



For Immediate Release

Sasseur REIT's 4Q 2023 DPU Up 8.7% Year-on-Year; Strong Sales Performance Reflects Robustness and Resilience of the Outlet Business

- Portfolio's outlet sales increased by 84.6% and 31.9% year-on-year in 4Q 2023 and FY2023 respectively, with FY2023 sales reaching about Renminbi (RMB) 4.7 billion
- Chongqing Liangjiang Outlet's FY2023 sales at new high, above pre-COVID FY2019 level by 8.5%
- Strong portfolio average occupancy rate of 97.6% in 4Q 2023
- Stable portfolio valuation of RMB8.5 billion, up 0.02% year-on-year at end-2023
- Balance sheet remained robust with a diversified debt maturity profile and gearing of 25.3%, lowest amongst S-REITs

Summary of Results:

	4Q 2023	4Q 2022	Change %	FY2023	FY2022	Change %
EMA Rental Income (RMB mil)	170.6	140.9	21.1	658.5	594.7	10.7
- Fixed Component (RMB mil)	111.9	108.6	3.0	447.5	434.5	3.0
- Variable Component (RMB mil)	58.7	32.3	81.7	211.0	160.2	31.7
EMA Rental Income (exclude straight-line adjustments) (S\$ mil)	32.0	27.0	18.4	124.9	121.3	3.0
Distributable Income (S\$ mil)	20.6	19.9	3.6	83.4	88.5	(5.8)
Amount Retained (S\$ mil)	(3.1)	(3.9)	21.6	(6.0)	(8.2)	26.9
Distribution Per Unit (S cents)	1.415	1.302	8.7	6.249	6.550	(4.6)

Note: Average S\$:RMB rate of 1:5.3295 for 4Q 2023, 1:5.1671 for 4Q 2022, 1:5.2715 for FY2023 and 1:4.9020 for FY2022

Singapore, 21 February 2024 – Sasseur Asset Management Pte. Ltd. (“**SAMPL**” or “**REIT Manager**”), the manager of Sasseur Real Estate Investment Trust (“**Sasseur REIT**”), announced a distribution per Unit (“**DPU**”) for the fourth quarter ended 31 December 2023 (“**4Q 2023**”) of 1.415 Singapore cents, up 8.7% year-on-year (“**YoY**”), driven by an 81.7% YoY increase in the variable component of the EMA Rental Income (RMB) on the back of an 84.6% YoY jump in the portfolio's outlet sales.

For the financial year ended 31 December 2023 (“**FY2023**”), the aggregate sales of Sasseur REIT's four outlets increased by 31.9% YoY which led to a 10.7% YoY higher EMA Rental Income (RMB). However, the stronger Singapore Dollar relative to the RMB as well as higher



finance costs and tax expense affected FY2023 distributable income which fell by 5.8% YoY. Against the Singapore Dollar, RMB has depreciated 7.0% for the year as compared to the same period in 2022. As a result, DPU for FY2023 was lower by 4.6% YoY at 6.249 Singapore cents. Excluding the impact of foreign currency translation, FY2023 DPU would have been higher by 4.1% YoY at 6.822 cents¹.

The 4Q 2023 DPU of 1.415 Singapore cents will be paid to Unitholders on 28 March 2024.

Ms Cecilia Tan, CEO of SAMPL said, “We are very encouraged by the strong growth in Sasseur REIT’s outlet sales in 2023, with Chongqing Liangjiang Outlet’s sales setting a new high and exceeding pre-COVID level in FY2019 by 8.5%. The strong sales attested to the robustness and resilience of the REIT’s outlet business, amidst economic uncertainties in China, particularly in the second half of the year. The valuation of the REIT’s portfolio has stayed relatively unchanged as at end-2023 from a year ago, reflecting the strong underlying fundamentals of the outlets.

On the asset management front, we continued to fortify the REIT’s resilience by sharpening the outlets’ positioning through a series of successful asset enhancement initiatives (“**AEI**”) in the past year, and by further strengthening our leasing efforts. Looking ahead, we will continue to curate more AEI opportunities to further enhance the assets’ values.

Compared to a year ago, we have also improved the debt maturity profile of the REIT, with no major refinancing requirements till 2026. With Sasseur REIT’s gearing remaining low at 25.3% coupled with the unencumbering of Kunming Outlet, this presents us with further opportunities to optimise the REIT’s debt capacity as we accelerate efforts to pursue inorganic growth opportunities this year. We are actively seeking new sources of funding such as a medium-term note programme and sustainability-linked loans whilst maintaining a prudent capital management approach and actively managing foreign exchange and interest rate volatilities through appropriate hedging strategies.”

Portfolio Updates

In 4Q 2023, the REIT’s portfolio average occupancy rate across the four properties remained strong at 97.6%, exceeding FY2019’s pre-COVID occupancy rate of 96.0%. Chongqing Bishan Outlet and Kunming Outlet achieved record high occupancy rates of 96.8% and 98.5% respectively, demonstrating our effective leasing strategies which have been supported by our active AEIs. Chongqing Liangjiang Outlet continued to maintain full occupancy rate in 4Q 2023.

In December 2023, Sasseur REIT successfully completed its AEI at Chongqing Bishan Outlet ahead of time, with a new secondary entrance constructed to help attract more shoppers by

¹ Assuming the same blended 7.2% retention rate for FY2023.



enhancing the visibility of the outlet to drivers travelling along a nearby highway, as well as reduce traffic congestion during peak periods.

During the year, Sasseur REIT continued to strengthen the vibrancy of its tenant mix by curating synergistic retail and lifestyle offerings and partnering brand champions across all outlets. Notable new leases which commenced in the second half of 2023 included Charles & Keith and KFC at Kunming Outlet; Chagee and Lady Today at Hefei Outlet; Under Armour Kids and The North Face at Chongqing Liangjiang Outlet; and C.C.CROSS and CoCo Fresh Tea & Juice at Chongqing Bishan Outlet. The REIT's tenant trade mix also remains well-diversified, with the top 10 tenants contributing only 14.4% of the portfolio's gross revenue² and no single tenant contributing more than 5% of gross revenue².

In January 2024, Hefei Outlet opened the first 'SMART' Yonghui Superstores concept in Hefei city's Gaoxin District after completing an AEI to convert the previously vacant unit to a space equipped with infrastructure for supermarket operations. The opening of Yonghui Superstores strengthens Hefei Outlet's positioning as a family-friendly destination.

Capital Management

Sasseur REIT continues to maintain a prudent balance sheet. As at 31 December 2023, its aggregate leverage stood at 25.3%, the lowest amongst S-REITs³, implying a sizeable debt headroom for funding potential acquisitions. Interest coverage ratio⁴ remained healthy at 4.3 times.

Approximately 87% of Sasseur REIT's total borrowings are hedged to fixed interest rates or pegged to stable/fixed interest rates, with a weighted average debt to maturity of 2.9 years as at 31 December 2023. Approximately 53% of Sasseur REIT's total loans are denominated in RMB, helping to cushion Sasseur REIT's overall cost of debt given that the five-year Loan Prime Rate in China has been trending lower, while also providing a natural hedge.

Sasseur REIT has no significant refinancing requirements till 2026 while the unencumbered Kunming Outlet further enhances financing flexibility for the REIT in seeking refinancing opportunities. In December 2023, Sasseur REIT and its Sponsor extended the maturity of the unsecured fixed-rate Sponsor Loan of RMB308 million (approximately S\$57 million) by another year from March 2024 to March 2025.

² Gross revenue is computed based on average monthly gross revenue for the period January – December 2023.

³ SGX Research, "Chartbook: SREITs & Property Trusts", January 2024.

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).

Outlook

China's Gross Domestic Product ("GDP") grew 5.2%⁵ YoY in 4Q 2023, compared to 4.9% growth for the third quarter of 2023. The country's economic growth accelerated to 5.2% YoY in 2023, surpassing the official government target of around 5.0% and 2022's pandemic-hit pace of 3.0%. However, the country's economic recovery in 2023 from pandemic-related lockdowns has been more gradual than expected, amidst domestic and international headwinds.

The United Nations expects China's GDP to slow down to 4.7% in 2024, with the property sector correction and faltering external demand weighing on the growth of fixed asset investment, industrial production and exports⁶. Most of the provincial-level regions in China have set a target of more than 5% for GDP growth in 2024⁷.

Chairman of SAMPL, Mr Vito Xu, said, "As China's economic growth may continue to face near-term challenges, the Chinese government is stepping up various policy measures to further stimulate economic and consumption growth.

Nonetheless, we believe that the long-term outlook for China's outlet industry remains bright, given consumer dynamics shifting towards "consumption downgrade" with greater sensitivity to price and value. This is evidenced by the outlet industry's strong sales performance in 2023⁸, as shoppers seek to stretch their purchasing power against a backdrop of economic uncertainties. According to international consultancy firm, McKinsey, by 2025, outlets' sales in China could reach as much as RMB390 billion, 86% higher than the level seen in 2022⁹.

Sasseur REIT is set to benefit from these positive industry developments, as well as benefit from growing urbanisation and rising income levels amongst the middle class in the country, given the positioning of the REIT's outlets as a one-stop destination for providing value-for-money bargains and offering uniquely curated lifestyle experiences for shoppers.

At the Sponsor level, we have strongly supported Sasseur REIT through the operational resources and expertise we have, as well as through an unsecured loan extended to the REIT last year. Our operational teams' strong drive for excellence, decades of expertise in the outlet industry and deep knowledge in understanding customers' preferences, have equipped Sasseur REIT well to navigate the uncertain landscape in the last few years. We believe that we can deliver more value for our stakeholders with our customer-centric approach and drive to excel, as well as long-term commitment and perseverance. We remain optimistic that

⁵ National Bureau of Statistics of China, Press Release dated 17 January 2024.

⁶ United Nations, "World economic situation and prospects 2024", January 2024.

⁷ China Daily, "China's local two sessions convey confidence in 2024 economy", 29 January 2024.

⁸ China.org.cn, "Shoppers coming back to malls", 12 December 2023.

⁹ Jing Daily, "Outlet malls get new lease of life thanks to Chinese bargain-hunters", 31 August 2023.



Sasseur outlets will continue to be favoured by consumers hunting for affordable quality fashion and related merchandise at attractive discounts.

We are also honoured that Sasseur REIT has, in 4Q 2023, received prestigious industry accolades which highlight excellence in our outreach to the investment community as well as business excellence. In November 2023, Sasseur REIT was named the “Overall Sector Winner” in the REITs Sector and recognised for being the REIT with the “Highest Weighted Return on Equity Over Three Years” at The Edge Singapore Centurion Club Awards 2023 event. In December 2023, Sasseur REIT won an award for “Best Innovation in Shareholder Communications” at the IR Magazine Awards – South East Asia 2023 event.”

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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 China through its initial portfolio of four quality retail outlet mall assets strategically located in fast-growing Chinese cities such as Chongqing, Kunming and Hefei, with a combined net lettable area of 310,241 square metres.

Sasseur REIT is established with the investment strategy to invest 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 REIT Manager, an indirect wholly-owned subsidiary of the Sponsor. The REIT Manager's key responsibility is to manage Sasseur REIT's assets and liabilities for the benefit of Unitholders.

As the first retail outlet mall REIT listed in Asia, the REIT 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 REIT Manager's growth strategy is to identify and selectively pursue acquisition opportunities for quality income-producing properties used mainly for retail outlet mall purposes initially in China and subsequently in other countries.

About the Sponsor – SASSEUR CAYMAN HOLDING LIMITED

The Sponsor Group is one of the leading premium outlet groups in China, ranked within the top 500 service companies in China. 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/>

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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.
