

STAYING RESILIENT ADVANCING FORWARD



ANNUAL REPORT 2022

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All figures in this Annual Report are in Singapore dollars unless otherwise specified. Certain figures in this report may not add up to the respective totals due to rounding.

Vision

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

Mission

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

Corporate Objectives

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



Visit us or download
the Annual Report at
www.sasseurreit.com

Key Highlights

For financial year ended 31 December 2022 (FY2022)

FINANCIALS

EMA Rental Income¹

\$121.3 million

FY2021: \$127.5 million

Distribution per Unit

6.550¢

FY2021: 7.104¢

Distribution Yield

based on closing price of \$0.755 on 30 December 2022

8.7%

FY2021: 8.4%

NAV per Unit²

\$0.87

FY2021: \$0.99

CAPITAL MANAGEMENT

Aggregate Leverage²

27.6%

FY2021: 26.1%

Interest Coverage Ratio²

4.4 times

FY2021: 5.1 times

PORTFOLIO

Total Outlet Sales

RMB3,534.8 million

FY2021: RMB4,184.6 million

Portfolio Occupancy Rate³

97.2%

FY2021: 94.5%

Portfolio Valuation²

RMB8.5 billion

FY2021: RMB8.5 billion

Shopper Traffic

9.6 million

FY2021: 10.6 million

VIP Membership²

2.9 million

FY2021: 2.6 million

CORPORATE GOVERNANCE ACHIEVEMENTS

SIAS Investors' Choice Award 2022

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

Singapore Governance and Transparency Index 2022

Placed 19th out of 44 REITs and Business Trusts

Governance Index for Trusts 2022

Ranked 21st out of 43 REITs and Business Trusts

Notes:

¹ Excluding straight-line accounting adjustments.

² As at 31 December of the financial year.

³ Occupancy is calculated based on average of the last day's occupancy of each month in the fourth quarter of the year.

About Sasseur REIT

Sasseur REIT is a real estate investment trust (REIT) listed on the Mainboard of the Singapore Exchange since 28 March 2018. It is the first outlet REIT listed in Asia, with four outlets in China in its portfolio. The outlets are located in the cities of Chongqing, Hefei and Kunming, with a total asset value of RMB8.5 billion as at 31 December 2022.

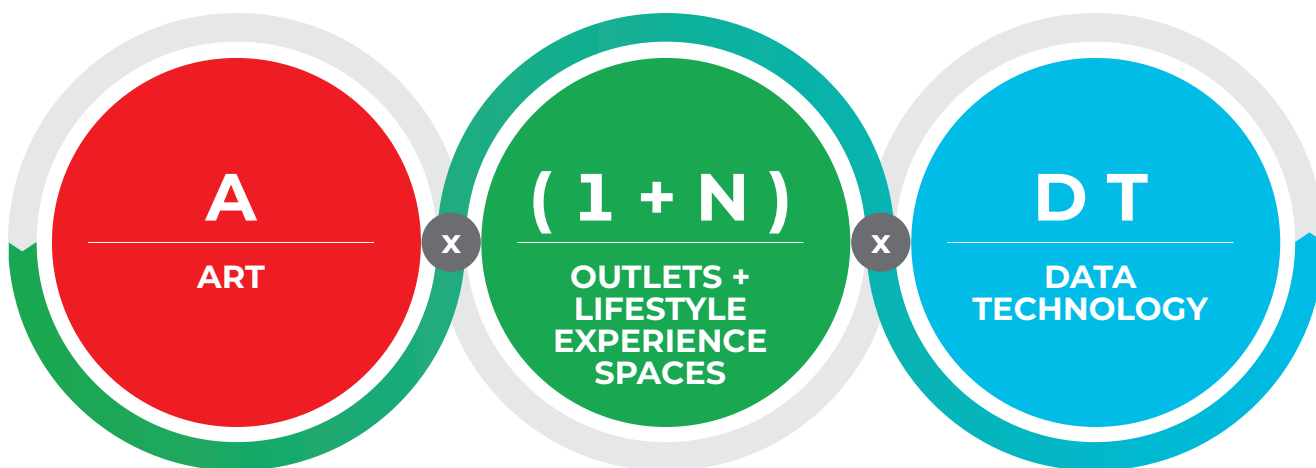
Sasseur REIT is managed by Sasseur Asset Management Pte. Ltd., an indirect wholly-owned subsidiary of Sasseur

Cayman Holding Limited (the Sponsor) which is part of Sasseur Group, one of the leading premium outlet operators in China with 16 outlets under management – including the four outlets in Sasseur REIT’s portfolio as at 31 December 2022.

Sasseur REIT is well positioned to benefit from the fast-growing outlet sector in China, with growth driven by rising consumption from the rapidly expanding Chinese middle class.

Sasseur Outlet DNA

Passion for ART AND COMMERCE



Synergy between Art and Commerce (art expressions in outlet layout and design)

Super Sports (sporting activities for families)

VIP Memberships (loyalty programme)

Shoppers' emotional connections with the outlets 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

Our Portfolio



NET Lettable Area¹
sqm

310,241

Sales (RMB)²
billion

3.5

Shopper Traffic²
million

9.6

Valuation (RMB)¹
billion

8.5

Occupancy³
%

97.2

VIP members¹
million

2.9

Notes:

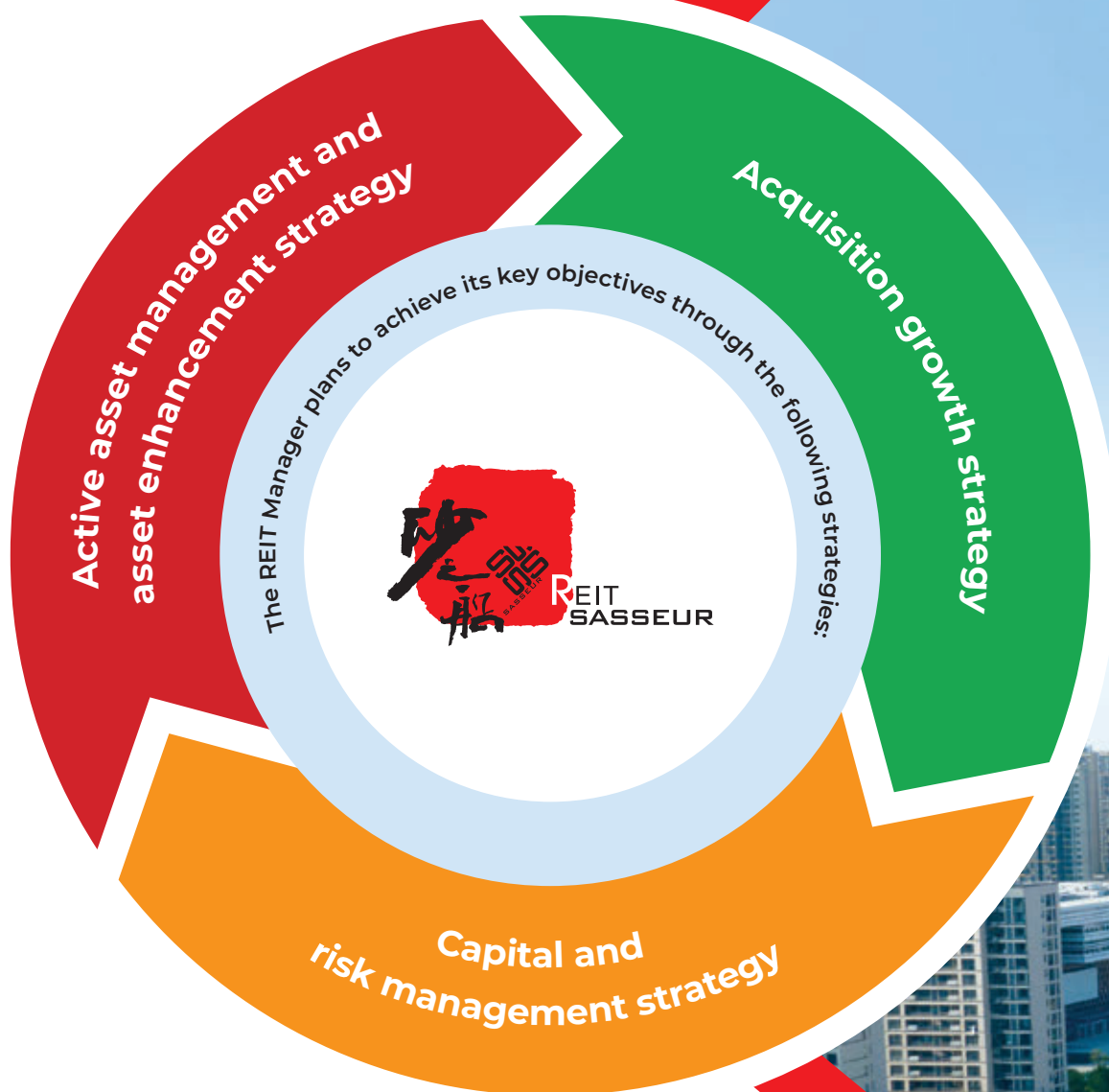
¹ As at 31 December 2022.

² For financial year 2022.

³ Occupancy is calculated based on average of the last day's occupancy of each month in fourth quarter of 2022.

Growth Strategy

The REIT Manager’s key objectives are to provide Unitholders with an attractive rate of return on their investment through regular and stable distributions to Unitholders and to achieve long-term sustainable growth in distribution per unit and net asset value per unit, while maintaining an appropriate capital structure for Sasseur REIT.





Active asset management and asset enhancement strategy

The REIT Manager works closely with the Entrusted Manager, to proactively manage Sasseur REIT's property portfolio and strive to achieve growth in revenue and property income and maintain optimal occupancy levels. In respect of properties acquired from third parties in the future, the REIT Manager will also implement proactive policies to improve the yields and seek suitable property enhancement opportunities to support and enhance organic growth.



Acquisition growth strategy

The REIT Manager seeks to achieve portfolio growth by pursuing selective acquisition opportunities of quality income-producing properties used mainly for retail outlet mall purposes initially in China (including the potential pipeline under the Sponsor's Right of First Refusal) and subsequently in other countries. Such acquisition opportunities would also be evaluated by the REIT Manager according to the investment strategy of Sasseur REIT, to enhance the return to Unitholders and pursue opportunities for future income and capital growth.

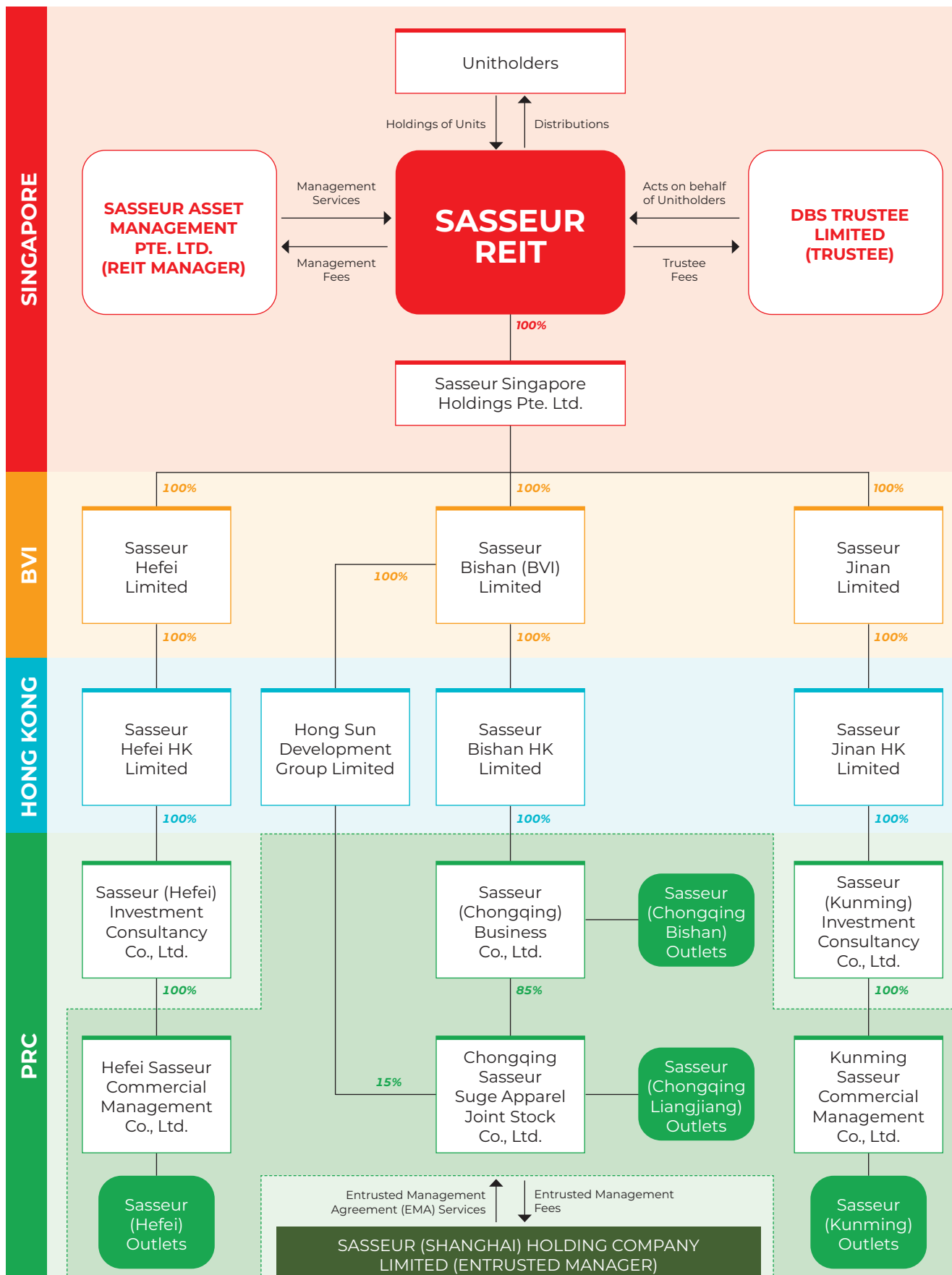


Capital and risk management strategy

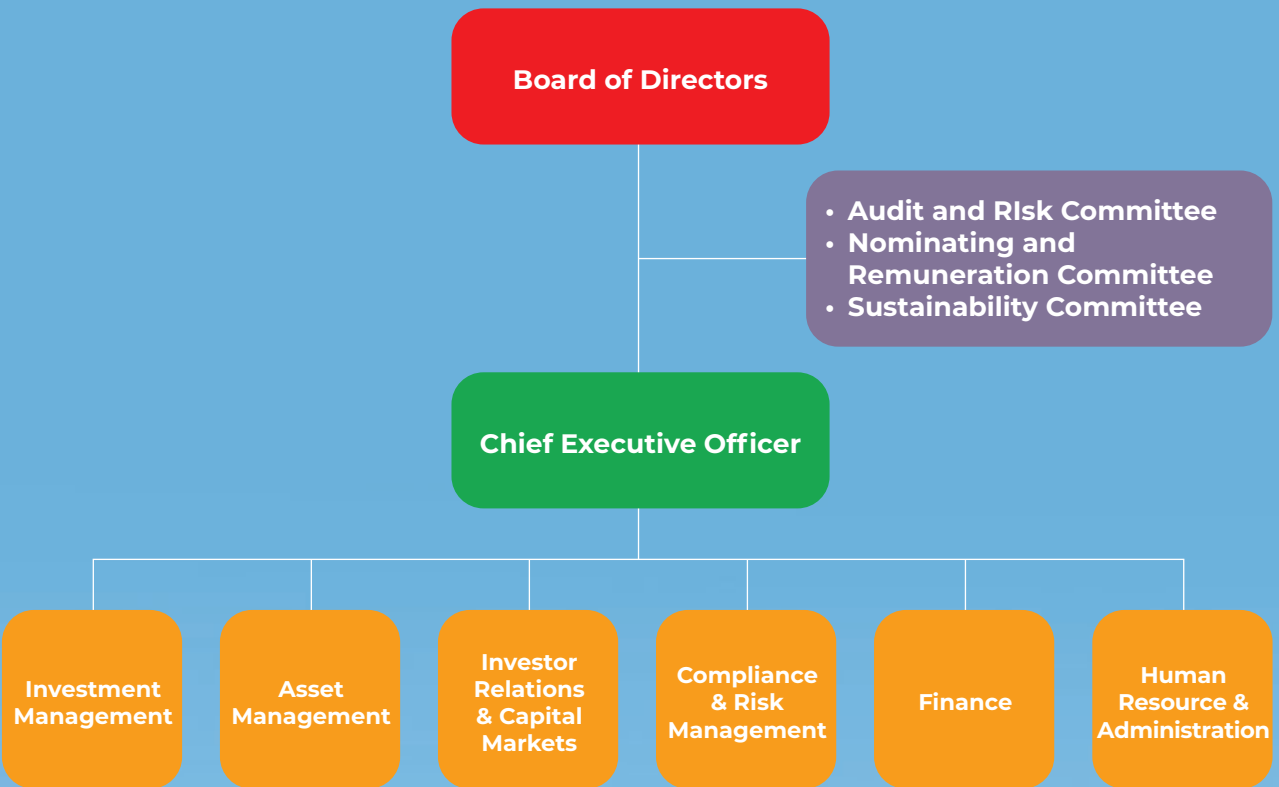
The REIT Manager endeavours to employ an appropriate mix of debt and equity in financing acquisitions and asset enhancements, and utilise hedging strategies where appropriate from time to time to manage interest rate volatilities and foreign exchange exposure for Sasseur REIT.



REIT Structure



Organisation Structure

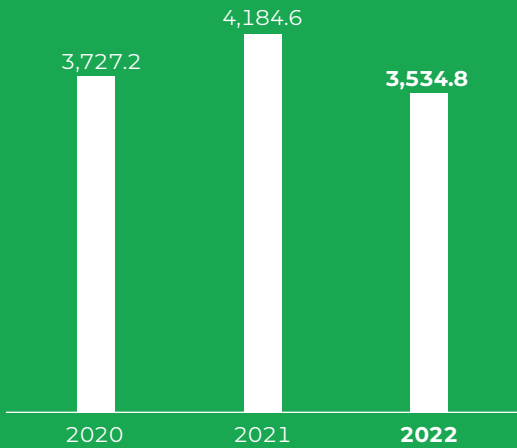


Financial Highlights



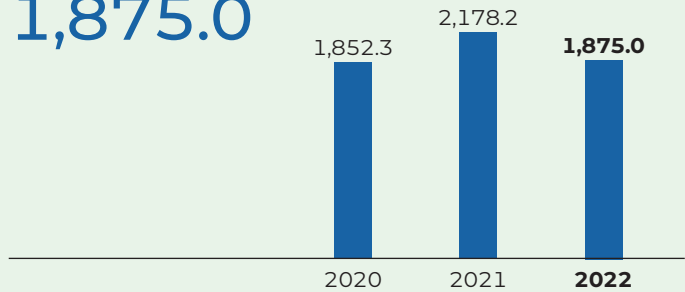
Total Outlet Sales (RMB million)

3,534.8



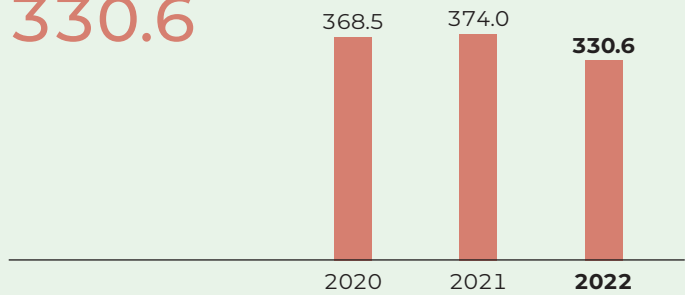
Sasseur (Chongqing Liangjiang) Outlets (RMB million)

1,875.0



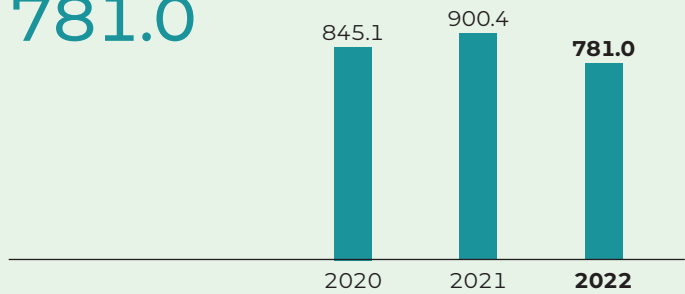
Sasseur (Chongqing Bishan) Outlets (RMB million)

330.6



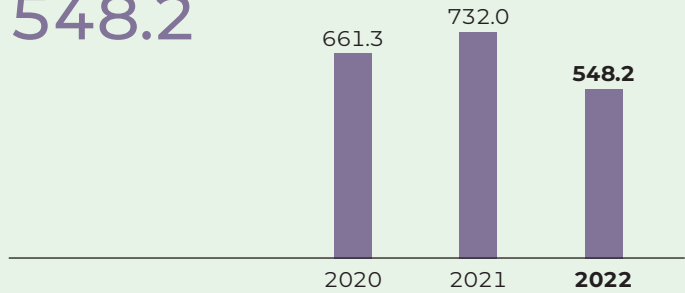
Sasseur (Hefei) Outlets (RMB million)

781.0

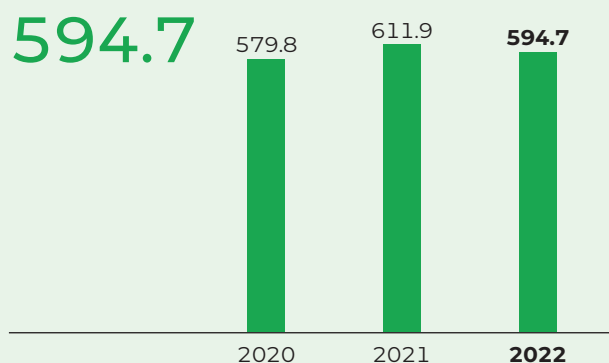


Sasseur (Kunming) Outlets (RMB million)

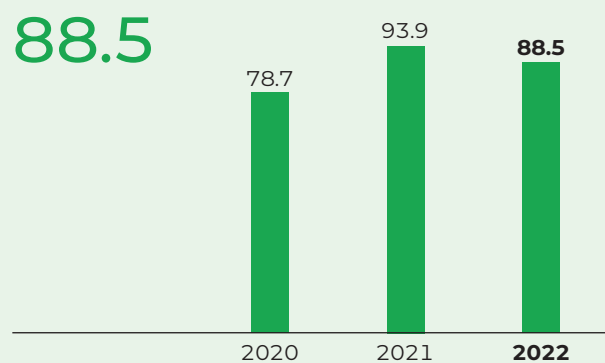
548.2



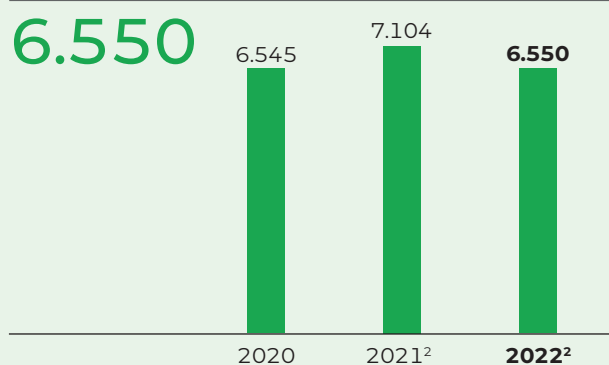
EMA Rental Income¹ (RMB million)



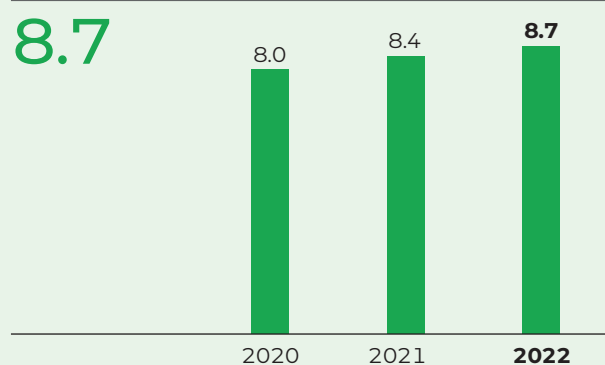
Distributable Income (\$ million)



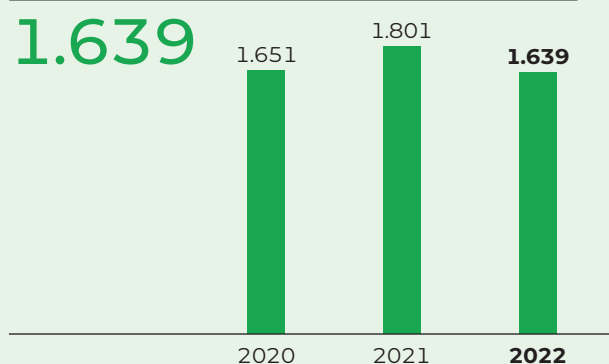
Distribution per Unit (\$ cents)



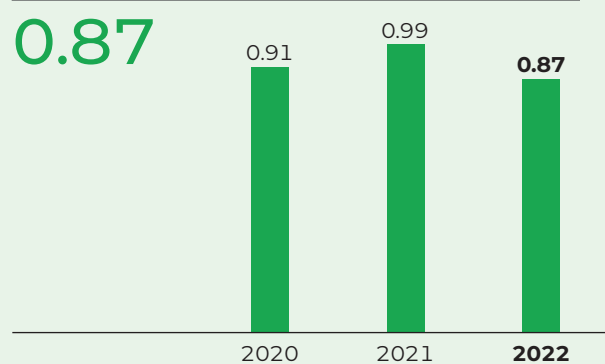
Annualised Distribution Yield³ (%)



Portfolio Valuation (\$ billion)



Net Asset Value per Unit (\$)



Notes:

¹ Excluding straight-line accounting adjustments.

² Represent distribution per Unit (DPU) after retention.

³ Annualised distribution yield based on the closing price of \$0.820, \$0.845, \$0.755 as at 31 December 2020, 31 December 2021 and 30 December 2022 respectively.

Chairman's Statement

EMA Rental Income

\$121.3 million

Distribution Per Unit

6.550¢

Total Outlet Sales

RMB3,534.8 million

Dear Unitholders,

On behalf of the Board of Directors, I am pleased to present Sasseur REIT's Annual Report for the financial year ended 31 December 2022 (FY2022).

STAYING RESILIENT DESPITE EXTERNAL CHALLENGES

2022 was a turbulent year for China, as the country braved its third year of strict COVID-19 controls which took a toll on its economy. The rising pandemic-related disruptions across many Chinese cities during the year led to uncertainties over the economy, weighing heavily on consumption and investment. China's economic growth fell to its second-lowest level in at least four decades last year, registering 3.0%¹ year-on-year (YoY) growth, below the official government target of around 5.5% and 2021's growth of 8.4%².

Mr Xu Rongcan, Vito

Founder of Sasseur Group and Chairman of the Board of the REIT Manager



Notes:

¹ National Bureau of Statistics of China, Press Release dated 17 January 2023.

² National Bureau of Statistics of China, Press Release dated 27 December 2022.

Nonetheless, the re-opening of China's borders in early 2023 implies the possibility of an earlier and faster recovery than expected. Already, there are encouraging signs of gradual recovery in consumer spending in China since the government started easing its zero-COVID policy since December 2022. Policies to promote consumption were rolled out, stabilising the consumer market, with China's retail sales of consumer goods seeing an improvement in December 2022 from November 2022³.

We are monitoring all developments closely, ensuring our outlets stay resilient and are quick to respond to market changes amidst the volatile operating environment. Against this challenging backdrop, Sasseur REIT's distributable income declined by 5.8% YoY to \$88.5 million in FY2022. This was largely due to the adverse impact of widespread COVID-19 outbreaks which had led to mandated temporary closures and shortened operating hours at Sasseur REIT's four outlets, with lockdowns and intercity travel restrictions dampening consumer sentiments. This brings the distribution per Unit (DPU) for FY2022 to 6.550 Singapore cents, which was 7.8% lower than that for FY2021 albeit slightly higher than the DPU for the financial year ended 31 December 2020. Based on our closing unit price of \$0.755 as at 30 December 2022, this would translate to a distribution yield of 8.7%.

All in all, as at end-2022, for Unitholders who have invested in Sasseur REIT since its public listing on 28 March 2018, we have delivered a total return of approximately 37.7%⁴, outperforming that of the FTSE ST REIT Index (13.3%) and FTSE Straits Times Index (14.1%) for the same period. We will strive to sustain our record of value creation for the long term for our Unitholders.

The FY2022 results and total returns since listing demonstrate the REIT's resilience and the strength of its Entrusted Management Agreement (EMA) model, which enabled the REIT to be relatively cushioned from the impact of the pandemic outbreaks. The EMA model has a fixed component to provide a stable growing income and a variable component to enable Unitholders to participate in the upside in sales performances of the outlets. Together with the in-built 3% annual step-up of the fixed component under the EMA, this serves to align the REIT Manager's interests with that of Unitholders.

LONG-TERM GROWTH STRATEGY

The Board and Management believe that effective corporate governance is needed as a firm foundation for us to deliver long-term value for Sasseur REIT's Unitholders. In line with our efforts to maintain high levels of transparency and accountability to the REIT's stakeholders, we value and deliberate the market feedback and viewpoints that we regularly gather through investor, analyst and media engagements.

Our efforts to enhance the REIT's corporate transparency standards have earned recognition at the Securities Investors Association (Singapore) (SIAS) Investors' Choice Awards, with the REIT named as Runner-Up of the Singapore Corporate Governance Award 2022, REITs & Business Trusts Category, for the second consecutive year. Sasseur REIT was also ranked 19th out of 44 REITs and Business Trusts in the Singapore Governance and Transparency Index (SGTI) 2022, as well as ranked 21st out of 43 REITs and Business Trusts in the Governance Index for Trusts 2022 last year.

We are making good progress on our sustainability journey, with a Board-level Sustainability Committee established in July 2022. This Committee has the delegated authority to define and review Sasseur REIT's sustainability strategy, as well as ensure that the Management executes the strategy effectively to drive the implementation of relevant programmes and practices that can create a positive environmental and social impact. More details of Sasseur REIT's sustainability initiatives can be found in the Sustainability Report 2022.

At the Sponsor and Entrusted Manager level, Sasseur Group's business ethos of "Art Commerce, Core Operational Capabilities" has weathered various economic cycles in the past and continues to build on its past three decades of experience in focusing on operations of outlets in China, to drive outlets' sales, in spite of external market challenges in the past year.

We continue to enhance organisational resilience and management capabilities amidst the pandemic-related lockdowns and movement restrictions. We provided online training sessions for employees to strengthen their product and operational knowledge during the lull periods amidst the lockdowns. Our focused strategy to pivot to digital platforms as part of our omnichannel marketing approach, has also shown positive payoff. Sales from the online channels spiked by 23 times YoY in FY2022.

Notes:

³ Global Times, "China's retail sales soften 0.2% in 2022, with domestic consumption expected to rebound throughout 2023", 17 January 2023.

⁴ Source: Bloomberg.

Chairman's Statement

We are also aware of the possible impact that the prolonged and strict lockdown measures can have on our people. We continue to focus on maintaining a workplace culture which promotes mental, physical and social wellbeing to allow our people to flourish and achieve their full potential.

Notwithstanding the difficult climate, we are pleased that subsequent to FY2022, in February 2023, the REIT has managed to successfully secure new loan facilities with different tenors to refinance its loans due in March this year. This is a significant achievement in strengthening the REIT's balance sheet position and will allow us to reduce debt concentration risks, as part of our prudent and proactive capital management strategy. This also paves the way for the REIT to move on to its next phase of growth, as we now have greater scope to optimise the REIT's debt capacity in the pursuit of an asset acquisition in the near future. The Board is working closely with Management on plans for the REIT's post-pandemic growth. Apart from organic growth coming from active asset management, we are exploring appropriate accretive acquisition opportunities by leveraging the broad network and pipeline assets of the Sponsor.

MARKET OUTLOOK

For 2023, China's government has set targets of approximately 5.0% for real GDP growth and a 5.5% unemployment rate for people in cities. The government also aims to create around 12 million new urban jobs, higher than 2022's target of 11 million jobs, underscoring the importance of consumption in unleashing the country's long-term growth potential.

During the annual session of China's National People's Congress in March 2023, the government stressed on giving priority to the recovery and expansion of domestic consumption and boosting the incomes of urban and rural residents through multiple channels. This bodes well for the country's consumption outlook. The government had also announced plans to boost the scale of consumption and investment to a new level by 2035, significantly reduce income gaps between urban and rural residents, and make substantial progress in the country's "common prosperity" drive⁵.

Already, we are seeing some visible signs of recovery in China's retail industry since early 2023, fuelled by pent-up consumer demand. With the improvement in consumer sentiments, many Chinese cities have raised their growth targets in 2023. In particular, Chongqing and Hefei cities expect growth to hit at least 6.0% and 6.5% respectively this year⁶. Chongqing, where two of Sasseur REIT's outlets are located, has also leapfrogged Guangzhou to become one of China's top four mega-cities in 2022⁷.

These developments augur well for Sasseur REIT given it is a proxy to China's domestic market and it has a unique retail business model whereby the conventional fixed rent structure is replaced by a sales commission model which is directly linked to tenant's sales.

With the outlet sector's attractive value propositions as well as China's growing middle-class population segment, we believe Sasseur REIT's outlets are well-positioned to benefit from the government's focus to promote a consumption recovery as a major driver of China's economic growth in 2023.

BOARD ACKNOWLEDGEMENTS

The Board would like to thank the management team and our people for their tireless efforts in the face of adversity. We are also grateful to our Unitholders, tenants, shoppers and the wider business community for their confidence and trust in Sasseur REIT.

To the Board of Directors, we appreciate your dedication and contributions. With the support of an experienced management team and our people, together, we will advance forward to bring Sasseur REIT to greater heights and work towards achieving sustainable growth in DPU and net asset value per Unit over the medium to long term.

Mr Xu Rongcan, Vito

Founder of Sasseur Group and
Chairman of the Board of the REIT Manager

Notes:

⁵ Business Times, "China plans to expand domestic demand to spur economy", 15 December 2022.

⁶ The Beijing News, "Top 18 mega-cities in China", 17 January 2023.

⁷ Tencent News, "Changes in Cities' rankings by GDP", 28 January 2023.

主席致辞

尊敬的单位持有人，

我谨此代表董事局提供截至2022年12月31日财政年度(2022财年)的砂之船房地产投资信托基金(砂之船房托)的年度报告。

尽管面临外部挑战，仍保持韧性

2022年对中国来说是动荡的一年，是中国勇敢应对、严控新冠疫情的第三年，同时对其经济造成了负面影响。这一年，疫情相关的干扰在许多城市持续加剧，导致经济出现不确定性，严重影响消费和投资。去年，中国经济增速降至40年来第二低水平，同比增长3.0%¹，低于政府官方目标的约5.5%和2021年的8.4%²的增长率。

尽管如此，2023年初中国边境的重新开放意味着可能比预期更早、更快地恢复。自2022年12月以来，中国政府开始放松动态清零政策，中国消费支出出现了逐步复苏、令人鼓舞的迹象。促进消费的政策逐步出台，稳定了消费市场，2022年12月中国社会消费品零售额较2022年11月有所改善³。

我们密切关注所有动态发展，确保我们的奥莱保持韧性，并在动荡的经营环境中快速应对市场变化。在这种充满挑战的背景下，砂之船房托的可支配收入在2022财年同比下降5.8%，至8850万新元。这在很大程度上是由于新冠肺炎疫情的广泛爆发所造成的不利影响，导致房托的四个奥莱被迫临时关闭，营业时间缩短，封锁和限制城际旅行限制抑制了消费者的消费欲。这使得2022财年的每单位派息(DPU)比2021财年低7.8%，为6.550新分，但仍略高于2020年截至当年12月31日财年的DPU。根据截至2022年12月30日收盘单价0.755新元，这意味着8.7%的分配收益率。

总而言之，截至2022年底，对于自2018年3月28日砂之船房托上市以来投资我们的单位持有人，我们的总回报率约为37.7%⁴，超过了同期的富时新加坡房托指数(13.3%)以及富时海峡时报指数(14.1%)。我们将努力为单位持有人保持长期的价值创造记录。

2022财年的业绩和上市以来的总回报表明了砂之船房托的韧性及其委托管理协议(EMA)模式的优势，这使得房托能够相对缓冲疫情的影响。EMA模式有一个固定部份，用于提供稳定增长的收入，还有一个浮动部份，让单位持有人参与奥莱销售业绩的上升。再加上EMA固定部份每年递增3%，这将使房托管理人与单位持有人的利益保持一致。

长期增长战略

董事局和管理层认为，有效的公司治理是我们为砂之船房托的单位持有人提供长期价值的坚实基础。为保持对房托利益相关者的高度透明度和问责制，我们重视并认真考虑从投资者、分析师和媒体处定期收集的市场反馈和观点。

我们为提高砂之船房托的企业透明度标准所做的努力在新加坡证券投资者协会(SIAS)投资者选择奖中获得了认可，砂之船房托连续第二年获得2022年新加坡企业治理奖—房托和商业信托类别亚军。砂之船房托在2022年新加坡治理和透明度指数(Singapore Governance and Transparency Index 2022)中的44个房托和商业信托中排名第19位，2022年信托治理指数(Governance Index for Trusts 2022)中的43个房托中排名第21位。

2022年7月我们在董事局层级成立了可持续发展委员会，我们的可持续发展之旅取得了良好进展。该委员会有权定义和审查砂之船房托的可持续性战略，并确保管理层有效执行该战略，以推动相关计划和实践的落实，从而产生积极的环境和社会影响。砂之船房托可持续发展计划的更多详情可参阅《2022年可持续发展报告》。

尽管过去一年面临外部市场挑战，在发起人和受托管理人层面，砂之船集团“艺术商业，核心运营”的战略理念在过去经历了各种经济周期，并在过去三十年专注于中国奥莱运营的经验基础上持续发展，以推动奥莱业绩。

尽管当时新冠疫情相关的封锁以及行动限制，我们继续增强组织韧性和管理能力。我们为员工提供了在线培训课程，以加强他们在封锁期间的产品和运营知识。作为全渠道营销方法的一部份，我们专注于数字平台的战略也收到了积极的回报。在2022财年，线上渠道销售额同比增长了23倍。

我们也意识到，长期严格的封锁措施可能对我们房托员工带来有负面影响。我们继续致力于保持员工身心健康的职场文化，以使我们的员工能充分发挥其潜能。

尽管经济大环境艰难，但我们很高兴，在2022财年之后，即2023年2月，房托成功获得了不同期限的新贷款，为其今年3月到期的贷款再融资。作为我们审慎和积极的资本管理战略的一部份，这是加强房托资产负债表状况的一项重大成就，将使我们能够降低债务集中风险。这也为砂之船房托进入下一个增长阶段铺平了道路，因为我们现在有更的空间来优化房托的债务能力，以便在不久的将来进行资产收购。

董事局正在与管理层密切合作，制定砂之船房托疫情后的增长计划。除了积极资产管理带来的有机增长外，我们正在通过利用发起人的广泛网络和管道资产，探索适当的增值收购机会。

市场前景

2023年，中国政府设定的实际GDP增长目标约为5.0%，城市居民失业率为5.5%。政府还计划创造约1200万个新的城市就业岗位，高于2022年1100万个就业岗位的目标，这突出了消费在释放国家长期增长潜力方面的重要性。

在2023年3月举行的第十四届中国全国人民代表大会会议上，政府强调优先恢复和扩大国内消费，并通过多渠道提高城乡居民收入。这对中国的消费前景是个好兆头。政府还宣布了到2035年将消费和投资规模提升到一个新水平的计划，大幅缩小城乡居民收入差距，并在国家“共同富裕”驱动方面取得实质性进展⁵。

自2023年初以来，被压制的消费需求反弹推动，我们已经看到了中国零售业复苏的一些明显迹象。随着消费者消费欲的提升，许多中国城市提高了2023年的增长目标。特别是，重庆和合肥预计今年的增长率将分别达到至少6.0%和6.5%⁶。砂之船房托的两个奥莱所在地重庆也超越广州，成为2022年中国四大超级城市之一⁷。

这些发展对砂之船房托来说是个好兆头，因为它是中国国内市场的代表，且砂之船具有独特的零售商业模式，这是一种与租户的销售额直接挂钩的销售佣金模式。

鉴于奥莱产业具有吸引力的价值主张以及中国不断增长的中产阶级人口群体，我们认为砂之船房托的奥莱处于有利地位。政府聚焦促进消费复苏，并将其作为2023年中国经济增长的主要驱动力也将有益于砂之船房托奥莱的增长。

董事局感谢

董事局要感谢管理团队和我们的员工在逆境中的不懈努力。我们也感谢我们的单位持有人、租户、消费者和更广泛的商业界对砂之船房托的信心和信任。

对于董事们，我们感谢你们的奉献和贡献。在经验丰富的管理团队和我们的员工的支持下，我们将共同努力，将房托推向更高的高度，并致力于在中长期内实现DPU和单位资产净值的可持续增长。

徐荣灿先生

砂之船集团创始人
砂之船资产管理公司董事局主席

¹ 中国国家统计局 http://www.stats.gov.cn/english/PressRelease/202301/t20230117_1892094.html

² 中国国家统计局 http://www.stats.gov.cn/english/PressRelease/202212/t20221227_1891279.html

³ 环球时报，“2022年中国零售额下降0.2%，预计2023年全年国内消费将反弹”，2023年1月17日。

⁴ 来源：彭博。

⁵ 新加坡商业时报，“中国计划扩大内需以刺激经济”，2022年12月15日。

⁶ 新京报，“18座万亿GDP城市公布2023年GDP增速目标”，2023年1月17日。

⁷ 腾讯，“城市经济排名新变化，谁在进步？谁落后了？”，2023年1月28日。

Interview with CEO



Ms Cecilia Tan
Chief Executive Officer



What were some of the key achievements for Sasseur REIT in 2022?

In a year marked by COVID-related volatilities in China and macroeconomic challenges, Sasseur REIT's operating metrics remain resilient.

In the fourth quarter of 2022, the average occupancy rate of Sasseur REIT's portfolio rose to 97.2%, surpassing 2019's pre-COVID occupancy rate of 96.0%. The all-time high occupancy rate was contributed mainly by Sasseur (Hefei) Outlets due to new leases secured and adjustments to tenant mix, stable occupancies at both Sasseur (Chongqing Liangjiang) Outlets and Sasseur (Kunming) Outlets, as well as Sasseur (Chongqing Bishan) Outlets' well-executed asset enhancement initiative (AEI).

As at 31 December 2022, Sasseur REIT's portfolio was valued at RMB8.5 billion by an independent valuer, similar to the valuation for the portfolio a year ago. This reflects the strong underlying fundamentals of the outlets which are poised to benefit from an expected consumption-led recovery in China in 2023.

The annual Anniversary Sales event at Sasseur REIT's four outlets also continued to be a sales highlight in the third quarter of 2022. The portfolio's first day combined sales of the Anniversary Sales event registered RMB207.8 million, up 12.5% year-on-year (YoY). Sasseur (Chongqing Liangjiang) Outlets and Sasseur (Kunming) Outlets generated record sales of RMB147.1 million (up 10.0% YoY) and RMB34.6 million (up 19.1% YoY) respectively on the first day of their Anniversary Sales events, notwithstanding the uncertain operating environment.

We continue to hit new milestones on the corporate governance front as well. In 2022, Sasseur REIT was awarded Runner-Up of the Singapore Corporate Governance Award, REITs & Business Trusts Category, for the second consecutive year at the Securities Investors Association (Singapore) Investors' Choice Awards.



How is the REIT managing its balance sheet in this environment of rising interest rates?

We maintain a prudent balance sheet, keeping our asset values stable despite foreign exchange volatilities.

Our hedging policies help to manage foreign exchange volatilities. We progressively hedge at least 30% and up to 100% of foreign currency exposure on committed net cashflows.

As at 31 December 2022, Sasseur REIT's aggregate leverage remained low at 27.6%, with healthy interest coverage ratio of 4.4 times. On 31 January 2023 and 3 February 2023, the REIT Manager has announced that Sasseur REIT has secured new loan facilities to refinance its existing onshore and offshore loans maturing in March 2023.

Following the completion of the debt refinancing, the REIT's aggregate leverage would remain well below the regulatory limit of 50.0%. The new loans would also be separated into several loans with differing maturities, and Kunming Outlets would become unencumbered. The weighted average debt to maturity would improve to 3.6 years, with no significant refinancing requirements till 2026.



How did Sasseur REIT engage its stakeholders during 2022 against a backdrop of external challenges?

As part of our communications programme, we continue to update all stakeholders on corporate developments through different channels. We regularly engage with investors, analysts and media through results briefings, meetings, roadshows, investor webinars and external panel discussions. In 2022, we have also continued to raise Sasseur REIT's visibility and profile on well-followed social media platforms like LinkedIn, with the number of followers increasing by approximately 30% within one year.

Against the backdrop of widespread COVID-related movement restrictions in China in 2022, our omnichannel marketing strategy to reach a wider customer base and serve existing customers has borne fruit. We ramped up our online sales and marketing efforts, with online sales jumping by 23 times YoY in 2022 to surpass RMB42.0 million. Our online digital efforts extend to various popular Chinese social media platforms including Xiaohongshu (小红书), Weibo (微博), and Douyin (抖音) which cater to the tech-savvy and younger generation of consumers. We also regularly conduct live-streaming events to complement our promotional events.

Our outlets' VIP members constitute a crucial component of our shopper base. As such, the outlets' drive to expand their VIP member outreach remains the cornerstone of our marketing strategy. To deepen customer loyalty and retention, we focus on enhancing the outlets' bespoke VIP services and curating exciting promotions and events for members.

In October 2022, we embarked on a revamp of Sasseur (Chongqing Liangjiang) Outlets' VIP lounge to expand the space by four-fold and carve out exclusive tier-based zones for the outlet's Platinum and Gold card members.

As at 31 December 2022, the number of our VIP members rose by 13.6% YoY, reaching a new high of 2.9 million. During the year, to further improve our outlets' retail and service offerings, we also sought to gather feedback from the outlets' shoppers by rolling out satisfaction surveys.

Interview with CEO



How is Sasseur REIT incorporating sustainability into its business model?

We believe that an effective ESG strategy is core to delivering long-term resilience and value for Sasseur REIT's unitholders. As part of the REIT's overall sustainability strategy, we believe effective Board oversight is critical. As such, in July 2022, we have strengthened the REIT's sustainability governance structure by establishing a Sustainability Committee. The Committee, which reports to the Board of Directors, comprises Dr Gu Qingyang, the Lead Independent Director, as Chairman and Mr Xu Rongcan, the Non-Executive Chairman and founder of Sasseur Group as well as Mr Cheng Heng Tan, Independent Director and Chairman of the Audit and Risk Committee.

In 2021, we had adopted the Task Force on Climate-Related Financial Disclosures (TCFD) framework to assess climate risks and opportunities. In 2022, we have set up processes to identify, manage and integrate climate-related risks into our business by establishing metrics and targets to measure greenhouse gases and related risks.

We are making headway on our sustainability journey with a three-year roadmap we have established. More details of Sasseur REIT's sustainability roadmap can be found in the Sustainability Report 2022.



What are the key risks that could potentially impact the operations and bottom line of Sasseur REIT's outlets in 2023?

The anticipated gradual recovery in China's economy in 2023 could be hampered by recurrent COVID-19 outbreaks and renewed mobility restrictions which could hold back a recovery in consumption and services. On the other hand, the country's economic growth could be better than forecast if comprehensive public health measures help to contain the spread of COVID-19 faster than expected.

Interest rate risk is also a concern, given increasing interest rates globally. There are mitigating factors though. Following the completion of the debt refinancing, the REIT has no more significant refinancing requirements till 2026.

In addition, onshore loans, which constitute approximately 55% of the REIT's debts, post-refinancing, are either pegged to fixed rates or China's five-year loan prime rate which is stable. We also have hedging policies in place to hedge a portion of the offshore debts to fixed rates.

To enhance Sasseur REIT's access to a broader capital pool, we are exploring the feasibility of accessing funds from new sources.



Sasseur REIT has not made any acquisition to date since listing in 2018. Are there any plans to make any asset acquisitions in 2023?

We are monitoring the China market closely. The REIT has a sizeable debt headroom of approximately \$791.0 million (based on regulatory leverage limit of 50.0%) as at 31 December 2022.

However, we would want to ensure that any acquisition that the REIT makes, has to bring long-term value creation to the Unitholders. Currently, the REIT has a Right of First Refusal from the Sponsor for two pipeline assets, Sasseur (Xi'an) Outlets and Sasseur (Guiyang) Outlets.

Ms Cecilia Tan
Chief Executive Officer

首席执行官采访

Q 砂之船房托在2022年取得了哪些关键成就？

在中国疫情反复与宏观经济下调的严重影响之下，砂之船房托的运营仍然显示韧性。在2022年第4季，房托投资组合的平均出租率上升至97.2%，超越了2019年新冠疫情前的96.0%。这有史以来的出租率新高主要得益于合肥奥特莱斯新签的租赁合同和品牌组合调整、重庆两江奥特莱斯和昆明奥特莱斯稳定的出租率、以及重庆璧山奥特莱斯成功的资产改造(AEI)。

截至2022年12月31日，砂之船房托的投资组合由独立评估师估值为85亿元人民币，与前一年的投资组合估值保持相似。这反映了奥特莱斯厚实的基础，是有助于我们受益2023年由消费带动的经济复苏的优势。

砂之船房托四个奥特莱斯的周年庆活动仍然是2022年第3季度的销售亮点，首日的总销售额为2.078亿元人民币，同比增长了12.5%。尽管在艰难的运营环境之下，重庆两江奥特莱斯和昆明奥特莱斯在周年庆活动的第一天突破了销售历史新高，两个门店的销售额分别是1.471亿元人民币(同比增长10.0%)和3462万元人民币(同比上涨19.1%)的新记录。

我们继续在公司治理的方面取得亮眼的成绩。在2022年，砂之船房托连续第二年获得了新加坡投资者协会的公司治理奖(SIAS Investors' Choice Award)(房托与商业信托类别)的亚军。

Q 在利率上升的环境下，砂之船房托如何管理资产负债表？

在外汇波动的情况下，我们仍然保持稳健的资产负债表，确保资产价值的稳定性。我们制定了对冲政策来管理外汇波动。我们逐步对冲至少30%至100%的外币敞口来应对外汇风险。

截至2022年12月31日，砂之船房托的总杠杆率保持在27.6%的低水平，利息覆盖率也保持在4.4倍的健康水平。2023年1月31日和2023年2月3日，砂之船房托的管理人宣布，房托已获得新贷款，为2023年3月到期的境内与境外的贷款做好了再融资工作。

再融资完成后，房托的总杠杆率仍然保持远低于50.0%的监管限制。新贷款将分散为几个不同到期日，昆明奥莱也不作为新贷款的抵押物。债务加权平均到期将提高至3.6年，房托在2026年前没有重大的再融资需求。

Q 在外部挑战的背景下，砂之船房托如何在2022年与其利益相关者接洽？

我们继续通过不同渠道向所有利益相关者通报公司发展情况。我们通过业绩简报、会议、路演、投资者网络研讨会和外部小组讨论，定期与投资者、分析师和媒体接触。2022年，我们在领英(LinkedIn)等广受关注的社交媒体平台上继续提高砂之船房托的知名度，一年内的页面浏览次数增加了约30%。

在2022年中国新冠疫情管控的限制下，我们多渠道的营销战略在开拓新客户群以及提升现有客户的体验，各方面成效明显。这年我们也加强了线上营销的力度，突破超过4200万元人民币的销售额，同比增长23倍。我们的线上渠道已延伸到小红书、微博、抖音等深受年轻消费群体欢迎的社交平台。与此同时，我们也定期举办直播活动，使我们的促销活动更多样化。

VIP会员是我们各门店的重要客户群。因此，增加与VIP会员的互动依然是我们的主要营销策略。为加强VIP会员的粘性，我们将为VIP会员打造专属的顾客体验，以及精心定制的VIP服务和精彩促销活动。

在2022年10月，我们启动了重庆两江奥特莱斯VIP贵宾室的改造升级，将面积扩大了四倍，并且为白金卡会员和金卡会员设置分级的贵宾区域。

截至2022年12月31日，我们的VIP会员人数已达到了290万人的新高，是同比增长的13.6%。为了更精准的拿捏我们顾客所喜爱的品牌以及服务体验，我们也在2022年推出了顾客满意度调查，收集顾客的反馈。

首席执行官采访

Q 砂之船房托如何将可持续性纳入其商业模式？

我们认为有效的可持续发展战略是为砂之船房托的单位持有人提供长期韧性和价值的核心。作为房托整体可持续发展战略的一部份，有效的董事局监督至关重要。因此，在2022年7月，我们成立了可持续发展委员会，加强了砂之船房托的可持续发展治理结构。该委员会向董事局报告，由独立董事顾清扬博士担任主席、非执行主席兼砂之船集团创始人徐荣灿先生、以及独立董事兼审计与风险委员会主席郑庭鑽先生组成。

2021年，我们采用了气候相关财务披露工作组(TCFD)的框架来评估气候风险和机会。我们在2022年建立了一套通过建立衡量温室气体和相关风险的指标和目标，来辨识管理气候相关风险的流程，并将其整合到业务中。

我们制定了三年可持续发展的路线图，并正在朝着这个目标努力。更多有关砂之船房托可持续发展路线计划的详情，可参阅《2022年可持续发展报告》。

Q 2023年可能影响砂之船房托奥莱运营和盈利能力的主要风险是什么？

市场预计2023年中国经济会逐步复苏，除非COVID疫情的反复爆发和中国政府出台新的人员流动限制，阻碍消费和服务业的复苏。同时，如果全面的公共卫生防疫措施比预期更有效遏制新冠肺炎的传播速度，中国的经济增长可能会比预期更好。

因全球利率不断上升，利率风险也令人担忧。但随着再融资的工作完成后，砂之船房托在2026年前不再有重大的再融资需求。

此外，再融资后，占房托债务约55%的境内贷款将与固定利率或稳定的中国五年期贷款最优惠利率挂钩。我们还制定了对冲政策，将部份境外债务对冲至固定利率。

我们也正在探讨获取新的资金来源的可行性，为房托获得更广泛的资本机会。

Q 自2018年上市以来，砂之船房托未进行任何的收购。2023年是否有资产收购的计划？

我们密切关注中国市场。截至2022年12月31日，房托拥有约7.91亿新元(基于50.0%的监管杠杆限制)可观的债务空间。

然而，我们希望确保房托进行的任何收购都会为单位持有人带来长期的价值。目前，房托拥有发起人的西安奥莱和贵阳奥莱这两项目的资产有优先购买权。

陈凤莱女士
首席执行官

Financial Review

FINANCIAL OVERVIEW

Consolidated Statement of Total Return and Distribution Statement	FY2022 \$'000	FY2021 \$'000	Change %
EMA Rental Income¹	121,324	127,507	(4.8)
REIT Manager's Management Fees	(8,850)	(11,083)	20.1
Trust Expenses	(1,638)	(1,557)	(5.2)
Exchange Differences	110	3,354	(96.7)
Finance Costs (net)	(26,109)	(23,947)	(9.0)
Total Return before Fair Value Adjustments and Tax	84,837	94,274	(10.0)
Change in Fair Value of Financial Derivatives	70	183	(61.7)
Fair Value Adjustments to Investment Properties	(4,720)	69,698	n.m.
Total Return before Tax	80,187	164,155	(51.2)
Tax Expense	(18,089)	(41,298)	56.2
Total Return Attributable to Unitholders	62,098	122,857	(49.5)
Distribution Adjustments	26,405	(28,952)	n.m.
Income Available for Distribution to Unitholders	88,503	93,905	(5.8)
Less: Amount Retained ²	(8,181)	(7,713)	(6.1)
Amount to be Distributed to Unitholders	80,322	86,192	(6.8)

n.m. – not meaningful

EMA RENTAL INCOME

Sasseur REIT's EMA rental income (excluding straight-line adjustments) was \$121.3 million, decreased by \$6.2 million or 4.8% as compared to FY2021, mainly due to the weakening of Renminbi against Singapore Dollar as compared to FY2021. In RMB terms, EMA rental income (excluding straight-line adjustments) decreased 2.8% Year-on-Year (YoY) to RMB594.7 million, cushioned by the fixed component of EMA rental income resulting in a lower decline of RMB17.2 million as compared to FY2021. The first 2 months of FY2022 delivered higher sales than the same period in FY2021. However, sales had been adversely affected due to persistent waves of COVID-19 throughout the rest of the year which hindered the performance of the outlets, causing temporary closures, restricted people movement and weak shopper sentiment.

REIT MANAGER'S MANAGEMENT FEES

Sasseur REIT adopts a base and performance fee structure based on income available for distribution to Unitholders (or distributable income) and DPU growth respectively to derive the management fees to the REIT Manager which is aligned with the interests of the Unitholders. Under the Trust Deed, the REIT 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 Units in issue. The REIT Manager's management fees of \$8.9 million was 20.1% lower than FY2021 mainly due to the absence of REIT Manager's performance fee of \$1.7 million recorded in FY2021.

The REIT Manager has elected to receive 100% of its management fees in the form of Units for FY2022 and FY2021.

Notes:

¹ For a more meaningful comparison, EMA rental income excluding straight-line adjustments of \$(4,608,000) for FY2022 and \$(7,343,000) for FY2021.

² For FY2022, approximately \$8,181,000 of the income available for distribution has been retained to fund the transaction costs of refinancing and for working capital. For FY2021, approximately \$7,713,000 of the income available for distribution has been retained to fund asset enhancement initiatives and for working capital purposes.

Financial Review

FINANCE COSTS (NET)

Finance costs (net) of \$26.1 million were 9.0% higher than FY2021 largely due to higher interest rates on the offshore loans for FY2022 as compared to FY2021. More information on the borrowings is available in the Capital Management section.

FAIR VALUE ADJUSTMENTS TO INVESTMENT PROPERTIES

Change in fair value of investment properties represents the fair value losses on investment properties based on the portfolio valuation carried out by Colliers Appraisal & Advisory Services Co., Limited as at 31 December 2022 compared to the carrying value of the properties.

Fair value losses on investment properties of \$4.7 million were largely due to lower translated value arising from depreciation of Renminbi against Singapore Dollar on 31 December 2022 as compared to 31 December 2021. More information on the investment properties is available in the Valuation of Properties section.

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

TAX EXPENSE

Tax expense of \$18.1 million was lower than FY2021 by \$23.2 million largely due to the Sasseur (Chongqing Liangjiang) Outlets' preferential tax rate of 15% (FY2021: 25%) which is applicable for year 2021 to 2030^{3,4}. Tax refund of \$2.1 million relating to FY2021 was received and recorded in FY2022. The decrease of tax expense was also attributable to 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 FY2021.

DISTRIBUTION ADJUSTMENTS

Distribution adjustments include non-tax deductible expenses relating to the REIT Manager's management fees which are payable in the form of Units, amortisation of borrowing-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	FY2022 \$'000	FY2021 \$'000	Change %
REIT Manager's management fees payable in Units	8,850	11,083	(20.1)
Amortisation of borrowing-related transaction costs	6,423	6,367	0.9
Fair value adjustments to investment properties	4,720	(69,698)	n.m.
Deferred tax expense	6,624	26,259	(74.8)
Unrealised exchange differences	(142)	(2,780)	94.9
Change in fair value of financial derivatives	(70)	(183)	61.7
Total distribution adjustments	26,405	(28,952)	n.m.

DISTRIBUTABLE INCOME

Income available for distribution to Unitholders before retention for FY2022 was \$88.5 million, 5.8% lower compared to \$93.9 million for FY2021. Approximately \$8.2 million or 9.2% of the income available for distribution for FY2022 has been retained to fund the

transaction costs of refinancing and working capital. After cash retention, the amount distributed and to be distributed to Unitholders for FY2022 was \$80.3 million, 6.8% lower compared to \$86.2 million distributed to Unitholders for FY2021.

Notes:

³ China's Ministry of Finance and the State Administration of Taxation, "关于延续西部大开发企业所得税政策的公告", 23 Apr 2020.

⁴ China Ministry of Commerce, "鼓励外商投资产业目录 (2022年版)", 26 Oct 2022.

Statement of Financial Position Highlights	As at 31 Dec 2022 \$'000	As at 31 Dec 2021 \$'000	Change %
Investment Properties	1,638,981	1,801,013	(9.0)
Total Assets	1,767,840	1,989,839	(11.2)
Loans and Borrowings	487,355	510,572	4.5
Total Liabilities	700,041	780,631	10.3
Net Assets	1,067,799	1,209,208	(11.7)
Number of Units in Issue and to be Issued ('000)	1,233,752	1,222,205	0.9
Net Asset Value per Unit (\$)	0.87	0.99	(12.1)

TOTAL ASSETS

As at 31 December 2022, the total assets for Sasseur REIT were \$1,767.8 million compared to \$1,989.8 million as at 31 December 2021. The decrease in total assets of \$222.0 million was mainly due to the net translation losses relating to investment properties denominated in Renminbi arising from depreciation of Renminbi against Singapore dollar as compared to 31 December 2021. More information on the investment properties is available in the Valuation of Properties section.

UNITS IN ISSUE

During FY2022, Sasseur REIT issued 13,972,982 new Units as payment of management fees to the REIT

Manager. As a result, the total number of Units in issue increased to 1,231,092,058 as at 31 December 2022 from 1,217,119,076 as at 31 December 2021.

NET ASSET VALUE PER UNIT

Net Asset Value (NAV) per Unit as at 31 December 2022 was lower at \$0.87 from \$0.99 as at 31 December 2021, mainly attributed to the net translation losses relating to investment properties denominated in Renminbi arising from depreciation of Renminbi against Singapore Dollar as compared to 31 December 2021. Without the impact of the RMB weakness, investment properties' valuation in RMB would have been stable at 0.02% lower YoY.

VALUATION OF INVESTMENT PROPERTIES

Outlets	RMB/\$ million	Valuation as at 31 Dec 2022	Valuation as at 31 Dec 2021	Change %
Sasseur (Chongqing Liangjiang) Outlets	RMB	3,129.0	3,121.0	0.3
	\$	603.7	661.5	(8.7)
Sasseur (Chongqing Bishan) Outlets	RMB	834.0	838.0	(0.5)
	\$	160.9	177.6	(9.4)
Sasseur (Hefei) Outlets	RMB	2,880.0	2,883.0	(0.1)
	\$	555.7	611.1	(9.1)
Sasseur (Kunming) Outlets	RMB	1,652.0	1,655.0	(0.2)
	\$	318.7	350.8	(9.2)
Portfolio	RMB	8,495.0	8,497.0	(0.02)
	\$	1,639.0	1,801.0	(9.0)

As at 31 December 2022, Sasseur REIT's investment properties were independently assessed at \$1,639.0 million (RMB8,495.0 million) by Colliers Appraisal & Advisory Services Co., Limited. The Trustee had appointed the valuer for the valuation of investment properties as at 31 December 2022. In RMB terms, the valuation of the investment properties was RMB8,495.0 million as at 31 December 2022, which was 0.02% lower than the valuation of RMB8,497.0 million

as at 31 December 2021. The fairly stable valuation reflects the resilience of the investment properties' performance, despite headwinds from the COVID-19 pandemic. In SGD terms, valuation of investment properties was 9.0% lower as at 31 December 2022 as compared to 31 December 2021, mainly due to lower translated value arising from depreciation of Renminbi against Singapore Dollar on 31 December 2022 as compared to 31 December 2021.

Capital Management

Key Financial Indicators	As at 31 Dec 2022	As at 31 Dec 2021
Gross borrowings (\$ million)	488.3	518.6
Aggregate leverage (%)	27.6	26.1
Average debt maturity (years)	0.2	1.2
Debt headroom ^{1,2} (\$ million)	791.0	952.0
Available undrawn facilities (\$ million)	8.0	8.0
Weighted average cost of debt per year ³ (%)	4.9	4.4
Interest coverage ratio ⁴ (times)	4.4	5.1

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

As at 31 December 2022, Sasseur REIT's aggregate leverage remained low at 27.6%, with healthy interest coverage ratio of 4.4 times.

On 31 January 2023 and 3 February 2023, the REIT Manager has announced that Sasseur REIT has secured new loan facilities to refinance its existing onshore and offshore loans of approximately \$488.3 million maturing in March 2023.

Following the debt refinancing, Sasseur REIT's aggregate leverage would remain well below the regulatory limit of 50.0%, providing the REIT with ample debt headroom to pursue acquisitions in the near future. The new loans will also be separated into several loans with differing maturities, and Kunming Outlets will become unencumbered. The weighted average debt to maturity would improve to 3.6 years, with no significant refinancing requirements till 2026.

Notes:

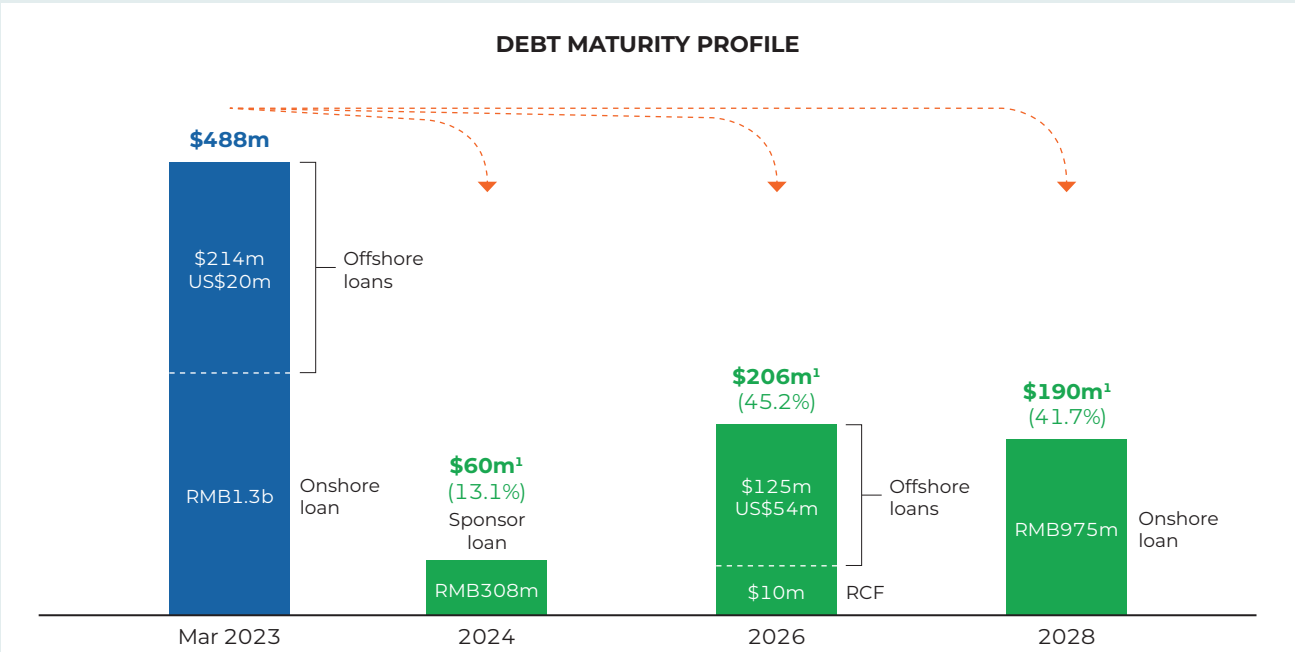
¹ Debt headroom is computed based on total assets and assuming a corresponding increase in total assets with new debts raised.

² Based on MAS prescribed leverage limit of 50.0%.

³ Included borrowing-related fees.

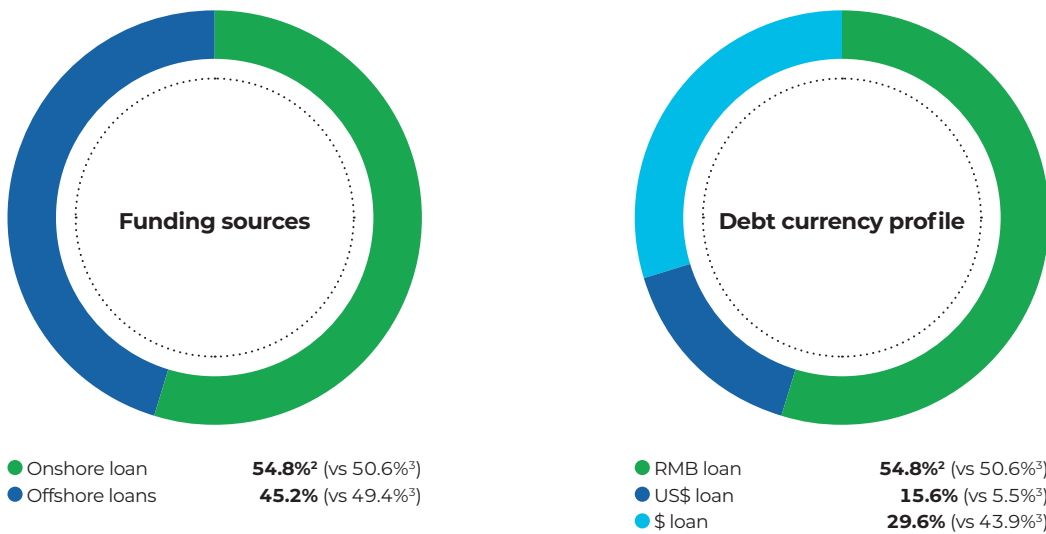
⁴ Based on dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding the effects of any fair value changes in financial derivatives and investment properties, and foreign exchange translation) by the trailing 12 months interest expense and borrowing-related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

DIVERSIFICATION AND DE-RISKING OF DEBT PROFILE



Lending Rates for New Loans	
3-year secured \$ loan	Singapore Overnight Rate Average (SORA)
3-year secured US\$ loan	Secured Overnight Financing Rate (SOFR)
Revolving credit facility (RCF)	Singapore Overnight Rate Average (SORA)
Onshore 5-year secured loan	China's 5-year Loan Prime Rate
Sponsor's unsecured 1 year loan (with the option to extend up to another year on mutual agreement)	Fixed interest rate

POST REFINANCING



Notes:

- ¹ Based on illustrative \$:RMB and US\$: exchange rates of 5.1387 and 1.3112 respectively.
- ² Includes \$60m Sponsor loan.
- ³ Percentage breakdown as at 31 Dec 2022.

Year in Brief 2022

April

4th Annual General Meeting

with all proposed resolutions duly passed

February

Record high

FY2021 distribution per unit (DPU)

7.104 Singapore cents
DPU is third consecutive year of growth, surpassing pre-COVID level

August

Ranked 19th out of 44 REITs and Business Trusts

in the Singapore Governance and Transparency Index (SGTI) 2022; score of 88.0 is an improvement of 1.1 points from 2021 and above the mean score of 85.3 under the REITs and Business Trusts category

Highest first half year (1H) DPU in four years; Portfolio occupancy returns to pre-COVID level

1H 2022 DPU of 3.410 Singapore cents

July

1st Sustainability Committee meeting

after the formation of the Sustainability Committee and the Sustainability Steering Committee



October

Runner-up, Singapore Corporate Governance Award for second consecutive year (REITs & Business Trusts category)

Only pure foreign asset Singapore REIT to win an award in this award category



November

Highest third quarter (3Q) DPU in four years; Portfolio occupancy exceeded pre-COVID level
3Q 2022 DPU of 1.838 Singapore cents

Ranked 21st out of 43 REITs and Business Trusts

in the Governance Index for Trusts (GIFT) 2022; Sasseur REIT's score of 67.5 is above the overall mean score of 66.0



品牌故事

艺术与商业的对话

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

1985年，重庆北碚，西南师范大学。

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

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

好的艺术作品就是精神交流的载体，一群怀着梦想的年轻人，一瓶啤酒、一把吉它，就可以在球床边聊一整夜。从文学、艺术，到音乐，人生……不断地有人加入，最初的三两知己的聚会变成了越来越多的一群朋友的狂欢。梦想也在年轻不羁的灵魂碰撞下越来越广阔。作为这群追梦人的领头者，徐荣灿更看重创造过程中的精神愉悦。他东拼西凑了6500元人民币，第一次尝试着把艺术感受放置于活动空间，变成可持续的体验。在他看来，艺术或许不仅仅是有限的平面展示，它可以变成一个立体的体验空间。

1989年，重庆北碚。西南大学的校园一隅。一间小小的咖啡馆悄然开张了。竹篱笆的墙上挂满了老照片，船家的缆绳挂着大红的灯笼，厚实的实木门正好迎着夕阳的方向。就像对自己最心爱的孩子，取个什么名字呢？从开始创作到开门迎宾，已过月余，仍然没有想出合适的名字。那时台湾歌手苏芮的专辑《台北东京》刚刚火到内地。台北、东京，是遥远而陌生的两个地名，却让人联想到多元的生活影像与文化背景。专辑里的一首《砂之船》是大家的最爱，这首歌夜夜吟唱在绿荫深处的小咖啡馆，淡淡的忧伤与青春的迷茫经由苏芮的空灵歌声，婉徊悠扬，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……在那个精神浪漫的时代，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

① 年轻的徐荣灿在砂之船咖啡馆门口



① 带有“砂之船”名字的酒瓶

粗犷，装备了专业级的音响，涂鸦的墙上挂满了从沿海淘来的牛仔褲、棉卫衣。代表西方年轻人的生活方式、别具一格的店面让“砂之船”在这个传统商业中心里一炮而红。很快，从一家小店，发展出两家、三家……客人越来越多，店面越开越大，货品也越来越丰富。市场的热烈反应让他看到了艺术与商业碰撞的火花。

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

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

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时尚庄园。

↓ 砂之船咖啡馆的访客



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

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

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



↑ 砂之船在重庆代理的国际品牌专卖店

品牌故事

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

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

2008年8月8日，砂之船（重庆两江）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（重庆两江）奥莱年业绩4.5亿，跃居中国奥莱前三甲；开业第四年，5.5万平米的营业面积实现销售12亿元，年坪效达2.2万，位居全国行业之首。同时，砂之船奥莱项目对城市区域的价值影响力首次得以凸显——原本是一片荒地的区域，因为一个砂之船奥莱的成功，竟然在短短数年内发展为一个城市级特色商圈，不仅极大地促进了区域土地价值，还使该区域产生出强大的经济内生力，不仅改变了区域的城市风貌建设，更是在客流、社零总额、城市活力、城市就业与税收上迅速提升了一个区域的发展城市水准。这种影响力，将伴随着砂之船的每一次城市拓展，而被不断的演绎下去。

砂之船（重庆两江）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、兰州、扬州、厦门、苏州、福州、石家庄、上海、深圳、乌鲁木齐……到2022年年末，砂之船奥莱已在中国布局二十个项目，其中十六个项目在营。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。



① 砂之船（重庆两江）奥莱

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。

徐荣灿和杨雪出席Sasseur & Friends Party



Leadership



L Catterton Asia和砂之船集团战略股东投资签约仪式

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”。

从1989年在西南师范大学校园深处由“情感、艺术、音乐、时尚”碰撞出的咖啡馆，到今天辉煌的商业帝国，一路走来，徐荣灿与杨雪共同携手，推动砂之船创造了无数经典，让“砂之船”这一品牌——无论是时尚品位，还是人生态度都成为了女性追求的先导和典范，SASSEUR砂之船这个美丽的名字无疑已成为砂之船集团创始人徐荣灿先生生命中无法剥离的部分，2009年的12月31号这一天，砂之船（重庆两江）奥莱首创的跨年营销活动刷新业绩纪录印证了砂之

船奥特莱斯获得的巨大成功，也标志着他们共同的梦想的实现。就在这一天，徐荣灿将Sasseur这个充满浪漫诗意、在他心里至高无上的名字郑重地赠予了他一生中的最爱——杨雪女士——这位能与他一起去实现共同梦想，集美丽、智慧于一身的女人，同时也是砂之船集团“四品四美”企业文化最完美的代言人。

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

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

Sasseur Story

DIALOGUE BETWEEN ART AND COMMERCE

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

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

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

LEADING MERCHANDISER OF INTERNATIONAL DESIGNER FASHION PRODUCTS

"If I like it, others will too!" Xu left the university in 1991 and toured Europe. After this tour, Xu opened the Sasseur fashion house in Chongqing's Jiefangbei district, which was later to become the top shopping destination in Western China. The store was outfitted with brick walls, rocks and logs giving it a rustic charm. Its graffiti wall was covered with jeans and cotton-padded hoodies procured from the coastal cities in China. Sasseur's unique store

decor - symbolic of iconic and youthful Western lifestyles - was a big hit. China's economic reforms during the boom of the mid-nineties attracted many international fashion labels to set up stores in China to cater to the consumer class. Sasseur's iconic apparel store caught the eyes of these fashion labels. Xu himself understood international brands: an apparel label can only attain luxury brand status by virtue of its rich history, culture, as well as consistent and superior technical quality. It cannot exist simply as just another good consumer product. Sasseur successfully obtained distribution rights for many international brands.



① A young Xu Rongcan sitting outside Sasseur bar

Sasseur was so successful that it occupied half the floor for international designer merchandise at the Li Kashing-owned Metropolitan Plaza in Chongqing, which was the most glamorous shopping destination in Western China.

In 1999, Xu visited Europe again to gain a better understanding of the culture behind luxury goods. The clash between the cultures of the East and West of the time came as a shock to him. Xu longed for his own fashion brand that would embody his own values and beliefs about art, clothing and fashion. When he returned in 2001, Xu established his own brand of women's clothing, under the name of "Sasseur". At the same time, he began designing and building a headquarters in the forested area outside Bishan, Chongqing.

The building was an indulgence of Xu's personal passions, and materialised as a beautiful red brick building that stood out among the green mountains and water. In addition to office functions, the building featured small hotels, tennis courts and swimming pools, likening itself to an Italian-style manor hidden away from the hustle and bustle of the city.

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

↓ The birth of Sasseur women's fashion brand



↑ Sasseur (Chongqing Bishan) Outlets

Sasseur Story



↑ Yang Xue, co-founder of Sasseur Outlets

OUTLET FOR EXCESS INVENTORY

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

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

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



↑ Xu Rongcan and Yang Xue at Sasseur REIT's listing ceremony in Singapore in 2018

outlet mall. This outlet mall would be the vital link between fashion brands looking to offload their inventory, and consumers looking for more affordable branded goods.

This decision was met with a lot of opposition. The business had gone through many challenges over the years to reach the success it had now; wiping the slate clean and starting from scratch to pursue an unproven concept was a huge risk. Xu himself could not help but have his own doubts and fears. In 2004, three friends visited the Sasseur headquarters in Bishan, and were pleasantly surprised by the beautiful Italian architecture and artistic atmosphere. Their conversation with Xu naturally shifted from admiration of the headquarters' design and architecture to his latest plans. The overhaul of Sasseur's identity would pose many new challenges; it would need to develop new supply chains and fulfil the needs of consumers and brands. Sasseur also lacked expertise in commercial real estate, and the location of the headquarters provided no geographical advantage for the operation.

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

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

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

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

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

On 8 August 2008, Sasseur (Chongqing Liangjiang) Outlets opened to the public. With its tailored commercial space full of artistic charm and flushed with international fashion brand offerings, it became an instant sensation. Its business performance was a clear indicator of its success. Sasseur (Chongqing Liangjiang) Outlets brought in RMB 450 million in its first year, ranking among the top three outlets in China. In its fourth year, it achieved RMB1.2 billion, clinching first place within the industry. At the same time, the outlet mall brought about a transformation of the surrounding landscape. Originally a wasteland, the area was quickly developed into a bustling city within a few years, raising the development standard of the city to compete with the rest of China.

The success of Sasseur (Chongqing Lianqjiang) Outlets garnered attention from political and business circles. In 2010, the Hangzhou Municipal Government invited Sasseur to set up an establishment in its city. This would be Sasseur's first expansion outside of Chongqing. Since then, Sasseur started expanding its outlets business from Chongqing to other tier 1 and 2 cities in China, including Nanjing, Hefei, Kunming, Changchun, Xi'an, Guiyang, Changsha, Lanzhou, Yangzhou, Xiamen, Suzhou, Fuzhou, Shijiazhuang, Shanghai, Shenzhen and Urumqi. By the end of 2022, Sasseur had 20 outlet projects across China, 16 of which are currently in operation. Accompanied by Xu Rongcan's 'Art Commerce' business ideology, the undercurrents propelling Sasseur Outlets' growth is gathering stronger momentum.

SUCCESSFULLY ATTRACTED INTERNATIONAL INVESTORS

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

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

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

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

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

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

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

Sasseur Group in 2022

In 2022, Sasseur Group, Sasseur REIT's Sponsor, continued to assert market leadership by clinching multiple industry recognitions and awards, and also with the opening of new outlets in China.

MAY 2022

2021 Luxury in China Awards – China's Best Lifestyle Consumption

The 2021 China's Best Lifestyle Consumption award is Yaok Institute's most prestigious award and is given in recognition of Sasseur Group's efforts and achievements in the luxury consumer scene in the past few years. The Group's win was evaluated by the Yaok Institute's Professional Luxury Products Committee along with over 3,000 customers, based on key criteria such as innovation, vitality and marketing efforts.

→ 2021 China's Best Lifestyle Consumption award clinched by Sasseur Group



JUN 2022

Van Sound Club Annual Awards

Sasseur Group successfully made the finalist list for eight award categories, clinching two awards. The Group also garnered the highest number of nominations amongst the award nominees.

↓ 2021 Influential Commercial Real Estate Enterprise (Top 30)

↓ 2021 Influential Commercial Real Estate Business Leader: President of Sasseur Group, Mr Xu Jun



Sasseur Group in 2022

JUL 2022

China Outlets Leader Summit's Awards

Sasseur Group clinched 25 awards at the China Outlets Leader Summit held in 2022, with five out of the 25 awards won by outlets in Sasseur REIT's portfolio.

LIST OF 25 AWARDS:

Outstanding Outlets Leader

- Mr Zheng Yuanlai, Senior Vice President of Sasseur Group

Excellent Outlets Leader

- Ms Hua Xu, Assistant President of Sasseur Group
- Ms Ye Ying, General Manager of Sasseur (Nanjing & Suzhou) Outlets
- Ms Ying Jinyou, General Manager of Sasseur (Chongqing) Outlets

Leading Commercial Brands Award (1 out of the 5 awardees is from Sasseur Group)

- Sasseur Group



Super Intellectual Property Award (1 out of the 3 awardees is from Sasseur Group)

- “Red Festival” – National Shoppers’ Day Event

2021 China Outlets RMB 2 billion Club (3 out of the 8 awardees were from Sasseur Group)

- Sasseur (Chongqing Liangjiang) Outlets
- Sasseur (Nanjing) Outlets
- Sasseur (Xi’an) Outlets

2021 China Outlets RMB 1 billion Club (4 out of the 16 awardees were from Sasseur Group)

- Sasseur (Hefei) Outlets
- Sasseur (Changchun Zhongdong) Outlets
- Sasseur (Guiyang) Outlets
- Sasseur (Changsha) Outlets

Top 20 Influential Outlets

- Sasseur (Chongqing Liangjiang) Outlets
- Sasseur (Xi’an) Outlets

Top 50 Influential Outlets

- Sasseur (Hefei) Outlets
- Sasseur (Kunming) Outlets
- Sasseur (Hangzhou) Outlets
- Sasseur (Nanjing) Outlets
- Sasseur (Changchun Zhongdong) Outlets
- Sasseur (Guiyang) Outlets
- Sasseur (Changsha) Outlets

Urban Business Promotion Award (1 out of the 5 awardees is from Sasseur Group)

- Sasseur (Yangzhou) Outlets

2021-2022 Outlet of the Year (1 out of the 7 awardees is from Sasseur Group)

- Sasseur (Suzhou Bay) Outlets

2022-2023 Most Anticipated Upcoming Outlet

- Sasseur (Fuzhou) Outlets

← Award winners at the China Outlets Leader Summit held in 2022

AUG 2022

China Top 100 Retail Enterprises in 2021

Sasseur Group placed 43rd on the China Top 100 Retail Enterprises’ 2021 list announced by the China National Commercial Information Centre and the China General Chamber of Commerce. The Group is one of the 48 companies within the RMB10 billion club, having achieved outstanding outlet sales of RMB18.6 billion in 2021.

Leadership

NOV 2022

Golden Mall China Retail Union’s 2022 Commercial Excellence List

Sasseur Group’s successful marketing of its 2022 Anniversary Sales event, “Super In Love with Round-the-clock Shopping”, made it to the honoured Golden Mall China Retail Union’s 2022 Commercial Excellence List.

Sasseur Group in 2022

NOV 2022

2022 Chongqing · Experience Singapore Week

As part of the Sasseur International Life Art Festival, Sasseur Group organised the Sasseur International Consumption Week, which features promotions by international brands at Sasseur (Chongqing Liangjiang) Outlets and Sasseur (Chongqing Bishan) Outlets. The Festival was one of the 10 key projects promoted by the China-Singapore (Chongqing) Demonstration Initiative on Strategic Connectivity (CCI) Administrative Bureau.

2022 Experience Singapore Week in Chongqing (Source: iChongqing)



DEC 2022

CCTV Feature

Sasseur Group was featured on China Central Television (CCTV) News' "Morning News" column for its contributions to China's national development efforts as well as strong operational and management capabilities, in line with China's push to develop high-quality corporates.

Mr Xu Rongze, Executive Director of Sasseur Group, interviewed by CCTV News



Official opening of Sasseur (Nanjing Jiangbei) Outlets

Sasseur (Nanjing Jiangbei) Outlets officially opened on 17 December 2022. It is the Group's 15th outlet and the second outlet in Nanjing, spanning 225,000 square metres (sqm) with more than 300 shops.

↓ Sasseur (Nanjing Jiangbei) Outlets



Official opening of Sasseur (Fuzhou) Outlets

Sasseur (Fuzhou) Outlets, Sasseur Group's 16th outlet, officially opened on 24 December 2022. It spans a gross floor area of 330,000 sqm, 3,880 car parking lots, and features more than 300 international and domestic brands.

↓ Sasseur (Fuzhou) Outlets



Board of Directors



Mr Xu Rongcan, Vito



Ms Yang Xue



Dr Gu Qingyang

Mr Xu Rongcan, Vito

Non-Executive and Non-Independent Chairman

Date of First Appointment:

11 April 2017

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

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

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

Ms Yang 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. She is the spouse of the Non-Executive and Non-Independent Chairman, Mr Xu Rongcan.

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

Sasseur Yang is responsible for the strategic development of Sasseur Group, heading its Nominating and Remuneration Committee, international brand centre, Sasseur outlet branding, human resources, domestic and international public relations.

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

Dr Gu Qingyang

Lead Independent Director, Chairman of the Nominating and Remuneration Committee

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 some provincial and municipal governments in China. As economic adviser, he provides advice to the Chinese governments for economic development of new zones and 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. He also undertook research work relating to the Chinese economy, econometric modelling, reform of state-owned enterprises and international trade and finance. He carried out research on the Chinese economy, Singapore public policy and urban development from June 1997 to July 2001 as a research officer in the East Asian Institute of the National University of Singapore. He has been an Independent Director for three other companies, including China Life Insurance (Singapore) Pte. Ltd. He is also the Editor-in-Chief of the Journal of Infrastructure, Policy and Development since 2016.

Board of Directors



Mr Mario Boselli



Mr Cheng Heng Tan



Mr Wu Geng

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 Isybank and Prestitalia (Intesa Sanpaolo Group), Italy China Council Foundation and sits on the boards of several listed and non-listed companies.

Mr Cheng Heng Tan

Independent Director, Chairman of the Audit and Risk Committee

Date of First Appointment:

16 November 2017

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

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

Mr Cheng was a journalist with two Chinese language daily newspapers in Singapore from December 1970 to July 1975. He is a Life Fellow member of The Institute of Singapore Chartered Accountants and retired Fellow member of the Association of Chartered Certified Accountants, United Kingdom, and the American Institute of Certified Public Accountants.

Mr Wu Geng

Independent Director

Date of First Appointment:

16 November 2017

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

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

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

REIT Management Team



Ms Tan Hong Lye, Cecilia
Chief Executive Officer

Ms Tan was appointed the CEO of Sasseur Asset Management Pte. Ltd. in August 2021. She brings with her more than 20 years of professional career experience spanning across a wide spectrum of real estate expertise in real estate investment banking, real estate direct investment, REIT management, real estate fund management and property development.

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

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

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

Ms Tan holds a Master of Applied Finance from Macquarie University, Australia and she graduated with a Second Upper Class Honours Degree in Business Administration from the National University of Singapore.

Mr Cheng Hsing Yuen
Head of Asset Management

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

Prior to joining Sasseur Asset Management Pte. Ltd., Mr Cheng was the Senior Asset Manager at Mapletree Industrial Trust. He was responsible for developing

strategies to maximise the performance of industrial properties including business parks, data centres as well as portfolio reporting. He has also held portfolio management positions in Ascendas Pte. Ltd and NTUC Income. His role included formulating Key-Performing Index measures for assets, leasing and tenant-relationship management plans and AEI programmes. He worked closely with the property managers to execute proactive asset management plans to optimise operational and financial performance and manage property expenses.

Mr Cheng holds a Master of Science (Real Estate) and Bachelor of Social Sciences (Honours) Degrees from the National University of Singapore.



Mr Xie Jianfeng
Chief Financial Officer

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

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

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

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

Ms Jeanette Pang

Head of Investor Relations and Capital Markets

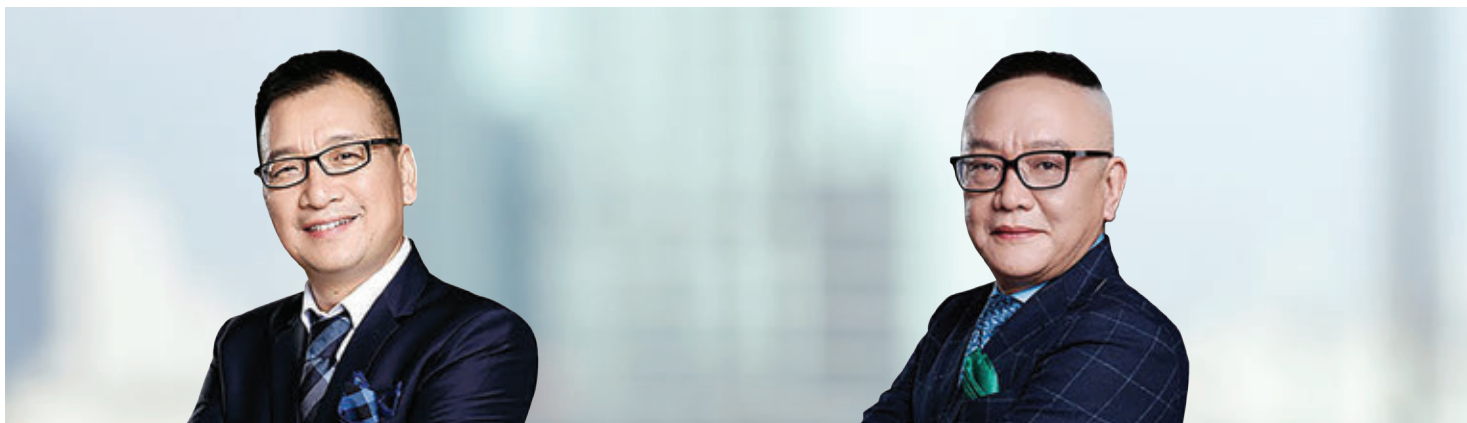
Ms Pang is in charge of Investor Relations and Capital Markets function of Sasseur REIT. As the liaison between Sasseur REIT and the investment community, she nurtures relationships with institutional and retail investors, research analysts and the media. She is also the main point of contact with investors and stakeholders.

She has more than 20 years of experience in financial communications in the real estate and banking sectors, as well as financial journalism. Prior to her current

appointment, Ms Pang had held investor relations positions before in other public-listed companies in Singapore including United Overseas Bank Limited, CapitalLand Mall Trust Management Limited, Keppel REIT Management Limited and Mapletree Logistics Trust Management Ltd..

Ms Pang holds a Master of Business Administration, Master of Science (Real Estate) and Bachelor of Arts from the National University of Singapore. She is also a Chartered Financial Analyst charterholder.

Sponsor Team



Mr Xu Jun, Jim
President

Mr Xu Jun currently serves as President of Sasseur Group and is responsible for the overall management of the Group and its subsidiaries.

He has more than 20 years of experience in commercial operations and commercial real estate investment and development. Mr Xu is a veteran in China's commercial real estate industry. He has participated in the planning, development and operation of multiple commercial real estate projects in China.

Mr Zheng Yuanlai
Senior Vice President, General Manager of Business Management Centre

Mr Zheng Yuanlai is among the outlet industry pioneers in China with more than 30 years of experience in business planning, business operation and marketing. Mr Zheng is one of the founders of China Outlet Industry Association, a senior lecturer at the Outlet Business School and an Adjunct Professor at the Business School of Chengdu University of Technology.



Mr Long Jian
Vice President, General Manager of Human Resources and Administration Centre

Mr Long Jian has deep knowledge and rich experience in the area of human resource management. He is the winner of the National Personnel Research Achievement Award, the representative of the 5th People's Congress of Chongqing and the 5th Party representative of Fuling District in Chongqing.

Ms Hua Xu
Assistant President, Deputy General Manager of Business Management Centre

Ms Hua Xu has more than 20 years in brand management and commercial operation experience, and has participated in the development and operation of multiple commercial projects. She won the honorary 2019 China Commercial Real Estate Outstanding Professional Manager Award.



Mr Zeng Jianzheng

Vice President, General Manager of International Brands Centre

Mr Zeng Jianzheng has a deep understanding of the outlet industry and market development, with nearly 30 years of experience in business operation management and leadership roles. He has acquired broad-based capabilities in brand management as well as operations management.



Mr Yang Dongsheng

Vice President, Director of President's Office, General Manager of Group Financial Management Centre

Mr Yang Dongsheng is a Certified Public Accountant in China with more than 20 years of financial management experience. He has in-depth knowledge of corporate financial management and rich practical experience in the capital market.

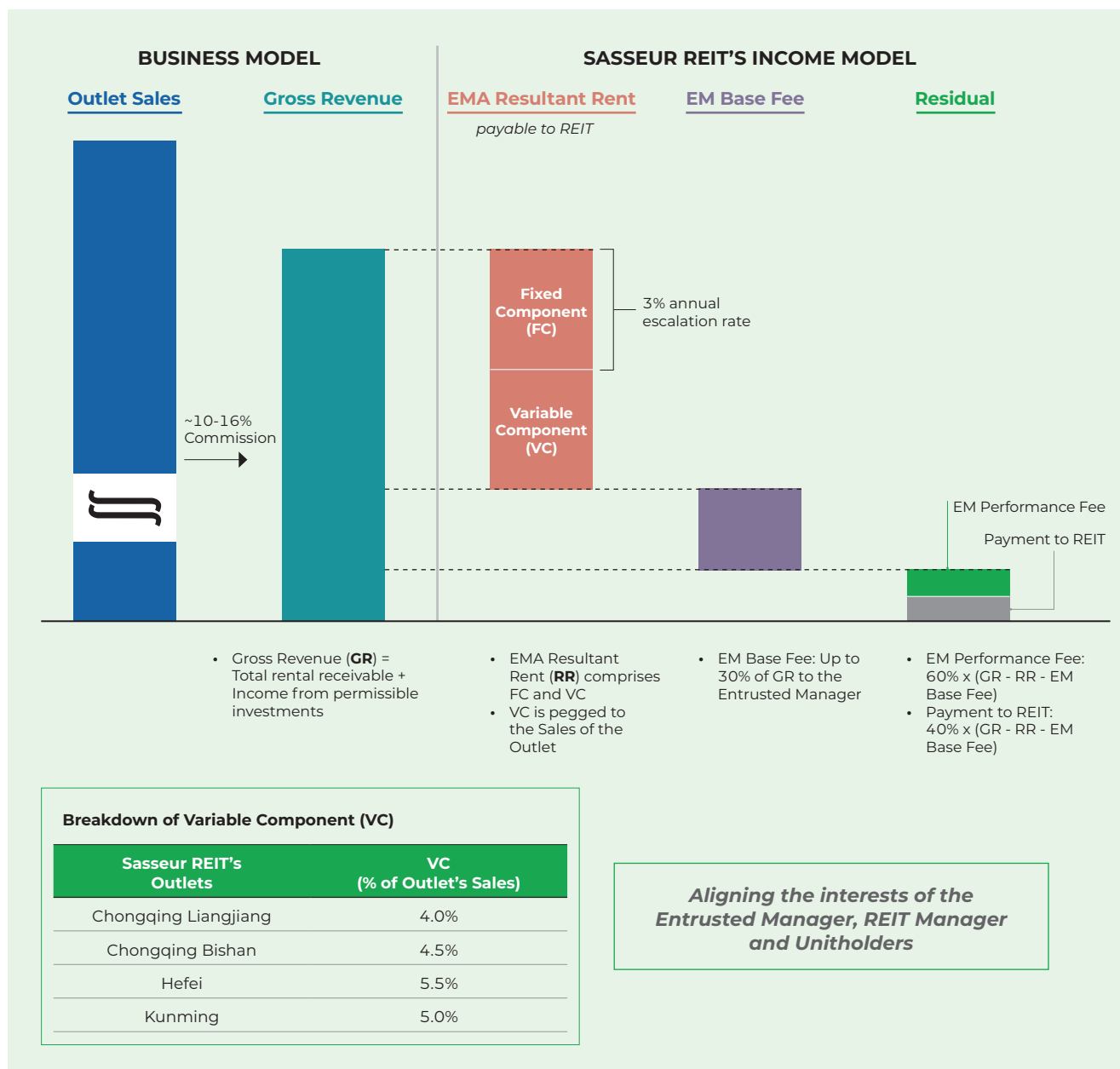


Mr Zhang Mingqing

Assistant President, General Manager of Investment & Development Centre

Mr Zhang Mingqing has rich experience in business management, having participated in commercial project positioning, planning & design, leasing, sales and commercial operations of multiple projects.

Entrusted Management Agreement (EMA) Model



ABOUT THE ENTRUSTED MANAGEMENT AGREEMENT MODEL

Sasseur REIT's unique Entrusted Management Agreement (EMA) model comprises a fixed component to provide a stable growing income and a variable component to enable unitholders to participate in the upside in sales performances of the REIT's outlets. Under this model, every sale from the tenants is captured in the REIT's bank account from which a certain percentage is drawn out as the variable rent component.

Coupled with the built-in 3% annual step-up of the fixed component under the EMA, this ensures Sasseur REIT can achieve fair, transparent and stable growth whilst aligning the REIT Manager's interests with that of the REIT's unitholders. Under the EMA model, the Sponsor bears all the operating expenses related to the running of all the REIT's outlets.

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 168 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 years ended 31 December 2022 and 31 December 2021 are shown in the table below.

	FY2022 RMB million	FY2021 RMB million	Change %
Fixed Component	434.5	421.8	3.0
Variable Component	160.2	190.1	(15.7)
EMA Rental Income	594.7	611.9	(2.8)

In the absence of the EMA, the distribution per Unit would be 5.543 Singapore cents for FY2022 without retention of income available for distribution.

EMA RENTAL INCOME COMPRISES:

(i) EMA Resultant Rent

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

• Fixed Component

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

• Variable Component

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

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

(ii) Performance Sharing

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

Performance Reserve

Under the Master Entrusted Management Agreement, the Sponsor will provide a performance reserve of 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 considered to be of investment grade) or cash which the Trustee can call or draw upon without requiring the approval of the Sponsor (i) as security for performance by the Sponsor and the Entrusted Manager, as the case may be, of all their respective obligations under the Entrusted Management Agreements; and (ii) to secure or indemnify the Trustee as well as any of the subsidiaries of Sasseur REIT against (a) any losses, damages, 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 EMA and (b) any claims, losses, damages, liabilities or other obligations by the Trustee or any of the subsidiaries of Sasseur REIT at any time against the Entrusted Manager in relation to any matter arising out of or in connection with the Properties.

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

Property Portfolio



SASSEUR (CHONGQING LIANGJIANG) OUTLETS

Occupancy

100%

Annual Shopper Traffic

4.19 million

VIP Members

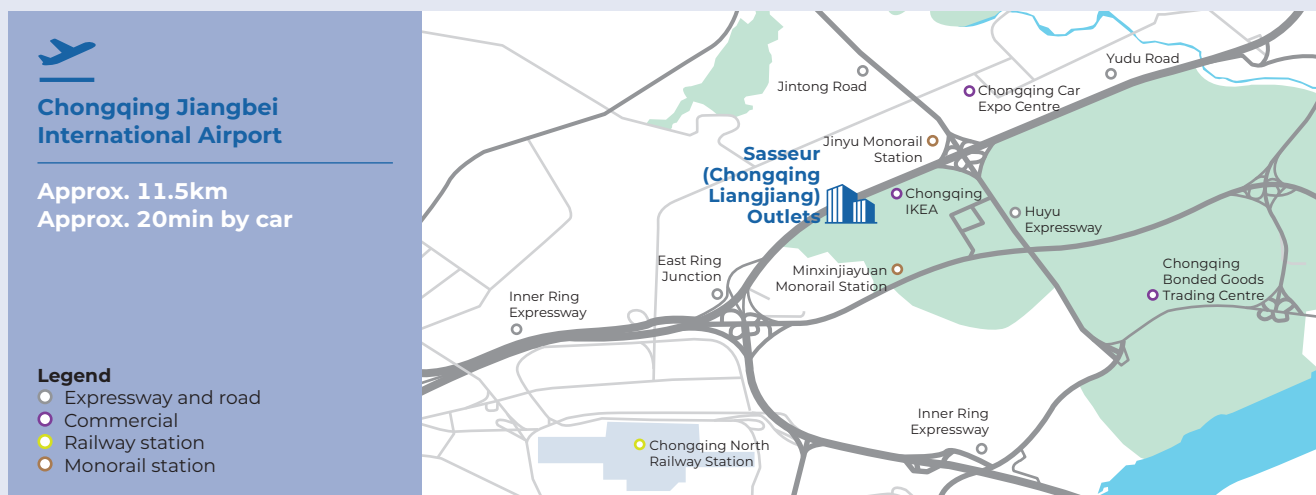
967,000

Sasseur (Chongqing Liangjiang) Outlets abuts Yudu Road, also known as Airport Road, which is an arterial road in Chongqing. It enjoys convenient accessibility and is well-served by various modes of public transport including the Chongqing Rail Transit. Bus stops and taxi stands are available around the property, connecting the subject area to various destinations in 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 Shopping Mall.

The property is around 7 kilometres away from the Guanyinqiao (观音桥) retail hub, around 20 kilometres away from the Jiefangbei (解放碑) retail hub, and about 10 kilometres away from Chongqing Jiangbei International Airport. In addition, Sasseur (Chongqing Liangjiang) Outlets is in the north of the Chongqing Economic and Technological Development Zone which is one of the key development areas and will continue to enjoy preferential policies to boost its growth.

China has announced an ambitious development plan for the Chongqing – Chengdu economic circle which will help accelerate the growth in the western region and facilitate its "dual circulation" strategy. This will form an important growth driver for the western region¹.



¹ South China Morning Post dated 22 Oct 2021

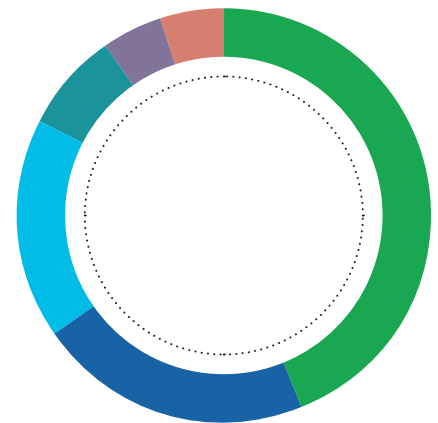
Property Information

Address	No. 1 Aotelaisi Road, Liangjiang New District, Chongqing, PRC (重庆市两江新区奥特莱斯路1号)
Description	Three 7-storey retail buildings and a 2-storey retail building; 7 retail levels (including a basement level)
Site area	22 parcels of land totalling approximately 40,189 sqm
Expiry year of land use right	2047
Commencement of operations	May 2008
Year of acquisition	2018
Acquired value (RMB million)	2,452
Carpark lots	500
Positioning of outlet	Sasseur (Chongqing Liangjiang) Outlets distinguishes itself through an experiential shopping concept and targets middle- and upper-class consumers with high disposable incomes, and is one of the malls in Chongqing with the strongest international brands offering.

As at 31 Dec	2021	2022
Valuation (RMB million)	3,121	3,129
Gross floor area (sqm)	73,373	73,373
Net lettable area (sqm)	50,885	50,885
Number of tenants	374	376
Committed occupancy (%)	100	100
Annual Shopper traffic ('000)	4,858	4,192
VIP members ('000)	857	967
Major tenants by gross revenue	Nike, +39 Space, Coach, FILA, Adidas	NIKE, Adidas, FILA, +39 Space
Outlet sales (RMB million)	2,178.2	1,875.0

Trade Mix

(as at 31 Dec 2022)



History of Asset Enhancement Initiatives (AEI)

Completion of AEI	Summary of AEI
Dec 2021	<p>Converted a management office at level 5 into revenue-generating retail spaces featuring food and beverage, sports brands and ad-hoc sales booths.</p> <p>14,000 sqm of leasable space were improved and revamped. Two popular brands, Nike and Adidas, set up their new factory outlets in the middle of 2021.</p>



Sasseur (Chongqing Liangjiang) Outlets WeChat



Sasseur (Chongqing Liangjiang) Outlets Property Videos

Property Portfolio



SASSEUR (CHONGQING BISHAN) OUTLETS

Occupancy

92.8%

Annual Shopper Traffic

0.95 million

VIP Members

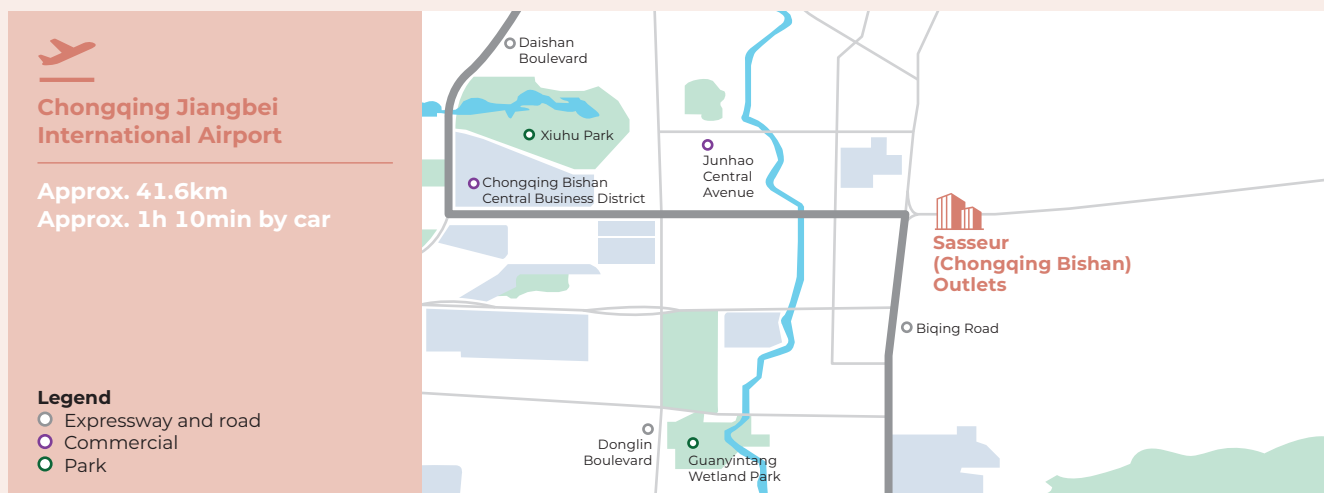
416,000

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

The vicinity of the property comprises of various residential and industrial developments built in the last decade. The property is around 4 kilometres away from

Bishan station, Light Rail Line 1, around 21 kilometres away from Chongqing South railway station and around 42 kilometres away from Chongqing Jiangbei International Airport. The property abuts Biqing Road, which is a secondary road in the Bishan District.

It enjoys convenient accessibility and is well-served by various modes of public transportation. Bus stops and taxi stands are available around the property, connecting the subject area to various destinations in Chongqing.



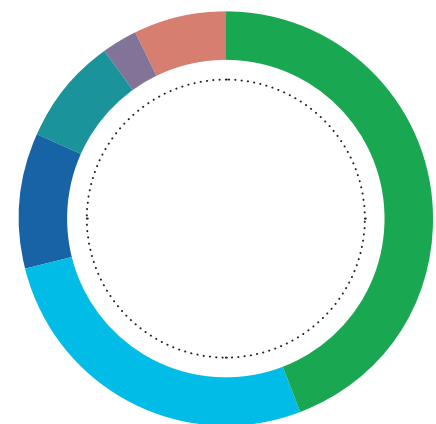
Property Information

Address	No. 9 Baiyang Road, Bishan District, Chongqing, PRC (重庆市璧山区白羊路9号)
Description	21 blocks of retail buildings spread over an undulated site, comprising seven 4-storey buildings, seven 3-storey buildings, five 2-storey buildings and two single-storey buildings.
Site area	Approximately 78,793 sqm
Expiry year of land use right	2051
Commencement of operations	Oct 2014
Year of acquisition	2018
Acquired value (RMB million)	729
Carpark lots	567
Positioning of outlet	Sasseur (Chongqing Bishan) Outlets offers a diverse shopping and dining experience catering to the needs of the surrounding populace. It was designed to be a onestop shopping destination in the Bishan and West Chongqing areas, combining retail shopping with entertainment, food, education and leisure. Over the past year, more than 30 new brands were introduced into the outlet, boosting its product offerings to cater to a wider range of shoppers.

As at 31 Dec	2021	2022
Valuation (RMB million)	838	834
Gross floor area (sqm)	68,791	68,791
Net lettable area (sqm)	47,249	44,706
Number of tenants	199	180
Committed occupancy (%)	83.5	92.8
Annual Shopper traffic ('000)	1,172	950
VIP members ('000)	374	416
Major tenants by gross revenue	Nike, +39 Space, Adidas, Bosideng, FILA	NIKE, +39 Space, POLO SPORT, ANTA
Outlet sales (RMB million)	374.0	330.6

Trade Mix

(as at 31 Dec 2022)



History of Asset Enhancement Initiatives (AEI)

Completion of AEI	Summary of AEI
Feb 2022	Improvement of storefront façade and conversion of vehicular road to pedestrian walkway to enhance shoppers' experience.

● Fashion (Domestic)	44.2%
● Sports	27.1%
● International Brands	10.5%
● Children's Wear	8.4%
● Accessories	2.6%
● Others	7.2%



Sasseur (Chongqing Bishan) Outlets WeChat



Sasseur (Chongqing Bishan) Outlets Property Videos

Property Portfolio



SASSEUR (HEFEI) OUTLETS

Occupancy

98.1%

Annual Shopper Traffic

2.62 million

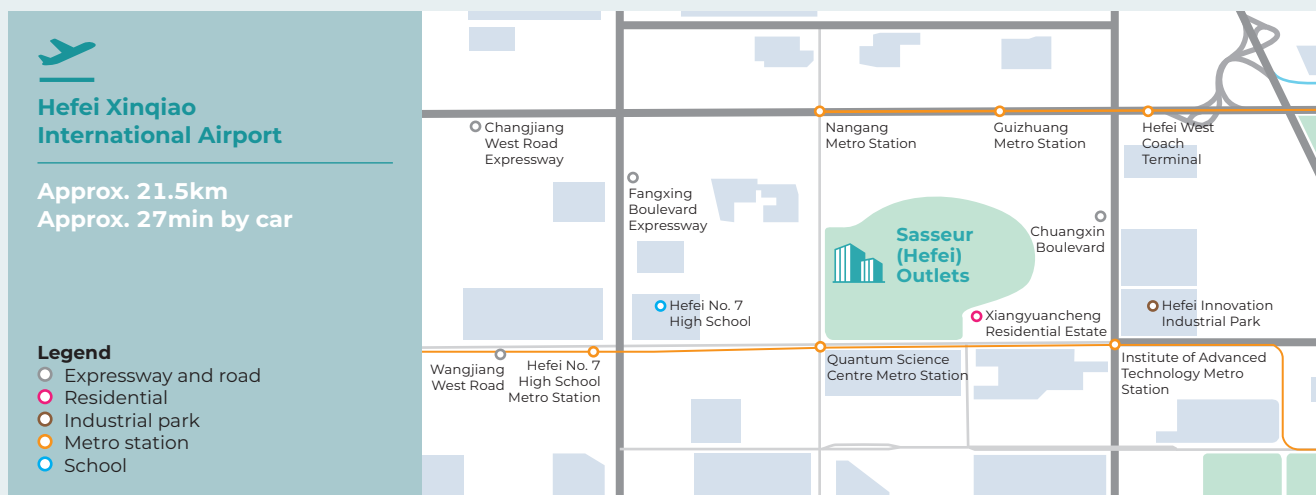
VIP Members

905,000

Sasseur (Hefei) Outlets is situated within close proximity to the precious ecological landscape resource in Hefei – Wangzui Lake (王咀湖). The developments in the neighbourhood are mainly residential and educational institutions.

Sasseur (Hefei) Outlets is located in the High-Tech Industrial Development Zone, which is one of the top national high-tech industrial development zones in China. The high-tech school district of the University of Science and Technology of China is located at the northeast of the property. The various established residential developments in the vicinity form a large catchment population for this outlet.

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



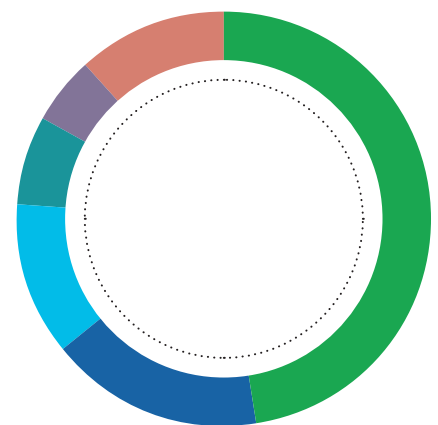
Property Information

Address	1888 Changning Avenue, Gaoxin District, Hefei, Anhui Province, PRC (安徽省合肥市高新区长宁大道1888号)
Description	Five retail levels (including a basement level)
Site area	132,212.72 sqm
Expiry year of land use right	2053
Commencement of operations	May 2016
Year of acquisition	2018
Acquired value (RMB million)	2,250
Carpark lots	1,599
Positioning of outlet	<p>Sasseur (Hefei) Outlets caters to middle class consumers by offering a wide range of entertainment choices as well as luxury brands. It offers shoppers a onestop shopping, dining and entertainment destination.</p> <p>Sasseur (Hefei) Outlets also features one of the largest cinemas in east China and the first five-star cinema in Hefei under the UME cinema chain, with 17 cinemas equipped with state-of-the-art audio and visual systems and more than 2,500 seats.</p> <p>Other attractions include an indoor zoo and a children's edutainment centre spanning over two levels, which have consistently drawn large crowds and groups from schools and companies.</p>

As at 31 Dec	2021	2022
Valuation (RMB million)	2,883	2,880
Gross floor area (sqm)	147,316	147,316
Net lettable area (sqm)	144,583	144,583
Number of tenants	353	333
Committed occupancy (%)	95.7	98.1
Annual Shopper traffic ('000)	2,197	2,616
VIP members ('000)	785	905
Major tenants by gross revenue	Nike, Adidas, Coach, FILA, Sketches	NIKE, Koradior, Boy London, PEACEBIRD
Outlet sales (RMB million)	900.4	781.0

Trade Mix



(as at 31 Dec 2022)





History of Asset Enhancement Initiatives (AEI)

Completion of AEI	Summary of AEI
Dec 2020	Re-configuration of the ground floor of Block B to a sports-themed zone with renowned brands like Nike and Adidas.

Fashion (Domestic)	47.5%
International Brands	16.7%
Sports	12.0%
Food & Beverage	7.0%
Shoes & Leather	5.2%
Others	11.6%

Sasseur (Hefei) Outlets WeChat

Sasseur (Hefei) Outlets Property Videos

Property Portfolio



SASSEUR (KUNMING) OUTLETS

Occupancy

97.0%

Annual Shopper Traffic

1.85 million

VIP Members

642,000

The vicinity of Sasseur (Kunming) Outlets comprises various residential and commercial developments, tourist attractions and the New Kunhua Hospital (新昆华医院).

The property is sited in the northeast of Anning City, and well-served by public transport. It is about 25 minutes' drive to Anning Bus Station, a half-hour' drive to the city centre of Kunming, and a one-hour drive to the Kunming Changshui Airport. The established land transport network across these regions provides an impetus to the growth of the regional economies, and support the retail business at Sasseur (Kunming) Outlets.

The vicinity of the property comprises of various residential developments such as Kunhuayuan (昆华苑) Residential Estate and Wanhui Xingcheng (万辉星城) Residential Estate. Nearby tourist attractions include Yulongwan Park (玉龙湾公园) and Kunming Western Hills (西山森林公园), a top Kunming tourist destination rated AAAA which is about 20 minutes' drive from the property.

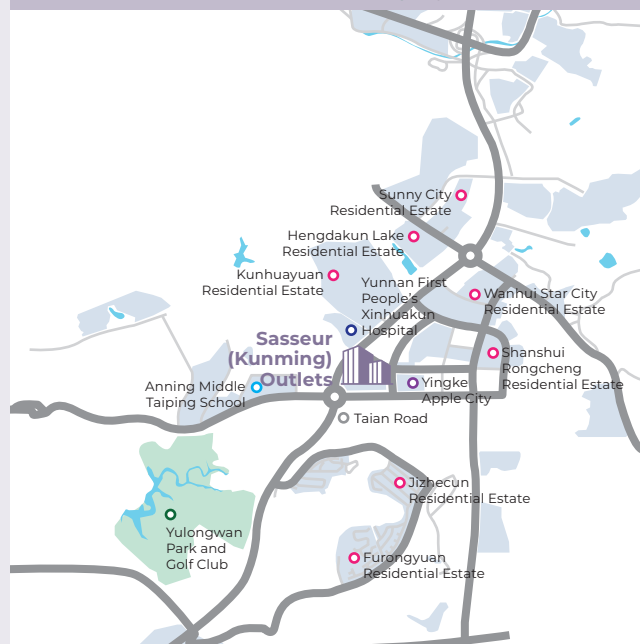


Kunming Changshui International Airport

Approx. 40.9km
Approx. 1h by car

Legend

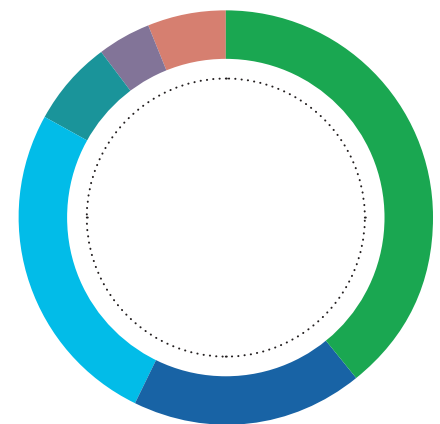
- Expressway and road
- Commercial
- Residential
- School
- Hospital
- Park



Property Information	
Address	No. 181 Aotelaisi Avenue, Anning City, Kunming, Yunnan Province, PRC (云南省昆明市安宁市奥特莱斯大道181号)
Description	Two 7-storey buildings comprising 4 retail levels and 3 basement levels
Site area	150,920.57 sqm
Expiry year of land use right	2054
Commencement of operations	Dec 2016
Year of acquisition	2018
Acquired value (RMB million)	1,350
Carpark lots	2,000
Positioning of outlet	<p>Sasseur (Kunming) Outlets is positioned to cater to the growing middle-class consumers, satisfying their preference for international brands such as FILA, MISS Sixty and Adidas. The outlet also carries popular domestic brands to cater to a wider customer base.</p> <p>The outlet offers an exciting array of retail options including outlet shopping, restaurants, service offerings, children entertainment and hotel facilities.</p> <p>The property also oversees a man-made lake surrounded by luscious green landscaping.</p>



As at 31 Dec	2021	2022
Valuation (RMB million)	1,655	1,652
Gross floor area (sqm)	88,257	88,257
Net lettable area (sqm)	70,067	70,067
Number of tenants	244	225
Committed occupancy (%)	96.7	97.0
Annual Shopper traffic ('000)	2,342	1,852
VIP members ('000)	561	642
Major tenants by gross revenue	Nike, Adidas, +39 Space, Li-Ning, Bosideng	FILA, Li-Ning, ANTA, FEIZI, New Balance
Outlet sales (RMB million)	732.0	548.2

Trade Mix
(as at 31 Dec 2022)





History of Asset Enhancement Initiatives (AEI)

Completion of AEI	Summary of AEI
2019	Added a lift and escalator to connect a seamless shopper flow from level one to the basement levels.

Sasseur (Kunming)
Outlets WeChat

Sasseur (Kunming)
Outlets Property
Videos

Operations Review

OVERVIEW

Sasseur REIT has a portfolio of four outlets strategically located in the high-growth Chinese cities of Chongqing, Hefei and Kunming. Chongqing's 2022 GDP has crossed RMB2.9 trillion¹, overtaking Guangzhou as the fourth largest city in China after Shanghai, Beijing, and Shenzhen. Hefei achieved a 2022 GDP of approximately RMB1.2 trillion², making Hefei one of top 18 mega-cities³ in China.

STABLE VALUATIONS

Sasseur REIT's investment properties have been assessed by an independent valuer, Colliers Appraisal & Advisory Co.,Ltd. at RMB8.5 billion as at 31 December 2022. (2021: RMB8.5 billion). Valuations for the REIT's portfolio of four outlets in China were largely unchanged, compared to a year ago, driven by resilience in the outlets' performance. The REIT's portfolio occupancy rate achieved a record high of 97.2% in the fourth quarter of 2022 (4Q 2022), against the backdrop of external challenges during the year.

PORTFOLIO VALUATIONS

Outlet	Valuation as at 31 Dec 22	Valuation as at 31 Dec 21	Variance	
	(RMB million)	(RMB million)	(RMB million)	%
Chongqing Liangjiang	3,129	3,121	+8	+0.3
Chongqing Bishan	834	838	-4	-0.5
Hefei	2,880	2,883	-3	-0.1
Kunming	1,652	1,655	-3	-0.2
Portfolio	8,495	8,497	-2	-0.02

Full Year Sales (2019-2022)

RMB million

5,000

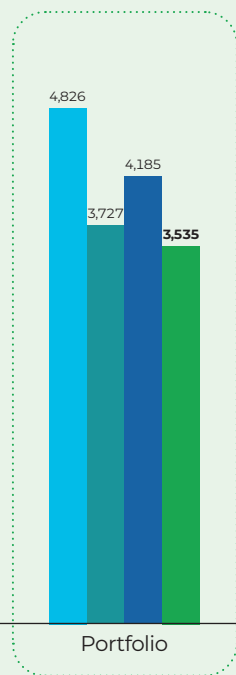
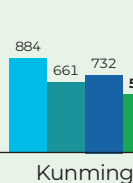
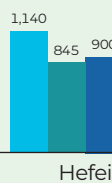
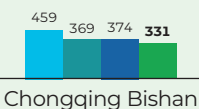
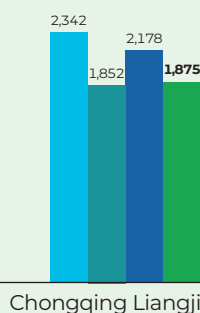
4,000

3,000

2,000

1,000

0



■ 2019 ■ 2020 ■ 2021 ■ 2022

Notes:

- ¹ Tencent News, "Changes in Cities' rankings by GDP", 28 January 2023.
- ² Anhui Network, "Anhui Province's 16 cities GDP ranking 2022", 7 February 2023.
- ³ The Beijing News, "Top 18 mega-cities in China", 17 January 2023.

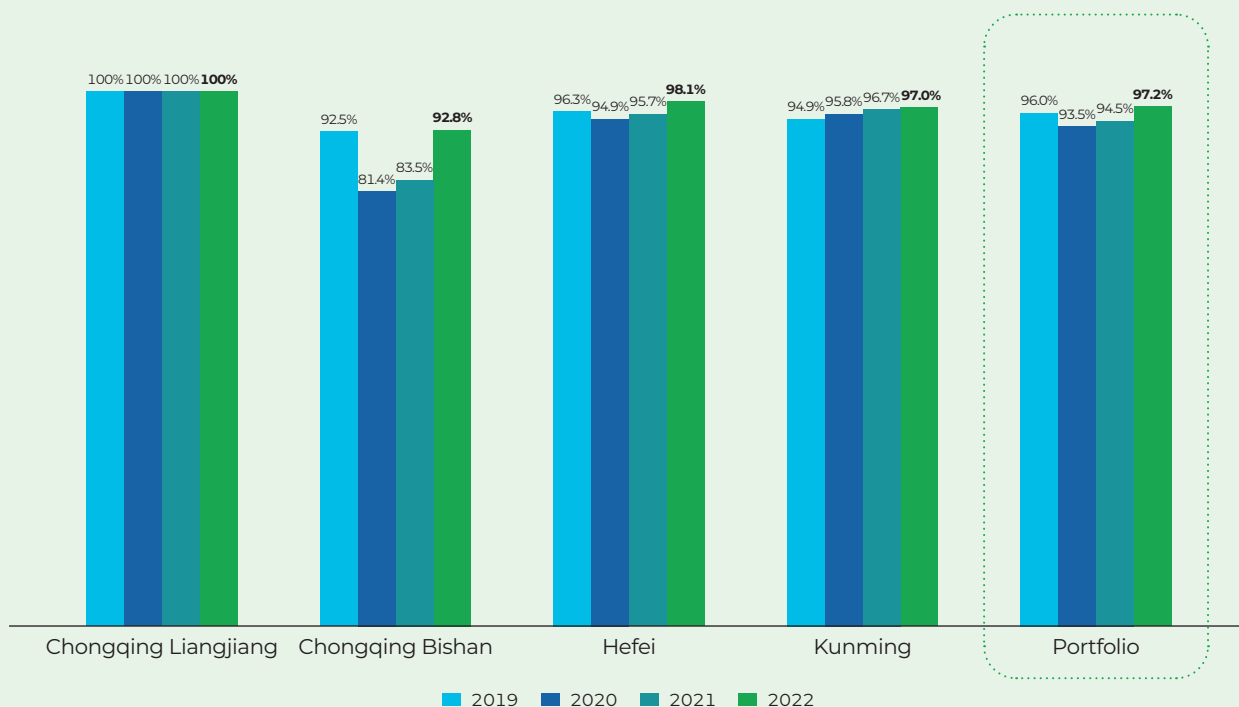
OUTLETS' SALES PERFORMANCE

The portfolio's combined sales for 2022 was RMB3,534.8 million, 15.5% lower than the RMB4,184.6 million in 2021. The outlets' operations were disrupted in 2022 by COVID-related lockdowns and movement restriction controls, which in turn dampened consumer buying sentiments. Sasseur (Chongqing Bishan) Outlets saw the lowest year-on-year decline in sales amongst the REIT's four outlets, due to a significant improvement in occupancy rates and positive impact from asset enhancement works completed in the first quarter of 2022. Compared to 2021, Sasseur (Kunming) Outlets saw the greatest impact on sales in 2022, mainly due to inter-city travel restrictions as Kunming city is popular as a domestic tourism destination.

To attract more sales during the periods of downtime due to lockdown restrictions, the REIT's outlets ramped up their online sales and marketing efforts, which culminated in online sales of more than RMB42 million in 2022, 23 times more than that in 2021.

The outlets' biggest promotional event of the year, Anniversary Sales, also broke many sales records in 2022, despite the difficult operating environment. The REIT portfolio's combined sales from the first day of the Anniversary Sales events increased by 12.5% to RMB207.8 million, compared to the same period in 2021. Through creative marketing videos, a line-up of exciting performances and attractive discounts put together in close partnership with tenants, both Sasseur (Kunming) Outlets and Sasseur (Chongqing Liangjiang) Outlets achieved record first-day sales, outperforming sales in the corresponding period in 2021 by 19.1% and 10.0% respectively.

Portfolio Occupancy (2019-2022)



* Occupancy is calculated based on average of the last day's occupancy of each month in the fourth quarter of the year.

RECORD HIGH PORTFOLIO OCCUPANCY

The occupancy rate of Sasseur REIT's portfolio increased to 97.2% in 4Q 2022, compared to 94.5% a year before. The uptick in occupancy rates across all the outlets demonstrates the confidence that retail brands continue to have in the outlets despite challenging market conditions.

A major contributor to the portfolio's higher occupancy rate was Sasseur (Chongqing Bishan) Outlets, with the entry of new large tenants such as Manxiang Strawberry Farm (漫香果园) and HOOK Real-life Counter-Strike (赫壳真人CS), as well as with its new sports-themed pedestrian walkway which was part of its asset enhancement (AEI) works completed in March 2022. Sasseur (Hefei) Outlets also saw an uptick in occupancy rate in 4Q 2022 on the back of active leasing efforts and re-configuration of its trade mix.

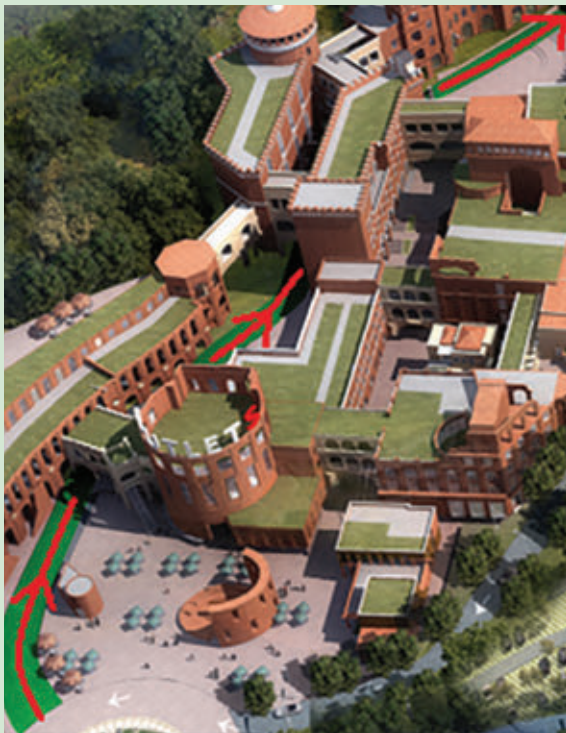
Operations Review

ACHIEVEMENTS IN ASSET ENHANCEMENT INITIATIVES (AEI)

We constantly refresh our outlets through AEI in order to rejuvenate our outlets and maintain their appeal and competitive advantage to both tenants and shoppers. The AEI completed by Sasseur (Chongqing Bishan) Outlets in February 2022 was timely, which will allow us to capitalise on an expected recovery in consumers' retail spending, following the easing of COVID-19 measures in early December 2022 and the opening of China's borders in early January 2023.

As part of the AEI, Sasseur (Chongqing Bishan) Outlets re-designed its driveway and unveiled a sports-themed pedestrian walkway, as part of its efforts to improve shopper flow towards shop units and to upgrade the façades of street-level stores. Previously, the original driveway in front of shop units meant that shoppers had to be cautious of oncoming vehicle traffic when crossing the road to enter those shops. Now, with a welcoming shopping street and rejuvenated store fronts, the positive impact of the AEI is evident in the strong uplift in occupancy rates at Sasseur (Chongqing Bishan) Outlets in 2022.

↓ Loft level directly accessible via individual shops



↑ Improved pedestrian flow (aerial view)



↑ 2-storey sports-themed shops with uplifted store fronts

DIVERSIFIED TRADE MIX

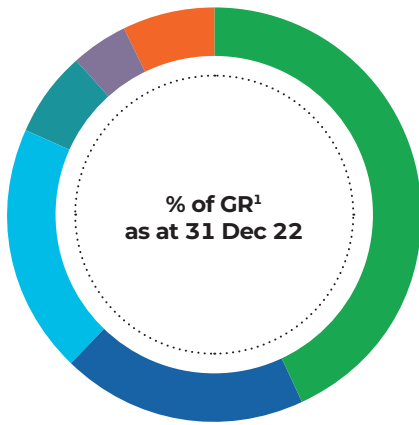
As at 31 December 2022, 81.8% of the portfolio's average monthly gross revenue was attributable to the Fashion (Domestic), International Brands and Sports trade categories which occupied a combined net lettable area (NLA) of 60.8%. The top three categories' aggregate share of the portfolio's average monthly gross revenue increased year-on-year whilst their percentage share of the portfolio's NLA was maintained.

The top trade category, based on the portfolio's gross revenue, continues to be Fashion (Domestic), which is in line with our outlets' positioning to capture the rising popularity of local chinese brands. During the COVID-19 pandemic, we also observed sustained demand for

sports apparel, which registered a 19.5% contribution to the portfolio's gross revenue as at end-December 2022, up from 16.2% a year ago, in tandem with a 0.7 percentage point increase in NLA in 2022.

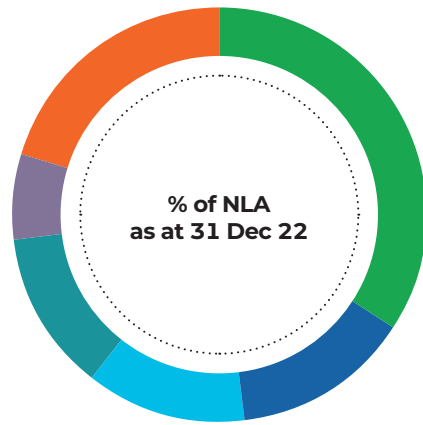
Notwithstanding the COVID-19 headwinds in 2022, Sasseur REIT remained committed to improving tenant diversification in its portfolio to provide more income stability. To further strengthen its portfolio's resiliency, the REIT deliberately increased the share of domestic brands, which is an emerging consumer trend across major cities in China. Meanwhile, we continue to promote our outlets as a home for international premium brands such as Coach, Michael Kors, Tommy Hilfiger, Versace, Zegna, Gucci, Prada and Ferragamo.

Breakdown of Trade Category by Gross Revenue



● Fashion (Domestic)	43.2%
● International Brands	19.1%
● Sports	19.5%
● Children's Wear	6.8%
● Shoes & Leather	4.4%
● Others ²	7.0%

Breakdown of Trade Category by NLA



● Fashion (Domestic)	34.4%
● International Brands	13.9%
● Sports	12.5%
● Anchor Tenants ³	12.5%
● Kids-centric Centres	6.6%
● Others ⁴	20.2%

Aggregate of Fashion (Domestic), International Brands and Sports trade categories	By Gross Revenue	By Nettable Area
	81.8%	60.8%

Notes:

- ¹ GR refers to Gross Revenue which is calculated based on average monthly gross revenue for the period Jan-Dec 2022.
- ² 'Others' comprises Accessories, Food & beverage, Anchor tenants, Lifestyle, Kids-centric centres and Ad-hoc; 'Ad-hoc' refers to temporary leases.
- ³ 'Anchor tenants' are fixed rental leases, such as cinema, hotels and gym.
- ⁴ 'Others' comprises Food & beverage, Children's wear, Shoes & leather, Lifestyle, Accessories and Ad-hoc; 'Ad-hoc' refers to temporary leases.

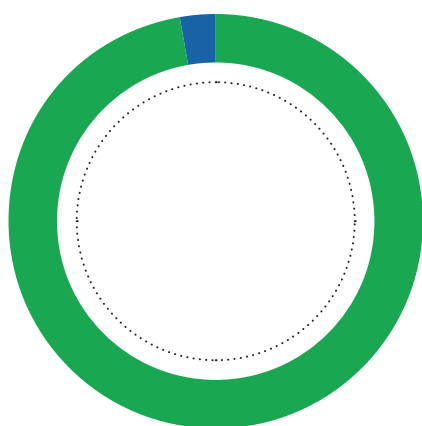
Operations Review

LEASE STRUCTURE

The majority of Sasseur REIT's leases are structured to capture the sales growth of high-performing tenants. Approximately 97.4% and 92.6% of the leases (in terms of gross revenue and NLA respectively) contain turnover rent provisions, allowing the REIT's Unitholders to enjoy upside in revenues should the tenants do well. The interests of both the landlord and retailers are aligned

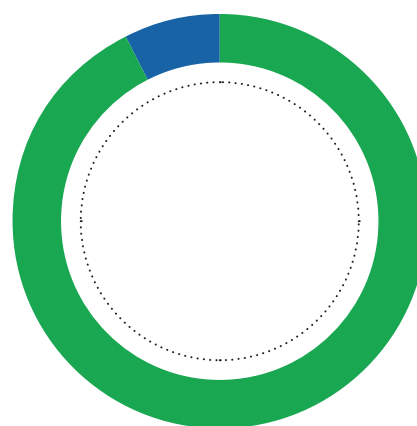
under this lease structure. For anchor tenants, the lease structure is typically structured on a fixed rent basis with a built-in annual step-up rent component. Tenants' sales data can be tracked accurately and quickly, as all tenants' point-of-sale systems are linked to the systems of the REIT's Entrusted Manager. This arrangement also helps to keep rent arrears low at typically less than 1% relative to sales.

% of Leases with Turnover Rent by GR



● Turnover rent **97.4%**
● Fixed rent **2.6%**

% of Leases with Turnover Rent by NLA



● Turnover rent **92.6%**
● Fixed rent **7.4%**

LEASE EXPIRY PROFILE

As at 31 December 2022, the lease expiry profile for Sasseur REIT remained well balanced with a portfolio weighted average lease expiry (WALE) of 1.0 year by gross revenue and 2.6 years by NLA. The lease terms for most tenants other than anchor tenants are deliberately kept at between one to three years, to allow us to have the flexibility to raise the rate of commission we levy on tenants' sales during a good market for tenants who have enjoyed success at our outlets, and also to replace under-performing tenants with new brands that are in trend given fast-changing consumer preferences

in China. For anchor tenants, the typical lease period is five to ten years. Out of the portfolio's leases which had expired in 2022, 844 leases were renewed and 445 new leases were secured.

Approximately 52.7% and 76.4% of leases by NLA and gross revenue respectively will expire in 2023. To ensure sustained high occupancies at our outlets, we undertake active leasing efforts throughout the year by proactively engaging tenants to foster strong partnerships, and building a pipeline of potential brands to bring into the outlets.

RENEWALS AND NEW LEASES SECURED FOR LEASES EXPIRING IN 2022

	Number of Leases	Net Lettable Area (square metres)
Renewal Leases	844	110,649
New Leases	445	53,520
Total	1,289	164,169

Lease Expiry Profile (As at 31 Dec 2022)



WALE (years)

By Nettable Area

2.6

By Gross Revenue

1.0

VIP MEMBERSHIP

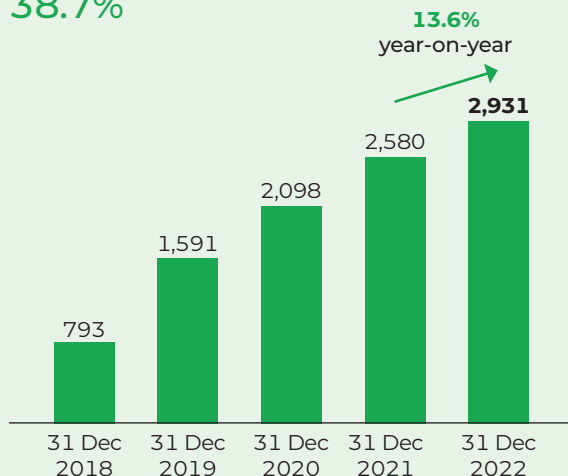
VIP members are large contributors to our outlets' sales, consistently representing more than 60% of total outlet sales. We have continued to grow and cultivate this group of important customers, which has grown in numbers by 13.6% compared to last year.

To create a sense of prestige for our top-tier VIP members who possess a Gold or Platinum VIP card, we commenced an AEI in late 2022 to rejuvenate the VIP lounge at Sasseur (Chongqing Liangjiang) Outlets where high-spending VIP members can expect to be treated to specially curated services in comfort. The AEI was completed in March 2023.

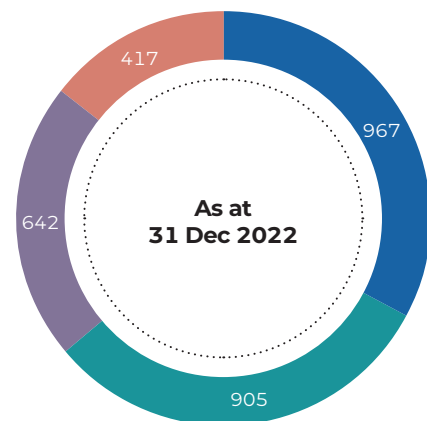
Number of VIP Members in Portfolio ('000)

4-year CAGR (Dec 2018 - Dec 2022)

38.7%



Total VIP Members by Outlets ('000)



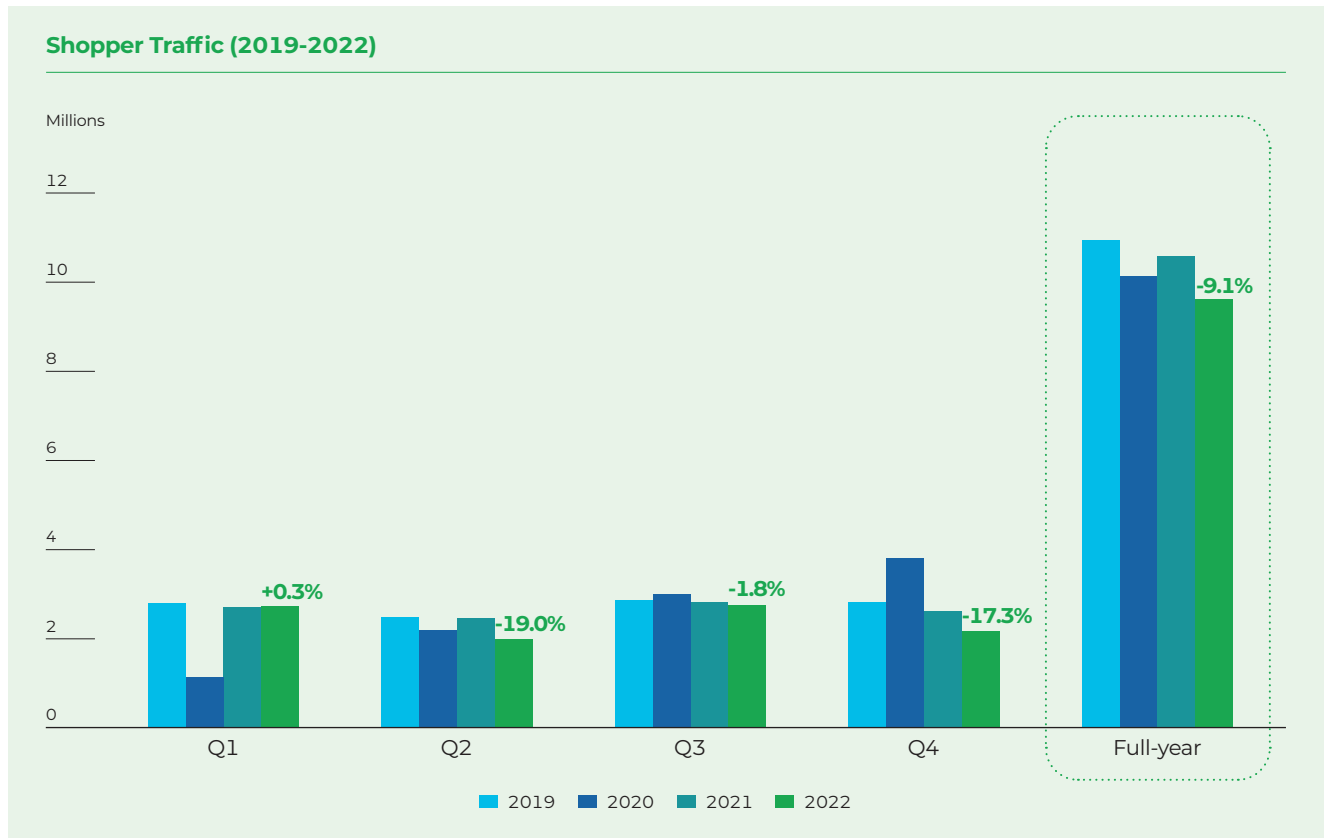
Chongqing Liangjiang	33.0%
Hefei	30.9%
Kunming	21.9%
Chongqing Bishan	14.2%

Operations Review

SHOPPER TRAFFIC

The portfolio's overall shopper traffic decreased by 9.1% year-on-year in 2022, largely due to China's strict 'zero' COVID-19 measures, which mandated various periods of closures of our outlets to prevent the spread of the virus. This, in turn, had dampened consumer

buying sentiments. The bigger declines in traffic were seen in the second quarter and fourth quarter of 2022 compared to the corresponding periods in 2021, due to the large waves of pandemic infections observed during those quarters.



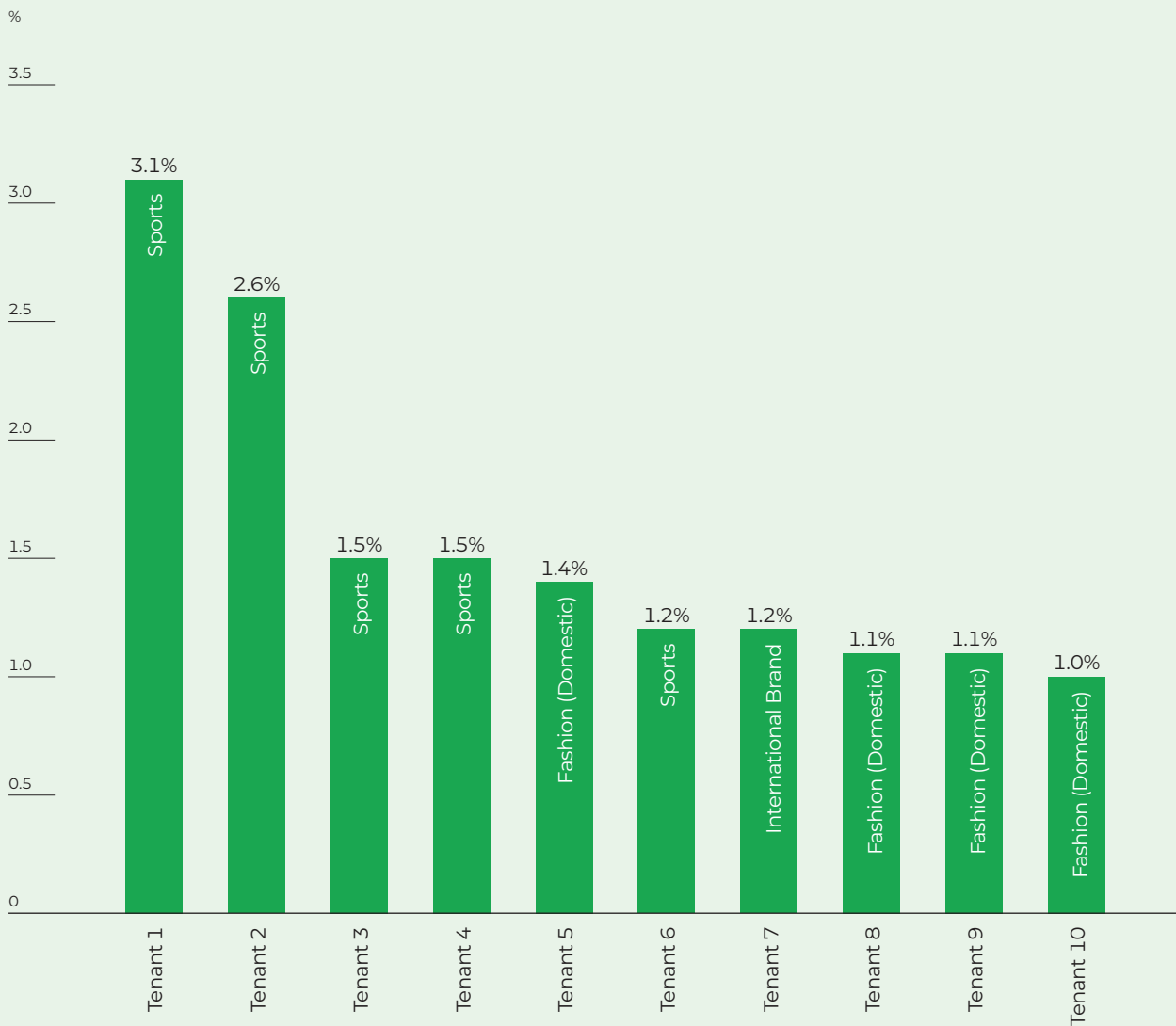
↑ Shoppers at Sasseur (Chongqing Liangjiang) Outlets during its 14th Anniversary Sales

TENANTS' PROFILES

Sasseur REIT's portfolio has more than 1,100 leases. As at 31 December 2022, no single tenant contributed more than 5% of the portfolio's gross revenue. The top 10 tenants contribute about 15.7% of the portfolio's gross revenue.

Sasseur REIT's portfolio boasts a diversified trade mix. This lowers its dependence on any particular tenant, which enables the REIT to mitigate concentration risk and enhance the resilience of its portfolio.

Top 10 Tenants by Gross Revenue (As at 31 Dec 2022)



Breakdown of Tenants in Portfolio (as at 31 Dec 2022)

Chongqing Liangjiang

376

Chongqing Bishan

180

Hefei

333

Kunming

225

Portfolio




1,114

Marketing and Promotion

BUILDING CUSTOMER LOYALTY

To deepen customer loyalty, all Sasseur outlets have a VIP programme structured with three tiers of membership, namely, Basic Card, Gold Card and Platinum Card. Through bespoke services, exclusive events and the issuance of VIP membership tier cards, we provide a sense of exclusivity and motivate higher spending at our outlets by recognising top-spending shoppers.

Spending criteria for different tiers of VIP memberships

VIP membership tier	Promotion criteria	Criteria to maintain current tier	Demotion rules
Basic Card 	Spend RMB1,000 OR make two purchases within 6 months to get Gold Card	No spending requirements	-
	Spend RMB20,000 OR spend at least RMB10,000 in 1 day within first 6 months of card membership to get Platinum Card		
Gold Card 	Spend RMB20,000 OR spend at least RMB10,000 in 1 day within first 6 months of card membership to get Platinum Card	Spend RMB1,000 OR make two purchases within first 12 months of card membership to extend Gold membership for another 12 months	If cumulative spending does not reach RMB1,000 OR two purchases are not made within first 12 months of card membership, membership tier will be demoted to Basic
Platinum Card 		Spend RMB20,000 OR make 12 purchases within first 12 months of card membership to extend Platinum membership for another 12 months	If cumulative spending does not reach RMB20,000 OR 12 purchases are not made within first 12 months of card membership, membership tier will be demoted to Gold

Through our strong relationship with tenants, we worked in close collaboration with premium international brands such as Zegna, Coach and Bally to curate exclusive VIP members-only events. Platinum Card members with personal relationships with the salespersons of premium international brands will be invited to closed-door product appreciation events, where they will be pampered with gifts and snacks, and given a sharing session by the brand on the intricacies of their product series. As we continue to customise and enhance our bespoke VIP member services, we seek to provide our VIP members with a sense of prestige and cultivate members' loyalty.



DIVERSIFYING PROMOTION CHANNELS WITH SASSEUR'S "YEAH! OUTLETS WECHAT MINI-PROGRAM"

Beyond our brick-and-mortar outlets as a sales channel, we have also diversified into online sales channels. The "YEAH! Outlets (夜奥莱) WeChat Mini-Program" is the equivalent of an outlet mall app built within WeChat, China's most widely used messaging and lifestyle app. "YEAH! Outlets" boasts a variety of features such as a live-streaming broadcast room, product catalogue and shopping cart, member's centre, deals discovery page and store locator amongst others.

Conveniently integrated within WeChat's ecosystem, customers can easily share good deals and upcoming live-streaming events with their friends via chat messages, organically promoting mindshare of Sasseur outlets. Online purchases can also be made seamlessly using WeChat Pay.

Each of our outlets hosts at least four live-streaming sessions per month, featuring the best deals in partnership with the outlets' store brands. The engaging nature of live-streaming has drawn high volumes of viewership and purchases. In particular, Sasseur (Chongqing Liangjiang) Outlets achieved more than RMB1 million sales during a single live-streaming session with fashion brand, Coach, in June 2022, surpassing previous sales records.

← ↓ Sasseur Outlets' "YEAH! Outlets WeChat Mini-Program"



PORTFOLIO-WIDE ACTIVITIES

Chinese New Year January

The year 2022 started with a bang with shoppers bustling through our Sasseur outlets to shop for new clothes and items ahead of Chinese New Year, before returning to their hometowns for the yearly reunion affair. Sasseur (Hefei) Outlets dialled up the festive mood by having a "live" lion dance performance, with the lion dancers prancing around the outlet in a procession. Sasseur (Chongqing Liangjiang) Outlets and Sasseur (Chongqing Bishan) Outlets invited the "God of Wealth" (财神爷) to give out candy blessings to shoppers, much to the delight of both children and adults alike. Sasseur (Kunming) Outlets' family-friendly Chinese New Year fair boasted traditional Chinese art activities such as candy drawing, paper cutting art, and dough figurines craft.



↑ Chinese New Year crowd at Sasseur (Hefei) Outlets



↑ "God of Wealth" mascot at Sasseur (Chongqing Bishan) Outlets

Marketing and Promotion

PORTFOLIO-WIDE ACTIVITIES

Anniversary sales September



↑ Cake-cutting session at Sasseur (Kunming) Outlets during its 6th Anniversary Sales

The Anniversary Sales kicked off with a VIP Day, where the biggest discounts for the entire event were given out to our VIP members. Sensational performances and exciting activities were lined-up for our shoppers on VIP days, such as "live" band performances, Sichuan opera performances, fashion runway show, and a cake-cutting session where we gave out slices of cake to share the joyous event with all shoppers.

During the period of the Anniversary Sales events, all Sasseur outlets gave their visitors the opportunity to shop round-the-clock on VIP Day, the first day of the event.



↑ Long trail of cars waiting to enter Sasseur (Chongqing Liangjiang) Outlets past 10pm



↑ Crowds during late night shopping



↑ Shoppers queuing to enter Coach at 3am



↑ Sichuan opera "live" performance at Sasseur (Chongqing Bishan) Outlets



↑ Sasseur (Hefei) Outlets' promotional video

Each outlet came up with their own unique theme for 2022's Anniversary Sales, and pushed out waves of marketing videos and teasers on social media to create hype and buzz ahead of the events. Sasseur (Hefei) Outlets' 6th anniversary theme of "Seeing you makes my heart blossom" (遇见你心花"陆"放) was creatively promoted through a time-travel video casted by the outlet's own staff, showcasing the linkage between retro items and present-day products in the outlet. Sasseur (Chongqing Bishan) Outlets paid homage to Sichuan Opera, a renowned Sichuan and Chongqing traditional art, by matching each main character in the opera to embody a trade category.



View Sasseur (Hefei) Outlets' promotional video by scanning this QR code

New offerings were also brought into the outlets for this special occasion. Keeping up with the latest trends, local electric vehicle (EV) manufacturer, XPeng (小鹏), set up an outdoor showroom at Sasseur (Chongqing Liangjiang) Outlets to launch their G9 series for the first time in Chongqing city. A lively street bazaar was also assembled at Sasseur (Chongqing Bishan) Outlets with booths stretching across the pedestrian walkway, selling street snacks, accessories, and carnival games, drawing the interest of shoppers.



↑ XPeng EV car showroom at Sasseur (Chongqing Liangjiang) Outlets



↑ Bazaar at Sasseur (Chongqing Bishan) Outlets

Red festival November

In November 2022, our outlets held Sasseur Outlets' hallmark annual National Shoppers' Day called Red Festival (红色第五季 – 国人的购物节). This unique promotion festival was ingeniously started by Sasseur Group in 2018 to leverage the growing consumer trend and demand for domestic retail brands. Red Festival is akin to Black Friday but with a focus on China's strong domestic retail brands, dedicated to featuring local brands such as Li-Ning, ANTA and Feizi. The objective is to support local businesses which produce products of good quality. Sasseur Group won the Super Intellectual Property Award at the 2022 China Outlets Leader Summit in July 2022 for the creation of this event, in recognition of its successful integration of art and commerce in their business model.



↑ A mock traditional Chinese wedding procession passing through Sasseur (Hefei) Outlets
 ← Sasseur (Kunming) Outlets promotional poster

OUTLET-LEVEL HIGHLIGHTS

Sasseur (Chongqing Liangjiang) Outlets



↑ Free movie screening for children on weekends as a family activity

Sasseur (Chongqing Bishan) Outlets



↑ In the spirit of the Dragon Boat Festival (端午节), gift bags of mugwort plants were given out to shoppers by staff dressed in ancient costume

Sasseur (Hefei) Outlets



↑ Fitness activities held during the Spring Carnival (嘉年华), in collaboration with sports wear tenant, PEAK (匹克)

Sasseur (Kunming) Outlets



↑ A tie-dye clothing activity for ladies with afternoon tea and flower bouquet giveaways in celebration of Women's day

Outlets' Awards

Received in 2022



SASSEUR (CHONGQING LIANGJIANG) OUTLETS

- **China Outlets Leader Summit**
 - **Excellent Outlets Leader**
 - > Ms Ying Jinyou, General Manager of Sasseur (Chongqing Liangjiang) Outlets
 - **2021 China Outlets RMB 2 billion Club**
 - **Top 20 Influential Outlets**
- **Love Chongqing · 2022 Chongqing International Retail Consumption**
 - Year 2022 “Love Chongqing · Chongqing International Retail Consumption”
 - Year 2022 “Love Chongqing · Chongqing Shopper Experience”



SASSEUR (CHONGQING BISHAN) OUTLETS

- **China Outlets Leader Summit**
 - **Excellent Outlets Leader**
 - > Ms Ying Jinyou, General Manager of Sasseur (Chongqing Bishan) Outlets
- **Love Chongqing · 2022 Chongqing International Retail Consumption**
 - Year 2022 “Love Chongqing · Chongqing International Retail Consumption”
 - Year 2022 “Love Chongqing · Chongqing Shopper Experience”



SASSEUR (HEFEI) OUTLETS

- **China Outlets Leader Summit**
 - **2021 China Outlets RMB 1 billion Club**
 - **Top 50 Influential Outlets**



SASSEUR (KUNMING) OUTLETS

- **China Outlets Leader Summit**
 - **Top 50 Influential Outlets**

Partner Brands



Sustainability Report

BOARD STATEMENT

The Board of Directors (the Board) is pleased to present Sasseur Real Estate Investment Trust's (Sasseur REIT) fourth Sustainability Report, covering the financial year ended 31 December 2022 (FY2022). This report showcases Sasseur Asset Management Pte. Ltd.'s (the REIT Manager) and Sasseur (Shanghai) Holding Company Limited's (the Entrusted Manager) joint efforts in managing Sasseur REIT's environmental, social and governance (ESG) impacts throughout the value chain.

As the first outlet REIT to be listed in Asia, Sasseur REIT's mission is to deliver consistent and strong performance for our Unitholders by offering unrivalled experiential outlet shopping to our customers. It is imperative that we practice corporate sustainability to create long-term stakeholder value, by managing risks and embracing opportunities through the optimisation of economic, environmental and social bottom-lines. Sasseur REIT is committed to implementing environmentally friendly, socially responsible and ethical business practices to fulfil our key objective of providing Unitholders with a stable and attractive rate of return on their investment through regular and stable distributions and to achieve long-term sustainable growth in distribution per unit (DPU) and net asset value (NAV) per unit. Sasseur REIT recognises the importance of managing ESG impacts to safeguard the sustainability of the business, so as to enhance long-term value for all stakeholders and the wider community.

Sasseur REIT continued to remain resilient despite a year marked by COVID-related volatilities in China and macroeconomic challenges. To ensure the viability of our business, we continue to work closely with our brand partners by utilising online platforms to boost online sales and digital presence, amidst sporadic lockdowns under China's strict zero-COVID policies.

As part of our continuous efforts to strengthen Sasseur REIT's sustainability governance structure and commitment to Sasseur REIT's sustainability goals, the Board established a Board-level Sustainability Committee in July 2022 with delegated authority to

define and review Sasseur REIT's strategy, as well as the REIT Manager's strategy and affairs relating to ESG matters based on the principles of sustainability, and ensuring that they remain effective, relevant and up-to-date.

In FY2022, Sasseur REIT conducted an ESG materiality survey with both internal and external stakeholders to better understand their expectations and identify our most significant impacts on the economy, environment, and people. Following the ESG materiality survey, we have updated our material ESG factors for the year after taking into consideration the relevance and impact to our business, strategy, financial planning, business model and key stakeholders. The refreshed material ESG factors presented on page 78 of this Sustainability Report have been approved by the Sustainability Committee which is responsible for overseeing the management and monitoring of the material ESG factors.

In recognition of the increasing need to address climate change, we have continued to strengthen our climate-related disclosures, which is consistent with the Task Force on Climate-related Financial Disclosures (TCFD) and the Monetary Authority of Singapore's Guidelines on Environmental Risk Management for Asset Managers (EnRM Guidelines). We developed processes for identifying and assessing climate-related risks and opportunities through a climate scenario analysis which was conducted in FY2022. In addition, we have started measuring and tracking our greenhouse gas emissions across our portfolio of properties by developing a baseline inventory of our Scope 1, 2 (all emissions) and 3 (tenant emissions only) emissions. Moving forward, Sasseur REIT will work towards expanding our Scope 3 data coverage and integrity, aligning with relevant reporting frameworks and requirements, building in-house capacity and improving overall climate-related disclosures.

The Board would like to thank all stakeholders for their trust and continuous support as Sasseur REIT continues our sustainability journey. We remain vigilant in upholding our commitments towards sustainability while creating long-term value for our stakeholders.

ABOUT THIS REPORT

Reporting Framework

This Sustainability Report has been prepared in accordance with the sustainability reporting requirements of the Singapore Exchange Securities Trading Limited (SGX-ST) Mainboard Listing Rules 711A and 711B on Sustainability Reporting, as well as Practice Note 7.6 Sustainability Reporting Guide (updated in January 2022). In addition, this report has been prepared with reference to the Global Reporting Initiative Universal Standards (GRI Standards) (updated 2021). The GRI Standards was selected due to its global adoption and robust industry guidance, promoting comparability against global and local peers. We view this framework as the most appropriate for communicating relevant information to stakeholders on Sasseur REIT's ESG risks and opportunities.

Reporting Period and Scope

The reporting period covered in this report is from 1 January 2022 to 31 December 2022. Where applicable, data from previous financial years have been included for comparison.

This report should be read together with the financial performance and governance information detailed in the Annual Report for a comprehensive picture of Sasseur REIT's business and performance.

Unless otherwise stated, this report covers the following entities:

- Sasseur REIT;
- The REIT Manager;
- The Entrusted Manager; and
- Sasseur REIT's portfolio of properties - Sasseur (Chongqing Liangjiang) Outlets, Sasseur (Chongqing Bishan) Outlets, Sasseur (Hefei) Outlets and Sasseur (Kunming) Outlets (the Outlets).

The remaining entities within the trust structure are special purpose vehicles which have been excluded from the report.

For performance related to environmental factors, the data disclosed covers Sasseur REIT's Outlets. For performance related to employee data and governance factors, the data disclosed covers the REIT Manager in Singapore.

Any discrepancies in the table and charts between the listed figures and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to two decimal places.

Sasseur REIT's sustainability reporting process for FY2022 has been internally reviewed by Sasseur REIT's internal auditors. No external assurance was sought for this report. External assurance by independent professional bodies will be considered as our reporting matures over time.

Feedback

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

Sustainability Report

FY2022 SUSTAINABILITY HIGHLIGHTS

ENVIRONMENTAL PERFORMANCE FY2022

SCOPE 1 AND 2 EMISSIONS

26.15%
reduction from FY2021

ENERGY CONSUMPTION

0.07%
reduction from FY2021

ENERGY INTENSITY

0.07%
reduction from FY2021

HEALTH AND SAFETY PERFORMANCE FY2022

ZERO INCIDENTS

of fatalities, high-consequence injuries, recordable injuries, and recordable work-related ill health cases



SENIOR MANAGEMENT FY2022

60% FEMALE



GOVERNANCE PERFORMANCE FY2022

ZERO INCIDENTS

of socioeconomic and environmental non-compliance that result in fines and non-monetary sanctions

ZERO INSTANCES

of bribery, corruption and fraud

of counterfeit reports

of customer data loss



MANAGING SUSTAINABILITY

Sustainability Governance

The REIT Manager and the Entrusted Manager recognise that an effective and healthy corporate governance culture is critical to Sasseur REIT's performance and reputation. Sustainability matters are taken into consideration as part of our strategic formulation.

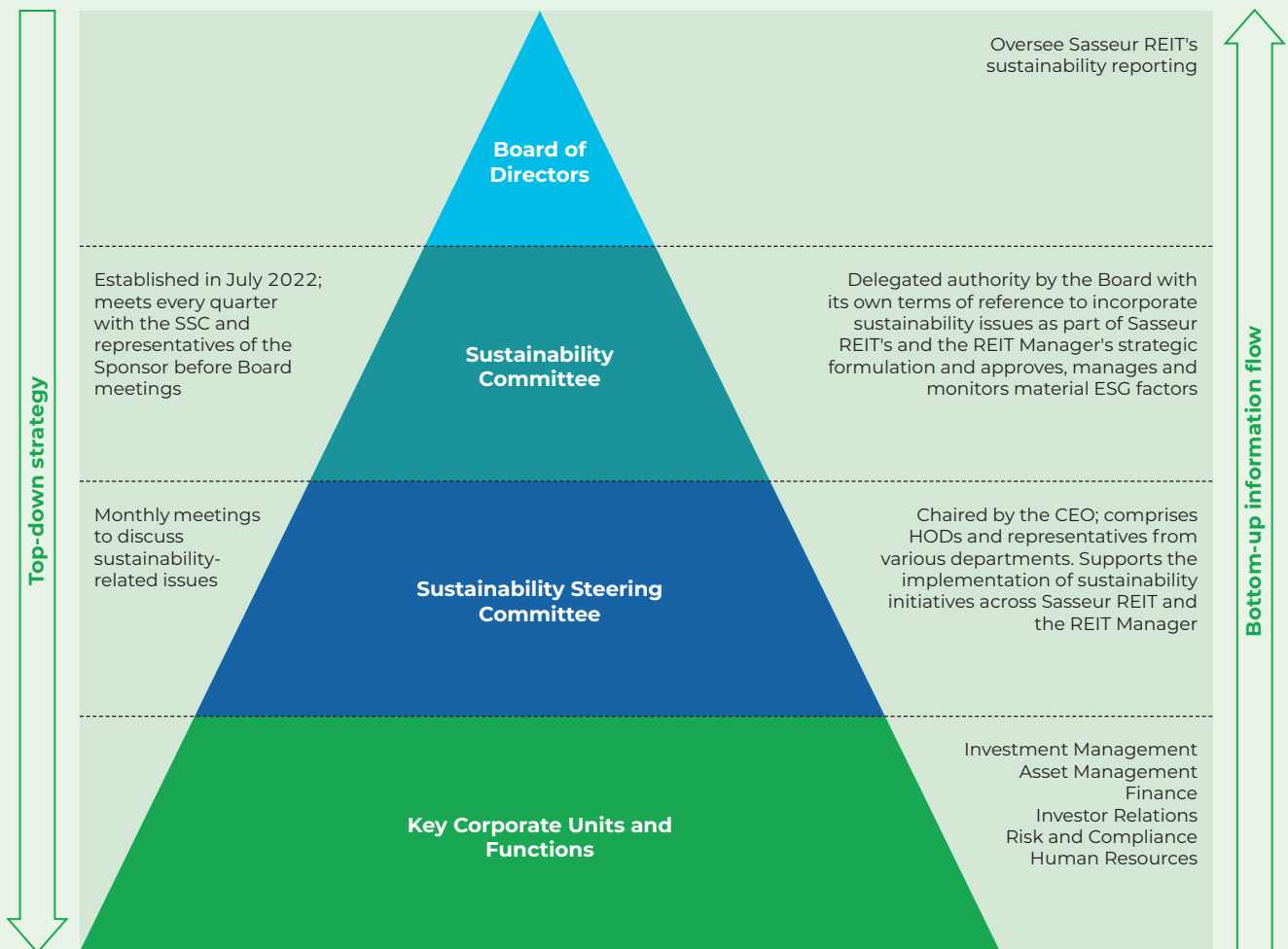
The Board has ultimate responsibility for Sasseur REIT's sustainability reporting and oversees the management of Sasseur REIT's sustainability performance as well as risks and opportunities. As part of Sasseur REIT's commitment to sustainability goals, the Board has established a Sustainability Committee (SC) in July 2022. The SC has delegated authority by the Board with its own terms of reference and plays a key role in incorporating sustainability matters as part of our strategic formulation and determines the ESG factors identified as material to the business. The SC meets

with the Sustainability Steering Committee (SSC) and representatives from the Sponsor before each quarterly Board meeting.

The SC is supported by the SSC which plays a leading role in developing Sasseur REIT's sustainability objectives and strategies, monitoring and driving sustainability performance and responsible business practices as well as ensuring that material ESG factors are monitored on an ongoing basis and properly managed. Led by the Chief Executive Officer (CEO), the SSC comprises Heads of Departments (HOD) and representatives from the Investment Management, Asset Management, Finance, Investor Relations, Risk and Compliance, and Human Resources functions. The SSC meets monthly to discuss sustainability-related issues and reports Sasseur REIT's sustainability progress to the SC every quarter.

Refer to the figure below for Sasseur REIT's sustainability governance structure.



Sasseur REIT's Sustainability Governance Structure







Sustainability Report

Stakeholder Engagement

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

Key Stakeholder Groups	Relevance to Sasseur REIT	Key Engagement Modes	Key Interests of Stakeholders
Investment communities (investors, analysts, and media) 	<ul style="list-style-type: none"> The REIT Manager is committed to provide accurate and timely disclosures We are proactive in engaging investors, analysts, and media through regular two-way communications 	<ul style="list-style-type: none"> SGXNet announcements Results briefings to analysts and investors Annual General Meetings (AGM) and Extraordinary General Meetings (EGM) Bilateral communications via emails, calls, and virtual/physical meetings Partnerships with REIT Association of Singapore (REITAS), Securities Investors Association (Singapore) (SIAS) and brokerage houses to conduct corporate presentations to retail investors Sasseur REIT website, Facebook, LinkedIn and YouTube Roadshows and conferences Site visits to Sasseur REIT Outlets 	<ul style="list-style-type: none"> Financial and operational performance Business strategy and outlook Capital and risk management Good corporate governance Timely and transparent disclosures
Tenants 	<ul style="list-style-type: none"> Tenants are key to the success of the business as their goods and services attract customers to our Outlets, thus contributing to the sales and income for Sasseur REIT 	<ul style="list-style-type: none"> Face-to-face dialogues Training sessions conducted by the Entrusted Manager for promoters of tenants Meetings and discussions to review yearly sales targets and optimal levels of stock inventories for promotional activities Joint promotional and strategic partnerships 	<ul style="list-style-type: none"> Quality of facilities and services to enhance shoppers' experience Publicity through collaborative promotional activities Good flow of shopper traffic Strategic partnerships, online projects, new product launches, discounts, VIP memberships etc. Health and safety

Key Stakeholder Groups	Relevance to Sasseur REIT	Key Engagement Modes	Key Interests of Stakeholders
Shoppers 	<ul style="list-style-type: none"> Shoppers are crucial to the economic viability of the outlet business 	<ul style="list-style-type: none"> Customer service Marketing and promotional events Online communication platforms including social media Loyalty programmes Customer satisfaction surveys 	<ul style="list-style-type: none"> Range and quality of retail offerings, amenities and services Conducive shopping environment and family-friendliness Availability of promotion campaigns Health and safety Membership benefits Access to public transport
Regulators and industry associations 	<ul style="list-style-type: none"> Sasseur REIT and the REIT Manager comply with applicable rules and regulations 	<ul style="list-style-type: none"> Regular participation in briefings and consultations with Singapore Exchange (SGX) and Monetary Authority of Singapore (MAS) Communication and consultations with government agencies Ongoing monitoring of evolving regulatory landscape Annual Report and Sustainability Report Sasseur REIT is a member of REITAS CEO of the REIT Manager is a member of the Promotions Sub-committee of REITAS 	<ul style="list-style-type: none"> Compliance with rules and regulations Good corporate governance and transparency Environmental impact
Employees 	<ul style="list-style-type: none"> People drive our business growth and success. We strive to have a diverse, safe, and healthy work environment for our employees 	<ul style="list-style-type: none"> Orientation programmes for new joiners Half-yearly performance reviews 360-degree feedback sessions Training and career development opportunities Team cohesion activities Internal staff communication Employee feedback surveys Weekly team meetings Health and wellness initiatives 	<ul style="list-style-type: none"> Fair and equal employment practices Diversity and inclusion Skills development and career progression Employee welfare management Health and wellbeing
Local communities 	<ul style="list-style-type: none"> We seek to make a positive impact and give back to the local communities as part of our corporate social responsibility 	<ul style="list-style-type: none"> Employee volunteerism Social entrepreneurship 	<ul style="list-style-type: none"> Contributions to community Impact of business on the environment and society

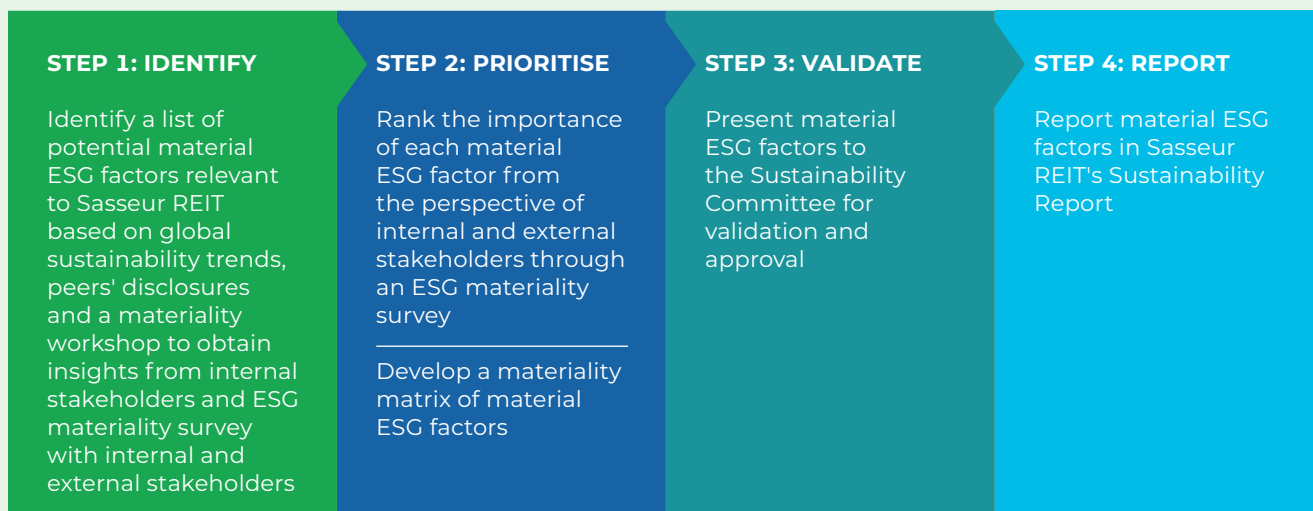
Sustainability Report

Materiality Assessment

Guided by the GRI Standards' Principles of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability, Sasseur REIT conducts a materiality assessment annually to identify and prioritise ESG issues which are of significant relevance to the business and our stakeholders.

The materiality assessment process starts with the identification of material factors relevant to Sasseur REIT, strategically reviewed to ensure alignment with our business strategies. In order to address key stakeholders' concerns, the material factors were prioritised based on Sasseur REIT's existing risk analysis and disclosures, global and local emerging trends, peer benchmarking as well as internal and external stakeholder views. Refer to the figure below which maps out Sasseur REIT's four-step materiality assessment process.

Sasseur REIT's Four-step Materiality Assessment Process

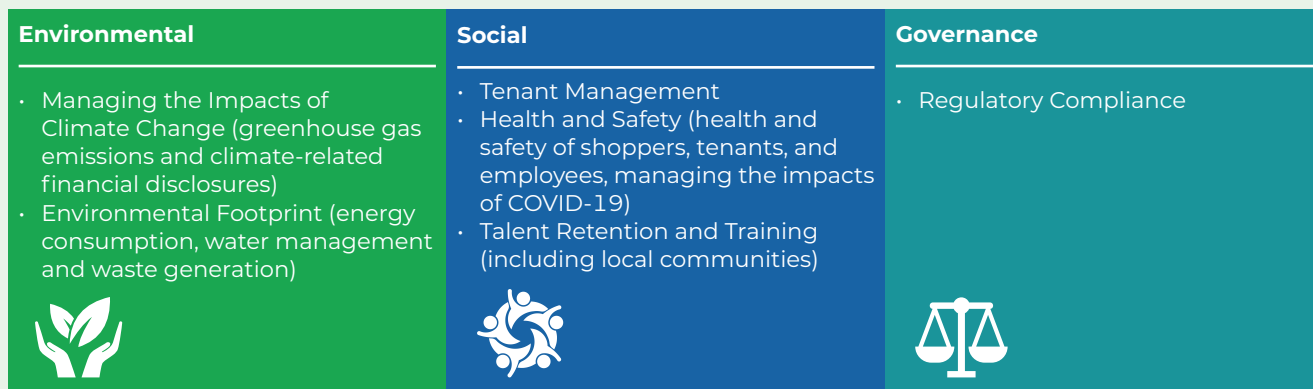


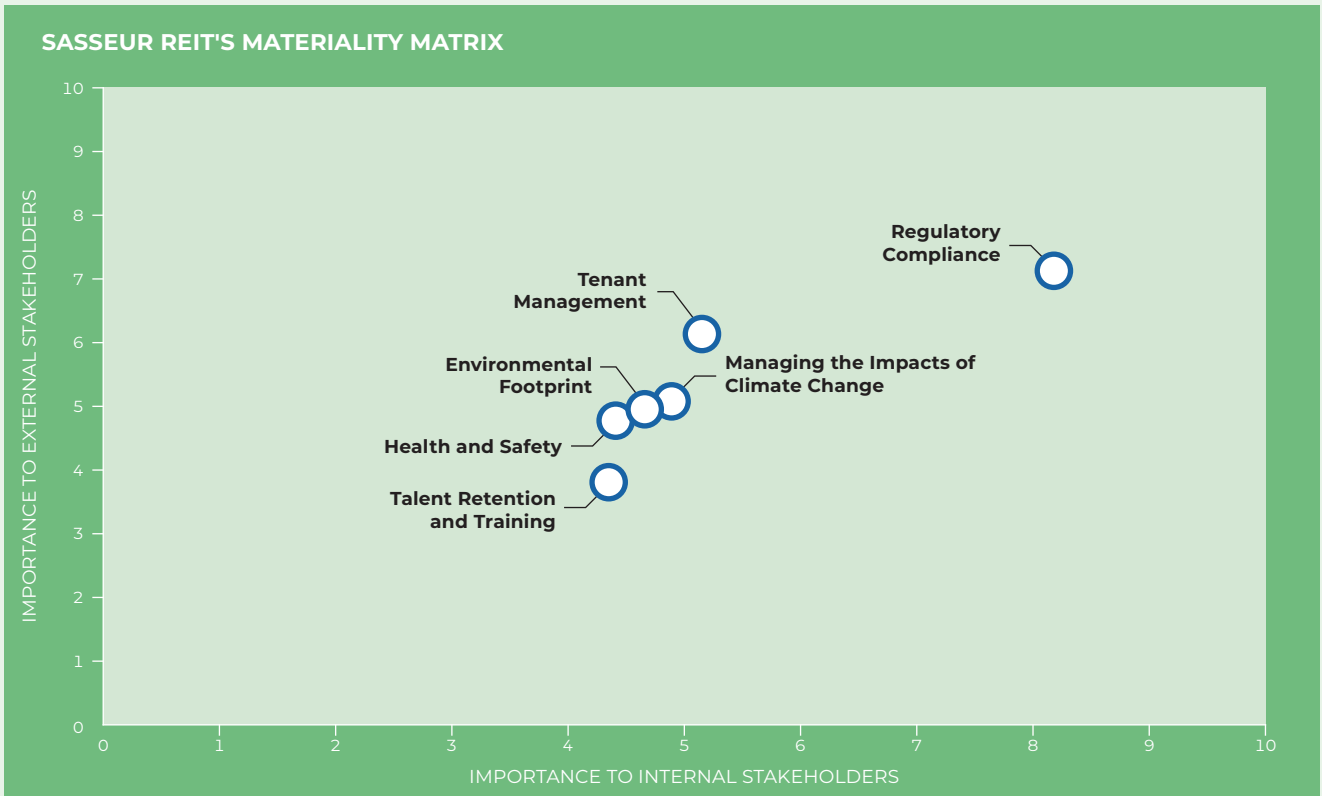
In FY2022, as part of our materiality assessment exercise, our SSC members attended a Materiality Workshop conducted by an external consultant to understand the recent industry trends and emerging materiality topics relevant to our business. In addition, we have conducted an ESG materiality survey with internal and external stakeholders to understand their views on sustainability and the material ESG factors they prioritise in terms of importance.

Upon completion of our materiality assessment exercise for FY2022, the following updates have been made to the material ESG factors for this year:

- Inclusion of “Managing the Impacts of Climate Change”, “Tenant Management”, as well as “Health and Safety” as new material ESG factors.
- Combined and renamed previously disclosed material ESG factors “Energy Consumption” and “Water Management” to “Environmental Footprint”, which include disclosures on waste generation, energy consumption and water management.
- Lastly, prior financial years’ material ESG factors relating to “Local Communities” and “Managing the Impacts of COVID-19” are disclosed under “Talent Retention and Training” as well as “Health and Safety” respectively this year.

Refer to the figures below for Sasseur REIT’s material ESG factors and materiality matrix.





ENVIRONMENTAL

TARGETS FOR FY2022	FY2022 PERFORMANCE	TARGETS FOR FY2023
<ul style="list-style-type: none"> Reduce total energy consumption or energy intensity by 1% from FY2021 	<ul style="list-style-type: none"> Not achieved: FY2022 energy consumption and energy intensity fell by 0.07% as compared to FY2021¹ 	<ul style="list-style-type: none"> Reduce total energy consumption or energy intensity by 1% from FY2022
<ul style="list-style-type: none"> Reduce water intensity by 1% from FY2021 	<ul style="list-style-type: none"> Not achieved: Water intensity increased by 3.7% as compared to FY2021¹ 	<ul style="list-style-type: none"> Reduce water intensity by 1% from FY2022 Assess emission hotspots to determine expansion of Scope 3 organisational boundary

Managing the Impacts Of Climate Change Greenhouse Gas Emissions

As part of our commitment to help address the world's pressing climate issues, we have since incorporated climate action into our business plans. We believe that doing so will enable our business to be future-proof

and support the long-term viability of our business as the pace of transition towards a low-carbon economy hasten. We see the reduction of greenhouse gas (GHG) emissions as one of the key actions to climate change mitigation, and we strive to measure and track our emissions across Sasseur REIT.

Note:

¹ Refer to "Energy Consumption" and "Water Management" on pages 92 and 93 respectively for a detailed explanation.

Sustainability Report

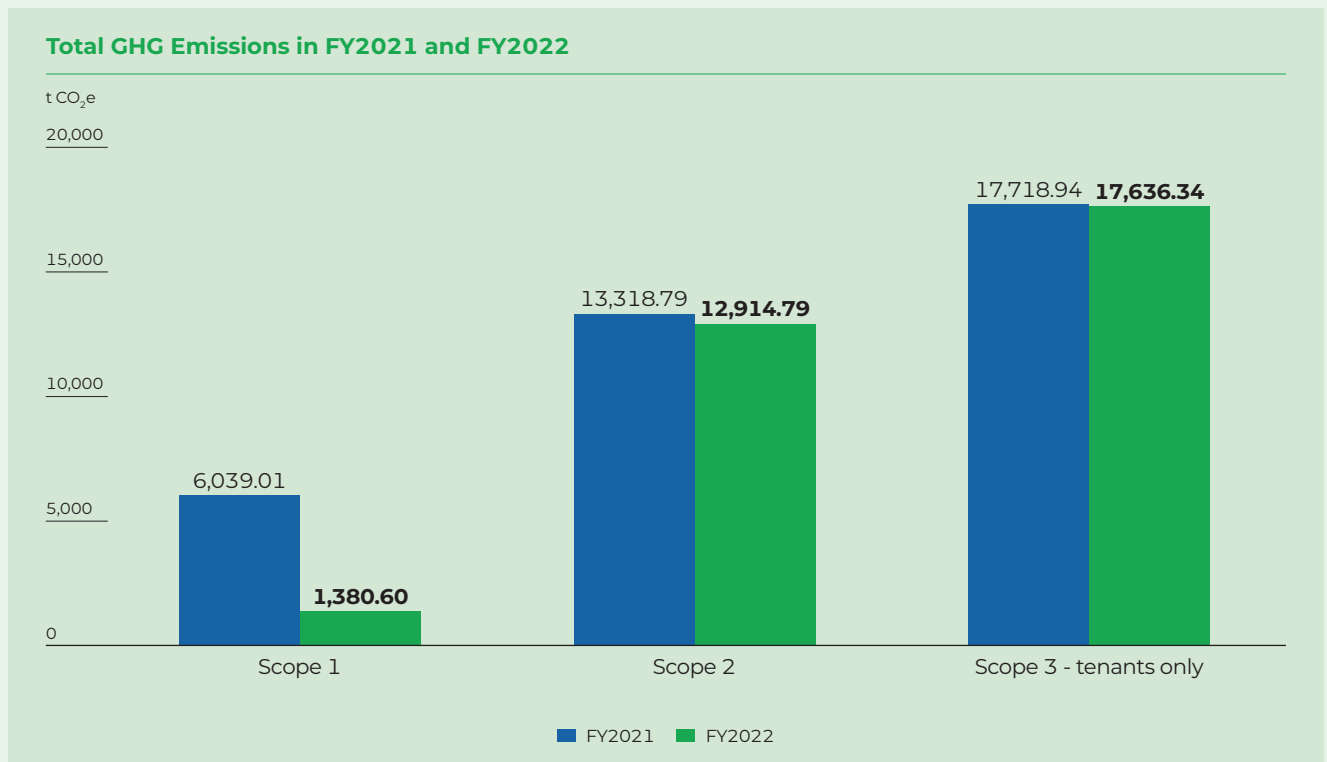
We developed a baseline² inventory of our Scope 1, 2 (all emissions), and 3 (tenant emissions only) emissions, and plan to track the trend going forward. Sasseur REIT's emissions are calculated in line with the GHG Protocol and applicable national standards. We measured and reported total emissions of 14,295.39 t CO₂e (Scope 1 and 2) and 17,636.34 t CO₂e (Scope 3 – tenant emissions only), a 26.15% and 0.47% decrease respectively, from FY2021 of 19,357.80 t CO₂e (Scope 1 and 2) and 17,718.94 t CO₂e (Scope 3 – tenant emissions only). Given that Sasseur (Hefei) Outlets has the largest operating area³ of the four properties, it also reported the highest GHG Scope 3 tenant emissions of 7,955.37 t CO₂e. In FY2021, Sasseur (Kunming) Outlets reported 5,080.76 t CO₂e in Scope 1 emissions, owing to the refill of nine large capacity fire extinguishers (150kg each). This is the first refill of the fire extinguishers at Sasseur (Kunming) Outlets since it commenced operations in 2016.

However, due to the complexity and large volumes of data required, Scope 3 calculations must be calculated and reported systemically. As such, we undertook an initial Scope 3 screening, focusing on the material impact areas of the 15 GHG Scope 3 categories. By relevance, we identified tenant emissions as the priority data coverage in the beginning stages of our Scope 3 reporting journey. Going forward, we will work towards expanding our Scope 3 data coverage and quality, align with relevant reporting frameworks and requirements, build in-house capacity, and improve overall disclosures.

Global restrictions during the COVID-19 pandemic led to huge reductions in travel and other operational activities, resulting in lower emissions, as evidenced in our FY2022 emissions data. However, we remain cognisant that the COVID-19 pandemic provides only a temporary reduction in carbon emissions, and notably, emissions will soon return to near-pre-pandemic levels with many economic activities returning to normalcy. Hence, as part of our efforts to reduce GHG emissions, we actively carry out green landscaping, and have extensive amounts of greenery within our Outlets. Comprising a total of approximately 23,841 sqm of green landscapes which are put together by a wide variety of plants such as trees, shrubs, and seedlings, the greenery in our Outlets not only provide a healthy recreational environment for the community, but also promote carbon sequestration from the atmosphere.

We continue to support the adoption of Electronic Vehicles (EV), which emit lower GHG emissions – approximately 43.4%⁴ as compared to internal combustion engine (ICE) vehicles. A total of 27 EV Chargers have been installed at Sasseur (Hefei) Outlets to facilitate the convenience of EV drivers, making EV facilities more accessible to the public.

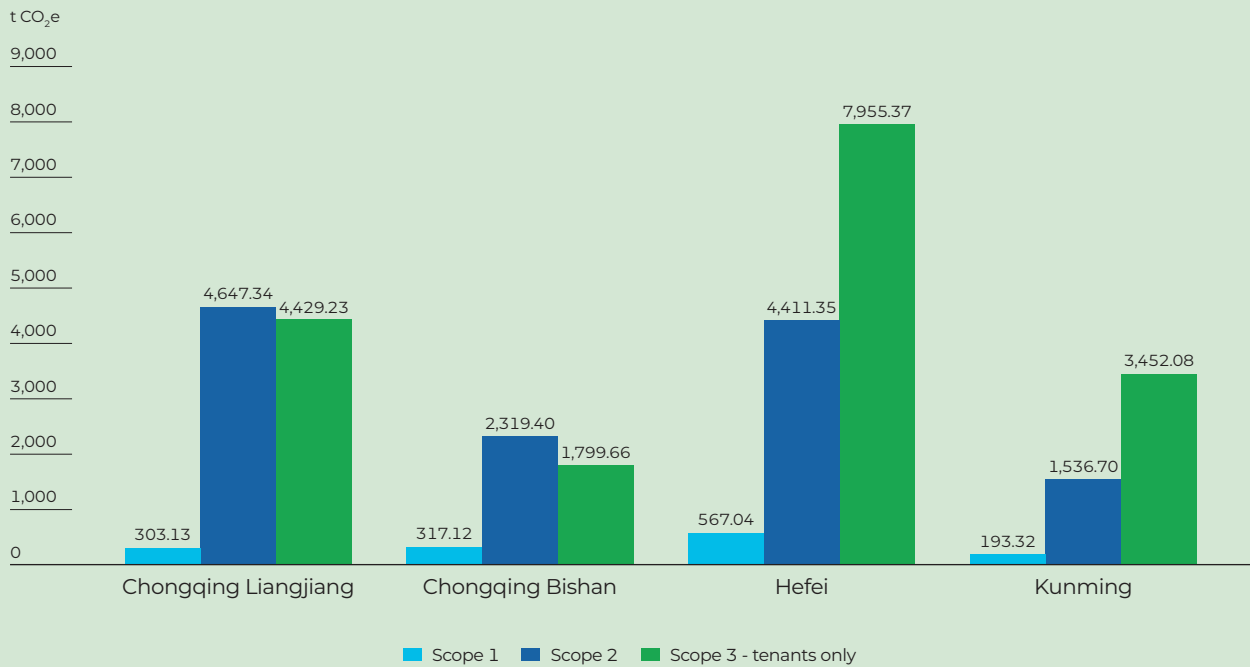
In the coming years, we will remain cognisant of our GHG emissions and will continue to implement new initiatives and identify opportunities to reduce our emissions.



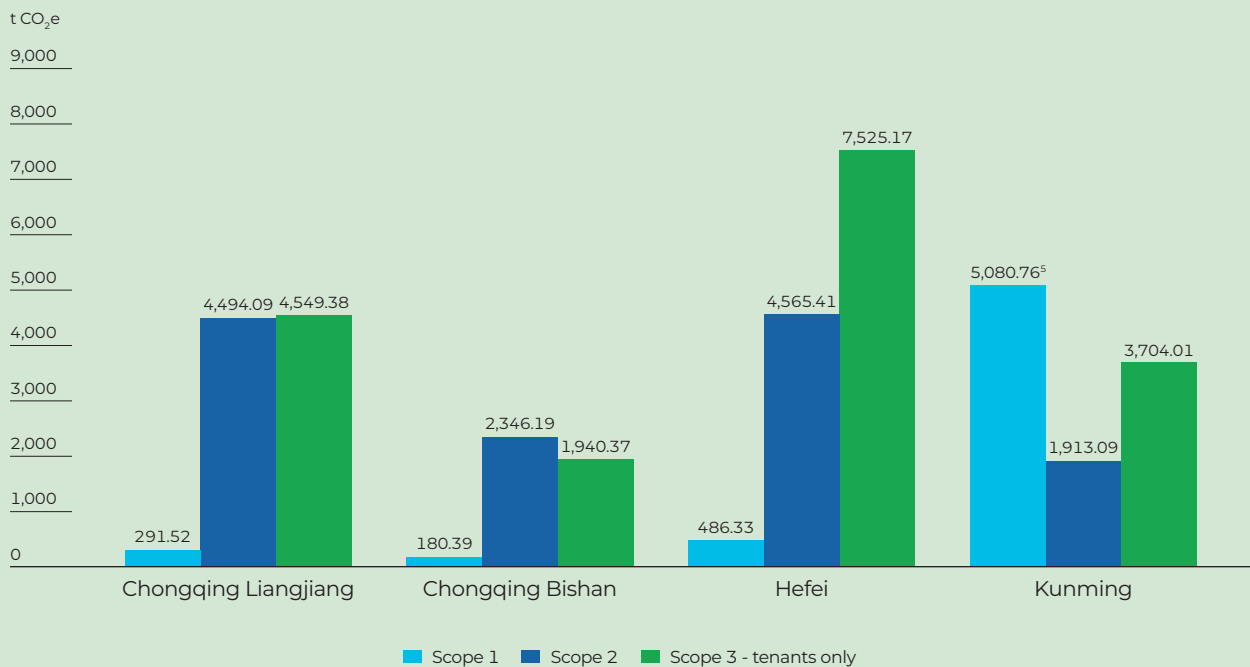
Notes:

² With FY2021 established as the baseline, we will support the development of targets to reduce GHG emissions in our business operations.
³ Operating area refers to the sum of gross floor area including outdoor carpark spaces (if any).
⁴ China Automotive Technology & Research Center Co., Ltd., China Automotive Low Carbon Action 2022, 27 July 2022.

Summary of Total Emissions in FY2022



Summary of Total Emissions in FY2021



Note:

⁵ Due to the refill of nine large capacity fire extinguishers (150 kg each).

Sustainability Report

A full breakdown of our Scope 1, 2 (all emissions) and 3 (tenant emissions only) in FY2021 and FY2022 is furnished in the table below.

Emissions ⁶	FY2021					FY2022					Variance % (Comparing FY2022 and FY2021)
	Sasseur (Chongqing Liangjiang) Outlets	Sasseur (Chongqing Bishan) Outlets	Sasseur (Hefei) Outlets	Sasseur (Kunming) Outlets	Total	Sasseur (Chongqing Liangjiang) Outlets	Sasseur (Chongqing Bishan) Outlets	Sasseur (Hefei) Outlets	Sasseur (Kunming) Outlets	Total	
Total Scope 1 and 2 GHG emissions (t CO ₂ e)	4,785.62	2,526.59	5,051.74	6,993.85	19,357.80	4,950.47	2,636.52	4,978.39	1,730.02	14,295.39	(26.15)
Total direct (Scope 1) GHG emissions (t CO ₂ e)	291.52	180.39	486.33	5,080.76	6,039.01	303.13	317.12	567.04	193.32	1,380.60	(77.14)
Total location-based indirect (Scope 2) GHG emissions (t CO ₂ e)	4,494.09	2,346.19	4,565.41	1,913.09	13,318.79	4,647.34	2,319.40	4,411.35	1,536.70	12,914.79	(3.03)
Direct (Scope 1) GHG emission intensity (t CO ₂ e/m ²)	0.00903	0.00749	0.00469	0.13344	0.03049	0.00939	0.01317	0.00547	0.00508	0.00697	(77.14)
Location-based indirect (Scope 2) emission intensity (t CO ₂ e/m ²)	0.13927	0.09741	0.04404	0.05025	0.06723	0.14402	0.09630	0.04255	0.04036	0.06519	(3.03)
Other indirect (Scope 3) GHG emissions (tenant emissions only) (t CO ₂ e)	4,549.38	1,940.37	7,525.17	3,704.01	17,718.94	4,429.23	1,799.66	7,955.37	3,452.08	17,636.34	(0.47)
Other indirect (Scope 3) GHG emission intensity (tenant emissions only) (t CO ₂ e/m ²)	0.09439	0.04340	0.06561	0.07381	0.06874	0.09190	0.04026	0.06936	0.06879	0.06842	(0.47)
Gases included in the calculation	Carbon dioxide (CO ₂), Methane (CH ₄), Nitrous Oxide (N ₂ O) and Hydrofluorocarbons (HFCs)										
Source of emission factors and global warming potential (GWP) rates used	Notice on the management of corporate greenhouse gas emission reporting in 2022 ⁷ , Department for Environment, Food and Rural Affairs (DEFRA) (June 2022), IEA 2021, GHG Protocol, IPCC AR5 – AR6										
Consolidation approach for emissions	Operational control										

Notes:

⁶ Emission intensity in FY2022 is calculated based on the total operating area of 455,878 m².

⁷ Ministry of Ecology and Environment of the People's Republic of China. Notice on the management of corporate greenhouse gas emission reporting in 2022, 7 February 2023.

Climate-related Financial Disclosures

Introduction

Under a post-COVID-19 era, carbon emissions are on the rise again, with climate change topping international agendas. The latest Intergovernmental Panel on Climate Change (IPCC) report⁸ has highlighted that the whole world is facing the effects of climate change, as exemplified by the floods and heatwaves which had occurred in China in FY2022, where Sasseur REIT's portfolio is based. While climate change poses significant risks to the real estate industry, it also presents ample business opportunities. Recognising the impact of climate-related risks and opportunities, the public and private sectors worldwide are actively addressing these risks and capturing the opportunities around climate change adaptation.

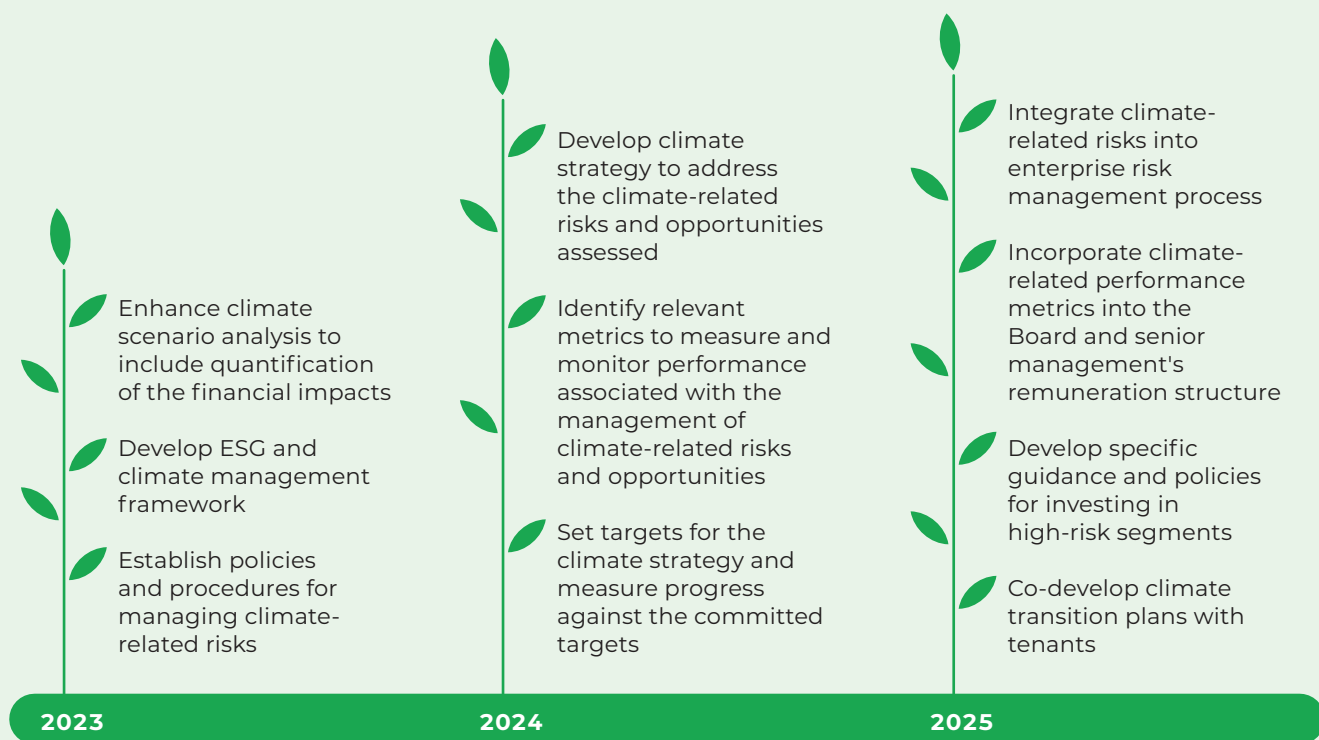
Guided by China's goal of peaking carbon emissions by 2030 and achieving carbon neutrality by 2060⁹, we have implemented measures to minimise the adverse impacts of climate change on our business and environment, including ensuring efficient resource utilisation in our daily operations and enhancing our climate resilience.

This section of the report is our approach towards adopting the TCFD Recommendations¹⁰. It aligns with the recommendations set out by TCFD and outlines the physical and transition risks that Sasseur REIT is likely to be exposed to. This is also in line with the EnRM Guidelines issued by the MAS.

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

Our climate action journey continues with the establishment of the SC in July 2022, which fortifies the Board's dedication to strengthen governance around climate-related issues. Our ongoing efforts to enhance our TCFD disclosures are shown through the climate scenario analysis conducted this year, in which all key climate-related risks and opportunities were assessed to help us understand their potential financial impacts on our business. The roadmap below has been updated to reflect our current progress as well as our goals for the coming years to adopt TCFD recommendations that are also in line with MAS' EnRM Guidelines.

Sasseur REIT's Three-year Roadmap



Notes:

⁸ IPCC, Climate Change 2022: Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change, 2022.

⁹ IEA, Tracking Clean Energy Innovation: Focus on China, IEA, Paris, March 2022.

¹⁰ TCFD, Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures, 15 June 2017.

Sustainability Report

TCFD Disclosures

Our disclosures based on the four pillars of the TCFD is set out below:

Sasseur REIT's TCFD Disclosures	
Governance	
<p>a) Describe the Board's oversight of climate-related risks and opportunities.</p>	<p>The REIT Manager and Entrusted Manager believe that Sasseur REIT's long-term success and well-established reputation are underpinned by a strong corporate governance culture that is cascaded throughout our portfolio.</p> <p>The Board bears the accountability for overseeing the management of Sasseur REIT's sustainability performance as well as risks and opportunities. In line with Sasseur REIT's commitment to advancing the sustainability agenda, a SC was established by the Board in July 2022. With delegated authority by the Board, the SC drives the incorporation of climate-related issues into the strategy formulation and review process, as detailed in its terms of reference. The SC meets with the SSC and representatives from the Sponsor on a quarterly basis before Board meetings.</p> <p>The Board's commitment to building climate capacity is reflected through its efforts in ensuring that the SC and SSC undergo sustainability training to equip themselves with the relevant knowledge and skillsets for addressing climate-related issues.</p>
<p>b) Describe management's role in assessing and managing climate-related risks and opportunities.</p>	<p>The SC is further supported by the SSC, which provides oversight in identifying and addressing the climate-related risks and opportunities relevant to the business. The SSC is led by the CEO who is responsible for matters relevant to climate change within Sasseur REIT and assists the Board in effectively managing climate-related risks by establishing ESG targets and goals. On the other hand, the Chief Financial Officer (CFO), who is the SSC Leader, monitors the implementation of sustainability initiatives and projects closely to ensure their successful and timely completion, and reports the progress regularly to the CEO, who is the Chair of the SSC.</p> <p>The rest of the SSC comprises the HODs and representatives from the Investment Management, Asset Management, Finance, Investor Relations, Risk and Compliance, and Human Resources functions. They facilitate the coordination and compilation of information and data, which often involves working across departments. The SSC meets every month to discuss major developments in relation to sustainability and provides quarterly updates to the SC regarding Sasseur REIT's sustainability progress.</p> <p>Sasseur REIT's sustainability governance structure as well as the key roles and responsibilities of each component of the structure can be found on page 75 of the Sustainability Report.</p>

Sasseur REIT's TCFD Disclosures

Strategy

a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.

Sasseur REIT recognises that climate change would reshape the operating environment for companies across the globe. As such, we place the utmost importance on identifying the climate-related risks and opportunities relevant to the four outlets in our portfolio – Sasseur (Chongqing Liangjiang) Outlets, Sasseur (Chongqing Bishan) Outlets, Sasseur (Hefei) Outlets and Sasseur (Kunming) Outlets.

Sasseur REIT considers short, medium, and long-term time horizons to be less than 10 years, 10 to 20 years, and beyond 20 years respectively. However, given that Sasseur REIT's portfolio consists of long-term fixed assets, climate-related risks often manifest themselves over the medium and long-term and are more profound during this period.

b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

TCFD divides climate-related risks into two major categories:

Physical risks

Physical risks stemmed from climate change can heavily affect the operations of Sasseur REIT. Physical risks affect countries globally and pose significant financial threats to many countries. Over the last few years, there has been an increase in the intensity of climate catastrophes and the impact of climate change can be felt more severely and at a larger scale. Sasseur REIT's assets in China are also exposed to physical risks such as floods and heatwaves.

Transition risks

Transition risks arising from policy change, technology upgrades, and market shifts in the low carbon transition may have an impact on Sasseur REIT's strategy and operations. To respond to the market and regulatory demands, it is imperative for Sasseur REIT to re-evaluate its investments and commitments to climate change.

In FY2022, Sasseur REIT has incorporated scenario analysis into its climate-related risk assessment exercise, taking into consideration climate scenarios from the IPCC and the International Energy Agency (IEA). The climate scenarios that have been adopted are:

Sasseur REIT's climate scenarios	Business as usual	Net zero by 2050
IPCC scenario ¹¹ alignment for physical risks assessment	RCP8.5 <ul style="list-style-type: none"> Shows a very high emissions trajectory with a projected global mean surface temperature increase of up to 4.8°C 	RCP2.6 <ul style="list-style-type: none"> Aims to keep global warming likely below 2°C above pre-industrial levels
IEA scenario ¹² alignment for transition risks and opportunities assessment	Stated Policies Scenario (STEPS) <ul style="list-style-type: none"> Reflects current policy settings based on an assessment of the existing policies and those that have been announced by governments around the world 	Net Zero Emissions by 2050 Scenario (NZE) <ul style="list-style-type: none"> Sets out a pathway for the global energy sector to achieve net zero CO₂ emissions by 2050 without relying on emissions reductions from other sectors

The processes used to determine the risks and opportunities which are material to Sasseur REIT are detailed under the risk management section on page 90.

To assess the potential impacts of the physical risks identified, Sasseur REIT took into consideration asset information such as the locations of the Outlets and their design specifications, contextual information which includes forests and soils, as well as climate data from the Coupled Model Intercomparison Project Phase 5 (CMIP5) and Phase 6 (CMIP6) models. For transition risks and climate-related opportunities, data and assumptions were drawn from IEA's World Energy Outlook (WEO) 2021¹³.

Notes:

¹¹ IPCC, Climate Change 2014: Synthesis Report. Contribution of Working Groups I, II and III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change, 2014.

¹² IEA, Global Energy and Climate Model, IEA, Paris, October 2022.

¹³ IEA, World Energy Outlook 2021, IEA, Paris, October 2021.

Sustainability Report

Sasseur REIT's TCFD Disclosures

Strategy

<p>a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.</p>	<p>A summary of key climate-related risks and opportunities as well as their key potential impacts is as follows:</p> <p>Climate-related risks: physical risks</p> <p><i>Acute</i></p> <p>As global temperature rises, acute hazards grow in frequency and severity. Increased occurrences and intensity of rainfalls contribute to more frequent events in which precipitation in catchment areas can cause a river to exceed its usual capacity, flooding nearby areas. On days with high temperatures, high wind speeds and dry weather conditions, trees may catch fire easily and spread fires across forest canopies. These disastrous events can cause significant damage to Sasseur REIT's assets and result in operational disruptions and economic flow losses due to business premises being shut down.</p> <p>Although extreme temperatures do not usually cause structural damage, commercial and utility assets may be impacted by malfunction of electronic control systems on days of extreme heat. In the case of Sasseur REIT, air conditioning units can stop working once their maximum design temperature is reached, leading to the closure of the Outlets.</p> <p><i>Chronic</i></p> <p>Due to longer dry spells and droughts that are caused by a permanent shift in weather patterns, soil moisture within reactive clay soils can be significantly reduced, triggering substantial soil movement and cracking. Soil shrinking and swelling can lead to shifting of the foundations of Sasseur REIT's assets, bringing about extensive damage.</p> <p>Based on the physical climate-related risk assessment at Sasseur REIT's portfolio level, the potential financial impacts brought by riverine flooding are more significant than those of forest fires, extreme heat, and soil subsidence due to droughts.</p>
<p>b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.</p>	<p>Climate-related risks: transition risks</p> <p><i>Policy and Legal</i></p> <p>To achieve China's goals of peaking emissions by 2030 and achieving carbon neutrality by 2060, the Chinese government may introduce stringent policies that contribute to a rise in carbon pricing. These could include an expansion of the national Emissions Trading Scheme (ETS) scope to include the real estate sector or emission allowances reduction which will be passed onto the real estate sector along the value chain.</p> <p>In the first trading year of China's ETS since its launch in July 2021, the price of national Carbon Emission Allowances (CEA) fluctuated between RMB 58 and RMB 60¹⁴. To understand how the carbon pricing scheme in China could evolve in the future, Sasseur REIT has taken into consideration IEA's projections in the WEO 2021. According to the STEPS report, the price of CO₂ is expected to increase from USD 30/tonne CO₂ in 2023 to USD 55/tonne CO₂ in 2050; while in NZE, where more aggressive climate actions can be observed from the government, the CO₂ price is expected to hit USD 90/tonne CO₂ in 2030 and subsequently increase to USD 200/tonne CO₂ in 2050. It is also estimated that a carbon price of USD 50/tonne would increase the cost of operating the average coal plant by about USD 50/MWh¹⁵.</p> <p>Due to the indirect cost carbon passes through, non-renewable-based electricity prices will likely increase in the future, resulting in an increase in Sasseur REIT's operating costs.</p>

Notes:

¹⁴ Refinitiv, One Year In: China's National Emission Trading System, 25 July 2022.

¹⁵ Resources of the Future, Carbon Pricing 201: Pricing Carbon in the Electricity Sector, 20 August 2020.

Sasseur REIT's TCFD Disclosures

Strategy

a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.

Climate-related risks: transition risks

Market

Following the Chinese government's push and increased adoption by industry players, green buildings are rising in China and may go mainstream in the future. Driven by the global climate agenda, there has also been an increase in tenants that have adopted climate change commitments and have high expectations of the environmental performance of the buildings they occupy. Failure to recognise this trend and respond accordingly may cause Sasseur REIT to lose these sustainability-conscious tenants to zero-carbon-ready buildings when they become more widely available in China.

b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

Based on IEA's NZE, 20% of the existing buildings will be retrofitted to zero-carbon-ready levels by 2030, which will grow to 85% by 2050 globally. However, as the world still falls short of reaching NZE targets, in the STEPS scenario, the buildings sector is expected to have only 4-5% of the existing buildings retrofitted to zero-carbon buildings by 2030.

With tenants' preferences increasingly geared towards green or sustainable commercial spaces and the green building industry expanding rapidly, Sasseur REIT may suffer a revenue loss to the green building rental market as they move out of Sasseur REIT's properties.

Based on the transition climate-related risk assessment at Sasseur REIT's portfolio level, the potential financial impacts brought by market risk are more significant than those of policy and legal risk.

Climate-related opportunities

Energy Source

China's ambitious objective to accelerate the adoption of renewable energy is reflected by its recently updated Nationally Determined Contributions¹⁶ (NDC). It has announced its commitment to increase the share of non-fossil fuels in primary energy consumption to around 25% in 2030 and to bring its total installed capacity of solar and wind power to over 1.2 billion kW by 2030. Furthermore, underpinned by a strong regulatory push from the Chinese government, ongoing efforts can be observed in China to promote a low-carbon energy transition, which could, in turn, make clean energy more accessible and affordable.

In assessing the cost-saving opportunity presented by deploying solar and wind power, Sasseur REIT has drawn insights from the electricity generation technology costs associated with solar photovoltaic (PV), wind onshore, and wind offshore presented in WEO 2021. For solar PV, the Levelised Cost of Electricity (LCOE) in STEPS decreases from USD 35/MWh in 2020 to USD 20/MWh in 2030 and finally, USD 15/MWh in 2050, whereas in NZE, the LCOE is USD 25/MWh in 2030 and scales to USD 15/MWh after two decades. On the other hand, the contrasts between the two scenarios are more prominent for wind power. The LCOE for wind power shows a steep decline from USD 150/MWh in 2020 to USD 100/MWh in 2030, and USD 75/MWh in 2050, while in NZE, the LCOE sits at USD 85/MWh in 2030 and falls to USD 70/MWh in 2050.

The progressive uptake of renewable energy in China may drive down Sasseur REIT's operating costs with the assumption that Sasseur REIT will be switching to clean energy sources.

Based on the climate-related opportunity assessment at Sasseur REIT's portfolio level, the potential financial opportunities brought by wind energy are greater than that of solar energy.

Note:

¹⁶ United Nations Framework Convention on Climate Change, China's Achievements, New Goals and New Measures for Nationally Determined Contributions, 2022.

Sustainability Report

Sasseur REIT's TCFD Disclosures

Strategy

<p>a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.</p>	<p>In the table below, Sasseur REIT has identified several climate-related risks and opportunities that are relevant to its operations across different time horizons for different scenarios:</p>						
	Risk/opportunity impact						
	Risk/opportunity category	Risk/opportunity	Impact description	Business as usual		Net zero by 2050	
				Short-term	Long-term	Short-term	Long-term
<p>b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.</p>	Climate-related risks: physical risks						
	Acute	Riverine flooding ¹⁷	Increased capital expenditures due to repairing asset damage	High	High	High	High
			Reduced revenue due to operational disruption	High	High	High	High
		Forest fire	Increased capital expenditures due to repairing asset damage	Medium	Medium	Medium	Medium
			Reduced revenue due to operational disruption	High	High	Medium	Medium
		Extreme heat	Reduced revenue due to operational disruption	Medium	Medium	Low	Medium
	Chronic	Soil subsidence due to drought	Increased capital expenditures due to repairing asset damage	Low	Low	Low	Low
	Climate-related risks: transition risks						
	Policy and legal	Carbon pricing	Increased operating costs due to increased non-renewable-based electricity price	Low	Low	Low	Medium
	Market	Shifting market demand	Reduced revenue due to loss of tenants	Medium	Medium	High	High

Note:

¹⁷ Riverine flooding is only applicable to Sasseur (Hefei) Outlets due to its close proximity to Wangzui Lake.

Sasseur REIT's TCFD Disclosures

Strategy

a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.	Risk/opportunity impact						
	Risk/ opportunity category	Risk/ opportunity	Impact description	Business as usual		Net zero by 2050	
				Short- term	Long- term	Short- term	Long- term
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Climate-related opportunities						
	Energy source	Renewable energy	Reduced operating costs due to decreased solar electricity price	Low	Medium	Low	Medium
			Reduced operating costs due to decreased wind electricity price	Medium	High	High	High
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<p>As considerable uncertainty remains regarding the magnitude of rising global temperatures and the transition to a low-carbon economy, the scenario analysis results allow Sasseur REIT to prepare and build resilience against the potential worst-case impacts of climate change.</p> <p>Sasseur REIT has implemented various measures to mitigate climate-related risks and tap into the associated opportunities. For example, we are actively exploring the possibility of deploying solar power as an alternative energy source for Sasseur (Kunming) Outlets, whether through investing in an on-site PV system, or purchasing solar power through Power Purchase Agreements (PPA). We also regularly conduct face-to-face ESG dialogue sessions with our tenants to advocate energy and water saving initiatives, reduce unnecessary wastage and remind our tenants on the locations of recycling bins for them to deposit recyclable waste.</p> <p>In FY2022, Sasseur REIT has taken the first step on its journey to decarbonisation by establishing our GHG inventory as described on pages 79 to 82 of the Sustainability Report. Moving forward, we will continue to monitor our Scope 1, Scope 2, and Scope 3 emissions diligently and devise action plans to reduce our carbon footprint on a progressive basis.</p>						

Sustainability Report

Sasseur REIT's TCFD Disclosures

Risk management

- a) Describe the organisation's processes for identifying and assessing climate-related risks.
- b) Describe the organisation's processes for managing climate-related risks.
- c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

Sasseur REIT's climate-related risk management practices are guided by a four-step approach, as shown below:



The Board, the ARC and the REIT Manager, work jointly to ensure risks are properly addressed within Sasseur REIT through its Enterprise Risk Management (ERM) Framework.

As we embark on the climate-related risk management journey, our next step is to incorporate climate considerations in the evaluation and subsequent management of our investment portfolio, as well as implement sound practices related to climate-related risk management, as stipulated in MAS' EnRM Guidelines. We will embed climate factors across our investment lifecycle, from screening and due diligence to portfolio management and ongoing monitoring, and exit.

Risks are carefully evaluated based on their likelihood and impact to assess the risk levels. Mitigation and monitoring plans are then devised based on the risks assessed. All risks evaluated and their corresponding mitigation plans are incorporated into the risk register, which the ARC later reviews for deliberation and adoption.

Sasseur REIT's TCFD Disclosures

Metrics and targets

<p>a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>	<p>Sasseur REIT is reporting on the following metrics to manage climate-related risks associated with emissions and energy for the four Outlets in scope:</p> <ul style="list-style-type: none"> • GHG emissions – Scope 1, 2 (all emissions) and 3 (tenant emissions only) (pages 79 to 82 of the Sustainability Report); and • Energy consumption – energy intensity (pages 91 to 92 of the Sustainability Report). <p>Sasseur REIT has also provided past years' data to allow for trend analysis. Based on Sasseur REIT's materiality review, climate-related risks such as emissions and energy have been identified as material to the business.</p>
<p>b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.</p>	<p>Sasseur REIT begun measuring and monitoring our Scope 1, 2 (all emissions) and 3 (tenant emissions only) emissions in FY2022. Our performance data is disclosed on pages 79 to 82 of the Sustainability Report.</p>
<p>c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.</p>	<p>Sasseur REIT has set the following targets to manage climate-related risks associated with emissions and energy for the four Outlets in scope:</p> <ul style="list-style-type: none"> • GHG emissions – Scope 1, 2 (all emissions) and 3 (tenant emissions only) (pages 79 to 82 of the Sustainability Report); and • Energy consumption – energy intensity (pages 91 to 92 of the Sustainability Report).

Environmental Footprint

Energy Consumption

Due to the phenomenon of climate change, carbon emissions contributed by energy consumption and other activities are issues of global concern. The efficient use of energy not only results in operational cost savings, it also leads to the reduction of carbon footprint. To mitigate the effects of climate change, the Entrusted Manager seeks to reduce energy consumption within the Outlets through continuous monitoring, process optimisation, and behavioural change.

Besides performing regular inspections and maintenance of equipment as well as ensuring compliance with design standards and energy saving requirements, the Entrusted Manager maintains a record of meter readings to ensure that any abnormalities are identified and rectified in a timely manner. Energy consumption data are also analysed monthly to identify opportunities to improve energy efficiency.

In addition, the Entrusted Manager works closely with tenants to manage energy usage by advocating energy saving and emissions reduction initiatives during monthly meetings with tenants. Daily checks are also conducted by the Entrusted Manager to ensure that the tenants' main power switches are switched off after operating hours.

Key energy saving initiatives to reduce energy consumption at the Outlets include:

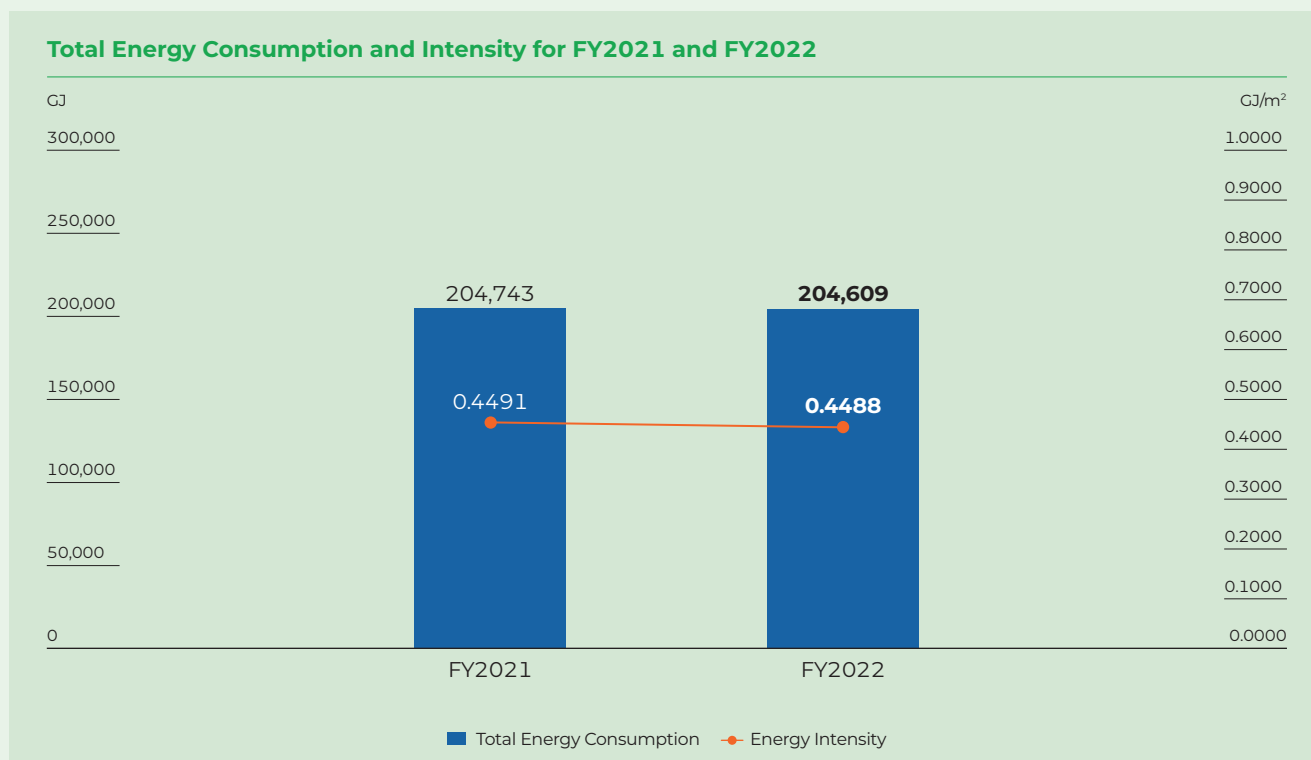
- Replacing worn-out cooling tower ventilation fans to improve energy efficiency and reduce noise levels;
- Installing air curtains at the main entrances of the Outlets to prevent the outflow of cool air, which reduced electricity usage by approximately 3,900 kWh in FY2022;
- Installing sunshades within the Outlets to reduce exposure to direct sunlight, which lowered the indoor temperature by 5°C and thereby lowered the energy consumption of the air-conditioning system;
- Converting all lightings in basement carparks to energy saving lights, which reduced electricity usage by 18,000 kWh annually;
- Reducing the number of fluorescent tube lights used in basement carparks, which resulted in energy savings of approximately 9,600 kWh per year;
- Installing solar powered street lights in open-air carparks, which resulted in energy savings of approximately 10,122 kWh in FY2022;
- Adjusting the outdoor lighting control system regularly based on daily sunrise and sunset timings, which reduced daily light usage by 212.5 hours and contributed to approximately 42,488 kWh of energy savings in FY2022;
- Installing motion sensors to the lights along public walkways, which saved approximately 20,000 kWh of electricity per year; and
- Switching off escalators and lifts after operating hours and setting escalators to operate at low-speed mode when passenger load is not detected.

Sustainability Report

As a result of our energy saving initiatives, there was a decrease in energy consumption and energy intensity in FY2022 compared to FY2021. In FY2022, our Outlets consumed 204,609 GJ of energy, a 0.07% decrease from FY2021. Energy intensity for FY2022 was 0.4488 GJ/m² of operating area, a 0.07% decrease from FY2021.

The target to reduce energy consumption and energy intensity by 1% in FY2022 was not met due to an increase in tenanted areas at Sasseur (Hefei) Outlets, which resulted in a corresponding increase in energy consumption and energy intensity. However, this increase was largely offset by our energy saving initiatives which resulted in an overall decrease in energy consumption and energy intensity by 0.07%.

Energy Consumption	FY2021 ¹⁸	FY2022	% Increase/ (Decrease) FY2022
Diesel consumption (GJ)	29	21	(27.71)
Natural gas consumption (GJ)	13,353	15,287	14.49
Electricity consumption (MWh)	53,156	52,584	(1.08)
Electricity consumption (GJ)	191,361	189,301	(1.08)
Total energy consumption (GJ)	204,743	204,609	(0.07)
Energy intensity (GJ/m² of operating area)¹⁹	0.4491	0.4488	(0.07)



Notes:

¹⁸ FY2021 data has been restated due to a change in methodology where a standardised procedure was implemented for all Outlets.

¹⁹ Calculated based on the total energy consumption divided by total operating area of 455,878 m².

Water Management

As water is a finite resource which is growing in demand, Sasseur REIT is committed to practising responsible water management. According to the World Resource Institute's Aqueduct Water Risk Atlas²⁰, all our Outlets are located in cities with water stress. In particular, Sasseur (Kunming) Outlets and Sasseur (Hefei) Outlets are located in areas where water stress levels are "high" and "medium to high" respectively. We strive to reduce water consumption through continuous process improvements and water saving initiatives.

The Entrusted Manager conducts regular inspections of water supply equipment and records their meter readings to ensure that any abnormalities are identified and rectified in a timely manner. Daily checks are also conducted after operating hours to ensure that the valves in restrooms and tenants' main water valves remain functional and are properly shut off after use. The Entrusted Manager also works closely with tenants to manage water usage by advocating water reduction measures during monthly meetings with tenants. Regular cleaning, disinfection and testing of the secondary water supply tank are conducted to ensure that the safety standards of drinking water quality are met.

In order to reduce the sewage discharged from our Outlets and minimise the workload on water treatment facilities, each of our Outlets has its own bio-treatment pond where sewage is treated to meet national regulatory standards before it is discharged. The sewage quality pipeline is regularly inspected to prevent inadequate discharge. In addition, rainwater and sewage are discharged separately and sewage pump pits are cleared constantly based on a fixed schedule. The Entrusted Manager also conducts weekly inspections on the outdoor drainage networks to ensure that water pumps are maintained and lubricated regularly.

Besides regular spot checks conducted by the local government authorities on the use of water resources and sewage discharge, the Entrusted Manager also conducts monthly meetings to track water usage and sewage discharge data (i.e., quality of sewage).

Key water management initiatives to increase water efficiency and reduce water consumption at the Outlets include:

- Installing water saving faucets and water saving flush valves in restrooms;
- Placing a filled water bottle in each toilet cistern to reduce the volume of water needed to fill the toilet cistern after each flush, which resulted in water savings of approximately 700 m³ in FY2022;
- Extracting spring water from the mountains for landscape irrigation, cleaning and water features, which reduced the use of third-party water by approximately 35,000 m³ each year, reducing water stress in the area;
- Collecting condensation water from air-conditioners and reusing it for cleaning purposes, which led to approximately 60 m³ of water being recycled in FY2022; and
- Setting up wastewater treatment systems that treat up to 150 m³ of wastewater per day and using the recycled water for landscape irrigation purposes, which saved approximately 3,600 m³ of water in FY2022.

In FY2022, our Outlets withdrew 405,462 m³ of freshwater, comprising ground water and third-party water. Our water intensity was 0.89 m³/m² of operating area, a 3.7% increase from FY2021. The increase in water withdrawal and water intensity is attributed to water leakages at Sasseur (Chongqing Liangjiang) Outlets, Sasseur (Chongqing Bishan) Outlets and Sasseur (Hefei) Outlets which were identified on separate occasions and have since been resolved. A new food court also commenced operations at Sasseur (Chongqing Liangjiang) Outlets in October 2021, contributing to only 3 months' water consumption in FY2021.

Water Withdrawal	FY2021	FY2022	% Increase/ (Decrease) FY2022
Ground water (m ³)	35,100	38,835	10.6%
Third-party water (m ³)	355,843	366,627	3.0%
Total water withdrawal (m³)	390,943	405,462	3.7%
Water intensity (m ³ /m ² of operating area) ²¹	0.86	0.89	3.7%

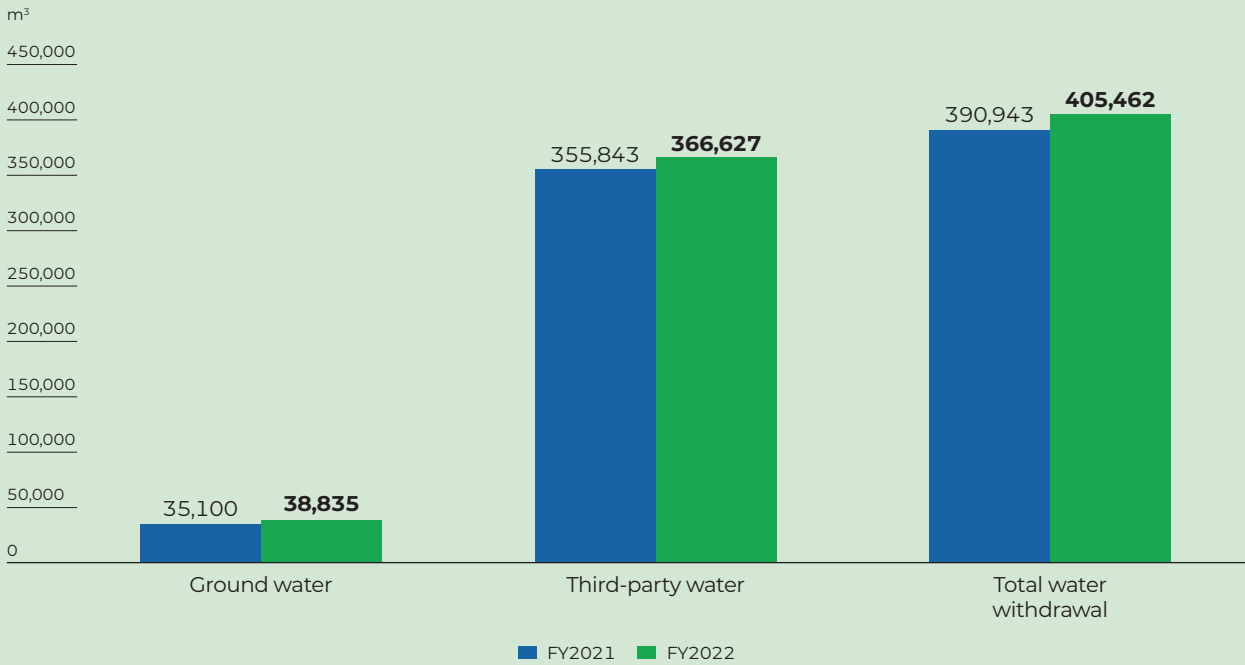
Notes:

²⁰ World Resource Institute, Aqueduct Water Risk Atlas, 2023.

²¹ Calculated based on the total water withdrawal divided by total operating area of 455,878 m².

Sustainability Report

FY2022 Water Withdrawal Against FY2021



FY2022 Water Intensity Against FY2021



Waste Generation

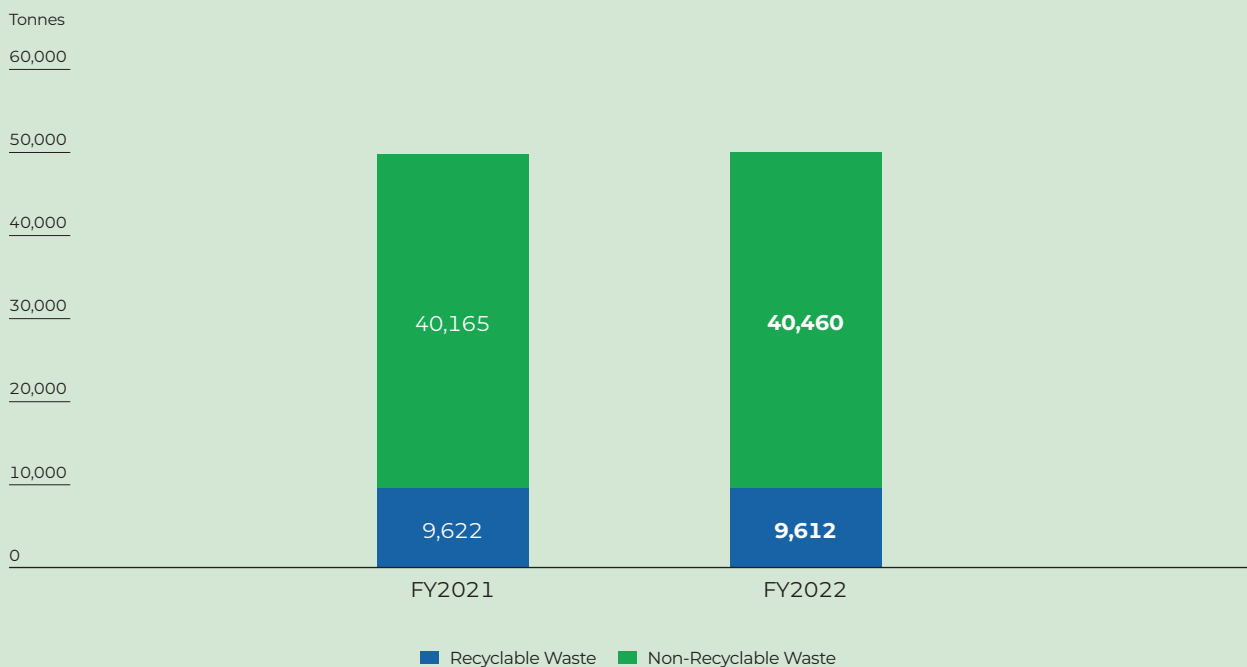
Waste disposal and recycling, when done in a safe, ethical, and responsible manner, can help to protect the environment and reduce various forms of pollution. Sasseur REIT is committed to enhancing our waste management initiatives to safeguard the environment and public health.

The Entrusted Manager works closely with tenants and shoppers to implement effective waste management procedures to minimise the volume of waste generated at our Outlets. Tenants are encouraged to participate in

waste recycling programmes while recycling bins have been placed within the Outlets to encourage shoppers to recycle waste.

Across our Outlets, waste such as electronic waste, metals, paper, cardboard, and construction waste are collected for recycling by third-party waste management and recycling service providers. At Sasseur (Hefei) Outlets and Sasseur (Kunming) Outlets, used oil from food and beverage is collected by the tenants and recycled into fuel, soap, and compost.

Total Weight of Recyclable and Non-recyclable Waste



Sustainability Report

SOCIAL

TARGETS FOR FY2022	FY2022 PERFORMANCE	TARGETS FOR FY2023
<ul style="list-style-type: none"> Continue fair employment practices Maintain or increase average training hours per employee Maintain or reduce the employee turnover rate In the e-learning system, the Entrusted Manager targets to complete the creation of a “Sasseur Encyclopedia”, documenting past cases for learning The Entrusted Manager targets to continually improve the standardisation of performance reviews of employees 	<p>REIT Manager</p> <ul style="list-style-type: none"> Achieved: Continued fair employment practices Not achieved: Average training hours per employee decreased slightly to 25.25 hours in FY2022²² (FY2021: 25.54 hours) Not achieved: Annual employee turnover rate increased to 28.6% in FY2022²³ (FY2021: 23%) <p>Entrusted Manager</p> <ul style="list-style-type: none"> Achieved: Continued fair employment practices Achieved: Average training hours per employee increased to 6.13 hours in FY2022 (FY2021: 2.32 hours) Achieved: Annual employee turnover rate decreased to 37.14% in FY2022 (FY2021: 42.58%) Achieved: Completed the creation of the “Sasseur Encyclopedia” Achieved: New performance review framework was implemented on 1 July 2022 	<ul style="list-style-type: none"> Zero incidents of fatalities, high-consequence injuries, recordable injuries and recordable work-related ill health cases Continue to practise fair treatment in the recruitment and selection of employees on the basis of merit, regardless of age, race, gender Maintain or reduce the employee turnover rate Maintain or increase average training hours per employee

Tenant Management

Our tenants are paramount to the success of our business. Through their goods and services, our tenants play a key role in attracting customers to our Outlets. Being the main users of our spaces, our tenants also play an integral role in achieving our sustainability agenda. It is therefore imperative that we maintain good relationships with our tenants to ensure a sustainable and successful business.

our tenants to achieve collective goals. To encourage our tenants to continue their efforts in achieving the success of our business, recognition is given to tenants who achieved outstanding sales performance during the Anniversary Sales event. Joint promotional and strategic partnerships are also in place to attract shoppers to Sasseur REIT Outlets and to increase publicity for our tenants.

Through the Entrusted Manager, we continually engage with our tenants via various channels. The Entrusted Manager conducts regular face to face dialogues with tenants to forge deeper connections, gather feedback and ensure constant two-way communication between both parties. For example, prior to the Anniversary Sales event, each Outlet will organise a pre-event sharing session where tenants are briefed on the sales targets for the upcoming event. This promotes collaboration with

The Entrusted Manager also works closely with tenants to manage energy and water usage and minimise the volume of waste generated at our Outlets. Dialogues are also held with tenants on a quarterly basis to increase their awareness of ESG.

The Entrusted Manager aspires to reduce the environmental impact and mitigate unnecessary environmental damage from the fit-out and

Notes:

²² Refer to “Training and Career Development” on page 103 for a detailed explanation.

²³ Refer to “New Employee Hires and Employee Turnover” on pages 101 to 102 for a detailed explanation.

refurbishment process undertaken by our tenants. Prior to the commencement of tenants' fit-out and refurbishment, the Entrusted Manager reviews the fit-out and refurbishment plans submitted by the tenant to ensure that they meet the requirements of the Entrusted Manager's tenant fit-out guidelines. The Entrusted Manager also briefs the contractors engaged by the tenants prior to the commencement of fit-out and refurbishment works. Topics covered include on-site safety standards and procedures, proper disposal of construction waste, as well as permissible timings for carrying out works to minimise disruptions to our operations. Regular spot checks are conducted by the Entrusted Manager and warnings or stop work orders will be issued if fit-out guidelines are flouted. Upon the completion of fit-out and refurbishment works, inspections are conducted by the Entrusted Manager before tenants are allowed to commence operations.

In FY2022, environmentally friendly building materials were used for the fitting-out and refurbishment of 16,000 sqm of retail space at Sasseur REIT's Outlets and it is expected that this will increase to 18,000 sqm of retail space in FY2023. The Entrusted Manager has plans to continually incorporate green recommendations into tenant fit-out guidelines. In addition, to further extend our collaboration with tenants on sustainable practices, the Entrusted Manager has started exploring the possible inclusion of green lease provisions in new leases.

Health and Safety

Employees, Tenants and Shoppers

Sasseur REIT places great emphasis on the prudent management of health and safety to strengthen our business resiliency, which enables us to respond swiftly to potential business disruptions. We remain committed to providing a safe and healthy environment for our employees, tenants, and shoppers.

The REIT Manager has established a Workplace Safety and Health Policy (WSH Policy) which takes reference from the Workplace Safety and Health Act 2006 (WSH Act) and Code of Practice on Chief Executives' and Board of Directors' Workplace Safety and Health Duties (Code of Practice) published in September 2022 by the Workplace Safety and Health Council. The WSH Policy serves as a guide to remind all employees, contractors and visitors to observe safe practices and work procedures within the REIT Manager's office premises.

To safeguard the health and wellbeing of our employees, the REIT Manager continues to conduct quarterly professional deep cleaning of the office premises. Air purifiers are also placed within the office premises to improve indoor air quality. All employees of the REIT Manager are also equipped with height-adjustable desks and ergonomic chairs to promote healthy work habits and reduce the occurrence of musculoskeletal injuries. The REIT Manager strives to continuously provide a conducive work environment to improve our employees' work productivity and health.

As we strive to provide our tenants with a safer and more conducive work environment and offer our shoppers an enhanced shopping experience, it is essential to ensure

our Outlets remain a comfortable environment for all. To improve the indoor air quality at our Outlets, the Entrusted Manager performs regular cleaning and disinfection of air-conditioning filters to reduce bacteria levels and enhance the overall performance of the air-conditioning system. Additionally, the Entrusted Manager has taken steps to improve the acoustic comfort within the Outlets by reducing the volume of the LED video screens located on the Outlets' facade.

As part of our efforts to safeguard the safety of our tenants and shoppers, the Entrusted Manager also conducts regular inspections of tenant premises to ensure our tenants comply with electrical and fire safety standards. Tenants will be informed of instances of non-compliance and will be given a deadline to rectify the issues identified. Fire drills are also conducted twice a year and equipment such as escalators and lifts are inspected regularly to ensure that they meet safety requirements.

In FY2022, both the REIT Manager and Entrusted Manager recorded zero incidents of fatalities, high-consequence injuries, recordable injuries and recordable work-related ill health cases. Sasseur REIT aims to continue our progress of zero incidents in the coming year.

Managing the Impacts of COVID-19

COVID-19 has presented many unprecedented challenges globally, especially in China which was known to have one of the world's strictest measures to contain the transmission of the virus. During the COVID-19 pandemic, Sasseur Group implemented several measures to mitigate the risks and impacts of COVID-19 in order to evolve as a robust and resilient organisation.

To safeguard the health and safety of our employees, tenants and shoppers, a special committee which was set up by the Entrusted Manager during the height of the COVID-19 pandemic, continued to play a key role in overseeing the implementation and execution of preventive measures at the Outlets to contain the spread of the virus. Such preventive measures included regular disinfection of common areas and high touch points as well as the control of entry and exit points within the Outlets.

In order to fully utilise the downtime when the Outlets were not allowed to operate due to lockdowns, the Entrusted Manager carried out repair and maintenance works such as electrical works and repairing of walkways which would typically be performed outside of operating hours to reduce the disruption to operations. Besides repair and maintenance works, the Entrusted Manager also took the opportunity to invest and upskill its employees through a series of online trainings which covered topics including online sales, refreshers on policies and guidelines and VIP member relationship management.

We also used online platforms as a response strategy to boost online sales and digital presence, which would in turn increase the long-term resilience and sustainability of the outlet business.

Sustainability Report

The table below describes the various channels used to promote and compliment outlet sales.

Channel	Features
WeChat 	<p>Official Account on WeChat Used to post blog-like articles to inform shoppers of latest promotions and includes customer service functions.</p> <p>Video Channel Used to share exciting promotional videos to create hype for upcoming events such as the Anniversary Sales. Includes video shout-outs to give tenants the limelight and generate interest for their products.</p> <p>Community Chats Group chats managed by each Outlet to share good deals and big discounted items with VIP members</p> <p>"YEAH! Outlets Mini-Program" Online shopping platform within WeChat which includes functions such as add-to-cart ordering and payment for fashion items and hosting weekly live-streaming sessions</p>
Xiaohongshu 	<p>Trendy lifestyle social media platform, which is popular amongst youths and young adults, typically used to search for lifestyle activity recommendations</p>
Weibo 	<p>Social media platform for short posts to build online presence and share content of ongoing promotions</p>
Douyin 	<p>Social media platform for short catchy videos which is popular amongst youths. The short duration of videos and its ease of sharing on the platform make videos go viral easily. This aids in spreading content and awareness quickly</p>
Online promotional events	<p>Certain in-person promotional events were pivoted online to boost sales during temporary closure of the Outlets</p>

Talent Retention and Training

A team of high-performing and committed employees who uphold good work ethics are at the heart of Sasseur REIT’s success. It is imperative that we remain as an employer of choice to continually attract, retain, and develop talent.

We strive to provide an engaging and rewarding environment for our employees through competitive

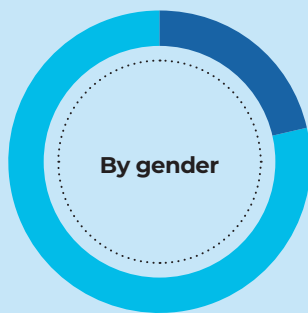
compensation packages, training and career development programmes, as well as employee wellness initiatives, to empower our employees to discover and develop their potential to the fullest. As part of our commitment to support the social development of the communities, we also empower our employees to give back to society and advance our communities’ quality of life through various Corporate Social Responsibility (CSR) activities.

Diversity and Equal Opportunity

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

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

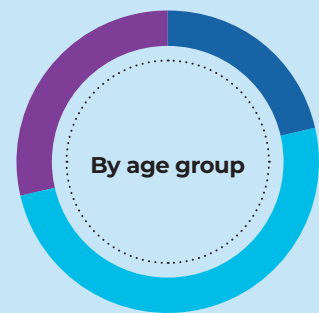
Overall Employee Profile



● Male 3
● Female 11

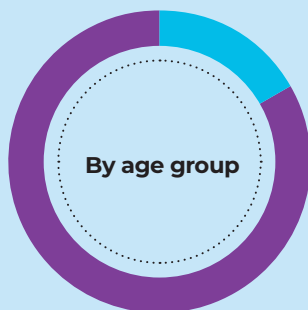


● Senior management 5
● Middle management 5
● Associate 4

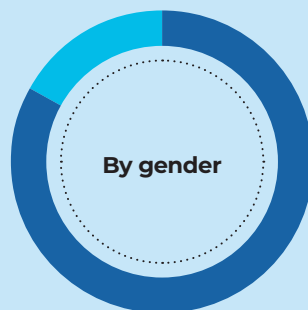


● < 30 years old 3
● 30 - 50 years old 7
● > 50 years old 4

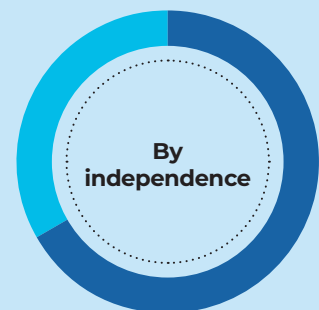
Diversity of Board of Directors



● < 30 years old 0%
● 30 - 50 years old 16.7%
● > 50 years old 83.3%



● Male 83.3%
● Female 16.7%



● Independent 66.7%
● Non-independent 33.3%

Note:

²⁴ "Senior management" refers to C-suite, Directors and Senior Associate Directors. "Middle management" refers to Associate Directors, Senior Managers and Managers. "Associate" refers to Assistant Managers, Senior Executives and Executives.

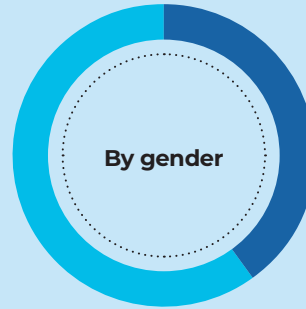
Sustainability Report

Diversity of Employees

Senior Management

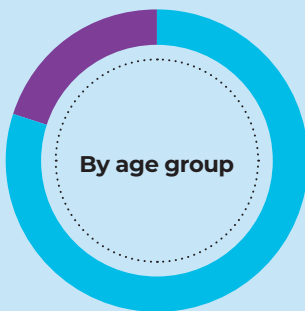


● < 30 years old	0%
● 30 - 50 years old	40.0%
● > 50 years old	60.0%

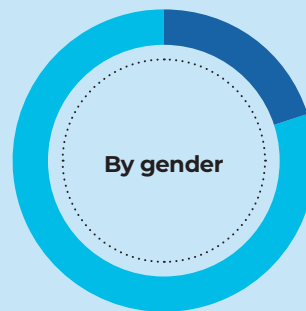


● Male	40.0%
● Female	60.0%

Middle Management

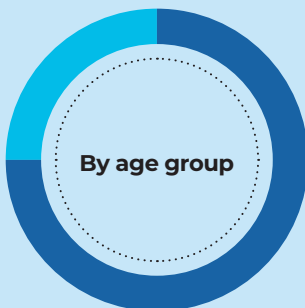


● < 30 years old	0%
● 30 - 50 years old	80.0%
● > 50 years old	20.0%

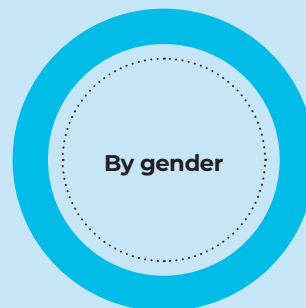


● Male	20.0%
● Female	80.0%

Associate



● < 30 years old	75.0%
● 30 - 50 years old	25.0%
● > 50 years old	0%



● Male	0%
● Female	100.0%

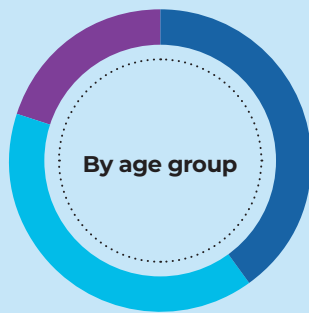
New Employee Hires and Employee Turnover

As part of Sasseur REIT's efforts in supporting new hires to better integrate into our workplace culture, new hires undergo an induction programme conducted by the CEO, Human Resources Department and Compliance Department to gain a deeper understanding of the history, business, values, mission and policies of Sasseur REIT and the REIT Manager. For all resignees, the Human Resources Department conducts an exit interview to understand the reason(s)

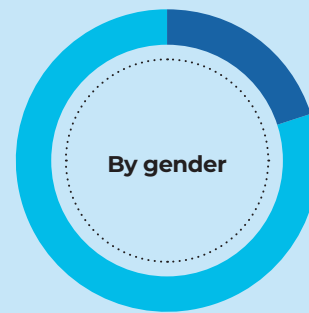
behind the resignation. The feedback will in turn be reviewed by the Human Resources Department and used confidentially for further improvement of the work environment and processes.

In FY2022, the REIT Manager hired 5 new employees and had a turnover of 4 employees. Our annual new employee hires rate and employee turnover rate stood at 35.7% and 28.6% respectively, both an increase from 15% and 23% in FY2021.

FY2022 New Employee Hires

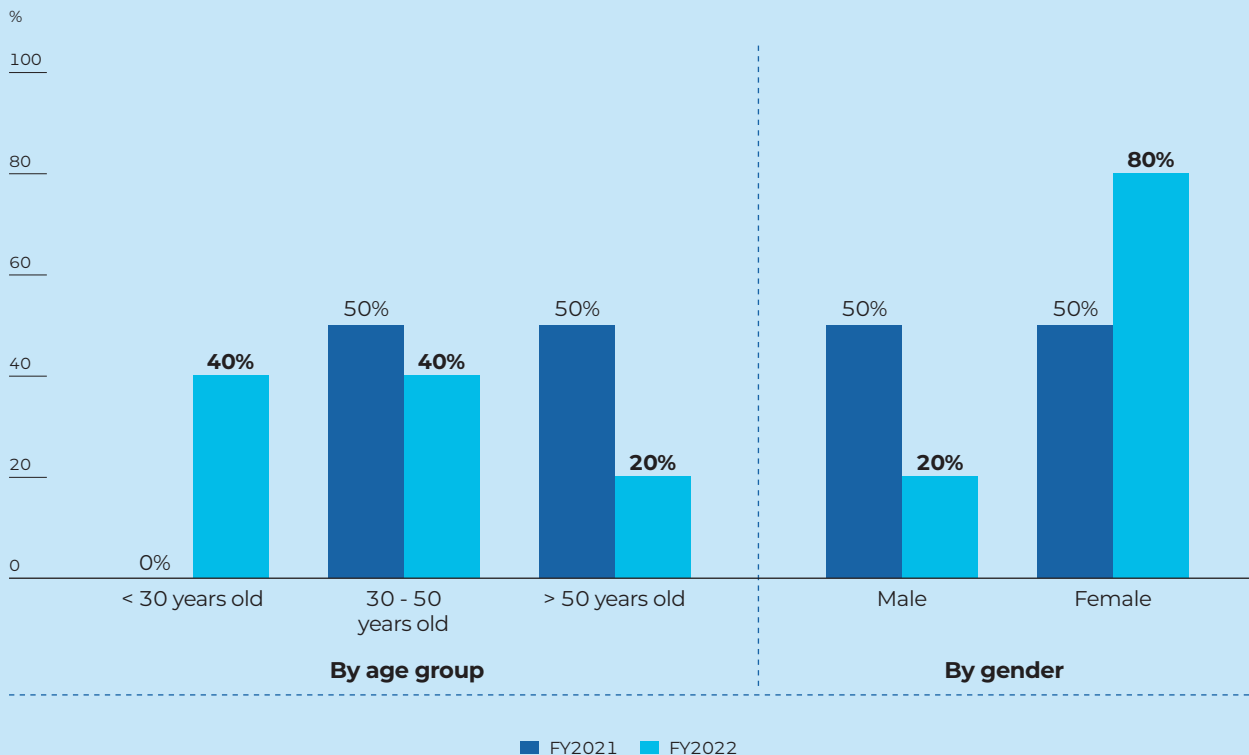


● < 30 years old	2
● 30 - 50 years old	2
● > 50 years old	1



● Male	1
● Female	4

FY2022 Annual New Employee Hires Rate Against FY2021

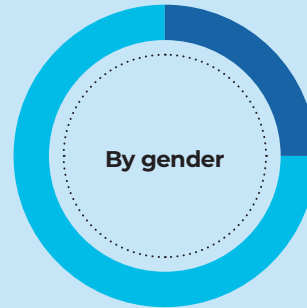


Sustainability Report

FY2022 Employee Turnover

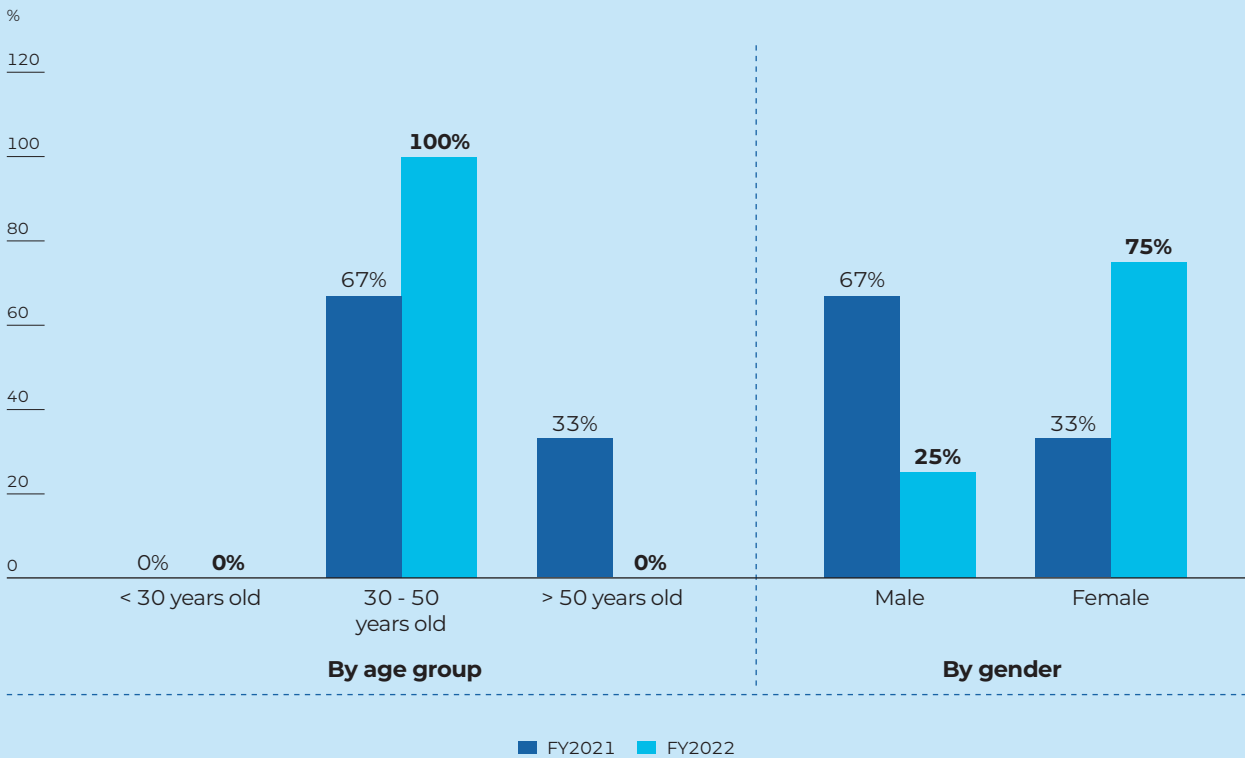


< 30 years old	0
30 - 50 years old	4
> 50 years old	0



Male	1
Female	3

FY2022 Annual Turnover Rate Against FY2021



Performance Management

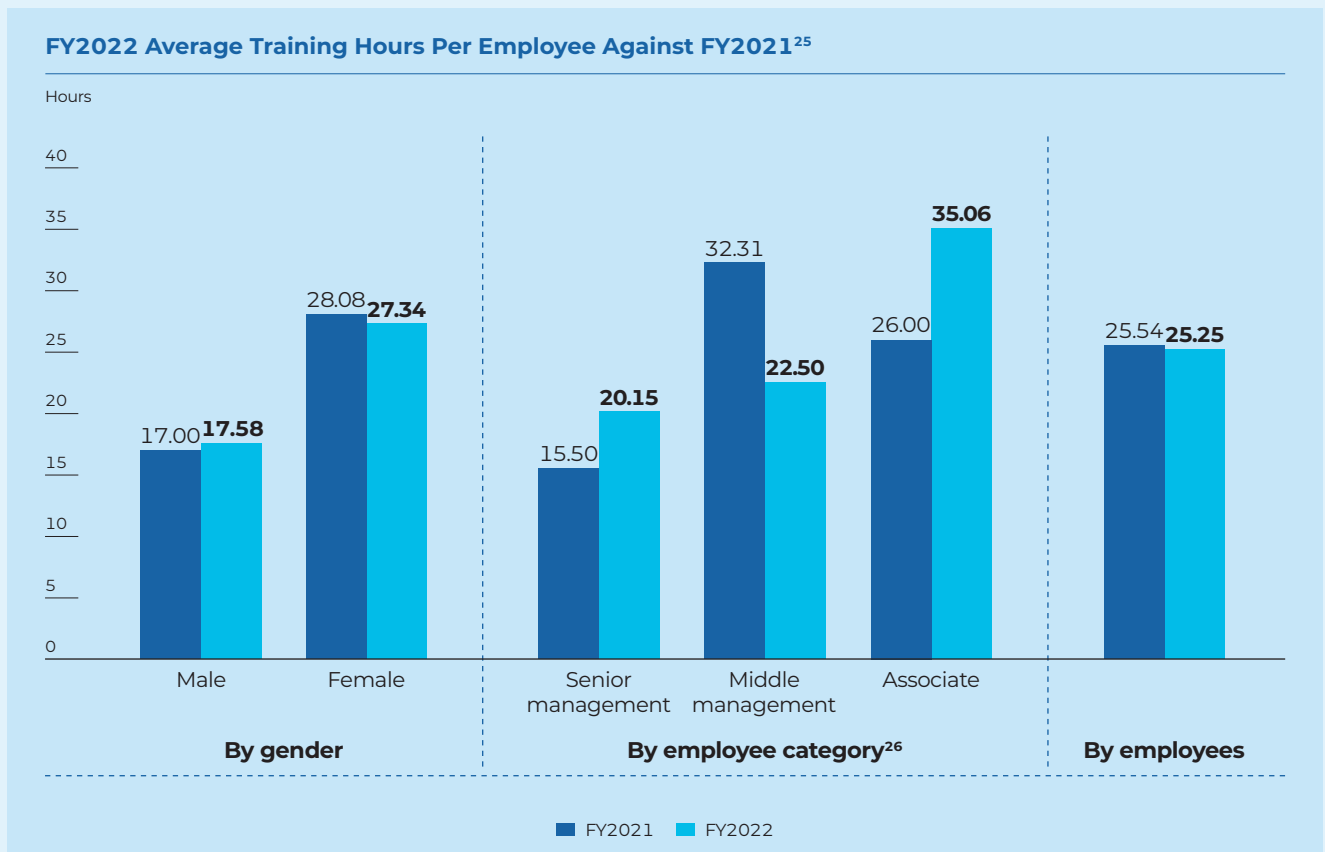
The REIT Manager has in place a fair and objective performance management system which includes semi-annual performance appraisals and an annual 360-degree feedback assessment. These appraisals measure an employee's performance against pre-defined competency areas, recognise employee achievements, set realistic goals and objectives and identify areas for personal development.

In FY2022, all employees of the REIT Manager received performance reviews and career development reviews.

Training and Career Development

Sasseur REIT recognises the importance of investing in employees through training and career development programmes which enable each employee to expand their knowledge base and enhance their job abilities to stay relevant and keep up with industry trends. This in turn results in enhanced productivity and boosts employee's morale and confidence.

Each employee is provided with an equal opportunity to be considered for training to help them achieve their full potential. All employees of the REIT Manager are encouraged to attend trainings, conferences, and seminars for their professional and personal development. The REIT Manager also sponsors part-time courses relevant to an employee's job scope, conducted locally by recognised institutions, schools and universities.



In FY2022, the REIT Manager's average training hours per employee was slightly lower at 25.25 hours compared to 25.54 hours in FY2021. This is attributed

to new employee hires in FY2022 who did not complete the full training cycle during the year.

Notes:

²⁵ Average training hours per employee for FY2021 has been restated to exclude employees of the Entrusted Manager.

²⁶ Employee category definitions were revised in FY2022. In FY2021, "Senior Management" referred to the C-suite. "Middle Management" referred to Heads of Departments, Directors, Senior Managers and Managers. "Associate" referred to the rest of the employees. Refer to footnote 24 on page 99 for the employee category definitions applicable for FY2022.

Sustainability Report



↑ Employees of the REIT Manager attending a webinar on beating occupational stress



↑ Employees of the REIT Manager at Gardens by the Bay for year-end Wellness Day

Employee Wellness

Sasseur REIT recognises the importance of maintaining a work culture which promotes mental, physical and social wellbeing at the workplace to allow employees to flourish and achieve their full potential.

The topic of mental health and wellbeing has been increasingly gaining awareness since the outbreak of the COVID-19 pandemic. In conjunction with World Mental Health Day, the REIT Manager organised a lunchtime webinar titled “Beat Occupational Stress: Use It to Your Advantage”, to share some practical tips on occupational stress management. While enjoying

healthy lunches and fruits provided by the REIT Manager, our employees gained insights on how to better manage their mental wellbeing which in turn can boost their work productivity.

The REIT Manager introduced flexible working arrangements as part of a health and safety measure during the COVID-19 pandemic. Despite Singapore’s transition to living with COVID-19, the REIT Manager continues to exercise flexible working arrangements to safeguard the physical and mental wellbeing of our employees by enabling them to better manage their work-life balance.

Other initiatives were also introduced by the REIT Manager in FY2022 to promote employee wellbeing:

Fruits Day

To promote a healthy lifestyle and better eating habits amongst employees, the REIT Manager introduced a bi-weekly Fruits Day. On Fruits Day, all employees get to enjoy a variety of fresh fruits provided by the REIT Manager.

→ Employees of the REIT Manager enjoying a variety of fresh fruits



Wellness Day

To encourage employees to take time off to recharge and improve both physical and mental wellbeing, the REIT Manager designates one Friday of each month as Wellness Day. Employees can get off work two hours earlier to enjoy Wellness Day as a team or individually.

Celebrating Special Occasions

Besides recognising an employee's achievements at the workplace, the REIT Manager also recognises the various important roles that our employees play at home. Employees of the REIT Manager celebrate special occasions such as birthdays, Mothers' Day and Fathers' Day as a team to foster team bonding and forge deeper relationships between employees.

→ Employees of the REIT Manager receiving gifts for Fathers' Day



↑ Birthday celebrations for employees of the REIT Manager

Sustainability Report

Local Communities

As a socially responsible enterprise, Sasseur REIT is committed to serving local communities and helping the various underprivileged segments of society. The REIT Manager encourages our employees to make a positive impact by contributing their time and effort to give back to the community. In FY2022, we have participated in the following CSR initiatives:

Children's Book Donation Drive

In conjunction with World Book Day 2022, Sasseur (Chongqing Bishan) Outlets rolled out a Children's Book Donation Drive. The donated books are then placed at the children's activity area of Sasseur (Chongqing Bishan) Outlets to promote the joy of reading and encourage reading habits amongst the children.

Care for the Community

During the period of heatwave in Chongqing which saw temperatures soaring to a high of 40°C, Sasseur (Chongqing Liangjiang) Outlets and Sasseur (Chongqing Bishan) Outlets distributed drinks such as bottled water and iced tea as well as fruits to shoppers and security guards. These efforts aim to alleviate the discomfort amongst shoppers, tenants and employees visiting and working in Sasseur REIT Outlets, promoting a safe and comfortable shopping experience for the community.



↑ Board of Directors and employees of the REIT Manager at the Singapore Cancer Society Charity Gala Dinner 2022

Singapore Cancer Society Charity Gala Dinner 2022 – Odyssey of the Stars

The REIT Manager sponsored two tables at the Singapore Cancer Society's (SCS) Charity Gala Dinner 2022 which was held at The Ritz-Carlton, Millenia Singapore. SCS raised over \$700,000 through this event, which was the first charity gala dinner organised by SCS in a decade. Funds raised went towards SCS' efforts in cancer control and prevention, patient support and services, and palliative care.

Packing of Community Food Packs

Employees of the REIT Manager volunteered at Food from the Heart, an independent non-profit organisation with a mission to alleviate hunger by providing reliable, continuous and sustainable food support to the underprivileged through food distribution programmes. The REIT Manager packed a total of 131 community food packs comprising non-perishable food items such as rice, biscuits and canned food for the elderly and low-income families who are beneficiaries of the food distribution programme.



↑ Employees of the REIT Manager packed community food packs at Food from the Heart

GOVERNANCE

TARGETS FOR FY2022	FY2022 PERFORMANCE	TARGETS FOR FY2023
<ul style="list-style-type: none"> Zero cases of fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social, economic, and environmental areas 	<ul style="list-style-type: none"> Achieved: Zero socioeconomic and environmental non-compliance 	<ul style="list-style-type: none"> Zero incidents of non-compliance with relevant laws and regulations resulting in fines or non-monetary sanctions Zero incidents of corruption Zero instances of counterfeit reports Zero substantiated complaints received concerning breaches of customer privacy and zero incidents of identified leaks, thefts, or losses of customer data
<ul style="list-style-type: none"> The Entrusted Manager targets to provide three or more legal risk prevention trainings on release of public information to key personnel 	<ul style="list-style-type: none"> Not achieved: The Entrusted Manager conducted one legal risk prevention training on release of public information for key personnel²⁷ 	
<ul style="list-style-type: none"> The Entrusted Manager targets to provide one or more risk management training to key personnel 	<ul style="list-style-type: none"> Achieved: The Entrusted Manager provided one risk management training to key personnel 	
<ul style="list-style-type: none"> Zero tolerance towards any acts of bribery, corruption, and fraud, and comply with applicable AML, Combating the Financing of Terrorism (CFT) and unilateral and domestic laws and regulations 	<ul style="list-style-type: none"> Achieved: Zero instances of bribery, corruption and fraud 	
<ul style="list-style-type: none"> The Entrusted Manager targets to conduct one or more criminal risk prevention training to key personnel 	<ul style="list-style-type: none"> Achieved: The Entrusted Manager conducted one criminal risk prevention training for key personnel 	
<ul style="list-style-type: none"> Ensure that authentic high-quality products are sold at Sasseur REIT Outlets 	<ul style="list-style-type: none"> Achieved: Zero instances of counterfeit reports 	
<ul style="list-style-type: none"> Strengthen our cyber security capabilities to protect our data Adopt measures to heighten our ability to monitor any potential cyber-attacks and threats of data breach, formalising preventive measures before these risks become a significant event 	<ul style="list-style-type: none"> Achieved: Zero instances of customer data loss 	
<ul style="list-style-type: none"> The REIT Manager targets to conduct an IT security awareness training for employees and Board of Directors annually 	<ul style="list-style-type: none"> Achieved: The REIT Manager conducted an IT security awareness training in FY2022 	

Note:

²⁷ Target was not met due to COVID-19 lockdowns in China.

Sustainability Report

Regulatory Compliance

Sasseur REIT aspires to uphold high standards of corporate governance, including accountability, transparency, and sustainability to enhance long-term Unitholder value, protect the interests of stakeholders and achieve sustainable business performance in the long run. We believe that an ethical business conduct, coupled with compliance with laws and regulations, are fundamental in building and maintaining trust among our stakeholders.

Compliance with Laws and Regulations

As an entity listed on the SGX and a holder of the Capital Markets Services Licence (CMSL) issued by MAS, Sasseur REIT and the REIT Manager recognises the importance of complying with laws and regulations to avoid disciplinary action that could lead to licence revocations, damaged reputations as well as financial penalties and losses.

The Management keeps abreast of evolving regulatory requirements through frequent monitoring of regulatory updates. Policies and procedures such as the Compliance Manual are also in place and are reviewed and updated regularly to manage compliance risks and ensure that laws and regulations are complied with. A compliance monitoring programme has also been established within the REIT Manager where any instances of non-compliance are reported to the ARC on a timely basis and prompt action is taken to correct any breaches or deficiencies identified.

Regular trainings are conducted to ensure that employees are kept up to date on applicable laws and regulations. In particular, CMSL representatives from the REIT Manager attend an annual Rules and Ethics training to keep abreast on applicable regulatory updates. As at 31 December 2022, the REIT Manager has 10 CMSL representatives, of which, 4 CMSL representatives have at least five years of experience relevant to trust management. Updates on changes to laws and regulations are also provided to the Board and employees as and when required.

In FY2022, Sasseur REIT had zero incidents of non-compliance with relevant laws and regulations resulting in fines or non-monetary sanctions.

Anti-corruption

Sasseur REIT is committed to conducting business with integrity and consistent with the highest ethical standards, for the prevention of corruption, bribery and extortion. Corrupt practices will adversely affect the reputation of Sasseur REIT as well as the confidence held by stakeholders, including Unitholders and business partners. In line with our commitment to act professionally, fairly and with integrity in all our business dealings and relationships, we adopt a 'zero-tolerance' approach against all forms of corruption, bribery and extortion.

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

The following policies and procedures have been established to ensure that business dealings are carried out in a fair and transparent manner:

Policies and Procedures	Objectives
Anti-bribery and Corruption Policy	<p>Sets out the responsibilities of Sasseur REIT and its subsidiaries, the REIT Manager and of each employee in observing and upholding the REIT Manager's 'zero-tolerance' approach against all forms of corruption, bribery and extortion.</p> <p>It also provides information and guidance to employees on how to recognise, address, resolve, avoid and prevent instances of corruption, bribery and extortion which may arise in the course of their work.</p>
Anti-money Laundering Manual	<p>Assist the REIT Manager in understanding its legal and regulatory obligations as well as the internal policies and procedures instituted by the REIT Manager when conducting its business.</p>
Code of Conduct	<p>Sets out the behaviour and conduct expected of all employees.</p> <p>The Code of Conduct is available on Sasseur REIT's website at https://www.sasseurreit.com/code-of-conduct.html</p>
Conflict of Interest Policy	<p>Framework to provide guidance on dealing with conflicts of interest.</p>
Interested Person Transaction Policy	<p>Sets out the procedures of the REIT Manager to identify interested person transactions and highlight the relevant approval, announcement and disclosure requirements.</p>
Personal Account Dealing Policy	<p>Sets out the procedures to all directors and employees of the REIT Manager with regards to dealings in Sasseur REIT and aims to prevent insider trading through effective trading restrictions of dealings in securities.</p>
Procedure on Declaration of Gifts and Entertainment	<p>Procedures established by the REIT Manager on the receipt and provision of gifts and entertainment.</p>
Whistle-blowing Policy	<p>Provide a framework to encourage the REIT Manager's employees and stakeholders such as customers, suppliers and service providers to use the procedures to report any concern or complaint, possible improprieties in matters of financial reporting, and other malpractices.</p> <p>The Whistle-blowing Policy is available on Sasseur REIT's website at https://www.sasseurreit.com/whistle-blowing.html</p>

In FY2022, all employees of the REIT Manager received anti-corruption training. There were zero instances of bribery, corruption and fraud reported during the year.

Sustainability Report

Responsible Business Practices

Our shoppers are naturally concerned about their experience and the quality of goods and services at our Outlets. Sasseur REIT is committed to fair dealing practices for our shoppers and have taken the following proactive steps to enhance the overall shopping experience:

- Performing regular inspections on items sold in our Outlets with rigorous due diligence processes.
- Ensuring that our employees are well 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.
- Implemented exceptional return and refund policies that provide assurance and helps build trust in our Outlets. This includes instituting severe penalties on merchants as the safeguards against the sale of counterfeit goods, ensuring that only authentic high-quality products are sold at our Outlets.

In FY2022, there were zero instances of counterfeit reports received at our Outlets.

Cyber Security

Sasseur REIT recognises the increased risk of cyber-attacks and hence places high importance on cyber security in the organisation to mitigate prevalent and emerging risks arising from the evolving cyber

threat landscape. We continuously strive to strengthen our IT infrastructure, to ensure that personal data will be used and maintained in a responsible manner and in compliance with regulations.

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

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

All directors and employees of the REIT Manager undergo a comprehensive IT security awareness training programme annually to maintain a high level of security awareness within the organisation.

In FY2022, there were zero substantiated complaints received concerning breaches of customer privacy and zero incidents of identified leaks, thefts, or losses of customer data.

GRI Content Index

Statement of use	Sasseur REIT has reported the information cited in this GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	N/A

GRI Disclosure		Disclosure Requirements	Disclosure Information and Page Reference
GRI 2: General Disclosures 2021			
2-1	Organisational details		Annual Report, About Sasseur REIT, page 2
2-2	Entities included in the organisation's sustainability reporting		Sustainability Report, About this Report – Reporting Period and Scope, page 73
2-3	Reporting period, frequency and contact point		<ul style="list-style-type: none"> • Sustainability Report, About this Report – Reporting Period and Scope, page 73 • Sustainability Report, About this Report – Feedback, page 73
2-4	Restatements of information		We have restated the data for the energy consumption within the Outlets for FY2021 due to a change in measurement methodology where a standardised procedure was implemented for all Outlets, as well as the employee data for FY2021 due to the revised scope of this Sustainability Report which excludes the Entrusted Manager. The data has been restated on pages 92, 101, 102 and 103 of this Sustainability Report.
2-5	External assurance		No external assurance was sought for this report. External assurance by independent professional bodies will be considered as our reporting matures over time.
2-6	Activities, value chain and other business relationships		Annual Report, About Sasseur REIT, page 2
2-7	Employees		Sustainability Report, Talent Retention and Training – Diversity and Equal Opportunity, pages 99 to 100
2-8	Workers who are not employees		Not applicable due to the nature of our business.
2-9	Governance structure and composition		<ul style="list-style-type: none"> • Sustainability Report, Managing Sustainability – Sustainability Governance, page 75 • Annual Report, Corporate Governance – Board Composition and Guidance, page 131
2-10	Nomination and selection of the highest governance body		Annual Report, Corporate Governance – Board Composition and Guidance, pages 131 to 132
2-11	Chair of the highest governance body		Annual Report, Board of Directors, pages 40 to 43
2-12	Role of the highest governance body in overseeing the management of impacts		Sustainability Report, Managing Sustainability – Sustainability Governance, page 75
2-13	Delegation of responsibility for managing impacts		Sustainability Report, Managing Sustainability – Sustainability Governance, page 75
2-14	Role of the highest governance body in sustainability reporting		Sustainability Report, Managing Sustainability – Sustainability Governance, page 75

GRI Content Index

GRI Disclosure		Disclosure Requirements	Disclosure Information and Page Reference
GRI 2: General Disclosures 2021			
2-15	Conflicts of interest		<ul style="list-style-type: none"> Annual Report, Corporate Governance Report, Dealing with Conflicts of Interest, page 151 Annual Report, Corporate Governance Report, Interested Person Transactions (IPT) / Related Party Transactions (RPT), pages 151 to 152
2-16	Communication of critical concerns		Annual Report, Corporate Governance – Whistle-blowing Policy, page 147
2-17	Collective knowledge of the highest governance body		<ul style="list-style-type: none"> Annual Report, Board of Directors, pages 40 to 43 Annual Report, Corporate Governance Report – Board Matters, page 129
2-18	Evaluation of the performance of the highest governance body		Annual Report, Corporate Governance – Board Performance, page 138
2-19	Remuneration policies		Annual Report, Corporate Governance – Remuneration Matters, pages 139 to 142
2-20	Process to determine remuneration		Annual Report, Corporate Governance – Remuneration Matters, pages 139 to 142
2-21	Annual total compensation ratio		Confidentiality constraints. We are unable to disclose the ratio due to the highly competitive labour market.
2-22	Statement on sustainable development strategy		Sustainability Report, Board Statement, page 72
2-25	Processes to remediate negative impacts		<ul style="list-style-type: none"> Sustainability Report, Managing Sustainability – Stakeholder Engagement, pages 76 to 77 Annual Report, Corporate Governance – Whistle-blowing Policy, page 147
2-26	Mechanisms for seeking advice and raising concerns		Annual Report, Corporate Governance – Whistle-blowing Policy, page 147
2-27	Compliance with laws and regulations		Sustainability Report, Regulatory Compliance – Compliance with Laws and Regulations, page 108
2-28	Membership associations		REITAS, Financial Industry Disputes Resolution Centre (FIDReC), Singapore Business Federation (SBF) and Singapore Chinese Chamber of Commerce & Industry (SCCCI)
2-29	Approach to stakeholder engagement		Sustainability Report, Managing Sustainability – Stakeholder Engagement, pages 76 to 77
2-30	Collective bargaining agreements		There are no collective bargaining agreements in place.
GRI 3: Material Topics 2021			
3-1	Process to determine material topics		Sustainability Report, Materiality Assessment, pages 78 to 79
3-2	List of material topics		Sustainability Report, Materiality Assessment, pages 78 to 79

Standards	Disclosure	Disclosure Information and Page Reference
Managing the Impacts of Climate Change		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report, Managing the Impacts of Climate Change, pages 79 to 91
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Sustainability Report, Managing the Impacts of Climate Change – Climate-related Financial Disclosures, pages 83 to 91
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Sustainability Report, Managing the Impacts of Climate Change – Greenhouse Gas Emissions, pages 79 to 82
	305-2 Energy indirect (Scope 2) GHG emissions	Sustainability Report, Managing the Impacts of Climate Change – Greenhouse Gas Emissions, pages 79 to 82
	305-3 Other indirect (Scope 3) GHG emissions	Sustainability Report, Managing the Impacts of Climate Change – Greenhouse Gas Emissions, pages 79 to 82
	305-4 GHG emissions intensity	Sustainability Report, Managing the Impacts of Climate Change – Greenhouse Gas Emissions, pages 79 to 82
	305-5 Reduction of GHG emissions	Sustainability Report, Managing the Impacts of Climate Change – Greenhouse Gas Emissions, pages 79 to 82
Environmental Footprint		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report, Environmental Footprint, pages 91 to 95
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Sustainability Report, Environmental Footprint – Energy Consumption, pages 91 to 92
	302-3 Energy intensity	Sustainability Report, Environmental Footprint – Energy Consumption, pages 91 to 92
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Sustainability Report, Environmental Footprint – Water Management, pages 93 to 94
	303-2 Management of water discharge-related impacts	Sustainability Report, Environmental Footprint – Water Management, pages 93 to 94
	303-3 Water withdrawal	Sustainability Report, Environmental Footprint – Water Management, pages 93 to 94
	303-5 Water consumption	Not applicable due to the nature of our business. We will continue to monitor the relevance of the disclosure for future reporting.
Non-GRI	Water withdrawal intensity	Sustainability Report, Environmental Footprint – Water Management, pages 93 to 94
GRI 306: Waste 2020	306-3 Waste generated	Sustainability Report, Environmental Footprint – Waste Generation, page 95

GRI Content Index

Standards	Disclosure	Disclosure Information and Page Reference
Tenant Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report, Tenant Management, pages 96 to 97
Non-GRI (GRESB)	Tenant Engagement Program	Sustainability Report, Tenant Management, pages 96 to 97
	Fit-out and Refurbishment Program	Sustainability Report, Tenant Management, pages 96 to 97
	Green Leases	Sustainability Report, Tenant Management, pages 96 to 97
Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report, Health and Safety, pages 97 to 98
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Sustainability Report, Health and Safety, pages 97 to 98
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability Report, Health and Safety – Employees, Tenants and Shoppers, page 97
	403-9 Work-related injuries	Sustainability Report, Health and Safety – Employees, Tenants and Shoppers, page 97
	403-10 Work-related ill health	Sustainability Report, Health and Safety – Employees, Tenants and Shoppers, page 97
Non-GRI	Managing the impacts of COVID-19	Sustainability Report, Health and Safety – Managing the Impacts of COVID-19, pages 97 to 98
	Tenant Health & Wellbeing Measures	Sustainability Report, Health and Safety – Employees, Tenants and Shoppers, page 97

Standards	Disclosure	Disclosure Information and Page Reference
Talent Retention and Training		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report, Talent Retention and Training, pages 98 to 106
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Sustainability Report, Talent Retention and Training – New Employee Hires and Employee Turnover, pages 101 to 102
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Sustainability Report, Talent Retention and Training – Training and Career Development, page 103
	404-2 Programs for upgrading employee skills and transition assistance programs	Sustainability Report, Talent Retention and Training – Training and Career Development, page 103
	404-3 Percentage of employees receiving regular performance and career development reviews	Sustainability Report, Talent Retention and Training – Performance Management, page 103
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Sustainability Report, Talent Retention and Training – Diversity and Equal Opportunity, pages 99 to 100
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Sustainability Report, Talent Retention and Training – Local Communities, page 106
Regulatory Compliance		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report, Regulatory Compliance, pages 108 to 110
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Annual Report, Enterprise Risk Management, pages 122 to 125
	205-2 Communication and training about anti-corruption policies and procedures	Sustainability Report, Regulatory Compliance – Anti-corruption, pages 108 to 109
	205-3 Confirmed incidents of corruption and actions taken	Sustainability Report, Regulatory Compliance – Anti-corruption, pages 108 to 109
Non-GRI	Responsible Business Practices	Sustainability Report, Regulatory Compliance – Responsible Business Practices, page 110
	Cyber Security	Sustainability Report, Regulatory Compliance – Cyber Security, page 110

Investor Relations

ENGAGING IN RELEVANT AND TARGETED COMMUNICATIONS VIA MULTIPLE PLATFORMS

The REIT Manager is committed to upholding high standards of corporate governance and transparency by providing the investment and media communities with clear, timely, and accurate information on Sasseur REIT's financial and operating performance. We are guided by our Investor Relations Policy (URL: https://investor.sasseurreit.com/ir_policy.html) in planning regular communication and programmes to ensure effective engagements. We seek to proactively engage existing Unitholders, potential retail and institutional investors, analysts and the media through announcements, post-results briefings, social media, investor conferences, roadshows, webinars, panel discussions, one-on-one virtual meetings and face-to-face meetings.

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. The public can also sign up for email alerts on Sasseur REIT's corporate website (https://investor.sasseurreit.com/email_alerts.html) to receive updates on Sasseur REIT's latest announcements and press releases.

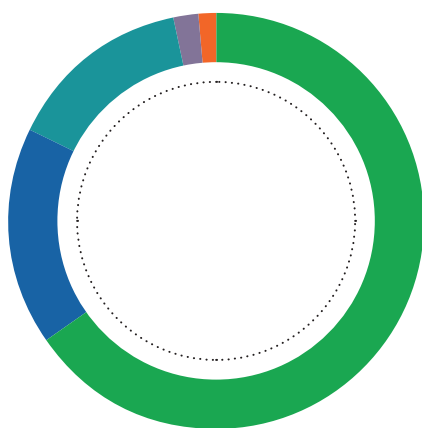
As international and domestic travel was limited due to China's dynamic zero-COVID strategy for the most of 2022, the Investor Relations team increased engagement through webinars with retail investors and proactively reached out to institutional investors to organise one-on-one calls.

In November 2022, the REIT Manager participated in the DBS-SGX-REITAS-CSOP Bangkok Conference 2022, our first physical overseas non-deal roadshow in almost three years since the COVID-19 pandemic erupted in 2020. The management team met with six Thai institutional investors and their 13 representatives during the one-day event.

We also continued to ramp up postings and activities on Sasseur REIT's LinkedIn page in 2022 to enhance visibility for the REIT, share more about Sasseur REIT's and Sasseur Group's corporate developments and events on the ground at the outlets' level. Our active postings on LinkedIn have been slowly gaining attention amongst followers. From 1 January 2022 to 31 December 2022, the number of followers increased by 243 (up 30.1% year-on-year) to 1,051. Sasseur REIT's LinkedIn page has garnered 3,755 page views (more than five-time increase) for the same period.

Unitholdings by Geography¹

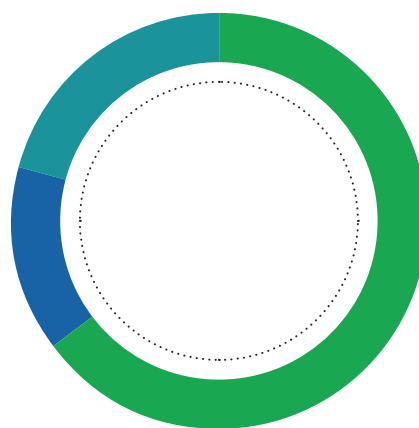
(as at 31 Dec 2022)



● Singapore (excluding Sasseur Group's Unitholdings)	65.5%
● Asia (excluding Singapore)	16.8%
● North America	14.6%
● United Kingdom and Europe	1.8%
● Rest of World	1.3%

Unitholdings by Investor Type¹

(As at 31 Dec 2022)



● Sasseur Group ²	64.9%
● Retail Investors	14.5%
● Institutional Investors	20.6%

Notes:

¹ Excludes unidentified and unanalysed holdings.

² "Sasseur Group" includes Sasseur Cayman Holding Limited and its related parties.

AGMS

Annual general meetings (AGM) provide an important channel for the Management and the Board of Directors of the REIT Manager to communicate directly with Unitholders.

Sasseur REIT's fourth AGM in April 2022 was held through electronic means as Unitholders were not allowed to attend the event in person due to Singapore's COVID-19 restrictions. Unitholders were invited to

submit their questions to the REIT Manager ahead of the AGM. The REIT Manager's responses to key questions from Unitholders were addressed during the AGM and subsequently published on SGXNet as well as on Sasseur REIT's corporate website. All three resolutions proposed at the AGM were passed.

The results of the AGM and AGM minutes were also published on SGXNet and on Sasseur REIT's corporate website for greater transparency.

AWARDS AND ACCOLADES

In recognition of its strong corporate governance standards, Sasseur REIT has garnered the following awards and accolades in 2022:

- SIAS Investors' Choice Awards 2022
 - Singapore Corporate Governance Award, Runner-up (REITs & Business Trusts category) for the second consecutive year
 - Sasseur REIT was only pure foreign asset REIT to win an award in this award category
- Singapore Governance and Transparency Index 2022
 - Placed 19th out of 44 REITs and Business Trusts
 - Sasseur REIT's score of 88.0 is an improvement of 1.1 points from 2021, and above the mean score of 85.3 under the REITs and Business Trusts category

- Governance Index for Trusts 2022
 - Ranked 21st out of 43 REITs and Business Trusts
 - Sasseur REIT's score of 67.5 is above the mean score of 66.0
- Sasseur REIT has been placed on the SGX Fast Track programme since 2021, allowing the REIT prioritised clearance on all submissions of corporate actions to Singapore Exchange Regulation (SGX RegCo). This programme was launched by SGX RegCo in recognition of listed companies which have maintained good corporate governance standards and compliance track record.

In October 2022, we also participated in "Corporate Governance – Statement of Support 2022", an initiative organised by the Securities Investors Association Singapore (SIAS) to communicate and demonstrate Singapore public listed companies' firm commitment to incorporate good corporate governance practices.

↓ CEO, Cecilia Tan, at the SIAS Investors' Choice Awards 2022



Investor Relations

INVESTOR & MEDIA RELATIONS CALENDAR 2022

EVENTS	FORMAT (LOCATION)
FIRST QUARTER	
DBS Investor Presentation	Webinar
CLSA Group Call Investor Presentation	Webinar
CGS-CIMB Trading Representatives Briefing	Webinar
SECOND QUARTER	
DBS Fireside Chat – Spotlight on China	Webinar
PERE Asia Summit 2022 Singapore – Panelist topic: REITs - Capital Markets Update	Physical (Singapore)
Tiger Brokers Investor Webinar	Webinar
NUS Institute of Real Estate and Urban Studies (IREUS) Roundtable Seminar – Panelist topic: Are REITs with overseas assets under-appreciated in Singapore?	Physical (Singapore)
SIAS-SGX Corporate Connect Webinar	Webinar
THIRD QUARTER	
Citi-SGX REITs REITs/Sponsors Forum 2022	Webinar
UOB Kay Hian Investor Presentation	Webinar
“Building Financial Fitness” Financial Literacy Podcast – Topic: REITs	Podcast
FOURTH QUARTER	
DBS-SGX-REITs-CSOP Bangkok Conference 2022	Physical (Bangkok)
NUS Institute of Real Estate and Urban Studies (IREUS) Roundtable Seminar – Topic: Onshore and Offshore China REITs - Threats and Competition?	Physical (Singapore)

FINANCIAL AND DISTRIBUTION CALENDAR 2022

FY2021 Annual General Meeting	21 Apr 2022
First quarter results announcement	12 May 2022
First quarter distribution to unitholders	28 Jun 2022
Second quarter results announcement	12 Aug 2022
Second quarter distribution to unitholders	27 Sep 2022
Third quarter results announcement	11 Nov 2022
Third quarter distribution to unitholders	28 Dec 2022
Full year results announcement	17 Feb 2023
Fourth quarter distribution to unitholders	28 Mar 2023
FY2022 Annual General Meeting	20 Apr 2023

RESEARCH COVERAGE

- DBS Group Research
- CGS-CIMB
- UOB Kay Hian

CONSTITUENT OF KEY INDICES

- FTSE ST All Share Index
- FTSE ST All-Share Real Estate Index
- FTSE ST All-Share Real Estate Investment Trusts Index
- FTSE ST Real Estate Investment Trusts Index
- FTSE ST China Index
- FTSE ST Small Cap Index
- iEdge SG Real Estate Index
- iEdge S-REIT Index
- iEdge ESG Transparency Index

UNITHOLDER AND MEDIA ENQUIRIES

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

Ms Jeanette Pang

Head of Investor Relations and Capital Markets



Tel:
+65 6360 0290



Email:
ir@sasseurreit.com



Website:
www.sasseurreit.com



LinkedIn:



UNIT REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.

1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632



Tel:
+65 6536 5355



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

Unit Price Performance

In 2022, global markets were rocked by concerns over persistently high inflation, rising interest rates and slowing economic growth.

FIRST QUARTER OF 2022

Markets began to slide early in the year, as inflation continued to rise and Russia-Ukraine tensions began to escalate. Russia's invasion of Ukraine in late February created a new supply chain crisis. In March, the United States (US) Federal Reserve raised interest rates for the first time in the year to fight rising inflation.

SECOND QUARTER OF 2022

Market sentiment continued to be dragged down by perceived risks of a possible global recession, further COVID-related lockdowns in several major cities in China, trade wars and geopolitical fragmentation. These downside risks to the global economy worsened the supply chain disruptions which had partially fuelled the spike in inflation rates globally.

THIRD QUARTER OF 2022

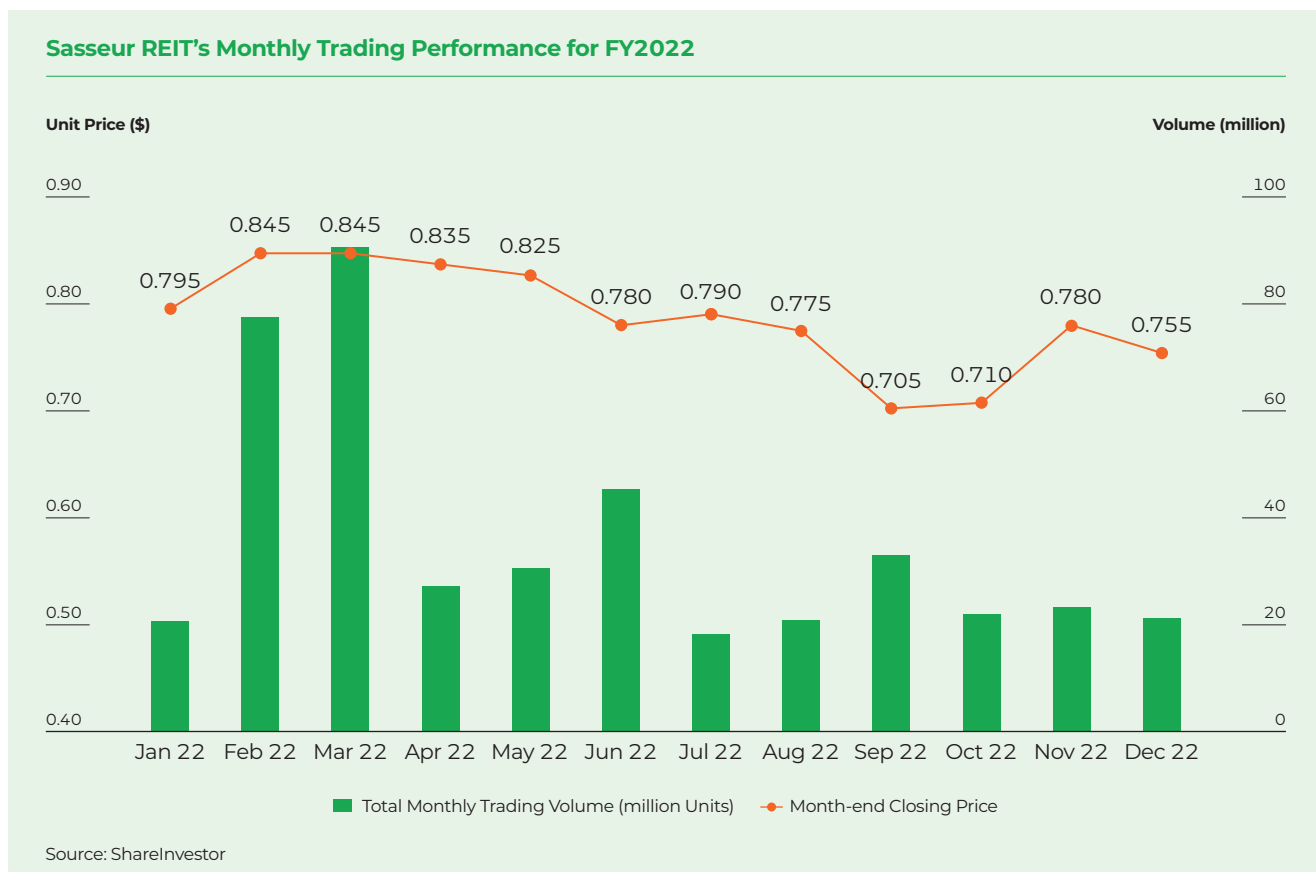
In a bid to battle one of US' highest inflation rates in 40 years, the Federal Reserve reaffirmed the central bank's commitment to reduce inflation by hiking interest rates in order to slow the US economy. Following the US Federal Open Market Committee meeting in September, expectations for a soft landing for the US economy were quashed. While the market had expected US to hike

interest rates, investors have been taken aback by the Federal Reserve's aggressive stance as this could push the US economy into a sharp downturn and trigger widespread recessions in other countries.

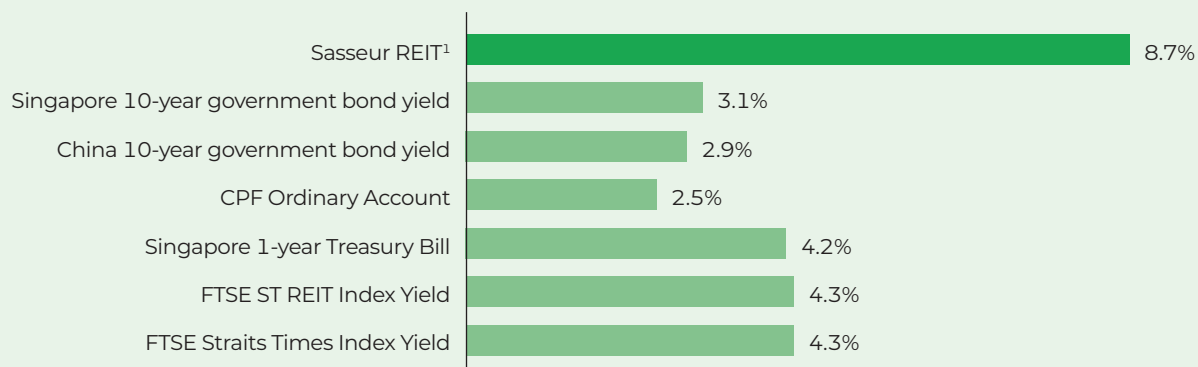
In September 2022, the FTSE ST REIT Index declined 7.3% month-on-month (MoM), underperforming the StraitsTimes Index, which had declined by approximately 2.8% MoM. The prospect of higher interest rates has dampened demand for a whole range of yield products, including Singapore REITs (S-REITs). The refinancing of debts due for some S-REITs also gave rise to investor concerns, given the spectre of increasing interest rates.

FOURTH QUARTER OF 2022

Singapore's stock market direction in December 2022 was dictated by the relaxation of pandemic restrictions by China after the country announced a nationwide loosening of its COVID-19 restrictions in December 2022. This development lifted sentiment for China-focused REITs. However, markets remained volatile as the Federal Reserve continued its battle against inflation by raising US benchmark interest rate for the seventh time in mid-December 2022 to the highest level in 15 years. On 30 December 2022, Sasseur REIT closed at \$0.755, representing a 10.7% decline year-on-year, compared to the FTSE ST REIT Index's decline of 15.0%. The FTSE StraitsTimes Index saw a year-on-year increase of 4.1%.



Comparative Yields (As at 30 Dec 2022)



Sources: Bloomberg, Monetary Authority of Singapore, Central Provident Fund (CPF) Board

¹ Based on FY2022 distribution per unit of 6.550 Singapore cents and the closing unit price of \$0.755 on 30 December 2022.

Sasseur REIT's 5-Year Trading Performance

	FY2018 ²	FY2019	FY2020	FY2021	FY2022
Opening price	\$0.805	\$0.650	\$0.895	\$0.820	\$0.845
Closing price	\$0.650	\$0.885	\$0.820	\$0.845	\$0.755
Highest closing price	\$0.805	\$0.910	\$0.920	\$0.970	\$0.875
Lowest closing price	\$0.645	\$0.640	\$0.530	\$0.810	\$0.670
Total volume traded (million Units)	134.5	383.7	562.5	435.5	430.6
Total turnover traded ³ (\$ million)	87.4	339.6	461.2	368.0	325.1
Average daily volume traded (million Units)	0.7	1.5	2.2	1.7	1.7
Average daily turnover traded ³ (\$ million)	0.5	1.4	1.8	1.5	1.3
Market capitalisation at year-end (\$ million)	767.2	1,059.0	989.0	1,028.0	929.0

Sources: ShareInvestor, SGX

² For period 28 March 2018 (Sasseur REIT's public listing date) to 31 December 2018.

³ Based on year-end closing price.

Note: Data extracted are not adjusted for any cash adjustments, capital changes or corporate actions (including but not limited to cash dividends, rights offerings, warrants and stock splits).

Comparative Total Returns

	1 Year ⁴		3 Years ⁴		Since Listing ⁴	
	Price Change	Total Return ⁵	Price Change	Total Return ⁵	Price Change	Total Return ⁵
Sasseur REIT	-10.7%	-2.2%	-14.7%	9.5%	-5.6%	37.7%
FTSE Straits Times Index	4.1%	8.4%	0.9%	13.1%	-5.5%	14.1%
FTSE ST REIT Index	-15.0%	-10.7%	-21.5%	-9.3%	-11.4%	13.3%

Source: Bloomberg

⁴ Computed based on closing unit prices. The 1-year return is for period 31 December 2021 to 30 December 2022; 3-year return is for period 31 December 2019 to 30 December 2022; and return since Sasseur REIT's public listing (offering price of \$0.80 per unit) is for period 27 March 2018 to 30 December 2022.

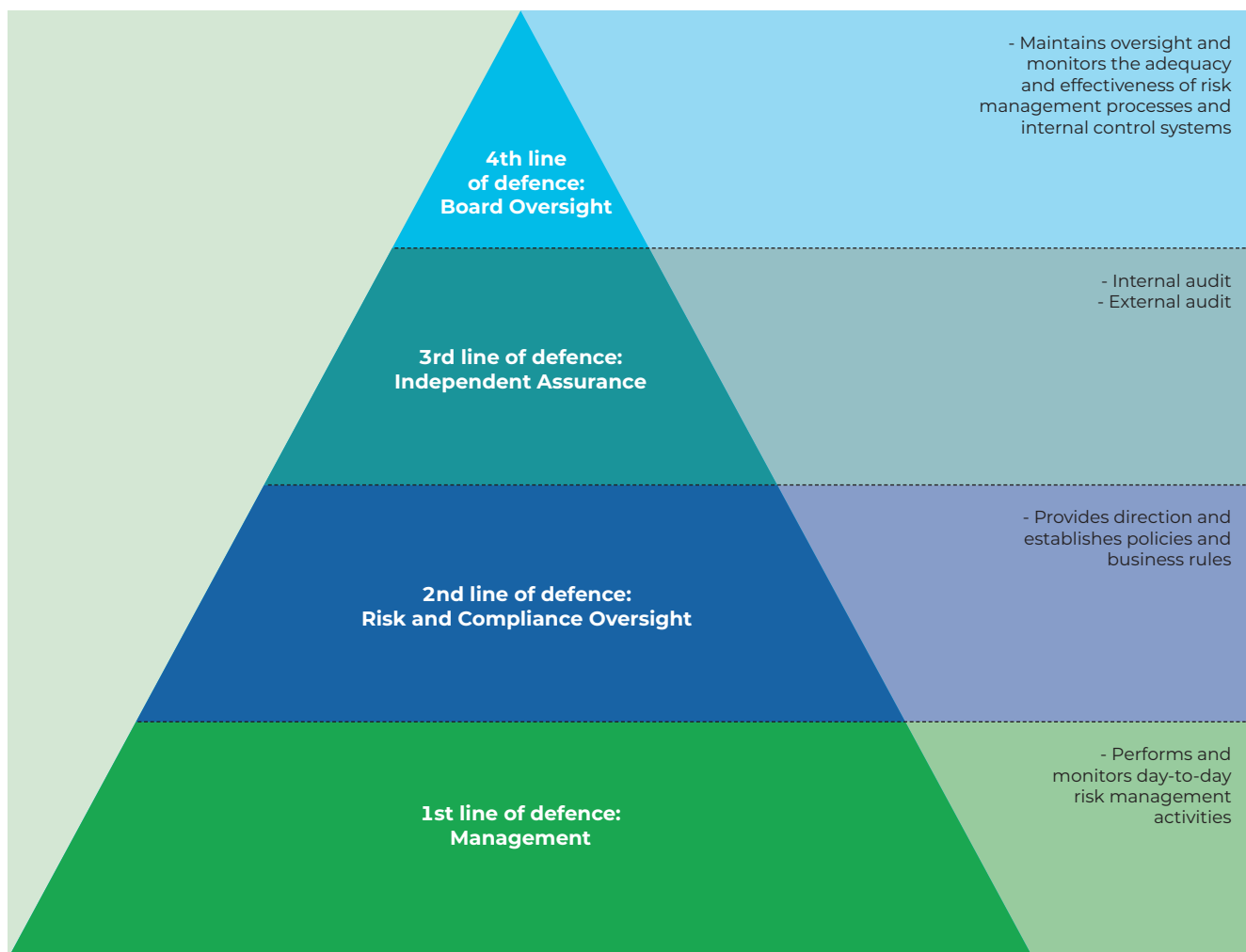
⁵ Assumes dividends are reinvested.

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. (REIT Manager) practices a proactive approach towards risk management applied towards both strategic and operational levels. This approach enables Sasseur REIT to manage risks in a systematic and consistent manner, support its business objectives and strategy, thereby creating and preserving value.

RISK MANAGEMENT GOVERNANCE AND STRUCTURE

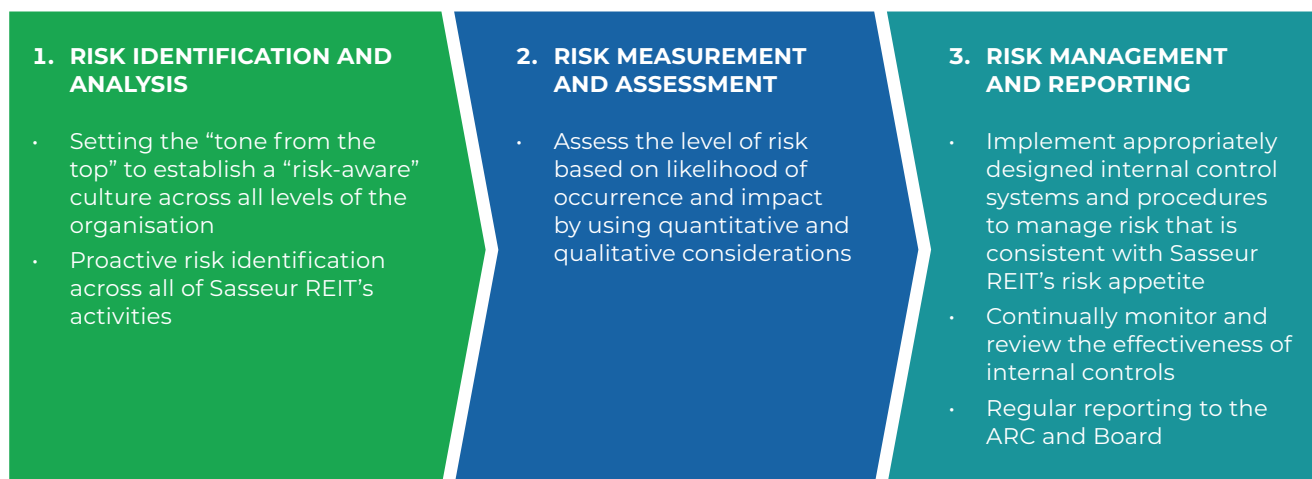
The Board of Directors (Board) has overall responsibility for the governance of risk. The Board is responsible for setting Sasseur REIT's risk appetite and risk tolerance limits as well as reviewing Sasseur REIT's risk oversight structure to ensure appropriate accountability by risk owners, and that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



ERM FRAMEWORK

The REIT Manager is responsible for the implementation and practice of ERM across Sasseur REIT. The REIT Manager's ERM framework is based on the principles and guidelines of the International Organisation for Standardisation (ISO) 31000 on Risk Management, and also guided by the Committee of Sponsoring Organisations of the Treadway Commission (COSO), and other relevant best practices and guidelines.

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



MANAGING MATERIAL RISKS

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

Risk	Details	Mitigating Actions
Foreign Currency Risk	Unfavourable foreign exchange movement between Renminbi (RMB) and Singapore Dollars (\$) which may affect the Distribution Per Unit (DPU) paid out in \$	<ul style="list-style-type: none"> The REIT Manager uses RMB denominated borrowings to match the revenue stream generated from its assets as a natural currency hedge To further mitigate foreign currency risk, the REIT Manager enters into derivative contracts to hedge the cashflow in RMB
Interest Rate Risk	Interest rate volatility may affect the cost of borrowings and impact Sasseur REIT's financial performance	<ul style="list-style-type: none"> Interest rate for Sasseur REIT's onshore loan is based on China's 5-year Loan Prime Rate which is relatively stable with minimal variance The REIT Manager uses derivative financial instruments such as floating-for-fixed interest rate swaps and/or cross currency swaps to reduce interest rate risk exposure on Sasseur REIT's offshore loan

Enterprise Risk Management

Risk	Details	Mitigating Actions
Investment Risk	Inadequate evaluation on investment opportunities and a lack of understanding on investment targets could result in poor investment decisions which are not consistent with Sasseur REIT's growth strategy	<ul style="list-style-type: none"> The risks involved in investment activities are managed through rigorous and disciplined due diligence processes which takes into consideration various investment criteria such as asset valuation, yield and sustainability of the investment target Sensitivity analysis is conducted to assess the impact of changes in assumptions used The REIT Manager appoints external third-party consultants such as legal counsels and tax consultants to conduct rigorous due diligence of investment targets to ensure that the target is suitable for investment and complies with the requirements found in the SGX-ST Listing Manual and Code on Collective Investment Schemes All investment decisions are tabled for deliberation and approval by the Board
Regulatory and Compliance Risk	Non-compliance with laws and regulations resulting in fines, sanctions or loss of reputation	<ul style="list-style-type: none"> The REIT Manager has established a compliance monitoring programme to ensure compliance with applicable regulatory requirements and relevant policies and procedures Changes in rules, regulations and listing requirements are monitored on an ongoing basis and the Board is informed of any significant updates affecting Sasseur REIT and/or the REIT Manager Trainings are provided to the Board and employees to ensure that they are kept abreast on updates to laws and regulations
Fraud, Bribery and Corruption Risk	Corrupt practices may adversely affect Sasseur REIT's reputation and stakeholder confidence	<ul style="list-style-type: none"> The REIT Manager regards integrity as one of its core values. All employees are required to abide by a strong code of ethics and uphold the highest standards of professional conduct The REIT Manager has a Code of Conduct in place which sets out the behaviour and conduct expected of all employees The REIT Manager has an Anti-bribery and Corruption Policy which sets out the REIT Manager's 'zero-tolerance' approach against all forms of corruption, bribery and extortion A Conflict of Interest Policy has been established to provide guidance on dealing with conflicts of interest A Whistle-blowing Policy is in place to provide a framework to encourage the REIT Manager's employees and stakeholders to report any concern or complaint, possible improprieties in matters of financial reporting, and other malpractices
Economic and Competition Risk	<ul style="list-style-type: none"> Exposure to geopolitical and macroeconomic risks which may reduce revenue, increase cost and result in downward revaluation of Sasseur REIT's assets Competition from established players, online businesses and new market entrants which may impact Sasseur REIT's tenant occupancy rate and sales revenue 	<ul style="list-style-type: none"> The REIT Manager adopts a relentless approach to strengthen Sasseur REIT's competitiveness through experiential outlet shopping, 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 promotes tenant and customer loyalty through tenant-centric initiatives and shopper loyalty programmes Perform regular analysis on market trends and organise major shopping events regularly to attract larger shopping crowds

Risk	Details	Mitigating Actions
Liquidity Risk	Inability to manage cash flow to meet operational and financial obligations and refinance existing borrowings	<ul style="list-style-type: none"> • The REIT Manager actively monitors Sasseur REIT's debt maturity profile, operating cash flows and availability of funding sources • Establish various banking facilities in order to meet Sasseur REIT's capital, refinancing and operating needs
Information Technology Risk	Information technology risk consists of cyber fraud risk, information security risk and technology infrastructure risk. Increasing threats of information security such as hacking, phishing and website defacement may pose the risk of sensitive data leakage and financial loss	<ul style="list-style-type: none"> • The REIT Manager has engaged a professional third-party IT service provider to manage IT risk and ensure availability, authorised access, accuracy and agility of IT systems • The REIT Manager closely monitors cyber security alerts issued by MAS and takes remedial action where necessary • The REIT Manager has an Information Security Policy in order to maintain the integrity and availability of the data environment • Conduct annual IT security awareness training to maintain a high level of IT security awareness among all staff
Environmental Risk	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Conduct climate scenario analysis to identify and assess climate-related risks and opportunities
Health and Safety Risk	Health and safety incidents resulting in disruption of operations, suspension, claims, or fines	<ul style="list-style-type: none"> • The REIT Manager established a Workplace Health and Safety Policy which serves as a guide to remind all employees, contractors and visitors to observe safe practices and work procedures • Prompt identification and rectification of safety hazards • Regular maintenance and inspections are conducted at Sasseur REIT's Outlets • The REIT Manager has established a Business Continuity Plan (BCP) and BCP exercises are conducted annually. Fire drills are also conducted regularly at Sasseur REIT's Outlets

Corporate Governance

INTRODUCTION

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

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

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

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

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

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

The board of Directors (the Board) and Management of the REIT Manager (the Management) aspire to the highest standards of corporate governance. The REIT Manager remains focused on complying with the substance and spirit of the principles of the Code of Corporate Governance 2018 (the Code) while achieving operational excellence and delivering Sasseur REIT's long-term strategic objectives. It is fully committed to the 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 corporate governance framework of Sasseur REIT and its subsidiaries (the Group), and practices that were in place throughout the financial year under review. The Board confirms that the REIT Manager 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 Management to achieve this and the Management remains accountable to the Board.

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

The principal roles of the Board are to:

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

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 the Management, and sets the strategic vision, direction and long-term objectives for Sasseur REIT. The key strategies of the REIT Manager are:

- Active Asset Management and Asset Enhancement Strategy
 - Achieve growth in revenue and sales and maintain optimal occupancy levels
 - Implement pro-active policies to improve the yields and enhance organic growth
- Acquisition Growth Strategy
 - 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
- Capital and Risk Management Strategy
 - Employ an appropriate mix of debt and equity
 - Utilise hedging strategies where appropriate

Corporate Governance

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

To assist the Board in the discharge of its oversight function, the Audit and Risk Committee (ARC) and the Nominating and Remuneration Committee (NRC) have been constituted with clear written terms of reference. The ARC and NRC play an important role in ensuring good corporate governance. On 15 July 2022, the Board constituted the Sustainability Committee (SC) which is guided with clear written terms of reference. The SC serves the primary purpose of, among others, incorporating sustainability issues as part of Sasseur REIT's and the REIT Manager's strategic formulation and approves, manages and monitors material ESG factors.

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

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

In each meeting where matters requiring the Board's approval are to be considered, all members of the Board participate in the discussions and deliberations. 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 Board Committees as well as the attendance of Directors at the meetings held during the financial year ended 31 December 2022 (FY2022) are summarised in the table below:

Meetings	Board of Directors	ARC	NRC	SC ¹	AGM
Total meetings held in FY2022	4	4	2	2	1
Name of Director	Attended	Attended	Attended	Attended	Attended
Mr Xu Rongcan	4	N.A.	2	2	1
Ms Yang Xue	4	N.A.	N.A.	N.A.	1
Dr Gu Qingyang	4	4	2	2	1
Mr Mario Boselli	4	N.A.	N.A.	N.A.	1
Mr Cheng Heng Tan	4	4	N.A.	2	1
Mr Wu Geng	4	4	2	N.A.	1

¹ The SC was established on 15 July 2022.

The REIT Manager believes in the overall contribution of its Directors beyond their attendance at formal Board and Board Committees' meetings. The REIT Manager believes that a Director's contributions based on his or her attendance at formal meetings alone would not represent his or her overall contributions, which include being accessible to the Management for guidance or exchange of views outside of 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 the Board Committees and the 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 loan or credit facilities, financial derivative instruments, investments in financial assets, opening of bank accounts, shareholder or intercompany loans (including signing of shareholder or intercompany loan agreements); and (iv) new investments and divestments.

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

Upon appointment, each new Director will be given a formal appointment letter setting out the terms of his or her appointment as well as his or her duties and obligations, including his or her responsibilities and fiduciaries, and on the policies relating to conflict of interest. A tailored induction and orientation programme is also conducted to provide the new Director with information on the business activities, strategic direction, policies and corporate governance practices of the REIT Manager, as well as his or her statutory duties and other duties and responsibilities as a Director. New Directors who have no prior experience as a director of an issuer listed on the SGX-ST will undergo training in the roles and responsibilities of a listed issuer as prescribed under Rule 210(5)(a) of the Listing Manual. The costs of these trainings are borne by the REIT Manager.

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

To ensure that 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) to receive updates and training from SID in order to stay abreast of relevant developments in financial, legal and regulatory requirements, and business trends. The costs of arranging and funding of the training of Directors will be borne by the REIT Manager. The REIT Manager maintains a training record to track Directors' attendance at training and professional development courses.

In FY2022, the training and professional development courses for Directors included seminars organised by KPMG Services Pte. Ltd. (KPMG), REITAS and SID. As prescribed under Rule 720(7) of the Listing Manual, all Directors attended a training on sustainability matters organised by 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 operates.

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

Corporate Governance

Provision of Information to the Board and the Board Committees

The REIT Manager recognises the importance of providing the Board with complete and adequate information on a timely basis prior to Board meetings and on an ongoing basis, to enable the Directors to make informed decisions to discharge their duties and responsibilities. The Board and Board Committees' papers are generally sent to Directors at least three days before each of the Board or Board Committees' meeting, to provide Directors with sufficient time to review and consider the 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 who can provide additional insight into the matters at hand would be present at the relevant time during the Board or Board Committees' meeting. The Board has separate and independent access to the Management for further clarification, if required.

Access to the Management, Company Secretaries and Independent Professional Advisers

The Chairman, the CEO and the relevant members of the 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 the Management, the Joint Company Secretaries and independent professional advisers (where necessary) at the REIT Manager's expense.

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

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

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

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.

The Board of the REIT Manager comprises six (6) Non-Executive Directors, of whom four (4) are Independent Directors which constitute majority of the Board, in compliance with Provisions 2.2 and 2.3 of the Code. 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	SC
Mr Xu Rongcan (Non-Executive and Non-Independent Chairman)	-	M	M
Ms Yang Xue (Non-Executive and Non-Independent Director)	-	-	-
Dr Gu Qingyang (Lead Independent Director)	M	C	C
Mr Mario Boselli (Independent Director)	-	-	-
Mr Cheng Heng Tan (Independent Director)	C	-	M
Mr Wu Geng (Independent Director)	M	M	-

C – Chairman

M – Member

The 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, strategic planning and customer-based experience, and ethnicity. Their varied backgrounds enable the 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 or her strategic networking relationships, serve to further the interests of Sasseur REIT. Profiles of the Directors are provided on pages 40 to 43 of the Annual Report.

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

The NRC has set an objective to ensure that the Board comprises Directors with various skills, knowledge and experience, gender, age, ethnicity and culture, geography and tenure. As at 31 December 2022, the Board composition reflects the objectives set out in the Board Diversity Policy. The current Board comprises one (1) female Director as well as Directors with various skills, knowledge and experience, age groups, ethnicity and culture, geography and tenure. The Board is therefore of the view that it has made good progress in achieving its objectives under the Board Diversity Policy. 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 ensure that the size of the Board is appropriate in facilitating effective decision-making, taking into account the scope and nature of the operations of the Group, and that the Board has a strong element of independence. The Board, with the concurrence of the NRC, is of the view that the current Board size is appropriate taking into consideration the scope and nature of Sasseur REIT's operations.

Corporate Governance

As part of the process of assessing the independence of each Director as established by the Board, each of the Independent Directors and members of the ARC are 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, the Listing Manual and the Securities and Futures (Licensing and Conduct of Business) Regulations (SF(LCB) Regulations) which would render him or her non-independent. An Independent Director is one who:

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

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

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

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

None of the Directors have served on the Board beyond nine (9) years from the date of his or 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 the 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 the Management to help shape the strategic process.

When reviewing the 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 the Management as and when the need arises. 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 Board) and Ms Tan Hong Lye, Cecilia (CEO of the REIT Manager) are two (2) separate persons and are not immediate family members. This ensures a balance of power and authority, increased accountability and greater capacity of the Board for independent decision making.

The Chairman is responsible for leadership of the Board and for facilitating the conditions for the overall effectiveness of the Board, the 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 the Management on strategies. He also ensures that the Directors work together with the Management in a constructive manner to address strategic, business, operational, capital management, risk, corporate governance and financial issues. At the Board meetings, the Chairman ensures that adequate time is available for discussion of all agenda items and strategic issues. At annual general meetings and other Unitholders' meetings, the Chairman will seek to ensure that there is constructive dialogue between Unitholders, the Board and the Management.

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

As the Chairman is not an Independent Director, in accordance with Provision 3.3 of the Code and in the spirit of good corporate governance, Dr Gu Qingyang has been appointed as the Lead Independent Director of the Board. 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 the 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 the 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, the Lead Independent Director and the 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 Qingyang	Lead Independent Director	NRC Chairman
Mr Wu Geng	Independent Director	NRC member
Mr Xu Rongcan	Non-Executive and Non-Independent Chairman	NRC member

Corporate Governance

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 the Board Committees (taking into account Rule 210(5)(c) of the Listing Manual 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 or her roles and responsibilities, authority, and the Board's expectations in respect of his or her time commitment as a Director of the Company;
- d) recommending the membership of the Board Committees to the Board;
- e) reviewing the independence status of Independent Directors annually or when necessary;
- f) developing the performance evaluation framework for the Board, the Board Committees and individual Directors. The NRC proposes objective performance criteria for the Board, the Board Committees and individual Directors. The NRC conducts the evaluations, analyses the findings and reports the results to the Board and will also recommend areas that need improvement;
- g) recommending that the Board removes or re-appoints a Non-Executive Director at the end of his or her term. In making such recommendations, the NRC considers the Director's performance, commitment and his or her ability to continue contributing to the Board;
- h) reviewing other directorships held by each Director and decide whether or not a Director is able to carry out, and has been adequately carrying out, his or 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 or 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;
- l) keeping up to date with developments in corporate governance initiatives, changes to relevant legislations, strategic issues and commercial changes that may affect the Company and the industry in which it operates;
- m) undertaking such other functions and duties as may be required by the Board under the Code, statute or Listing Manual (where applicable); and
- n) taking into account all relevant legal and regulatory requirements, including the principles and provisions of the Code, when determining the Company's remuneration policies. In doing so, the NRC also considers the Company's risk appetite and ensure that the policies are aligned to long-term goals.

In respect of the Directors' other listed company directorships and principal commitments, a maximum limit of nine (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 the 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 will review the number of listed company directorships of the Directors on an annual basis or from time to time when the need arises. A Director with multiple directorships is expected to ensure that he or she can devote sufficient time and attention to the affairs of the REIT Manager.

Pursuant to its Terms of Reference, the NRC is required to determine if a Director has been adequately carrying out his or her duties as a Director of the REIT Manager, particularly if he or 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 Directors, is of the view that such multiple board representations (where applicable) do not hinder each Director from carrying out his/her duties as a Director of the REIT Manager. The NRC is satisfied that sufficient time and attention have been accorded by these Directors to the affairs of the REIT Manager.

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:

- i) 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;
- ii) following such review and in consultation with the Management, the NRC will assess the relevant attributes and corresponding representation and desired profile, underpinning any particular appointment;
- iii) external support (for example, search consultants) may be used to source for potential candidates if required. Directors and the Management may also make suggestions;
- iv) 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
- v) the NRC recommends the proposed appointee(s) for the Board's consideration. New Directors are formally appointed by way of a Board resolution.

In reviewing succession plans, the Board has in mind the REIT Manager's strategic priorities and the factors affecting the long-term success of the REIT Manager. Further, the Board aims to maintain an optimal Board composition by considering the trends affecting the REIT Manager, reviewing the skills needed and identifying gaps, including considering whether there is an appropriate level of diversity of thought. In addition, the Board considers different time horizons for succession planning as follows: (i) long-term planning, to identify competencies needed for the REIT Manager's strategy and objectives; (ii) medium-term planning, for the orderly replacement of Board members and key management personnel, and (iii) contingency planning, for preparedness against sudden and unforeseen changes.

Corporate Governance

All new appointments are subject to the recommendations of the NRC based on the following objective criteria:

- i) integrity;
- ii) independent judgement;
- iii) diversity – possess core competencies that meet the current needs of Sasseur REIT and the REIT Manager and complement the skills and competencies of the existing Directors;
- iv) ability to commit time and effort to carry out duties and responsibilities effectively;
- v) the Board should comprise Directors with a broad range of commercial experience including expertise in audit and accounting, risk management, legal matters and industry knowledge; and
- vi) financially literate.

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

The NRC is also responsible for determining the independence of a Director on an annual basis and had adopted the definition of independence set out in the Code, the Listing Manual and the SF(LCB) Regulations. The process for assessing the independence of a Director is set out on page 132.

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

Name of Director ¹	Position	Present Directorships in Other Listed Companies	Past Directorships in Other Listed Companies Over the Preceding Three (3) Years	Other Principal Commitments
Mr Xu Rongcan (Spouse of Ms Yang Xue)	Non-Executive and Non-Independent Chairman	Nil	Nil	<ul style="list-style-type: none"> • Sasseur Cayman Holding Limited, Executive Director and Chairman • Changchun Sasseur Zhongdong Commercial Management Co., Ltd, Non-Executive and Non-Independent Director • Changsha Sha Min Enterprise Management Co., Ltd, Non-Executive and Non-Independent Director • Changsha Sasseur Zhong Min Bai Hui Outlets Business Management Co., Ltd, Non-Executive and Non-Independent Director • Sasseur Vito (BVI) Limited, Non-Executive and Non-Independent Director • Sasseur Super Outlet Development Pte. Ltd., Executive Director • Sasseur Kunming Limited, Non-Executive and Non-Independent Director • Sasseur Nanjing Limited, Non-Executive and Non-Independent Director

Name of Director ¹	Position	Present Directorships in Other Listed Companies	Past Directorships in Other Listed Companies Over the Preceding Three (3) Years	Other Principal Commitments
Ms Yang Xue (Spouse of Mr Xu Rongcan)	Non-Executive and Non-Independent Director	Nil	Nil	<ul style="list-style-type: none"> • Sasseur Cayman Holding Limited, Non-Executive and Non-Independent Director • Hangzhou Sasseur Commercial Management Co., Ltd, Non-Executive and Non-Independent Director • Changsha Sha Min Enterprise Management Co., Ltd, Non-Executive and Non-Independent Director • Shanghai Shayi Business Co., Ltd, Non-Executive and Non-Independent Director • Shanghai Sasseur Super Outlet Brand Management Co., Ltd, Executive Director
Dr Gu Qingyang	Lead Independent Director	<ul style="list-style-type: none"> • PCI-Suntek Technology Co., Ltd², External Non-Executive Director • Intchains Group Limited³, Independent Director 	Nil	<ul style="list-style-type: none"> • China Life Insurance (Singapore) Co., Ltd, Independent Director • National University of Singapore, Associate Professor, Lee Kuan Yew School of Public Policy • Fuzhou New Zone (People's Republic of China), Economic Advisor • Suzhou GSUN Fund Management Co., PTD, Independent Director
Mr Mario Boselli	Independent Director	Nil	GIGLIO.COM S.P.A. ⁴ , Independent Director	<ul style="list-style-type: none"> • Isybank S.P.A (formerly known as Banca 5 S.P.A), Independent Director • M.Seventy S.R.L, Independent Director • Mario Boselli S.R.L, Chief Executive • F.Ili De Cecco di Filippo – Fara San Martino S.P.A., Independent Director • Prestitalia S.P.A, Independent Director
Mr Cheng Heng Tan	Independent Director	Powermatic Data Systems Limited ⁵ , Independent Director	Nil	<ul style="list-style-type: none"> • Omakase Pte. Ltd., Executive Director • Omakase Burger Pte. Ltd., Executive Director • Omakase Burger (Orchard) Pte. Ltd., Executive Director
Mr Wu Geng	Independent Director	Shengli Oil & Gas Pipe Holdings Limited ⁶ , Independent Director	Nil	<ul style="list-style-type: none"> • Drew & Napier LLC, Director, Corporate and Finance • Chalco Trading Singapore Pte. Ltd., 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.

³ Listed on Nasdaq Capital Market.

⁴ Listed on Borsa Italiana.

⁵ Listed on the SGX-ST.

⁶ Listed on The Stock Exchange of Hong Kong Limited.

Corporate Governance

BOARD PERFORMANCE

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

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

The Board strives to ensure that there is an optimal blend in the Board in terms of background, experience and knowledge in business and general management as well as expertise relevant to Sasseur REIT's business and track record. The Board also ensures 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 for effective stewardship and attaining success for Sasseur REIT.

As part of the REIT Manager's commitment towards improving corporate governance, the Board has approved and implemented a process to evaluate the effectiveness of the Board as a whole, each of the Board Committees and individual Directors on an annual basis. As part of the process, questionnaires are sent to the Directors, and the evaluation results are aggregated and reported to the NRC. 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, the Board Committees and individual Directors in the discharge of its and their duties and responsibilities. The evaluation process for the Board, each of the Board Committees and individual Directors for FY2022 was facilitated by Boardroom Corporate & Advisory Services Pte. Ltd. (Boardroom), the REIT Manager's corporate secretarial agent. Save for Boardroom's appointment as external facilitator to conduct the evaluation and as the REIT Manager's corporate secretarial agent and unit registrar, Boardroom does not have any other connection with the REIT Manager or any of the Directors.

Board and Board Committees

The evaluation categories covered in the questionnaire include Board composition, Board processes, strategy, access to information, Board conduct of affairs, internal controls and risk management, Board accountability, relations with the CEO, standards of conduct and Board's and Board Committees' 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 FY2022, the outcome of the evaluation was satisfactory and the Directors as a whole provided affirmative ratings across all the evaluation categories.

Individual Directors

The evaluation categories covered in the questionnaire include knowledge and experience, attendance and preparation for Board meetings, contributions, initiative, knowledge of Sasseur REIT's business and participation in Board meetings. For FY2022, the outcome of the evaluation was satisfactory and each of the Directors as a 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 the Management outside of the formal environment of Board and Board Committees' 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 on page 133. The NRC has written terms of reference setting out its scope and authority in performing the functions of a remuneration committee, which include but are not limited to the following:

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

Corporate Governance

- l) reviewing the design of all short-term and long-term incentive plans for approval by the Board and shareholders;
- m) reviewing the REIT Manager's obligations arising in the event of termination of a Director's and executive officer's contracts of service and ensuring that such contracts of service contain fair and reasonable termination clauses which are not overly generous;
- n) setting performance measures and determining targets for any performance-related pay schemes operated by the Company;
- o) working and liaising, as necessary, with all other Board Committees on any other matters connected with remuneration matters; and
- p) undertaking such other functions and duties as may be required by the Board under the Code, statute or Listing Manual (where applicable).

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

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

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

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

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

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

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

The Board had endorsed, with the concurrence of the NRC, an amount of \$804,000 as Directors' fees for FY2022. In reviewing the Directors' fees, the NRC took into consideration the expertise and experience of each Director and his or her contributions to the Board. No member of the Board will be involved in any decision of the Board relating to his or her 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.

The NRC has access to expert advice from external consultants where required. In FY2022, no external remuneration consultant was appointed.

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 SFA) 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 \$250,000.

The breakdown of the Directors' fees for FY2022 is set out in the table below:

Name of Director	Base/Fixed Salary (\$)	Variable/ Performance-related Income/Bonuses (\$)	Directors' Fees (\$)	Benefits in Kind (\$)
Mr Xu Rongcan	-	-	234,000	-
Ms Yang Xue	-	-	180,000	-
Mr Cheng Heng Tan	-	-	105,000	-
Dr Gu Qingyang	-	-	100,000	-
Mr Mario Boselli	-	-	100,000	-
Mr Wu Geng	-	-	85,000	-

Remuneration of the CEO and Key Management Personnel for FY2022

Name of Key Management Personnel	Base/Fixed Salary %	Variable/ Performance-related Income/Bonuses %	Benefits in Kind %	Other Long-Term Incentives %	Total %
S\$500,001 to S\$750,000					
Ms Tan Hong Lye, Cecilia	79	20	1	-	100
S\$250,001 to S\$500,000					
Mr Xie Jianfeng	81	19	0	-	100
S\$250,000 and below					
Mr Cheng Hsing Yuen	88	12	0	-	100
Ms Jeanette Pang ¹	74	26	0	-	100
Ms Wong Siew Lu ²	100	0	0	-	100

¹ Ms Jeanette Pang was appointed as the Head of Investor Relations and Capital Markets with effect from 12 July 2022.

² Ms Wong Siew Lu resigned as the Head of Investor Relations and Capital Markets with effect from 11 July 2022.

Corporate Governance

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

The aggregate remuneration paid to the key management personnel (which excludes the CEO) for FY2022 is approximately \$840,199.

There were no employees of the REIT Manager who were substantial shareholders of the REIT Manager or immediate family members of a Director, the CEO or a substantial shareholder of the REIT Manager, and whose remuneration exceeds \$100,000 in FY2022.

The REIT Manager has decided (a) to disclose the CEO's remuneration in bands of \$250,000 (instead of on a quantum basis), (b) to disclose the remuneration of the three (3) key management personnel (excluding the CEO) of the REIT Manager in bands of \$250,000, and (c) to disclose the total remuneration of the key management personnel (excluding the CEO) of the REIT Manager.

The REIT Manager's decision takes into consideration the sensitive and confidential nature of remuneration matters and the importance of the continuity of a stable management team in the competitive environment which the REIT Manager operates. Due to the existing size of the management team, the REIT Manager only has three (3) key management personnel other than the CEO for FY2022. The REIT Manager is of the view that disclosure in such manner is not prejudicial to the interests of the Unitholders as the indicative range for the CEO's remuneration, as well as the total remuneration of the key management personnel, is made known to the Unitholders. In addition, sufficient information is provided on the REIT Manager's remuneration framework to enable the Unitholders to understand the link between Sasseur REIT's performance and the remuneration of the key management personnel. The REIT Manager believes that its practices and policies on setting and disclosure of remuneration are in line with the intent of Principle 8 of the Code.

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

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

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

(C) ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

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

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

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

The REIT Manager adopts an Enterprise Risk Management (ERM) Framework to manage risks in a systematic and consistent manner. More information on the REIT Manager's ERM Framework, including the material risks identified, can be found on pages 122 to 125 of the 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 FY2022, the CEO and the CFO had provided a Management Assurance Statement confirming that:

- i) they are aware of their responsibilities for establishing, maintaining and evaluating the adequacy and effectiveness of the risk management and internal controls of Sasseur REIT;
- ii) the financial records of Sasseur REIT have been properly maintained and the financial statements give a true and fair view of Sasseur REIT's operations and finances;
- iii) to the best of their knowledge and in addition to the review conducted by Ernst & Young LLP (EY), the external auditors (External Auditors) of Sasseur REIT, nothing has come to the Management's attention, which may render the full year financial results of Sasseur REIT for FY2022 to be false or misleading in any material aspect;
- iv) there are no known significant deficiencies or lapses in the risk management and internal controls system relating to Sasseur REIT's financial, operational, compliance and information technology controls which could adversely affect Sasseur REIT's ability to record, process, summarise or report financial data, or of any fraud, whether material or not; and
- v) the risk management and internal control systems of Sasseur REIT are adequate and effective.

Based on the system of internal controls and risk management policies and procedures established and maintained by Sasseur REIT and the REIT Manager, work done by the Internal Auditors and External Auditors, reviews performed by the Management, various Board Committees and the Board and the receipt of assurance from the CEO and the CFO, the Board, with the concurrence of the ARC, is of the opinion that taking into account the nature, scale and complexity of Sasseur REIT's and the REIT Manager's operations, Sasseur REIT's and the REIT Manager's risk management and internal controls system were adequate and effective in addressing the financial, operational, compliance and information technology risks as at 31 December 2022.

Corporate Governance

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. The 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 has the 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. The ARC 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 Company's risk management and internal control systems;
- e) reviewing the assurance provided by the CEO and the CFO that the financial records have been properly maintained, and that the financial statements give a true and fair view of the Company's operations and finances;
- f) reviewing the adequacy, effectiveness, independence, scope and results of the internal audit function;
- g) reviewing the scope and results of the external audit and the independence and objectivity of the external audit. The ARC shall then recommend to the Board the appointment, reappointment and removal of the External Auditors and its remuneration and terms of engagement;
- h) ensuring that the Company complies with the requisite laws and regulations;
- i) ensuring the Company has programmes and policies in place to identify and prevent fraud;
- j) overseeing the establishment and operation of the whistle-blowing process in the Company;
- k) reviewing all interested person transactions and related party transactions;
- l) reviewing and providing their views on all hedging policies and instruments to be implemented by Sasseur REIT to the Board;
- m) reviewing and approving the procedure for the entry into any foreign exchange hedging transactions and monitoring the implementation of such policy, including reviewing the instruments, processes and practices in accordance with the policy for entering into foreign exchange hedging transactions approved by the Board;

- n) reviewing the processes and procedures in relation to the appointment or removal of legal representatives of the PRC Companies annually;
- o) exercising oversight over the undertakings given by each of the Sponsor and the Entrusted Manager to the REIT Manager and the Trustee that (i) it will immediately inform the Trustee and the REIT Manager of any matter that has a materially adverse impact on its ability to perform its obligations under the Entrusted Management Agreements (including matters pertaining to the Sponsor and the Entrusted Manager's creditworthiness); and (ii) it will not unilaterally novate or assign any of the Individual Entrusted Management Agreements or the Master Entrusted Management Agreement, as the case may be, to other parties, and will inform the REIT Manager and the Trustee of any changes to the Individual Entrusted Management Agreements, or the Master Entrusted Management Agreement, as the case may be (including any such novation or assignment);
- p) on an annual basis and where there are changes to the financial and/or credit standing of the financial institutions providing the banker's guarantee pursuant to the Performance Reserve, whether the standing of the banker's guarantee or banker's performance bond provided has been diminished arising from the changes;
- q) determining when the income support safeguards implemented post-listing (save for the Performance Reserve) would fall away;
- r) in relation to the Performance Reserve, overseeing (i) that the banker's guarantee provided in respect of the Performance Reserve is obtained or placed with an independent financial institution of good financial standing (i.e. at least investment grade); (ii) the withdrawal and utilisation of the Performance Reserve by Sasseur REIT during the term of the Entrusted Management Agreements; and (iii) where the term of the banker's guarantee is shorter than the duration of the income support and is subject to periodic renewal, that the Sponsor should ensure that the banker's guarantee would be renewed;
- s) exercising oversight over the undertakings of the REIT Manager pursuant to the Entrusted Management Agreements (including the disclosures required in the announced full year financial results and annual reports of Sasseur REIT pursuant to the undertakings in relation to the Entrusted Management Agreements);
- t) reviewing the internal guidelines and monitoring the procedures put in place by the REIT Manager to ensure that the transactions entered into by the PRC Property Companies under the Entrusted Management Agreements are conducted on normal commercial terms and will not be prejudicial to Sasseur REIT and its minority Unitholders;
- u) reviewing at least quarterly in each financial year the transactions entered into by the PRC Property Companies under the Entrusted Management Agreements to ascertain the guidelines and procedures established by the REIT Manager to monitor interested person transactions have been complied with;
- v) reviewing and considering the terms of the Entrusted Management Agreements on an annual basis to ensure that the commercial terms of the Entrusted Management Agreements would not be prejudicial to the interests of Sasseur REIT and its Unitholders and be in compliance with Sasseur REIT's internal controls systems;
- w) conducting an annual assessment on whether the relevant PRC Property Company should exercise the Buy Back Option to acquire the development rights to the Phase 2 Developments and where the Sponsor is unable to complete the development of the Phase 2 Developments prior to the completion date of 31 December 2020 (as set out in the Grant Agreements), conducting an assessment on whether Sasseur REIT should grant the Sponsor a further extension of the completion date in accordance with the terms of the relevant Grant Agreements; and
- x) deliberating on and putting forth proposals to the Board on measures to mitigate conflicts of interest situations involving Sasseur REIT.

The ARC has reviewed the nature and extent of non-audit services provided by the External Auditors in FY2022 and the fees paid for such services. The aggregate amount of fees paid and payable to the External Auditors for FY2022 was \$492,000:

Audit fees: \$407,000

Non-audit fees: \$85,000

Corporate Governance

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 KPMG Services Pte. Ltd. (KPMG 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. KPMG 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 is able to perform its function effectively and objectively. The ARC also reviews the independence of the internal audit function. For FY2022, the ARC is satisfied that the internal audit function is independent, effective and adequately resourced.

In FY2022, the ARC also met with the Internal Auditors and External Auditors, without the Management's presence, to discuss the reasonableness of the financial reporting process, the system of internal controls, and the significant comments and recommendations by the auditors. Where relevant, the ARC makes reference to best practices and guidance for Audit Committees in Singapore, including practice directions issued from time to time in relation to the Financial Reporting Surveillance Programme administered by the Accounting and Corporate Regulatory Authority of Singapore.

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

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

Key Audit Matter	How this issue was addressed by the ARC
Valuation of investment properties	<p>The ARC evaluated the objectivity, independence and expertise of the external appraisers. The valuation as at 31 December 2022 was performed by Colliers Appraisal & Advisory Services Co., Limited.</p> <p>The ARC reviewed the valuation methodology, assumptions and outcomes, and discussed the valuation details with the Management.</p> <p>The valuation of investment properties was also an area of focus for the External Auditor. The ARC considered the findings of the External Auditor, including their assessment of the appropriateness of the valuation methodology and key assumptions applied in the valuation of the investment properties.</p> <p>The ARC was satisfied with the valuation methodology and the valuation for investment properties as disclosed in the financial statements.</p>

Whistle-blowing Policy

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

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

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

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

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

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDERS RIGHTS AND CONDUCT OF GENERAL MEETING

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

ENGAGEMENT WITH SHAREHOLDERS

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

Timely Disclosure of Information

The REIT Manager is committed to achieving effective communication with the public and keeps 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 REIT Manager provides Unitholders with half-yearly and full year financial statements within the relevant periods prescribed by the Listing Manual after they are reviewed by the ARC and approved by the Board. These financial statements are accompanied by press releases and presentation slides which are also uploaded on SGXNet. In presenting the half-yearly 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. To update the market, the REIT Manager releases business and operational updates for the first quarter and third quarter on SGXNet.

Corporate Governance

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

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

Investor Relations

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

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

Other than publicly released announcements on SGXNet and frequent and timely updates on Sasseur REIT's corporate website, the REIT Manager also seeks to engage Unitholders and the investment community through the following channels:

- i) Property site visits;
- ii) Annual reports and Circulars to Unitholders;
- iii) Notices of, and explanatory notes for annual general meetings (AGM) and extraordinary general meetings (EGM);
- iv) Investor, media and analyst briefings;
- v) Other individual or group meetings both in person and virtually, local and overseas conferences, conference calls, roadshows, and emails; and
- vi) Social media channels such as LinkedIn and YouTube.

More information on the REIT Manager's investor relations activities with Unitholders, investors and analysts can be found in the "Investor Relations" section on pages 116 to 119 of the Annual Report.

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

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

General Meetings

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

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

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

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

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

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

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

In view of the COVID-19 pandemic, the AGM in year 2022 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).

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 REIT Manager 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 2022 was uploaded to Sasseur REIT's website and SGXNet within one month from the date of the AGM.

Corporate Governance

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 the REIT Manager.

(E) MANAGING STAKEHOLDER RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

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

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

In order to review and assess the material factors relevant to Sasseur REIT's business activities, the REIT Manager from time to time proactively engages with various stakeholders, including investment communities (investors, analysts and media), tenants, shoppers, government and authorities, employees and local communities, to gather feedback on the sustainability matters which have significant impact to the business and operations of Sasseur REIT and its stakeholders. The REIT Manager's strategy and key areas of focus in relation to the management of stakeholder relationships during FY2022 are set out on pages 72 to 115 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 listed securities of Sasseur REIT, in compliance with Rule 1207(19) of the Listing Manual.

To this end, the REIT Manager has issued guidelines to its Directors and officers (whom include both the REIT 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 listed securities of Sasseur REIT during the period beginning (i) one (1) month before the date of the announcement of the half-yearly and full year results; and (ii) two (2) weeks before the date of the announcement of the business and operational updates.

Any employee who intends to deal in the listed securities of Sasseur REIT 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 listed securities of Sasseur REIT on short-term consideration and when they are in possession of any unpublished material price-sensitive information of the Group, and to be mindful of the law on insider trading.

DEALING WITH CONFLICTS OF INTEREST

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

- a) the REIT Manager is a dedicated manager to Sasseur REIT and will not manage any other REIT or be involved in any other real estate property business without obtaining approval from the MAS;
- b) all resolutions at meetings of the Board or Board resolutions in relation to matters concerning Sasseur REIT must be approved by a majority vote of the Directors, including at least one Independent Director;
- c) in respect of matters in which Sasseur REIT's Sponsor, shareholder and/or its subsidiaries have an interest, whether directly or indirectly, the nominees appointed by the relevant shareholder, Sponsor or subsidiary to the Board will abstain from voting. For such matters, the quorum must comprise a majority of the Independent Directors and shall exclude such Directors who are the nominees of the Sponsor, shareholder and/or its subsidiaries;
- d) in respect of matters in which a Director or his associates have an interest, whether direct or indirect, such interested Director will abstain from voting. In such matters, the quorum must comprise a majority of the Directors and shall exclude such interested Director(s);
- e) any decision by the REIT Manager not to take action against a related party of the REIT Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such related party; and
- f) at least majority of the Board shall comprise Independent Directors.

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

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

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

"Related Party Transactions" in this Annual Report refers to "Interested Person Transactions" under the Listing Manual and "Interested Party Transactions" under the Property Funds Appendix.

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

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

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

The REIT Manager has also incorporated into its internal audit plan a review of all IPTs and RPTs entered into by Sasseur REIT to ascertain that the guidelines and procedures established to monitor that IPTs and 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.

Corporate Governance

Further, the following procedures will be undertaken:

- (i) 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 \$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;
- (ii) 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 are not prejudicial to the interests of Sasseur REIT and its Unitholders and are consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the REIT Manager. Further, under the Listing Manual and the Property Funds Appendix, such transactions would be announced via SGXNet; and
- (iii) 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 Listing Manual, transactions with a value below \$100,000 are disregarded for the purpose of the announcement and Unitholders' approval requirements under the Listing Manual as set out in the paragraph above. Accordingly, such transactions are excluded from aggregation with other transactions involving the same Related Parties.

Where matters concerning Sasseur REIT relate to transactions entered into or to be entered into by the Trustee for and on behalf of Sasseur REIT with a Related Party of the REIT Manager (which would include relevant "associates" as defined under the 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 Listing Manual relating to the transaction in question.

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

Save for the transactions described under "Related Party Transactions in Connection with the Setting Up of Sasseur REIT and the Offering" in the Prospectus, Sasseur REIT will comply with Rule 905 of the Listing Manual by announcing any IPT in accordance with the 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 Listing Manual in a particular financial year, each of at least \$100,000 in value and which are subject to Rules 905 and 906 of the 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 \$100,000 each in value) entered into by Sasseur REIT in FY2022 are disclosed on page 213 of the Annual Report.

A black and white photograph of a large brick building with a prominent tower on the left side. The tower has two large 'B' letters on its facade. In front of the building is a large fountain with multiple jets of water spraying upwards. The sky is overcast.

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Report of the Trustee

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

To the best knowledge of the Trustee, the REIT Manager has, in all material respects, managed the Trust and its subsidiaries during the year covered by these financial statements, set out on pages 160 to 212, 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
17 March 2023

Statement by the REIT Manager

In the opinion of the directors of Sasseur Asset Management Pte. Ltd. (the “REIT Manager”), the REIT Manager of Sasseur Real Estate Investment Trust (the “Trust”), the accompanying financial statements set out on pages 160 to 212 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 2022, 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 2022 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 2022, 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 2022 and the statement of portfolio of the Group as at 31 December 2022 in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed between DBS Trustee Limited and the REIT Manager dated 30 October 2017 which was supplemented by a first supplemental deed dated 19 March 2018. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet their financial obligations as and when they materialise.

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

Cheng Heng Tan
Director

Singapore
17 March 2023

Independent Auditor's Report

For the financial year ended 31 December 2022

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 2022, 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 2022 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 2022 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 2022 and the statement of portfolio of the Group as at 31 December 2022.

Basis for Opinion

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

Key Audit Matters

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

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

Independent Auditor's Report

For the financial year ended 31 December 2022

Key Audit Matters (continued)

Valuation of investment properties

As at 31 December 2022, the carrying amount of investment properties was \$1,638,981,000 which accounted for 92.7% of total assets. The valuation of the investment properties is significant to our audit due to its magnitude and the complexity of the valuation which is highly dependent on a range of assumptions and estimates made by the external valuer engaged by the REIT Manager. As disclosed in Note 19(d), valuations of investment properties are sensitive to changes in the significant unobservable inputs, particularly those relating to rental rates and discount rates. This is aggravated by an increase in the level of estimation uncertainty and judgement required arising from the rapid changes in market and economic conditions. Accordingly, we have identified this as a key audit matter.

The REIT Manager uses external valuers to support its determination of the individual fair value of the investment properties. Our audit procedures included, amongst others, an assessment of the Group's process relating to the selection of the external valuers, the determination of the scope of work of the valuers, and a review of the valuation reports issued by the external valuers. We evaluated the objectivity, independence and expertise of the external valuers and read their terms of engagement to ascertain whether there are matters that might have affected the scope of their work and their objectivity.

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 and estimates by reference to historical rates and market data. Our procedures also included checking the reliability of property related data used by the external valuers, assessing the appropriateness of the valuation techniques and basis for the significant assumptions and estimates used, including key valuation adjustments made in response to the changes in market and economic conditions. We assessed the overall reasonableness of the movements in fair value of the investment properties and the associated deferred tax consequences. We also assessed the adequacy of disclosures in Note 19(d) to the consolidated financial statements.

Other Information

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

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

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

Independent Auditor's Report

For the financial year ended 31 December 2022

Responsibilities of the REIT Manager for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Independent Auditor's Report

For the financial year ended 31 December 2022

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the REIT Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the REIT Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the REIT Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Low Yen Mei.

Ernst & Young LLP

Public Accountants and
Chartered Accountants

Singapore
17 March 2023

Statements of Financial Position

As at 31 December 2022

	Note	Group		Trust	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Assets					
Non-current assets					
Investment properties	4	1,638,981	1,801,013	-	-
Interests in subsidiaries	5	-	-	1,080,917	1,101,028
		1,638,981	1,801,013	1,080,917	1,101,028
Current assets					
Prepayments, deposits and other receivables	6	28,104	29,065	224	877
Cash and short-term deposits	7	100,755	159,761	33,214	47,852
		128,859	188,826	33,438	48,729
Total assets		1,767,840	1,989,839	1,114,355	1,149,757
Liabilities					
Non-current liabilities					
Loans and borrowings	8	-	508,115	-	237,151
Deferred tax liabilities	9	111,667	115,805	-	-
		111,667	623,920	-	237,151
Current liabilities					
Other payables and accruals	10	69,635	123,177	1,257	791
Loans and borrowings	8	487,355	2,457	240,099	-
Derivative financial instruments	11	23	93	23	93
Tax payables		31,361	30,984	29	28
		588,374	156,711	241,408	912
Total liabilities		700,041	780,631	241,408	238,063
Net assets		1,067,799	1,209,208	872,947	911,694
Represented by:					
Unitholders' funds		1,067,799	1,209,208	872,947	911,694
Units in issue and to be issued ('000)	12	1,233,752	1,222,205	1,233,752	1,222,205
Net asset value per Unit (\$)		0.87	0.99	0.71	0.75

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 2022

	Note	Group	
		2022 \$'000	2021 \$'000
EMA rental income ¹	13	125,932	134,850
REIT Manager's management fees		(8,850)	(11,083)
Trustee's fees		(342)	(340)
Other trust expenses	14	(1,296)	(1,217)
Finance income		171	162
Finance costs	15	(26,280)	(24,109)
Exchange differences		110	3,354
Change in fair value of financial derivatives		70	183
Total return before fair value adjustments to investment properties and tax		89,515	101,800
Fair value adjustments to investment properties	4	(9,328)	62,355
Total return for the year before tax		80,187	164,155
Tax expense	16	(18,089)	(41,298)
Total return for the year attributable to Unitholders		62,098	122,857

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 2022

	Group	
	2022 \$'000	2021 \$'000
Income available for distribution to Unitholders at beginning of the year	-	7
Total return for the year attributable to Unitholders	62,098	122,857
Distribution adjustments (Note A)	26,405	(28,952)
	88,503	93,905
Less: Amount retained	(8,181)	(7,713)
Amount available for distribution to Unitholders	80,322	86,199
Distribution to Unitholders:		
Distribution of 1.822 cents per Unit for the period from 1/1/2022 to 31/3/2022	(22,269)	-
Distribution of 1.588 cents per Unit for the period from 1/4/2022 to 30/6/2022	(19,456)	-
Distribution of 1.838 cents per Unit for the period from 1/7/2022 to 30/9/2022	(22,568)	-
Distribution of 1.302 cents per Unit for the period from 1/10/2022 to 31/12/2022	(16,029) ¹	-
Distribution of 1.759 cents per Unit for the period from 1/1/2021 to 31/3/2021	-	(21,274)
Distribution of 1.614 cents per Unit for the period from 1/4/2021 to 30/6/2021	-	(19,564)
Distribution of 1.831 cents per Unit for the period from 1/7/2021 to 30/9/2021	-	(22,236)
Distribution of 1.900 cents per Unit for the period from 1/10/2021 to 31/12/2021	-	(23,125) ²
Total distribution to Unitholders	(80,322)	(86,199)
Distribution per Unit (DPU) (cents)³:	6.550	7.104
Note A – Distribution adjustments comprise:		
- REIT Manager's management fees paid/payable in Units	8,850	11,083
- Amortisation of borrowing-related transaction costs	6,423	6,367
- Straight-line adjustments	(4,608)	(7,343)
- Fair value adjustments to investment properties	9,328	(62,355)
- Deferred tax expense	6,624	26,259
- Exchange differences	(142)	(2,780)
- Change in fair value of financial derivatives	(70)	(183)
Distribution adjustments	26,405	(28,952)

¹ Distribution relating to the period from 1 October 2022 to 31 December 2022 will be made subsequent to the reporting date (Note 24).

² Distribution relating to the period from 1 October 2021 to 31 December 2021 was made in the subsequent financial year.

³ 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 2022

	Note	Group		Trust	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
At beginning of the year		1,209,208	1,105,414	911,694	891,837
Operations					
Total return for the year attributable to Unitholders		62,098	122,857	39,821	95,195
Net increase in net assets resulting from operations		62,098	122,857	39,821	95,195
Unitholders' transactions					
Units in issue					
- REIT Manager's management fees paid in Units		6,858	6,861	6,858	6,861
- Distribution to Unitholders	12	(87,418)	(86,421)	(87,418)	(86,421)
		(80,560)	(79,560)	(80,560)	(79,560)
Units to be issued					
REIT Manager's management fees payable in Units	12	1,992	4,222	1,992	4,222
Net decrease in net assets resulting from Unitholders' transactions		(78,568)	(75,338)	(78,568)	(75,338)
Foreign currency translation reserve					
Movement in foreign currency translation reserve		(124,939)	56,275	-	-
At end of the year		1,067,799	1,209,208	872,947	911,694

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

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2022

	Note	Group	
		2022 \$'000	2021 \$'000
Cash flows from operating activities			
Total return for the year before tax		80,187	164,155
<u>Adjustments for:</u>			
REIT Manager's management fees paid/payable in Units		8,850	11,083
Straight-line adjustments	4	(4,608)	(7,343)
Change in fair value of investment properties	4	9,328	(62,355)
Change in fair value of financial derivatives		(70)	(183)
Finance costs	15	26,280	24,109
Finance income		(171)	(162)
Cash flows before changes in working capital		119,796	129,304
<u>Changes in working capital:</u>			
Prepayments, deposits and other receivables (excluding mid-term deposits)		(8,271)	2,450
Mid-term deposits		6,405	23,251
Other payables and accruals		(44,038)	(23,681)
Cash generated from operations		73,892	131,324
Tax paid		(7,237)	(11,370)
Interest received		163	161
Net cash generated from operating activities		66,818	120,115
Cash flows from investing activity			
Capital expenditure on investment properties		(3,770)	(5,821)
Net cash used in investing activity		(3,770)	(5,821)
Cash flows from financing activities			
Repayments of bank loans		(5,592)	(12,603)
Distribution to Unitholders		(87,418)	(86,421)
Interest paid	8	(19,382)	(17,254)
(Increase)/decrease in restricted cash		(3,016)	2,342
Net cash used in financing activities		(115,408)	(113,936)
Net (decrease)/increase in cash and cash equivalents		(52,360)	358
Cash and cash equivalents at beginning of the year		152,421	146,550
Effect of exchange rate changes on cash and cash equivalents		(9,228)	5,513
Cash and cash equivalents at end of the year	7	90,833	152,421

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

Statement of Portfolio

As at 31 December 2022

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

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

Statement of Portfolio

As at 31 December 2022

Description of Property	Location	Tenure of Land	Remaining Term of Lease (Year)	Lease Expiry	Valuation	Valuation	Percentage
					as at 31 December 2021 RMB'000	as at 31 December 2021 \$'000	of Total Net Assets attributable to Unitholders as at 31 December 2021 %
Sasseur (Chongqing Liangjiang) Outlets	No. 1 Aotelaisi Road, Beibuxin District, Chongqing	Leasehold	25.4	2047	3,121,000	661,523	54.7
Sasseur (Chongqing Bishan) Outlets	No. 9 Baiyang Road, Bishan District, Chongqing	Leasehold	29.8	2051	838,000	177,621	14.7
Sasseur (Hefei) Outlets	No. 1888 Changning Avenue, Gaoxin District, Hefei, Anhui Province	Leasehold	31.6	2053	2,883,000	611,077	50.5
Sasseur (Kunming) Outlets	No. 181 Aotelaisi Avenue, Anning City, Kunming, Yunnan Province	Leasehold	32.3	2054	1,655,000	350,792	29.0
Investment properties, at valuation					8,497,000	1,801,013	148.9
Other assets and liabilities (net)						(591,805)	(48.9)
Net assets attributable to Unitholders						1,209,208	100.0

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

Notes to the Financial Statements

For the financial year ended 31 December 2022

1. GENERAL

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

The Trust was constituted as a private trust on 30 October 2017 (“date of constitution”) and admitted to the Official List of Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 28 March 2018 (the “Listing Date”). The Trust was established to acquire an initial portfolio of four retail outlet malls located in People’s Republic of China (“PRC”) comprising Sasseur (Chongqing Liangjiang) Outlets, Sasseur (Chongqing Bishan) Outlets, Sasseur (Hefei) Outlets and Sasseur (Kunming) Outlets (collectively, the “Initial Portfolio” or “Properties”). The Properties were acquired through the following steps.

On 16 November 2017, Sasseur Cayman Holding II Ltd. (the “Cayman Holdco”) and Sasseur Cayman Holding Limited (the “Sponsor”) entered into a sales and purchase agreement where the Cayman Holdco purchased the BVI Holding Companies (set out in Note 5) and in return, the Cayman Holdco issued its shares to the Sponsor as consideration for the BVI Holding Companies. On the same day, the Cayman Holdco then transferred the shares of the BVI Holding Companies to the Trust by entering into sales and purchase agreement where the Trust issued Consideration Units to the Cayman Holdco as purchase consideration for the BVI Holding Companies. The Trust then incorporated a wholly-owned subsidiary, Sasseur Singapore Holdings Pte. Ltd. (“Singapore Holdco”) and Singapore Holdco issued its shares as consideration for the transfer of shares of the BVI Holding Companies. As a result, the Trust owns 100% interest in the Singapore Holdco, which in turns owns 100% of the interest in the BVI Holding Companies, which indirectly owns the Properties.

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2022

1. GENERAL (continued)

Entrusted Management Agreement

On 1 March 2018, the Trustee, the REIT Manager and the Sponsor have entered into a Master Entrusted Management Agreement (“EMA”) in relation to management of the Properties’ operations. Sasseur (Shanghai) Holding Company Limited, a wholly-owned subsidiary of the Sponsor, is the Entrusted Manager of the Trust.

The terms of the EMA are for 10 years from the Listing Date. Pursuant to the terms of the EMA, all the operating expenses of the properties shall be borne by the Entrusted Manager throughout the entire EMA duration.

Under the EMA, Group is entitled to receive EMA rental income, a sum of fixed rent (the “fixed component”) and a variable rent (the “variable component”) plus performance sharing if any. The fixed component for each Properties shall increase at an escalation rate of 3.0% per annum, in line with inflationary expectation. EMA Resultant Rent is the sum of fixed component and variable component. Performance sharing is based on the differential between the Gross Revenue and EMA Resultant Rent and after deducting the Entrusted Manager Base Fee (“EM Base Fee”), defined in Note 1(c).

The variable component for each Property is pegged to a percentage of their respective total sales of a range between 4.0% to 5.5%. Gross Revenue is property income plus the income received or receivable by the “PRC Property Companies” from investments in other permissible investments. PRC Property Companies are the subsidiaries of the Trust listed in Note 5.

Unlike conventional lease arrangements, whereby tenants make rental payments to the landlord on a monthly basis, a “point-of-sale and cash management system” is put in place whereby the total sale proceeds of goods sold by the retail tenants are deposited into the bank accounts of each respective PRC Property Companies. The PRC Property Companies will deduct rental income from the total sale proceeds and return the balance to each retail tenant.

On 28 June 2021, the Trustee, the REIT Manager and the Sponsor have entered into a Deed of Amendment to the EMA (the “Amendment EMA”) to make certain administrative amendments to the EMA originally dated 1 March 2018 (the “Original EMA”). The Amendment EMA to clarify certain provisions relating to the description of the entrusted management fees formula and reimbursement arrangements. Notwithstanding these amendments, there are no material adverse impact on the calculation of EM Base Fees, EM Performance Fees, EMA Resultant Rent as defined in the Original EMA.

Notes to the Financial Statements

For the financial year ended 31 December 2022

1. GENERAL (continued)

The fee structures of these services are as follows:

(a) Management fee

The REIT Manager is entitled under the Trust Deed to receive the following remuneration for the provision of asset management services:

Base fee

Pursuant to the Trust Deed, the REIT Manager is entitled to a Base Fee not exceeding the rate of 10.0% per annum (or such lower percentage as may be determined by the REIT Manager in its absolute discretion) of the distributable income. The Base Fee is payable to the REIT Manager either in the form of cash or Units out of the Properties as the REIT Manager may elect, in such proportions as may be determined by the REIT Manager.

The REIT Manager has elected to receive 100.0% of its Base Fee in the form of Units for the financial years ended 31 December 2022 and 31 December 2021.

The portion of the Base Fee, payable either in the form of cash or Units, is payable quarterly in arrears. Where the Base Fee is payable in Units, Units will be issued based on the volume weighted average price for a Unit for all trades transacted on SGX-ST in the ordinary course of trading for the last 10 business days (as defined in the Trust Deed) immediately preceding the relevant business day.

Performance fee

Pursuant to the Trust Deed, the REIT Manager is entitled to a performance fee of 25.0% of the difference in Distribution Per Unit ("DPU") in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance fee, but after accounting for the Base Fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year. The performance fee is payable if the DPU in any financial year exceeds the DPU in the preceding financial year, notwithstanding that the DPU in such relevant financial year may be less than the DPU in any financial year(s) prior to the preceding financial year.

No performance fee was payable for the financial year ended 31 December 2022 (2021: \$1,692,000).

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

The REIT Manager has elected to receive 100.0% of its performance fee in the form of Units for the financial years ended 31 December 2022 and 31 December 2021.

The portion of the performance fee, payable either in the form of cash or Units, is payable annually in arrears. Where the performance fee is payable in Units, Units will be issued based on the volume weighted average price for a Unit for all trades transacted on SGX-ST in the ordinary course of trading for the last 10 business days (as defined in the Trust Deed) immediately preceding the relevant business day.

Notes to the Financial Statements

For the financial year ended 31 December 2022

1. GENERAL (continued)

(a) Management fee (continued)

Acquisition fee

Pursuant to the Trust Deed, the REIT Manager is entitled to receive an acquisition fee of 0.75% of the acquisition price of any real estate purchased, whether directly or indirectly through one or more subsidiaries, by the Trust (pro-rated if applicable to the proportion of the Trust's interest in the real estate acquired) from related parties and 1.0% of the acquisition price for all other cases (or such lower percentage as may be determined by the REIT Manager in its absolute discretion).

The acquisition fee is payable to the REIT Manager either in the form of cash or Units as the REIT Manager may elect, in such proportions as may be determined by the REIT Manager. In respect of any acquisition of real estate assets from related parties, such a fee should be in the form of Units issued by the Trust at the prevailing market price(s) instead of cash. Such Units should not be sold within 1 year from the date of their issuance.

The acquisition fee is payable as soon as practicable after completion of the acquisition or sale. There was no acquisition fee paid for the Initial Portfolio of assets acquired by the Trust. No acquisition fee was paid for the financial years ended 31 December 2022 and 31 December 2021.

Divestment fee

Pursuant to the Trust Deed, the REIT Manager is entitled to receive a divestment fee of 0.5% (or such lower percentage as may be determined by the REIT Manager in its absolute discretion) of the sale price of any real estate sold or divested, the underlying value of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle, the sale price of any investment sold or divested by the Trust whether directly or indirectly through one or more subsidiaries, by the Trust.

The divestment fee is payable to the REIT Manager either in the form of cash or Units as the REIT Manager may elect, in such proportions as may be determined by the REIT Manager. Any payment to third party agents or brokers in connection with the disposal of any assets shall be paid to such persons out of the Properties, and not out of the divestment fee received or to be received by the REIT Manager. No divestment fee was paid for the financial years ended 31 December 2022 and 31 December 2021.

Development management fee

Pursuant to the Trust Deed, the REIT Manager is entitled to receive a development management fee of 3.0% of the total project costs incurred in development projects. Project costs is defined to mean the sum of construction cost based on project final account prepared by the project quantity surveyor or issued by the appointed contractor; principal consultants fees, cost of obtaining all approval for the project, site staff cost, interest costs on borrowings used to finance project cashflow, any other costs including contingency expenses.

The development management fee is payable in equal instalments over the construction period of each development project based on best estimates. No development management fee was paid for the financial years ended 31 December 2022 and 31 December 2021.

Notes to the Financial Statements

For the financial year ended 31 December 2022

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 \$15,000 per month, excluding out-of-pocket expenses and GST, in accordance with the Trust Deed. The Trustee's fee is accrued daily and will be paid monthly in arrears in accordance with the Trust Deed. The actual fee payable will be determined between the REIT Manager and the Trustee from time to time.

(c) Entrusted management fee

The Entrusted Manager is entitled to a management fee per annum comprising Base Fee ("EM Base Fee") and a variable performance fee ("EM Performance Fee").

EM Base Fee

EM Base Fee is derived from 30% of Gross Revenue.

EM Performance Fee

EM Performance Fee is determined as 60% of the differential between the Gross Revenue and EMA Resultant Rent after deducting EM Base Fee. The EM Performance Fee is payable annually. No EM Performance Fee is payable for the financial years ended 31 December 2022 and 31 December 2021.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

Notes to the Financial Statements

For the financial year ended 31 December 2022

2. BASIS OF PREPARATION (continued)

2.2 Going concern

As at 31 December 2022, the current liabilities of the Group and the Trust exceeded the current assets by \$460 million and \$208 million respectively due to the reclassification of all the loans and borrowings as current liabilities. Notwithstanding the net current liabilities position, the financial statements have been prepared on a going concern basis, as the Group has entered into the following secured facility agreements subsequent to 31 December 2022:

- (i) On 31 January 2023, the Group through its wholly-owned subsidiaries, Sasseur Bishan (BVI) Limited and Sasseur Hefei Limited, entered into a 3-year secured facility agreement, consisting of a term loan facility of \$125.0 million and US\$54.1 million, and a \$10.0 million revolving credit facility, with a group of lenders; and
- (ii) On 3 February 2023, the Group through its PRC wholly-owned subsidiaries, Chongqing Sasseur Suge Apparel Joint Stock Co., Ltd., Sasseur (Chongqing) Business Co., Ltd., and Hefei Sasseur Commercial Management Co., Ltd., entered into a 5-year secured facility agreement for an onshore term loan of RMB975.0 million with a group of China-based lenders.

Separately, a wholly-owned subsidiary of the Sponsor has on 3 February 2023 entered into a 1-year loan agreement (which can be extended up to another year on mutual agreement) under which an unsecured interest-bearing loan of RMB308.0 million has been granted to Kunming Sasseur Commercial Management Co., Ltd., which is a wholly owned subsidiary of the Group.

2.3 Functional and presentation currency

The Group's consolidated financial statements are presented in Singapore dollars ("SGD" or "\$"). The Trust and each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "functional currency"). The functional currency of the Trust and its directly held subsidiary, Sasseur Singapore Holdings Pte. Ltd. are in SGD and the functional currency of all the indirectly held subsidiaries in Note 5 are in Chinese Renminbi ("RMB"). The presentation currency is SGD as the financial statements are meant primarily for users in Singapore. All values in the tables are rounded to the nearest thousand (\$'000), except when otherwise indicated.

2.4 Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

Notes to the Financial Statements

For the financial year ended 31 December 2022

2. BASIS OF PREPARATION (continued)

2.5 Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements in conformity with RAP 7 requires the REIT Manager to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses and the disclosure of contingent liabilities at the end of each reporting period.

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

There are no critical judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial information.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Fair value of investment properties

The investment properties are stated at fair value based on independent valuations undertaken by Colliers Appraisal & Advisory Services Co., Limited on 31 December 2022. 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 2022 is \$1,638,981,000 (2021: \$1,801,013,000).

Notes to the Financial Statements

For the financial year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied by the Group consistently to the period presented in these financial statements.

3.1 Basis of consolidation and business combination

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Trust and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Trust. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

(b) Business combinations

Business combinations are accounted for using the acquisition method as at acquisition date, which is the date on which control is transferred to the Group. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values as at acquisition date. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit and loss. Any excess of the sum of fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit and loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit and loss.

When the acquisition of an investment property does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. Acquisition-related costs are capitalised to the investment property at the time the acquisition is completed.

(c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the investee.

In the Trust's statement of financial position, investment in subsidiaries are accounted for at cost less impairment losses.

Notes to the Financial Statements

For the financial year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Revenue recognition

Revenue is recognised to the extent that it is received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

(a) EMA rental income

EMA rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in profit and loss due to its operating nature except for contingent rental income which is recognised when it arises. Tenant lease incentives are recognised as a reduction of rental income over the lease term on a straight-line basis.

(b) Finance income

Finance income comprises interest income which is recognised as it accrues using the effective interest method.

3.3 Expenses

Management fees

Management fees are recognised on an accrual basis using the applicable formula stipulated in Note 1(a).

Trust expenses

Trust expenses are recognised on an accrual basis. Included in trust expenses is the Trustee's fee which is based on the applicable formula stipulated in Note 1(b).

3.4 Finance expenses

Finance costs comprise interest expense incurred on borrowings, amortisation and write-off of borrowing-related transaction costs.

3.5 Earnings per Unit

The Group presents basic and diluted earnings per Unit data for its Units. Basic earnings per Unit is calculated by dividing the total return for the year attributable to Unitholders of the Trust by the weighted average number of Units outstanding during the year.

3.6 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, and short-term fixed deposits that are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

Notes to the Financial Statements

For the financial year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Foreign currencies

Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Trust and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity.

For consolidation purpose, the assets and liabilities of foreign operations are translated into Singapore dollars at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in foreign currency translation reserve. On disposal of a foreign operation, the cumulative amount in the foreign currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

3.8 Investment properties

Investment properties are properties that are owned by the Group and are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise. Fair values are determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers in such manner and frequency required under the CIS Code issued by MAS.

Notes to the Financial Statements

For the financial year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(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 derecognised.

(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 instrument 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.

Notes to the Financial Statements

For the financial year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Financial instruments (continued)

(a) Non-derivative financial assets (continued)

Subsequent measurement (continued)

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) Non-derivative financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the Statements of Financial Position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

Notes to the Financial Statements

For the financial year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Financial instruments (continued)

(c) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in the statement of total return as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of total return.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other. Hedging relationships are designated using the principles under FRS 109.

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised and presented in the hedging reserve in Unitholders' fund. The effective portion of changes in the fair value of the derivative that is recognised in the hedging reserve is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statement of total return.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to the statement of total return in the same period or periods during which the hedged expected future cash flows affect the statement of total return.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to the statement of total return in the same period or periods as the hedged expected future cash flows affect the statement of total return.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to the statement of total return.

Notes to the Financial Statements

For the financial year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 non-derivative, foreign exchange gains and losses is recognised and presented in the foreign currency translation reserve in Unitholders' funds. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains or losses on the non-derivative is recognised immediately in the statement of total return. The amount recognised in translation reserve is reclassified to the statement of total return as a reclassification adjustment on disposal of the foreign operation.

Furthermore, for all cash flow hedges, including hedges of transactions resulting in the recognition of non-financial items, the amounts accumulated in the cash flow hedge reserve were reclassified to the statement of total return in the same period or periods during which the hedged expected future cash flows affected the statement of total return.

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.

Notes to the Financial Statements

For the financial year ended 31 December 2022

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.

Notes to the Financial Statements

For the financial year ended 31 December 2022

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 REIT Manager.

3.14 Leases – as lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 3.2(a). Contingent rents are recognised as revenue in the period in which they are earned.

3.15 Segment reporting

For management purposes, the Group is organised into operating segments based on individual investment property within the Group's portfolio. The properties are independently managed by the Entrusted Managers who are responsible for the performance of the property under their charge. Discrete financial information is provided to the REIT Manager on a property by property basis. The REIT Manager regularly reviews this information in order to allocate resources to each property and to assess the property's performance.

3.16 New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

3.17 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 and FRS Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to FRS 8: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to FRS 12: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to FRS 1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to FRS 1: <i>Non-current Liabilities with Covenants</i>	1 January 2024

The Group expects that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

Notes to the Financial Statements

For the financial year ended 31 December 2022

4. INVESTMENT PROPERTIES

	Group	
	2022 \$'000	2021 \$'000
<u>Consolidated Statement of Financial Position</u>		
At 1 January	1,801,013	1,651,052
Adjustments to pre-IPO accrued costs capitalised ¹	-	(1,474)
Capital expenditure incurred	4,078	5,821
Change in fair value of investment properties	(4,720)	69,698
Exchange differences	(161,390)	75,916
At 31 December	1,638,981	1,801,013
<u>Consolidated Statement of Total Return</u>		
Change in fair value of investment properties	(4,720)	69,698
Net effect of straight-line adjustments ²	(4,608)	(7,343)
Fair value adjustments to investment properties recognised in the Consolidated Statement of Total Return	(9,328)	62,355

¹ Adjustments to pre-IPO accrued costs capitalised in 2021 comprised mainly the adjustment for over-accrued contract costs at IPO whereby final settlement made during the year.

² 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 2022. The valuations were performed by Colliers Appraisal & Advisory Services Co., Limited, an independent valuer with a recognised and relevant professional qualification and with a recent experience in the location and category of the properties being valued. Details of valuation techniques and inputs are disclosed in Note 19(d).

Properties pledged as security

As at 31 December 2022 and 2021, all investment properties are pledged as security to secure bank loans (see Note 8).

Notes to the Financial Statements

For the financial year ended 31 December 2022

5. INTERESTS IN SUBSIDIARIES

	Trust	
	2022 \$'000	2021 \$'000
Unquoted equity investment at cost	951,558	951,558
Non-trade amounts due from subsidiaries	129,359	149,470
	1,080,917	1,101,028

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

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective equity interest held	
			2022 %	2021 %
Direct subsidiary:				
Sasseur Singapore Holdings Pte. Ltd. ¹	Singapore	Investment holding	100	100
Indirect subsidiaries:				
<u>British Virgin Islands ("BVI") Holding Companies</u>				
Sasseur Bishan (BVI) Limited ²	British Virgin Islands	Investment holding	100	100
Sasseur Hefei Limited ²	British Virgin Islands	Investment holding	100	100
Sasseur Jinan Limited ²	British Virgin Islands	Investment holding	100	100
<u>Hong Kong ("HK") Holding Companies</u>				
Sasseur Bishan HK Limited ²	Hong Kong	Investment holding	100	100
Hong Sun Development Group Limited ²	Hong Kong	Investment holding	100	100
Sasseur Hefei HK Limited ²	Hong Kong	Investment holding	100	100
Sasseur Jinan HK Limited ²	Hong Kong	Investment holding	100	100

¹ Audited by Ernst & Young LLP Singapore

² Audited by Ernst & Young Hua Ming LLP Shanghai Branch

Notes to the Financial Statements

For the financial year ended 31 December 2022

5. INTERESTS IN SUBSIDIARIES (continued)

Name of subsidiaries	Country of incorporation	Principal activities	Effective equity interest held	
			2022 %	2021 %
Indirect subsidiaries: (continued)				
<u>PRC Holding Companies</u>				
Sasseur (Hefei) Investment Consultancy Co., Ltd. ²	People's Republic of China	Investment holding	100	100
Sasseur (Kunming) Investment Consultancy Co., Ltd. ²	People's Republic of China	Investment holding	100	100
<u>PRC Property Companies</u>				
Chongqing Sasseur Suge Apparel Joint Stock Co., Ltd. ²	People's Republic of China	Property holding	100	100
Sasseur (Chongqing) Business Co., Ltd. ²	People's Republic of China	Property holding	100	100
Hefei Sasseur Commercial Management Co., Ltd. ²	People's Republic of China	Property holding	100	100
Kunming Sasseur Commercial Management Co., Ltd. ²	People's Republic of China	Property holding	100	100

² Audited by Ernst & Young Hua Ming LLP Shanghai Branch

6. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Group		Trust	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Mid-term deposits	-	6,405	-	-
Refundable deposits	29	32	-	-
VAT/GST recoverables	6,128	7,701	183	843
Other receivables	7,964	6,414	8	1
Amounts due from related parties (trade)	13,950	8,478	-	-
	28,071	29,030	191	844
Prepayments	33	35	33	33
	28,104	29,065	224	877

Notes to the Financial Statements

For the financial year ended 31 December 2022

6. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

Mid-term deposits are deposits placed with financial institutions with maturity periods more than three months. In 2021, the interest rates of mid-term deposits of the Group ranged from 2.19% to 3.07% per annum.

Included in other receivables of the Group is an amount of \$4,743,000 (2021: \$3,519,000) 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 related parties are unsecured, non-interest bearing, repayable upon demand and are to be settled in cash.

Amount due from related parties of \$13,950,000 (2021: \$8,478,000) has been settled in full after 31 December 2022.

7. CASH AND SHORT-TERM DEPOSITS

	Group		Trust	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash and short-term deposits	100,755	159,761	33,214	47,852
Less: Restricted cash	(9,922)	(7,340)	(5,217)	(2,509)
Cash and cash equivalents	90,833	152,421	27,997	45,343

Restricted cash relates to cash held in interest escrow accounts for interest payment for bank loans.

The interest rates of short-term deposits placed with financial institutions for the Group and Trust ranged from 0.05% to 4.00% (2021: 0.30% to 3.30%) per annum and 0.05% to 4.00% (2021: 0.06% to 0.75%) per annum respectively.

Notes to the Financial Statements

For the financial year ended 31 December 2022

8. LOANS AND BORROWINGS

	Group		Trust	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Secured bank loans	488,340	518,619	240,874	241,028
Less: Unamortised transaction costs	(985)	(8,047)	(775)	(3,877)
	487,355	510,572	240,099	237,151
Non-current	-	508,115	-	237,151
Current	487,355	2,457	240,099	-
	487,355	510,572	240,099	237,151

The Group through its subsidiaries, Chongqing Sasseur Suge Apparel Joint Stock Co., Ltd., Sasseur (Chongqing) Business Co., Ltd., Hefei Sasseur Commercial Management Co., Ltd. and Kunming Sasseur Commercial Management Co., Ltd. has put in place an aggregate amount of RMB1,960 million, 5-year onshore term loans with repayment of 1% of the initial loan principal semi-annually. The onshore term loans have been partially repaid in September 2020 and pared down to RMB1,350 million as at 30 September 2020. Since then, the semi-annual repayments have been reduced to 1% of the pared down loan principal.

The Trust has also put in place offshore loans, which after refinancing in September 2020, comprise term loans of \$214 million and US\$20 million and revolving loan of \$8 million (collectively the "offshore loans"). Both the onshore and offshore loans will mature in March 2023.

As at 31 December 2022, the Group has unutilised revolving loan of \$8 million (31 December 2021: \$8 million) available to meet its future obligations. The offshore loans were partially hedged using floating-for-fixed interest rate swaps (see Note 11).

The weighted average cost of borrowings of the onshore term loans and offshore loans are 5.5% (2021: 5.7%) per annum and 4.3% (2021: 2.8%) per annum respectively.

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2022

8. LOANS AND BORROWINGS (continued)

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

	Nominal interest rate	Term	Year of maturity	Group		Trust	
				Face value \$'000	Carrying amount \$'000	Face value \$'000	Carrying amount \$'000
2022							
Onshore loans ¹	4.40% to 4.75%	5.0 years	2023	247,466	247,256	–	–
Offshore loans	1.55% to 5.64%	2.5 years	2023	240,874	240,099	240,874	240,099
				488,340	487,355	240,874	240,099
	Nominal interest rate	Term	Year of maturity	Group		Trust	
				Face value \$'000	Carrying amount \$'000	Face value \$'000	Carrying amount \$'000
2021							
Onshore loans ¹	4.75%	5.0 years	2023	277,591	273,421	–	–
Offshore loans	1.47% to 1.78%	2.5 years	2023	241,028	237,151	241,028	237,151
				518,619	510,572	241,028	237,151

¹ 1% of the pared down onshore term loans principal of RMB 1,350 million (2021: RMB1,350 million) is to be repaid semi-annually.

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

Group	At 1 January 2022 \$'000	Loans principal and related cost payments \$'000	Non-cash changes		At 31 December 2022 \$'000
			Exchange differences \$'000	Finance cost (Note 15) \$'000	
Loans and borrowings	510,572	(5,592)	(24,353)	6,728	487,355
Interest payables	440	(19,382)	210	19,552	820
Group	At 1 January 2021 \$'000	Loans principal and related cost payments \$'000	Non-cash changes		At 31 December 2021 \$'000
			Exchange differences \$'000	Finance cost (Note 15) \$'000	
Loans and borrowings	504,254	(12,603)	12,256	6,665	510,572
Interest payables	311	(17,254)	(61)	17,444	440

Notes to the Financial Statements

For the financial year ended 31 December 2022

9. DEFERRED TAX LIABILITIES

	Group		Trust	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Deferred tax liabilities	111,667	115,805	–	–

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

Deferred tax asset/(liabilities)	Tax losses carried forward \$'000	Investment properties \$'000	Tax on unrepatriated profits \$'000	Total \$'000
At 1 January 2021	1,556	(80,664)	(6,124)	(85,232)
Recognised in Consolidated Statement of Total Return	(612)	(23,231)	(2,416)	(26,259)
Exchange differences	59	(4,055)	(318)	(4,314)
At 31 December 2021	1,003	(107,950)	(8,858)	(115,805)
Recognised in Consolidated Statement of Total Return	(639)	(5,003)	(982)	(6,624)
Exchange differences	(364)	9,969	1,157	10,762
At 31 December 2022	–	(102,984)	(8,683)	(111,667)

Notes to the Financial Statements

For the financial year ended 31 December 2022

10. OTHER PAYABLES AND ACCRUALS

	Group		Trust	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Refundable security deposits	7,614	8,415	-	-
Interest payables	820	440	659	267
VAT and other tax payables	102	1,432	-	-
Construction payables	3,499	4,229	-	-
Amounts due to subsidiary (non-trade)	-	-	14	13
Amounts due to related parties (non-trade)	1,082	1,044	18	-
Accrued expenses	831	800	546	448
Property tax payables	475	659	-	-
Other payables	55,212	106,158	20	63
	69,635	123,177	1,257	791

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 \$50,202,000 (2021: \$101,953,000) relating to sale proceeds collected from customers on behalf of the tenants.

11. DERIVATIVE FINANCIAL INSTRUMENTS

	Group and Trust			
	2022		2021	
	Contractual notional amount \$'000	Liabilities \$'000	Contractual notional amount \$'000	Liabilities \$'000
Interest rate swaps	97,000	23	96,600	93
Derivative financial instruments as a percentage of the Group's net assets		0.002%		0.01%
Derivative financial instruments as a percentage of the Trust's net assets		0.003%		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 changes in fair value of the interest rate swaps are recognised in the consolidated statement of total return.

Notes to the Financial Statements

For the financial year ended 31 December 2022

12. UNITS IN ISSUE AND TO BE ISSUED

	Group and Trust			
	2022		2021	
	Number of Units '000	\$'000	Number of Units '000	\$'000
At beginning of the year	1,217,119	685,118	1,206,539	762,307
Issue of Units:				
- REIT Manager's management fees paid in Units	13,973	11,080	10,580	9,232
- Distribution to Unitholders	-	(87,418)	-	(86,421)
Total Units in issue at 31 December	1,231,092	608,780	1,217,119	685,118
Units to be issued:				
- REIT Manager's management fees payable in Units	2,660	1,992	5,086	4,222
Total Units in issue and to be issued at 31 December	1,233,752	610,772	1,222,205	689,340

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

- 2,968,748 Units were issued in satisfaction of the REIT Manager's management fee for the period from 1 January 2022 to 31 March 2022 based on the volume weighted average price for the last 10 Business Days immediately preceding 31 March 2022 of \$0.8334.
- 2,673,664 Units were issued in satisfaction of the REIT Manager's management fee for the period from 1 April 2022 to 30 June 2022 based on the volume weighted average price for the last 10 Business Days immediately preceding 30 June 2022 of \$0.7603.
- 3,244,618 Units were issued in satisfaction of the REIT Manager's management fee for the period from 1 July 2022 to 30 September 2022 based on the volume weighted average price for the last 10 Business Days immediately preceding 30 September 2022 of \$0.7245.
- 2,660,091 Units were to be issued in satisfaction of the REIT Manager's management fee for the period from 1 October 2022 to 31 December 2022 based on the volume weighted average price for the last 10 Business Days immediately preceding 31 December 2022 of \$0.7491.

Notes to the Financial Statements

For the financial year ended 31 December 2022

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

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

- (a) 2,702,636 Units were issued in satisfaction of the REIT Manager's management fee for the period from 1 January 2021 to 31 March 2021 based on the volume weighted average price for the last 10 Business Days immediately preceding 31 March 2021 of \$0.8747.
- (b) 2,320,410 Units were issued in satisfaction of the REIT Manager's management fee for the period from 1 April 2021 to 30 June 2021 based on the volume weighted average price for the last 10 Business Days immediately preceding 30 June 2021 of \$0.9366.
- (c) 2,684,030 Units were issued in satisfaction of the REIT Manager's management fee for the period from 1 July 2021 to 30 September 2021 based on the volume weighted average price for the last 10 Business Days immediately preceding 30 September 2021 of \$0.8656.
- (d) 5,085,952 Units were to be issued in satisfaction of the REIT Manager's management fee for the period from 1 October 2021 to 31 December 2021 based on the volume weighted average price for the last 10 Business Days immediately preceding 31 December 2021 of \$0.8302.

Each Unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- One vote per Unit;
- Receive income and other distributions attributable to the Units held;
- Participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust;
- Attend all Unitholders' meetings. The Trustee or the REIT Manager may (and the REIT Manager shall at request in writing of not less than 50 Unitholders or Unitholders representing not less than 10% of the total Units issued) may at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed.

The restrictions of a unitholder include the following:

- A Unitholder has no equitable or proprietary interest in the underlying asset of the Group and is not entitled to the transfer to it of any asset (or any part thereof) or of any real estate or interest in any asset and the real estate-related assets (or any part thereof) of the Group.
- A Unitholder's liability is limited to the amount paid or payable for any Units. The provisions of the Trust Deed provide that no Unitholders will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

Notes to the Financial Statements

For the financial year ended 31 December 2022

13. EMA RENTAL INCOME

	2022 \$'000	2021 \$'000
EMA rental income	125,932	134,850

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 \$121,324,000 (2021: \$127,507,000) (Note 21).

14. OTHER TRUST EXPENSES

Included in other trust expenses are the following:

	2022 \$'000	2021 \$'000
Auditors of the Group:		
- Audit fees	407	381
- Non-audit fees	85	84
Valuation and other professional fees	254	177
Other expenses	550	575
	1,296	1,217

15. FINANCE COSTS

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

	2022 \$'000	2021 \$'000
Interest expenses on loans and borrowings	19,552	17,444
Amortisation of borrowing-related transaction costs	6,423	6,367
Other borrowing costs	305	298
	26,280	24,109

Please also see Loans and Borrowings in Note 8.

Notes to the Financial Statements

For the financial year ended 31 December 2022

16. TAX EXPENSE

The major components of tax expense are:

	2022 \$'000	2021 \$'000
Current tax expense		
Current year	13,423	14,996
Adjustments in respect of current tax of previous year	(1,958)	43
	11,465	15,039
Deferred tax expense		
Movement in temporary differences	6,624	26,259
	18,089	41,298

Reconciliation of effective tax rate:

	2022 \$'000	2021 \$'000
Total return for the year before tax	80,187	164,155
Tax calculated using Singapore income tax rate of 17% (2021: 17%)	13,632	27,906
Adjustments:		
Non-deductible expenses	1,653	4,763
Effects of different tax rates in foreign jurisdictions	3,823	10,869
Effect of preferential tax rate ¹	(4,352)	(4,085)
Tax losses not allowed to be carried forward ²	5,291	1,802
(Over)/under provision in prior years	(1,958)	43
	18,089	41,298

¹ Effect of preferential tax rate is a tax rate of 15% for the Sasseur (Chongqing Liangjiang) Outlets, Sasseur (Chongqing Bishan) Outlets and Sasseur (Kunming) Outlets (2021: Sasseur (Chongqing Bishan) Outlets and Sasseur (Kunming) Outlets) obtained from the State Administration of Taxation of the People's Republic of China.

² Tax losses resulted from losses from the Trust.

Notes to the Financial Statements

For the financial year ended 31 December 2022

17. EARNINGS PER UNIT

	Group	
	2022	2021
Weighted average number of Units ('000)	1,223,648	1,211,076
Total return after tax (\$'000)	62,098	122,857
EPU ¹ (cents) – basic and diluted ²	5.075	10.144

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

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

18. FINANCIAL RISK MANAGEMENT

Capital management

The REIT Manager aims to optimise the capital structure and cost of capital, within the borrowing limits set out in the Property Fund Appendix. The REIT Manager's strategy of the management of capital involves adopting and maintaining appropriate aggregate leverage level to ensure optimal returns to Unitholders, while maintaining flexibility in respect of future capital expenditures or acquisitions. The REIT Manager will endeavour to employ an optimal capital structure, comprising an appropriate mix of debt and equity in financing the acquisition of properties and asset enhancement activities of its properties.

The REIT Manager will, in the event that the Group incurs any future borrowings, periodically review the Group's capital management policy with respect to its Aggregate Leverage and modify the policy as its management deems prudent in light of prevailing market conditions. The REIT Manager will endeavour to match the maturity of the Group's indebtedness with the maturity of the Group's investment assets, and to employ long-term, fixed-rate debt to the extent practicable in view of market conditions in existence from time to time.

The Group is subject to the aggregate leverage limit as defined in the Property Funds Appendix of the CIS Code. The aggregate leverage ratio is calculated as total borrowings and deferred payments (collectively, the "Aggregate Leverage") divided by total assets.

On 16 April 2020, the MAS announced that the Aggregate Leverage limit for Singapore REITs ("S-REITs") will be raised from 45.0% to 50.0% with immediate effect and deferred the implementation of a new minimum interest coverage ratio ("ICR") requirement to 1 January 2022 in light of the current COVID-19 pandemic situation. With a new minimum ICR of 2.5 times, S-REITs are allowed to increase their leverage to beyond the prevailing 45.0% limit (up to 50.0%).

The Group has complied with the Aggregate Leverage limit of 50.0% during the financial year, with an Aggregate Leverage of 27.6% (2021: 26.1%) and ICR of 4.4 times (2021: 5.1 times) as at 31 December 2022.

Notes to the Financial Statements

For the financial year ended 31 December 2022

18. FINANCIAL RISK MANAGEMENT (continued)

Overview of risk management

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors of the REIT Manager is responsible for setting the objectives and underlying principles of financial risk management for the Group. This is supported by comprehensive internal processes and procedures which are formalised in the REIT Manager's organisational and reporting structure, operating manuals and delegation of authority guidelines.

The following sections provide details regarding the Group's and Trust's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Market risk

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to Chinese Renminbi ("RMB"), Singapore dollar ("SGD") and United States dollar ("USD"). Foreign exchange risk arises from future transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the companies within the Group.

The Group and Trust have transactional currency exposures arising from cash and short-term deposits, prepayments, deposits and other receivables and loans and borrowings that are denominated in a currency other than their functional currency. These transactions are mainly denominated in RMB, SGD and USD.

The Group's strategy is to achieve a natural hedge through local RMB financing. To mitigate the foreign currency risk, the REIT Manager will enter into forward currency contracts to limit the Group's exposure for the RMB denominated cash flows.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

Notes to the Financial Statements

For the financial year ended 31 December 2022

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 2022	RMB \$'000	SGD \$'000	USD \$'000	Total \$'000
Cash and short-term deposits	–	1,327	1,711	3,038
Loans and borrowings	–	–	(26,874)	(26,874)
Net assets/(liabilities)	–	1,327	(25,163)	(23,836)

Trust 2022	RMB \$'000	SGD \$'000	USD \$'000	Total \$'000
Cash and short-term deposits	6,631	–	1,708	8,339
Loans and borrowings	–	–	(26,874)	(26,874)
Net assets/(liabilities)	6,631	–	(25,166)	(18,535)

Group 2021	RMB \$'000	SGD \$'000	USD \$'000	Total \$'000
Cash and short-term deposits	–	189	1,311	1,500
Loans and borrowings	–	–	(27,028)	(27,028)
Net assets/(liabilities)	–	189	(25,717)	(25,528)

Trust 2021	RMB \$'000	SGD \$'000	USD \$'000	Total \$'000
Cash and short-term deposits	40,917	–	1,300	42,217
Loans and borrowings	–	–	(27,028)	(27,028)
Net assets/(liabilities)	40,917	–	(25,728)	15,189

Notes to the Financial Statements

For the financial year ended 31 December 2022

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 2022 \$'000	Trust 2022 \$'000
RMB	- strengthened by 5%	–	332
RMB	- weakened by 5%	–	(332)
SGD	- strengthened by 5%	66	–
SGD	- weakened by 5%	(66)	–
USD	- strengthened by 5%	(1,258)	(1,258)
USD	- weakened by 5%	1,258	1,258

		Increase/(decrease) in total return before tax	
		Group 2021 \$'000	Trust 2021 \$'000
RMB	- strengthened by 5%	–	2,046
RMB	- weakened by 5%	–	(2,046)
SGD	- strengthened by 5%	9	–
SGD	- weakened by 5%	(9)	–
USD	- strengthened by 5%	(1,286)	(1,286)
USD	- weakened by 5%	1,286	1,286

Notes to the Financial Statements

For the financial year ended 31 December 2022

18. FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

Interest rate risk

The Group adopts a proactive interest rate management policy to manage the risk associated with changes in interest rates on the Group's loan facilities while also seeking to ensure that the ongoing cost of debt remains competitive.

The Group proactively seeks to minimise the level of interest rate risk by hedging certain amounts of the Group's borrowings at fixed rates. 40% of the offshore loans has been hedged using floating-for-fixed interest rate swaps. As at 31 December 2022, the Group has hedged approximately 19.9% (2021: 18.6%) of its borrowings at fixed rates.

Included in the Group's borrowings, 50.7% of its borrowings is RMB denominated onshore loans. The RMB denominated onshore loans are pegged to 5-year Loan Prime Rate ("LPR") published by the People's Bank of China. As LPR has been observed to be fairly stable with limited volatility, it is not deemed to be necessary to hedge its interest rate risk on the RMB denominated onshore loans. The Group will periodically review the Group's hedging policy with respect to the interest rate risk and modify the hedging portion as its management deems prudent in light of prevailing market conditions.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the Group's unhedged floating rate loans and borrowings, with all other variables held constant and the impact on the Group's profit before tax.

Group	Increase/ (decrease) in basis points	2022 \$'000	2021 \$'000
- SGD	25	(360)	(361)
- SGD	(25)	360	361
- RMB	25	(619)	(694)
- RMB	(25)	619	694

Notes to the Financial Statements

For the financial year ended 31 December 2022

18. FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

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.

The REIT Manager monitors liquidity risk and maintains a level of cash and short-term deposits deemed adequate by management to finance the Group's and the Trust's operations and to mitigate the effects of fluctuations in cash flows. In addition, the REIT Manager also monitors and observes the CIS Code issued by MAS concerning limits on total borrowings.

The Group's loans and borrowings are set out in Note 8.

Notes to the Financial Statements

For the financial year ended 31 December 2022

18. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

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

Group 2022	Carrying amount \$'000	Contractual cash flows \$'000	Cash flows		
			Within 1 year \$'000	Within 2 to 5 years \$'000	More than 5 years \$'000
Non-derivative financial liabilities					
Other payables and accruals ¹	69,533	69,533	69,533	–	–
Loans and borrowings	487,355	494,172	494,172	–	–
	556,888	563,705	563,705	–	–

¹ Excludes VAT and other tax payables.

Trust 2022	Carrying amount \$'000	Contractual cash flows \$'000	Cash flows		
			Within 1 year \$'000	Within 2 to 5 years \$'000	More than 5 years \$'000
Non-derivative financial liabilities					
Other payables and accruals	1,257	1,257	1,257	–	–
Loans and borrowings	240,099	243,984	243,984	–	–
	241,356	245,241	245,241	–	–

Group 2021	Carrying amount \$'000	Contractual cash flows \$'000	Cash flows		
			Within 1 year \$'000	Within 2 to 5 years \$'000	More than 5 years \$'000
Non-derivative financial liabilities					
Other payables and accruals ¹	121,745	121,745	121,745	–	–
Loans and borrowings	510,572	540,253	23,133	517,121	–
	632,317	661,998	144,878	517,121	–

¹ Excludes VAT and other tax payables.

Notes to the Financial Statements

For the financial year ended 31 December 2022

18. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

Trust 2021	Carrying amount \$'000	Contractual cash flows \$'000	Cash flows		
			Within 1 year \$'000	Within 2 to 5 years \$'000	More than 5 years \$'000
Non-derivative financial liabilities					
Other payables and accruals	791	791	791	–	–
Loans and borrowings	237,151	246,384	4,360	242,025	–
	237,942	247,175	5,151	242,025	–

19. FAIR VALUES OF ASSETS AND LIABILITIES

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3: unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Notes to the Financial Statements

For the financial year ended 31 December 2022

19. FAIR VALUES OF ASSETS AND LIABILITIES (continued)

(b) Assets and liabilities measured at fair value

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

Group 2022	Fair value		
	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets measured at fair value			
Non-financial assets			
Investment properties			
- <i>Outlet malls</i>	-	1,638,981	1,638,981
Total non-financial assets	-	1,638,981	1,638,981
Liabilities measured at fair value			
Financial liabilities			
Derivative financial instruments			
- <i>Interest rate swaps</i>	23	-	23
Total financial liabilities	23	-	23

Group 2021	Fair value		
	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets measured at fair value			
Non-financial assets			
Investment properties			
- <i>Outlet malls</i>	-	1,801,013	1,801,013
Total non-financial assets	-	1,801,013	1,801,013
Liabilities measured at fair value			
Financial liabilities			
Derivative financial instruments			
- <i>Interest rate swaps</i>	93	-	93
Total financial liabilities	93	-	93

Notes to the Financial Statements

For the financial year ended 31 December 2022

19. FAIR VALUES OF ASSETS AND LIABILITIES (continued)

(c) Level 2 fair value measurements

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

Derivative financial instruments

The fair values of interest rate swaps and cross currency swap are based on valuations provided by the financial institutions that are the counterparties of the transactions. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates or exchange rates, where applicable, for a similar financial instrument at the measurement date.

(d) Level 3 fair value measurements

Information about significant unobservable inputs used in Level 3 fair value measurements

Investment properties

The investment properties are stated at fair value based on independent valuations undertaken by Colliers Appraisal & Advisory Services Co., Limited on 31 December 2022. The independent valuers have the appropriate professional qualifications and recent experience in the location and category of the properties being valued.

The valuation reports for 31 December 2022 have highlighted estimation uncertainty arising from the COVID-19 pandemic and a higher degree of caution is to be exercised when relying on the valuations. The valuations were based on information available and market conditions as at 31 December 2022. Values may change subsequently as the impact of COVID-19 is fluid and continues to evolve. The REIT Manager will continue to monitor the situation and seek professional advice on the property values as and when necessary.

The fair values were generally calculated using the Discounted Cash Flow ("DCF") approach. The DCF approach calculates the present values of future cash flows over a specified time period, including the potential proceeds of a deemed disposition, to determine the fair value. The DCF approach converts the earnings of a property into an estimate of value. The final step in the appraisal process involves the reconciliation of the individual valuation techniques in relationship to their substantiation by market data, and the reliability and applicability of each valuation technique to the subject property.

The valuation techniques used in determining the fair value involve certain estimates including those relating to discount rates and rental rates per square foot, which are unobservable. In relying on the valuation reports, the REIT Manager has exercised its judgment and is satisfied that the valuation techniques and estimates used are reflective of the current market conditions.

The fair value measurement for investment properties has been categorised under Level 3 of the fair value hierarchy based on the inputs to the valuation technique used.

Notes to the Financial Statements

For the financial year ended 31 December 2022

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
2022			
Discounted cash flow approach	Discount rate	9.3% to 10.8%	The higher the rate, the lower the fair value.
	Rental rate per square foot per annum ¹	\$25 to \$94	The higher the rate, the higher the fair value.
2021			
Discounted cash flow approach	Discount rate	9.3% to 11.0%	The higher the rate, the lower the fair value.
	Rental rate per square foot per annum ¹	\$25 to \$97	The higher the rate, the higher the fair value.

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.

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.

Notes to the Financial Statements

For the financial year ended 31 December 2022

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)

Valuation policies and procedures (continued)

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.

(f) Fair value and classification of financial instruments that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

The following table shows the fair value and classification of financial instruments not measured at fair value at the end of the reporting period:

Group	Fair value	
	Level 3	Total
2021	\$'000	\$'000
Financial liabilities		
- Onshore loans	262,616	262,616
Total financial liabilities	262,616	262,616

Determination of fair value

Onshore loans

The fair value as disclosed in the table above are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the end of the reporting period.

Notes to the Financial Statements

For the financial year ended 31 December 2022

20. COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group		Trust	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Capital commitments in relation to investment properties	1,543	2,026	–	–

(b) Operating lease commitments – as lessor

The Group's PRC Property Companies have entered into separate individual Entrusted Management Agreements ("EMAs") with its Entrusted Manager to operate, maintain, manage and market the properties and are entitled to receive a sum of fixed rent which increases at an escalation rate of 3.0% per annum. Future minimum rental receivable under the EMAs is as follows:

	Group	
	2022 \$'000	2021 \$'000
Within 1 year	91,295	90,537
After 1 year but within 5 years	393,404	390,135
After 5 years	25,158	130,654
	509,857	611,326

Notes to the Financial Statements

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21. RELATED PARTY TRANSACTIONS

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

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

	Group	
	2022 \$'000	2021 \$'000
EMA rental income received/receivable from Entrusted Manager (Note 13)	121,324	127,507
REIT Manager's management fees paid/payable	8,850	11,083
Trustee's fees paid/payable	342	340

22. FINANCIAL RATIOS

	Group	
	2022 %	2021 %
Ratio of expenses to weighted average net assets ¹		
- Including performance component of the REIT Manager's management fees	0.94	1.10
- Excluding performance component of the REIT Manager's management fees	0.94	0.95
Portfolio turnover rate ²	-	-

¹ The ratios are computed in accordance with the guidelines of the Investment Management Association of Singapore ("IMAS"). The expenses used in the computation relate to expenses of the Group, excluding finance costs, exchange differences and tax expense.

² The ratio is computed based on the lower of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value.

Notes to the Financial Statements

For the financial year ended 31 December 2022

23. OPERATING SEGMENTS

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

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

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2022

23. OPERATING SEGMENTS (continued)

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

Segment results

Group 2022	Sasseur (Chongqing Liangjiang) Outlets \$'000	Sasseur (Chongqing Bishan) Outlets \$'000	Sasseur (Hefei) Outlets \$'000	Sasseur (Kunming) Outlets \$'000	Unallocated \$'000	Total \$'000
EMA rental income	56,723	11,493	35,207	22,509	–	125,932
REIT Manager's management fees	–	–	–	–	(8,850)	(8,850)
Trustee's fees	–	–	–	–	(342)	(342)
Other trust expenses						
- Other income	40	19	23	43	–	125
- Other expenses	–	(1)	(97)	(82)	(1,241)	(1,421)
Finance income	–	–	–	–	171	171
Finance costs	(8,672)	(1,704)	(3,386)	(2,042)	(10,476)	(26,280)
Exchange differences	–	–	141	2	(33)	110
Change in fair value of financial derivatives	–	–	–	–	70	70
Total return before fair value adjustments to investment properties and tax	48,091	9,807	31,888	20,430	(20,701)	89,515
Fair value adjustments to investment properties	(2,614)	(2,700)	(2,531)	(1,483)	–	(9,328)
Total return for the year before tax	45,477	7,107	29,357	18,947	(20,701)	80,187
Tax expense					(18,089)	(18,089)
Total return for the year					(38,790)	62,098
Segment assets	633,599	169,168	597,969	333,625	33,479	1,767,840
Segment liabilities	204,242	37,881	143,662	66,792	247,464	700,041
Other segment information:						
Capital expenditure	2,079	1,387	579	33	–	4,078

Notes to the Financial Statements

For the financial year ended 31 December 2022

23. OPERATING SEGMENTS (continued)

Segment results (continued)

Group 2021	Sasseur (Chongqing Liangjiang) Outlets \$'000	Sasseur (Chongqing Bishan) Outlets \$'000	Sasseur (Hefei) Outlets \$'000	Sasseur (Kunming) Outlets \$'000	Unallocated \$'000	Total \$'000
EMA rental income	60,465	12,148	37,331	24,906	-	134,850
REIT Manager's management fees	-	-	-	-	(11,083)	(11,083)
Trustee's fees	-	-	-	-	(340)	(340)
Other trust expenses						
- Other income	30	28	68	69	-	195
- Other expenses	-	-	(1)	(19)	(1,392)	(1,412)
Finance income	-	-	-	-	162	162
Finance costs	(9,266)	(1,803)	(3,578)	(2,146)	(7,316)	(24,109)
Exchange differences	-	*	47	(1)	3,308	3,354
Change in fair value of financial derivatives	-	-	-	-	183	183
Total return before fair value adjustments to investment properties and tax	51,229	10,373	33,867	22,809	(16,478)	101,800
Fair value adjustments to investment properties	21,690	5,208	23,025	12,432	-	62,355
Total return for the year before tax	72,919	15,581	56,892	35,241	(16,478)	164,155
Tax expense					(41,298)	(41,298)
Total return for the year					(57,776)	122,857
Segment assets	723,266	191,857	655,545	371,644	47,527	1,989,839
Segment liabilities	254,526	48,779	160,327	79,091	237,908	780,631
Other segment information:						
Capital expenditure	4,504	171	1,081	65	-	5,821

* Denote amounts less than \$1,000.

Notes to the Financial Statements

For the financial year ended 31 December 2022

24. SUBSEQUENT EVENT

(a) Entry into facility agreements

Subsequent to 31 December 2022, the Group has entered into the following secured facility agreements:

- (i) On 31 January 2023, the Group through its wholly-owned subsidiaries, Sasseur Bishan (BVI) Limited and Sasseur Hefei Limited, entered into a 3-year secured facility agreement, consisting of an term loan facility of \$125.0 million and US\$54.1 million, and a \$10.0 million revolving credit facility, with a group of lenders; and
- (ii) On 3 February 2023, the Group through its PRC wholly-owned subsidiaries, Chongqing Sasseur Suge Apparel Joint Stock Co., Ltd., Sasseur (Chongqing) Business Co., Ltd., and Hefei Sasseur Commercial Management Co., Ltd., entered into a 5-year secured facility agreement for an onshore term loan of RMB975.0 million with a group of China-based lenders.

Separately, a wholly-owned subsidiary of the Sponsor has on 3 February 2023 entered into a 1-year loan agreement (which can be extended up to another year on mutual agreement) under which an unsecured interest-bearing loan of RMB308.0 million has been granted to Kunming Sasseur Commercial Management Co., Ltd., which is a wholly owned subsidiary of the Group.

(b) Distribution

On 17 February 2023, the REIT Manager declared a distribution of 1.302 Singapore cents per Unit for the period from 1 October 2022 to 31 December 2022.

25. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements were authorised for issue by the REIT Manager and the Trustee on 17 March 2023.

Interested Person Transactions

The transactions entered into with interested persons for the financial year ended 31 December 2022, which fall under the SGX-ST Listing Manual and Appendix 6 of the Code on Collective Investment Schemes (excluding transactions of less than \$100,000 each) are as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review	
		excluding transactions less than \$100,000 and transactions conducted under Unitholders' mandate pursuant to Rule 920 \$'000	transactions conducted under Unitholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) \$'000
Sasseur (Shanghai) Holding Company Limited	Entrusted Manager		
- EMA rental income		121,324	-
Sasseur Asset Management Pte. Ltd.	REIT Manager		
- REIT Manager's management fees		8,850	-
DBS Trustee Limited	Trustee		
- Trustee fees		342	-

Save as disclosed above, there were no additional interested person transactions (excluding transactions of less than \$100,000 each) or other material transactions entered into during the financial year under review.

The fees and charges payable by Sasseur REIT to the REIT Manager under the Trust Deed, and receivables from the Entrusted Manager under the Master Entrusted Management Agreement and the Individual Entrusted Management Agreements, the Property Sale and Purchase Agreements, each of which constitutes an interested person transaction, are deemed to have been specifically approved by the Unitholder upon purchase of the Units and are therefore not subject to Rules 905 and 906 of the Listing Manual of the SGX-ST to the extent that there is no subsequent change to the rates and/or bases of the fees charged thereunder which will affect Sasseur REIT.

Please also see Related Party Transactions in Note 21 to the Financial Statements.

SUBSCRIPTION OF SASSEUR REIT UNITS

Total issuable units in relation to the REIT Manager's management fees for the year ended 31 December 2022 were 2,660,091 Units and had been issued on 21 March 2023.

Unitholders' Information

As at 1 March 2023

ISSUED AND FULLY PAID UNITS

Number of units : 1,231,092,058 units ("Units")
 Voting rights : One vote per Unit

There were no treasury units and subsidiary holdings, and there is only one class of Units in Sasseur REIT.

STATISTICS OF UNITHOLDINGS

Size of Unitholdings	Number of Unitholders	%	Number of Units	%
1 - 99	4	0.06	8	0.00
100 - 1,000	828	12.86	731,050	0.06
1,001 - 10,000	3,313	51.45	17,505,800	1.42
10,001 - 1,000,000	2,271	35.27	116,629,104	9.47
1,000,001 and above	23	0.36	1,096,226,096	89.05
TOTAL:	6,439	100.00	1,231,092,058	100.00

Location of Unitholders	Number of Unitholders	%	Number of Units	%
Singapore	6,284	97.59	1,226,133,458	99.60
Malaysia	115	1.79	3,618,200	0.29
Others	40	0.62	1,340,400	0.11
TOTAL:	6,439	100.00	1,231,092,058	100.00

SUBSTANTIAL UNITHOLDERS AS AT 1 MARCH 2023

(As recorded in the Register of Substantial Unitholders)

	Direct Interest	%	Deemed Interest	%
Sasseur Cayman Holding II Ltd. ⁽¹⁾	–	–	696,226,858	56.55
Sasseur Cayman Holding Limited ⁽¹⁾	–	–	696,226,858	56.55
Sasseur (BVI) Holding II Limited ⁽¹⁾	–	–	696,226,858	56.55
Shimmer Fair Management Limited ⁽¹⁾	–	–	696,226,858	56.55
TMF (Cayman) Ltd. ⁽¹⁾	–	–	696,226,858	56.55
Xu Rongcan ⁽¹⁾	–	–	707,359,758	57.46
Yang Xue ⁽²⁾	11,132,900	0.91	696,226,858	56.55

Unitholders' Information

As at 1 March 2023

(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 94.4048% 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 Sasseur Asset Management Pte. Ltd. (the "**REIT Manager**") and is deemed to be interested in 16,181,358 Units held by the REIT Manager.

TMF (Cayman) Ltd. ("**TMF (Cayman)**") as the trustee of Xu Family Trust is the sole shareholder of Shimmer Fair Management. The Xu Family Trust is a discretionary trust established by Mr. Xu Rongcan as settlor and the sole member of the Protective Committee and Investment Committee of Xu Family Trust, for the benefit of its beneficiaries, being Mr. Xu Rongcan who is the primary beneficiary of the Xu Family Trust during his lifetime and whilst not incapacitated.

In addition, as the sole power to make investment decision relating to the assets of the Xu Family Trust is vested on an investment committee, of which Mr. Xu Rongcan is the sole member, only he can make all decisions relating to any purchase, sale, exchange, or retention of the shares in Shimmer Fair Management as well as the exercise of any voting and other rights on behalf of the Xu Family Trust.

As Cayman Holdco is deemed to be interested in 429,775,600 Units held through CGS-CIMB Securities Singapore Pte. Ltd., 160,000,000 held through China Merchants Bank, 88,000,000 Units held through KGI Securities (Singapore) Pte. Ltd, 2,269,900 Units held through Haitong International Securities (Singapore) Private Limited and 16,181,358 Units held by the REIT Manager, 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 696,226,858 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 1 MARCH 2023

No.	Name of Unitholders	Number of Units	%
1.	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	431,630,000	35.06
2.	BPSS NOMINEES SINGAPORE (PTE.) LTD.	172,066,800	13.98
3.	DBS NOMINEES (PRIVATE) LIMITED	138,181,100	11.22
4.	KGI SECURITIES (SINGAPORE) PTE. LTD	88,370,100	7.18
5.	CITIBANK NOMINEES SINGAPORE PTE LTD	53,856,121	4.37
6.	RAFFLES NOMINEES (PTE.) LIMITED	47,581,366	3.86
7.	DBSN SERVICES PTE. LTD.	39,306,550	3.19
8.	HSBC (SINGAPORE) NOMINEES PTE LTD	32,717,732	2.66
9.	SASSEUR ASSET MANAGEMENT PTE. LTD.	16,181,358	1.31
10.	PHILLIP SECURITIES PTE LTD	12,180,772	0.99
11.	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	11,199,600	0.91
12.	IFAST FINANCIAL PTE. LTD.	9,881,600	0.80
13.	UOB KAY HIAN PRIVATE LIMITED	7,644,497	0.62
14.	MAYBANK SECURITIES PTE. LTD.	6,093,100	0.49
15.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	5,403,200	0.44
16.	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	5,337,700	0.43
17.	DB NOMINEES (SINGAPORE) PTE LTD	4,118,700	0.33
18.	HENG SIEW ENG	3,643,200	0.30
19.	ABN AMRO CLEARING BANK N.V.	3,515,700	0.29
20.	OCBC SECURITIES PRIVATE LIMITED	2,682,000	0.22
	TOTAL:	1,091,591,196	88.65

Unitholders' Information

As at 1 March 2023

PERCENTAGE OF UNITHOLDING IN PUBLIC'S HANDS

Based on the information made available to the REIT Manager as at 1 March 2023, approximately 42.47% 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.

UNITHOLDINGS OF DIRECTORS OF THE REIT MANAGER AS AT 21 JANUARY 2023

Name of Director	Direct Interest No. of Units	Deemed Interest No. of Units
Xu Rongcan ⁽¹⁾	–	707,359,758
Yang Xue ⁽²⁾	11,132,900	696,226,858
Cheng Heng Tan	350,000	–
Gu Qingyang	372,500	–
Wu Geng	125,000	–
Mario Boselli	–	–

Notes:

⁽¹⁾ Shimmer Fair Management Limited ("**Shimmer Fair Management**") is the sole shareholder of Sasseur (BVI) Holding II Limited ("**Sasseur (BVI) Holding II**"). Sasseur (BVI) Holding II holds 94.4048% 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 Sasseur Asset Management Pte. Ltd. (the "**REIT Manager**") and is deemed to be interested in 16,181,358 Units held by the REIT Manager.

TMF (Cayman) Ltd. ("**TMF (Cayman)**") as the trustee of Xu Family Trust is the sole shareholder of Shimmer Fair Management. The Xu Family Trust is a discretionary trust established by Mr. Xu Rongcan as settlor and the sole member of the Protective Committee and Investment Committee of Xu Family Trust, for the benefit of its beneficiaries, being Mr. Xu Rongcan who is the primary beneficiary of the Xu Family Trust during his lifetime and whilst not incapacitated.

In addition, as the sole power to make investment decision relating to the assets of the Xu Family Trust is vested on an investment committee, of which Mr. Xu Rongcan is the sole member, only he can make all decisions relating to any purchase, sale, exchange, or retention of the shares in Shimmer Fair Management as well as the exercise of any voting and other rights on behalf of the Xu Family Trust.

As Cayman Holdco is deemed to be interested in 429,775,600 Units held through CGS-CIMB Securities Singapore Pte. Ltd., 160,000,000 held through China Merchants Bank, 88,000,000 Units held through KGI Securities (Singapore) Pte. Ltd, 2,269,900 Units held through Haitong International Securities (Singapore) Private Limited and 16,181,358 Units held by the REIT Manager, 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 696,226,858 Units.

Mr. Xu Rongcan is the spouse of Ms. Yang Xue and is deemed to be interested in 11,132,900 Units held by Ms. Yang Xue.

⁽²⁾ Ms. Yang Xue is the spouse of Mr. Xu Rongcan and is deemed to be interested in the Units which he has an interest in.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**AGM**” or “**Meeting**”) 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, 20 April 2023 at 3.00 p.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Report of DBS Trustee Limited, as trustee of Sasseur REIT (the “**Trustee**”), the Statement by Sasseur Asset Management Pte. Ltd., as manager of Sasseur REIT (the “**REIT Manager**”), and the Audited Financial Statements of Sasseur REIT for the financial year ended 31 December 2022 and the Auditors’ Report thereon.

(Resolution 1)

2. To re-appoint Ernst & Young LLP as Auditors of Sasseur REIT to hold office until the conclusion of the next AGM of Sasseur REIT, and to authorise the REIT Manager to fix their remuneration.

(Resolution 2)

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolution, with or without any modifications:

3. The authority be and is hereby given to the REIT Manager, to
 - (a) (i) issue units in Sasseur REIT (“**Units**”) whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the REIT Manager may in its absolute discretion deem fit; and
 - (b) issue Units in pursuance of any Instrument made or granted by the REIT Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

provided that:

- (1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) must not exceed fifty per cent. (50%) of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a pro rata basis to Unitholders (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) must not exceed twenty per cent. (20%) of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below);
- (2) subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) shall be based on the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) at the time this Resolution is passed, after adjusting for:

Notice of Annual General Meeting

- (a) any new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and
 - (b) any subsequent bonus issue, consolidation or subdivision of Units;
- (3) in exercising the authority conferred by this Resolution, the REIT Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the deed of trust constituting Sasseur REIT (as supplemented) (the "**Trust Deed**") for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);
- (4) unless revoked or varied by the Unitholders in a general meeting, the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of Sasseur REIT or (ii) the date by which the next AGM of Sasseur REIT is required by the applicable laws or regulations or the Trust Deed to be held, whichever is earlier;
- (5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the REIT Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and
- (6) the REIT Manager and the Trustee, be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the REIT Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interest of Sasseur REIT to give effect to the authority conferred by this Resolution.

[Please see Explanatory Note]

(Resolution 3)

By Order of the Board
Sasseur Asset Management Pte. Ltd.
(Company Registration No. 201707259N)
as REIT Manager of Sasseur REIT

Eunice Hooi
Cho Form Po
Company Secretaries

29 March 2023

Notice of Annual General Meeting

Explanatory Note:

Ordinary Resolution 3 above, if passed, will empower the REIT Manager from the date of this AGM until (i) the conclusion of the next AGM of the Unitholders of Sasseur REIT, or (ii) the date by which the next AGM of the Unitholders of Sasseur REIT is required by the applicable laws and regulations or the Trust Deed to be held, whichever is earlier, to issue Units and to make or grant Instruments (such securities, warrants or debentures) convertible into Units and to issue Units pursuant to such Instruments, up to a number not exceeding, in total, fifty per cent. (50%) of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any), of which up to twenty per cent. (20%) may be issued other than on a pro rata basis to Unitholders (excluding treasury Units and subsidiary holdings, if any).

For the purpose of determining the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) at the time this Ordinary Resolution is passed, after adjusting for new Units arising from the conversion or exercise of any Instruments which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Units.

Fund raising by issuance of new Units may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual and the Trust Deed or any applicable laws and regulations in such instances, the REIT Manager will then obtain the approval of Unitholders accordingly.

Notes:

1. Conduct of Meeting

The AGM is being convened and will be held by electronic means in accordance with the COVID-19 (Temporary Measures) (Alternate Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

Alternative arrangements relating to (a) attendance at the AGM via electronic means (including arrangement by which the meeting can be electronically accessed via “live” audio-visual webcast or “live” audio-only stream); (b) submission of questions in advance of the AGM, or “live” at the AGM, and addressing of substantial and relevant questions in advance of the AGM, or “live” at the AGM; and (c) voting at the AGM (i) “live” by the Unitholders or his/her/its duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or (ii) by appointing the Chairman of the Meeting as proxy to vote on behalf of the Unitholders at the AGM, are set out herein.

2. Pre-registration to attend the AGM via “live” audio-visual webcast or “live” audio-only stream

The proceedings of the AGM will be broadcasted via “live” audio-visual webcast and “live” audio-only stream. Unitholders who wish to follow the proceedings must pre-register via the pre-registration website at <https://registration.ryt-poll.com/home/index/sasseur-agm> no later than 3.00 p.m. on 17 April 2023. Following the verification, an email containing instructions on how to join the “live” broadcast will be sent to authenticated persons by 3.00 p.m. on 19 April 2023.

Investors holding Units through relevant intermediaries (“Investors”) (other than CPF/SRS Investors) will not be able to pre-register at <https://registration.ryt-poll.com/home/index/sasseur-agm> for the “live” broadcast of the AGM. An Investor (other than CPF/SRS Investors) who wishes to participate in the “live” broadcast of the AGM should instead approach his/her relevant intermediary as soon as possible in order to make the necessary arrangements. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number) to the Proxy Processing Agent, Complete Corporate Services Pte. Ltd., via email to sasseur-agm@ryt-poll.com no later than 3.00 p.m. on 17 April 2023.

Notice of Annual General Meeting

In this Notice of AGM, a “relevant intermediary” means:

- (a) a banking corporation licensed under the Banking Act 1970 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 2001 and who holds Units in that capacity; or
- (c) the Central Provident Fund Board (“**CPF Board**”) established by the Central Provident Fund Act 1953, 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.

3. Submission of Questions relating to the AGM

All Unitholders and Investors may submit questions relating to the business of the AGM in advance of, or “live” at, the AGM.

Submission of Questions in Advance

If the Unitholders and Investors wish to submit questions in advance of the AGM, all questions must be submitted no later than 3.00 p.m. on 10 April 2023 (“**Q&A Submission Deadline**”) through the following means:

- (a) by the pre-registration website at <https://registration.ryt-poll.com/home/index/sasseur-agm>; or
- (b) by email to sasseur-agm@ryt-poll.com; or
- (c) by post to 10 Anson Road, #29-07 International Plaza, Singapore 079903.

When sending in questions, the following information of Unitholders and Investors will be required for verification purposes:

- (a) full name;
- (b) NRIC/Passport/Company Registration number;
- (c) contact number;
- (d) email address; and
- (e) the manner in which the units are held (e.g. via CDP, CPF or SRS).

Submission of Questions “live” at the AGM

All Unitholders and Investors who have pre-registered for the AGM may also ask questions relating to the business of the AGM “live” at the AGM, by typing in and submitting their questions through the “live” chat function via the audio-visual webcast platform. Unitholders and Investors will not be able to ask questions “live” at the AGM via the audio-only stream of the AGM proceedings.

Notice of Annual General Meeting

4. Publication of Responses

The REIT Manager will publish the responses to the substantial and relevant questions relating to the business of the AGM received from the Unitholders by the Q&A Submission Deadline on the SGX website at <https://www.sgx.com/securities/company-announcements> and Sasseur REIT's website at www.sasseurreit.com on 13 April 2023.

If there are any relevant and subsequent questions received after the Q&A Submission Deadline, the REIT Manager will address them during the AGM. For questions which are addressed during the AGM, the responses to such questions will be included in the minutes of AGM which will be published on the SGX website and Sasseur REIT's website within one (1) month after the date of the AGM.

Where there are substantially similar questions, the REIT Manager will consolidate such questions and consequently, not all questions may be individually addressed.

5. Voting "live" at AGM

Unitholders (excluding Investors) who wish to vote at the AGM may:

- (a) (where such Unitholders are individuals) vote "live" at the AGM; or
- (b) (where such Unitholders are individuals or corporations), (i) appoint a proxy(ies) (other than the Chairman of the Meeting) to attend, speak and vote at the AGM on their behalf; or (ii) appoint the Chairman of the Meeting as proxy to attend, speak and vote at the AGM on their behalf.

Unitholders (excluding Investors) who wish to vote "live" at the AGM by themselves or through their proxies must first pre-register themselves or their proxy(ies) online at the pre-registration website no later than 3.00 p.m. on 17 April 2023 (being not less than seventy-two (72) hours before the time appointed for holding the AGM). For the avoidance of doubt, pre-registration is not required if a Unitholder only intends to appoint the Chairman of the Meeting as proxy and does not intend to attend the AGM.

CPF/SRS Investors who wish to vote "live" at the AGM must pre-register themselves online at the pre-registration website no later than 3.00 p.m. on 17 April 2023 (being not less than seventy-two (72) hours before the time appointed for holding the AGM). CPF/SRS Investors may vote "live" at the AGM only if they have been duly appointed as proxies by their respective CPF Agent Banks or SRS Operators. Alternatively, they may approach their respective CPF Agent Banks or SRS Operators to appoint the Chairman of the Meeting as proxy to attend and vote on their behalf at the AGM. CPF/SRS Investors must approach their respective CPF Agent Banks or SRS Operators to submit their voting instructions by 5.00 p.m. on 10 April 2023 (at least seven (7) working days prior to the AGM).

Investors (other than CPF/SRS Investors) who wish to vote at the AGM should approach their respective relevant intermediaries as soon as possible to specify their voting instructions or make the necessary arrangement to be appointed as proxy.

In addition, a corporate Unitholder which has authorised an individual to act as its corporate representative to attend, speak and vote at the AGM must similarly pre-register such individual via the pre-registration website and submit the requisite certificate of appointment (or other documentation required by the Company).

Specific voting instructions to be given

Where a Unitholder (whether individual or corporation) appoints a proxy(ies) (including the Chairman of the Meeting) to attend, speak and vote at the AGM on his/her/its behalf, he/she/it should give specific instructions as to voting, or abstention from voting, in respect of the resolutions in the Proxy Form. Where a Unitholder (whether individual or corporation) appoints the Chairman of the Meeting as his/her/its proxy and no specific instructions are given as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, the appointment of Chairman of the Meeting as proxy for such resolution will be treated as invalid.

Notice of Annual General Meeting

6. Submission of Proxy Form

Unitholders who wish to appoint a proxy(ies) or the Chairman of the Meeting as proxy to attend, speak and vote at the AGM on their behalf must submit a Proxy Form for the appointment of such proxy(ies). A proxy need not be a Unitholder of Sasseur REIT. The Proxy Form must be submitted to the REIT Manager in the following manner:

- (a) if submitted by post, be lodged at 10 Anson Road, #29-07 International Plaza, Singapore 079903; or
- (b) if submitted electronically, be submitted via email to the REIT Manager at the email address sasseur-agm@ryt-poll.com,

in either case no later than 3.00 p.m. on 17 April 2023 (being not less than seventy-two (72) hours before the time appointed for holding the AGM).

A Unitholder who wishes to submit a Proxy Form 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.

Unitholders are strongly encouraged to submit the completed Proxy Form electronically by email.

The Proxy Form is not valid for use by Investors (including CPF/SRS Investors) and shall be ineffective for all intents and purposes if used or purported to be used by them.

7. Annual Report 2022, Notice of AGM and Proxy Form

The Annual Report 2022, Notice of AGM and Proxy Form have been published on Sasseur REIT's website at the URL www.sasseurreit.com and SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Such documents may be accessed at Sasseur REIT's website at the URL www.sasseurreit.com and SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

Printed copies of the Notice of AGM and Proxy Form will be sent by post to the Unitholders.

Personal data privacy:

By submitting an instrument appointing proxy(ies), and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a Unitholder of Sasseur REIT consents to the collection, use and disclosure of the Unitholder's personal data by the REIT Manager (or its agents or service providers) for the purpose of the processing and administration and analysis by the REIT Manager (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the REIT Manager (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

**SASSEUR REAL ESTATE
INVESTMENT TRUST
("SASSEUR REIT")**

(Constituted in the Republic of Singapore pursuant to a deed of trust dated 30 October 2017 (as supplemented))

Proxy Form

IMPORTANT:

- The Annual General Meeting ("AGM" or "Meeting") is being convened and will be held by electronic means in accordance with 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 and Proxy Form will be sent to Unitholders by electronic means via publication on 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 and Proxy Form will also be sent to Unitholders.
- Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via "live" audio-visual website or "live" audio-only stream), submission of questions to the Chairman of the Meeting in advance of or "live" at the AGM, addressing of substantial and relevant questions at the AGM and voting at the AGM, are set out in the Notice of AGM and Sasseur REIT's announcement dated 29 March 2023. This announcement may be accessed at 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>.
- There will be no personal attendance at the AGM. Unitholders (excluding Investors (as defined below)) who wish to vote at the AGM may:
 - (where such Unitholders are individuals) vote "live" at the AGM; or
 - (where such Unitholders are individuals or corporates), (i) appoint a proxy(ies) (other than the Chairman of the Meeting) to attend, speak and vote at the AGM on their behalf; or (ii) appoint the Chairman of the Meeting as proxy to attend, speak and vote at the AGM on their behalf.
- This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.
- CPF/SRS investors who wish to appoint proxy(ies) 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 5.00 p.m. on 10 April 2023).
- Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the proxy(ies) to attend, speak and vote at the AGM.**

I/We*, _____ (Name), NRIC/Passport number* _____

of _____ (Address)

being a Unitholder/Unitholders of Sasseur REIT (and the units of Sasseur REIT, the "Units"), hereby appoint(s):

Name	NRIC/Passport No.	Proportion of Unitholdings	
		No. of Units	%
Address	Email		

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Unitholdings	
		No. of Units	%
Address	Email		

or both of whom failing, the Chairman of the Meeting as my/our proxy to attend, speak and vote for me/us on my/our behalf at the AGM of Sasseur REIT to be convened and held by way of electronic means on Thursday, 20 April 2023 at 3.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies (except where the Chairman of the Meeting is appointed as my/our proxy) will vote or abstain from voting at his/her/their discretion on any other matter arising at the AGM and at any adjournment thereof. **In the absence of specific directions in respect of a resolution, the appointment of Chairman of the Meeting as my/our proxy for that resolution will be treated as invalid.**

No.	Resolutions relating to:	For ⁽¹⁾	Against ⁽¹⁾	Abstain ⁽¹⁾
ORDINARY BUSINESS				
1	To receive and adopt the Report of DBS Trustee Limited, as trustee of Sasseur REIT (the "Trustee"), the Statement by Sasseur Asset Management Pte. Ltd., as manager of Sasseur REIT (the "REIT Manager"), and the Audited Financial Statements of Sasseur REIT for the financial year ended 31 December 2022 and the Auditors' Report thereon.			
2	To re-appoint Messrs Ernst & Young LLP as Auditors of Sasseur REIT to hold office until the conclusion of the next AGM of Sasseur REIT, and to authorise the REIT Manager to fix their remuneration.			
SPECIAL BUSINESS				
3	To authorise the REIT Manager to issue Units and to make or grant convertible instruments.			

⁽¹⁾ If you wish to exercise all your votes "For" or "Against" or "Abstain", please tick within the box provided. Alternatively, please indicate the number of Units, as appropriate, in the boxes provided.

Dated this _____ day of _____ 2023

Total number of Units held:

Signature of Unitholder(s)
or, Common Seal of Corporate Unitholder

* Delete where inapplicable

Proxy Form

Notes:

1. Please insert the total number of units (Units) held by you. If you have Units entered against your name in the Depository Register (maintained by the Central Depository (Pte) Limited), you should insert that number of Units. If you have Units registered in your name in the Register of Unitholders (maintained by or on behalf of the REIT Manager), you should insert that number of Units. If you have Units entered against your name in the Depository Register and Units registered in your name in the Register of Unitholders, you should insert the aggregate number of Units. If no number is inserted, this Proxy Form will be deemed to relate to all Units held by you.
2. A Unitholder of Sasseur REIT ("**Unitholder**") who is not a relevant intermediary entitled to attend and vote at the AGM is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.
3. A Unitholder who is a relevant intermediary entitled to attend and vote at the AGM is entitled to appoint more than one proxy to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed in the Proxy Form.
4. "Relevant intermediary" means:
 - (a) banking corporation licensed under the Banking Act 1970, 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 2001, and who holds Units in that capacity; or
 - (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953, 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.
5. There will be no personal attendance at the AGM. Unitholders who wish to vote at the AGM may:
 - (a) (where such Unitholders are individuals) vote "live" at the AGM; or
 - (b) (where such Unitholders are individuals or corporations), (i) appoint a proxy(ies) (other than the Chairman of the Meeting) to attend, speak and vote at the AGM on their behalf; or (ii) appoint the Chairman of the Meeting as proxy to attend, speak and vote at the AGM on their behalf.
6. This Proxy Form may be accessed at 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.
7. Where a Unitholder (whether individual or corporation) appoints a proxy(ies) (including the Chairman of the Meeting) to attend, speak and vote at the AGM on his/her/its behalf, he/she/it should give specific instructions as to voting, or abstention from voting, in respect of the resolutions in the Proxy Form. Where a Unitholder (whether individual or corporation) appoints the Chairman of the Meeting as his/her/its proxy and no specific instructions are given as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, the appointment of Chairman of the Meeting as proxy for such resolution will be treated as invalid.
8. 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 by 5.00 p.m. on 10 April 2023 (at least seven (7) working days prior to the AGM).
9. The proxy need not be a Unitholder of the Company.
10. The Proxy Form must be submitted to the REIT Manager in the following manner:
 - (a) if submitted by post, be lodged at 10 Anson Road, #29-07 International Plaza, Singapore 079903; or
 - (b) if submitted electronically, be submitted via email to the REIT Manager at the email address sasseur-agm@ryt-poll.com, in either case no later than 3.00 p.m. on 17 April 2023 (being not less than seventy-two (72) hours before the time appointed for holding the AGM).

A Unitholder who wishes to submit a Proxy Form 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.

Unitholders are strongly encouraged to submit the completed Proxy Form electronically by email.

11. The Proxy Form must be executed under the hand of the appointor or of his attorney duly authorised in writing or if the appointer is a corporation, it must be executed either under its common seal or under the hand of an officer or attorney so authorised.
12. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly appointed officer, the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney must (failing previous registration) be deposited with the Proxy Form, failing which the Proxy Form may be treated as invalid.
13. A corporation which is a Unitholder may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the AGM and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

PERSONAL DATA PRIVACY:

By submitting the Proxy Form, the Unitholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 29 March 2023.

GENERAL:

The REIT Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form. In addition, in the case of Units entered in the Depository Register, the REIT Manager may reject a Proxy Form lodged if the Unitholder, being the appointor, is not shown to have Units entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by CDP to the REIT Manager.

Corporate Information

THE REIT MANAGER

Sasseur Asset Management Pte. Ltd.
Company Registration Number: 201707259N

BUSINESS OFFICE ADDRESS

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

REGISTERED OFFICE ADDRESS

1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632
Telephone: +65 6536 5355
Fax: +65 6536 1360

BOARD OF DIRECTORS

Xu Rongcan
(Non-Executive and Non-Independent Chairman)
Yang Xue
(Non-Executive and Non-Independent Director)
Gu Qingyang
(Lead Independent Director)
Mario Boselli
(Independent Director)
Cheng Heng Tan
(Independent Director)
Wu Geng
(Independent Director)

AUDIT AND RISK COMMITTEE

Cheng Heng Tan
(Chairman)
Gu Qingyang
(Member)
Wu Geng
(Member)

NOMINATING AND REMUNERATION COMMITTEE

Gu Qingyang
(Chairman)
Xu Rongcan
(Member)
Wu Geng
(Member)

SUSTAINABILITY COMMITTEE

Gu Qingyang
(Chairman)
Xu Rongcan
(Member)
Cheng Heng Tan
(Member)

COMPANY SECRETARIES

Eunice Hooi
Cho Form Po

TRUSTEE

DBS Trustee Limited
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982
Telephone: +65 6878 8888

UNIT REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632
Telephone: +65 6536 5355
Fax: +65 6536 1360

AUDITOR

Ernst & Young LLP
One Raffles Quay
Level 18, North Tower
Singapore 048583

AUDIT PARTNER-IN-CHARGE

Low Yen Mei
(Appointed with effect from financial year ended
31 December 2018)

STOCK CODE

CRPU



SASSEUR ASSET MANAGEMENT PTE. LTD.

As Manager of Sasseur REIT
Company Registration No.: 201707259N

7 Temasek Boulevard,
#06-05, Suntec Tower One,
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 youtube.com/@sasseur_reit