



# SASSEUR REIT – Growing in a Sunrise Industry

*First Listed Outlet Mall REIT in Asia*

CLSA Bangkok NDR Presentation

2 Dec 2019

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DBS Bank Ltd. was the sole financial adviser and issue manager for the initial public offering of Sasseur REIT (the "**Offering**"). DBS Bank Ltd. and Bank of China Limited, Singapore Branch were the joint global coordinators to the Offering. DBS Bank Ltd., Bank of China Limited, Singapore Branch, China International Capital Corporation (Singapore) Pte. Limited, Citigroup Global Markets Singapore Pte. Ltd., Credit Suisse (Singapore) Limited, Haitong International Securities (Singapore) Pte. Ltd. and Maybank Kim Eng Securities Pte. Ltd. were the joint bookrunners and underwriters to the Offering.

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# Key Investment Highlights



## EXPOSURE TO THE PRC'S FAST-GROWING RETAIL OUTLET MALL SECTOR

- ▶ Growing middle-class population in the PRC creates a large potential customer base for the outlet mall market in the PRC
- ▶ Resulting increase in spending power represents a sweet spot for the retail outlet mall industry
- ▶ The PRC's outlet industry expected to become the world's largest outlet market in terms of sales revenue by 2030<sup>(1)</sup>



## STRONG GROWTH POTENTIAL

- ▶ Two right of first refusal properties ("ROFR Properties") and nine Pipeline Properties
- ▶ Assuming Sasseur REIT acquires the full interest in the ROFR Properties and Pipeline Properties, it will almost quadruple the total gross floor area of the initial portfolio



## STRATEGICALLY LOCATED PORTFOLIO IN FAST-GROWING CITIES

- ▶ Leading privately-owned outlet mall operator in the Chinese outlet mall industry<sup>1</sup>
- ▶ First-mover advantage in the Tier-2 PRC cities with an increasing addressable market size<sup>(2)</sup>
- ▶ Diversified mix of tenants across various trade sectors

(1) Source: China Insights Consultancy

(2) Defined as the sales revenue opportunity available in the outlet industry after considering information such as economic development, population size, residents' disposable income and outlets penetration

# Overview of PRC's Outlet Market



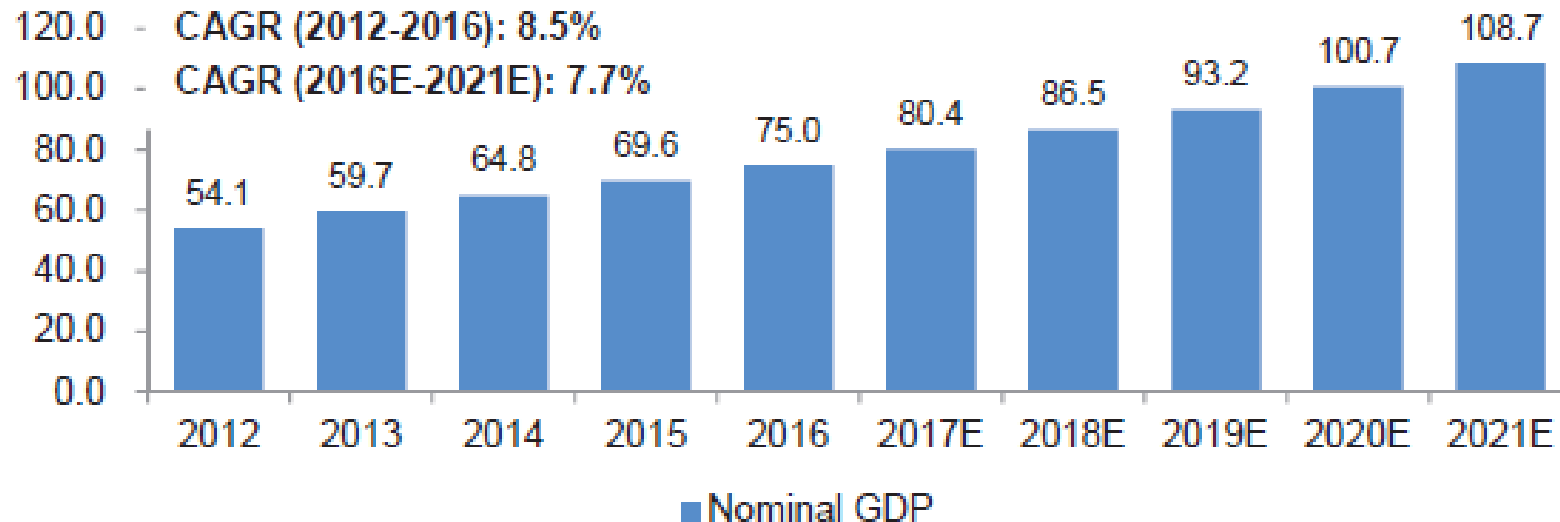
1

## Strong economy growth driven by consumption sector

PRC's nominal GDP forecast to reach RMB108.7 trillion by 2021 from RMB75 trillion in 2016, growing at a CAGR of 7.7%. In 2016, consumption expenditure contributed to over 64.6% of GDP growth as the main driver.

Nominal GDP, China, 2012-2021E

RMB trillion



Source: Extracted from International Monetary Fund (March 2017)

# Overview of PRC's Outlet Market (Con't)

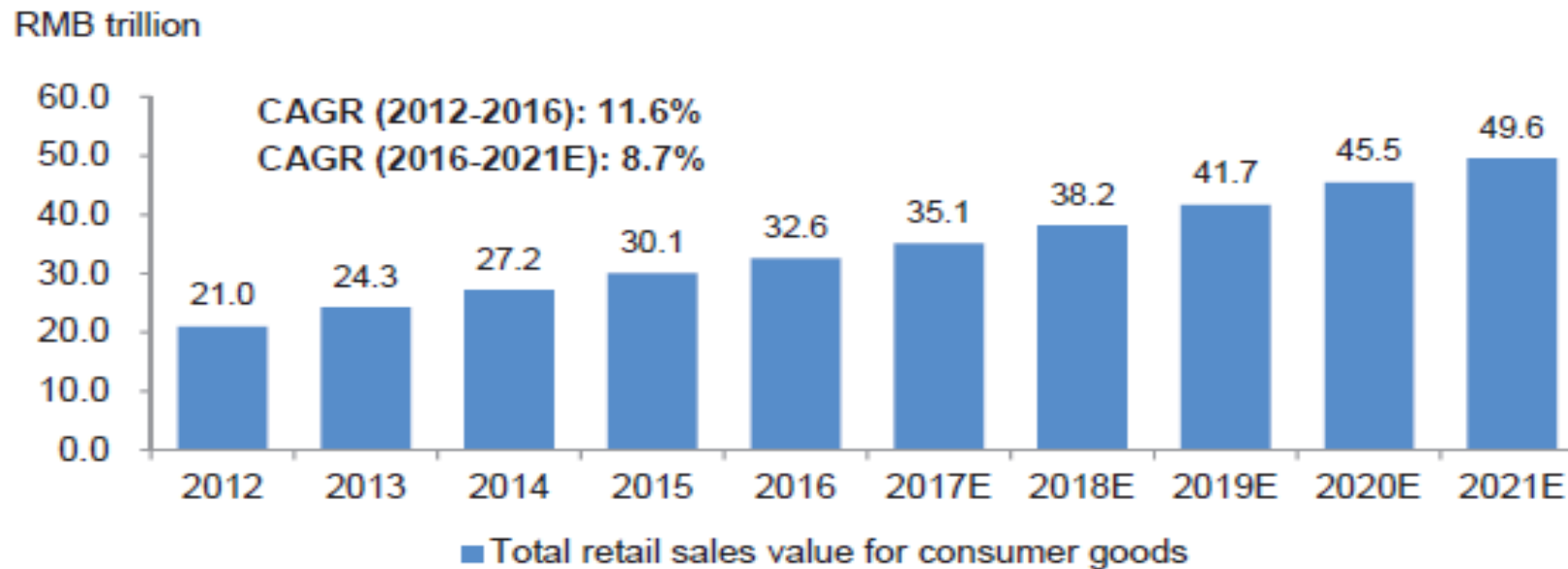


2

## Robust retail sales performance in PRC

PRC's total retail sales value for consumer goods is expected to grow at CAGR of 8.7% between 2016 to 2021, in line with growth in GDP and income levels.

Total retail sales value of consumer goods, China, 2012-2021E



Source: *Extracted from National Bureau of Statistics of China (March, 2017)*  
*China Insights Consultancy (March, 2017)*

# Overview of PRC's Outlet Market (Con't)



3

## **PRC's outlet industry is in the infant growth stage**

Outlets are popular shopping destinations for middle-class families all over the world. PRC's outlet industry is still at a very early stage of development, and therefore has significant growth potential.

4

## **PRC fast-growing outlet market**

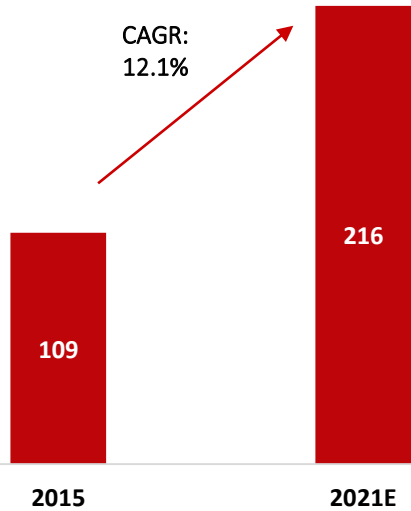
The market is expected to continue growing from 2016 at a CAGR of 24.2% to reach RMB144.9 billion by 2021. By 2030, the PRC could surpass the US to become the largest outlet market in the world, achieving annual sales revenue of ~ RMB640.2 billion (USD 96.2 billion) as compared to the US market ~ USD 91.5 billion.

# Overview of PRC's Outlet Market (Con't)



## 1 Riding on the aspiration of PRC's fast growing middle class

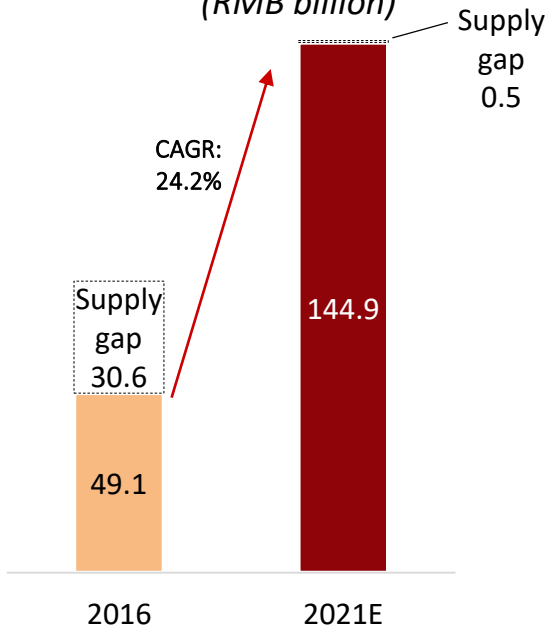
Middle class population in China (million)



Higher urbanization rates to help shift the economy towards a consumption-based model of economic growth

## 2 Large supply gap presenting upside opportunity

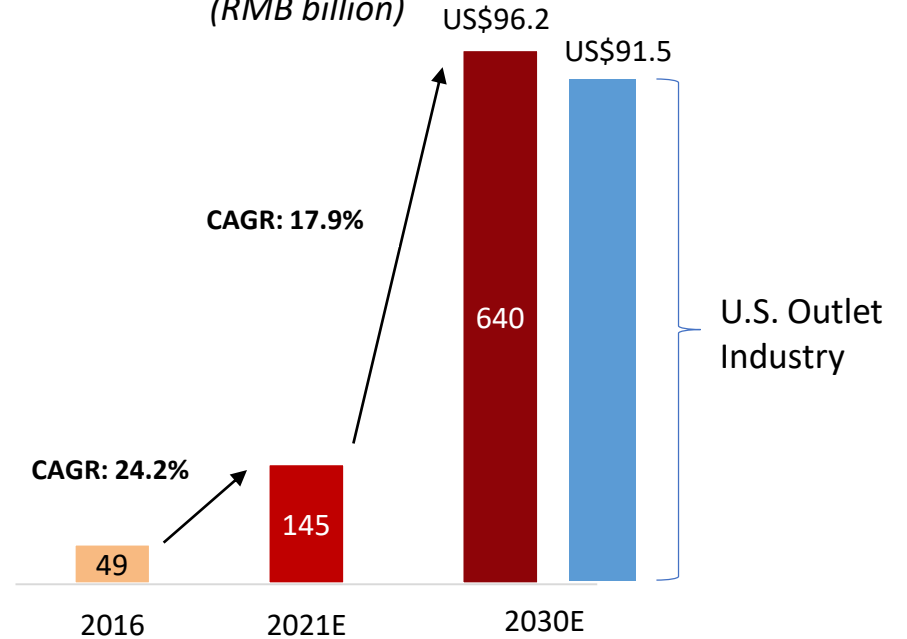
China's Outlet Industry (RMB billion)



Supply gap represents market opportunity for the outlet industry

## 3 Young industry with ample room to growth further

China's Outlet Industry (RMB billion)



Projected PRC vs U.S. outlet industry in 2030  
RMB 640 billion (US\$96.2 billion) VS US\$91.5 billion



# About Sasseur REIT

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**First  
Outlet Mall REIT  
listed in Asia**

A grey silhouette map of China is centered on the slide. Two horizontal red lines are drawn across the map, one above and one below the text.

# China-Singapore (Chongqing) Demonstration Initiative on Strategic Connectivity (Financial Services) 中新（重庆）战略性互联互通示范项目-金融领域项目



Listed on SGX mainboard on 28 March 2018

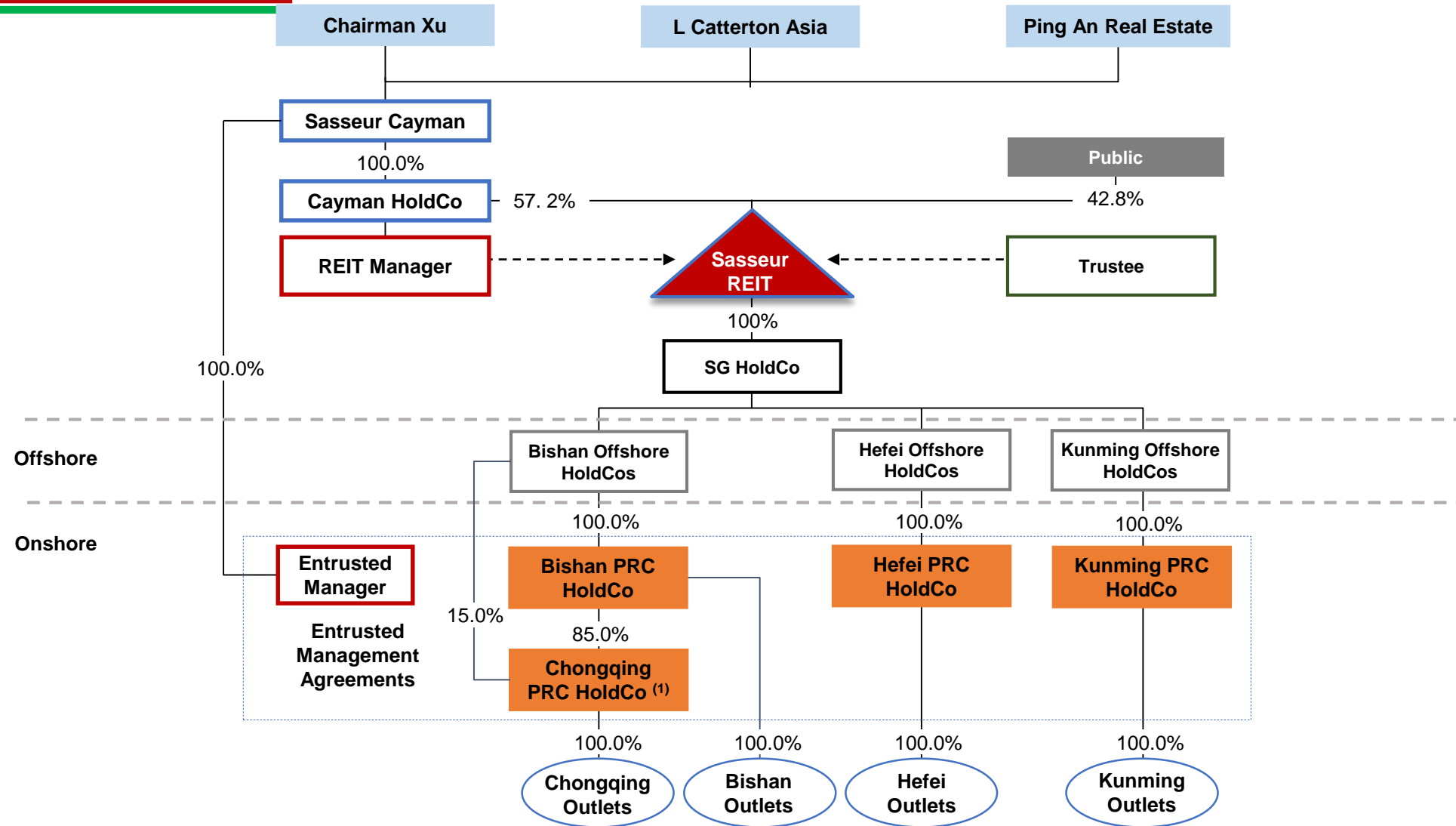


From Left to Right:

- i) **Mr Chew Sutat**, Head of Equities & Fixed Income, SGX;
- ii) **Mr Liu Guiping**, Vice Mayor of the Chongqing Municipal Government of the People's Republic of China;
- iii) **Mr Xu Rongcan**, Founder of Sasseur Cayman Holding Limited, Chairman and Non-Executive Director of Sasseur Asset Management Pte. Ltd.;
- iv) **Mr Luke Goh**, Deputy Secretary (Trade), Ministry of Trade and Industry



# Sasseur REIT Structure



(1) Holds 40% interest in Chongqing West Outlets Brand Discount Commercial Co., Ltd. and Shanghai Pacific Rehouse Service Chongqing Co., Ltd.. Remaining 60% interest is held by Shanghai Pacific Rehouse Service Co. Ltd., an independent third party unrelated to the Sponsor (Sasseur Cayman Holding Limited) or Sasseur REIT

# About Sasseur Group – Strong Sponsor



## Introduction to Sasseur Group

- Founded in 1989, Sasseur is one of the leading premium outlet groups in the People's Republic of China ("PRC"), that focuses on the development and operation of retail outlet malls in the PRC
- As of November 2019, Sasseur manages 10 outlet malls in 9 major Chinese cities
- Leverages on the founder's passion for art and culture to develop and design all of Sasseur's outlet malls, thus offering a unique lifestyle experience for its customers



**30 years of history**  
**~40%<sup>(1)</sup> sales growth**

## Founded by Chairman Xu



- **Chairman Xu** is the founder and chairman of Sasseur with a wealth of experience in the fashion industry.
- In 1992, he entered the clothing industry and created his own women's wear fashion line – Sasseur
- In 2008, he built the first Sasseur outlet in Chongqing, an art piece that has won numerous awards
- Recipient of numerous prestigious awards

## Supported by Strategic Shareholders



- Largest pan-Asian consumer-focused private equity firm that operates within a global L Catterton platform
- Manages over USD 1.6 billion AUM (USD 2.6 billion with co-investments)<sup>(2)</sup>
- Affiliate of the Fortune 500 company Ping An Insurance
- Professional real estate investment, development and management platform of Ping An Insurance
- AUM of approximately RMB 300 billion (USD 61 billion)<sup>(3)</sup>

(1) CAGR from 2009 to 2018; Sponsor Data

(2) Provided by L Catterton Asia on 19 September 2017

(3) Extracted from Ping An Real Estate website (<http://realestate.pingan.com/realestate/html/about.html>) on 4 January 2018

# Chairman Vito Xu - Profile



THE SASSEUR STORY

DIALOGUE  
BETWEEN  
ART  
AND  
BUSINESS



Mr Vito Xu  
Founder and Chairman

“ We want our malls to have a soul that creates affinity with shoppers. ”

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

## ART COMMERCE

Xu Rongcan's affinity with artistry in the practice of business (what he termed "Art Commerce") had its roots in Southwest China Normal University located at Beibei, a scenic town in the outskirts of Chongqing. As a young man of 20, on a creaking old bicycle, with wind caressing his hippie styled hair, rucksack on his shoulder, his most valuable possessions were his youthful passion, dreams of artistry and an old camera. Xu, with his keen sense of art aesthetics, captured what he saw with his lens and expressed

what he felt with films. He loved using black and white films to describe his feelings about the world. From literature, art, to music and life, Xu was surrounded by other young people who shared his dreams; they would often meet over beer while enjoying guitar music through the night together.

To Xu, art was not two dimensional. He believed art could be experiential. In 1989, he invested RMB 6,500 and started his first brick and mortar business based on his unique art commerce concept.



From grossing his first million yuan in revenue from his shop in 1992, Mr Vito Xu, Singapore-listed Sasseur REIT last week nudged a billion dollars in market capitalisation before easing to \$562 million at last Friday's market close. PHOTO: SASSEUR

## Vito Xu, don of Asian outlet malls

### While Chinese retail is struggling, Sasseur profits run a bunch of outlet malls



Ravi Velloor  
Associate Editor

In some ways, Mr Vito Xu's life mirrors the special case of China and its rise to a global superpower. After the late Deng Xiaoping opened the economy to foreign investment four decades ago, setting in motion history's most amazing economic leap by any nation. The name stems from his first business, a cafe whose name he translated in Chinese as "ship of song", after a famous scene of the time by a Taiwanese singer. Sasseur is apparently a French translation, suggested by a Frenchman partner who was in Chongqing during the language.

**ART COMMERCE**  
His corporate philosophy, he said, is art commerce - artistry and sophistication blended with commerce. As for his company's corporate culture, the decision didn't take long. He borrowed the national colors of Italy.

That dual approach - fascination with the foreign and the eye for the quality home-grown - is attested by the brands and the goods. Chinese brands as well with names like A.Ning and Koshing.

That leads me to wonder about why Asia, with its wealthily expanding purchasing power and vast pool of creativity, hasn't had more home-grown fashion brands. Could Sasseur play a role to advance that growth?

"There are some good Chinese brands and many top and coming young designers," said Mr Xu. "But it remains to be seen how much international recognition. Seven years ago, I remember, we had Chinese brands, so that's how Sasseur can help. It's not about chasing global trends but he sees a gap in the market. Unlike the fashion trends at home and display them on the shelves, he has a different perspective of the market. In the popular perception of counterfeits and knock-offs of global brands with weak protection for intellectual property. But things change rapidly."

Earlier this year, Shiseido chief executive Shigeaki Yoshida tried to set up a cosmetics platform company, to be called Shiseido Cosmetics. When it expressed surprise to Mr Sasseur, he said it was not a brand would link up with Alibaba, he gave a terrific up to the point explanation.

With Alibaba, he told me, there are two channels. One is a low-end offering like Taobao, which supplies cost-conscious customers. The other

channel, with which he is involved, is focused on growing high-end brands.

"Every time I meet Jack Ma or his management people, I find them keen to grow the brand. So, we give them even the best of our training, our most high-end product. They do not discounting and knock these product segments, and know how to precisely target the affluent customers who buy those products."

This was news to me at the time. So, I asked Mr Xu about how he perceived the issue himself.

His own company, he said, imposed strict guidelines on any store in his outlet selling counterfeit goods. At the same time, Chinese increasingly prefer to buy goods that afford them. Indeed, thousands of stores have been going from brick-and-mortar to online. As a result, they prefer to do it in brick-and-mortar and offline.

Mr Xu explained that, while the Hong Kong stock market is significantly larger than Singapore's, its REIT market is smaller, with just a few of the entities listed there compared with about 45 in Singapore. The S-Reits are also more international, leading to attract global investors seeking an Asian play.

"On a personal level, Mr Xu enjoys the island's carefree and to

manicure. The middle-income households that Sasseur outlets serve live within 10 km from the facilities and look for lifestyle activities alongside their shopping. Online shoppers, on the other hand, tend to buy cheaper and more standardized products and tend to buy further away.

**REIT SINGAPORE?**  
Most Chinese companies looking for overseas investments tend to use Hong Kong if they need a convenient window to the world and are keen to know why Sasseur picked Singapore to list its real estate investment trust. Mr Xu said he did so on the advice of a key investor, consumer-focused private equity firm J. Caterton.

To run the REIT, he hired the veteran Anthony Ang, an Imperial College and London-based asset manager. He included in his 10-year career included senior positions in ARA Group, GIC Real Estate and the Economic Development Board.

Mr Ang explains that, while the Hong Kong stock market is significantly larger than Singapore's, its REIT market is smaller, with just a few of the entities listed there compared with about 45 in Singapore. The S-Reits are also more international, leading to attract global investors seeking an Asian play.

"On a personal level, Mr Xu enjoys the island's carefree and to

### Fast Facts

**THE CHAIRMAN**  
Mr Vito Xu is chairman of the Sasseur group and its Singapore-listed real estate investment trust (S-Reit), Sasseur REIT. He is 54 years old.

Born into a farming family in Chongqing, Mr Xu was educated at Southwest Normal University. In 1989, with 6,500 yuan, he started his journey of "art commerce" by creating the Sasseur brand with a coffee house.

In 1992, he entered the clothing industry, opening a garment store and working as an agent for the French fashion brand "Sasseur".

He then created his own women's wear brand - "Sasseur".

He then created his own (Chongqing) Western Outlets, the first outlet mall in China, with a total area of 312,844 sq m and an occupancy rate of about 80 per cent.

Sasseur REIT is managed by Sasseur Asset Management, which is an indirect wholly owned subsidiary of Sasseur Company Holding.

The REIT has a market capitalisation of \$662 million, based on its closing price last Friday.

Mr Xu was awarded Knight of the Order of the Italian Star by the Italian government in 2015.

Married to Ms Sasseur Yang, he has three children, one of them from a previous marriage. Mr Xu's favourite hobby is tennis.

**THE COMPANY**  
Sasseur REIT is a Singapore-listed real estate investment trust that started trading on the Singapore Exchange in March last year.

The first listed outlet mall in Asia, its initial portfolio comprises four retail outlet malls in China, located in Chongqing, Beijing, Hefei and Suzhou, with a combined listed area of 312,844 sq m and an occupancy rate of about 80 per cent.

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frequently in Singapore over weekends. Indeed, he chose to send his three children here to give them international exposure, including their at Stanford American School. His fashion-export wife Yang Xu, now home, he bestowed the name Sasseur as a mark of affection and gratitude.

Sasseur REIT has had a good run in the year since its listing, with growth more so since three of the four properties in its care rose. And he plans to add more assets to the REIT in time to come.

As for concerns that a falling yuan could hurt profits when translated into Singapore dollars, he said there has been enough currency hedging to compensate. Besides, the Singdollar itself has had a recent surge. The longer-term growth rate, he said, should be fairly stable.

The other Sasseur Group has 20 outlet malls, including the four S-Reits in the REIT. The group, he said, is looking at unprecipitated growth opportunity. The next decade will be the golden era for the outlet business in China and the many distressed REIT assets of the traditional retailers offer his firm a tremendous opportunity to go asset-light and turn around the Asian play.

In the past 18 months, no fewer than 100 potential deals have been placed in front of him. The Sasseur team has been highly selective, focusing on what it can do and those will be up and running in the next three years.

Lin wants to know his views on Singapore retail, now that he visits the island so regularly.

"The Singapore retail sector is well developed but it suffers from a common problem with most of the world's super - mall establishments - lack of life and spirit that can excite shoppers," he said. "Retail should offer more of local character and flavor to create an emotional connect."

The number of malls is growing in Asia, its initial portfolio comprises four retail outlet malls in China, located in Chongqing, Beijing, Hefei and Suzhou, with a combined listed area of 312,844 sq m and an occupancy rate of about 80 per cent.


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# Strong and Experienced Board of Directors and Management Team




**Board of Directors**




**Mr Xu Rongcan**  
Chairman




**Ms Yang Xue**  
Non-Executive Director




**Dr Wang Jun**  
Non-Executive Director




**Dr Zhou Yimin**  
Non-Executive Director




**Mr Mario Boselli**  
Independent Director



**Dr Gu Qinyang**  
Lead Independent Director



**Mr Cheng Heng Tan**  
Independent Director



**Mr Wu Geng**  
Independent Director

✓ Led by Chairman Xu, founder and chairman of Sasseur

✓ Representatives from L Catterton Asia and Ping An Real Estate

✓ Robust Board of Directors with extensive experience in their respective fields

**REIT Management Team**



**Mr Anthony Ang Meng Huat**  
CEO



**Mr Ken Chew Hian Chin**  
COO



**Ms Jaslyn Leong**  
Financial Controller



**Ms Wong Siew Lu**  
Head of Investor Relations & Corporate Affairs

✓ REIT Management Team possesses years of relevant experience in the S-REIT space

# History & Development of Sasseur Group



- 1<sup>st</sup> in top 10 Fashion Landmarks of Chongqing



## 1989 – 1999

- Art inspired coffee shop
- Distributor for international brands
- Started high-end women's Sasseur brand



## 2008

- Opened: **Chongqing Outlets**
- Generated sales of over RMB 450m in its first year
- Among top 3 outlets in PRC



## 2012 – 2014

- Opened **Bishan Outlets**

- Best Operator in Luxury Industry in 2015
- 2015 Top 10 Outlets
- 2015 Emerging Outlets
- 2016 Most Promising Outlet



## 2015 - 2016

- New strategic shareholders:
  - L Catterton Asia
  - Ping An Real Estate
- Opened:
  - Hefei Outlets
  - Kunming Outlets

- 2016 Top 10 Outlets
- 2016 Innovative Outlets
- China Innovative Commercial Real Estate Project



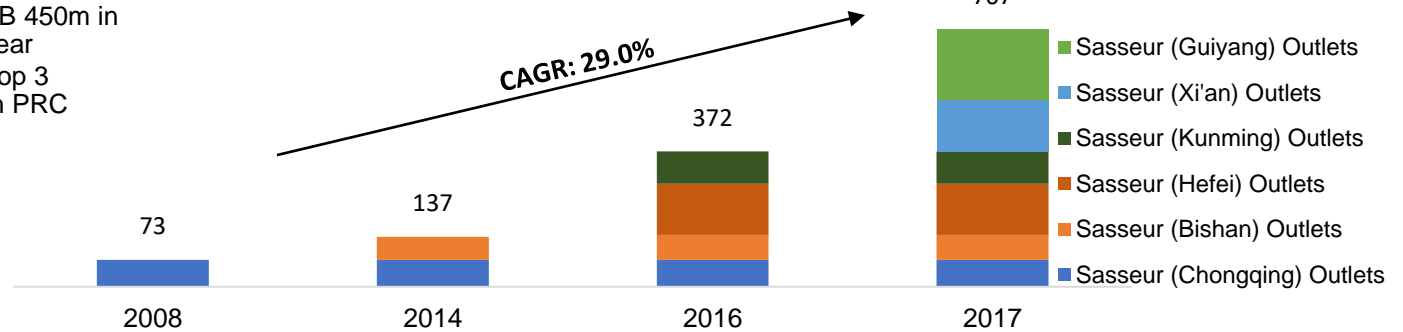
## 2017

- Opened:
  - Xi'an Outlets
  - Guiyang Outlets

## 2018

- Opened:
  - **Changsha Outlets**
- As of May 2019, Sasseur Group:
  - **manages 10 outlets**
  - **owns 6 of them**

Opening of Outlet Malls (GFA in '000 sqm)



Source: Sponsor

# Sponsor's Unique "Super Outlet" Business Model



1

Integrated destination shopping combining "1+N" business model in the design and operation of Sasseur REIT's outlet malls

2

Enhances resilience to competition from online retail platforms by providing a unique lifestyle shopping experience

3

Robust and proactive brand management

4

Alignment of interest with tenants through sales-based leases

5

More than 1.39 million VIP members across the portfolio



# Sponsor's Unique "Super Outlet" Business Model



- ▶ "1" represents the outlet mall business platform and "N" reflects the various lifestyle options offered in each of the outlet malls
- ▶ Unique lifestyle experience based on a combination of art in the design and decoration of its outlet malls, and as a one-stop shopping and lifestyle experience, provides resilience against competition from e-commerce



# Differentiation From Traditional Outlets

**Woodbury Common  
Premium Outlets, est. 1985  
Simon Properties Group**



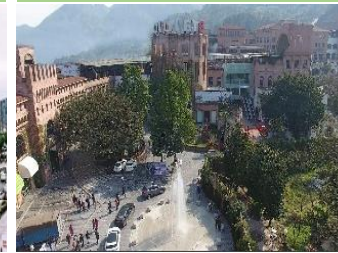
**The Deer Park,  
est. 2008  
Tanger Outlets**



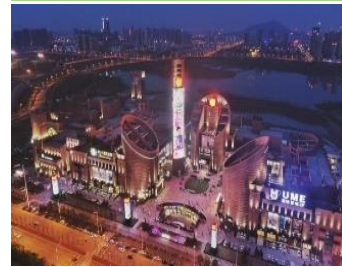
**Chongqing (2008)**



**Bishan (2014)**



**Hefei (2016)**



**Kunming (2016)**



Traditional Outlets	Sasseur Outlets
Target Customer: mainly tourists	Target Customer: mainly local middle class
Usually 2~3 hours from downtown	Usually 0.5~1 hour from downtown
Usually 1~2 storeys	Usually 4~6 storeys
Usually traditional factory outlet design	Usually iconic castle-like design
Usually only for outlet shopping	Usually also with lifestyle activities

# Outlet's Competitive Edge Against Other Retail Models



	Outlets	Department Store	Shopping Mall	Online Platform
<b>Product Mix</b>	Luxury and high-end brands	Middle to high-end brands	Middle to high-end brands	Low priced products
<b>Pricing Strategy</b>	Large Discounts	Normal	Normal	Low
<b>Consumer Experience</b>	✓	✗ (small area with compact layout)	✓	✗ (no in-store shopping experience)
<b>Location</b>	Suburbs	City Center	City Center	-
<b>Segment</b>	Middle Class	Mass Market	Mass Market	Mass Market
<b>Authenticity</b>	✓	✓	✓	Possibility of counterfeit goods



Source: China Insights Consultancy - Independent Market Research Report

# Sasseur – Leading private outlet specialist in PRC



## Leading private outlet specialist in PRC

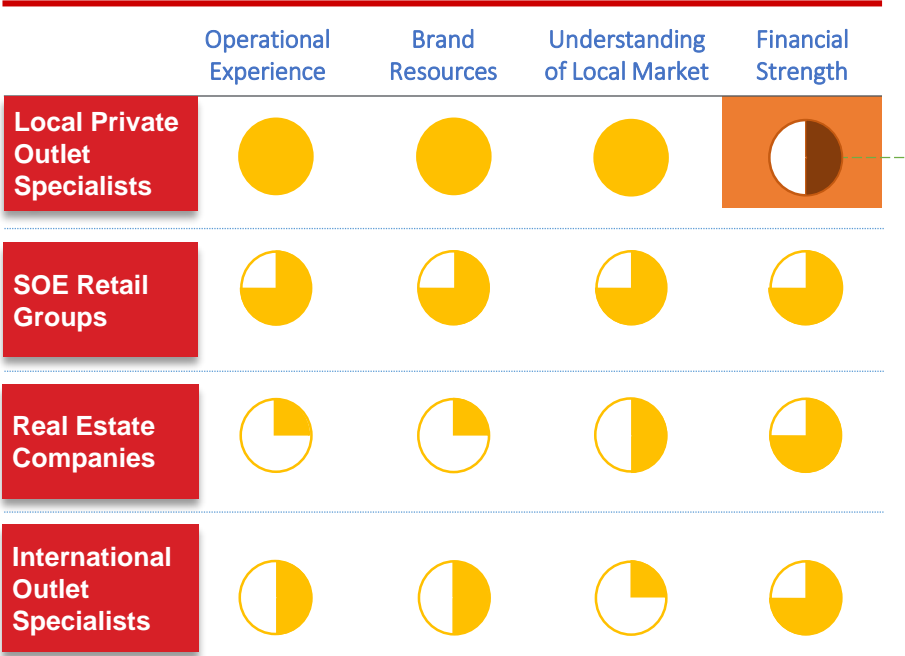
Outlet Operators	Operator category	Outlets (Operation and Planned)
Beijing Capital Land 首创	Real Estate Company	12
Sasseur 砂之船	Local Private Outlet Specialist	10
Bailian 百联	SOE Retail Group	7
Wangfujing SCITECH 王府井赛特	Real Estate Company	7
RDM	International Outlet Specialist	6

As at 30 September 2019  
Source: Companies' websites

## Benefits of being a private outlet specialist

Different Types of Outlet Operators in China

Applicable  
 Not applicable



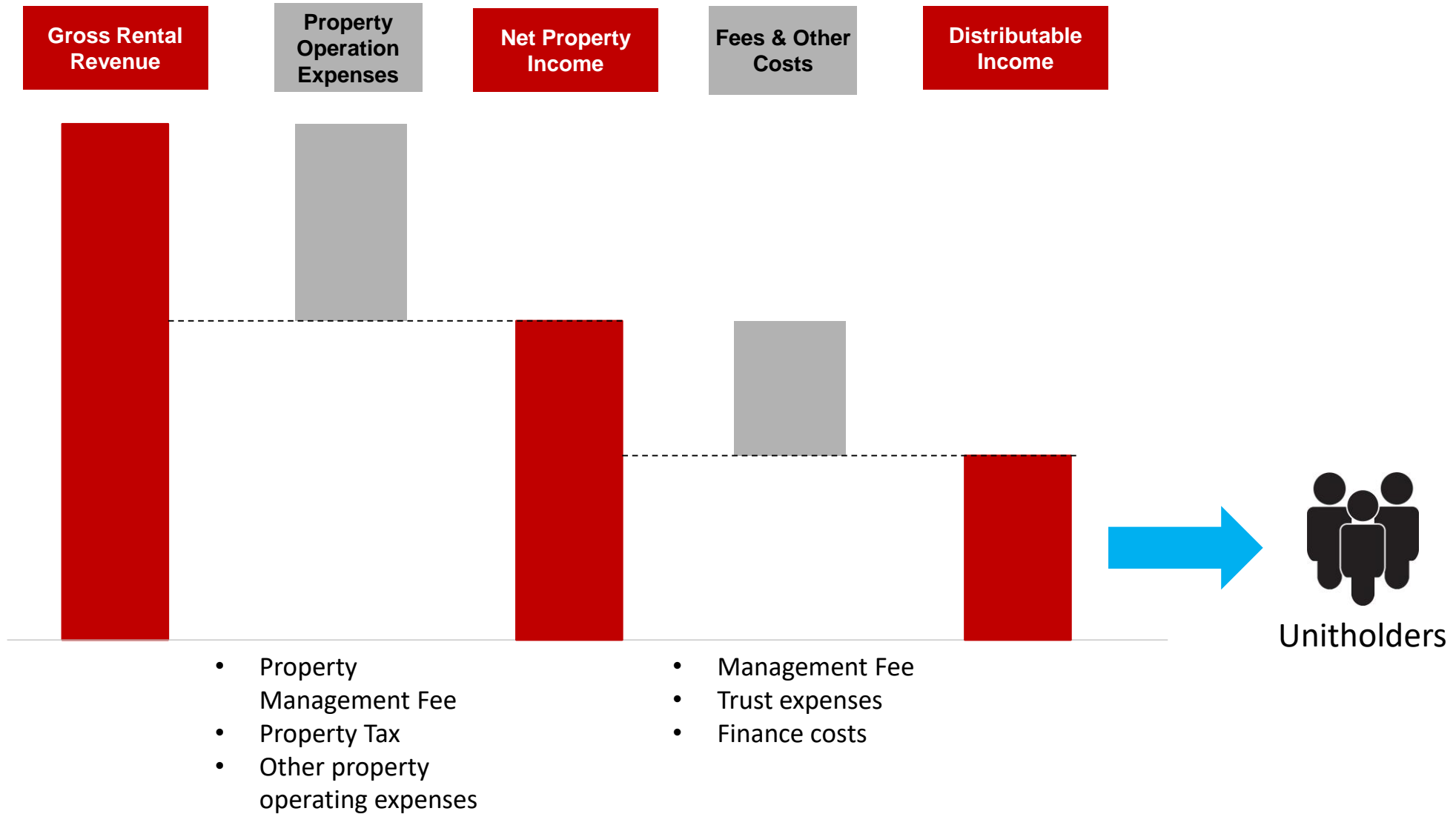
Mitigated by Sasseur's access to strategic partners (L Catterton Asia & Ping An Real Estate)

# Entrusted Management Agreement (“EMA”) Model

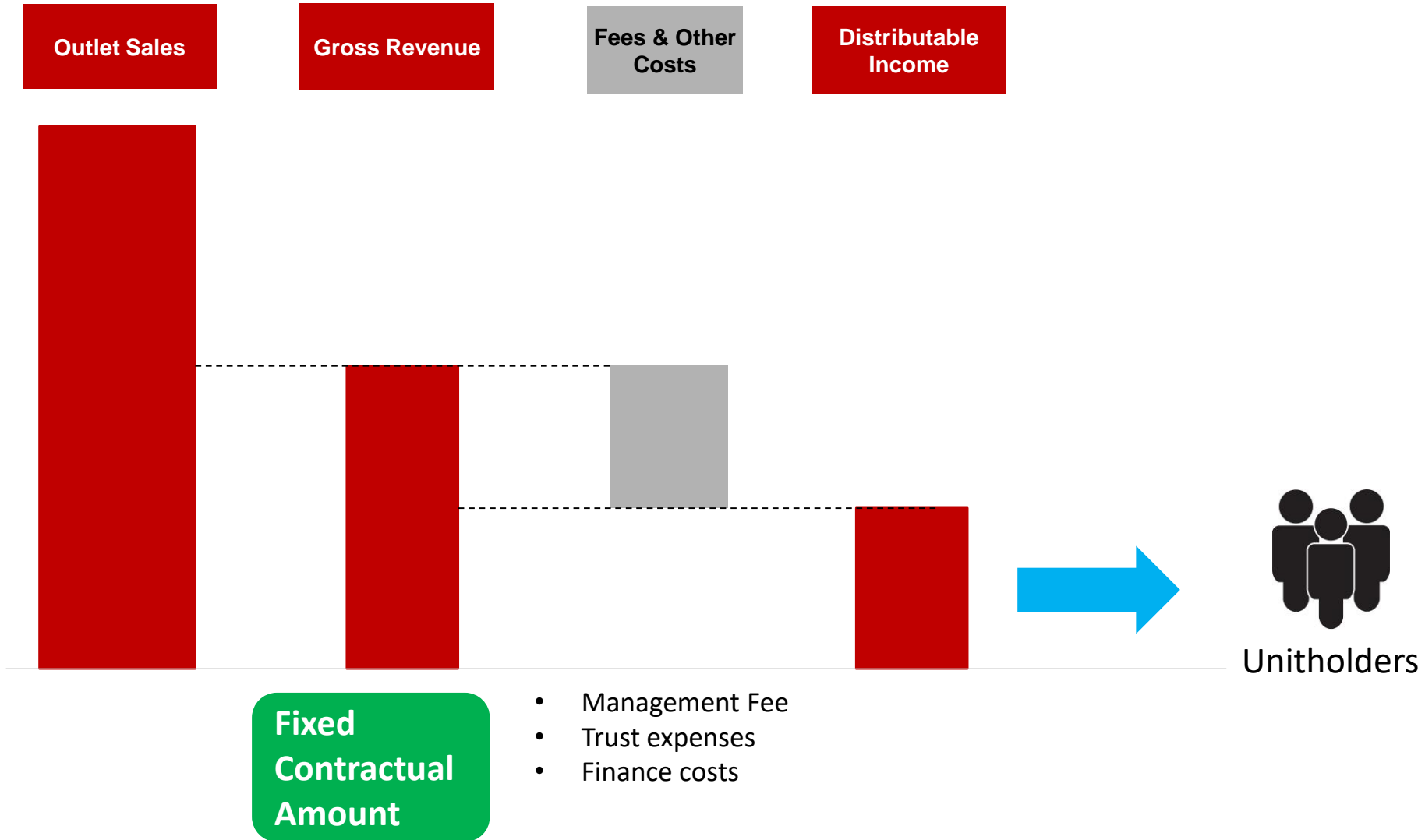


SASSEUR (BISHAN) OUTLETS

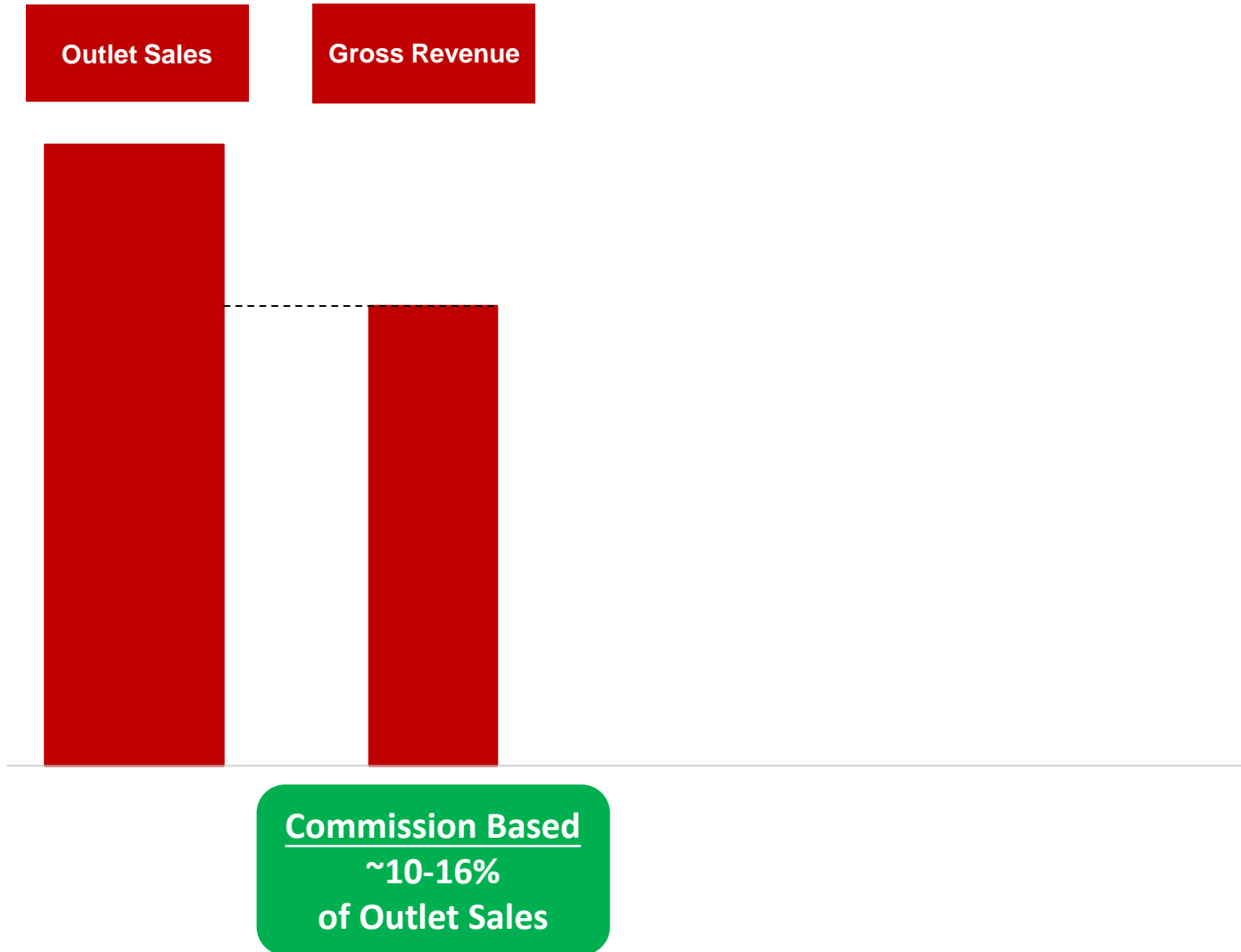
# Typical REIT Income Model



# REIT with Master Lease Income Model

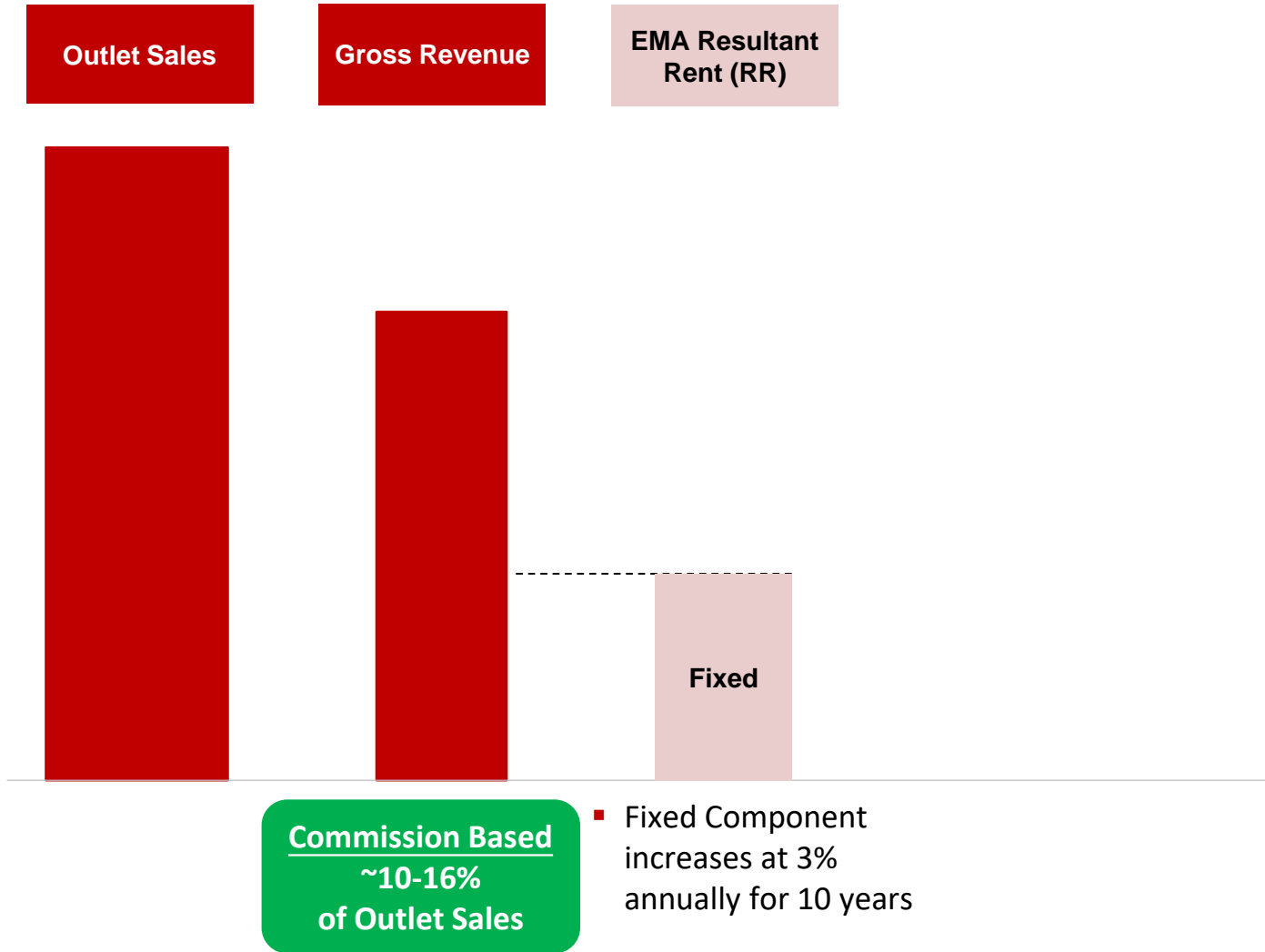


# Entrusted Management Agreement (EMA) Model

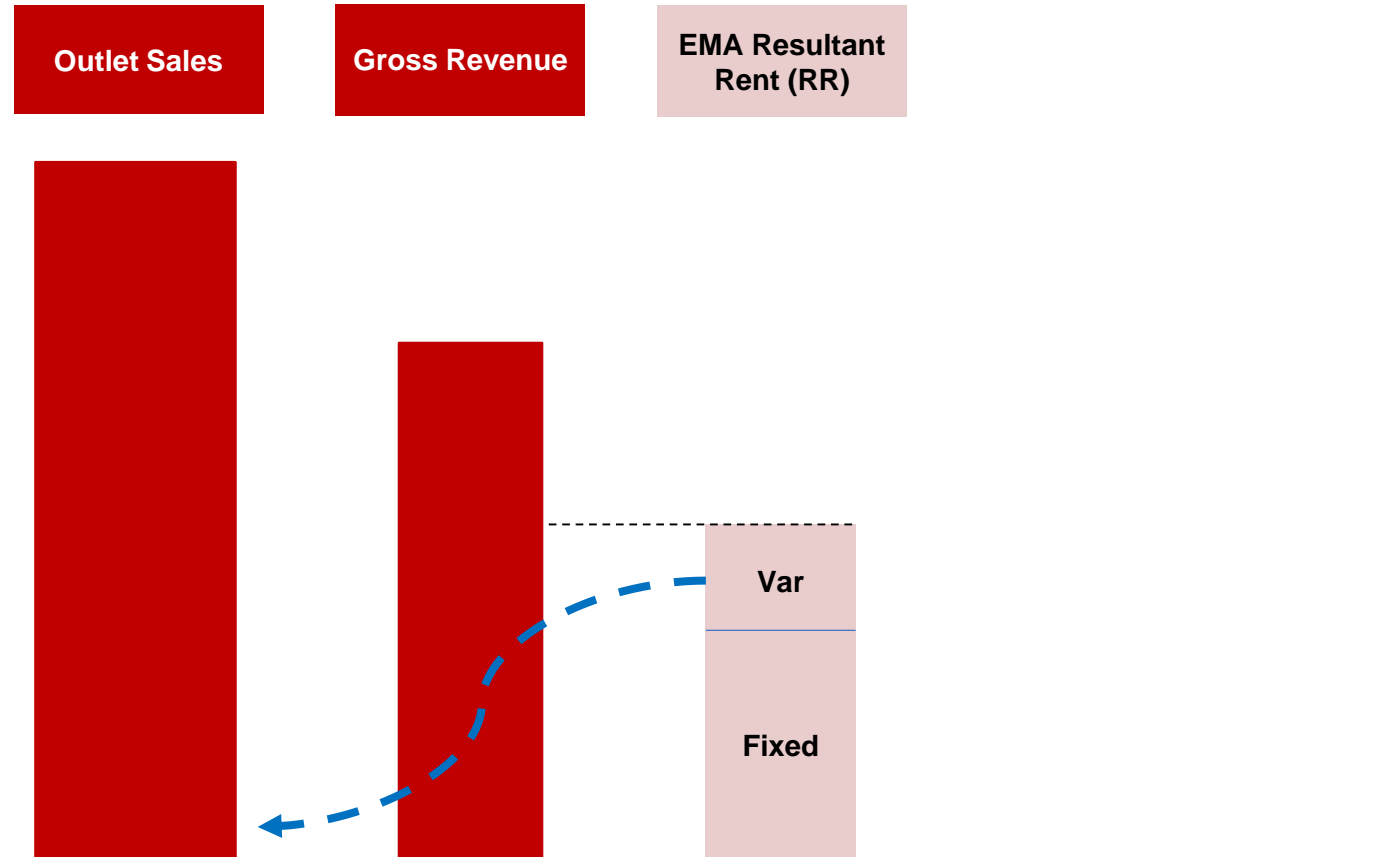




# Entrusted Management Agreement (EMA) Model



# Entrusted Management Agreement (EMA) Model

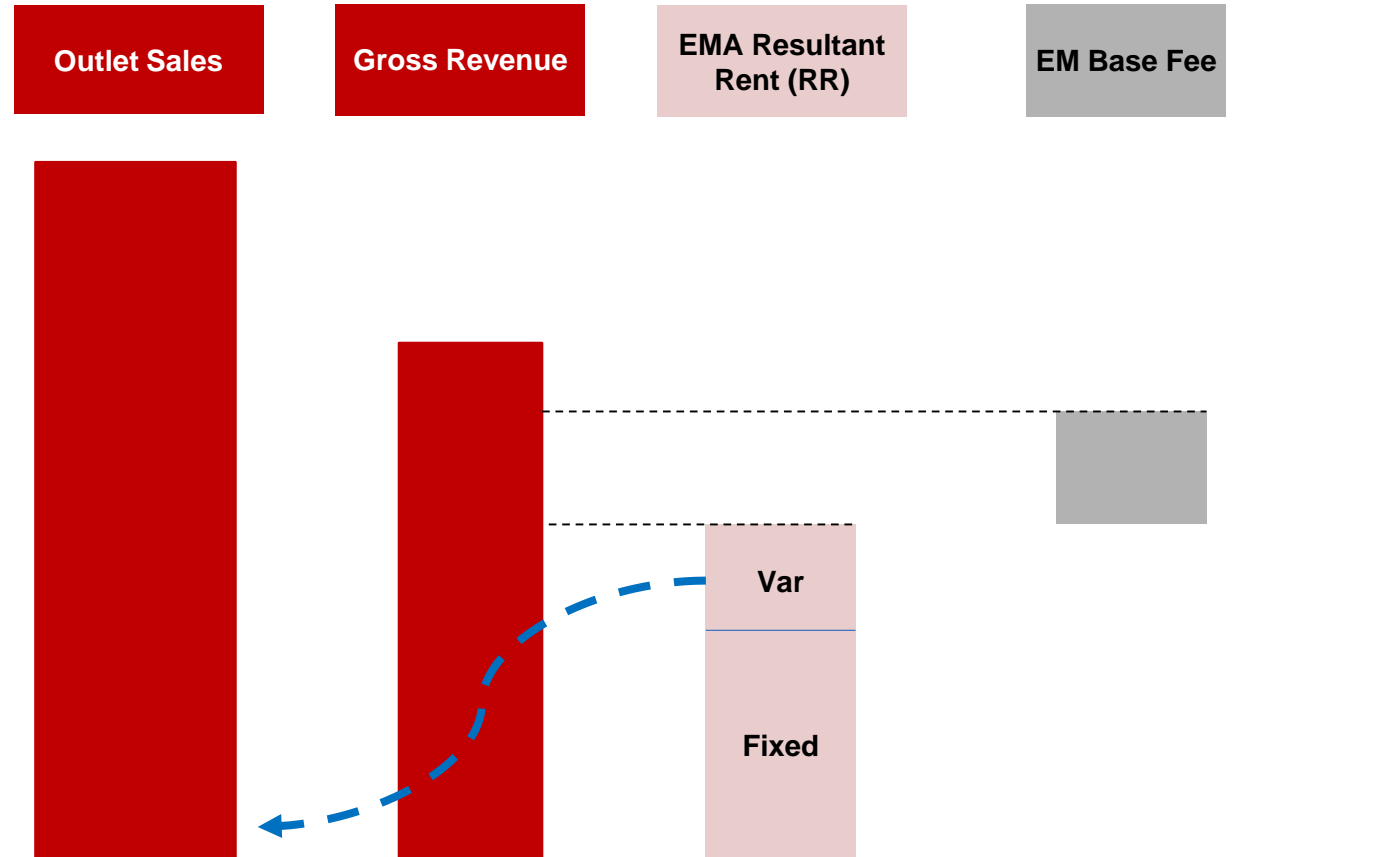


Outlets	Variable Component (% of Sales)
Chongqing	4.0%
Bishan	4.5%
Hefei	5.5%
Kunming	5.0%

**Commission Based**  
~10-16%  
of Outlet Sales

- Fixed Component increases at 3% annually for 10 years
- Variable Component is pegged to the Sales of the Outlet

# Entrusted Management Agreement (EMA) Model

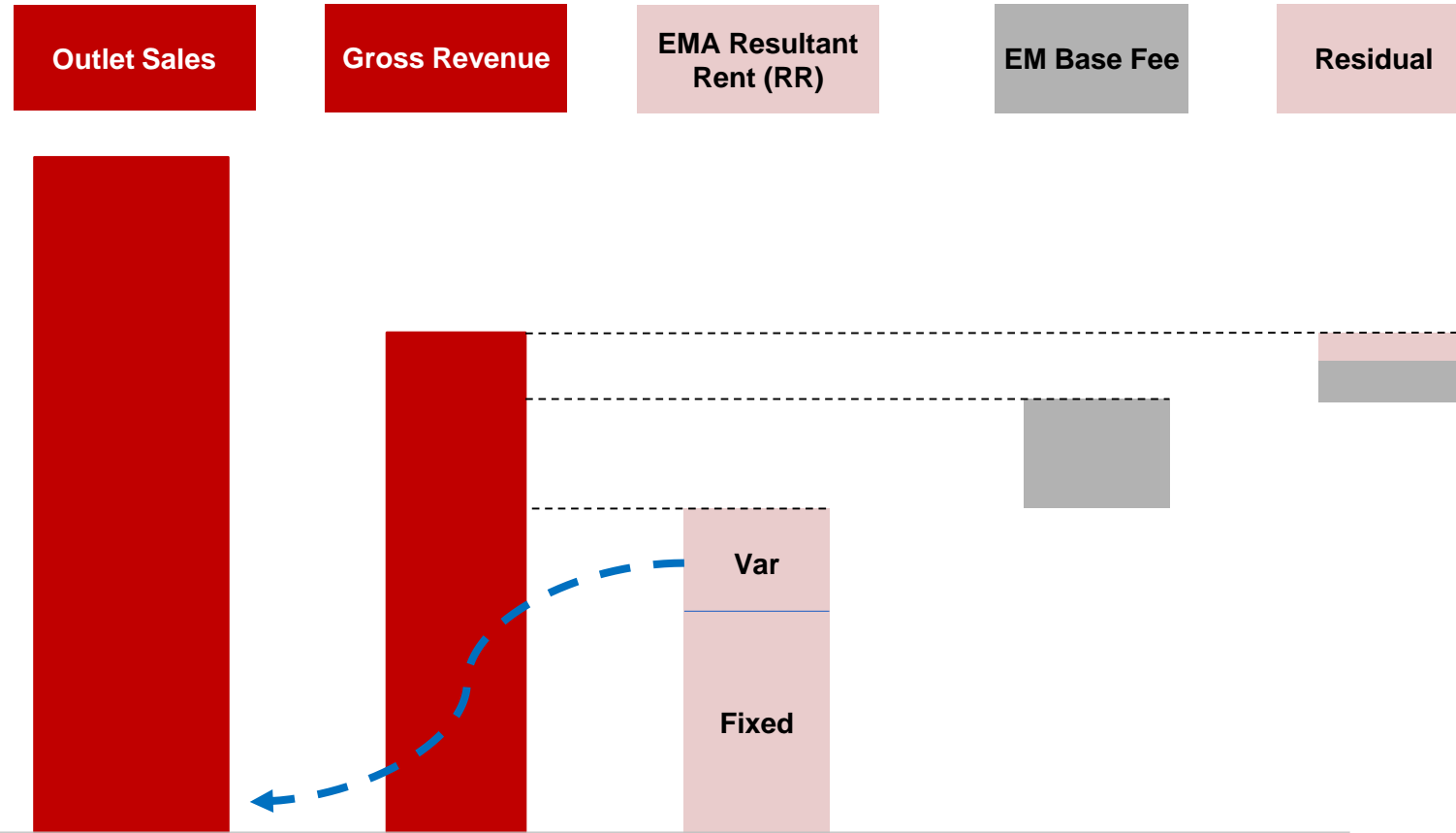


Outlets	Variable Component (% of Sales)
Chongqing	4.0%
Bishan	4.5%
Hefei	5.5%
Kunming	5.0%

**Commission Based**  
~10-16%  
of Outlet Sales

- Fixed Component increases at 3% annually for 10 years
- Variable Component is pegged to the Sales of the Outlet
- EM Base Fee capped at 30% of GR

# Entrusted Management Agreement (EMA) Model



Outlets	Variable Component (% of Sales)
Chongqing	4.0%
Bishan	4.5%
Hefei	5.5%
Kunming	5.0%

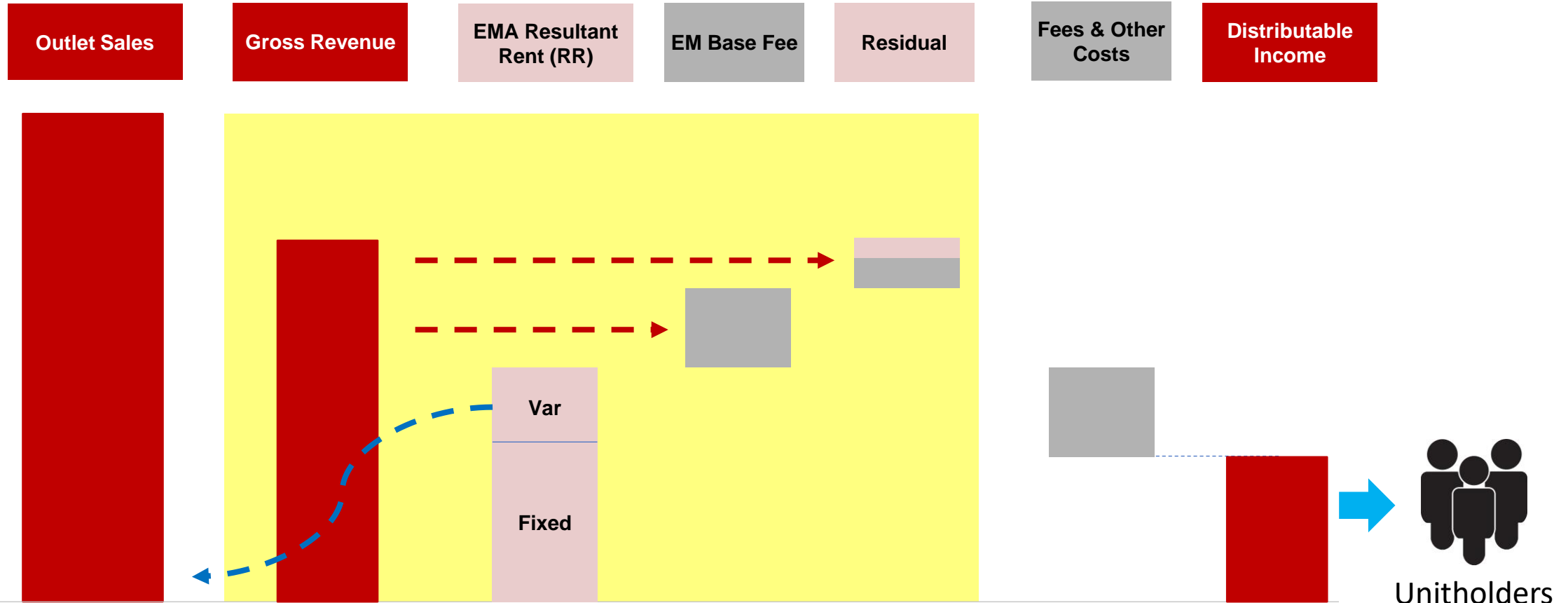
**Commission Based**  
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- Residual Upside 60:40 split between Entrusted Manager and REIT.

# Entrusted Management Agreement (EMA) Model



The EMA Model aligns the interest of the Entrusted Manager with the REIT.

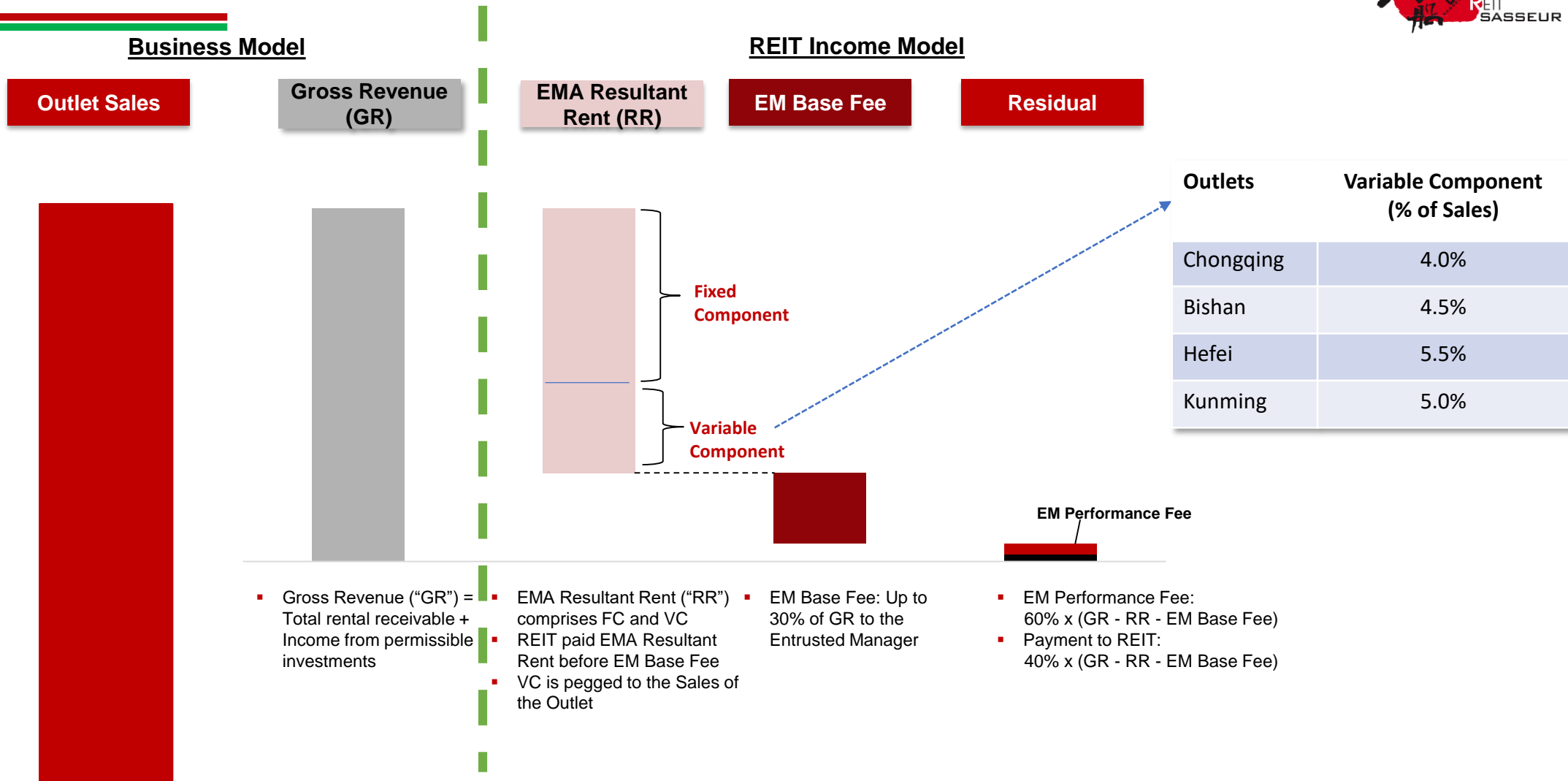


Outlets	Variable Component (% of Sales)
Chongqing	4.0%
Bishan	4.5%
Hefei	5.5%
Kunming	5.0%

**Commission Based**  
~10-16%  
of Outlet Sales

- Fixed Component increases at 3% annually for 10 years
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# EMA Model



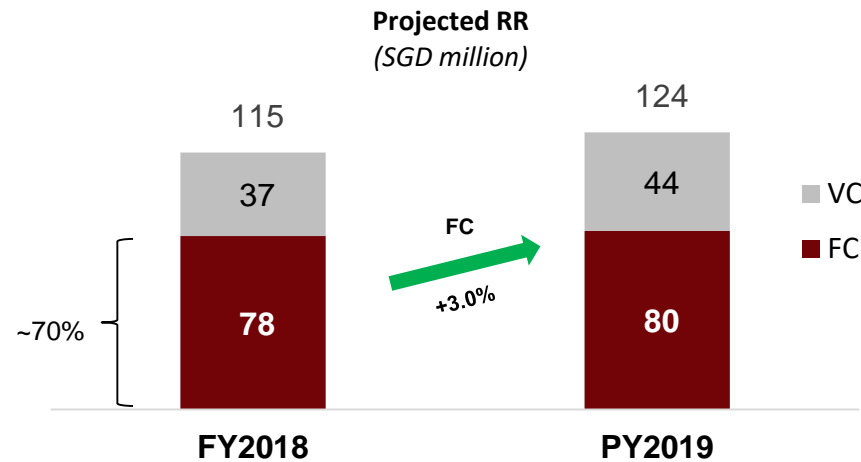
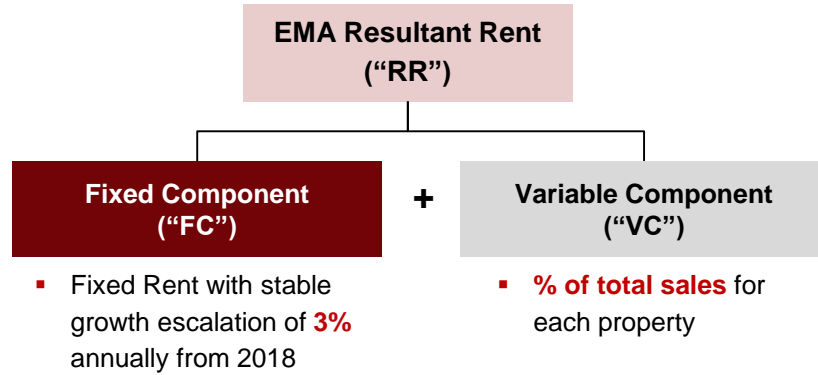
- Gross Revenue ("GR") = Total rental receivable + Income from permissible investments
- EMA Resultant Rent ("RR") comprises FC and VC
- REIT paid EMA Resultant Rent before EM Base Fee
- VC is pegged to the Sales of the Outlet
- EM Base Fee: Up to 30% of GR to the Entrusted Manager
- EM Performance Fee: 60% x (GR - RR - EM Base Fee)
- Payment to REIT: 40% x (GR - RR - EM Base Fee)

**The EMA Model aligns the interest of the Operating Manager with the REIT.**

# EMA Model



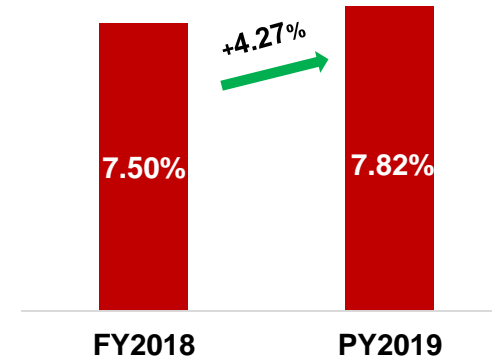
## EMA Resultant Rent ("RR")



Growth in distributable income is driven by:

- (i) 3% annual escalation in FC and
- (ii) VC being % of total sales

## Stable distributable income with growth (Illustrative DPU yield)



Total Return of 11.77% from 2018 to 2019

Stable distributable income guaranteed at 2 levels:

- (i) ~70% of RR locked in at property level via guaranteed FC, and
- (ii) Guaranteed EMA Resultant Rent ("RR") at portfolio level

Outlets	Variable Component (% of Sales)
Chongqing	4.0%
Bishan	4.5%
Hefei	5.5%
Kunming	5.0%

# 3Q FY2019 Key Highlights







SASSEUR (KUNMING) OUTLETS



# 3Q 2019 Key Highlights



 <b>EMA Rental Income<sup>(1)</sup></b>	 <b>Distributable Income</b>	 <b>Distribution Per Unit</b>	 <b>NAV Per Unit</b>
<b>S\$30.6</b> million	<b>S\$19.6</b> million	<b>1.640</b> S Cents	<b>84.99</b> S Cents
↑ 5.2% y-o-y	↑ 7.6% y-o-y	↑ 6.4% y-o-y	↑ 6.2% as at IPO

(1) Excluding straight-line accounting adjustment

# 3Q 2019 DPU Increased 6.4% y-o-y



3Q 2019 and 3Q 2018						
SGD'000	3Q2019 <sup>(1)</sup>	3Q2018	Change %	YTD2019	28 Mar to 30 Sep 2018 <sup>(2)</sup>	Change %
EMA rental income (exclude straight-line adjustment)	30,587	29,081	+5.2	90,590	58,680	n.m.
Income available for distribution to Unitholders	19,579	18,196	+7.6	58,431	36,939	n.m.
Distribution per Unit (DPU) (SGD cents)	1.640	1.542	+6.4	4.904	3.130	n.m.
Annualised DPU yield (%) <sup>(3,4)</sup> - Based on listing price of S\$0.80	8.1%	7.6%	+6.4	8.2%	7.6%	n.m.

n.m. - Not meaningful

(1) The actual results of the REIT Group's foreign subsidiaries were translated using the average SGD:RMB rate of 1: 5.0967 and 1: 5.0242 for 3Q 2019 and YTD 2019 respectively.

(2) The YTD comparative figures were for the period from 28 March 2018 (Listing Date) to 30 September 2018. These figures were extracted from Sasseur REIT's results announcement for the period from 28 March 2018 to 30 September 2018.

(3) The annualised distribution yields for 3Q 2019 and YTD 2019 were on a pro rata basis for 92 days and 273 days respectively, based on the listing price of S\$0.800 and closing price of S\$0.795.

(4) The annualised distribution yields for 3Q 2018 and the period from 28 March 2018 to 30 September 2018 were on a pro rata basis for 92 days and 187 days, based on the listing price of S\$0.800 and closing price of S\$0.795.

# YTD 2019 DPU Exceeded Projection By 7.8%



	3Q 2019			YTD 2019		
	Actual	Projection	Change %	Actual	Projection	Change %
Fixed Component (RMB mil)	99.8	98.5	+1.4	296.9	295.6	+0.5
Variable Component (RMB mil)	56.0	56.0	0.0	158.2	151.7	+4.3
EMA Rental Income <sup>(1)</sup> (RMB mil)	155.8	154.5	+0.8	455.1	447.3	+1.8
Exchange Rate <sup>(2)</sup> (RMB/S\$)	5.0967	4.9300	+3.4	5.0242	4.9300	+1.9
EMA Rental Income <sup>(1)</sup> (S\$ mil)	30.6	31.3	-2.4	90.6	90.7	-0.1
Distributable Income (S\$ mil)	19.6	18.9	+3.7	58.4	54.2	+7.7
DPU (S cents)	1.640	1.581	+3.7	4.904	4.551	+7.8

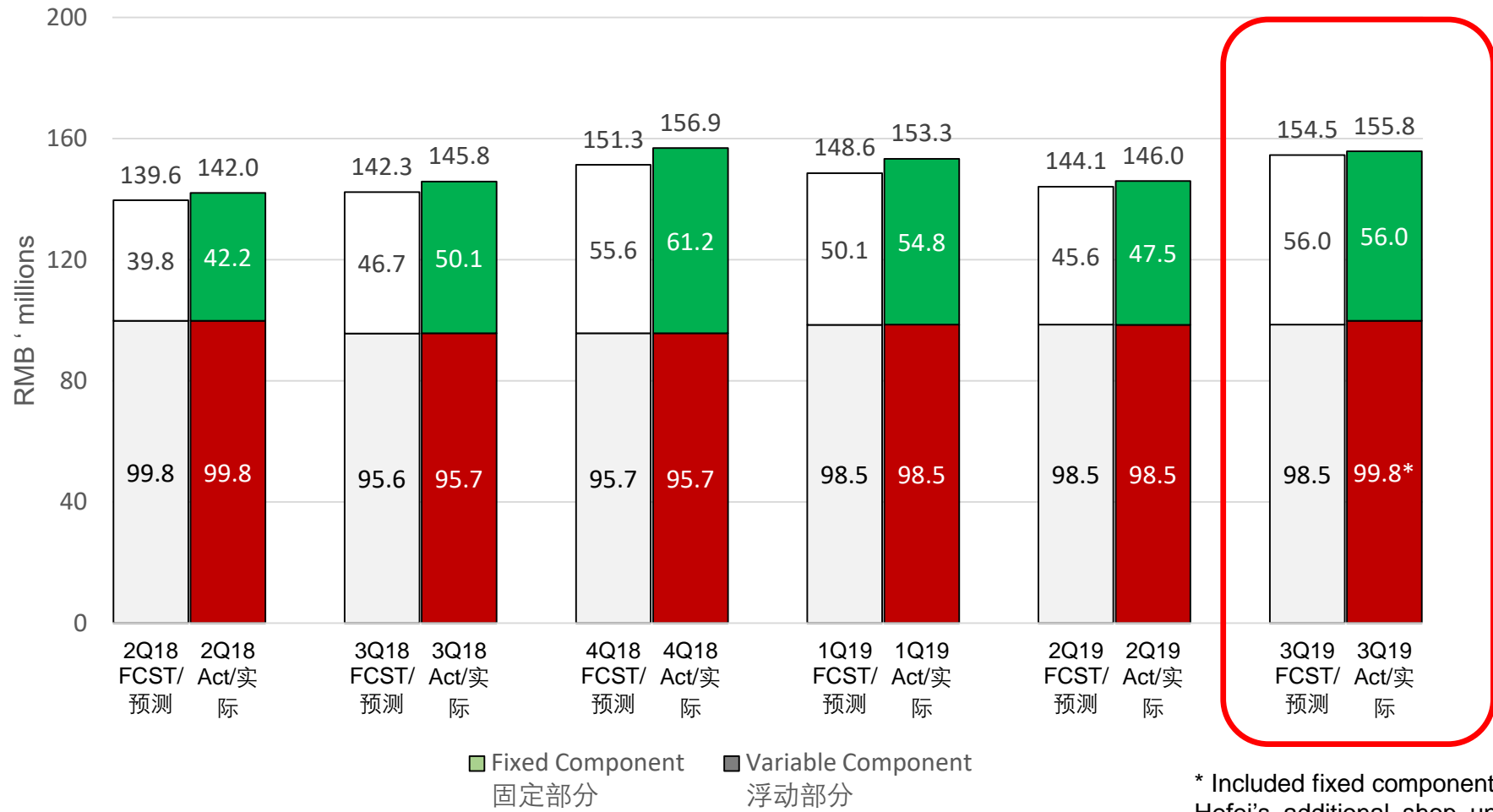
(1) Excluding straight-line accounting adjustment

(2) Using the average SGD:RMB rate for the period. An exchange rate of SGD:RMB of 1:4.930 was adopted in the projection

# EMA Rental Income vs Forecast By Quarter



Six consecutive quarters of outperformance



\* Included fixed component of Hefei's additional shop units acquired during the year

# Healthy Balance Sheet



S\$ mil	Actual 30 Sep 2019	Actual 31 Dec 2018
Investment properties	1,522.0	1,539.5
Cash and short-term deposits	164.1	203.6
Other assets	22.5	25.5
<b>Total Assets</b>	<b>1,708.6</b>	<b>1,768.7</b>
Loans and borrowings	480.0	493.3
Other liabilities	211.7	201.4
<b>Total Liabilities</b>	<b>691.7</b>	<b>694.7</b>
<b>Net Assets</b>	<b>1,016.9</b>	<b>1,074.0</b>
NAV per unit (cents) <sup>1</sup>	84.99	90.33
Aggregate Leverage	29.0%	29.0%
Debt Headroom	276.0	283.0

1. Based on units in issue and issuable of 1,196,494,243 and 1,188,953,352 as at 30 September 2019 and 31 December 2018 respectively

# Distribution Details



**Distribution Period**  
**Distribution Per Unit<sup>1</sup>**

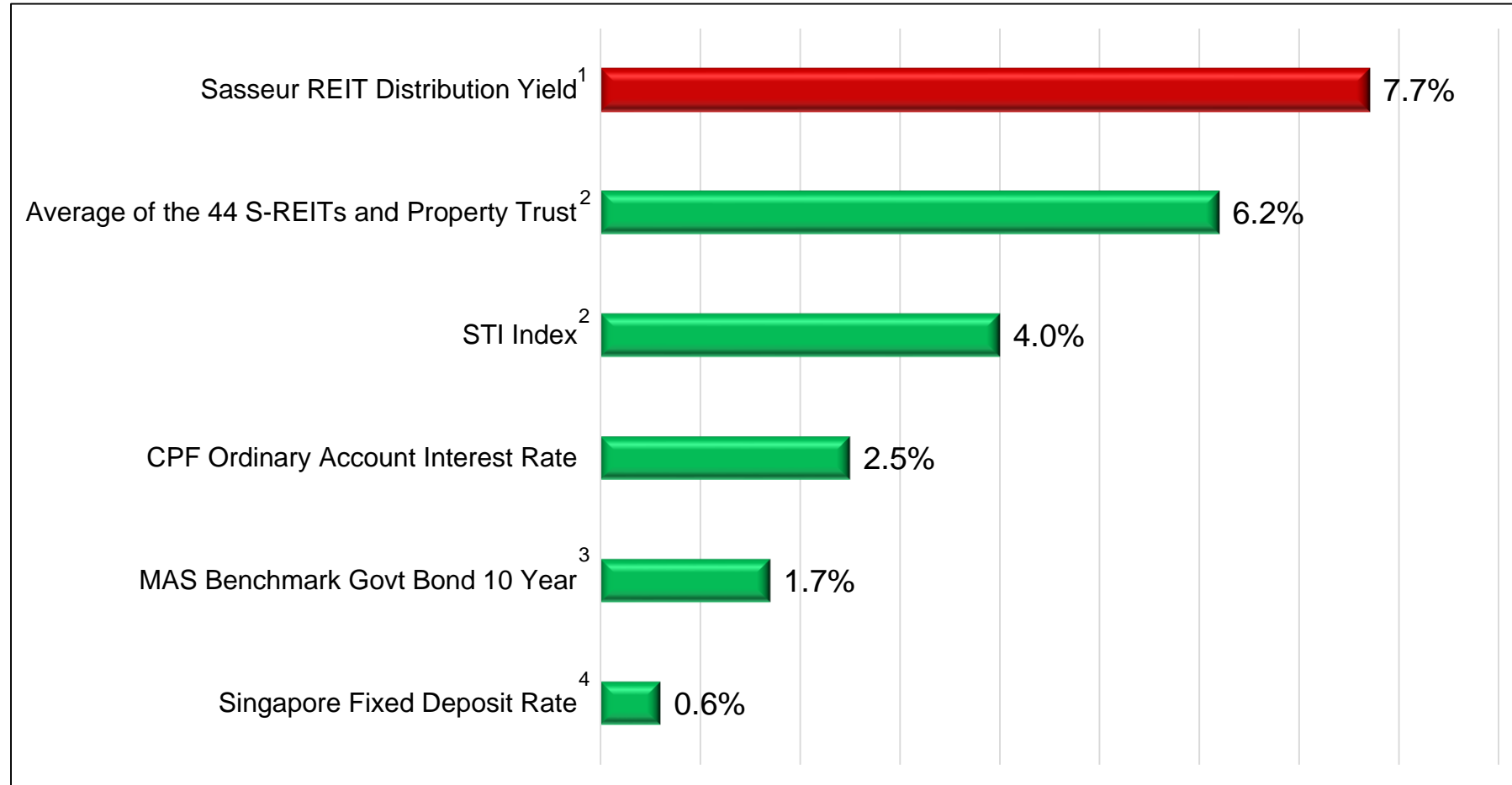
1 July to 30 September 2019  
**1.640 Singapore cents**

1. Based on 100% distribution pay-out ratio

<b>Distribution Timetable</b>	
Notice of Books Closure Date	14 November 2019
Ex-dividend Date	28 November 2019
Books Closure Date	29 November 2019
Distribution Payment Date	27 December 2019

**Quarterly distribution pay-out with effect from 1 January 2019**

# Sasseur REIT Has Highest Yield VS Other Asset Classes



**Notes:**

1. Annualised distribution yield for 3Q2019 based share price of S\$0.85 as at 18 Nov 2019
  2. Based on 12M Average Dividend Yield
  3. Based on 10 Year Yield
  4. 12M Bank fixed deposit rates from MAS as of 30 September 2019
- Source: Bloomberg, SGX, Central Provident Fund (CPF) Board, data as of 31 October 2019

# Capital Management



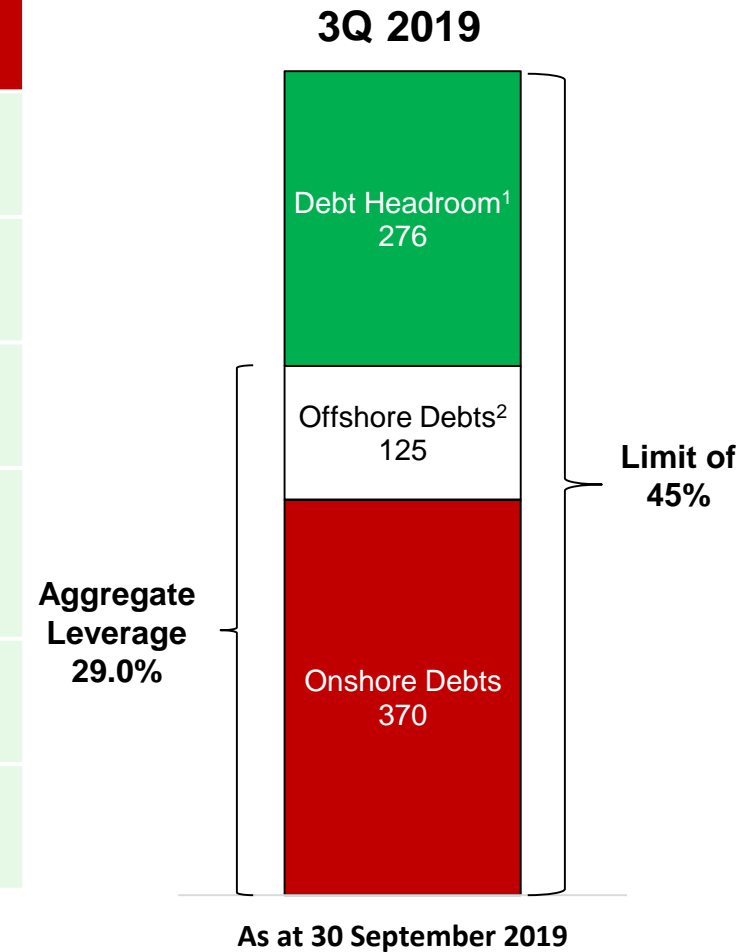
SASSEUR (HEFEI) OUTLETS



# Prudent Capital Management



	Onshore Facilities (RMB)	Offshore Facility (SGD)	Total
Quantum	~SGD 370 million (RMB 1.90 billion)	SGD 125 million <sup>(1)</sup> (~RMB 0.64 billion)	~SGD 495 million (~RMB 2.54 billion)
Proportion	74.8%	25.2%	100%
Tenure	5 years	3 years	4.5 years (weighted average)
Interest Rate (p.a.) (exclude upfront debt- related costs)	4.75%	3.49%	4.43% (weighted average)
Interest Cover	-	-	YTD2019: 4.8 times (FY2018: 4.1 times)
Floating Rate	PBOC benchmark 1-5 years lending rate	Singapore SOR	-



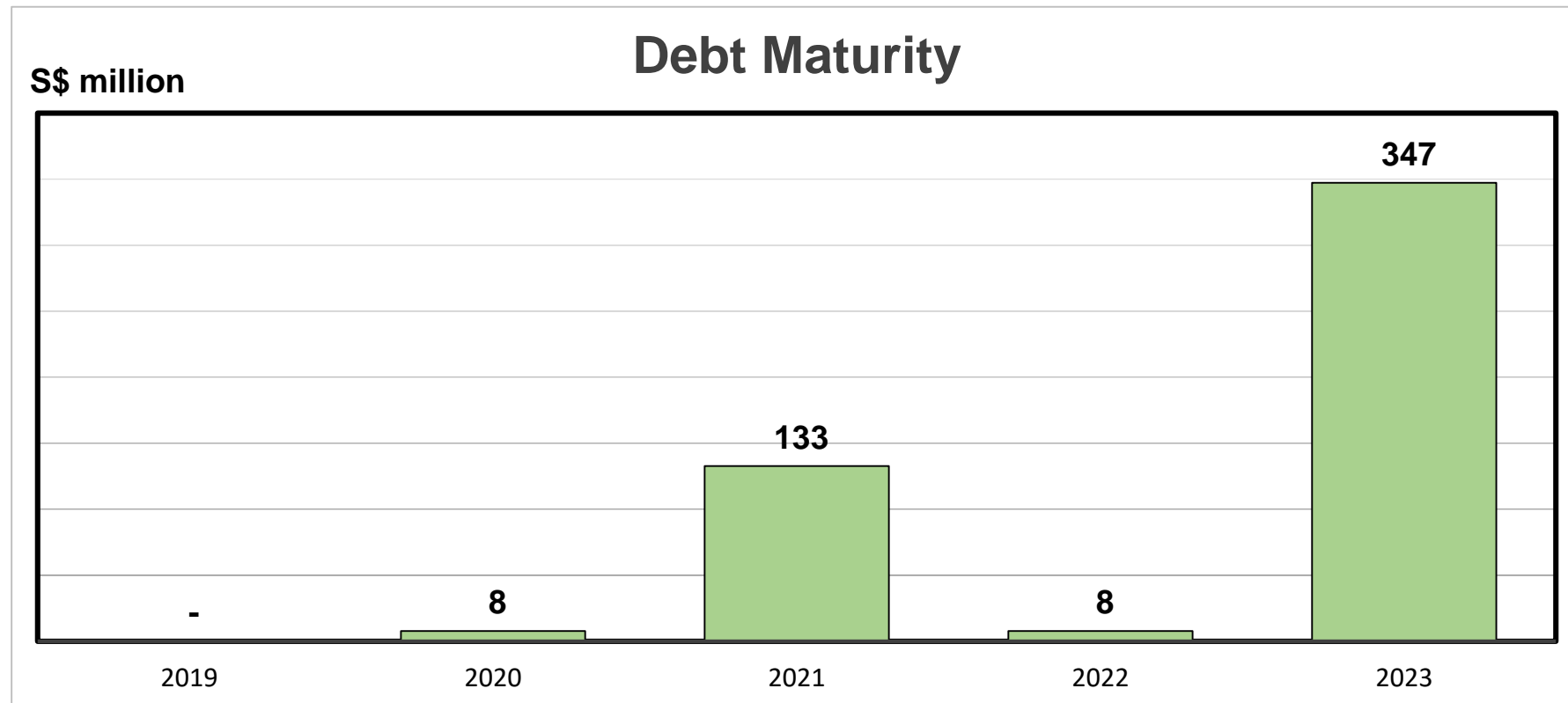
(1) 50% of Offshore Loan is hedged

Note: All calculations are done according to the SGD to RMB exchange rate of 5.1355 as at 30 September 2019

# Debt Maturity Profile



Weighted average debt maturity is 2.98 years with no major re-financing until 2021



# Portfolio Update



SASSEUR (HEFEI) OUTLETS


# Portfolio Summary



Portfolio
Valuation * : 7,810 mil
NLA : 312,844 sqm
Occupancy ^ : 95.4%




Hefei Outlet Mall
Valuation : 2,624 mil
NLA : 144,583 sqm
Occupancy : 95.0%




Bishan Outlet Mall
Valuation : 790 mil
NLA : 47,308 sqm
Occupancy : 91.9%



Kunming Outlet Mall
Valuation : 1,495 mil
NLA : 70,067 sqm
Occupancy : 94.8%

\* Based on independent valuation as at 31 Dec 18 by Savills (RMB million) and the average independent valuation as at 28 Feb 2019 by Savills and JLL for the shop units in Hefei Outlet which was acquired on 14 May 19.



Chongqing Outlet Mall
Valuation : 2,901 mil
NLA : 50,885 sqm
Occupancy : 100%

^ Occupancy for 3Q 2019

# 3Q 2019 Outlets Summary



**YTD 2019 Total Outlet Sales Increased 20.9%**

Outlets	NLA (sqm)	Occupancy (%)	Q3 2019 <sup>1</sup> Sales (RMB'mil)	Q3 2019 vs Q3 2018 <sup>2</sup> Change (%)	YTD 2019 <sup>3</sup> Sales (RMB'mil)	YTD 2019 vs YTD 2018 <sup>4</sup> Change (%)
Chongqing	50,885	100.0	579.7	-5.4	1,669.0	+8.9
Hefei	144,583	95.0	286.4	+32.2	802.5	+28.8
Kunming	70,067	94.8	238.0	+26.9	647.3	+44.4
Bishan	47,308	91.9	114.3	+18.6	332.3	+32.7
<b>Portfolio</b>	<b>312,844</b>	<b>95.4</b>	<b>1,218.4</b>	<b>+9.4</b>	<b>3,451.1</b>	<b>+20.9</b>

1. Q3 2019: 01 July 2019 – 30 September 2019

2. Q3 2018: 01 July 2018 – 30 September 2018

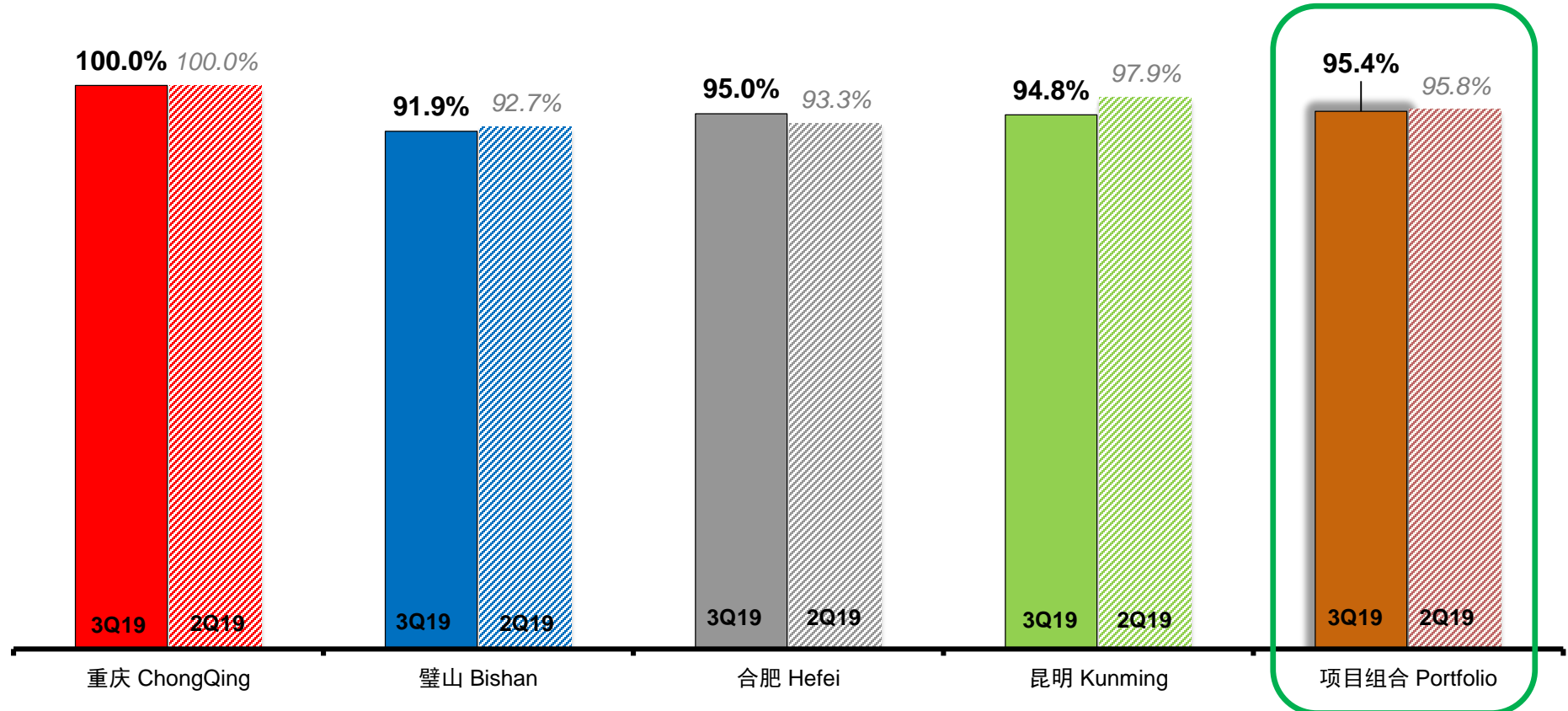
3. YTD 2019: 01 January 2019 – 30 September 2019

4. YTD 2018: 01 January 2018 – 30 September 2018

# Portfolio Occupancy (3Q 2019 vs 2Q 2019)



4 Outlets Malls enjoy high stable occupancy

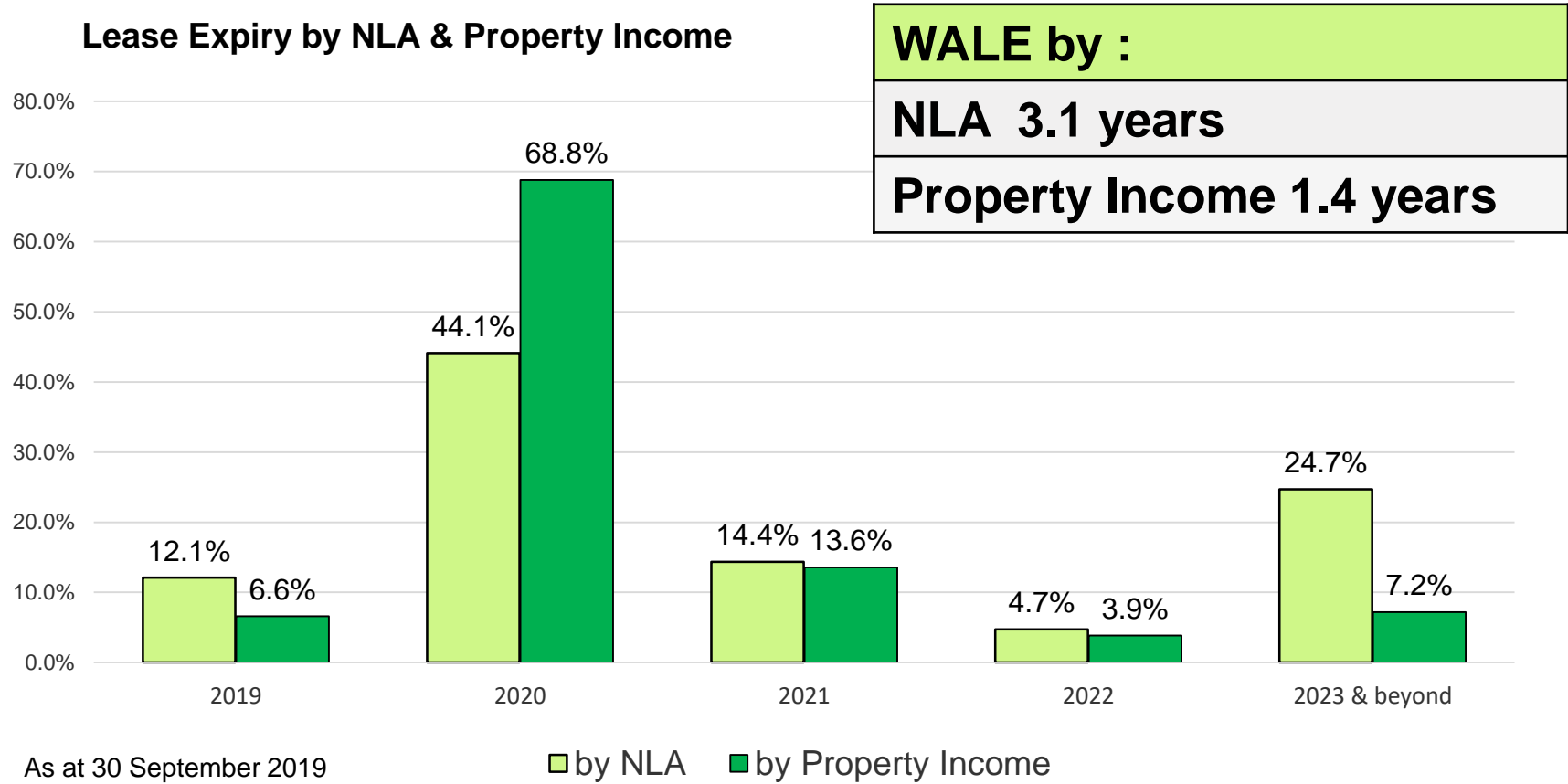


3Q 2019 vs 2Q 2019

# Weighted Average Lease Expiry (WALE)



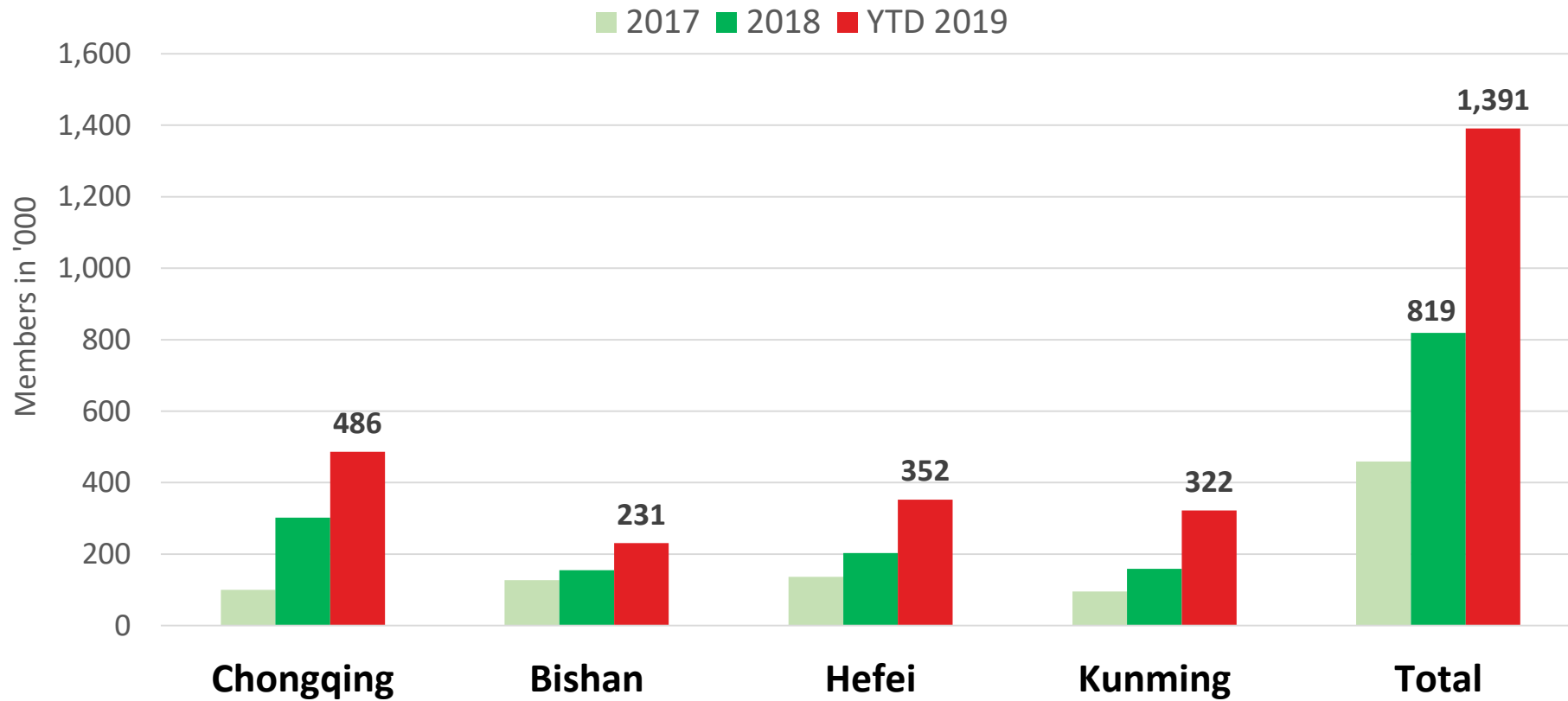
**Deliberate short lease to optimise tenant mix**



# VIP Members - Growth by Outlets



Total VIP members have jumped 70% from end of 2018 to reach 1.391 million

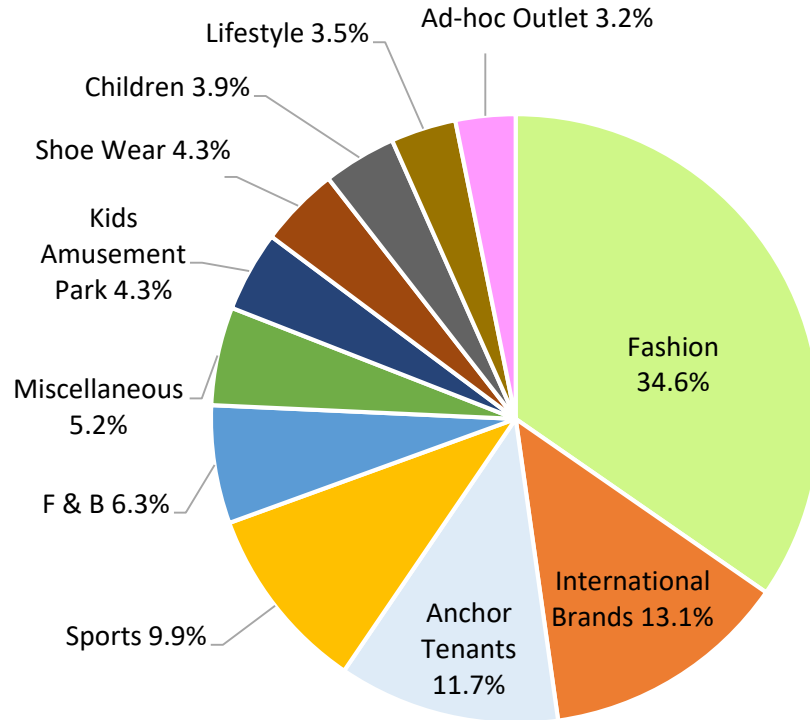




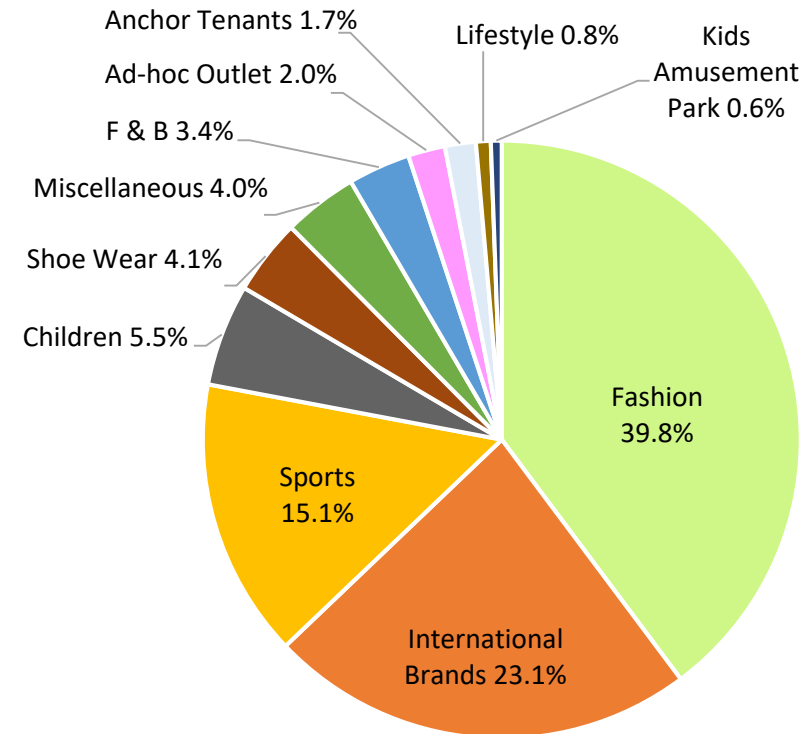
# Well Diversified Trade Mix



## Breakdown of NLA<sup>(1)</sup> by Trade Mix



## Breakdown of Revenue<sup>(2)</sup> by Trade Sector



## Fashion, Sports and International Brands

**57.6%**

**78.0%**

(1) As percentage of the portfolio's net lettable areas as at 30 September 2019

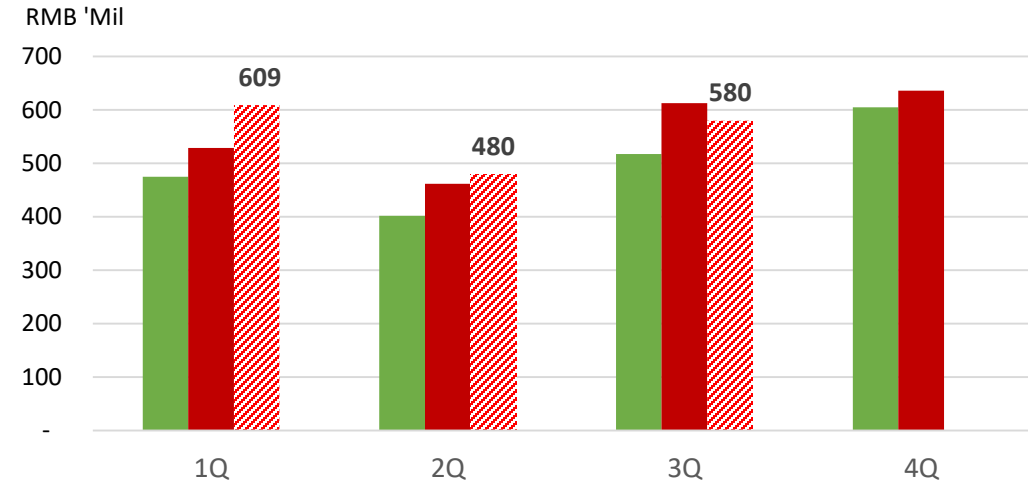
(2) As percentage of the portfolio's gross revenue as at 30 September 2019

# Chongqing Outlets

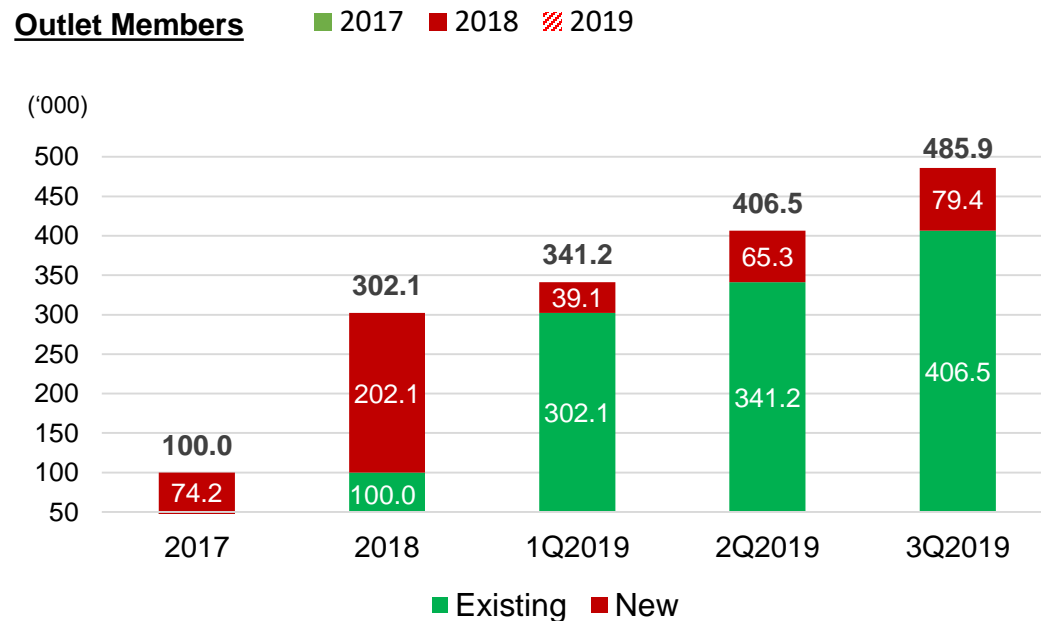


<b>Year Commenced Operations</b>	Sep 2008
<b>GFA (sqm)</b>	73,373
<b>NLA (sqm)</b>	50,885
<b>Occupancy Rate (% , 30 Sep 19)</b>	100
<b>No. of Tenants (30 Sep 19)</b>	435
<b>Top Brands/Tenants</b>	FILA, Adidas, +39 Space, High Wave, Naersi
<b>Car Park Lots</b>	500
<b>Valuation (RMB mil, 31 Dec 18)</b>	2,901

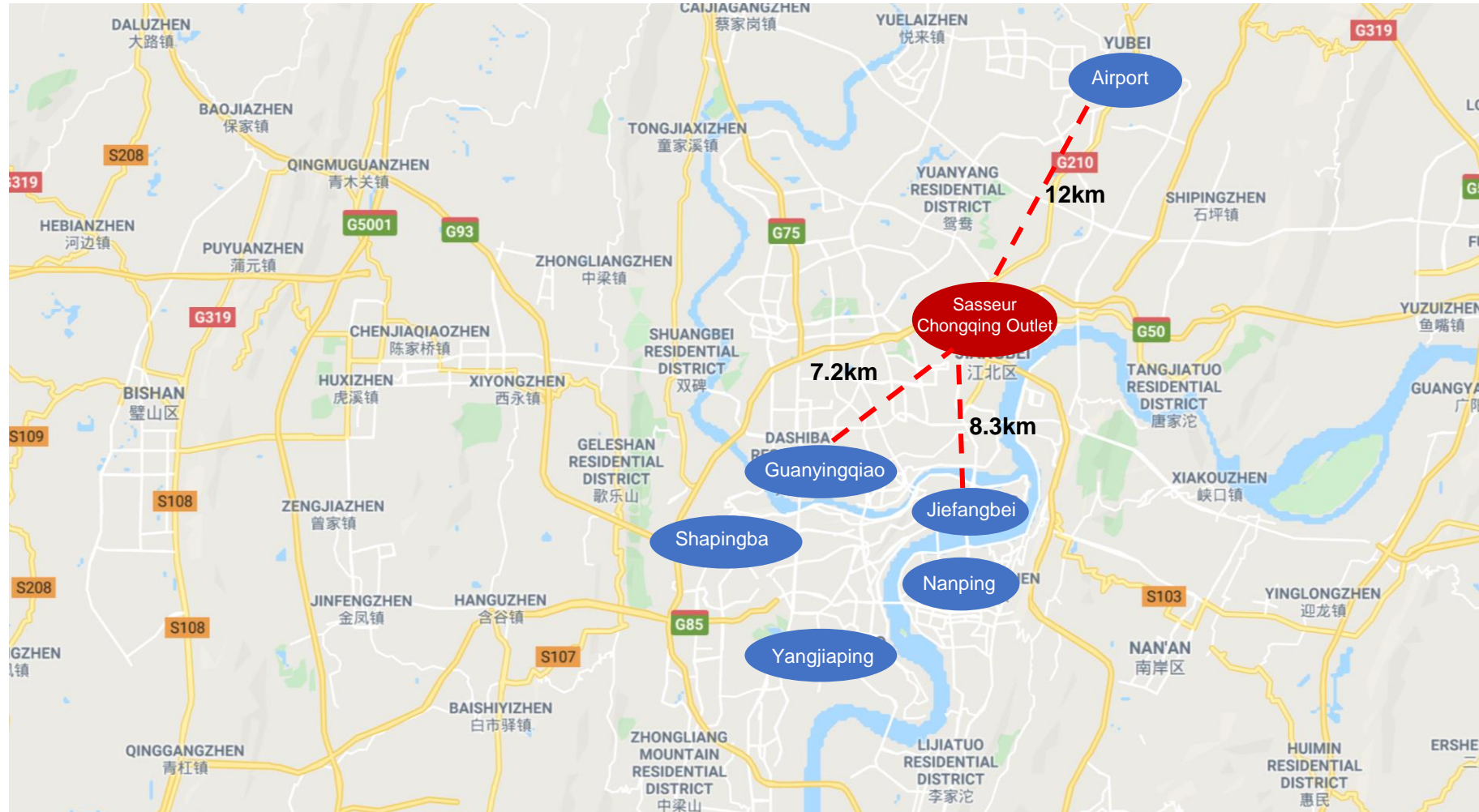
## Sales



## Outlet Members



# Chongqing Outlets - Location



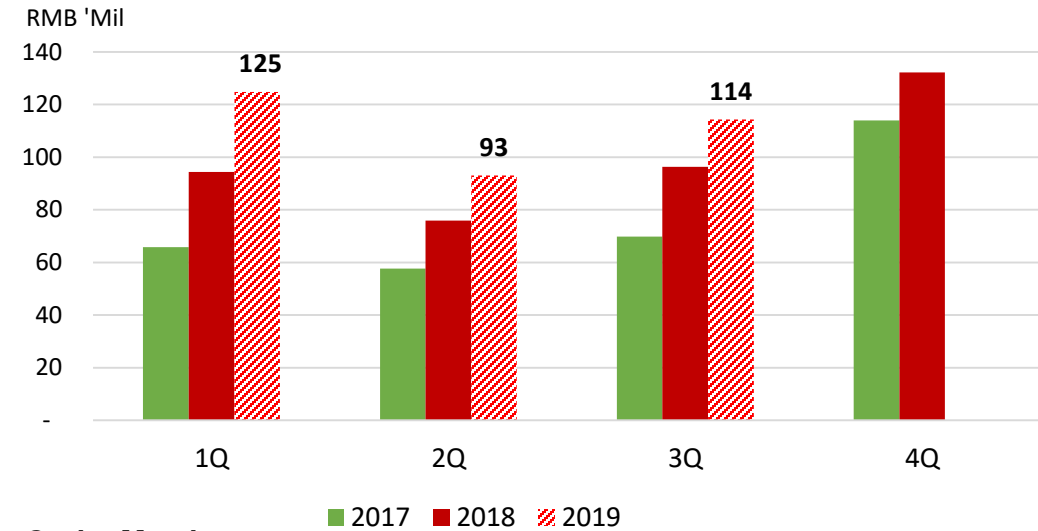
Source: Google Maps (November 2019),  
China Insights Consultancy (March 2017)

# Bishan Outlets

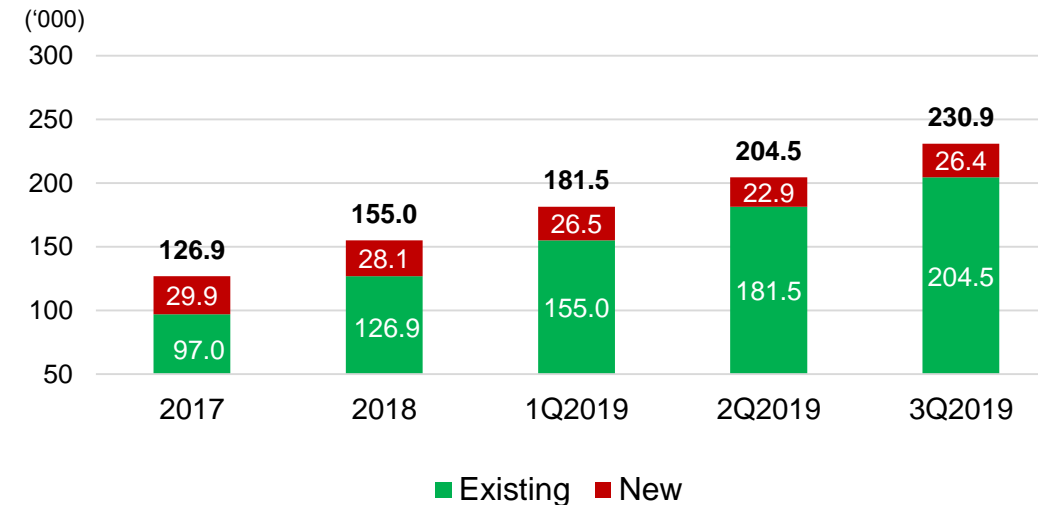


<b>Year Commenced Operations</b>	Oct 2014
<b>GFA (sqm)</b>	68,791
<b>NLA (sqm)</b>	47,308
<b>Occupancy Rate (% , 30 Sep 19)</b>	91.9
<b>No. of Tenants (30 Sep 19)</b>	212
<b>Top Brands/Tenants</b>	Adidas, Nike, Polo Sport, OBEG, +39 Space
<b>Car Park Lots</b>	400
<b>Valuation (RMB mil, 31 Dec 18)</b>	790

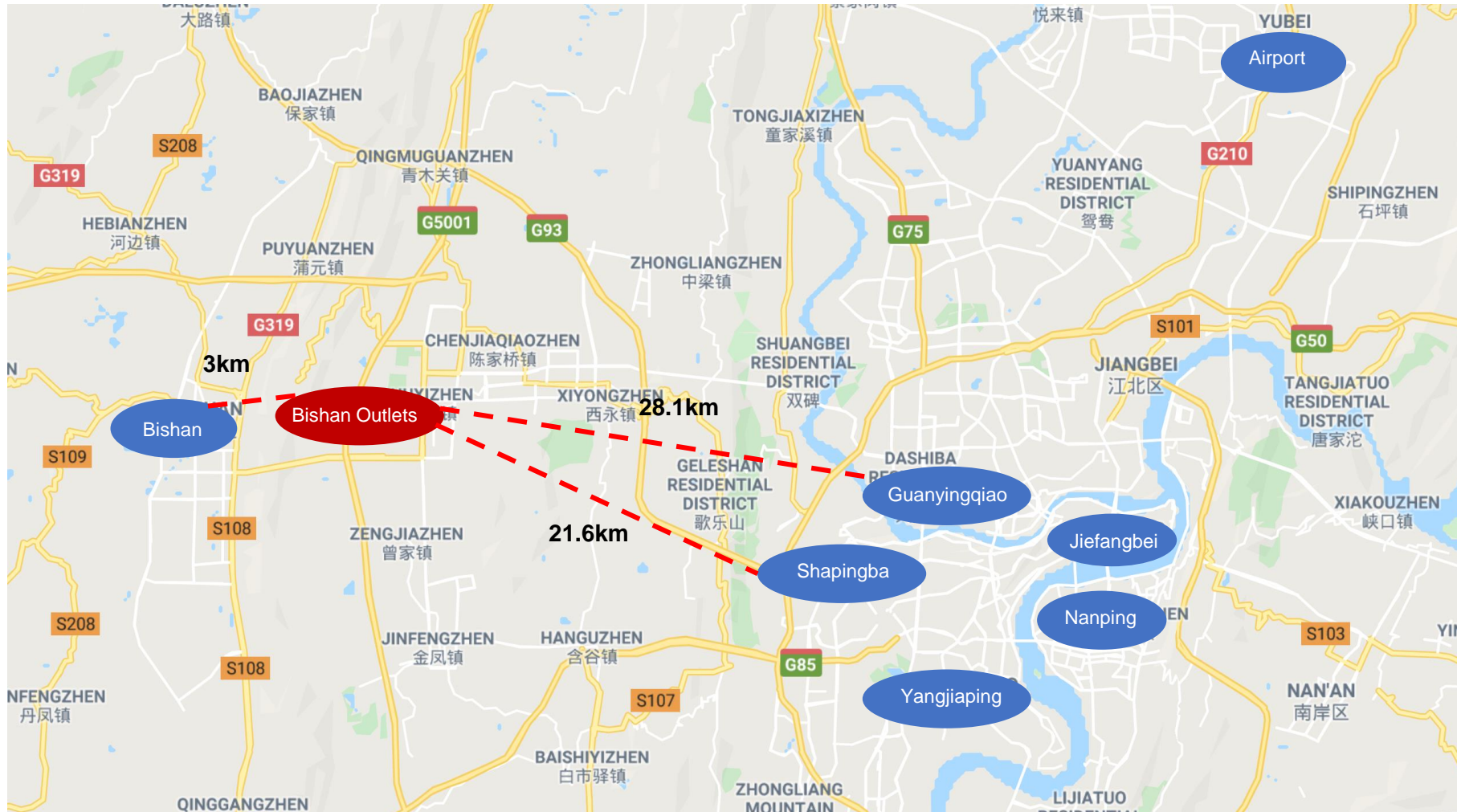
## Sales



## Outlet Members



# Bishan Outlets - Location



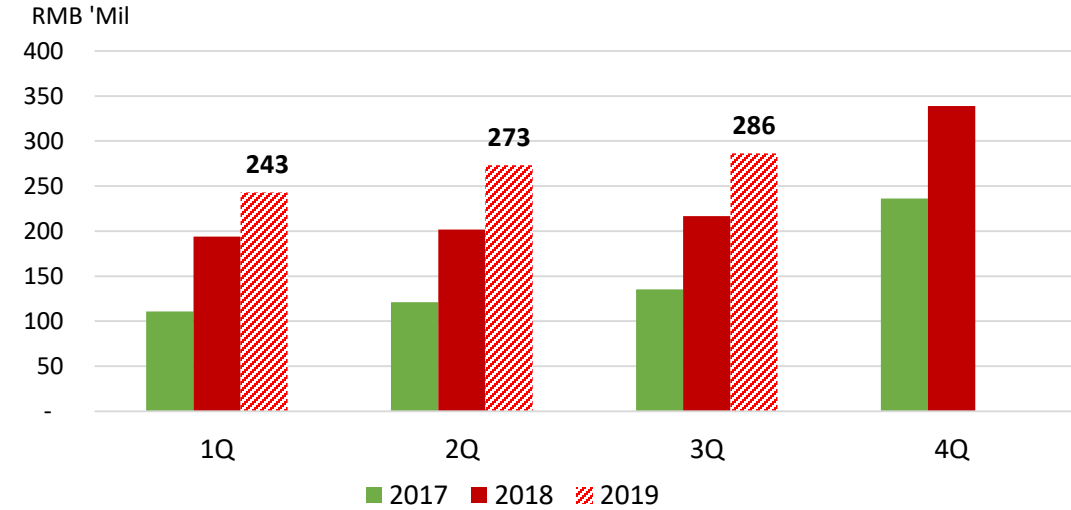
Source: Google Maps (November 2019),  
China Insights Consultancy (March 2017)

# Hefei Outlets

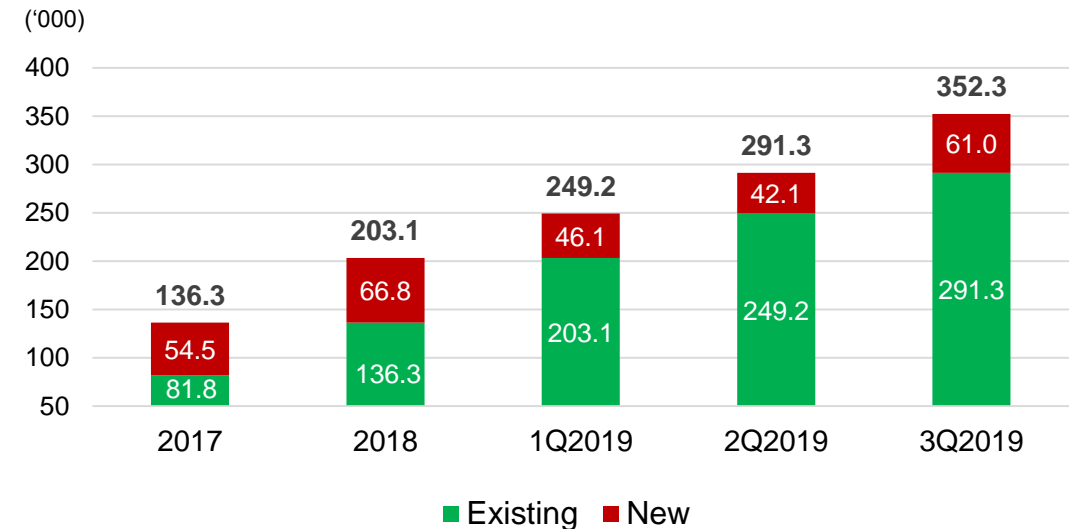


<b>Year Commenced Operations</b>	May 2016
<b>GFA (sqm)</b>	147,316
<b>NLA (sqm)</b>	144,583
<b>Occupancy Rate (% , 30 Sep 19)</b>	95.0
<b>No. of Tenants (30 Sep 19)</b>	336
<b>Top Brands/Tenants</b>	Adidas, Coach, Michael Kors, Nike, Hazzys
<b>Car Park Lots</b>	1,566
<b>Valuation (RMB mil)</b>	2,624

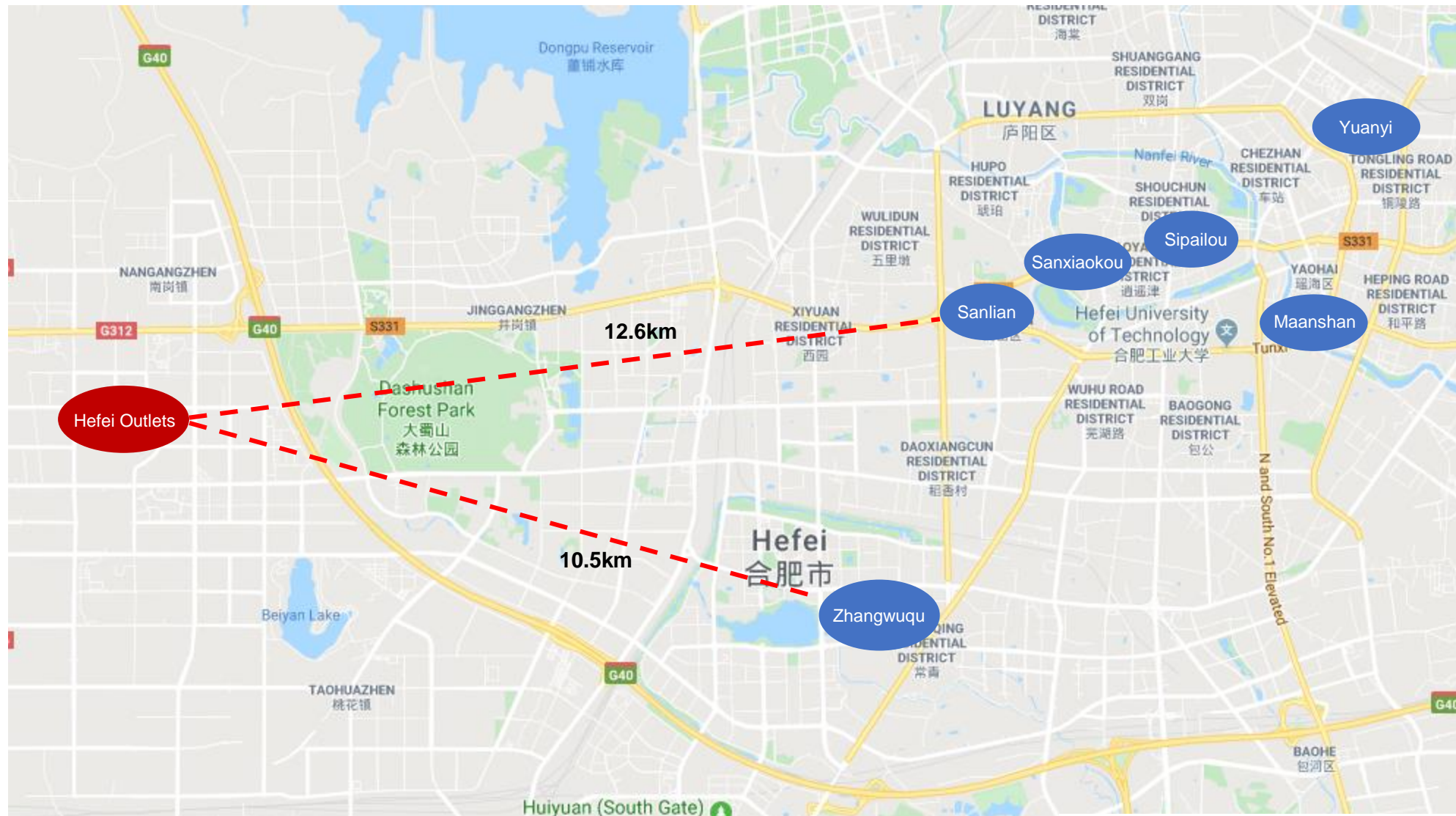
## Sales



## Outlet Members



# Hefei Outlets - Location



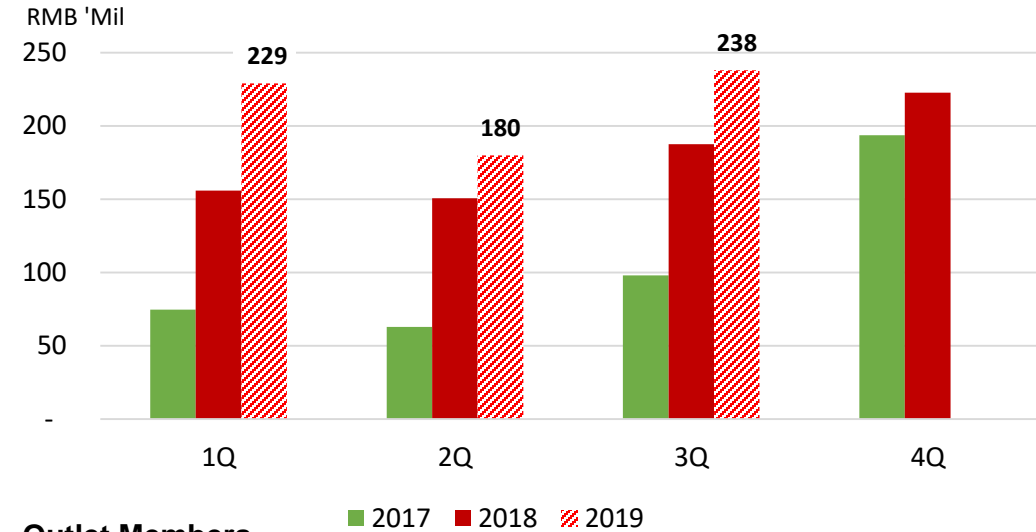
Source: Google Maps (November 2019),  
China Insights Consultancy (March 2017)

# Kunming Outlets

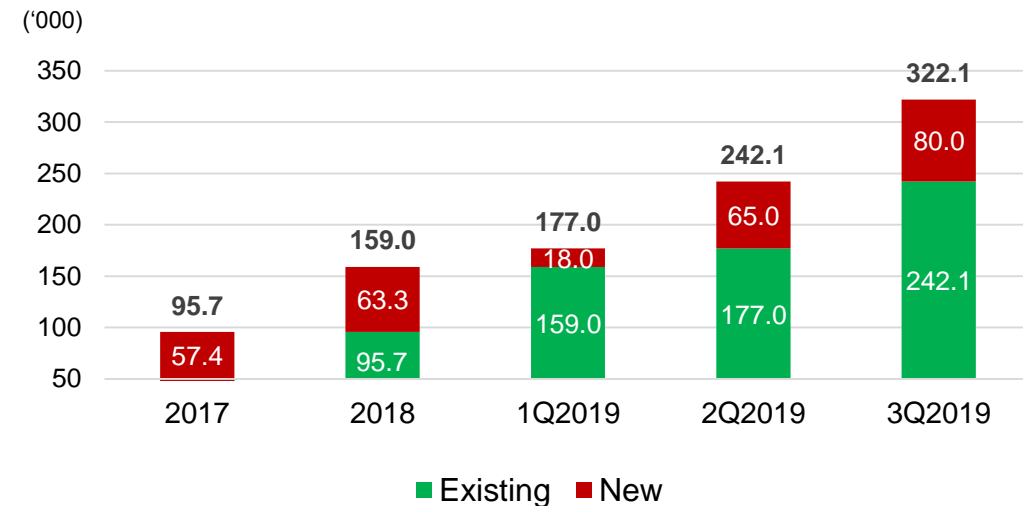


<b>Year Commenced Operations</b>	Dec 2016
<b>GFA (sqm)</b>	88,257
<b>NLA (sqm)</b>	70,067
<b>Occupancy Rate (% , 30 Sep 19)</b>	94.8
<b>No. of Tenants (30 Sep 19)</b>	251
<b>Top Brands/Tenants</b>	Nike, Adidas, Fila, Polo Sport, +39 Space
<b>Car Park Lots</b>	2,000
<b>Valuation (RMB mil, 31 Dec 18)</b>	1,495

## Sales

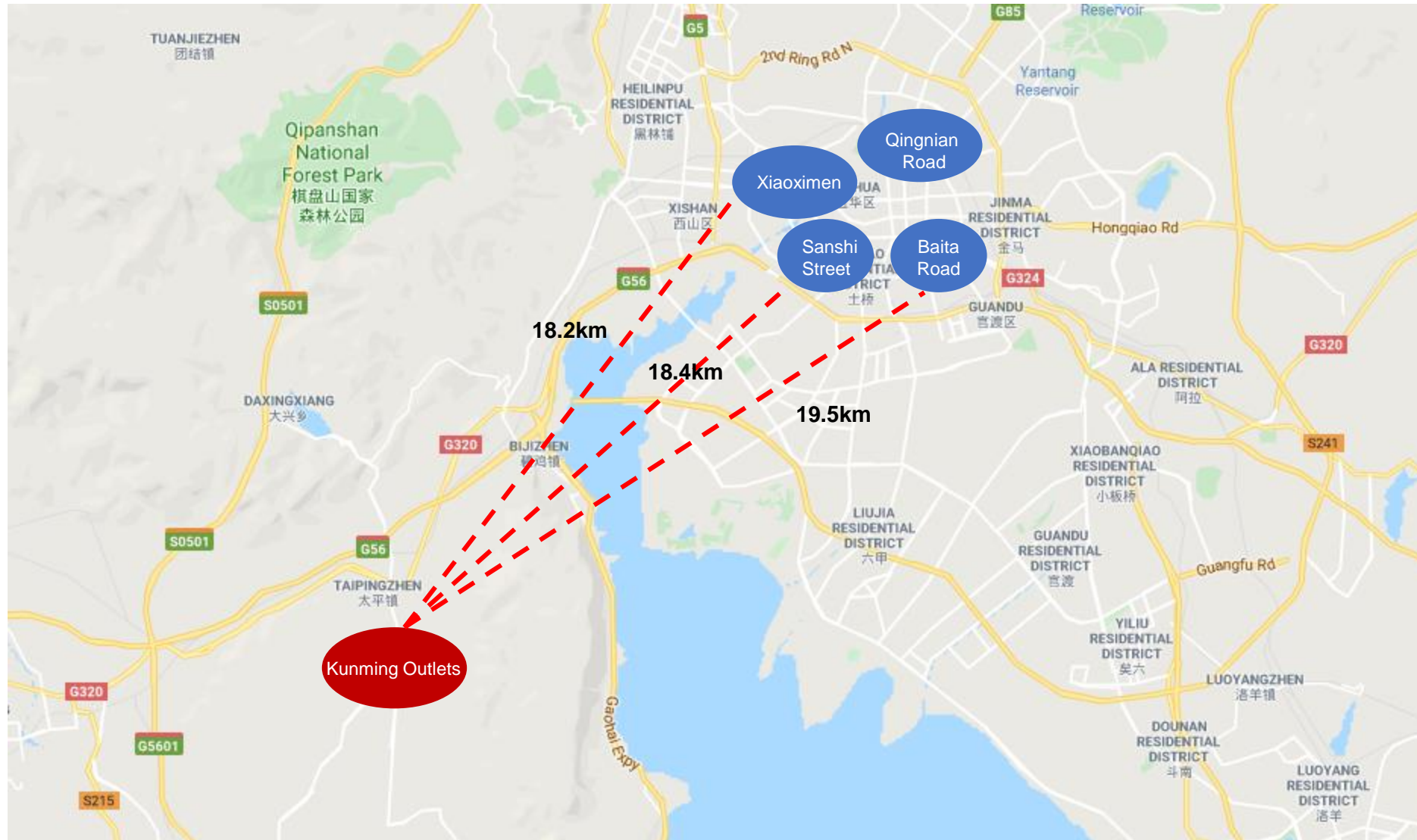


## Outlet Members





# Kunming Outlets - Location



# Exciting Events to Drive Shoppers' Traffic



# Anniversary Celebrations : Record Breaking Sales on First Day



	Chongqing	Bishan	Hefei	Kunming	Total
2019	RMB 131.2 million	RMB 20.8 million	RMB 34.9 million	RMB 28.7 million	RMB 215.5 million
2018	RMB 130.0 million	RMB 16.7 million	RMB 27.3 Million	RMB 24.0 million	RMB 197.9 million
Change y-o-y	↑ 1%	↑ 25%	↑ 28%	↑ 20%	↑ 9%

# Potential Pipelines



- All acquisitions must be yield accretive
- First China, then the World
- Potential properties increased to 11

## ROFR Properties

	Xi'an	Guiyang
Opening Date	Sep 2017	Dec 2017
GFA (sqm)	141,708	193,520
Car Park Lots	c.2,000	c.1,000

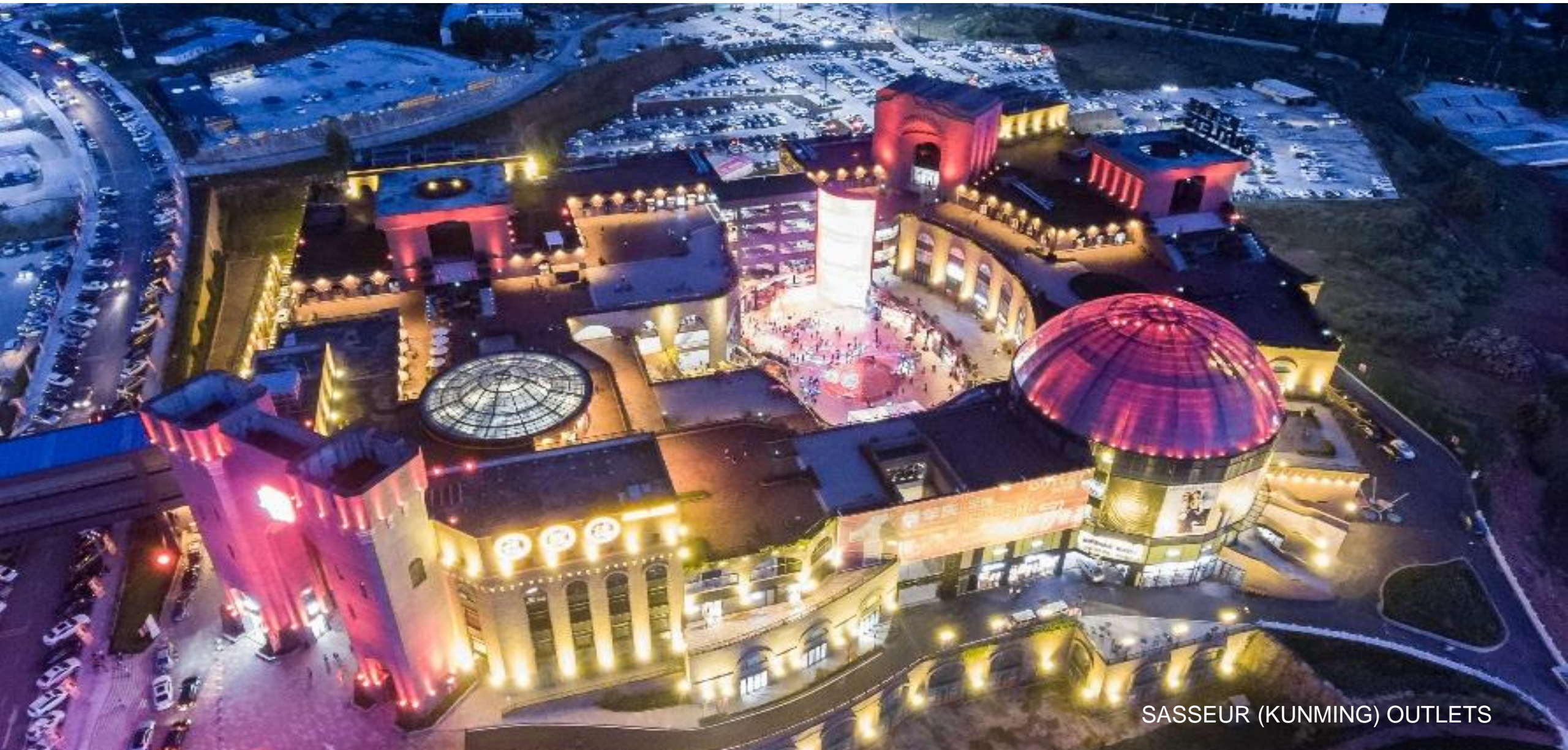


## Opening Soon

## Pipeline Properties

	Nanjing	Hangzhou	Changchun	Changsha	Lanzhou	Xiamen	Shenzhen	Yangzhou	Shanghai
Opening Date	May 2015	Jun 2011	Sep 2017	Dec 2018	~4Q 2019	~3Q2020	~4Q 2020	~4Q 2020	~3Q2021
GFA (sqm)	149,875	45,873	172,128	210,600	~100,000	~75,000	~150,000	~85,000	~109,000
Car Park Lots	c.8,000	c.5,000	c.4,000	c.2,084	c.2,500	c.2,000	c.2,200	c.1,200	c.2,500

# Investment Merits



SASSEUR (KUNMING) OUTLETS

# Investment Merits



1

**Market Leadership:** Sasseur Group is the one of the largest operator of outlet malls in China, with 10 malls and over 11 years of operating experience

2

**Unique Art-Commerce Business Model:** Aligns interests of tenants, unitholders and entrusted managers, with potential to share upside

3

**6 Consecutive Quarters of DPU Outperformance Since Listing:**  
Beating forecast for 2018 and projection for 2019

4

**Top Performing China S-REIT 9M2019:** Total Return 33.6% as per SGX report

5

**Strong Partnerships:** Longstanding business relationships with leading premium international and local retail brands

# Awards and Achievement



1

The Asset Asian (Triple A) Awards 2018  
**Best IPO in Singapore 2018**

2

Fortune Times REITs Pinnacle Awards 2018  
**Most Promising REIT in Asia**

3

2018 Asia Pacific Best of Breeds REITs (less than USD 1 billion market capitalization) - **Gold Award Retail REITs (Singapore)**

4

Alpha Southeast Asia 12<sup>th</sup> Annual Best Deal & Solution Awards 2018 - **Best REIT Deal in Southeast Asia 2018** as Southeast Asia's largest REIT IPO S\$396 mil for 2018

5

International Investor Magazine  
**REIT Company of The Year – Singapore 2019**

6

6th Asia Pacific REITs Awards 2019  
**Best Retail REIT (Platinum)**  
**Best CEO (Platinum)**  
**Best Investor Relations (Gold)**





# Thank You

For enquiries, please contact:

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Singapore 038987

