



SASSEUR REAL ESTATE INVESTMENT TRUST

(a real estate investment trust constituted on 30 October 2017
under the laws of the Republic of Singapore)

SETTLEMENT OF LITIGATION INVOLVING SASSEUR HEFEI

1. The Board of Directors (the “**Board**”) of Sasseur Asset Management Pte. Ltd., as manager of Sasseur Real Estate Investment Trust (“**Sasseur REIT**”, and Sasseur Asset Management Pte. Ltd. as manager of Sasseur REIT, the “**Manager**”) hereby refer to the announcement dated 25 September 2018 (the “**September Announcement**”) in relation to the potential litigation by Zhongjian Sanju No.2 Construction Engineering Co., Ltd (“**ZS2**”) against Hefei Sasseur Commercial Management Co., Ltd (合肥砂之船商业管理有限公司) (“**Sasseur Hefei**”) in the Anhui Higher People’s Court, Anhui City, People’s Republic of China (the “**Court**”).
2. The action by ZS2 against Sasseur Hefei arose out of a disagreement between Sasseur Cayman Holding Ltd (the “**Sponsor**”) and ZS2 over the construction sum payable in respect of Sasseur Hefei’s outlets which were completed in May 2016. ZS2’s claim was for a sum of approximately RMB148.4 million and its legal costs.
3. Following legal proceedings and negotiations between Sasseur Hefei and ZS2 (the “**Parties**”) and their lawyers, the Parties have reached a voluntary settlement of RMB55 million (the “**Final Settlement Amount**”), payable by Sasseur Hefei to ZS2, instead of the claim of RMB148.4 million by ZS2. Pursuant to the voluntary settlement, the Parties have entered into a settlement agreement and the terms of the settlement agreement are legally binding. Sasseur Hefei has since received the invoice from ZS2 and the Final Settlement Amount is due to be paid before 29 November 2019. Sasseur Hefei has set aside sufficient cash for the payment.
4. As stated in the September Announcement, an amount of RMB117.5 million had been previously included in the sales and purchase agreement dated 16 November 2017 for the acquisition of Sasseur Hefei’s initial portfolio at IPO (the “**SPA**”) in respect of the construction accounts payables incurred by ZS2. In light of the final settlement amount of RMB55 million, the construction accounts payables are lower by RMB62.5 million¹.
5. The Board is of the view that the terms of the final settlement are expected to have no impact on Sasseur REIT’s distribution per unit and no material impact on net asset value for the current financial year ending 31 December 2019.

1. Based on amount included in the SPA of RMB117.5 million less the final settlement amount of RMB55 million.

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

Anthony Ang Meng Huat
Chief Executive Officer
24 October 2019

*The value of the units of Sasseur REIT ("**Units**") and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager, DBS Trustee Limited, as trustee of Sasseur REIT, Sasseur Cayman Holding Limited, as the sponsor of Sasseur REIT or any of their respective affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Holders of Units (the "**Unitholders**") have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.*

Sponsorship statement:

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