SASSEUR REAL ESTATE INVESTMENT TRUST
(a real estate investment trust constituted on 30 October 2017
under the laws of the Republic of Singapore)

FY2024 ANNUAL GENERAL MEETING
RESPONSES TO QUESTIONS FROM UNITHOLDERS

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1. Sasseur Asset Management Pte. Ltd. in its capacity as manager (the "**Manager**") of Sasseur Real Estate Investment Trust ("**Sasseur REIT**"), would like to thank unitholders of Sasseur REIT ("**Unitholders**") who submitted questions in advance of the Annual General Meeting to be held at 3.00 p.m. on 23 April 2025 ("**AGM**") at Meeting Rooms 331 & 332, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593.

2. The frequently asked questions from Unitholders have been grouped into the following key topics:
   (i) Acquisitions; and
   (ii) Others.

3. The Manager's responses to these substantial and relevant questions are provided in **Appendix 1** of this announcement. These responses are based on the Manager's best knowledge as of the date of this announcement.

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

Tan Hong Lye, Cecilia
Chief Executive Officer
16 April 2025

Important Notice

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

APPENDIX 1

Acquisitions

1. **Sasseur REIT has not made any new mall acquisition since its IPO. I have noted that its aggregate leverage is at a healthy level of 24.8% according to AR2024. The management has been talking about "Seeking accretive acquisition to improve Unitholder's return" for the past few years, but so far, it has not result in any mall acquisition yet. Can I know what has the management explored in 2024 with regards to "Seeking accretive acquisition"?**
2. **Is there any upcoming plan in 2025 that the management can share on "Seeking accretive acquisition", taking advantage of the low borrowing interest rate in China currently? Is there no potential at all in the current Sasseur Group of malls under management that has stabilised to be put up for REIT acquisition for capital recycling?**
3. **When will the company acquire these properties from its sponsor? Please detail.**
4. **When did the company last acquire properties from its sponsor? Please detail.**
5. **What are the reasons that the sponsor is not willing to sell to the REIT or the REIT is not willing to buy from the sponsor? Please elaborate.**
6. **The REIT has a low gearing of around 25% and its balance sheet is quite underleveraged compared to its peers. And in my view, it could acquire some properties from its sponsor (of course at the right price and fair price) and optimise its gearing level in the process. Please advise if you agree or disagree with my view.**

- Sasseur REIT made its first acquisition in April 2019, involving the purchase of additional shop units with existing tenancies located in the annex block of Sasseur Hefei Outlet. This acquisition increased the REIT's ownership from approximately 78% to 81% of the outlet's total gross floor area ("**GFA**"). The transaction covered 6,133.84 square metres and was completed at a purchase consideration of RMB 98.3 million (approximately S$19.8 million at the time), fully funded through internal cash resources.

- Between 2023 and 2024, we actively explored larger-scale acquisition opportunities involving the Sponsor-owned Sasseur Xi'an Outlet and Sasseur Guiyang Outlet, both of which fall under Sasseur REIT's Right of First Refusal ("**ROFR**"). These are substantial assets, with GFA ranging between 141,708 and 193,520 square metres. We conducted preliminary due diligence and financial analysis to evaluate the feasibility and potential accretion of these assets. While we remain keen on these opportunities, any decision to proceed will depend on the state of the market environment, including the macroeconomic outlook in China and the availability of adequate, cost-effective capital. We will only move forward when we are sufficiently confident that the market conditions are generally favourable to support an acquisition that will generate long-term value for our Unitholders.

- In parallel, as part of our strategic preparations for potential acquisitions, we proactively explored a range of financing options. A significant milestone was achieved in February 2025 with the receipt of a "AAA" credit rating from China Lianhe Credit Rating Co., Ltd., a well-regarded local credit agency. This rating significantly strengthens Sasseur REIT's credit profile and enhances our ability to access the Chinese onshore debt market. We are also in active discussions with various financial institutions to diversify our funding channels. Looking ahead, we intend to prioritise RMB-denominated borrowings, taking advantage of the ongoing downtrend in China's Loan Prime Rate ("**LPR**") to further optimise financing costs.

- Our Sponsor remains a strong and supportive partner, aligned with Sasseur REIT's long-term strategic objectives across operations, financing, and acquisitions. This alignment is key to ensuring consistency in execution and value delivery. This is evident in the Sponsor's steadfast commitment to maximising outlet performance through active leasing and year-round thematic promotional campaigns in its role as

Entrusted Manager. These efforts, along with strategic asset enhancement initiatives undertaken in recent years, have driven the portfolio occupancy rate of the four outlets to a record high of nearly 99% as of end-December 2024. Additionally, the Sponsor has demonstrated strong support by providing Sasseur REIT with unsecured, RMB-denominated loans referenced to China's 5-year LPR, amounting to RMB 738 million—approximately 31% of Sasseur REIT's total existing loans. This has increased the REIT's RMB loan exposure to 70%, significantly strengthening its natural hedge and lowering its overall cost of debt.

- As outlined above, our acquisition strategy remains prudent and disciplined. Every opportunity is rigorously assessed for its potential to deliver long-term value and accretion, while aligning with the best interests of the REIT's Unitholders. We continue to work closely with key stakeholders to ensure robust due diligence and financial viability before advancing any transaction.
- Looking ahead, "seeking accretive acquisitions" remains a core strategic focus for 2025 and beyond. We will continue to proactively identify and evaluate opportunities within the Sponsor's portfolio — particularly outlet malls under our ROFR — as well as selectively consider assets owned by third parties but operated by Sasseur Group. Our goal is to pursue meaningful, value-enhancing acquisitions that would contribute to sustainable growth for Sasseur REIT.

<u>Others</u>

1. **What do you envisage would be the impact of the new Trump tariffs announced in the past week on Sasseur REIT? Please explain and elaborate.**

- At present, we do not foresee any material impact on Sasseur REIT arising from the newly announced tariffs by the Trump administration. The majority of products sold in Sasseur REIT's outlets are primarily manufactured within China, with additional merchandise sourced from Europe and Southeast Asia. To our knowledge, goods originating from the United States do not constitute a significant portion of the outlets' tenants' product mix.
- Furthermore, the outlets predominantly serve domestic Chinese consumers. As such, we believe that the outlets are largely insulated from direct effects stemming from U.S. trade policy changes.
- That said, we remain vigilant in monitoring developments in global trade dynamics, including any broader implications that may affect consumer sentiment or retail demand. Should the external environment shift materially, we would respond proactively to mitigate any potential impact on the outlets' business performance.