



SASSEUR REAL ESTATE INVESTMENT TRUST
Condensed Interim Financial Statements
For the Half Year Ended 30 June 2024

TABLE OF CONTENTS

Item No.	Description	Page No.
-	Introduction	2
-	Summary of Sasseur REIT Group Results	2
-	Condensed Interim Financial Statements for the Half Year Ended 30 June 2024	
-	Condensed Interim Statements of Financial Position	3
-	Condensed Interim Consolidated Statement of Total Return	4
-	Condensed Interim Consolidated Distribution Statement	5
-	Condensed Interim Statements of Changes in Unitholders' Funds	6
-	Condensed Interim Consolidated Statement of Cash Flows	7
-	Condensed Interim Statement of Portfolio	8
-	Notes to the Condensed Interim Financial Statements	9 – 21
-	Other Information required by Listing Rule Appendix 7.2	22 –26

SASSEUR REAL ESTATE INVESTMENT TRUST
Condensed Interim Financial Statements
For the Half Year Ended 30 June 2024

Introduction

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

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

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

Sasseur REIT is presenting its condensed interim financial statements for the financial period from 1 January 2024 to 30 June 2024 (“1H 2024”).

Distribution Policy

There is a change in Sasseur REIT’s distribution frequency from quarterly distributions to semi-annual distributions, with effect from the financial year ending 31 December 2024. Sasseur REIT’s distribution policy remains unchanged to distribute at least 90.0% of its annual distributable income for each financial year. The actual level of distribution will be determined at the discretion of the Board of Directors of the REIT Manager.

Summary of Sasseur REIT Group Results

	1H 2024 ⁽¹⁾	1H 2023 ⁽¹⁾	Change
	\$’000	\$’000	%
EMA rental income	61,930	63,494	(2.5)
EMA rental income (exclude straight-line adjustments)	62,297	62,577	(0.4)
Income available for distribution to Unitholders	42,685	43,966	(2.9)
Distribution per Unit (“DPU”) (cents) ⁽²⁾	3.153	3.322	(5.1)

Footnotes:

- (1) The results of the Group’s foreign subsidiaries were translated using the average SGD:RMB rates of 1: 5.2815 and 1: 5.2094 for 1H 2024 and 1H 2023 respectively.
- (2) For 1H 2024, approximately \$3.4 million (1H 2023: \$2.9 million) of the income available for distribution has been retained for the principal amortisation of onshore loans and asset enhancement initiatives.

SASSEUR REAL ESTATE INVESTMENT TRUST
Condensed Interim Financial Statements
For the Half Year Ended 30 June 2024

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Trust	
		30 June 2024 ⁽¹⁾ \$'000	31 December 2023 ⁽¹⁾ \$'000	30 June 2024 ⁽¹⁾ \$'000	31 December 2023 ⁽¹⁾ \$'000
Assets					
Non-current assets					
Investment properties ⁽²⁾	3	1,610,036	1,580,190	-	-
Interests in subsidiaries		-	-	1,033,766	1,047,947
		1,610,036	1,580,190	1,033,766	1,047,947
Current assets					
Prepayments, deposits and other receivables	4	25,302	26,042	287	354
Cash and short-term deposits	5	122,572	140,834	11,150	3,765
Derivative financial instruments		2,105	614	-	77
		149,979	167,490	11,437	4,196
Total assets		1,760,015	1,747,680	1,045,203	1,052,143
Liabilities					
Non-current liabilities					
Loans and borrowings	6	374,143	369,895	-	-
Loan from a related party	6	-	57,279	-	-
Other payables	7	-	-	198,069	195,435
Deferred tax liabilities		118,773	114,970	-	-
		492,916	542,144	198,069	195,435
Current liabilities					
Other payables and accruals	7	99,383	142,285	1,546	1,329
Loans and borrowings	6	5,541	5,439	-	-
Loan from a related party	6	58,344	-	-	-
Derivative financial instruments		-	23	-	-
Tax payables		38,762	38,177	3	27
		202,030	185,924	1,549	1,356
Total liabilities		694,946	728,068	199,618	196,791
Net assets		1,065,069	1,019,612	845,585	855,352
Represented by:					
Unitholders' funds		1,065,069	1,019,612	845,585	855,352
Units in issue and to be issued ('000)	8	1,250,770	1,245,670	1,250,770	1,245,670
Net asset value per Unit (\$)	9	0.85	0.82	0.68	0.69

Footnotes:

(1) The results of the Group's foreign subsidiaries were translated using the closing SGD:RMB rates of 1: 5.2790 and 1: 5.3772 as at 30 June 2024 and 31 December 2023 respectively.

(2) The increase in investment properties as at 30 June 2024 is mainly due to currency effects.

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

SASSEUR REAL ESTATE INVESTMENT TRUST
Condensed Interim Financial Statements
For the Half Year Ended 30 June 2024

CONDENSED INTERIM CONSOLIDATED STATEMENT OF TOTAL RETURN

	Note	Group 1H 2024 \$'000	1H 2023 \$'000
EMA rental income ⁽¹⁾	10	61,930	63,494
REIT Manager's management fees ⁽²⁾		(4,269)	(4,397)
Trustee's fees		(160)	(161)
Other trust expenses ⁽³⁾		(580)	(526)
Finance income		118	183
Finance costs	11	(12,497)	(14,493)
Exchange differences ⁽⁴⁾		(3,297)	738
Change in fair value of financial derivatives ⁽⁵⁾		1,514	2,462
Total return before fair value adjustments to investment properties and tax		42,759	47,300
Fair value adjustments to investment properties ⁽⁶⁾	3	367	(917)
Total return for the period before tax		43,126	46,383
Tax expense	12	(7,370)	(9,801)
Total return for the period attributable to Unitholders		35,756	36,582

Footnotes:

- (1) The Group receives EMA rental income under the Entrusted Management Agreement ("EMA"), and all the operating expenses of the properties are borne by the Entrusted Manager.
- (2) The REIT Manager's base fee is calculated at 10.0% per annum of the income available for distribution to Unitholders. The REIT Manager has elected to receive 20.0% of its manager's base fee in cash and 80.0% in the form of Units for 1H 2024 and 100% of its manager's base fee in the form of Units for 1H 2023.
- (3) Other trust expenses consist of recurring operating expenses such as audit fees, tax advisory fees, valuation fees, legal and other professional fees, annual listing fees, investor relations expenses and other miscellaneous expenses.
- (4) Exchange differences comprise realised and unrealised foreign exchange differences. The unrealised exchange loss for 1H 2024 relates mainly to the translation of foreign currency denominated balances and monetary items for the Group. The realised exchange gain for 1H 2023 mainly arose from the settlement of foreign exchange forward contracts.
- (5) Change in fair value of financial derivatives relates to the mark-to-market valuation of interest rate swap, cross currency swap and foreign currency forward contracts which were entered into to hedge interest rates and foreign currency risk exposures. These fair value adjustments have no impact on the income available for distribution to Unitholders.
- (6) Fair value adjustments to investment properties relate to straight-line adjustments (see Note 3) and have no impact on the income available for distribution to Unitholders.

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

SASSEUR REAL ESTATE INVESTMENT TRUST
Condensed Interim Financial Statements
For the Half Year Ended 30 June 2024

CONDENSED INTERIM CONSOLIDATED DISTRIBUTION STATEMENT

	Group	
	2024	2023
	\$'000	\$'000
Income available for distribution to Unitholders as at 1 January	9	-
Total return for the period attributable to Unitholders	35,756	36,582
Distribution adjustments (Note A)	6,929	7,384
	42,685	43,966
Less: Amount retained	(3,409)	(2,926)
Amount available for distribution to Unitholders	39,276	41,040
Distribution to Unitholders:		
Distribution of 3.153 cents per Unit for the period from 1/1/2024 to 30/6/2024	(39,276) ¹	-
Distribution of 1.849 cents per Unit for the period from 1/1/2023 to 31/3/2023	-	(22,812)
Distribution of 1.473 cents per Unit for the period from 1/4/2023 to 30/6/2023	-	(18,220) ²
Total distribution to Unitholders	(39,276)	(41,032)
Amount available for distribution to Unitholders as at 30 June	9	8
Distribution per Unit (DPU) (cents) ³:	3.153	3.322
Note A – Distribution adjustments comprise:		
- REIT Manager's management fees paid/payable in Units	3,415	4,397
- Amortisation of borrowing-related transaction costs	-	2,738
- Straight-line adjustments	367	(917)
- Fair value adjustments to investment properties	(367)	917
- Deferred tax expense	1,661	2,108
- Exchange differences	3,367	603
- Change in fair value of financial derivatives	(1,514)	(2,462)
Distribution adjustments	6,929	7,384

¹ Distribution relating to the period from 1 January 2024 to 30 June 2024 will be made subsequent to the reporting date (Note 18).

² Distribution relating to the period from 1 April 2023 to 30 June 2023 was made in September 2023.

³ The DPU relates to the distributions in respect of the relevant financial period.

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

SASSEUR REAL ESTATE INVESTMENT TRUST
Condensed Interim Financial Statements
For the Half Year Ended 30 June 2024

CONDENSED INTERIM STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS

	Group		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
As at 1 January	1,019,612	1,067,799	855,352	872,947
Operations				
Total return for the period attributable to Unitholders	35,756	36,582	4,401	474
Net increase in net assets resulting from operations	35,756	36,582	4,401	474
Unitholders' transactions				
Units in issue				
- REIT Manager's management fees paid in Units	-	2,372	-	2,372
- Distribution to Unitholders	(17,583)	(38,841)	(17,583)	(38,841)
	(17,583)	(36,469)	(17,583)	(36,469)
Units to be issued				
REIT Manager's management fees payable in Units	3,415	2,025	3,415	2,025
Net decrease in net assets resulting from Unitholders' transactions	(14,168)	(34,444)	(14,168)	(34,444)
Foreign currency translation reserve				
Movement in foreign currency translation reserve	23,869	(38,891)	-	-
As at 30 June	1,065,069	1,031,046	845,585	838,977

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

SASSEUR REAL ESTATE INVESTMENT TRUST
Condensed Interim Financial Statements
For the Half Year Ended 30 June 2024

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	1H 2024 \$'000	Group 1H 2023 \$'000
Cash flows from operating activities			
Total return for the period before tax		43,126	46,383
<u>Adjustments for:</u>			
REIT Manager's management fees paid/payable in Units		3,415	4,397
Straight-line adjustments	3	367	(917)
Fair value adjustments to investment properties	3	(367)	917
Change in fair value of financial derivatives		(1,514)	(2,462)
Finance costs	11	12,497	14,493
Finance income		(118)	(183)
Cash flows before changes in working capital		57,406	62,628
<u>Changes in working capital:</u>			
Prepayments, deposits and other receivables		1,138	7,328
Other payables and accruals		(40,943)	22,502
Cash generated from operations		17,601	92,458
Tax paid		(5,693)	(3,229)
Interest received		95	147
Net cash generated from operating activities		12,003	89,376
Cash flows from investing activity			
Capital expenditure on investment properties		(370)	(348)
Net cash used in investing activity		(370)	(348)
Cash flows from financing activities			
Proceeds from bank loans		-	395,193
Repayments of bank loans		(2,772)	(488,357)
Loan from a related party		-	59,505
Payment of borrowing-related transaction costs		-	(13,371)
Distribution to Unitholders		(17,583)	(38,841)
Interest paid		(9,734)	(8,323)
(Increase)/decrease in restricted cash		(230)	481
Net cash used in financing activities		(30,319)	(93,713)
Net decrease in cash and cash equivalents		(18,686)	(4,685)
Cash and cash equivalents at beginning of the period		131,197	90,833
Effect of exchange rate changes on cash and cash equivalents		72	(24)
Cash and cash equivalents at end of the period	5	112,583	86,124

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

SASSEUR REAL ESTATE INVESTMENT TRUST
Condensed Interim Financial Statements
For the Half Year Ended 30 June 2024

CONDENSED INTERIM STATEMENT OF PORTFOLIO

Description of Property	Location	Tenure of Land	Remaining Term of Lease (Year)	Lease Expiry	Carrying amount	Valuation	Carrying amount	Valuation	Percentage of Total Net Assets attributable to Unitholders	
					30 Jun 2024 RMB'000	31 Dec 2023 RMB'000	30 Jun 2024 \$'000	31 Dec 2023 \$'000	30 Jun 2024 %	31 Dec 2023 %
Sasseur (Chongqing Liangjiang) Outlet	No. 1 Aotelaisi Road, Beibuxin District, Chongqing	Leasehold	23	2047	3,130,650	3,129,000	593,038	581,901	55.7	57.1
Sasseur (Chongqing Bishan) Outlet	No. 9 Baiyang Road, Bishan District, Chongqing	Leasehold	27	2051	834,192	834,000	158,021	155,099	14.8	15.2
Sasseur (Hefei) Outlet	No. 1888 Changning Avenue, Gaoxin District, Hefei, Anhui Province	Leasehold	29	2053	2,882,348	2,882,000	546,003	535,967	51.3	52.6
Sasseur (Kunming) Outlet	No. 181 Aotelaisi Avenue, Anning City, Kunming, Yunnan Province	Leasehold	30	2054	1,652,191	1,652,000	312,974	307,223	29.4	30.1
Investment properties					8,499,381	8,497,000	1,610,036	1,580,190	151.2	155.0
Other assets and liabilities (net)							(544,967)	(560,578)	(51.2)	(55.0)
Net assets attributable to Unitholders							1,065,069	1,019,612	100.0	100.0

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

SASSEUR REAL ESTATE INVESTMENT TRUST
Condensed Interim Financial Statements
For the Half Year Ended 30 June 2024

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. General

Sasseur Real Estate Investment Trust (the "Trust") is a Singapore real estate investment trust constituted pursuant to a trust deed dated 30 October 2017, as supplemented and amended by the First Supplemental Deed dated 19 March 2018 (the "Trust Deed") made between Sasseur Asset Management Pte. Ltd. (the "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) Outlet, Sasseur (Chongqing Bishan) Outlet, Sasseur (Hefei) Outlet and Sasseur (Kunming) Outlet (collectively, the "Initial Portfolio" or "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 comprising retail outlet malls, as well as real estate related assets, with an initial focus in Asia.

2. Basis of preparation

The condensed interim financial statements for the half year ended 30 June 2024 have been prepared in accordance with Financial Reporting Standard ("FRS") 34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore, the recommendations of Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Investment Funds* applicable to interim financial statements issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the recognition and measurement principles of Singapore FRS.

The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

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

The condensed interim financial statements are presented in Singapore dollar which is the Trust's functional currency. All financial information presented has been rounded to the nearest thousand (\$'000), unless otherwise stated.

SASSEUR REAL ESTATE INVESTMENT TRUST
Condensed Interim Financial Statements
For the Half Year Ended 30 June 2024

2. Basis of preparation (continued)

Going concern

As at 30 June 2024, the current liabilities of the Group exceeded the current assets by \$52,051,000 (31 December 2023: \$18,434,000). Notwithstanding the net current liabilities position, the condensed interim financial statements are prepared on a going concern basis as the REIT Manager is of the opinion that the Group will be able to meet its current obligations as and when they fall due based on the Group's existing financial resources.

2.1. New and amended standards adopted by the Group

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

The Group has adopted the following amendments, which is effective for the financial periods beginning 1 January 2024:-

Description	Effective for annual periods beginning on or after
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
Amendments to FRS 116: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to FRS 7: <i>Supplier Finance Arrangements</i>	1 January 2024

The adoption of the amendments above did not have any material financial impact on the financial statements of the Group for the financial period ended 30 June 2024.

2.2. Use of judgements and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

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

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

2.3 Seasonal operations

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

SASSEUR REAL ESTATE INVESTMENT TRUST
Condensed Interim Financial Statements
For the Half Year Ended 30 June 2024

3. Investment properties

	Group	
	30 June 2024	31 December 2023
	\$'000	\$'000
<u>Consolidated Statement of Financial Position</u>		
As at 1 January	1,580,190	1,638,981
Capital expenditure incurred	451	1,636
Change in fair value of investment properties	–	(1,289)
Exchange differences	29,395	(59,138)
	1,610,036	1,580,190
<u>Consolidated Statement of Total Return</u>		
Change in fair value of investment properties	–	(1,289)
Net effect of straight-line adjustments ¹	367	(1,812)
	367	(3,101)
Fair value adjustments to investment properties recognised in the Consolidated Statement of Total Return	367	(3,101)

¹ Arising from accounting for EMA rental income on a straight-line basis, the difference between revenue recognised and the contractual cash flows is included in the carrying value of the investment properties and subsequently adjusted to the fair value adjustments to investment properties recognised in the Consolidated Statement of Total Return.

Investment properties comprise retail properties which are leased to external tenants.

Carrying values of investment properties

Investment properties are stated at fair value, which has been determined based on independent valuations performed by Jones LaSalle Corporate Appraisal and Advisory Limited as at 31 December 2023, adjusted for capital expenditure incurred subsequent to the valuation date and translation differences. The independent valuer has the appropriate professional qualification and recent experience in the location and category of the properties being valued.

Management is of the view that there was no indication of material changes to the carrying values of the investment properties as at 30 June 2024.

Properties pledged as security

As at 30 June 2024, investment properties with an aggregate carrying amount of \$1,297,062,000 (31 December 2023: \$1,272,967,000) have been pledged as security to secure bank loans (see Note 6).

SASSEUR REAL ESTATE INVESTMENT TRUST
Condensed Interim Financial Statements
For the Half Year Ended 30 June 2024

4. Prepayments, deposits and other receivables

	Group		Trust	
	30 June 2024 \$'000	31 December 2023 \$'000	30 June 2024 \$'000	31 December 2023 \$'000
Refundable deposits	29	28	-	-
VAT/GST recoverables	5,043	7,465	277	351
Other receivables ¹	6,783	10,191	1	-
Amounts due from related parties (trade)	13,258	8,302	-	-
	25,113	25,986	278	351
Prepayments	189	56	9	3
	25,302	26,042	287	354

¹ Included in other receivables of the Group is an amount of \$5,940,000 (31 December 2023: \$9,337,000) relating to sale proceeds of goods sold by the tenants which are yet to be received from merchant banks due to cashless mode of payment made by customers.

5. Cash and short-term deposits

	Group		Trust	
	30 June 2024 \$'000	31 December 2023 \$'000	30 June 2024 \$'000	31 December 2023 \$'000
Cash and short-term deposits ¹	122,572	140,834	11,150	3,765
Less: Restricted cash ²	(9,989)	(9,637)	-	-
Cash and cash equivalents	112,583	131,197	11,150	3,765

¹ Included in cash and short-term deposits is an amount of \$76,360,000 (31 December 2023: \$116,657,000) relating to sale proceeds collected from customers on behalf of the tenants.

² Restricted cash relates to cash held in interest escrow accounts for interest payment for bank loans.

6. Loans and borrowings

	Group	
	30 June 2024 \$'000	31 December 2023 \$'000
Secured bank loans	387,190	384,860
Loan from a related party	58,344	57,279
Less: Unamortised transaction costs	(7,506)	(9,526)
	438,028	432,613
Non-current	374,143	427,174
Current	63,885	5,439
	438,028	432,613

SASSEUR REAL ESTATE INVESTMENT TRUST
Condensed Interim Financial Statements
For the Half Year Ended 30 June 2024

6. Loans and borrowings (continued)

Secured bank loans

As at 30 June 2024, the Group has the following onshore and offshore facilities:

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

The Group, through its wholly-owned subsidiaries, Sasseur Bishan (BVI) Limited and Sasseur Hefei Limited, has also put in place offshore loans which comprise term loans of \$125.0 million and US\$54.1 million, and a \$10.0 million revolving credit facility (collectively the “offshore loans”).

Loan from a related party

On 3 February 2023, the Group, through its wholly-owned subsidiaries, Kunming Sasseur Commercial Management Co., Ltd. has entered into a one year loan agreement with a wholly-owned subsidiary of the Sponsor (with extension for up to another year with mutual agreement) under which an unsecured interest-bearing loan of RMB308.0 million (“Sponsor Loan”) has been granted. On 7 December 2023, Kunming Sasseur Commercial Management Co., Ltd. has exercised its option to extend the Sponsor Loan for another year with the maturity in March 2025.

As at 30 June 2024, the loan from a related party was reclassified from non-current liabilities to current liabilities as this loan is due for repayment within the next 12 months from the reporting date.

The weighted average cost of borrowings for the period ended 30 June 2024 was 5.3% (31 December 2023: 5.6%) and aggregate leverage is 25.3% (31 December 2023: 25.3%). As at 30 June 2024, the interest coverage ratio was 4.5 times (31 December 2023: 4.3 times).

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

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

7. Other payables and accruals

	Group		Trust	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	\$'000	\$'000	\$'000	\$'000
Current:				
Refundable security deposits	8,291	7,885	–	–
Interest payables	3,258	3,466	–	–
VAT and other tax payables	287	1,290	–	–
Construction payables ¹	2,952	3,605	–	–
Amounts due to subsidiaries (non-trade)	–	–	579	572
Amounts due to related parties (non-trade)	1,879	1,482	287	–
Accrued expenses	795	996	603	699
Property tax payables	964	1,108	–	–
Other payables ²	80,957	122,453	77	58
	99,383	142,285	1,546	1,329
Non-current:				
Loans from subsidiaries	–	–	198,069	195,435
	99,383	142,285	199,615	196,764

SASSEUR REAL ESTATE INVESTMENT TRUST
Condensed Interim Financial Statements
For the Half Year Ended 30 June 2024

7. Other payables and accruals (continued)

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

² Included in other payables is an amount of \$76,360,000 (31 December 2023: \$116,657,000) relating to sale proceeds collected from customers on behalf of the tenants.

Loans from subsidiaries are unsecured, interest-bearing and repayable in March 2026.

8. Units in issue and to be issued

	30 June 2024		31 December 2023	
	Group and Trust		Group and Trust	
	Number of Units '000	\$'000	Number of Units '000	\$'000
As at beginning of the period/year	1,242,648	541,236	1,231,092	608,780
Units in issue:				
- REIT Manager's management fees paid in Units	3,022	2,064	11,556	8,263
- Distribution to Unitholders	-	(17,583)	-	(75,807)
Total Units in issue at end of the period/year	1,245,670	525,717	1,242,648	541,236
Units to be issued:				
- REIT Manager's management fees payable in Units ¹	5,100	3,415	3,022	2,064
Total Units in issue and to be issued at end of the period/year	1,250,770	529,132	1,245,670	543,300

¹ 5,100,000 Units to be issued as payment of the REIT Manager's management fees for the period from 1 January 2024 to 30 June 2024 based on the volume-weighted average Unit price of \$0.6695 for the last 10 Business Days immediately preceding 30 June 2024.

² There were no treasury units as at 30 June 2024 and 31 December 2023.

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

	Group		Trust	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Number of Units in issue and to be issued ('000)	1,250,770	1,245,670	1,250,770	1,245,670
Net asset (\$'000)	1,065,069	1,019,612	845,585	855,352
NAV and NTA per Unit ¹	0.85	0.82	0.68	0.69

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

SASSEUR REAL ESTATE INVESTMENT TRUST
Condensed Interim Financial Statements
For the Half Year Ended 30 June 2024

10. EMA rental income

	Group	
	1H 2024	1H 2023
	\$'000	\$'000
EMA rental income	61,930	63,494

EMA rental income is accounted for on a straight-line basis over the lease term. Excluding net effect of straight-line adjustments, EMA rental income is \$62,297,000 (1H 2023: \$62,577,000) (Note 15).

11. Finance costs

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

	Group	
	1H 2024	1H 2023
	\$'000	\$'000
Interest expenses on loans and borrowings	10,176	11,535
Amortisation of borrowing-related transaction costs	2,196	2,738
Other borrowing costs	125	220
	<u>12,497</u>	<u>14,493</u>

12. Tax expense

The major components of tax expense are:

	Group	
	1H 2024	1H 2023
	\$'000	\$'000
Current tax expense		
Current period	5,709	7,693
	<u>5,709</u>	<u>7,693</u>
Deferred tax expense		
Movement in temporary differences	1,661	2,108
	<u>7,370</u>	<u>9,801</u>

13. Earnings per Unit ("EPU")

	Group	
	1H 2024	1H 2023
Weighted average number of Units ('000)	1,244,342	1,232,889
Total return after tax (\$'000)	35,756	36,582
EPU ¹ (cents) – basic and diluted ²	<u>2.873</u>	<u>2.967</u>

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

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

SASSEUR REAL ESTATE INVESTMENT TRUST
Condensed Interim Financial Statements
For the Half Year Ended 30 June 2024

14. 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.

(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 30 June 2024	Fair value		
	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets measured at fair value			
Non-financial assets			
Investment properties			
- <i>Outlet malls</i>	–	1,610,036	1,610,036
Total non-financial assets	–	1,610,036	1,610,036
Financial assets			
Derivative financial instruments			
- <i>Interest rate swap</i>	225	–	225
- <i>Cross currency swaps</i>	1,854	–	1,854
- <i>Forward currency contracts</i>	26	–	26
Total financial assets	2,105	–	2,105

SASSEUR REAL ESTATE INVESTMENT TRUST
Condensed Interim Financial Statements
For the Half Year Ended 30 June 2024

14. Fair values of assets and liabilities (continued)

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

Group 31 December 2023	Fair value		Total \$'000
	Level 2 \$'000	Level 3 \$'000	
Assets measured at fair value			
Non-financial assets			
Investment properties			
- <i>Outlet malls</i>	–	1,580,190	1,580,190
Total non-financial assets	–	1,580,190	1,580,190
Financial assets			
Derivative financial instruments			
- <i>Cross currency swaps</i>	537	–	537
- <i>Forward currency contracts</i>	77	–	77
Total financial assets	614	–	614
Liabilities measured at fair value			
Financial liabilities			
Derivative financial instrument			
- <i>Interest rate swap</i>	23	–	23
Total financial liabilities	23	–	23

(c) Level 2 fair value measurements

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

Derivative financial instruments

The fair values of interest rate swap, cross currency swap and foreign currency forward contracts are based on valuations provided by the financial institutions that are the counterparties of the transactions. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates or exchange rates, where applicable, for a similar financial instrument at the measurement date.

(d) Level 3 fair value measurements

Information about significant unobservable inputs used in Level 3 fair value measurements

Investment properties

Investment properties are stated at fair value based on independent valuations performed by Jones Lang LaSalle Corporate Appraisal and Advisory Limited as at 31 December 2023, adjusted for capital expenditure incurred subsequent to the valuation date and translation differences. The independent valuers have the appropriate professional qualifications and recent experience in the location and category of the properties being valued.

The valuations were based on information available and market conditions as at 31 December 2023. Management is of the view that there was no indication of material changes to the carrying values of the investment properties as at 30 June 2024. The REIT Manager will continue to monitor the situation and seek professional advice on the property values as and when necessary.

SASSEUR REAL ESTATE INVESTMENT TRUST
Condensed Interim Financial Statements
For the Half Year Ended 30 June 2024

14. Fair values of assets and liabilities (continued)

(d) Level 3 fair value measurements (continued)

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.

15. Related party transactions

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

In the normal course of its business, the Group carried out transactions with related parties on terms agreed between the parties. During the period, in addition to the related party information disclosed elsewhere in the financial statements, the following significant related party transactions were carried out at terms agreed between the parties and included in the Group’s total return before tax:

	Group	
	1H 2024	1H 2023
	\$'000	\$'000
EMA rental income received/receivable from Entrusted Manager (Note 10)	62,297	62,577
REIT Manager’s management fees paid/payable	4,269	4,397
Trustee’s fees paid/payable	160	161
Interest expenses on loan from a related party	1,415	899

16. Financial ratios

	Group	
	1H 2024	1H 2023
	%	%
Ratio of expenses to weighted average net assets ¹		
- Including performance component of the REIT Manager’s management fees	0.95	0.99
- Excluding performance component of the REIT Manager’s management fees	0.95	0.99
Portfolio turnover rate ²	–	–

¹ The annualised ratios are computed in accordance with the guidelines of the Investment Management Association of Singapore (“IMAS”). The expenses used in the computation relate to expenses of the Group, excluding finance costs, exchange differences and tax expense.

² The annualised ratio is computed based on the lower of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value.

SASSEUR REAL ESTATE INVESTMENT TRUST
Condensed Interim Financial Statements
For the Half Year Ended 30 June 2024

17. 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) Outlet")
- (b) Sasseur (Chongqing) Business Co., Ltd. ("Sasseur (Chongqing Bishan) Outlet")
- (c) Hefei Sasseur Commercial Management Co., Ltd. ("Sasseur (Hefei) Outlet")
- (d) Kunming Sasseur Commercial Management Co., Ltd. ("Sasseur (Kunming) Outlet")

Segment revenue comprises mainly income generated under the EMA and is reported to the 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.

SASSEUR REAL ESTATE INVESTMENT TRUST
Condensed Interim Financial Statements
For the Half Year Ended 30 June 2024

17. Operating segments (continued)

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

Segment results

Group	1H 2024				Unallocated \$'000	Total \$'000
	Sasseur (Chongqing Liangjiang) Outlet \$'000	Sasseur (Chongqing Bishan) Outlet \$'000	Sasseur (Hefei) Outlet \$'000	Sasseur (Kunming) Outlet \$'000		
EMA rental income	27,853	5,511	17,629	10,937	–	61,930
REIT Manager's management fees	–	–	–	–	(4,269)	(4,269)
Trustee's fees	–	–	–	–	(160)	(160)
Other trust expenses						
- Other income	387	55	376	36	–	854
- Other expenses	–	–	48	34	(1,516)	(1,434)
Finance income	–	–	–	–	118	118
Finance costs	(2,628)	(411)	(1,240)	(1,415)	(6,803)	(12,497)
Exchange differences	–	–	(29)	1	(3,269)	(3,297)
Change in fair value of financial derivatives	–	–	–	–	1,514	1,514
Total return before fair value adjustments to investment properties and tax	25,612	5,155	16,784	9,593	(14,385)	42,759
Fair value adjustments to investment properties	163	33	104	67	–	367
Total return for the period before tax	25,775	5,188	16,888	9,660	(14,385)	43,126
Tax expense					(7,370)	(7,370)
Total return for the period					(21,755)	35,756
Segment assets	648,373	169,326	592,101	329,558	20,657	1,760,015
Segment liabilities	203,199	32,021	157,053	97,659	205,014	694,946
Other segment information:						
Capital expenditure	313	36	66	36	–	451

SASSEUR REAL ESTATE INVESTMENT TRUST
Condensed Interim Financial Statements
For the Half Year Ended 30 June 2024

17. Operating segments (continued)

Segment results (continued)

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

18. Subsequent event

Distribution

On 8 August 2024, the REIT Manager declared a distribution of 3.153 Singapore cents per Unit for the period from 1 January 2024 to 30 June 2024.

SASSEUR REAL ESTATE INVESTMENT TRUST
Condensed Interim Financial Statements
For the Half Year Ended 30 June 2024

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

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

There were no sales, transfers, cancellation and/or use of treasury units as at the end of the current financial period ended 30 June 2024.

(B) AUDIT STATEMENT

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

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

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

Not applicable.

(C) REVIEW OF PERFORMANCE OF THE GROUP

1H 2024 vs 1H 2023

In RMB terms, total outlet sales for 1H 2024 were lower than that of 1H 2023 by RMB88.2 million or 3.9%. The decrease was attributable to the higher sales base in 1H 2023, which was driven by the pent-up demand following the relaxation of lockdown measures and the re-opening of the Chinese economy in December 2022, as well as a fall in overall consumer purchasing power.

EMA rental income (excluding straight-line adjustments) for 1H 2024 was higher by RMB3.0 million or 0.9% as compared to 1H 2023. In SGD terms, EMA rental income (excluding straight-line adjustments) for 1H 2024 was lower than 1H 2023 by \$0.3 million or 0.4%, mainly due to the weakening of Renminbi against Singapore Dollar as compared to 1H 2023.

REIT Manager's management fees for 1H 2024 were lower than 1H 2023 by \$0.1 million, mainly due to lower base fee which is in line with lower distributable income in 1H 2024.

Finance costs for 1H 2024 were lower than 1H 2023 by \$2.0 million or 13.8%, mainly attributable to lower weighted average cost of borrowings of 5.3% (1H 2023: 5.8%) arising from effective hedging of offshore loans' interest rates and lower onshore interest rates.

Net fair value gain on financial derivatives of \$1.5 million for 1H 2024 were attributable to the mark-to-market valuation of interest rate swap, cross currency swap and foreign currency forward contracts which were entered into to hedge interest rates and foreign currency risk exposures.

Tax expense for 1H 2024 was lower than 1H 2023 by \$2.4 million or 24.8%, due to reversal of provision of income tax in previous years.

Income available for distribution to Unitholders before retention for 1H 2024 was \$42.7 million, 2.9% lower compared to \$44.0 million for 1H 2023.

For 1H 2024, approximately \$3.4 million (1H 2023: \$2.9 million) of the income available for distribution has been retained for the principal amortisation of onshore loans and asset enhancement initiatives. After cash retention, the amount to be distributed to Unitholders for 1H 2024 was \$39.3 million, 4.3% lower compared to \$41.0 million distributed to Unitholders for 1H 2023.

(D) VARIANCE FROM FORECAST OR PROSPECT STATEMENT

Not applicable.

(E) OUTLOOK AND PROSPECTS

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

Market updates and outlook

China's Gross Domestic Product ("GDP") grew 4.7%¹ in the second quarter of 2024 ("2Q 2024") on a year-on-year ("Y-o-Y") basis, compared to 5.3% for the first quarter of 2024. This brings the GDP growth for the first half 2024 ("1H 2024") to 5.0%, mainly driven by the manufacturing sector which has largely outperformed expectations².

However, China's 1H 2024 economic growth continued to be affected by its property sector and consumption slowdown². In June 2024, China's retail sales of consumer goods rose by 2.0% Y-o-Y¹, missing market expectations and marking its slowest growth since January 2023, as consumers pivoted away from big-ticket purchases. For the period of January to June 2024, the retail sales of consumer goods registered RMB 23.6 trillion, a Y-o-Y increase of 3.7%¹.

The World Bank projected China's GDP at 4.8% in 2024, an upward revision of 0.3 percentage points from its December 2023 forecast³. The revision reflects stronger-than-expected exports and the impact of policy measures to support the property market and higher fiscal spending. On 22 July 2024, China's central bank cut benchmark lending rates to boost the economy⁴, as consumer sentiment is expected to remain subdued in the short term. Both the one-year and five-year loan prime rates were reduced by 10 basis points.

China's government has reaffirmed its 2024 GDP target of about 5% at the Third Plenum in July 2024, raising the possibility of more upcoming policies to support and stimulate the economy in the second half of the year⁵. To achieve the goal, the Chinese government has vowed to "proactively expand domestic demand" and develop "new-quality productivity forces".

2024 McKinsey China Consumer Report reveals a multi-faceted consumer landscape characterised by low but gradually recovering confidence, with a few promising signs of a gradual recovery in Chinese consumption⁶. The report highlighted that there is a noticeable trend of consumers becoming more cost-conscious and shifting their purchases to services and experience. Young consumers in lower-tier cities are still confident and willing to spend.

We expect near-term China consumer confidence may remain low and consumers will continue to seek greater bargains for goods and services. We remain optimistic that the wide array of "value-for-money" affordable quality merchandise coupled with pleasant experiential shopping experiences at Sasseur REIT's outlets will continue to be attractive to consumers in China.

Chongqing Market Update

Chongqing's 1H 2024 GDP grew 6.1% Y-o-Y⁷, outstripping China's national GDP Y-o-Y growth rate by 1.4 percentage points. Going forward, the city is expected to focus on stimulating consumption and expanding investments to achieve high quality and sustainable economic growth⁸.

In 1H 2024, total retail sales of consumer goods in the city reached RMB 768 billion, an increase of 3.9% Y-o-Y and 1.9 percentage points higher than the national level⁷. This reflects the results of the Chongqing municipal government's efforts to encourage consumer spending through an array of policies⁹.

In 1H 2024, no new outlets opened for business. Chongqing saw major retail developments with the opening of the Far Eastern City, Capita-Mall Skyview and Yunlin Paradise Walk. As a result, the total retail space in the city grew to approximately 8.076 million square meters¹⁰.

¹ National Bureau of Statistics of China's Press Release, 15 July 2024.

² ING, "China's 2Q GDP slowed by more than expected in new challenge to achieving growth target", 15 July 2024.

³ World Bank, "Structural reforms needed to sustain growth momentum", 14 June 2024.

⁴ China Daily, "China cuts benchmark lending rate LPR", 22 July 2024.

⁵ South China Morning Post, "What do investment banks think of the Chinese Communist Party's long-overdue third plenum?", 19 July 2024.

⁶ McKinsey & Company, "In search of pockets of growth in China", July 2024.

⁷ Xinhua News, "重庆市上半年 GDP 同比增长 6.1% 呈现'三个持续'特点", 19 July 2024.

⁸ Chongqing Municipal People's Government, "上半年重庆实现地区生产总值 15138.24 亿元同比增长 6.1%", 20 July 2024.

⁹ Chongqing Municipal Development and Reform Commission, "《关于恢复和扩大消费的若干措施》政策解读", 14 December 2023.

¹⁰ Savills Report "Chongqing's Luxury Retail & Office Markets Strong in 1H 2024", 18 July 2024.

SASSEUR REAL ESTATE INVESTMENT TRUST
Condensed Interim Financial Statements
For the Half Year Ended 30 June 2024

Chongqing is one of top five summer holiday destination cities after Beijing, Shanghai, Chengdu and Xi'an for domestic travelers, partly due to previous marketing campaigns implemented by the administration of Chongqing. Amongst the initiatives is "Love Chongqing - Night-Life Festival 爱尚重庆,不夜生活", an ongoing campaign which includes more than 200 themed events during the July to September 2024 period to promote domestic tourism to the city¹¹. With a rise in the number of domestic travelers to Chongqing, the retail environment will become more vibrant, which is beneficial to Sasseur REIT's two outlets in Chongqing.

Hefei Market Update

Hefei's 1H 2024 GDP grew 5.5% Y-o-Y, surpassing China's national GDP Y-o-Y growth rate by 0.8 percentage points¹². The city's GDP of RMB 613.5 billion placed it in the top position amongst the 16 cities in Anhui province, in terms of economic growth.

In 1H 2024, total retail sales of consumer goods in the city recorded RMB282.8 billion, representing a 3.7% Y-o-Y increase. Consumption demand remains robust, with additional support by the provincial government in terms of consumption vouchers¹².

Hefei continued to deliver positive growth in terms of its key economic key indicators. In 2023, Hefei registered the fastest population growth in China, with a permanent resident population of 9.853 million¹³. This surpasses other cities, including Nanjing and Hangzhou. We will continue to strengthen our trade mix and promotional activities at the Hefei Outlet to attract more shoppers.

Kunming Market Update

Kunming achieved a GDP of RMB403.9 billion in 1H 2024 representing a 2.4% Y-o-Y increase¹⁴. In 1H 2024, the city's total retail sales of consumer goods recorded RMB165.6 billion, representing a 0.8% Y-o-Y increase¹⁴. The city's per capita disposable income increased by 3.4% Y-o-Y to RMB22,613 in 1H 2024, surpassing the national average of RMB20,733¹⁵.

Kunming's retail sector has seen notable growth in several key areas as part of its "3-Year Action Plan for Sustainable Consumption Growth (2023-2025)"¹⁶. The city's total retail sales of consumer goods is projected to reach RMB 430 billion by end of 2025.

In 1H 2024, no new outlets opened in Kunming. Kunming Outlet is facing increasing competition from two outlet malls which are located nearer to the city centre. Kunming Outlet has undertaken strategic initiatives to sharpen its "Super Sports" and "Super Kids" offerings, and refreshed its fashion offerings with newer and more trendy domestic brands. We believe this will enhance Kunming Outlet's positioning as the preferred outlet in the city.

¹¹ Chongqing Announcement "Love Chongqing, Night-life Festival", 17 July 2024.

¹² Anhui News "5.5%! 合肥发布上半年经济运行情况", 26 July 2024.

¹³ Zhihu Report "合肥最新发展成就 - 人口增量第一", 2 April 2024.

¹⁴ Kunming Announcements "2024年上半年昆明市经济运行情况发布", 26 July 2024.

¹⁵ Kunming Announcements "上半年昆明市居民人均可支配收入和消费支出数据公布" 26 July 2024

¹⁶ Kunming "Kunming aims for 430 billion yuan retail sales by 2025", 4 December 2023.

SASSEUR REAL ESTATE INVESTMENT TRUST
Condensed Interim Financial Statements
For the Half Year Ended 30 June 2024

(F) DISTRIBUTION

(a) Current financial period

Any distribution declared for the current financial period? Yes

Name of distribution: Distribution for the financial period from 1 January 2024 to 30 June 2024

Distribution type/rate: Distribution of 3.153 Singapore cents per Unit comprising two components:
1. Tax exempt income distribution: 1.783 Singapore cents
2. Capital distribution: 1.370 Singapore cents

Par value of units: Not applicable

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

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

Record date 6 September 2024

Date payable 26 September 2024

(b) Corresponding period of the preceding financial period

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

Name of distribution: Distribution for the financial period from 1 January 2023 to 31 March 2023

Distribution type/rate: Tax exempt income distribution of 1.849 Singapore cents per Unit

Par value of units: Not applicable

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

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

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

Par value of units: Not applicable

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

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

(G) GENERAL MANDATE RELATING TO INTERESTED PERSON TRANSACTIONS

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

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

SASSEUR REAL ESTATE INVESTMENT TRUST
Condensed Interim Financial Statements
For the Half Year Ended 30 June 2024

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

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

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

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the REIT Manager which may render the unaudited interim financial statements of the Group and the Trust for the financial period ended 30 June 2024 to be false or misleading, in any material aspect.

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

Mr Cheng Heng Tan
Director

Dr Gu Qingyang
Director

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

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

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

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

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

Tan Hong Lye, Cecilia
Chief Executive Officer

8 August 2024