granted by the 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);

- subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (2) (the "SGX-ST") for the purpose of determining the aggregate number of Units that may be issued under subparagraph (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:
 - any new Units arising from the conversion or exercise of any Instruments which are outstanding at the (a) time this Resolution is passed; and
 - any subsequent bonus issue, consolidation or subdivision of Units; (b)
- in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the (3) 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);
- unless revoked or varied by the Unitholders in a general meeting, the authority conferred by this Resolution (4) 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 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
- the Manager and the Trustee, be and are hereby severally authorised to complete and do all such acts and (6) things (including executing all such documents as may be required) as the 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

7 April 2021

Explanatory Note:

Ordinary Resolution 3 above, if passed, will empower the 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 Manager will then obtain the approval of Unitholders accordingly.

Notes:

- 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 <u>https://www.sgx.com/securities/company-announcements</u>. 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 10.30 a.m. on 19 April 2021. Following verification, an email containing instructions on how to join the "live" broadcast will be sent to authenticated persons by 10.30 a.m. on 21 April 2021.
- 3. Investors holding Units through relevant intermediaries ("Investors") (other than CPF/SRS Investors) will not be able to pre-register at <u>https://complete-corp.com/sasseur-agm/</u> 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 <u>sasseur-agm@complete-corp.com</u> no later than 10.30 a.m. on 19 April 2021.

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;

- (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 12 April 2021).

- 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 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 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.

- 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 10.30 a.m. on 19 April 2021:
 - (a) via the pre-registration website at <u>https://complete-corp.com/sasseur-agm/;</u>
 - (b) by email to 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 Manager will answer all substantial and relevant questions prior to, or at this AGM.

8. The Annual Report 2020 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 Manager may be required to change the arrangements for the AGM at short notice. Unitholders should check Sasseur REIT's website at the URL <u>www.sasseurreit.com</u> or announcement on SGX-ST's website at the URL <u>https://www.sgx.com/securities/</u> <u>company-announcements</u> 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 Manager (or its agents or service providers) for the purpose of the processing and administration and analysis by the 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 Manager (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

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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 7 April 2021. 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 working days prior to the AGM (by 12 April 2021).
- 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 7 April 2021.
- 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 no.)*
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, 22 April 2021 at 10.30 a.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 " Manager "), and the Audited Financial Statements of Sasseur REIT for the financial year ended 31 December 2020 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 Manager to fix their remuneration.			
	SPECIAL BUSINESS			
3	To authorise the 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. If wou 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.

Delete where inapplicable

Dated this _____day of April 2021

Total Number of Units held:

Signature(s) of Unitholder(s)

or, Common Seal of Corporate Unitholder

NOTES:

- 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 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 12 April 2021).

- 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 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 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 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 7 April 2021.

GENERAL:

The 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 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 Manager.

Corporate Information

THE MANAGER

SASSEUR ASSET MANAGEMENT PTE. LTD. Company Registration Number: 201707259N

BUSINESS OFFICE ADDRESS (THE MANAGER)

7 Temasek Boulevard #06-05 Suntec Tower One Singapore 038987 Telephone: +65 6255 2953 Fax: +65 6873 0930

REGISTERED OFFICE ADDRESS (THE MANAGER)

50 Raffles Place #32-01 Singapore Land Tower Singapore 048623 Telephone: +65 6536 5355 Fax: +65 6536 1360

BOARD OF DIRECTORS (THE 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 (THE MANAGER)

Cheng Heng Tan (Chairman) Gu Qingyang Wu Geng

NOMINATING AND REMUNERATION COMMITTEE (THE MANAGER)

Gu Qingyang (Chairman) Xu Rongcan Wu Geng

COMPANY SECRETARIES (THE MANAGER)

Chester Leong (Appointed on 12 November 2020) Kevin Cho

TRUSTEE

DBS TRUSTEE LIMITED 12 Marina Boulevard Level 44 Marina Bay Financial Centre Tower 3 Singapore 018982 Telephone: +65 6878 8888 Fax: +65 6878 3977

UNIT REGISTRAR

BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623 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

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