



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

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**FY2025 ANNUAL GENERAL MEETING  
RESPONSES TO QUESTIONS FROM UNITHOLDERS AND SIAS**

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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 for their cooperation in submitting questions in advance of the Annual General Meeting to be held on 23 April 2026 (“**AGM**”). In addition, the Securities Investors Association (Singapore) (“**SIAS**”) has also submitted questions ahead of the AGM, to which the Manager has provided responses where relevant.
2. The Manager’s responses to the key questions raised by Unitholders and SIAS are set out in the Appendix to this announcement. These responses are based on the Manager’s best knowledge as at the date of this announcement.
3. As certain questions from Unitholders and SIAS overlap, the Manager has, for ease of reference, consolidated, summarised and grouped similar or related questions and responses in **Appendix 1** under the following categories:
  - (i) Acquisitions and Growth Strategy
  - (ii) Entrusted Management Agreement (“**EMA**”) Model
  - (iii) Operations and Portfolio Performance
  - (iv) Financial and Capital Management

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

Cheng Hsing Yuen  
Chief Executive Officer  
16 April 2026

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**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 and Growth Strategy**

1. In the Chairman's Statement of the Annual Report 2025 ("AR2025"), it was noted that Sasseur plans to prudently explore opportunities in Singapore and other Southeast Asian markets when conditions are appropriate, with the aim of enhancing portfolio resilience and further diversifying its asset base.
    - (i) Could the Manager elaborate on the types of opportunities being considered? For instance, would the focus be on greenfield developments (such as building outlet malls from scratch) or the acquisition of existing outlet properties? Given Sasseur's unique outlet operating model, how does the Manager assess the suitability and potential fit of such a concept in Singapore and other Southeast Asian markets?
    - (ii) Sasseur Group currently operates 19 outlets in China. Are there suitable assets within the Sponsor's portfolio that may be considered for acquisition by the REIT, which could be accretive to distribution per unit ("DPU") and net asset value ("NAV")?
  2. On 27 January 2026, Sasseur REIT announced that it had declined an offer from Sasseur Cayman Holding Limited to acquire Sasseur (Xi'an) Outlets. It was stated that the proposed acquisition would not be accretive to DPU and would result in dilution to both DPU and NAV per unit, based on reasonable funding cost assumptions, and therefore would not be in the best interests of Unitholders. Could the Manager provide further details on the key terms of the offer? Additionally, if the acquisition were to proceed under more favourable funding cost assumptions, what would be the expected impact on DPU and NAV per unit?
  3. In the Chairman's Statement, it was also indicated that future expansion may extend beyond China to Southeast Asia, including Singapore, where the Manager sees "promising opportunities for outlet development". The Manager further noted that any expansion would be undertaken prudently, taking into account interest rates, return requirements and prevailing market conditions.
    - (i) Could the Board provide further details on its expansion strategy across China and Southeast Asia? Were acquisition opportunities actively evaluated in FY2025, and what were the key considerations or constraints that influenced the pace of capital deployment?
    - (ii) Does the REIT intend to undertake development projects in Southeast Asia, including greenfield outlet developments? How does the Board assess its capabilities and risk appetite in executing both geographic expansion and development activities concurrently?
- In January 2026, pursuant to the Sponsor's Right of First Refusal ("ROFR"), the Manager received an offer from the Sponsor to acquire Sasseur (Xi'an) Outlets on terms consistent with those proposed for the C-REIT (the "ROFR Offer"). Based on publicly available information from the latest C-REIT IPO prospectus, the asset was valued at approximately RMB5.028 billion (over S\$930 million), which exceeds Sasseur REIT's market capitalisation. Following careful evaluation, the Manager determined that the acquisition would not be accretive to DPU and NAV, even under favourable funding assumptions, and would likely require substantial equity fundraising, resulting in material dilution to Unitholders. Accordingly, the Manager declined the ROFR Offer as it was not in the best interests of Sasseur REIT and its Unitholders.
  - Acquisitions remain a key strategic priority, and the Manager has been actively exploring and evaluating

opportunities, including outlet malls owned or operated by Sasseur Group in China. While these assets are of high quality, their relatively large scale would require considerable funding. In the current market environment, such acquisitions may not be immediately accretive and could place pressure on the REIT's balance sheet, which is a key consideration in pacing capital deployment.

- In mid-2025, the Manager and the Sponsor agreed to expand the REIT's investment mandate beyond China to include retail opportunities in Southeast Asia, supported by favourable trends such as Southeast Asia's growing importance as China's largest export market and the rapid expansion of Chinese brands in the region.
- The Manager adopts a disciplined and selective investment approach, recognising that identifying assets with the appropriate strategic fit requires time, while remaining mindful of avoiding value-destructive acquisitions. The Manager will continue to pursue acquisition opportunities that are aligned with its strategy and accretive to Unitholders, while driving organic growth through asset enhancement initiatives and active portfolio optimisation.
- At present, the Manager is not considering undertaking development projects at the REIT level, including greenfield outlet developments.

#### **Entrusted Management Agreement (“EMA”) Model**

- 1. In the AR2025 (page 158), it is stated that the EMA is valid for a term of 10 years from the Listing Date. As Sasseur REIT is currently in its eighth year since listing, the EMA is due to expire in approximately two years. Could the Manager share whether there are plans to renew the EMA upon its expiry?**
- The Manager has commenced discussions with the Sponsor regarding the potential renewal of the EMA. These discussions are ongoing and no definitive terms have been finalised at this stage. The Manager will make appropriate announcement in due course should there be any material developments.

#### **Operations and Portfolio Performance**

- 1. Despite challenging macroeconomic conditions, the group's portfolio achieved total sales of approximately RMB4.6 billion, an increase of 2.6%. Rental income recognised under the EMA rose by 2.7% year-on-year to RMB682.3 million, marking the third consecutive year of growth.**
    - (i) Can the manager provide more colour on tenant performance, including the fastest-growing brands (both domestic and international) and categories across its outlet malls? What trends are the manager observing in consumer demand and tenant mix?**
    - (ii) With increasing digitalisation of retail channels, how does the manager monitor and prevent potential revenue leakage, particularly in omni-channel transactions such as click-and-collect, where sales may bypass in-mall point-of-sale systems?**
- In recent years, demand for domestic Chinese fashion and sportswear brands has strengthened, supported by their competitive value-for-money proposition and the growing popularity of the “Guochao” (国潮) trend, which reflects rising consumer preference for local brands. Sasseur Group has organised its annual “Red Festival” since 2019 to promote domestic brands, and the event has gained stronger traction in recent years alongside the rise of the “Guochao” trend, with participating brands seeing solid sales growth.
  - Sports and athleisure continue to be among the better-performing segments, with resilient demand driven by a younger demographic that places greater emphasis on health, wellness and active lifestyles.
  - In contrast, the Manager has observed more subdued performance among international luxury and

fashion brands, largely due to softer consumer confidence and reduced discretionary spending among middle-income consumers.

- These trends have guided the Manager’s approach to tenant mix optimisation, with a focus on increasing exposure to resilient, high-growth domestic brands and categories, while maintaining a balanced and diversified retail offering.
- To mitigate revenue leakage, Sasseur Group has implemented a centralised point-of-sale and cash management system across all stores, whereby sales proceeds are collected centrally and rental is deducted prior to remittance to tenants. These controls are further reinforced by CCTV surveillance, on-site monitoring and daily transaction reconciliation by store staff, providing additional safeguards to ensure accuracy and prevent discrepancies.
- The only official online omni-channel supporting outlet-exclusive discounts and “click-and-collect” services is the WeChat Mini-Programme, “Yeah! Outlets” (夜奧萊), through which all transactions are captured, and sales are duly recorded. Together with the centralised system and monitoring controls, the Manager believes that the risk of revenue leakage remains minimal.

## **Financial and Capital Management**

1. **As at 31 December 2025, the manager successfully refinanced the REIT’s borrowings via offshore sponsor loans, resulting in a fully RMB-denominated debt profile. Achieving this gave the REIT a natural hedge against currency volatility. The weighted average cost of borrowing was reported to be 4.4%. Can the Manager clarify if this reflects the all-in cost of debt, including fees, transaction costs, and any early termination penalties?**

The weighted average cost of borrowing reflects the all-in cost of debt, including interest expense and the amortisation of fees and related transaction costs over the tenure of the facilities. No early termination penalties were incurred in connection with the loan refinancing completed during the year.

As disclosed on page 46 of the AR2025, one-off adjustments relating to the write-off of unamortised transaction costs have been excluded, as such items are non-recurring in nature and do not reflect the REIT Group’s ongoing cost of funding.

Accordingly, the disclosed weighted average cost of borrowing provides a representative measure of the REIT’s recurring and underlying cost of debt.

2. **The EMA rental income reported excludes straight-line accounting adjustments.**

	As at 31 December 2025	As at 31 December 2024	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021
<b>STATEMENT OF TOTAL RETURN HIGHLIGHTS</b>					
EMA rental income <sup>1</sup> (RMB million)	<b>682.3</b>	664.1	658.5	594.7	611.9
- Fixed Component	<b>474.8</b>	461.0	447.5	434.5	421.8
- Variable Component	<b>207.5</b>	203.1	211.0	160.2	190.1
EMA rental income <sup>1</sup> (\$ million)	<b>124.2</b>	124.5	124.9	121.3	127.5

(Source: company annual report)

In FY2025, straight-line adjustments amounted to \$3.22 million, compared to negative adjustments in prior years. The adjustments were:

FY2020 - \$(9.49) million  
 FY2021 - \$(7.34) million  
 FY2022 - \$(4.61) million  
 FY2023 - \$(1.81) million  
 FY2024 - \$0.73 million  
 FY2025 - \$3.22 million

Under straight-line accounting, the difference between revenue recognised and the contractual cash flow is capitalised into the carrying value of the investment properties, and subsequently reflected in fair value changes recognised in the profit or loss statement.

- (i) **To help Unitholders better understand the EMA model, can the manager explain the key operational and contractual drivers of straight-line adjustments? From a cash flow and earnings quality perspective, should Unitholders view positive or negative adjustments as more favourable, and why?**

Sasseur REIT's unique 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 structure, tenant sales proceeds are collected directly into REIT-controlled bank accounts, from which a predetermined percentage is recognised as the variable rental component.

The straight-line adjustment arises primarily from the fixed component of the EMA, which includes a built-in 3% annual step-up. In accordance with FRS 116, this fixed income stream is recognised on a straight-line basis over the lease tenure, resulting in timing differences between accounting recognition and contractual cash receipts. For FY2024 and FY2025, the positive straight-line adjustments indicate that actual contractual cash received exceeded the amount recognised as revenue under FRS 116 during the financial year.

From a Unitholder perspective, positive or negative straight-line adjustments should generally be viewed as accounting timing differences rather than indicators of underlying cash flow strength or deterioration. Accordingly, the Manager believes it is more meaningful to assess the REIT's earnings quality and performance through cash-based measures such as distributable income and DPU.

- (ii) **Are all four malls contributing to the positive straight-line adjustment? What is the breakdown by mall, and can the manager explain any significant differences across the REIT's portfolio?**

All four outlet malls contributed positively to the FY2025 straight-line adjustment, with the breakdown as follows:

<b>S\$'million</b>	<b>Straight-line adjustments</b>
Sasseur (Chongqing Liangjiang) Outlet	1.43
Sasseur (Chongqing Bishan) Outlet	0.29
Sasseur (Hefei) Outlet	0.91
Sasseur (Kunming) Outlet	0.59
<b>Portfolio</b>	<b>3.22</b>

The differences across the portfolio are mainly attributable to variations in the size of the fixed component of EMA rental income at each outlet. Assets with a larger fixed rental base will naturally contribute a higher proportion of straight-line adjustments.