



# SASSEUR REIT – Growing in a Sunrise Industry

*First Listed Outlet Mall REIT in Asia*

Maybank Kim Eng/ SGX Global REITs Webinar

9 April 2020

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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.

# Content



<b>Section 1</b>	<b>Key Investment Highlights</b>
<b>Section 2</b>	<b>Overview of PRC's Outlet Market</b>
<b>Section 3</b>	<b>About Sasseur REIT</b>
<b>Section 4</b>	<b>About Sasseur Group</b>
<b>Section 5</b>	<b>Sponsor's Unique "Super Outlet" Business Model</b>
<b>Section 6</b>	<b>Entrusted Management Agreement ("EMA") Model</b>
<b>Section 7</b>	<b>FY2019 Financial Results</b>
<b>Section 8</b>	<b>FY2020 Operational Update</b>
<b>Section 9</b>	<b>Capital Management</b>
<b>Section 10</b>	<b>Portfolio Update</b>
<b>Section 9</b>	<b>Investment Merits</b>

# 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

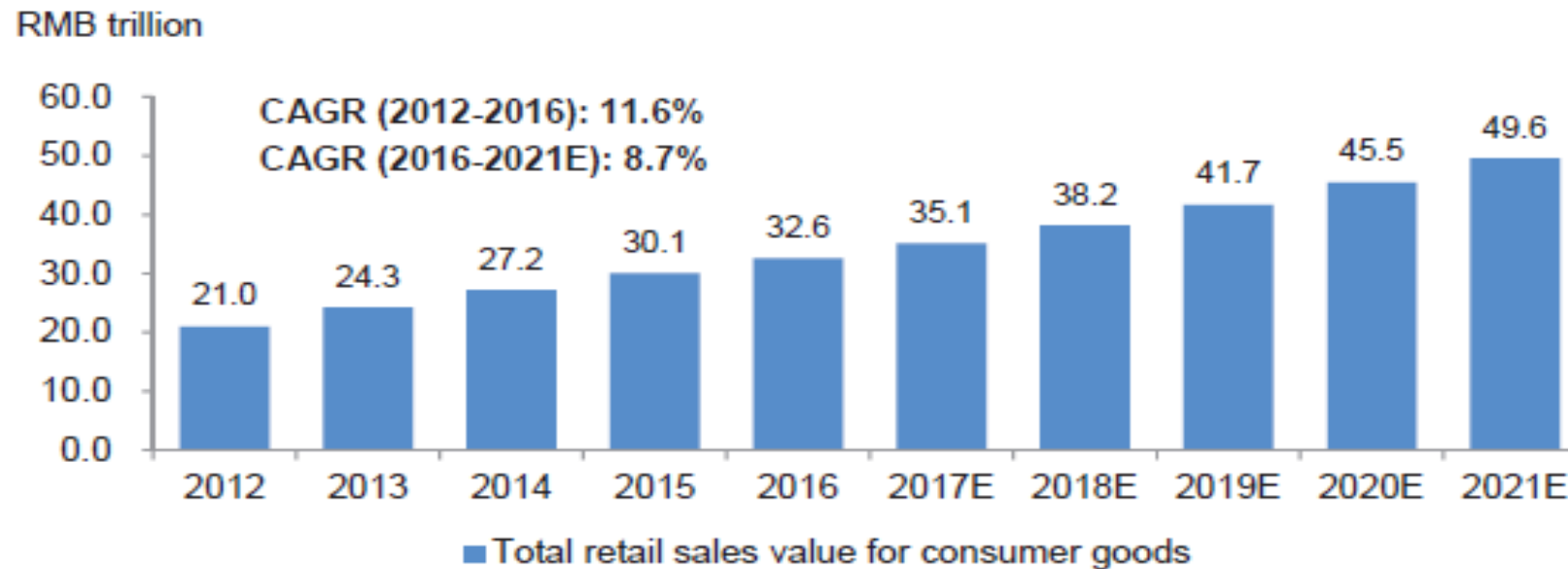
# Overview of PRC's Outlet Market



## 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)*

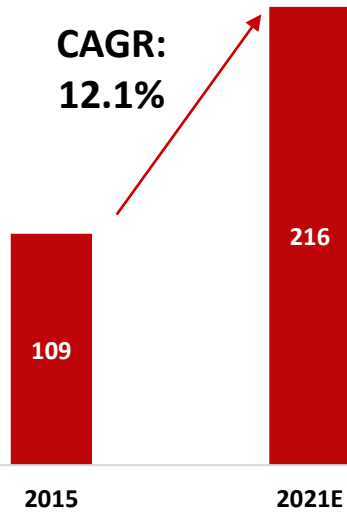
# Overview of PRC's Outlet Market (Con't)



1

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

Middle class population in China (million)

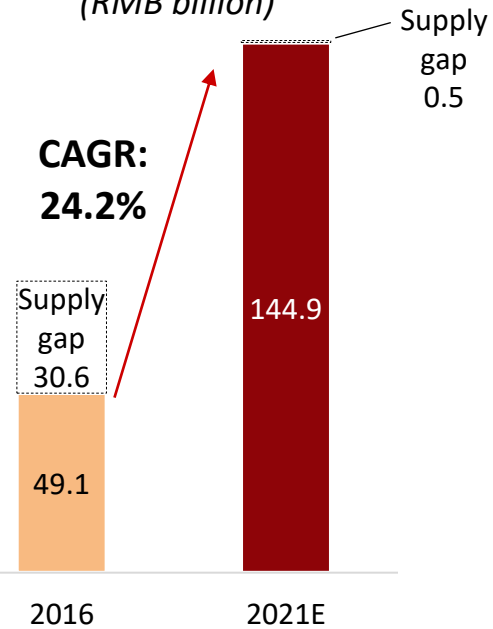


Higher urbanization rates to help shift the economy towards a consumption-based model of economic growth

2

**Large supply gap presenting upside opportunity**

China's Outlet Industry (RMB billion)

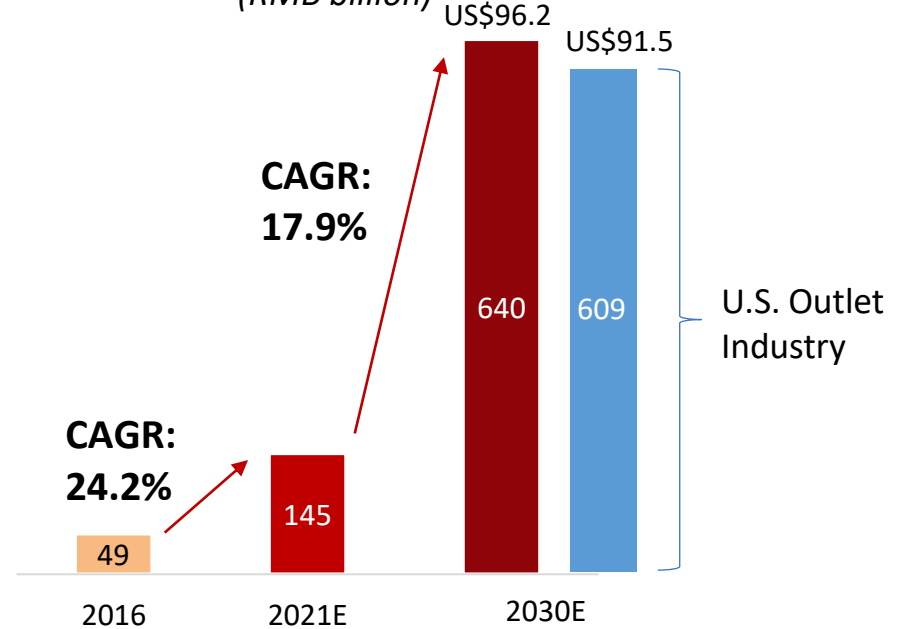


Supply gap represents market opportunity for the outlet industry

3

**Young industry with ample room to grow 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 the Asian continent 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



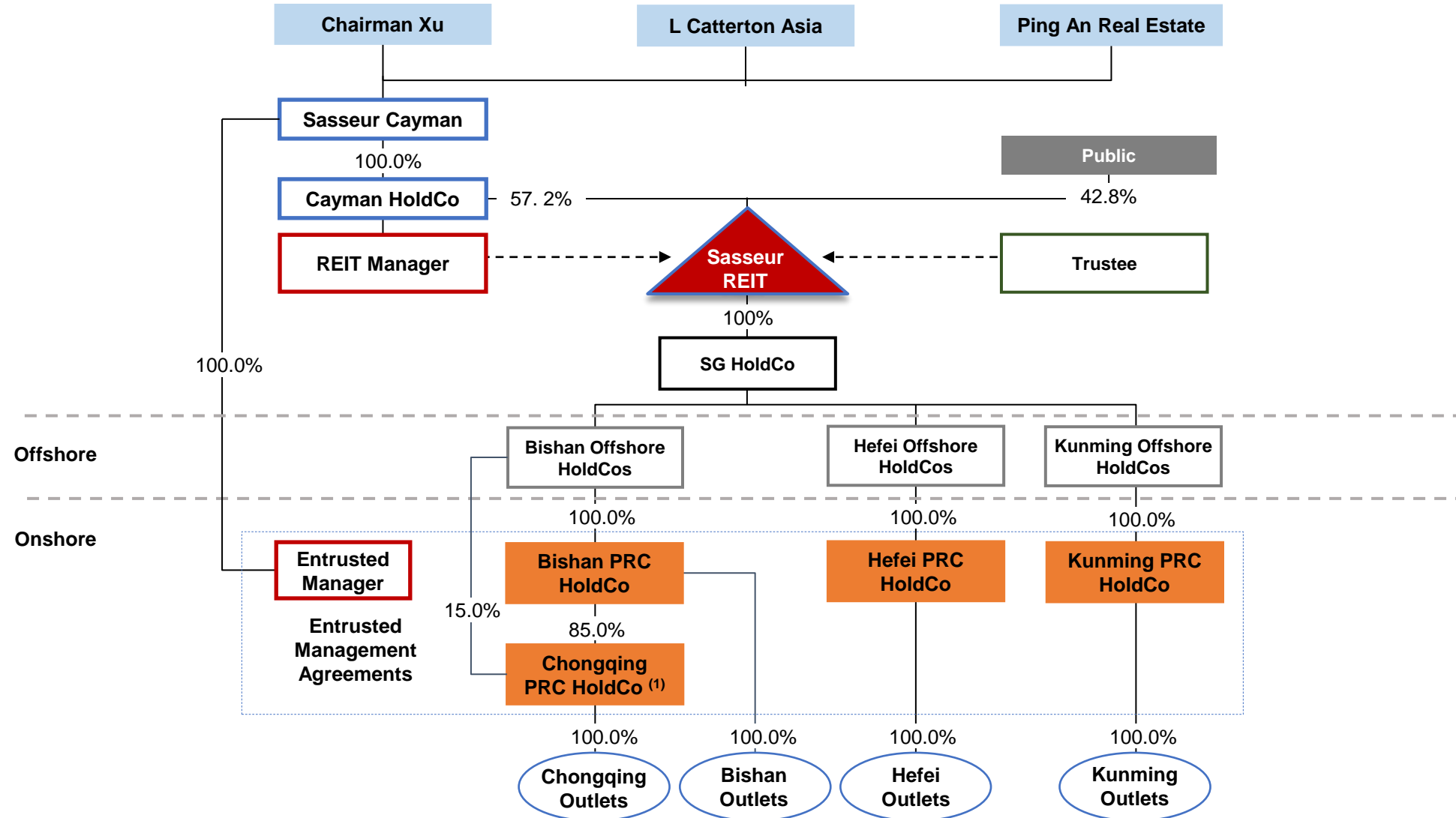
From Left to Right:

- 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 February 2020, Sasseur manages 11 outlet malls in 10 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 Vito Xu



- **Vito 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

# About Sasseur Group – Strong Sponsor (Con't)



## Highly Recognised Enterprise

- 2019 Chongqing Top 100 Enterprise (Service Industry) – Ranked 15<sup>th</sup> place
- 2019 Chongqing Top 100 Enterprise – Ranked 39<sup>th</sup> Place with Revenue Over RMB 10 Billion
- 2019 China Top 500 Enterprise in Service Industry – Ranked 313<sup>th</sup> place
- Awarded National Enterprise Credit Grade AAA

## One of the Leading Operators in China's Outlet Industry

- 11 Outlets Under Management, 4 More in the Pipeline
- Among the 11 outlets in operation, 5 outlets achieve sales above RMB 1 billion in 2019
- 1,700 International and Local Brands
- >55 Million Outlet Visitors in 2019
- 4.2 Million VIP Members across All Outlets

Source: Sasseur Group 2019 Performance Figures

## 2019 Sales Revenue

> RMB 2.3 Billion



Sasseur (Chongqing) Outlet

> RMB 1.5 Billion



Sasseur (Nanjing) Outlet

> RMB 1.5 Billion



Sasseur (Xi'an) Outlet

> RMB 1.0 Billion



Sasseur (Hefei) Outlet

> RMB 1.0 Billion



Sasseur (Guiyang) Outlet

# 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 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 member 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 learning 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 too 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 mall brand names such as Burberry, Chanel, Louis Vuitton and Armani, there are plenty of Chinese brands as well with names like A.Song and its cousin.

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

"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 went to see outlets for Chinese brands, so that's how Sasseur came to be." Xu said he is chasing global trends but he sees a gap in the Chinese market for high-end fashion trends at home and display them in the outlets.

In the popular perception of counterfeits and knock-offs of global brands with weak protection for intellectual property. But things may be changing there.

Earlier this year, Shiseido chief executive Masahiko Umetani tried to open a cosmetics platform company, to which Sasseur has joined.

When I expressed surprise to Mr Xu that he had a partner in China, he would link up with Alibaba, he gave me a perfectly reasonable 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 finest, our most high-end product. They do micro-marketing 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 genuine high-end products, if they could afford them. Indeed, thousands of stores have been going from rags to riches in the outlet fashion centers around the world.

At home, when they buy these goods, they prefer to do it in local and abroad outlets.

Mr Xu explained that, while the experience, he explained, shopping off-line is better than on-line. Not that Sasseur itself had not tried online sales. But it turns out that the experience had not gone so well and the company decided that it would not try to attract regular shoppers who were no more than \$ per cent of the

market. The middle-income households that Sasseur outlets serve live within 100 km from facilities and look for lifestyle activity alongside their shopping. Online shoppers, on the other hand, tend to buy cheaper and more standardized products and tend to buy farther away.

**WHY SINGAPORE?**  
Most Chinese companies looking for overseas investments tend to use Hong Kong if they need a convenient window to the world and an exit route for their funds. 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 I. Caterton.

To run the REIT, he hired the veteran Anthony Ang, an Imperial College and London-based asset manager. In his 30-year career, he has included senior positions in ARA Group, GIC Real Estate and the Economic Development Board.

Mr Xu explained that, while Hong Kong stock market is significantly larger than Singapore's, its REIT market is smaller, with just 10 of the entities listed there compared with about 100 in Singapore. The S-REITs are also more international, tending to attract global investors seeking an Asian play.

"On a personal level, Mr Xu enjoys the island's orderliness and is

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 believed the name Sasseur as a mark of affection and gratitude.

Sasseur REIT has had a good run in the year since Mr Xu took office. Growth was 20 per cent. Mr Xu sees an opportunity in maintaining that pace, more so since three of the four properties in its care are. 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 Singapore ones. The next decade will be the golden era for the outlet business in China and the many distressed REIT assets of that region will 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 busy reviewing fewer than 10 new deals, and these will be up and running in the next two 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 constant influx of new entrants from world over - most establishments lack the life and spirit that can excite shoppers, he said. "Retail should offer more of local products and flavors to create an emotional connect."

The most of the items loving Mr Xu did 13 years ago and his father, now 80, lives in their home in Chongqing. Among his many hobbies, he said, is that his wife's most interests with law for art, while having his lady love as a business partner.

I asked the 64-year-old Mr Xu about his favorite trend of clothing for the personal use.









"I like to wear my favorite to bed and to work. Somehow, their suits are cut in a way that fit me better than any other brand I know."

velloor@sp.com.sg

# Strong and Experienced Board of Directors and Management Team



**Board of Directors**

 <b>Mr Xu Rongcan</b> Chairman			
 <b>Ms Yang Xue</b> Non-Executive Director	 <b>Dr Wang Jun</b> Non-Executive Director	 <b>Dr Zhou Yimin</b> Non-Executive Director	
 <b>Mr Mario Boselli</b> Independent Director	 <b>Dr Gu Qinyang</b> Lead Independent Director	 <b>Mr Cheng Heng Tan</b> Independent Director	 <b>Mr Wu Geng</b> 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**

 <b>Mr Anthony Ang Meng Huat</b> CEO	 <b>Mr Ken Chew Hian Chin</b> COO	 <b>Ms Jaslyn Leong</b> Financial Controller	 <b>Ms Wong Siew Lu</b> Head of Investor Relations & Corporate Affairs
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- ✓ 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**

- Most Promising Chinese Enterprises
- New Mode Retail Sales
- 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



## 2018

- Opened:
  - **Changsha Outlets**

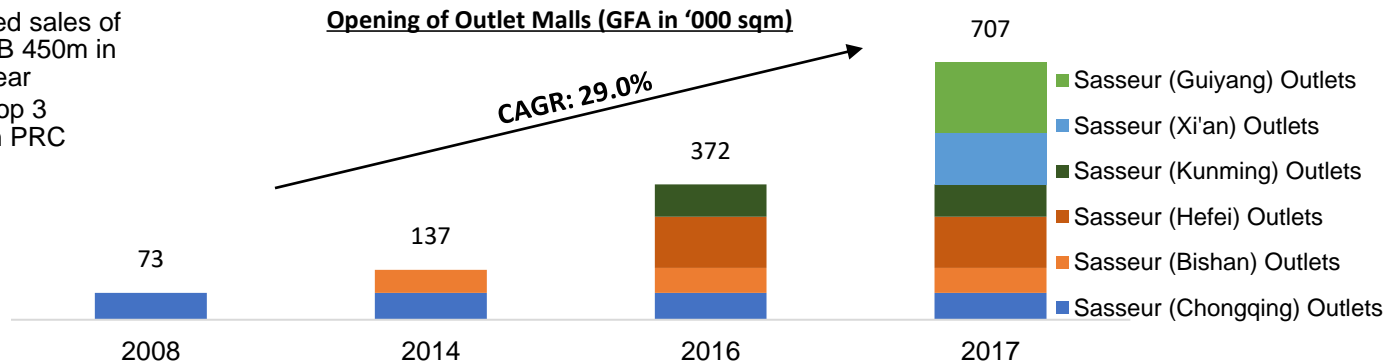
## 2017

- Opened:
  - Xi'an Outlets
  - Guiyang Outlets
  - Changchun Outlets

## 2019

- Opened:
  - **Lanzhou Outlets**
- As of Dec 2019, Sasseur Group:
  - **manages 11 outlets**

Opening of Outlet Malls (GFA in '000 sqm)



Source: Sponsor

# Sponsor's Unique "Super Outlet" Business Model



1

Integrated destination shopping combining “ $A \times (1+N) \times DT$ ” 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 1.58 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





# Outlet's Competitive Edge Against Other Retail Models



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



## Why outlet is generally not impacted by e-commerce

- *Product mix - per transaction via online platform ~ RMB200 vs per transaction at the outlet malls ~ RMB800/1000 => minimal product overlap*
- *Economics – online sales of outlet brands incur ~ 20% commission vs 10-16% commission at the outlets.*
- *Authenticity – 10X penalty / reward for selling by merchants / reporting by customers, of fake goods ensure no fakes goods at outlet*

# Sasseur – Leading private outlet specialist in PRC



## Leading private outlet specialist in PRC

Outlet Operators	Operator category	Outlets
Beijing Capital Grand 首创	Real Estate Company	12
Sasseur 砂之船	Local Private Outlet Specialist	11
Bailian 百联	SOE Retail Group	7
Wangfujing SCITECH 王府井赛特	Real Estate Company	7
RDM	International Outlet Specialist	6

## Benefits of being a private outlet specialist

Different Types of Outlet Operators in China

■ Applicable  
 Not applicable

	Operational Experience	Brand Resources	Understanding of Local Market	Financial Strength
Local Private Outlet Specialists				
SOE Retail Groups				
Real Estate Companies				
International Outlet Specialists				

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

# Entrusted Management Agreement (“EMA”) Model



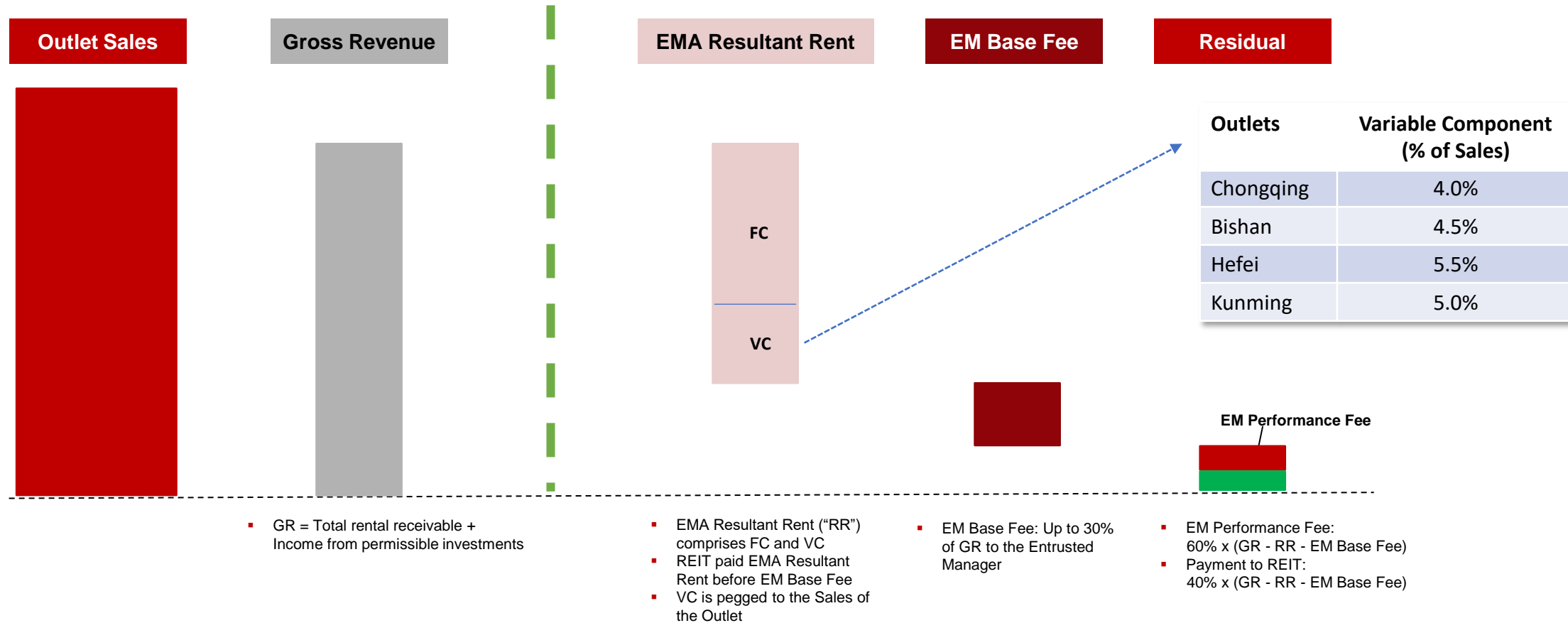
SASSEUR (BISHAN) OUTLETS

# Entrusted Management Agreement Model



## Business Model

## REIT Income Model



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

# FY2019 Key Highlights

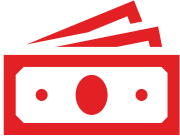





SASSEUR (KUNMING) OUTLETS

# FY2019 Key Highlights



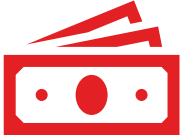



Top Performing China S-REIT FY2019: Total Return 52% <sup>1</sup>

 <b>EMA Rental Income <sup>2</sup></b>  <b>\$122.1</b> million  ↓ 1.6% vs Projection	 <b>Distributable Income</b>  <b>\$77.9</b> million  ↑ 4.7% vs Projection	 <b>Distribution Per Unit <sup>3</sup></b>  <b>6.533</b> S Cents  ↑ 4.7% vs Projection	 <b>NAV Per Unit</b>  <b>89.20</b> S Cents  ↑ 11.5% as at IPO
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1. Source: SGX Report  
2. Excluding straight-line accounting adjustment  
3. Based on \$0.80 IPO listing price

# 4Q2019 Key Highlights



 <b>EMA Rental Income<sup>1</sup></b>	 <b>Distributable Income</b>	 <b>Distribution Per Unit<sup>2</sup></b>	 <b>NAV Per Unit</b>
<b>S\$31.5</b> million	<b>S\$19.5</b> million	<b>1.629</b> S Cents	<b>89.20</b> S Cents
<b>↑ 0.9% y-o-y</b>	<b>↓ 17.4% y-o-y</b>	<b>↓ 18.5% y-o-y</b>	<b>↑ 11.5% as at IPO</b>

1. Excluding straight-line accounting adjustment

2. Mainly due to utilisation of available tax losses in that quarter, and one-off adjustment in 4Q 2018 relating to statutory reserves set aside during 2Q and 3Q 2018

# FY2019 DPU Exceeded Projection By 4.7%



	4Q 2019			FY 2019		
	Actual	Projection	Change %	Actual	Projection	Change %
Fixed Component (RMB mil)	99.4	98.5	+0.9	396.3	394.1	+0.6
Variable Component (RMB mil)	63.1	65.6	-3.8	221.3	217.3	+1.9
EMA Rental Income <sup>1</sup> (RMB mil)	162.5	164.1	-1.0	617.6	611.4	+1.0
Exchange Rate <sup>2</sup> (RMB/S\$)	5.1675	4.9300	+4.8	5.0600	4.9300	+2.6
EMA Rental Income <sup>1</sup> (S\$ mil)	31.5	33.3	-5.5	122.1	124.0	-1.6
Distributable Income (S\$ mil)	19.5	20.2	-3.6	77.9	74.5	+4.7
DPU (S cents)	1.629	1.690	-3.6	6.533	6.241	+4.7

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



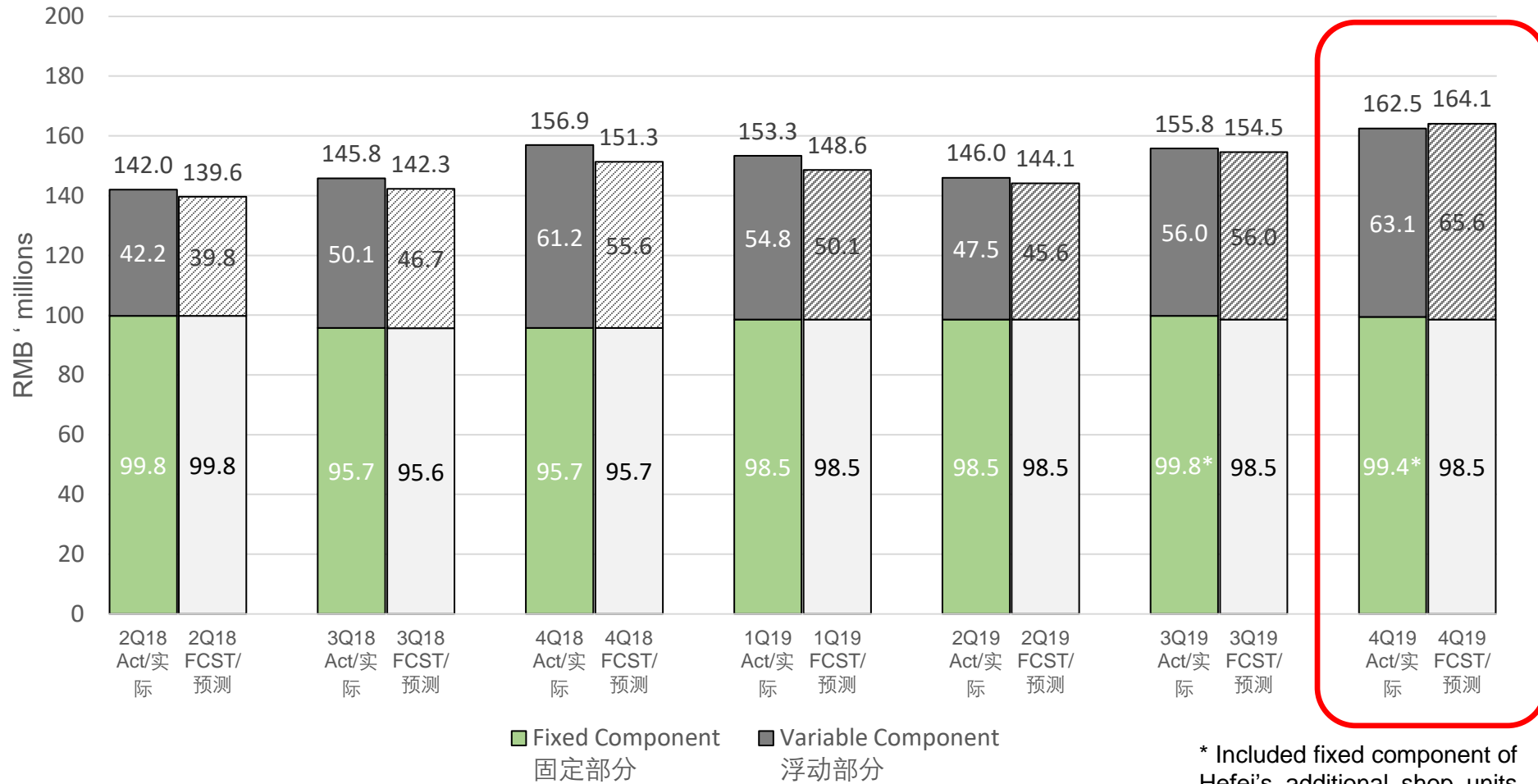
# 4Q2019 EMA Rental Income Increase 0.9% y-o-y



	4Q 2019	4Q 2018	Change %
Fixed Component (RMB mil)	99.4	95.7	+3.9
Variable Component (RMB mil)	63.1	61.1	+3.1
EMA Rental Income <sup>1</sup> (RMB mil)	162.5	156.8	+3.6
Exchange Rate <sup>2</sup> (RMB/S\$)	5.1675	5.033	+2.7
EMA Rental Income <sup>1</sup> (S\$ mil)	31.5	31.2	+0.9
Distributable Income (S\$ mil)	19.5	23.6	-17.4
DPU (S cents)	1.629	1.999	-18.5

1. Excluding straight-line accounting adjustment
2. Using the average SGD:RMB rate for the period

# EMA Rental Income vs Forecast By Quarter

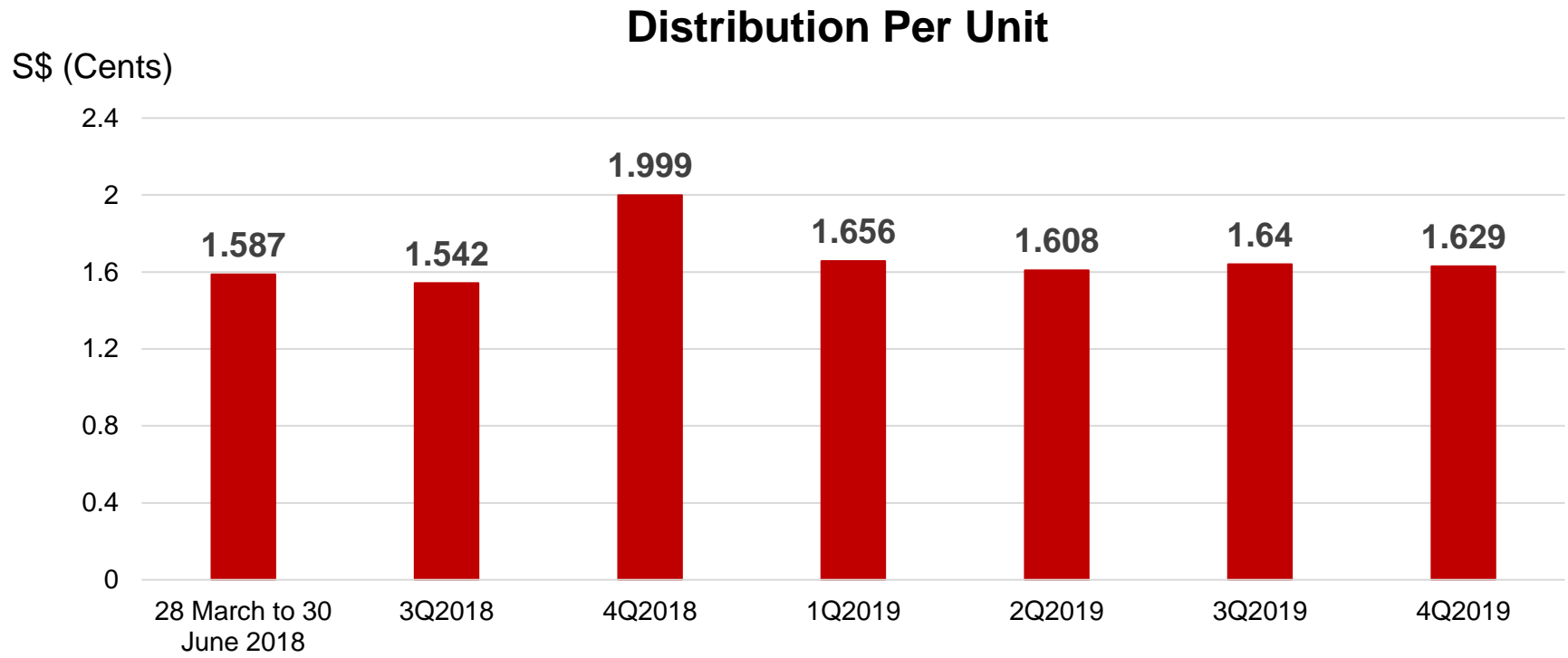


\* Included fixed component of Hefei's additional shop units acquired during the year

# Distribution Details



**FY2019 dividend yield 8.2% (based on \$0.80 listing price)**



# FY2020 Operational Update

- 26 Jan: Temporary closure of Sasseur outlet malls as precautionary measure due to COVID-19.
- Swiftly established digital sales platform to allow shoppers to purchase online.

× 奥莱精选 ...

奥莱精选 团购

02-10 16:00:00 抢购中  
02-11 12:00:00 抢购中

沙驰女士包包 (深蓝色)  
¥ 623 ¥990 已抢0件/剩余2 立即抢

沙驰女士包包 (杏色)  
¥ 623 ¥990 已抢0件/剩余2 立即抢

沙驰女士包包 (黑色)  
¥ 623 ¥990 已抢0件 立即抢

沙驰女士包包  
¥ 686 ¥1090 已抢0件/剩余5 立即抢



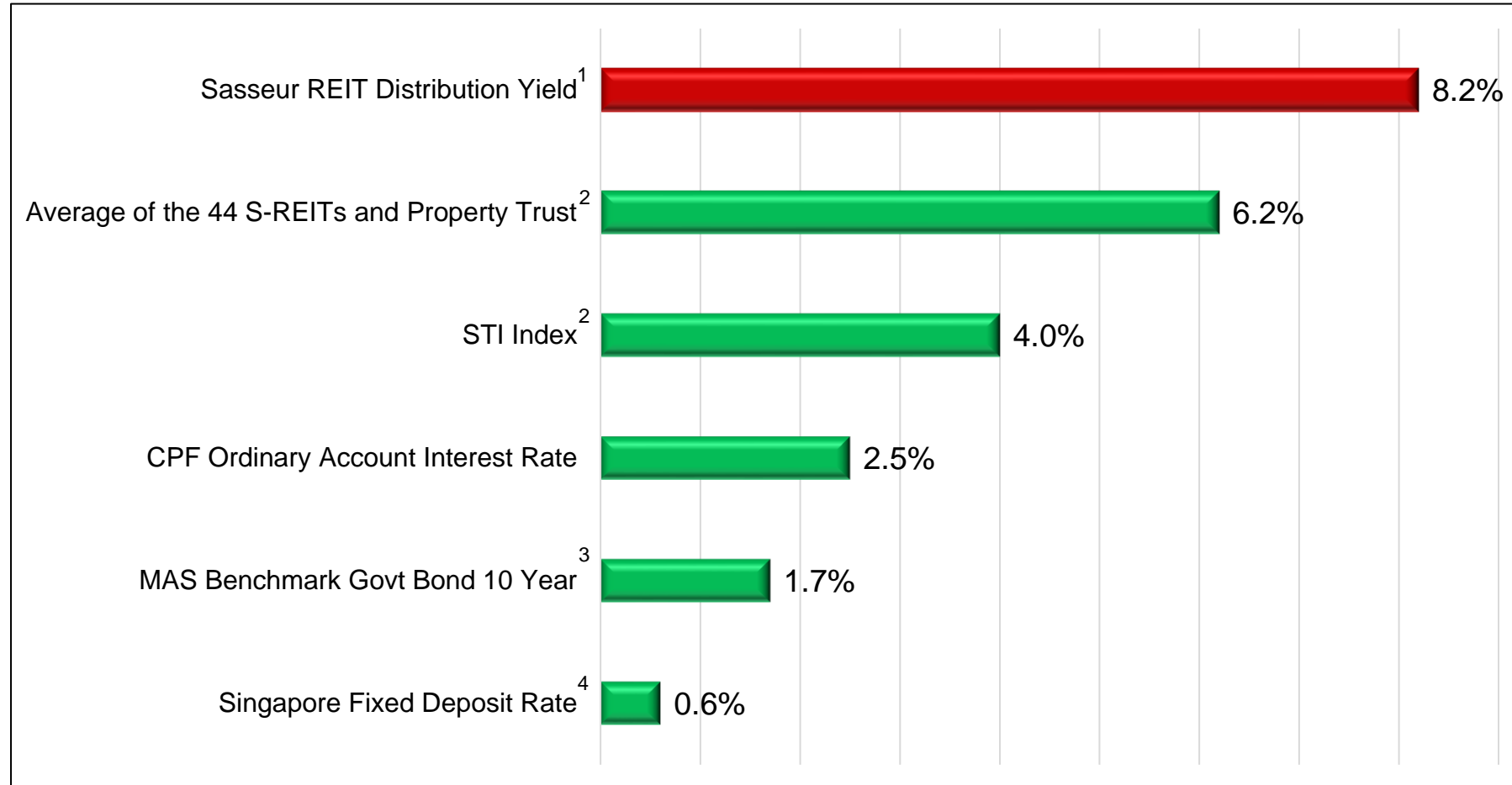
# FY2020 Operational Update

- 11, 13, 15 Mar: Reopened all four outlet malls.
- First-day overall sales 129% higher than corresponding dates in 2019.

Outlet Mall	First Day Reopening Sales (RMB mil)	Compared to Corresponding Date in 2019
Kunming	1.90	+171%
Hefei	2.00	+57%
Chongqing	5.64	+132%
Bishan	1.92	+228%
Total	11.46	+129%



# Sasseur REIT has highest yield vs other asset classes



**Notes:**

1. FY 2019 distribution yield based on total DPU at the listing price of S\$0.80
2. Based on 12M Average Dividend Yield
3. Based on 10 Year Yield
4. 12M Bank fixed deposit rates from MAS as of 31 December 2019

Source: Bloomberg, SGX, Central Provident Fund (CPF) Board, data as of 31 December 2019

# Capital Management



SASSEUR (HEFEI) OUTLETS

# Healthy Balance Sheet



S\$ mil	Actual 31 Dec 2019	Actual 31 Dec 2018
Investment properties	1,587.2	1,539.5
Cash and short-term deposits	154.7	203.6
Other assets	28.5	25.5
<b>Total Assets</b>	<b>1,770.4</b>	<b>1,768.7</b>
Loans and borrowings	478.6	493.3
Other liabilities	222.7	201.4
<b>Total Liabilities</b>	<b>701.3</b>	<b>694.7</b>
<b>Net Assets</b>	<b>1,069.2</b>	<b>1,074.0</b>
NAV per unit (cents) <sup>1</sup>	89.20	90.33
Aggregate Leverage	27.8%	29.0%
Debt Headroom	304.2	283.0

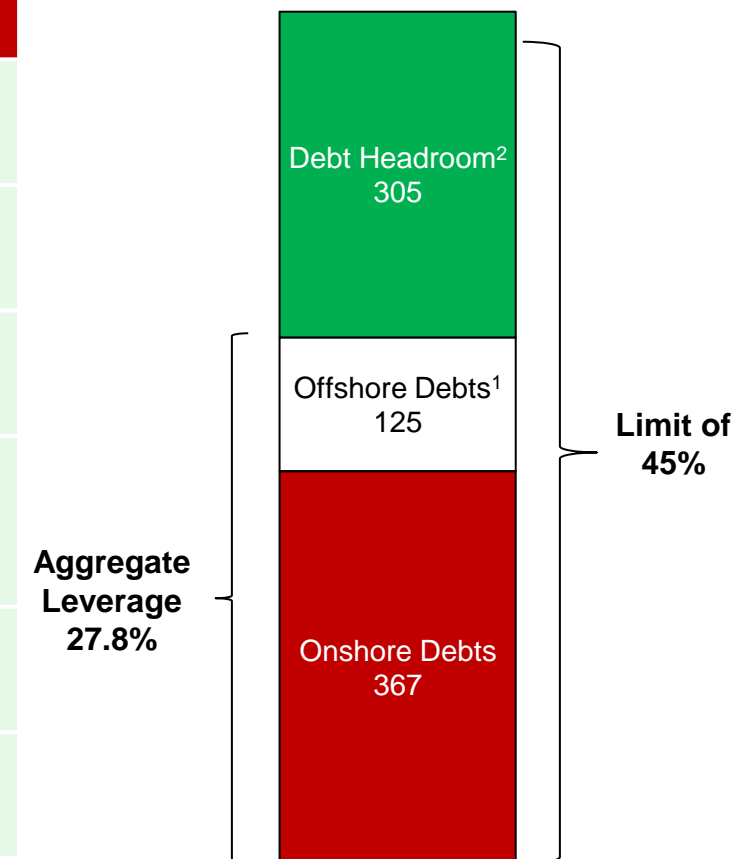
1. Based on units in issue and issuable of 1,198,678,588 and 1,188,953,352 as at 31 December 2019 and 31 December 2018 respectively.



# Prudent Capital Management



	Onshore Facilities (RMB)	Offshore Facility (SGD)	Total
Quantum	~SGD 376 million (RMB 1.90 billion)	SGD 125 million <sup>1</sup> (~RMB 0.65 billion)	~SGD 492 million (~RMB 2.55 billion)
Proportion	74.6%	25.4%	100%
Tenure (from IPO)	5 years	3 years	4.5 years (weighted average)
Interest Rate (p.a.) (exclude upfront debt- related costs)	4.75%	3.42%	4.41% (weighted average)
Interest Cover	-	-	FY2019: 4.8 times (FY2018: 4.1 times)
Floating Rate	PBOC benchmark 1-5 years lending rate	Singapore SOR	-



As at 31 December 2019

1. 50% of offshore loan is hedged

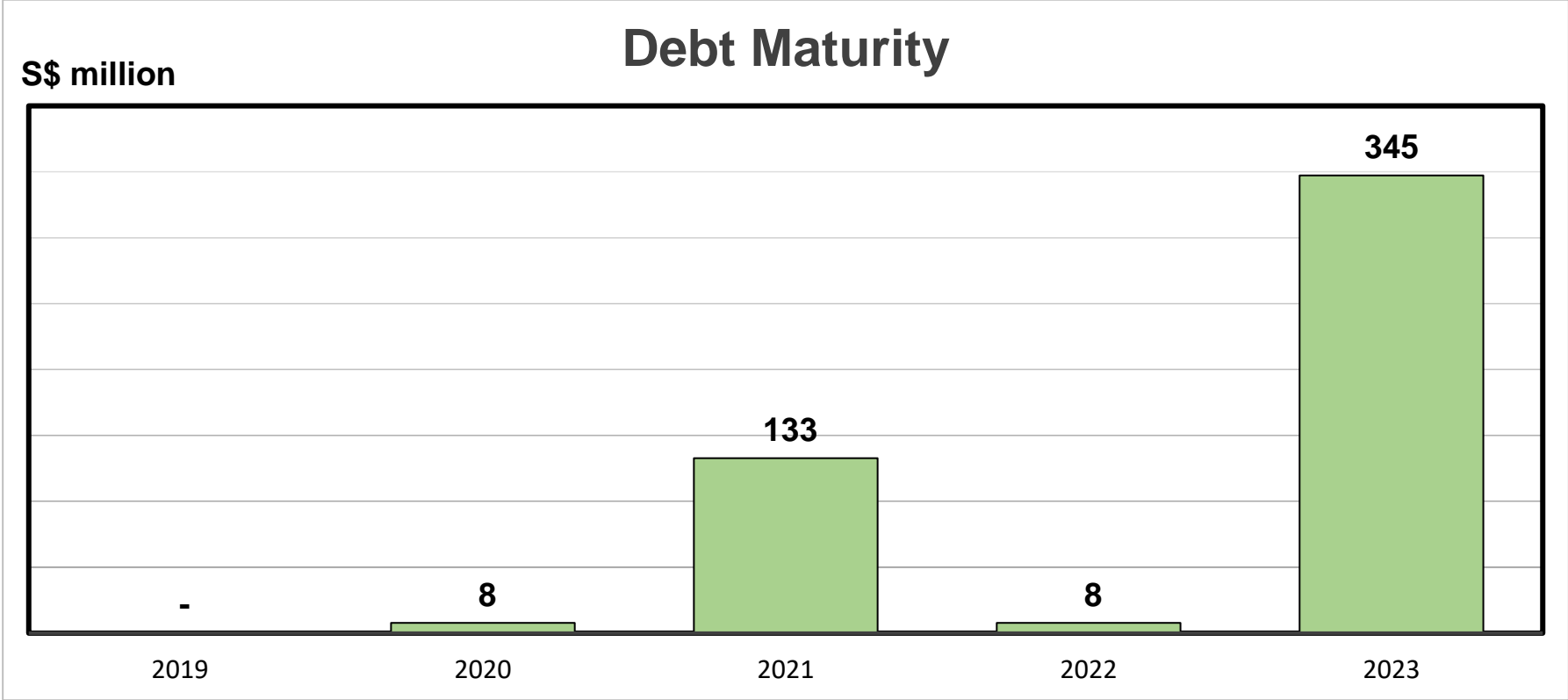
2. Debt headroom is computed based on deposited property value or total assets value

Note: All calculations are done according to the SGD to RMB exchange rate of 5.1739 as at 31 December 2019

# Debt Maturity Profile



**Weighted average debt maturity is 2.73 years  
with no major refinancing until 2021**



# Portfolio Update


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SASSEUR (HEFEI) OUTLETS

# Portfolio Summary

Portfolio
Valuation* : 8,212 mil
NLA : 312,844 sqm
Occupancy ^ : 96.0%

Hefei Outlet Mall
Valuation : 2,795 mil
NLA : 144,583 sqm
Occupancy : 96.3%



Bishan Outlet Mall
Valuation : 824 mil
NLA : 47,308 sqm
Occupancy : 92.5%



Kunming Outlet Mall
Valuation : 1,620 mil
NLA : 70,067 sqm
Occupancy : 94.9%



Chongqing Outlet Mall
Valuation : 2,973 mil
NLA : 50,885 sqm
Occupancy : 100%

\*Based on independent valuation as at 31 Dec 19 by JLL (RMB million).

^Occupancy for 4Q 2019

# Q4 2019 Outlets Summary



**FY 2019 Total Outlet Sales Increased 12.1%**

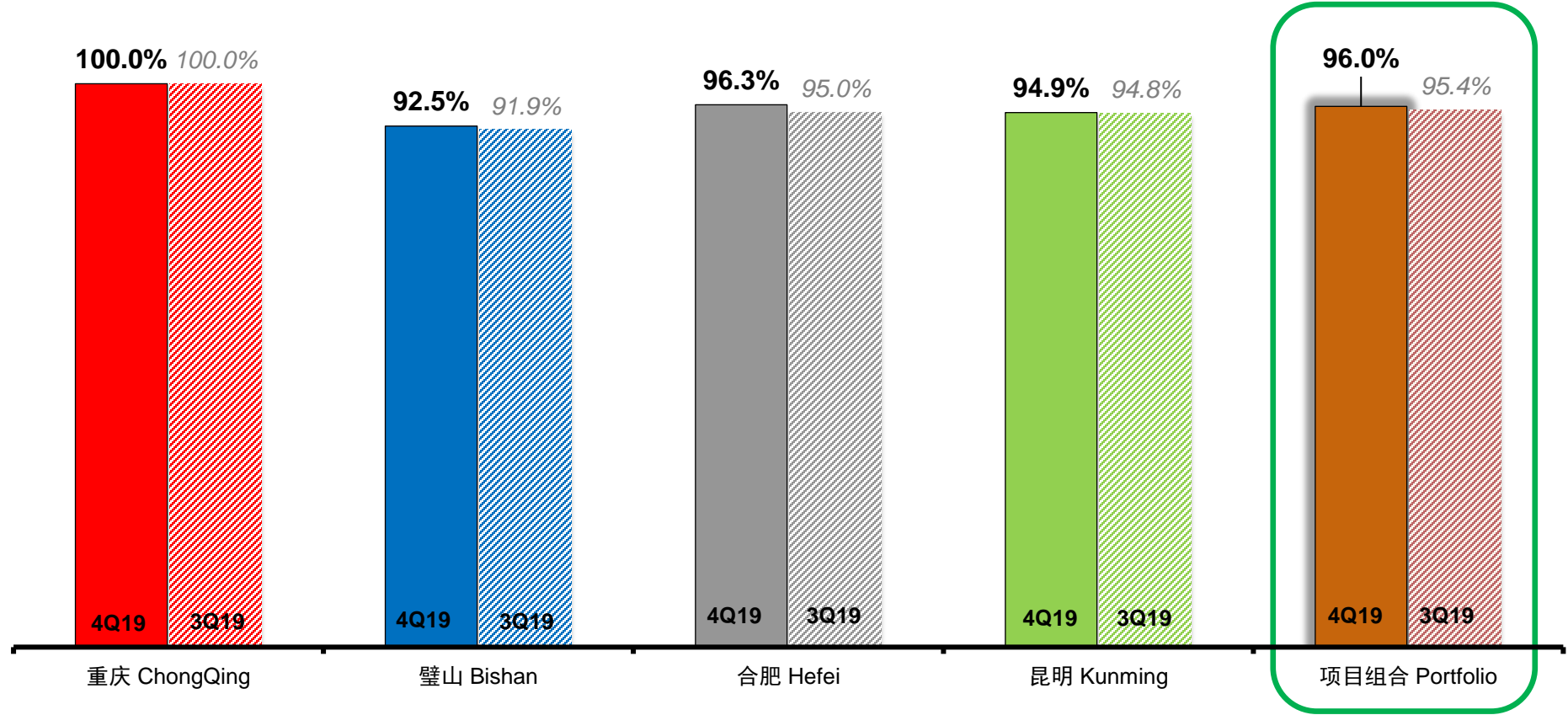
Outlets	NLA (sqm)	Occupancy (%)	Q4 2019 <sup>1</sup> Sales (RMB'mil)	Q4 2019 vs Q4 2018 <sup>2</sup> Change (%)	FY 2019 <sup>3</sup> Sales (RMB'mil)	FY 2019 vs FY 2018 <sup>4</sup> Change (%)
Chongqing	50,885	100.0	673.4	+5.9	2,342.5	+4.6
Bishan	47,308	92.5	126.8	-4.1	459.1	+15.1
Hefei	144,583	96.3	337.9	-0.3	1,140.4	+19.9
Kunming	70,067	94.9	236.8	+6.3	884.1	+23.3
<b>Portfolio</b>	<b>312,844</b>	<b>96.0</b>	<b>1,374.9</b>	<b>+3.4</b>	<b>4,826.1</b>	<b>+12.1</b>

1. Q4 2019: 01 Oct 2019 – 31 Dec 2019
2. Q4 2018: 01 Oct 2018 – 31 Dec 2018
3. FY 2019: 01 January 2019 – 31 December 2019
4. FY 2018: 01 January 2018 – 31 December 2018

# Portfolio Occupancy (4Q 2019 vs 3Q 2019)



4 Outlets Malls enjoy high stable occupancy

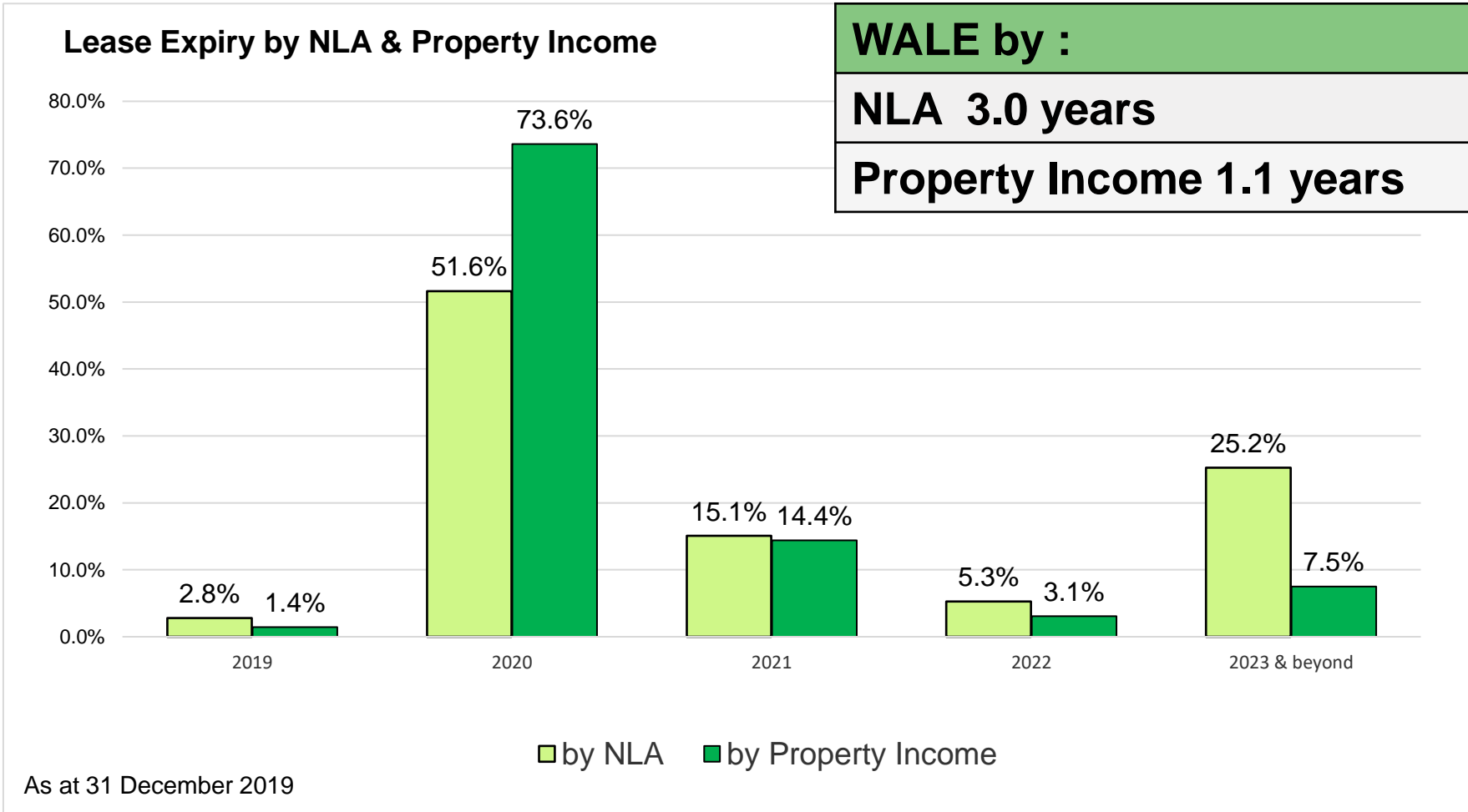


4Q 2019 vs 3Q 2019

# Weighted Average Lease Expiry (WALE)



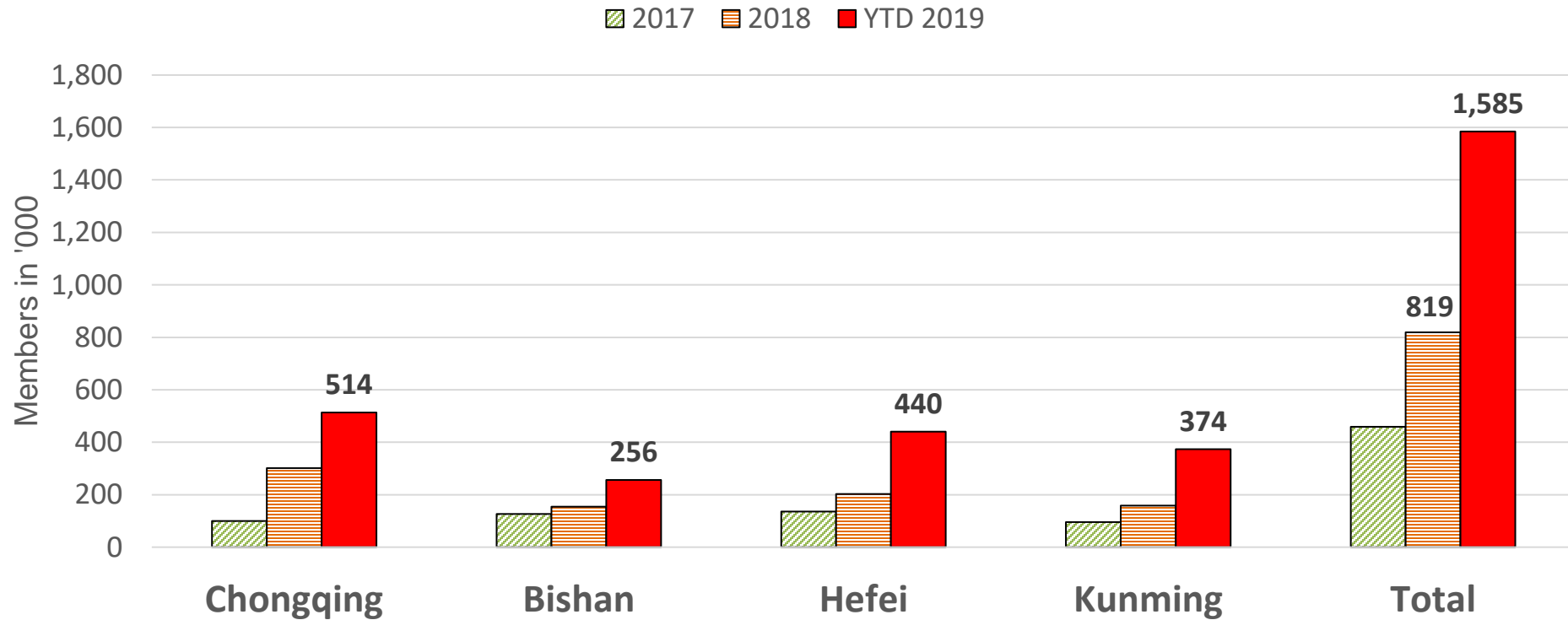
**Deliberate short lease to optimise tenant mix**



# VIP Members - Growth by Outlets



Total VIP members increased 93% from end of 2018 to reach 1.585 million

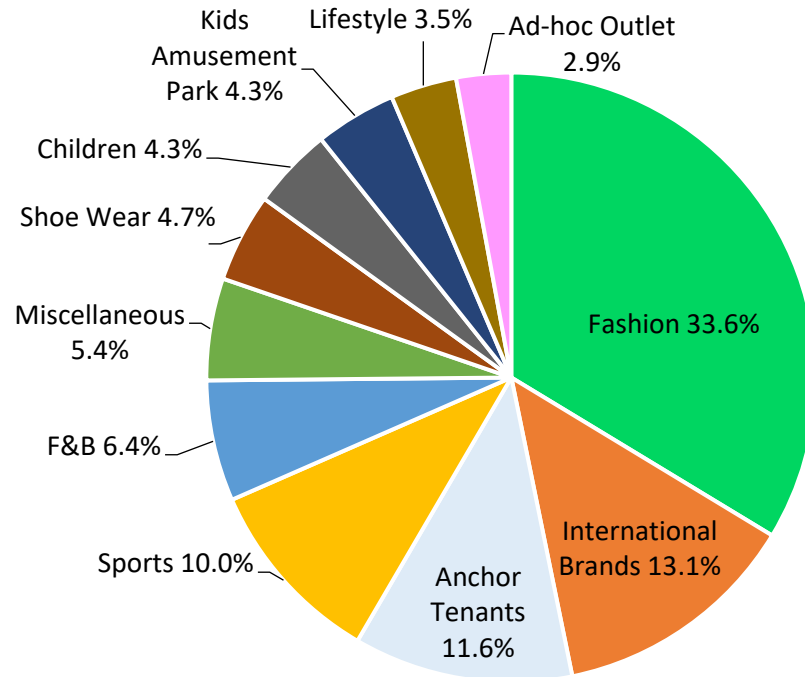




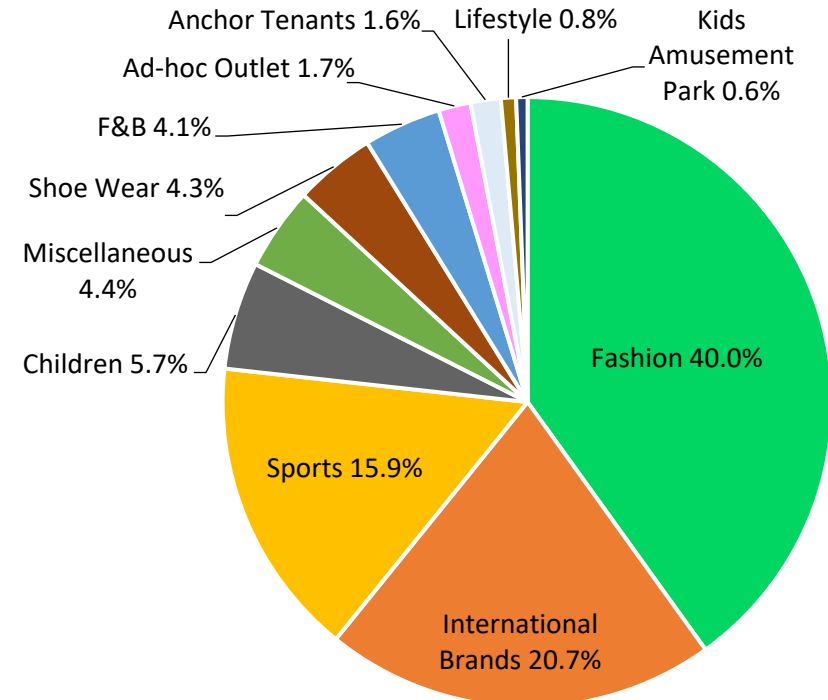
# Well Diversified Trade Mix



**Breakdown of NLA<sup>1</sup> by Trade Mix**



**Breakdown of Revenue<sup>2</sup> by Trade Sector**



<b>Fashion, Sports and International Brands</b>	
<b>56.7%</b>	<b>76.5%</b>

1. As percentage of the portfolio's net lettable areas as at 31 December 2019  
 2. As percentage of the portfolio's gross revenue as at 31 December 2019

# Chongqing Outlets



Year Commenced Operations	Sep 2008
GFA (sqm)	73,373
NLA (sqm)	50,885
Occupancy Rate (% , 31 Dec 19)	100
No. of Tenants (31 Dec 19)	427
Top Brands/Tenants	FILA, Adidas, +39 Space, Coach
Car Park Lots	500
Valuation (RMB mil, 31 Dec 19)	2,973



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

# AEI - Chongqing Outlets



## New Mall Concept

Bringing nostalgia to visitors through retro concept, invoking the Chongqing memory of late 1980s. The mall design will also take reference from 2 cultural pillars:

码头江湖文化, 陪都抗战文化

## Asset Enhancement Initiative

- Reposition as a lifestyle and shopping destination for both locals & tourists
- Aesthetic and landscaping enhancement to create nostalgic feel for shoppers
- To commence in May and complete by 1Q 2021

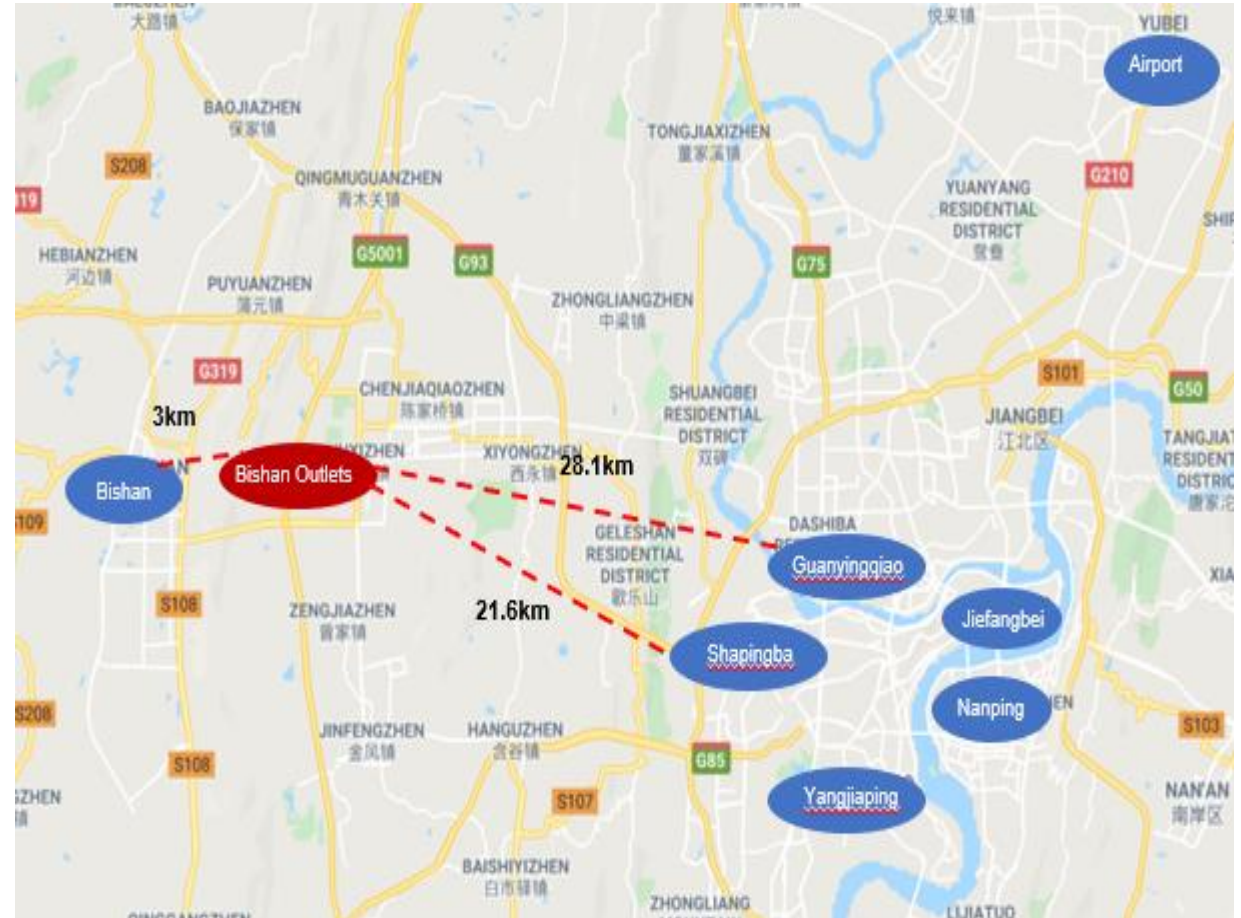
## September Anniversary Sale Event



# Bishan Outlets



<b>Year Commenced Operations</b>	Oct 2014
<b>GFA (sqm)</b>	68,791
<b>NLA (sqm)</b>	47,308
<b>Occupancy Rate (% , 31 Dec 19)</b>	92.5
<b>No. of Tenants (31 Dec 19)</b>	207
<b>Top Brands/Tenants</b>	Adidas, Nike, Polo Sport, OBEG, +39 Space
<b>Car Park Lots</b>	400
<b>Valuation (RMB mil, 31 Dec 19)</b>	824



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

# AEI - Bishan Outlets



## Asset Enhancement Initiative

- Introduction of new tenants mix e.g. Watsons, children's enrichment centres and bookstores etc.
- Rejuvenating common spaces to improve Shoppers' experience.

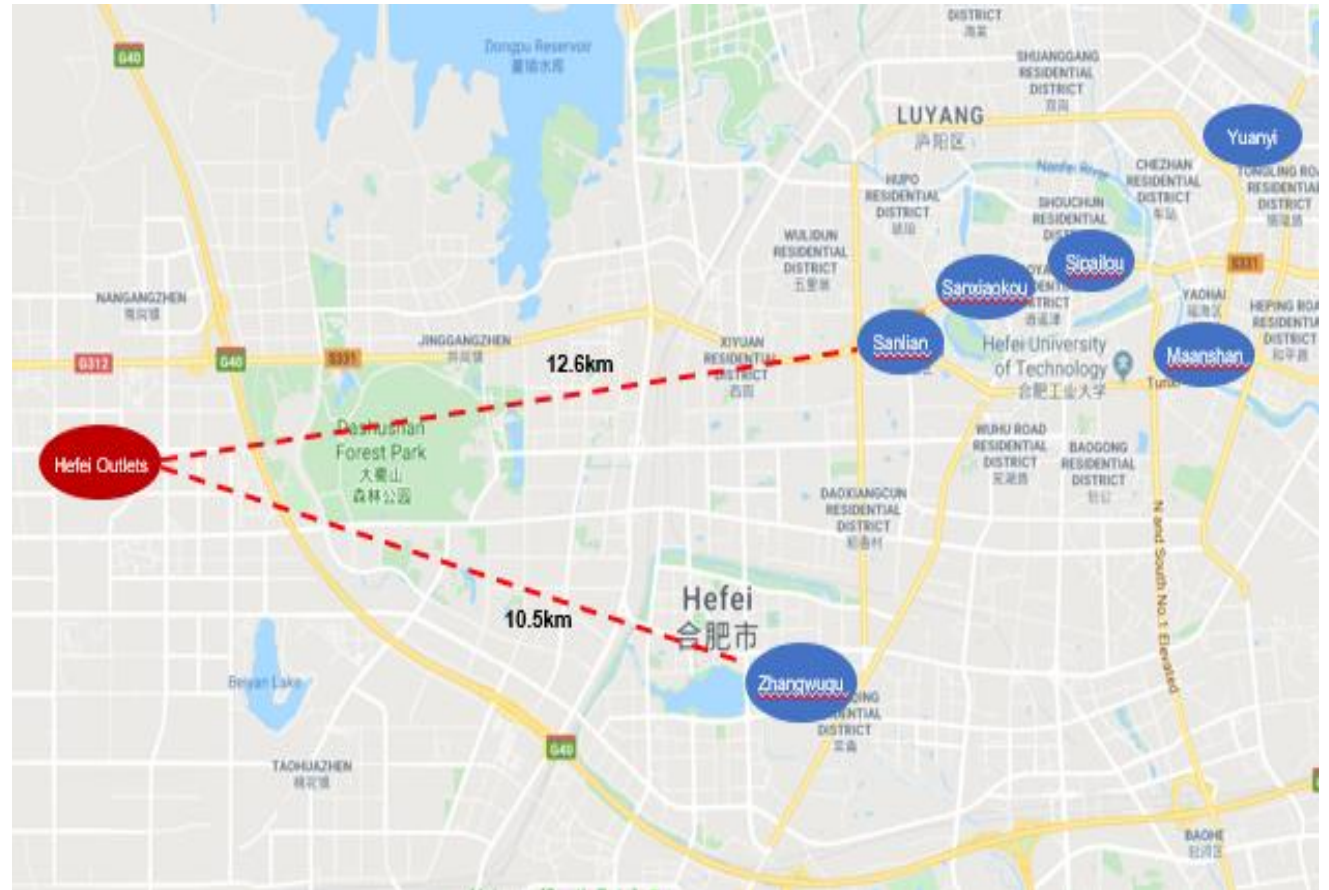
## Engaging Shoppers with Art Commerce



# Hefei Outlets



<b>Year Commenced Operations</b>	May 2016
<b>GFA (sqm)</b>	147,316
<b>NLA (sqm)</b>	144,583
<b>Occupancy Rate (% , 31 Dec 19)</b>	96.3
<b>No. of Tenants (31 Dec 19)</b>	330
<b>Top Brands/Tenants</b>	Adidas, Coach, Nike, Lucky Bird Fitness
<b>Car Park Lots</b>	1,566
<b>Valuation (RMB mil, 31 Dec 19)</b>	2,795



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

# AEI - Hefei Outlets



## Creating Synergy Between Block A & B



Conversion of driveway to walkway



Block B : Conversion to Sports Theme

### Asset Enhancement Initiative

- Repositioning of Block B into sports theme
- Space maximization and conversion of pedestrian walkway to enhance shoppers' flow between Block A & B
- To commence in June and complete by 4Q 2020

### Engaging Shoppers with Art Commerce



Baby Heroes

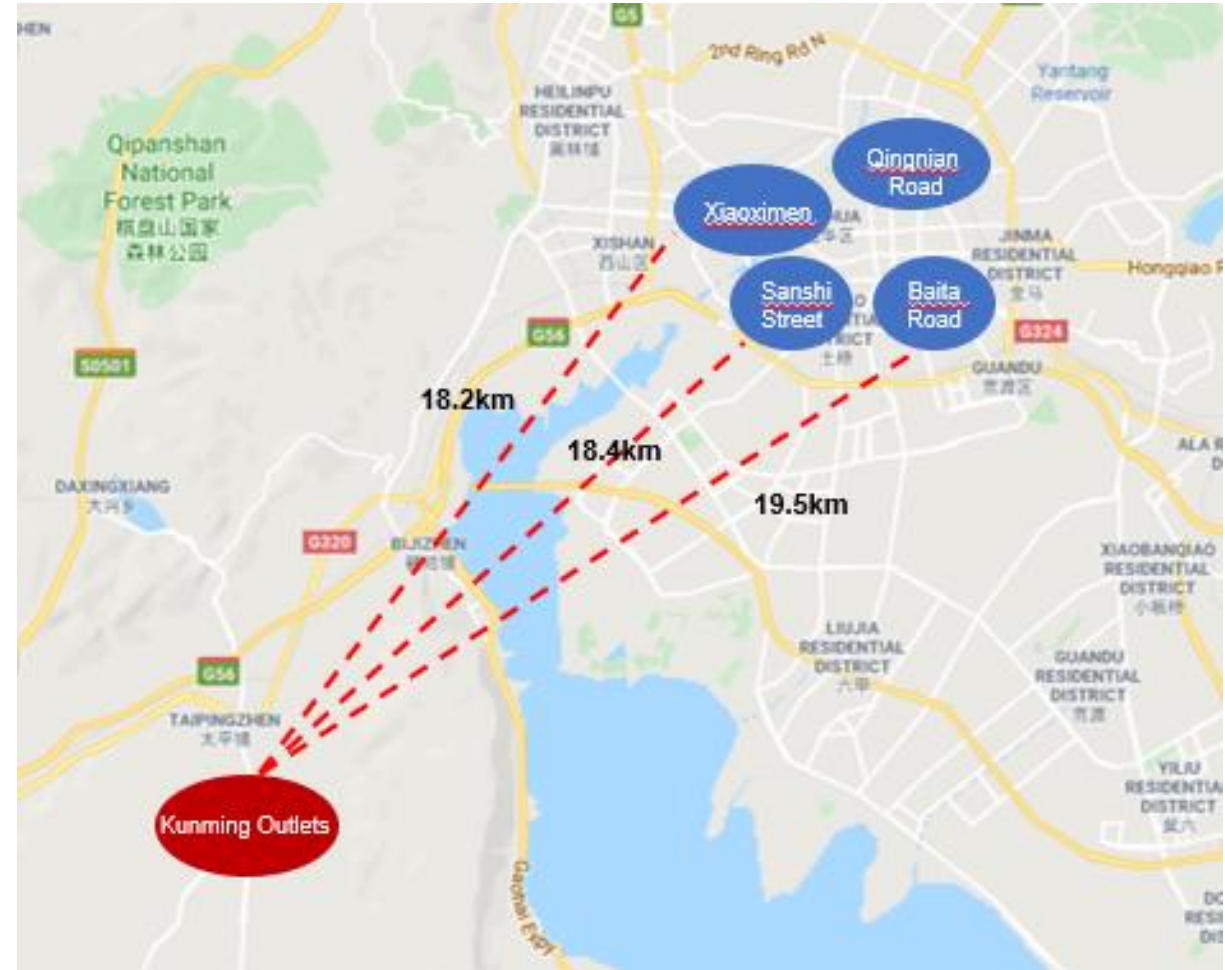


Indoor Zoo (interior)

# Kunming Outlets



<b>Year Commenced Operations</b>	Dec 2016
<b>GFA (sqm)</b>	88,257
<b>NLA (sqm)</b>	70,067
<b>Occupancy Rate (% , 31 Dec 19)</b>	94.9
<b>No. of Tenants (31 Dec 19)</b>	259
<b>Top Brands/Tenants</b>	Nike, Adidas, Fila, +39 Space, Chow Tai Fook
<b>Car Park Lots</b>	2,000
<b>Valuation (RMB mil, 31 Dec 19)</b>	1,620



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



# AEI - Kunming Outlets



Strategically located in a convenient transportation hub within Taiping New City, a newly developed living and leisure zone earmarked by the government for development in retail, tourism and modern technology industries, as part of a plan to promote regional economic growth.

## Asset Enhancement Initiative

- Target introduction of new international and local brands
- Popular brands with ad-hoc promotions in outlets to be converted and added to the wide array of existing tenants.

## Italian Castle Inspired Architecture



# E-commerce Strategy

- E-commerce platforms like WeChat and TikTok are supplementary to improving sales, catering to customers who prefer to shop online.
- Active advertising on social media channels also helps to attract customers to the outlet mall.



# Exciting Events to Drive Shoppers' Traffic

**2020 跨年疯狂购**  
 12/21-1/1  
 特别营业时间  
**VIP DAY** 12/22  
 10:00-00:00

这个冬天让行动温暖整个世界  
**2020 跨年疯狂购**  
**Double 12 才够戏**  
 2019/12/21 - 2020/01/01  
 全场奥莱价再7折起  
 10000积分兑40元  
**173%**  
 创历年同期新高

中奖啦！华为P30

重点抽奖券兑换  
 积分抽 2888  
 消费18880即可参与抽奖单 免2888

# Potential Pipelines



- All acquisitions must be yield accretive
- Reduce concentration risk, explore other parts of the World
- Pipeline Properties increased from 3 to 9



## ROFR Properties

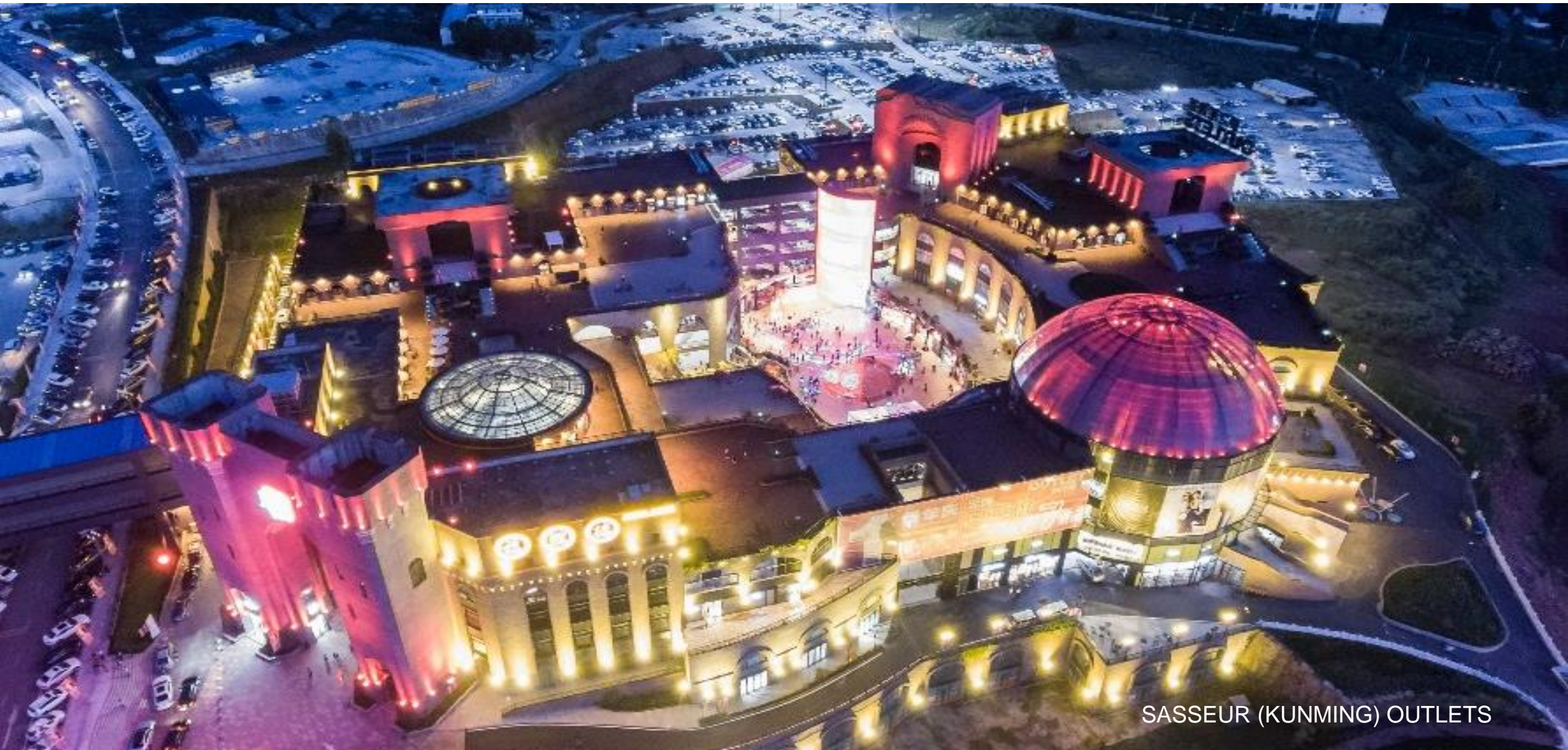
	Xi'an	Guiyang
Opening Date	Sep 2017	Dec 2017
GFA (sqm)	141,708	193,520
Car Park Lots	c.2,000	c.1,000

## Pipeline Properties

	Nanjing	Hangzhou	Changchun	Changsha	Lanzhou	Xiamen	Shenzhen	Yangzhou	Shanghai
Opening Date	May 2015	Jun 2011	Sep 2017	Dec 2018	Dec 2019	~3Q2020	TBC	~4Q 2020	~4Q2021
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

## Opening Soon

# Investment Merits



SASSEUR (KUNMING) OUTLETS

# 2019 Key Milestone and Award



- 1** Outperformed IPO forecast and projections of EMA Rent (in RMB) and DPU for the periods in FY2018 and FY2019
- 2** FTSE EPRA NAREIT Global Emerging Market Index inclusion
- 3** Vito Xu, Chairman of Sasseur Group and SAMPL, awarded 2019 Asia's Top Entrepreneur by Fortune Times
- 4** REIT Company of The Year by International Investor Magazine
- 5** Best Retail REIT, Best Investor Relations and Best CEO at Asia Pacific REITs Awards 2019

# Investment Merits

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**1**

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

**2**

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

**3**

**Outperformance: Exceeding 2019 DPU projection by 4.7% & Top Performing China S-REIT FY2019: Total Return 52% as per SGX report**

**4**

**Strong operational expertise with strong partnerships: Sasseur group has an excellent operational team, coupled with 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:

Ms Wong Siew Lu, CFA, CA (Singapore)  
Head, Investor Relations and Corporate Affairs

Email: [wongsl@sasseurreit.com](mailto:wongsl@sasseurreit.com)

Tel: +65 6360 0290

Address: 7 Temasek Boulevard, #06-05, Suntec Tower One,  
Singapore 038987

