



For Immediate Release

Stellar 4Q 2021 Results Propelled Sasseur REIT to Deliver Record High FY 2021 DPU of 7.104 Singapore Cents, Well Surpassing pre-COVID-19 Levels

- Record high FY 2021 distributable income and DPU represents third consecutive year of growth¹, reflecting strength and resilience of innovative and unique EMA model
- Sales surged 16.6% q-o-q and 12.3% in FY 2021, despite COVID-19 disruptions
- Property valuation rose by 9.1%² y-o-y to S\$1.80 billion, lifting NAV per unit by 8.2% to 98.94 Singapore cents
- Lowest gearing amongst all S-REITs at 26.1% provides considerable debt headroom to pursue potential acquisition opportunities
- Stellar results affirm Sasseur REIT's position as a proxy to China's strong domestic market

	4Q 2021	3Q 2021	Change (%) +/-	4Q 2020	Change (%) +/-	FY 2021	FY 2020	Change (%) +/-
EMA Rental Income (RMB mil)	158.4	150.4	5.3	159.1	(0.5)	611.9	579.8	5.5
- Fixed Component (RMB mil)	105.5	105.5	-	102.4	3.0	421.8	409.6	3.0
- Variable Component (RMB mil)	52.9	44.9	17.8	56.7	(6.8)	190.1	170.2	11.7
EMA Rental Income (exclude straight-line adjustments) (S\$ mil)	33.6	31.4	6.8	32.3	4.1	127.5	115.8	10.1
Income Available for Distribution to Unitholders (S\$ mil)	25.3	23.2	8.9	23.3	8.4	93.9	78.7	19.3
Distribution Per Unit (SG cents) before retention	2.079	1.913	8.7	1.935	7.4	7.740	6.545	18.3
Distribution Per Unit (SG cents) after retention	1.900	1.831	3.8	1.935	(1.8)	7.104	6.545	8.5

Note: Average SGD: RMB rate of 1:4.7111 for 4Q 2021, 1:4.7820 for 3Q 2021, 1:4.9223 for 4Q 2020, 1:4.7991 for FY 2021 and 1:5.0085 for FY 2020

¹ Since FY 2018. Sasseur REIT was listed on 28 March 2018.

² Investment properties are higher by 9.1% as at 31 Dec 2021, mainly contributed by higher valuation of properties by 4.4% and RMB appreciation against SGD.



Singapore, 18 February 2022 – Sasseur Asset Management Pte. Ltd. (“**SAMPL**” or “**REIT Manager**”), the manager of Sasseur Real Estate Investment Trust (“**Sasseur REIT**”; 砂之船房地产投资信托), is pleased to report a 8.4% year-on-year (“**y-o-y**”) increase in its distributable income of S\$25.3 million for the quarter ended 31 December 2021 (“**4Q 2021**”). After retention of S\$2.2 million of distributable income in 4Q 2021, the amount to be distributed to unitholders would be S\$23.1 million, translating to DPU of 1.900 Singapore cents for 4Q 2021. On a like-for-like basis, assuming no retention of distributable income, the DPU for 4Q 2021 at 2.079 Singapore cents would have been 7.4% higher than the record high DPU of 1.935 Singapore cents in 4Q 2020.

For the full year ended 31 December 2021 (“**FY 2021**”), distributable income increased 19.3% y-o-y to S\$93.9 million and DPU was up 8.5% y-o-y to 7.104 Singapore cents, despite a total of S\$7.7 million distributable income retained in FY 2021 to fund asset enhancement initiatives (“**AEI**”) and for working capital purposes. Similarly, without retention, DPU for FY 2021 would be 7.740 Singapore cents, 18.3% higher than FY 2020. This represents a record high full year DPU for Sasseur REIT and its third consecutive year of growth, which surpassed pre-COVID-19 level. EMA Rental Income was RMB 158.4 million in 4Q 2021, a marginal 0.5% decrease from 4Q 2020’s RMB 159.1 million. For FY 2021, EMA Rental Income increased 5.5% y-o-y to RMB 611.9 million, lifted by a 11.7% increase in the variable component, in line with the 12.3% increase in sales.

This achievement is a testament to the strength and resilience of the REIT’s unique and innovative Entrusted Manager Agreement (“**EMA**”) model which serves to align the REIT Manager’s interests with the unitholders. **Ms Cecilia Tan, CEO of SAMPL said**, “Sasseur REIT has grown from strength to strength since listing and has performed remarkably well against a challenging and uncertain economic backdrop, as well as a fairly volatile operating environment in China in the last two years of the global pandemic. Sasseur REIT’s outstanding performance is a validation of our proactive and effective asset management strategies including revitalising tenant mix, curating a wide array of offerings and carrying out targeted AEIs at our assets. With our attractive and resilient portfolio underpinned by strong fundamentals, backed by the solid operational capabilities of our Sponsor and a visible pipeline of assets, Sasseur REIT is well positioned to capitalise on both organic and inorganic growth opportunities when they arise.”

Sasseur REIT’s four outlets in China generated total sales of RMB 1,161.9 million during 4Q 2021, marking a strong 16.6% growth quarter-on-quarter (“**q-o-q**”), above China’s average q-o-q growth of 15.7%³ in retail sales. In FY 2021, total sales of RMB 4,184.6 million were recorded, 12.3% higher than the previous corresponding period (“**FY 2020**”), demonstrating the resilience of the portfolio despite the volatile business environment in China. The REIT continued to see robust consumption trends in the cities where its outlets are located, coupled with intensive promotional efforts in close collaboration with tenants which led to the higher sales. The strengthening of RMB coupled with an increase in valuation of the REIT’s four properties lifted NAV per unit by 8.2% y-o-y to 98.94 Singapore cents as at 31 December 2021.

³ National Bureau of Statistics of China http://www.stats.gov.cn/english/PressRelease/202201/t20220118_1826503.html



Capital Management

Sasseur REIT continues to have the lowest gearing level amongst the S-REITs. On the strength of its higher property valuations, its gearing dropped to 26.1% as at 31 December 2021 as compared to 27.9% as at 31 December 2020. Its interest coverage ratio⁴ improved from 4.0 times from a year ago to 5.1 times as at 31 December 2021. These reflect the strong fundamentals of the portfolio as well as prudent capital management, with an expanded debt headroom to pursue potential acquisition opportunities. Both onshore and offshore debts of approximately S\$518.6 million will mature in March 2023, with average debt maturity of 1.2 years as at 31 December 2021. The REIT Manager is actively exploring refinancing opportunities with a view to de-risk the current debt profile of Sasseur REIT by staggering its debt maturity and amount.

Portfolio Update

The Chongqing Liangjiang Outlets' AEI works were completed in December 2021 and its occupancy continues to be maintained at 100%. The REIT's portfolio average occupancy rate across the four properties rose to 94.5% in 4Q 2021, compared to 93.7% in 3Q 2021, where the Chongqing Bishan, Hefei, and Kunming outlets all recorded higher occupancy due to proactive asset management and new leases secured. Throughout the year, we have implemented trade-mix diversification plans for all our outlets, allowing them to stay ahead of new retail trends and remaining competitive in attracting new tenants. These included introducing more F&B, beauty and healthcare trade mix to complement the existing tenants' base. Sasseur Chongqing Bishan Outlets welcomes popular health and beauty retailer Watsons, which opened its store in 4Q 2021. Spanning across 220 sqm of floor area, the new store is set to offer a wider variety of brands for our shoppers.

Outlook

China's GDP recorded its slowest quarter growth rate of 4.0%⁵ in 4Q 2021 as economic momentum continued to be suppressed due to COVID-19 outbreaks, real estate market downturn and supply chain disruptions. China nonetheless still delivered a respectable 8.1%⁵ GDP growth in 2021 on the strength of its domestic market, higher than the average global GDP growth of 5.5%⁶ in 2021 stated by the World Bank.

The World Bank projected a slower economic growth of 5.1%⁷ in 2022 for China, but still higher than the projected global GDP growth of 4.1%⁶ in 2022. Despite slower economic growth, we believe outlet business remains appealing due to its unique positioning as a value-for-money shopping destination. Sasseur

⁴ The interest coverage ratio is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding the effects of any fair value changes in financial instruments and investment properties, and foreign exchange translation), by the trailing 12 months interest expense and borrowing-related fees (including amortisation of borrowing-related transaction costs).

⁵ National Bureau of Statistics of China http://www.stats.gov.cn/english/PressRelease/202201/t20220117_1826409.html

⁶ The World Bank <https://www.worldbank.org/en/news/press-release/2022/01/11/global-recovery-economics-debt-commodity-inequality#:~:text=Global%20growth%20is%20expected%20to,is%20unwound%20across%20the%20world>

⁷ The World Bank <https://www.worldbank.org/en/news/opinion/2022/01/12/rebalancing-act-china-s-2022-outlook#:~:text=Following%20a%20strong%208%20percent,of%20output%20at%20full%20capacity>



REIT's outlets are well-positioned and will continue to benefit from China's dual circulation policies which promote domestic consumption.

Chairman of SAMPL, Mr Vito Xu, said, "The China outlet sector's structural growth trend is underpinned by a rising middle class with higher disposable income, globalisation of brands and demand for affordable luxury goods. We are confident that this sector will continue to appeal to consumers over conventional retail malls due to its attractive value propositions. China's focus on attaining 'common prosperity' will benefit the middle-income population, which is the main customer base for our outlets. All these augur well for Sasseur REIT as a proxy to China's strong domestic market."

"Beyond the steady operational and financial performance of Sasseur REIT, I am also heartened that our team has won multiple prestigious awards and received improved rankings by reputable and credible organisations for our corporate governance and investor relations efforts. These awards attest to our robust corporate governance framework and unwavering determination and efforts in upholding best-in-class standards. The year 2021 was an equally fruitful year for Sasseur Group as we continue to expand our footprint and branding in China with the opening of our 14th new outlet in Suzhou in October 2021. In addition, we are delighted to be recognised through various industry awards and our ranking in the Top 500 China Service Enterprise was elevated to 283rd position in 2021 from 304th position in 2020."

The Year 2021 has been a bumper year for Sasseur REIT with the crowning of four accolades including the highly esteemed Corporate Excellence and Resilience Award by Singapore Corporate Awards 2020/2021 (Special Edition) and the Singapore Corporate Governance Award Runner-up (REITs & Business Trusts Category) by SIAS Investors' Choice Awards. Looking ahead, Sasseur REIT will continue to uphold strong corporate governance principles and build trust with stakeholders, in addition to our commitment to continue to deliver sustainable returns for our unitholders.



Shoppers return to Sasseur Chongqing Liangjiang Outlets for the year-end sales events.

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About Sasseur REIT

Sasseur REIT is the first retail outlet mall REIT listed in Asia. Sasseur REIT offers investors the unique opportunity to invest in the fast-growing retail outlet mall sector in the People's Republic of China (the "PRC") through its initial portfolio of four quality retail outlet mall assets strategically located in fast-growing cities in China such as Chongqing, Kunming and Hefei, with a net lettable area of 312,844 square metres.

Sasseur REIT is established with the investment strategy to investing principally, directly or indirectly, in a diversified portfolio of income-producing real estate which is used primarily for retail outlet mall purposes, as well as real estate related assets in relation to the foregoing, with an initial focus on Asia.

For more information on Sasseur REIT, please visit <http://www.sasseurreit.com/>

About the Manager – SASSEUR ASSET MANAGEMENT PTE.LTD.

Sasseur REIT is managed by the Manager, an indirect wholly-owned subsidiary of the Sponsor. The Manager's key responsibility is to manager Sasseur REIT's assets and liabilities for the benefit of Unitholders.

As the first retail outlet mall REIT listed in Asia, the Manager intends to utilise Sasseur REIT's first-mover advantage and acquire suitable properties with good investment characteristics in Asia or other parts of the world. The Manager's growth strategy is to identify and selectively pursue acquisition opportunities in quality income-producing properties used mainly for retail outlet mall purposes initially in the PRC and subsequently in other countries.

About the Sponsor – SASSEUR CAYMAN HOLDING LIMITED

The Sponsor Group is one of the leading premium outlet groups in the PRC, ranked within the top 500 service companies in the PRC. With about 30 years of experience in art-commerce, the Sponsor Group has attained recognition in Asia as a leading outlet operator which adopts a strategic approach of integrating emotion, aesthetics, scenario planning and prudent capital management, as well as its "A x (1+N) x DT" Super Outlet business model.

For more information on the Sponsor, please visit <http://www.sasseur.com/>



CONTACT

Sasseur Asset Management

Wong Siew Lu, CFA, CA (Singapore)
Head, Investor Relations and Capital Markets
Tel: (65) 6360 0290
wongsl@sasseurreit.com

Citigate Dewe Rogerson Singapore

Chia Hui Kheng / Dolores Phua / Justin Teh
Tel: (65) 6534 5122
sasseurreit@citigatedewerogerson.com

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.
