



# SASSEUR REIT

*First Listed Outlet REIT in Asia*

Financial Results for 1Q 2019

13 May 2019

# Disclaimer



NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN OR INTO THE UNITED STATES, CANADA, JAPAN OR THE PEOPLE'S REPUBLIC OF CHINA.

This presentation shall be read in conjunction with Sasseur REIT's financial results announcement dated 13 May 2019 published on SGX Net.

This presentation is for information only and does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of Sasseur REIT in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever. The value of the units in 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 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. Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that unitholders of Sasseur REIT may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of Sasseur REIT is not necessarily indicative of the future performance of Sasseur REIT.

This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. These forward-looking statements speak only as at the date of this presentation. No assurance can be given that future events will occur, that projections will be achieved, or that assumptions are correct. Representative example of these factors include (without limitation) general industry and economic conditions, interest rate trends, costs of capital and capital availability, competition from similar developments, shifts in expected levels of rental revenue, changes in operating expenses, property expenses, governmental and public policy changes and the continued availability of financing in the amounts and the terms to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements which are based on the current view of management on future events.

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.

# Contents

---



<b>Section 1</b>	<b>1Q 2019 Key Highlights</b>
<b>Section 2</b>	<b>Financial Results</b>
<b>Section 3</b>	<b>Capital Management</b>
<b>Section 4</b>	<b>Portfolio Update</b>
<b>Section 5</b>	<b>Investment Merits</b>



# 1Q 2019 Key Highlights



SASSEUR (KUNMING) OUTLETS

# 1Q 2019 Results exceed Projection



1Q 2019 *			
SGD'000	Actual <sup>1</sup>	Projection <sup>2</sup>	Change
EMA rental income (exclude straight-line adjustment)	30,874	30,151	+2.4%
Income available for distribution	19,684	18,015	+9.3%
Distribution per Unit (DPU) Singapore cents	1.656	1.515	+9.3%

## 1Q 2019 Annualised Distribution Yield:

- 8.4% based on IPO price of S\$0.80 exceeds 7.7% projection yield
- 8.7% based on 1Q 2019 closing price of S\$0.775

(1) The actual results of the REIT Group's foreign subsidiaries were translated using the average SGD:RMB rate of 1:4.9665 for 1Q 2019.

(2) The projection figures were derived from the seasonal projection for 1Q 2019, based on the Projection Period 2019 as disclosed in Sasseur REIT's Prospectus dated 21 March 2018 (the "Prospectus"). An exchange rate for SGD:RMB of 1:4.930 was adopted in the projection.

\* 1Q 2019: 1 January 2019 – 31 March 2019

# Strong Operating Performance



## Key Portfolio Metrics

**NAV per unit**

S\$0.8897

▲ 11.2% as at IPO

**High Occupancy Rate<sup>1</sup>**

96.1%

**Aggregate Leverage**

29.2%

▼ from 36.0% as at IPO

**Weighted Average Debt  
Maturity**

3.75 years

(1) 1Q 2019



# Financial Results



SASSEUR (CHONGQING) OUTLETS



# EMA Rental Income and Distribution



	1Q 2019		
	Actual	Projection	Variance
Fixed Component (RMB mil)	98.5	98.5	-
Variable Component (RMB mil)	54.8	50.1	9.4%
EMA Rental Income <sup>1</sup> (RMB mil)	153.3	148.6	+3.2%
Exchange Rate (RMB/S\$)	4.9665	4.930	+0.7%
EMA Rental Income <sup>1</sup> (S\$ mil)	30.9	30.2	+2.4%
Distributable Income (S\$ mil)	19.7	18.0	+9.3%
DPU (S cents)	1.656	1.515	+9.3%

(1) Excluding straight-line accounting adjustment



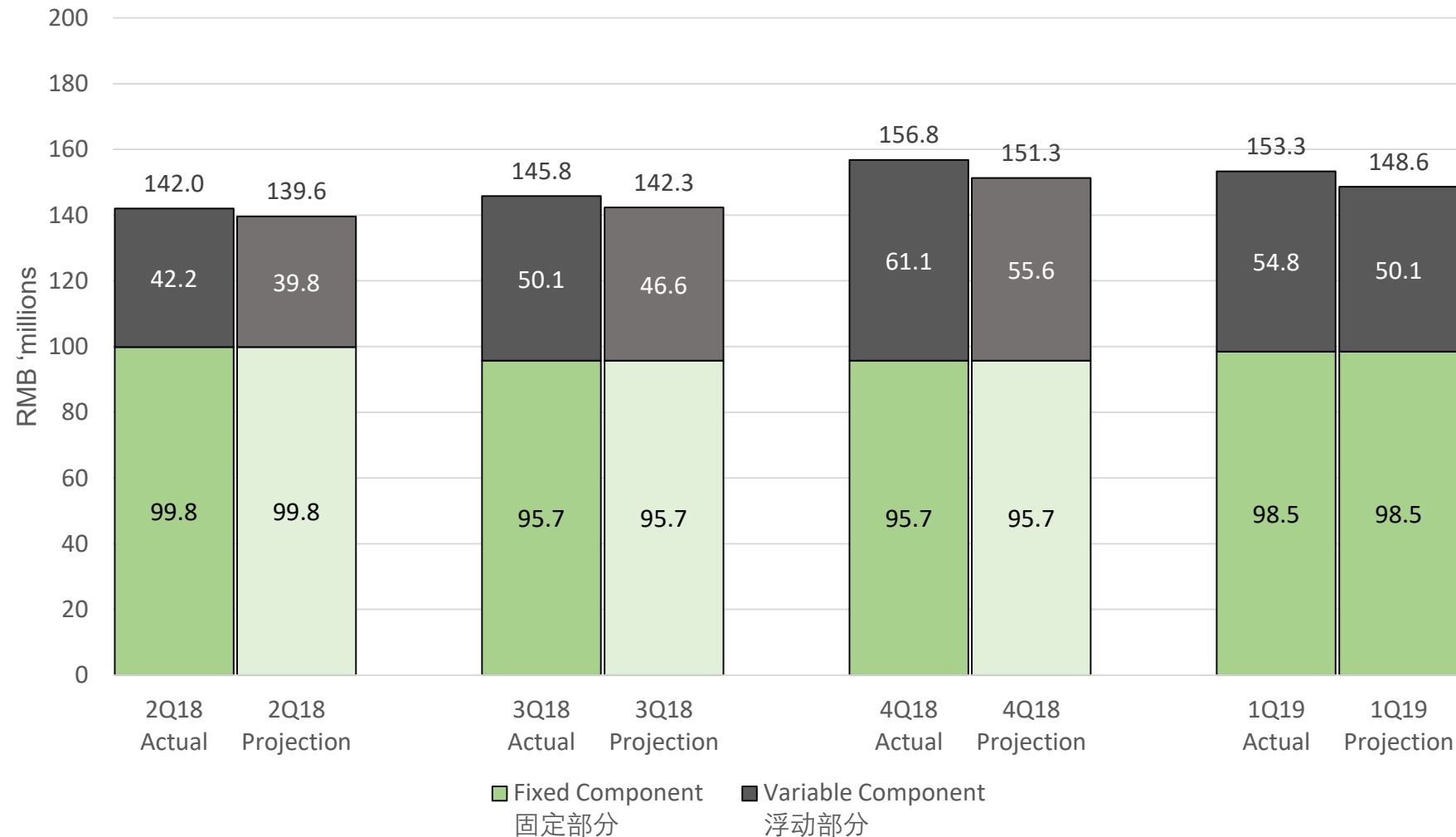
# Balance Sheet



\$ mil	Actual 31 March 2019	Actual 31 Dec 2018
Investment properties	1,553.3	1,539.5
Cash and short-term deposits	163.2	203.6
Other assets	33.8	25.6
<b>Total Assets</b>	<b>1,750.3</b>	<b>1,768.7</b>
Loans and borrowings	493.7	493.3
Other liabilities	196.4	201.4
<b>Total Liabilities</b>	<b>690.1</b>	<b>694.7</b>
<b>Net Assets</b>	<b>1,060.2</b>	<b>1,074.0</b>
NAV per unit (cents) <sup>1</sup>	88.97	90.33
Aggregate Leverage	29.2%	29.0%
Debt Headroom	276.0	283.0

(1) Based on units in issue and issuable of 1,191,624,144 and 1,188,953,352 as at 31 March 2019 and 31 December 2018 respectively.

# Quarterly EMA Rental Income exceeds Projection



# Distribution Details



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

1 January to 31 March 2019  
**1.656 Singapore cents**

## Distribution Timetable

Notice of Books Closure Date	13 May 2019
Ex-dividend Date	27 May 2019
Books Closure Date	28 May 2019
Distribution Payment Date	27 June 2019

**Dividend pay-out is changed to quarterly pay-out  
with effect from 1 January 2019**

(1) Based on 1,188,953,352 units in issue as at 31 March 2019



# Capital Management



SASSEUR (HEFEI) OUTLETS

# Capital Management



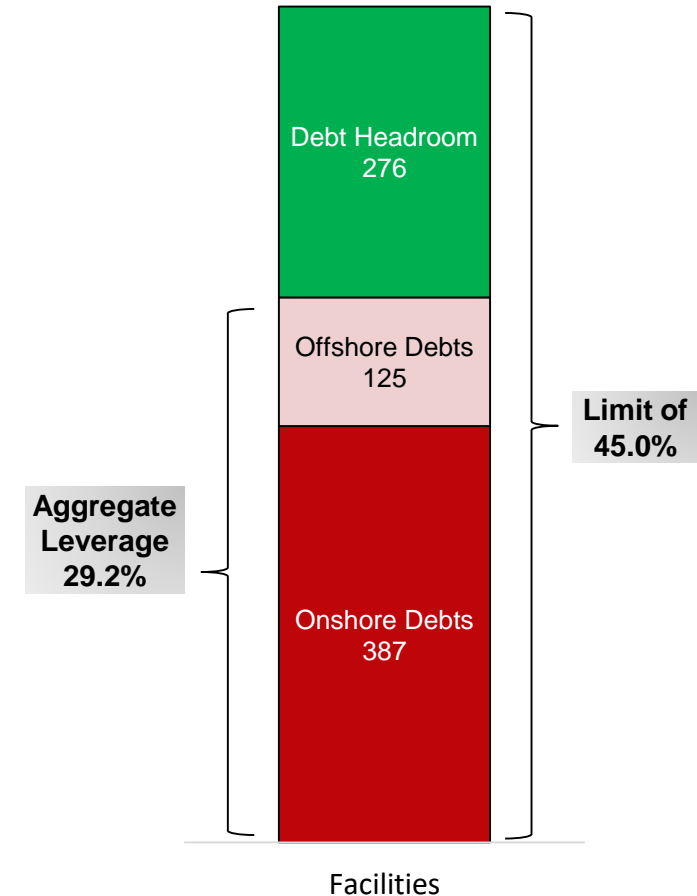
	Onshore Facilities	Offshore Facility	Total
Currency	RMB	SGD	-
Quantum	~SGD 387 million (RMB 1.92 billion)	SGD 125 million <sup>1</sup> (~RMB 0.62 billion)	~SGD 512 million (~RMB 2.54 billion)
Proportion	75.6%	24.4%	100%
Tenure	5 years	3 years	4.5 years (weighted average)
Weighted Average All-in Finance Costs (p.a.) (exclude upfront debt-related costs)	4.8%	3.6%	4.5%
Interest Cover	-	-	1Q19: 5.1 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 4.9643 as at 31 March 2019 and 5.0062 as at 31 December 2018
- Debt headroom decreased mainly due to distribution for 2H2018 (1 July to 31 December 2018) payout in 1Q2019.

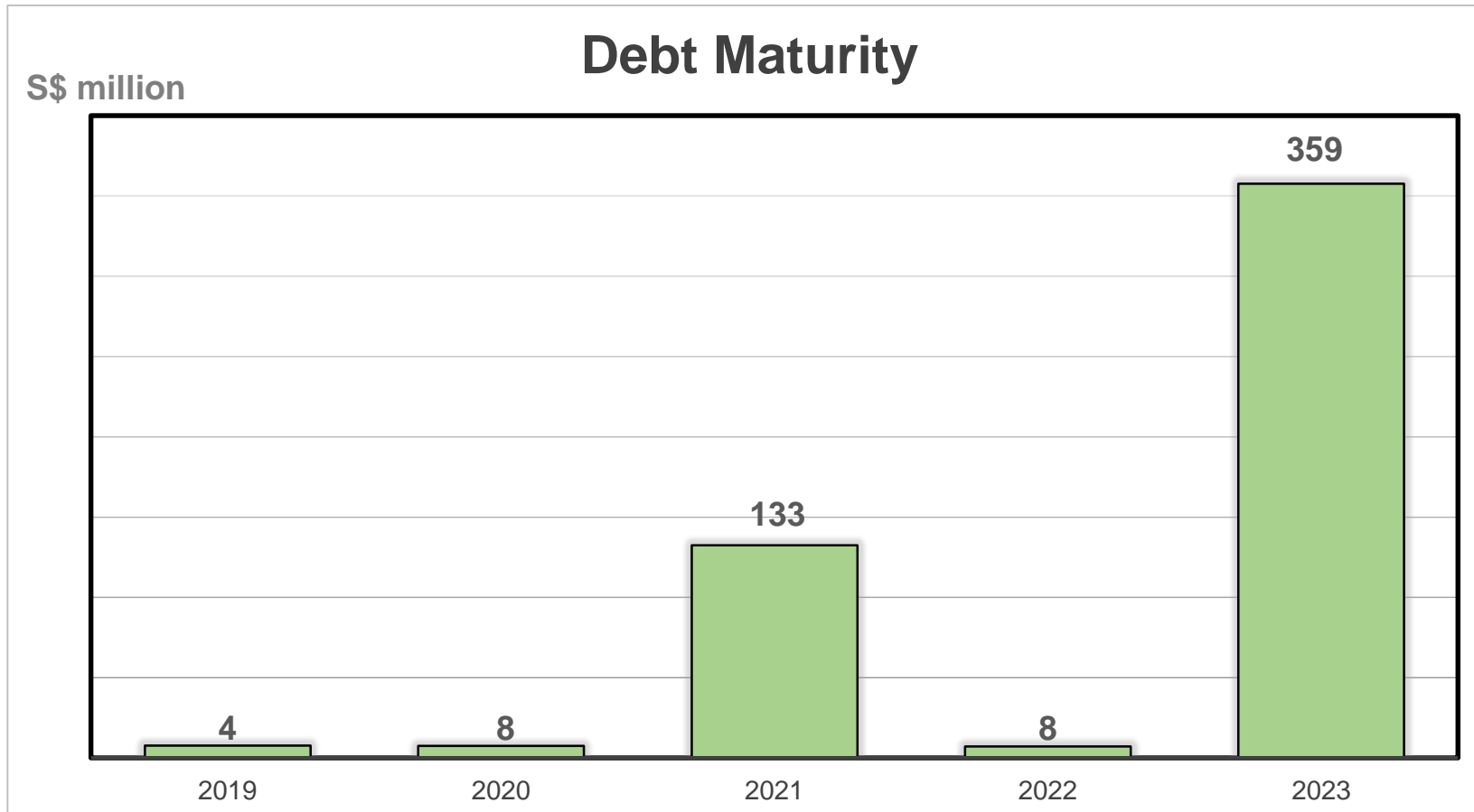
## Debt Facilities (SGD million)



# Debt Maturity Profile



**Weighted average debt maturity is 3.75 years with no major re-financing until 2021**





# Portfolio Update



SASSEUR (HEFEI) OUTLETS



# Portfolio Summary

## Portfolio

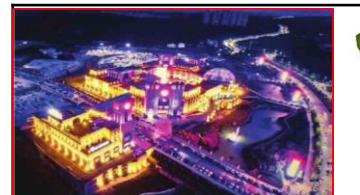
Valuation\* : RMB 7,707 mil



Hefei Outlet Mall  
Valuation : RMB 2,521 mil



Bishan Outlet Mall  
Valuation : RMB 790 mil



Kunming Outlet Mall  
Valuation : RMB 1,495 mil



Chongqing Outlet Mall  
Valuation : RMB 2,901 mil

\* Based on independent valuation as at 31 Dec 18 by Savills (with the Entrusted Management Agreements)

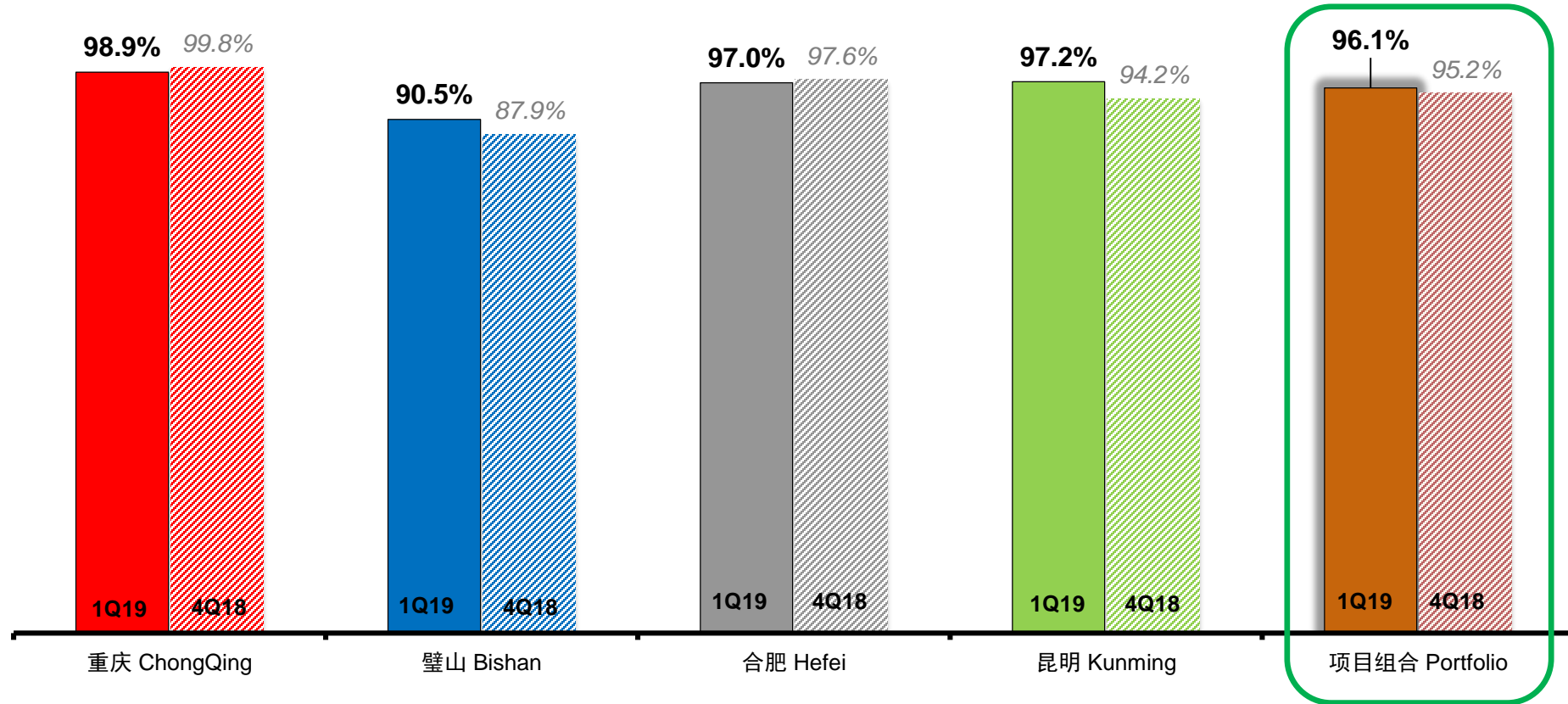
# 1Q 2019 Outlets Summary



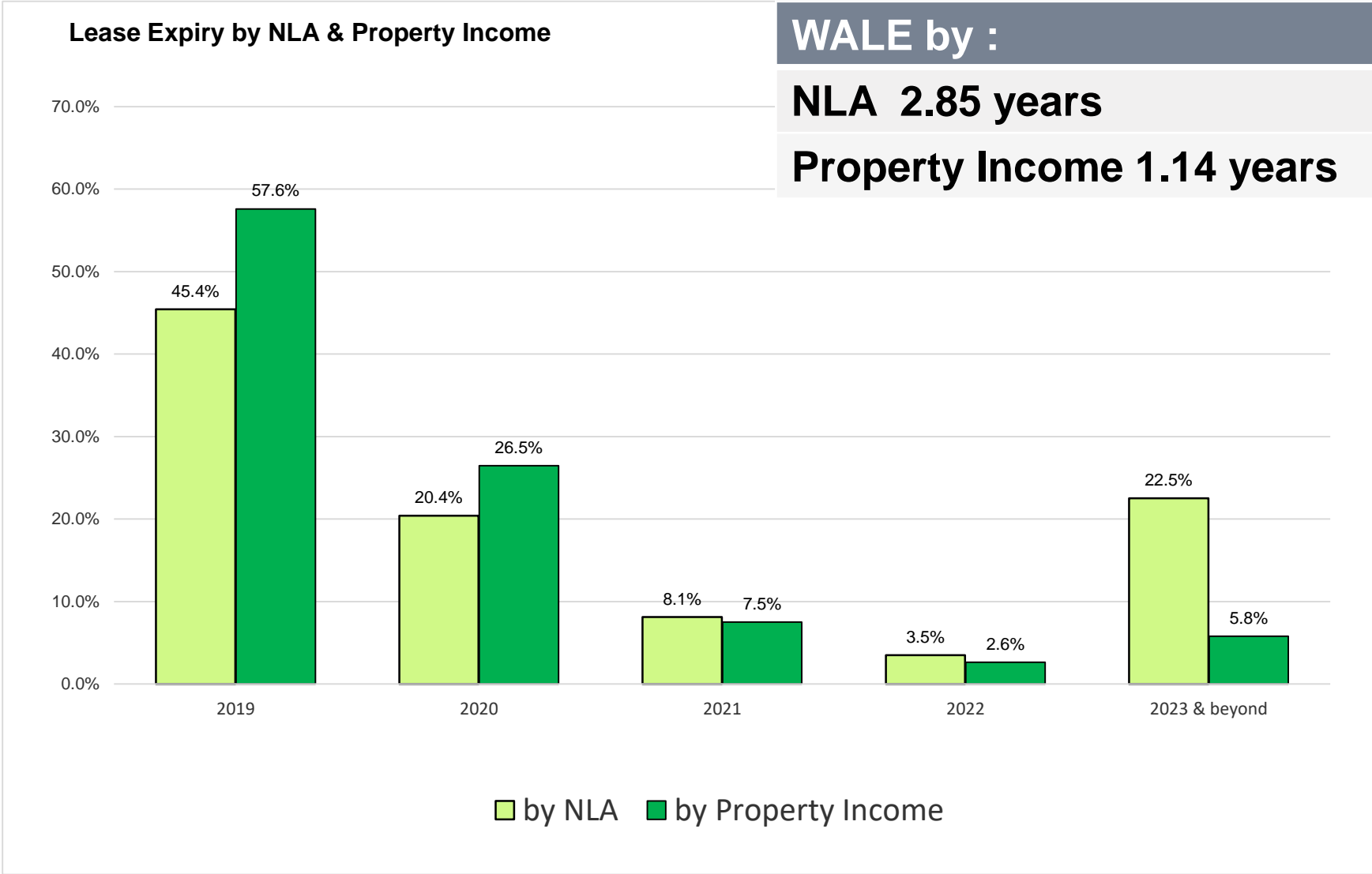
Outlets	NLA (sqm)	Occupancy (%)	1Q 2019 Sales (RMB'mil)	1Q 2019 vs 1Q 2018 Change (%)
Chongqing	50,885	98.9	609.1	+15.2
Bishan	47,308	90.5	124.8	+32.3
Hefei	138,449	97.0	243.0	+25.4
Kunming	70,067	97.2	229.2	+47.1
<b>Portfolio</b>	<b>306,709</b>	<b>96.1</b>	<b>1,206.1</b>	<b>10.1</b>



# Portfolio Occupancy (1Q 2019 vs 4Q 2018)

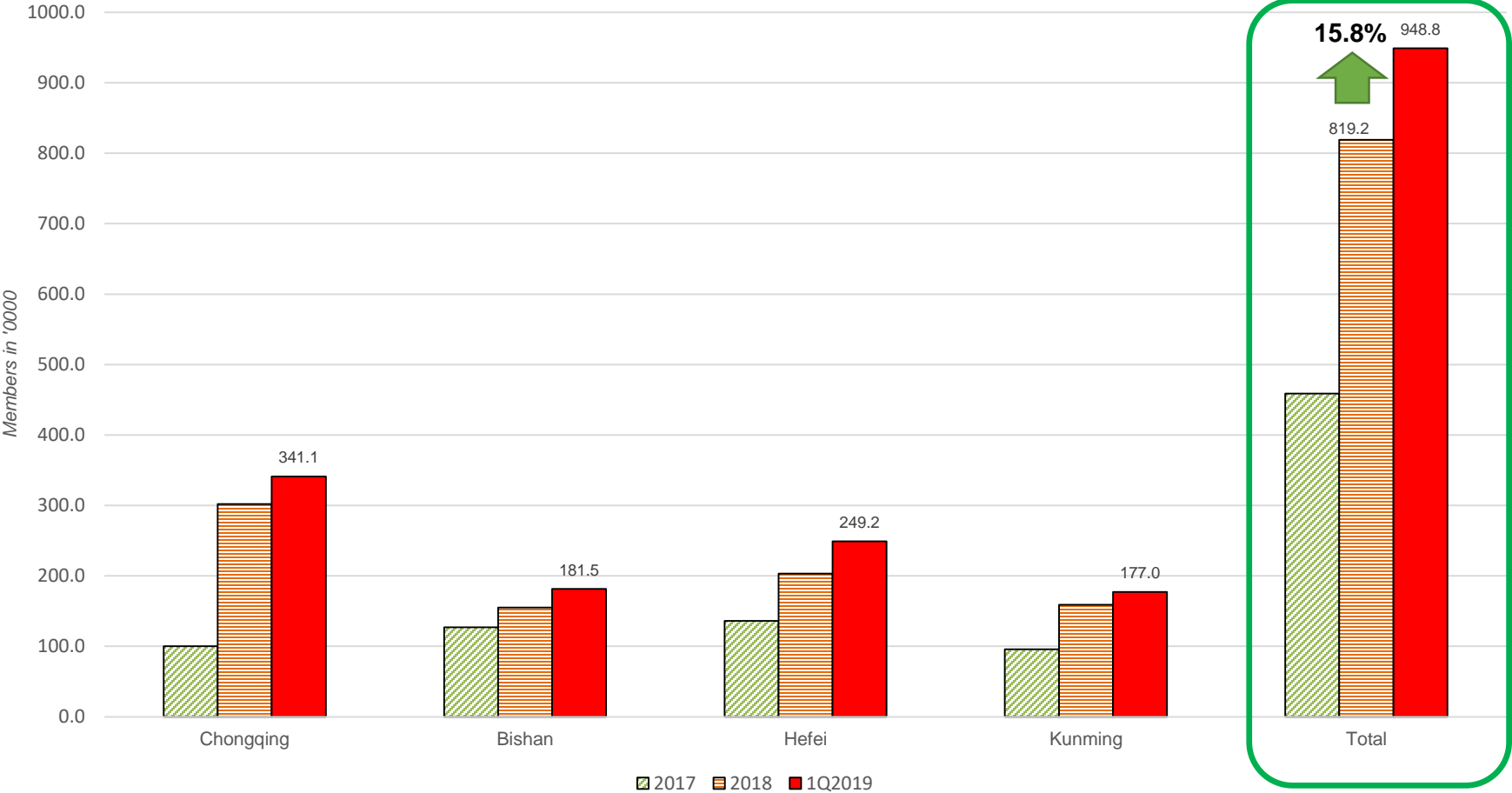


# Weighted Average Lease Expiry (WALE)



As at 31 March 2019

# VIP Members' Growth by Outlets

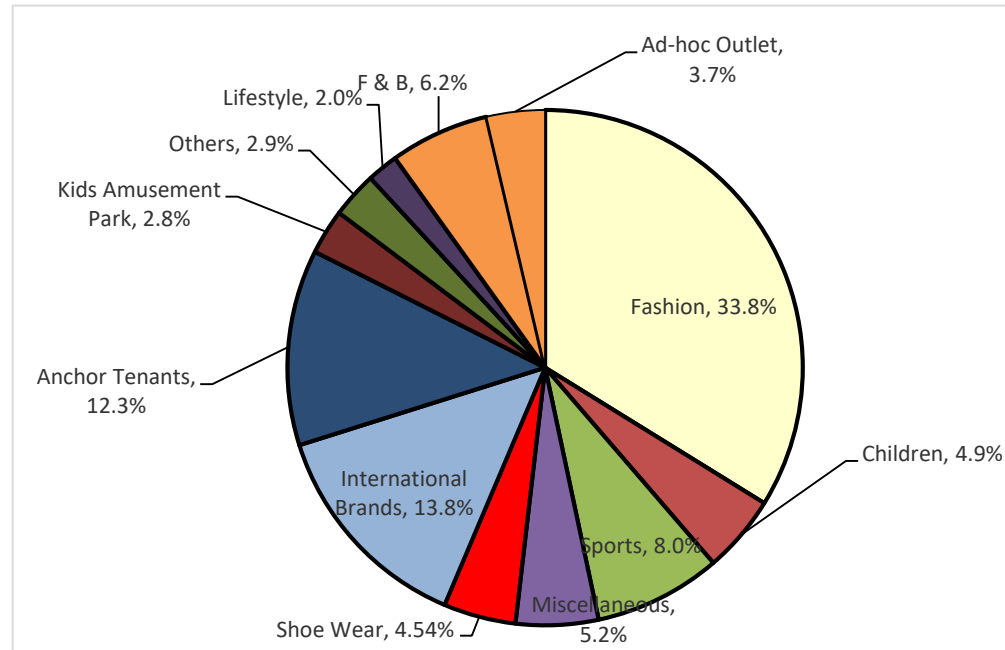


**GRAND TOTAL around 948,800 members**

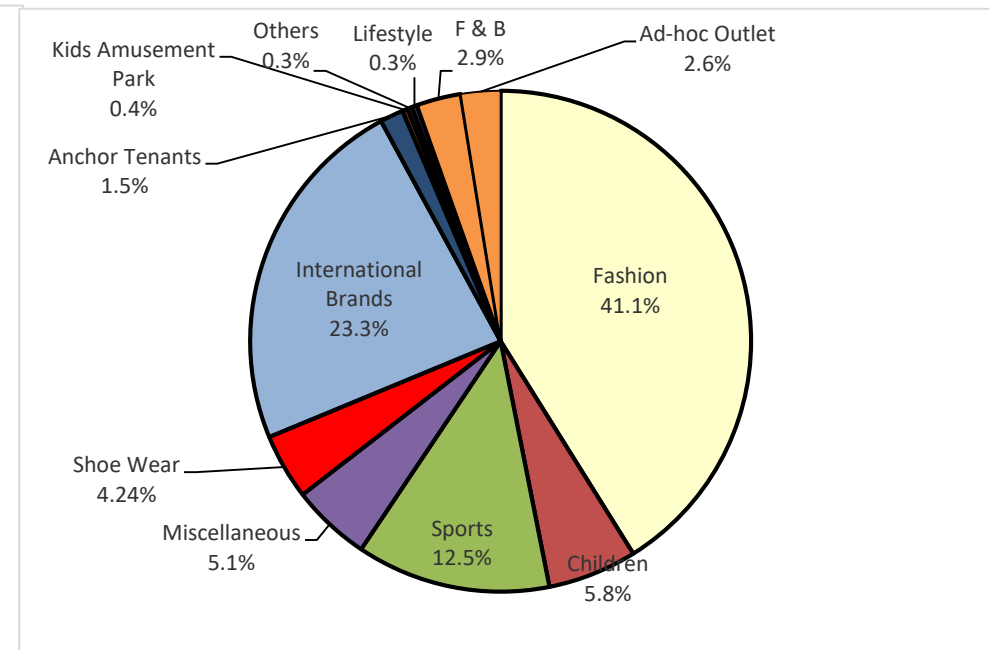


# Well Diversified Portfolio Tenants' Mix

## Breakdown of NLA<sup>1</sup> by Trade Sector



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



## Fashion, Sports and International Brands

**55.6%**

**76.9%**

(1) As percentage of the portfolio's net lettable areas as at 31 March 2019

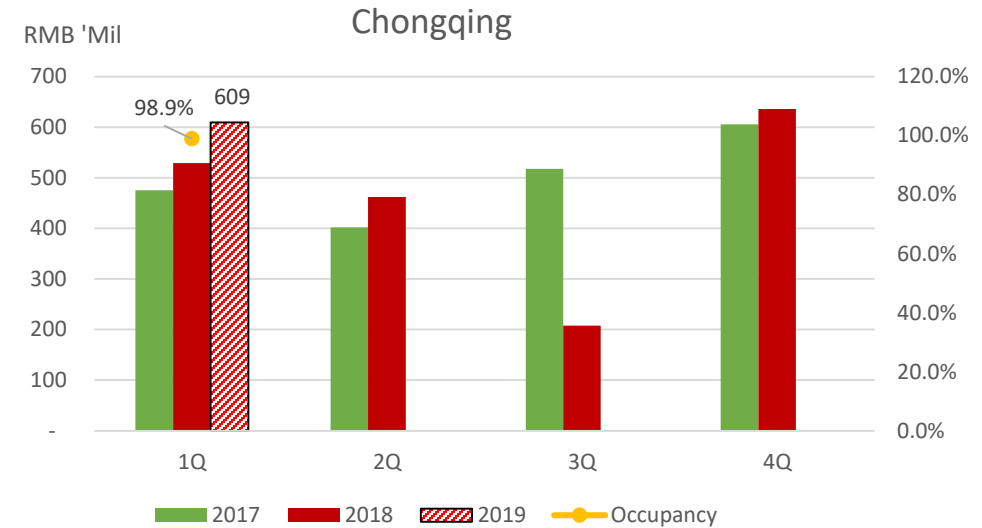
(2) As percentage of the portfolio's gross revenue as at 31 March 2019

# Chongqing Outlets 重庆

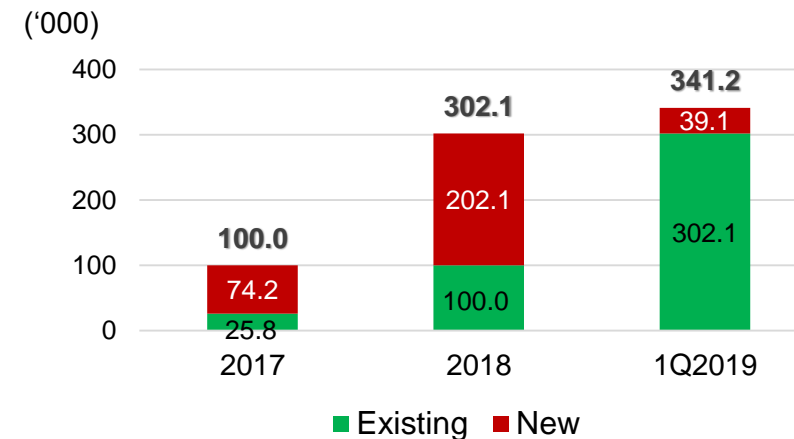


<b>Year Commenced Operations</b>	Sep 2008
<b>GFA (sqm)</b>	73,373
<b>NLA (sqm)</b>	50,885
<b>Occupancy Rate (% , 31 Mar 19)</b>	98.9
<b>No. of Tenants (31 Mar 19)</b>	419
<b>Top Brands</b>	Coach, FILA, Nike, Ports, +39 Space
<b>Car Park Lots</b>	500
<b>Valuation (RMB mil, 31 Dec 18)</b>	2,901

## Sales and Occupancy



## Outlet Members

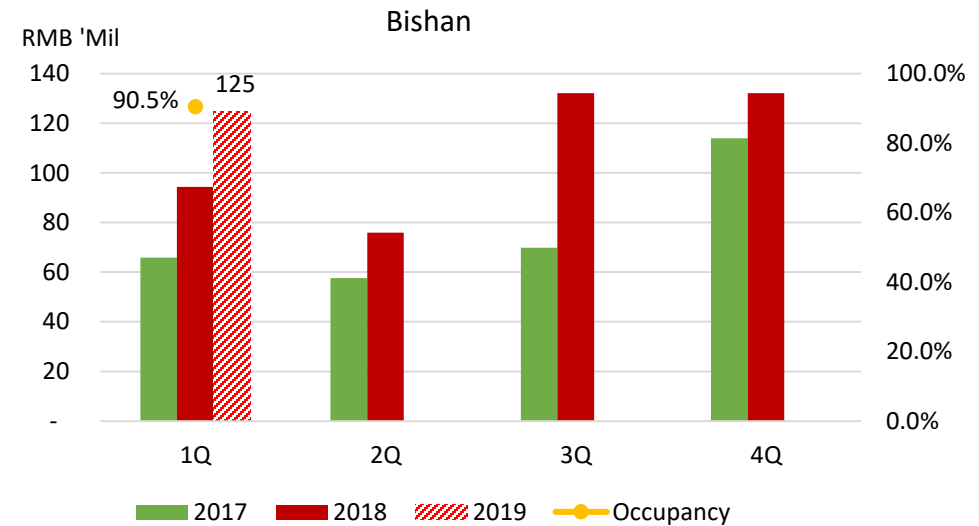


# Bishan Outlets

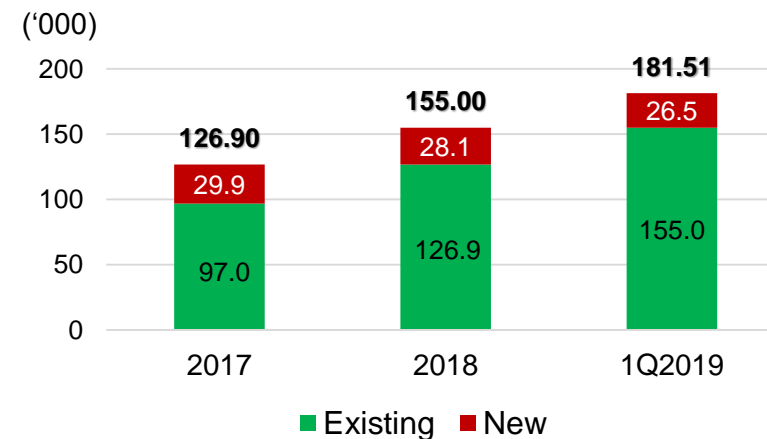


<b>Year Commenced Operations</b>	Oct 2014
<b>GFA (sqm)</b>	68,791
<b>NLA (sqm)</b>	47,308
<b>Occupancy Rate (% , 31 Mar 19)</b>	90.5
<b>No. of Tenants (31 Mar 19)</b>	219
<b>Top Brands</b>	Adidas, New Balance, GUESS, Nike, +39 Space
<b>Car Park Lots</b>	400
<b>Valuation (RMB mil, 31 Dec 18)</b>	790

## Sales and Occupancy



## Outlet Members

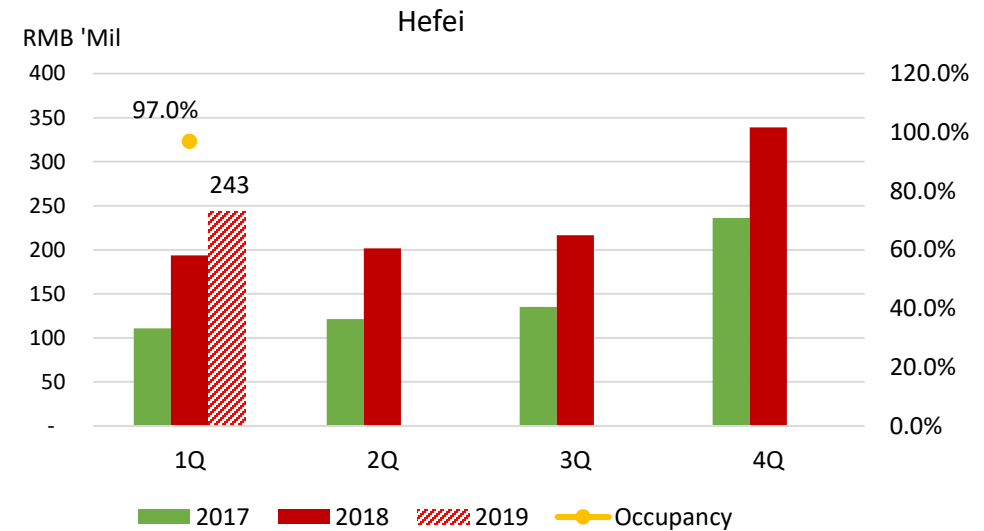


# Hefei Outlets

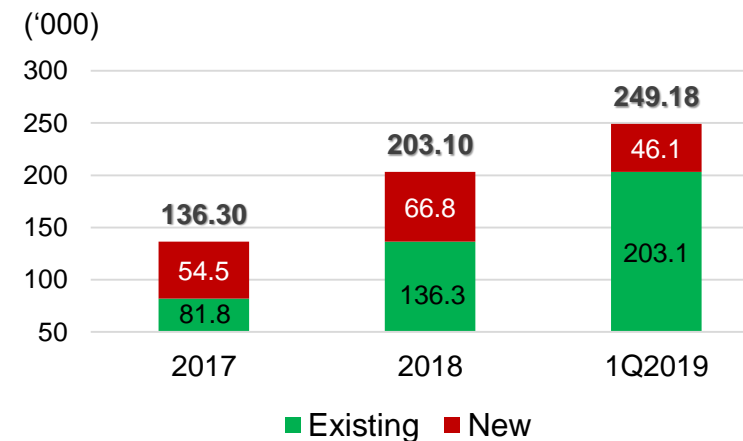


<b>Year Commenced Operations</b>	May 2016
<b>GFA (sqm)</b>	141,182
<b>NLA (sqm)</b>	138,449
<b>Occupancy Rate (% , 31 Mar 19)</b>	97.0
<b>No. of Tenants (31 Mar 19)</b>	317
<b>Top Brands</b>	Adidas, Coach, Michael Kors, Nike, Sketchers
<b>Car Park Lots</b>	1,566
<b>Valuation (RMB mil, 31 Dec 18)</b>	2,521

## Sales and Occupancy



## Outlet Members



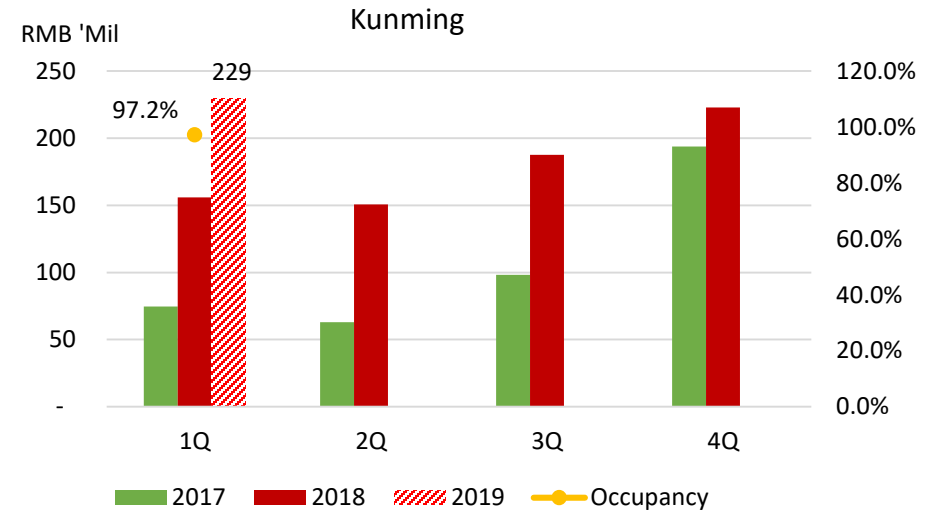


# Kunming Outlets

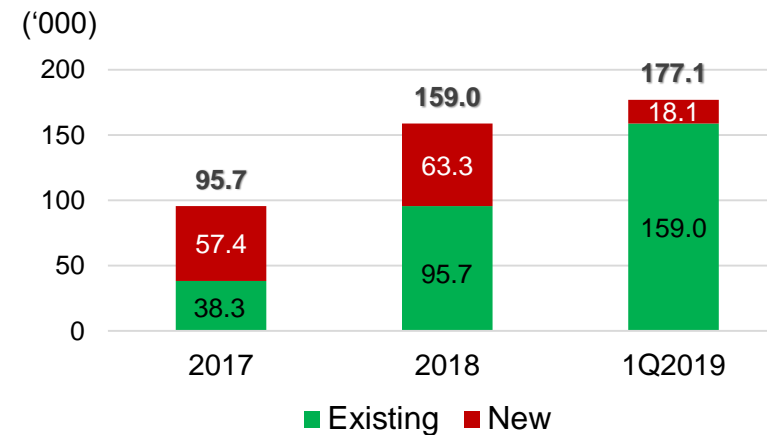


<b>Year Commenced Operations</b>	Dec 2016
<b>GFA (sqm)</b>	88,257
<b>NLA (sqm)</b>	70,067
<b>Occupancy Rate (% , 31 Mar 19)</b>	97.2
<b>No. of Tenants (31 Mar 19)</b>	243
<b>Top Brands</b>	Adidas, Chow Tai Fook, Fila, Nike, +39 Space
<b>Car Park Lots</b>	2,000
<b>Valuation (RMB mil, 31 Dec 18)</b>	1,495

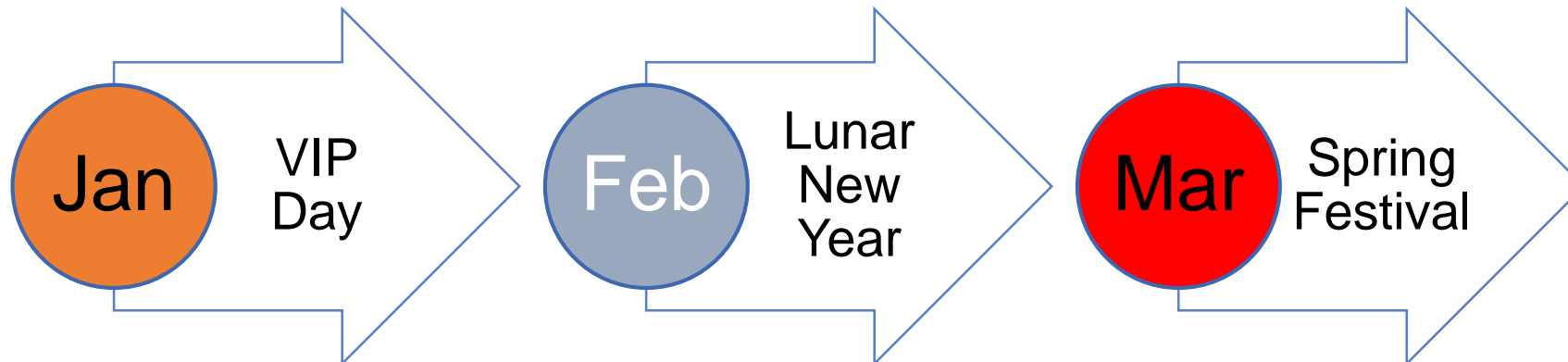
## Sales and Occupancy



## Outlet Members



# Exciting Events to Drive Shoppers' Traffic





# Exciting Events to Drive Shoppers' Traffic



**Strong Turnout  
of Shoppers  
to Outlets'  
Various  
Promotional  
Events**



# Potential Pipelines



- All acquisitions must be yield accretive
- First China, then the World
- Pipeline Properties increased from 3 to 7

## 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
Opening Date	May 2015	Jun 2011	Sep 2017
GFA (sqm)	149,875	45,873	172,128
Car Park Lots	c.8,000	c.5,000	c.4,000

## New Pipeline Properties

	Changsha	Lanzhou	Yangzhou	Shenzhen
Opening Date	Dec 2018	~4Q 2019	~4Q 2020	~4Q 2020
GFA (sqm)	210,600	~100,000	~85,000	~150,000
Car Park Lots	c.2,084	c.2,500	c.1,200	c.2,200



# Investment Merits



SASSEUR (KUNMING) OUTLETS



# Investment Merits



1

**Market Leadership:** Sasseur Group is largest operator of outlet malls in China, with 10 malls and over 10 years of operating experience. Well-positioned to ride on the growth of the rising spending power of the Chinese middle class.

2

**Unique Art-Commerce Business Model:** Aligns interests of outlet malls, unitholders and entrusted manager, with potential to share upside.

3

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

4

**Singapore's Top-Performing REIT in Q1 2019:** 25% total return, surpassing average of 15.7% for the 20 best performing S-REITs.

5

**1<sup>st</sup> Acquisition (Hefei) Since IPO:** Improve distribution income from Q2 2019.

# Awards and Achievement



**“Best REIT Deal in Southeast Asia 2018” Award  
by Alpha Southeast Asia in February 2019**



**Thank You**