



# SASSEUR REIT

*First Listed Outlet REIT in Asia*

## Financial Results for 1Q 2020

14 May 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.

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# Key Highlights

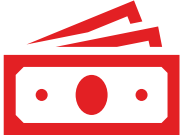





SASSEUR (KUNMING) OUTLETS

# 1Q 2020 Key Highlights



DPU yield 9.1% based on closing price \$0.590 as at 31 Mar 2020







 <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\$25.3</b> million	<b>S\$16.0</b> million	<b>1.334</b> S Cents	<b>92.58</b> S Cents
↓ 18.2% y-o-y	↓ 18.7% y-o-y	↓ 19.4% y-o-y	↑ 15.7% as at IPO

1. Excluding straight-line accounting adjustment

2. For 1Q 2020, the Manager has resolved to distribute 100% of the income distribution to Unitholders.

# 1Q 2020 Key Highlights



 <p><b>EMA Fix Component</b> <b>+3.9%</b></p>	 <p><b>Sales</b> <b>RMB 534.5 million</b> 4Q 2019: RMB 1,374.9 million</p>	 <p><b>Aggregate Leverage</b> <b>28.5%</b> 4Q 2019: 27.8%</p>
 <p><b>EMA Variable Component</b> <b>-54.8%</b></p>	 <p><b>Weighted Average Lease Expiry<sup>1</sup></b> <b>2.9 years</b></p>	 <p><b>Occupancy</b> <b>94.8%</b> 4Q 2019: 96.0%</p>

1. Weighted average lease expiry by net lettable area.

# Financial Results



SASSEUR (CHONGQING) OUTLETS

# 1Q 2020 EMA Rental Income Decrease 18.2% y-o-y



	1Q 2020	1Q 2019	Change %
Fixed Component (RMB mil)	102.4	98.5	+3.9
Variable Component (RMB mil)	24.8	54.8	-54.8
EMA Rental Income <sup>1</sup> (RMB mil)	127.2	153.3	-17.1
Exchange Rate <sup>2</sup> (RMB/S\$)	5.0339	4.9665	+1.4
EMA Rental Income <sup>1</sup> (S\$ mil)	25.3	30.9	-18.2
Distributable Income (S\$ mil)	16.0	19.7	-18.7
DPU (S cents)	1.334	1.656	-19.4

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



# Healthy Balance Sheet



S\$ mil	Actual 31 Mar 2020	Actual 31 Dec 2019
Investment properties	1,652.5	1,587.2
Cash and short-term deposits	73.6	154.7
Other assets	37.3	28.5
<b>Total Assets</b>	<b>1,763.5</b>	<b>1,770.4</b>
Loans and borrowings	490.3	478.6
Other liabilities	161.0	222.7
<b>Total Liabilities</b>	<b>651.3</b>	<b>701.3</b>
<b>Net Assets</b>	<b>1,112.2</b>	<b>1,069.2</b>
NAV per unit (cents) <sup>1</sup>	92.58	89.20
Aggregate Leverage	28.5%	27.8%

1. Based on units in issue and issuable of 1,201,377,552 and 1,198,678,588 as at 31 March 2020 and 31 December 2019 respectively.

# Distribution Details



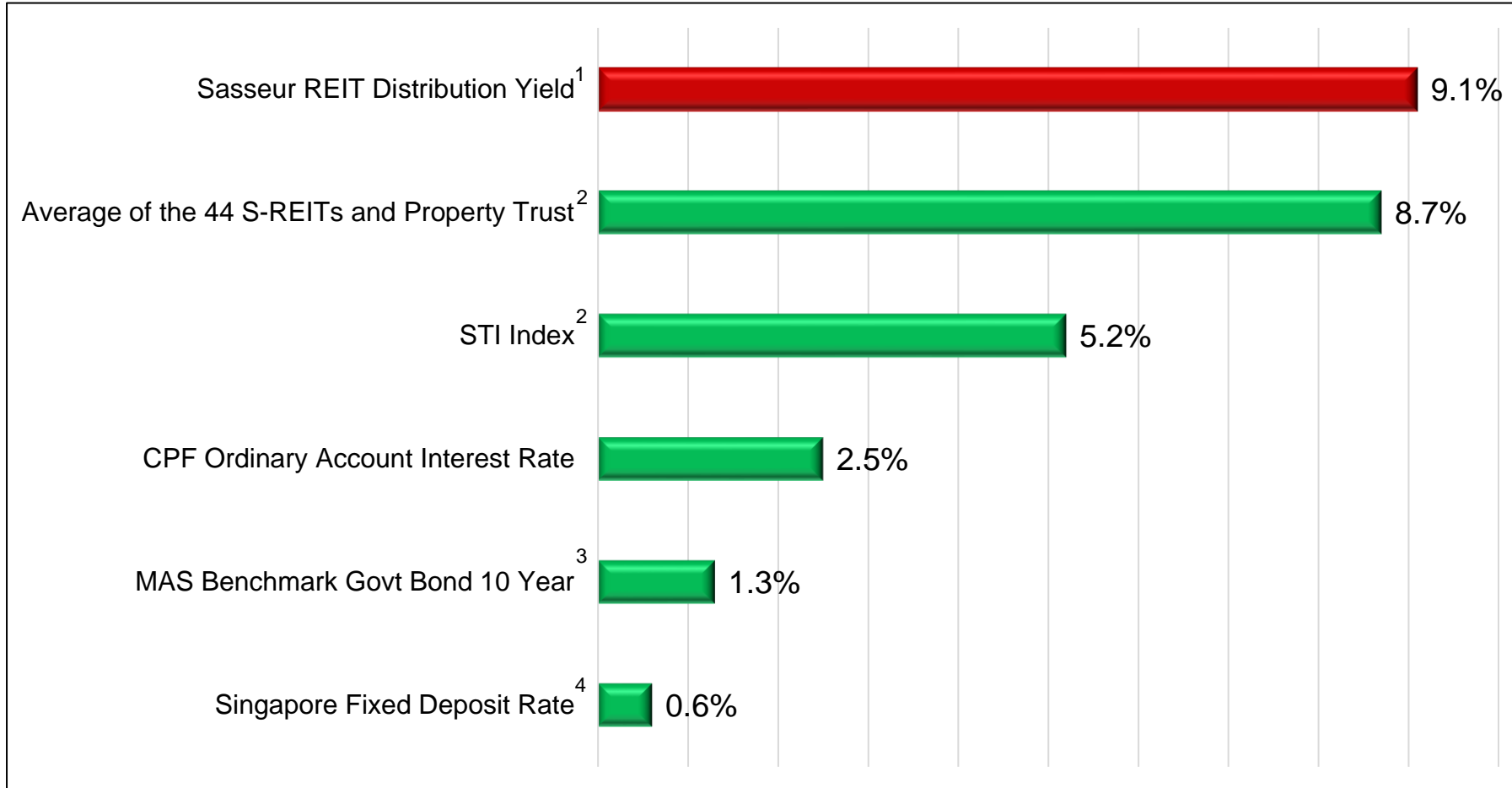
**Distribution Period**  
**Distribution Per Unit<sup>1</sup>**

1 January to 31 March 2020  
**1.334 Singapore cents**

1. Based on 100% distribution pay-out ratio

<b>Distribution Timetable</b>	
Notice of Books Closure Date	14 May 2020
Ex-dividend Date	28 May 2020
Books Closure Date	29 May 2020
Distribution Payment Date	26 June 2020

# Sasseur REIT Yield vs Other Asset Classes



**Notes:**

- 1. Distribution yield based on closing price of S\$0.590 as at 31 March 2020
- 2. Based on 12M Average Dividend Yield
- 3. Based on 10 Year Yield
- 4. 12M Bank fixed deposit rates from MAS as of 31 March 2020

Source: Bloomberg, SGX, Central Provident Fund (CPF) Board, data as of 31 March 2020

# Capital Management



SASSEUR (HEFEI) OUTLETS

# Prudent Capital Management



	 <b>Aggregate Leverage</b>	 <b>Average Debt Maturity</b>	 <b>Interest Coverage Ratio</b>	 <b>Weighted Average Cost of Debt</b>
1Q 2020	<b>28.5%</b>	<b>2.49 years</b>	<b>4.7 times</b>	<b>4.34% p.a.</b>
4Q 2019	<b>27.8%</b>	<b>2.73 years</b>	<b>4.8 times</b>	<b>4.41% p.a.</b>

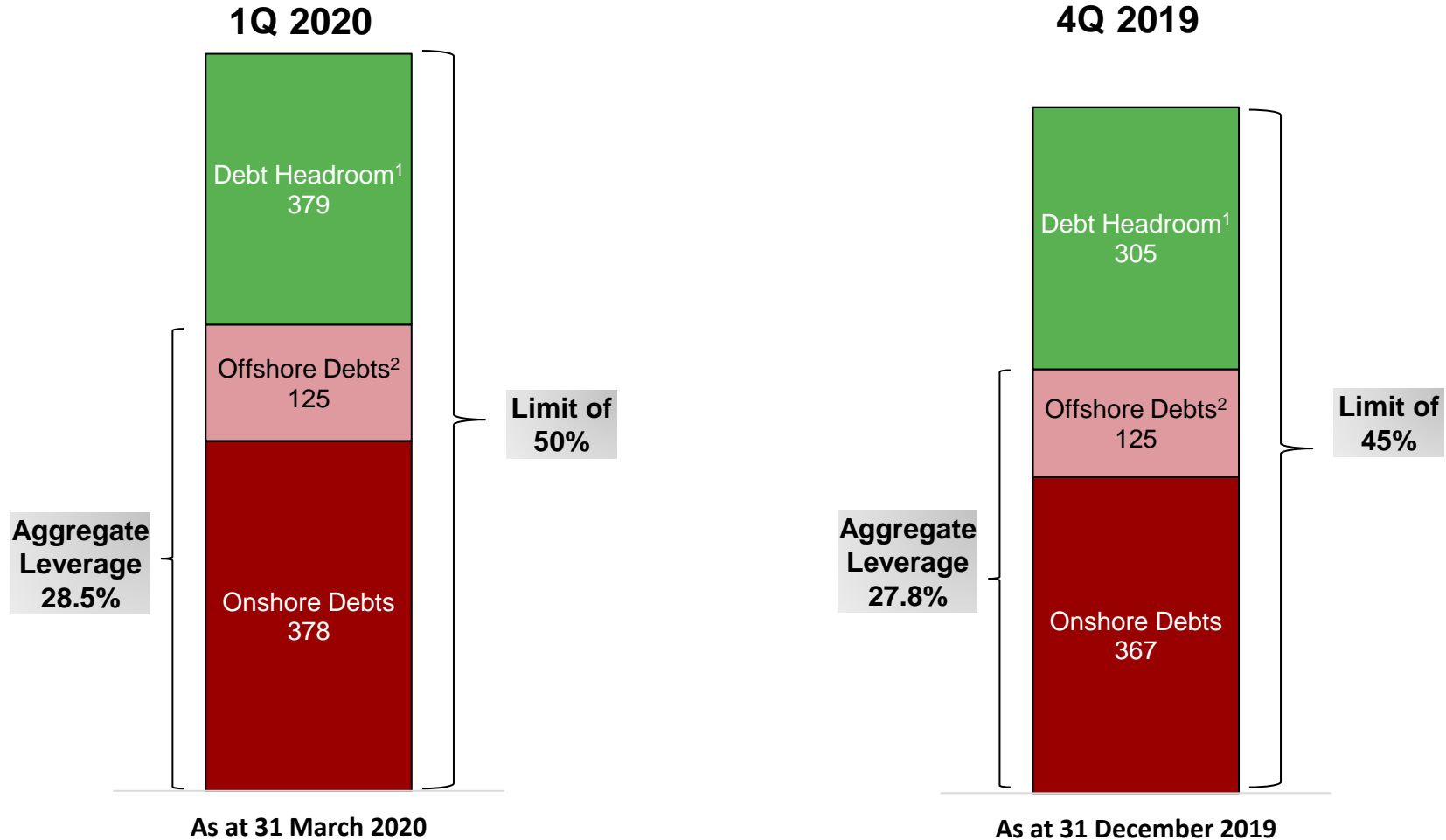
<b>Loan Facilities</b>	<b>Onshore</b>	<b>Offshore</b>
<b>Currency</b>	RMB	SGD
<b>Outstanding Quantum<sup>2</sup></b>	~SGD 378 million (RMB 1.88 billion)	SGD 125 million (~RMB 0.62 billion)
<b>Maturity</b>	March 2023	March 2021
<b>Floating Rate</b>	PBOC benchmark 1-5 years lending rate	Singapore SOR <sup>1</sup>

1. 50% of offshore loan is hedged
2. Based on SGD to RMB exchange rate of 4.9724 as at 31 March 2020

# Prudent Capital Management



## Debt Facilities (SGD million)



1. Debt headroom is computed based on corresponding periods' deposited property value or total assets value

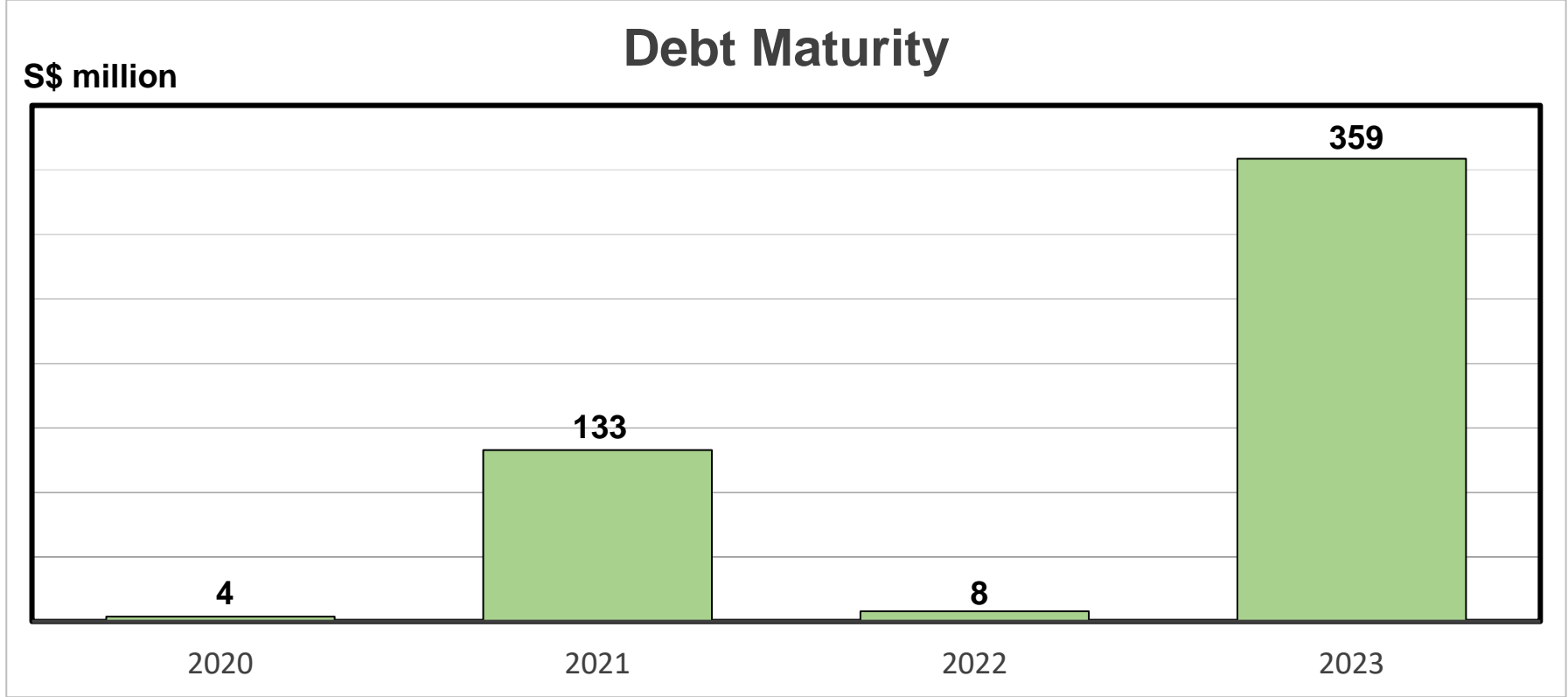
2. 50% of Offshore Loan is hedged

Note: All calculations are done according to the SGD to RMB exchange rate of 5.1739 as at 31 December 2019 and 4.9724 as at 31 March 2020

# Debt Maturity Profile



**Weighted average debt maturity is 2.49 year  
Refinancing discussion in progress**



# Portfolio Update



SASSEUR (HEFEI) OUTLETS



# Portfolio Summary

## Portfolio

Valuation\* : 8,212 mil

NLA : 312,844 sqm

Occupancy ^ : 94.8%



Hefei Outlet Mall
Valuation : 2,795 mil
NLA : 144,583 sqm
Occupancy : 95.5%



Bishan Outlet Mall
Valuation : 824 mil
NLA : 47,308 sqm
Occupancy : 86.5%



Kunming Outlet Mall
Valuation : 1,620 mil
NLA : 70,067 sqm
Occupancy : 96.0%



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 1Q 2020

# 1Q 2020 Outlets Summary

1Q 2020 Total Outlet Sales Decreased 55.7%

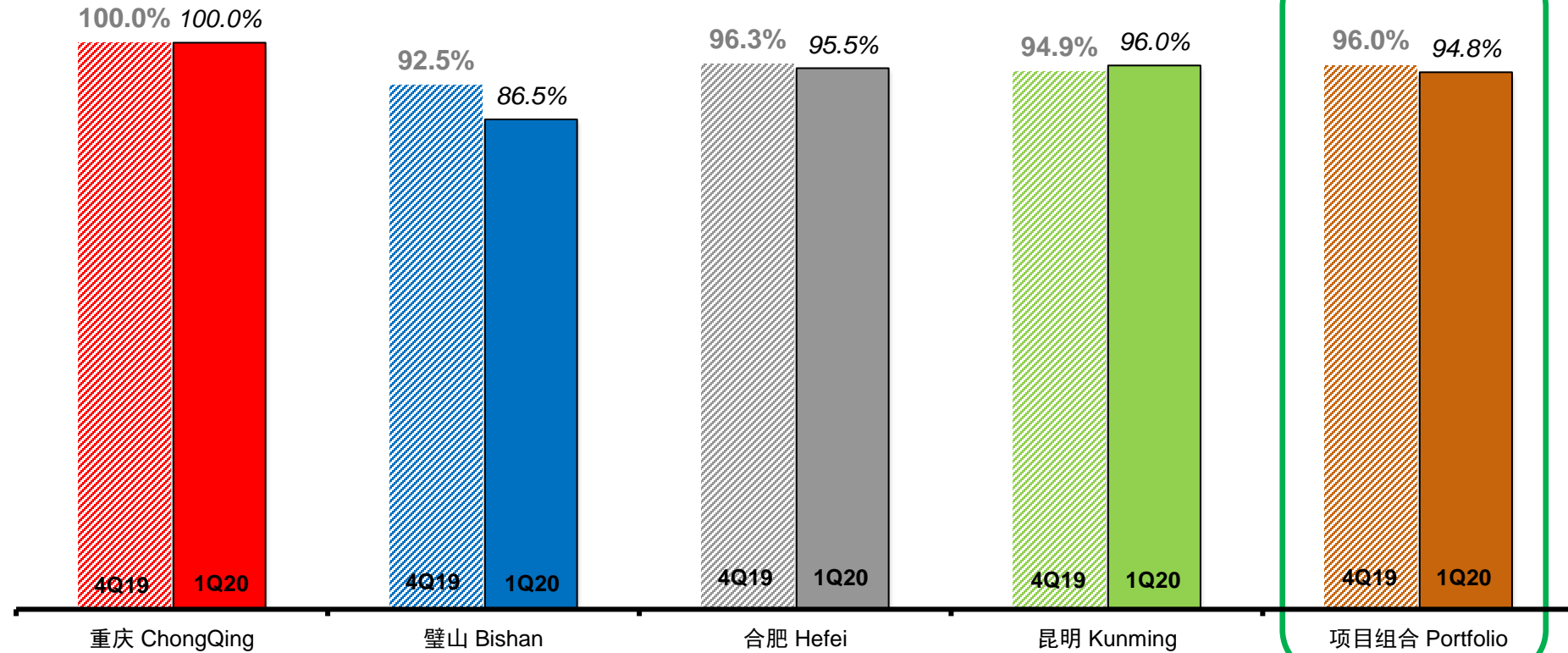
Outlets	NLA (sqm)	Occupancy (%)	1Q 2020 <sup>1</sup> Sales (RMB'mil)	1Q 2020 vs 1Q 2019 <sup>2</sup> Change (%)
Chongqing	50,885	100.0	232.5	-61.8
Bishan	47,308	86.5	51.9	-58.4
Hefei	144,583	95.5	128.4	-47.2
Kunming	70,067	96.0	121.8	-46.8
<b>Portfolio</b>	<b>312,844</b>	<b>94.8</b>	<b>534.5</b>	<b>-55.7</b>

1. 1Q 2020: 01 Jan 2020 – 31 Mar 2020
2. 1Q 2019: 01 Jan 2019 – 31 Mar 2019

# Portfolio Occupancy (1Q 2020 vs 4Q 2019)



4 Outlets Malls enjoy high stable occupancy

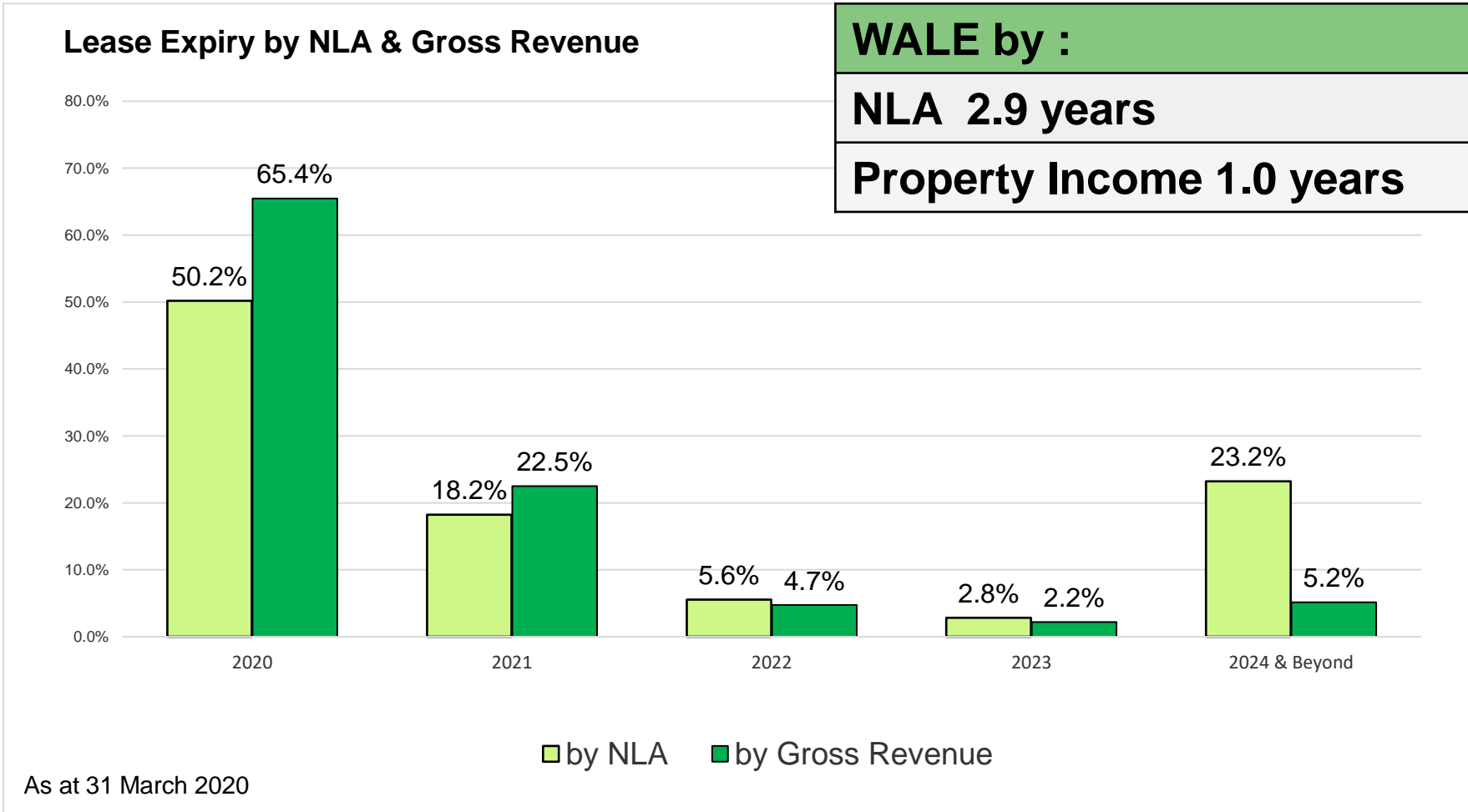


1Q 2020 vs 4Q 2019

# Weighted Average Lease Expiry (WALE)



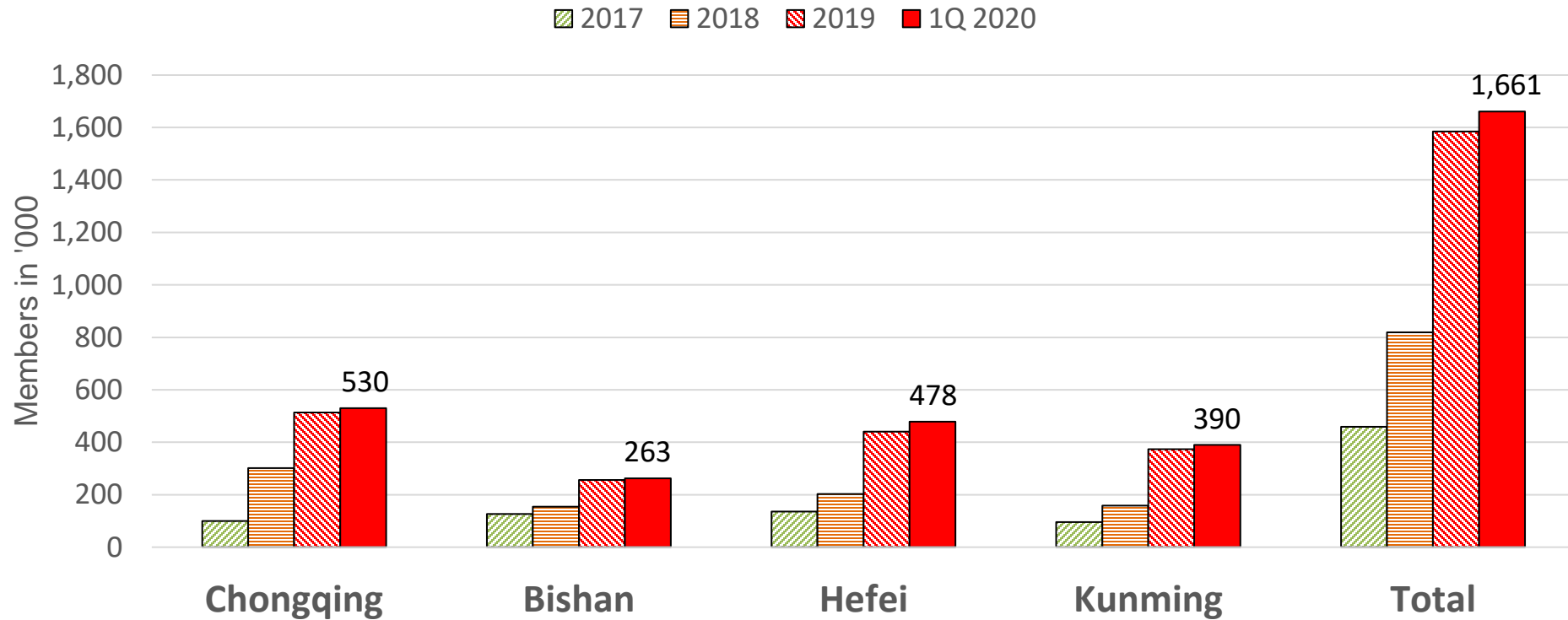
**Deliberate short lease to optimise tenant mix**



# VIP Members - Growth by Outlets



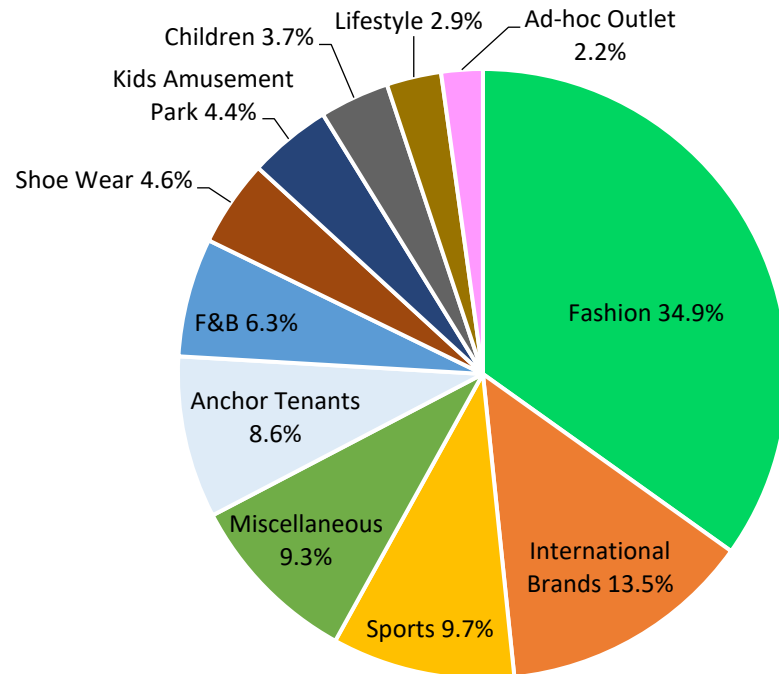
Total VIP members increased 4.8% in 1Q 2020 to reach 1.66 million



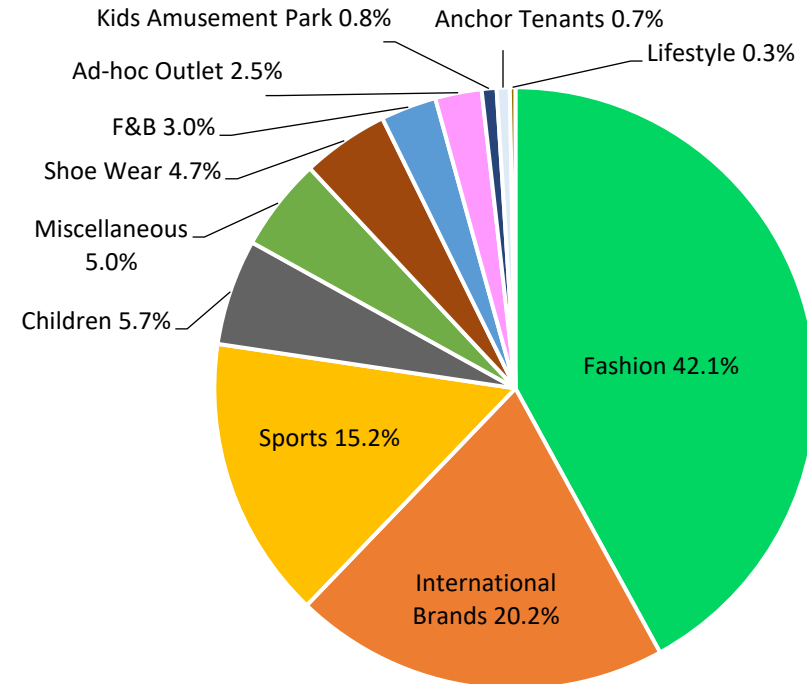
# Well Diversified Trade Mix



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



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



## Fashion, Sports and International Brands

**58.0%**

**77.4%**

1. As percentage of the portfolio's net lettable areas as at 31 March 2020

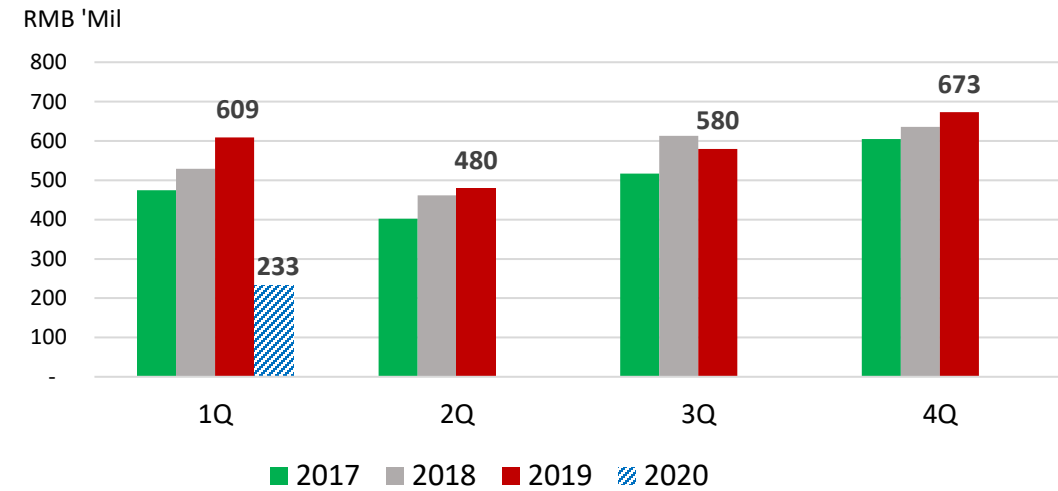
2. As percentage of the portfolio's gross revenue as at 31 March 2020

# Chongqing Outlets

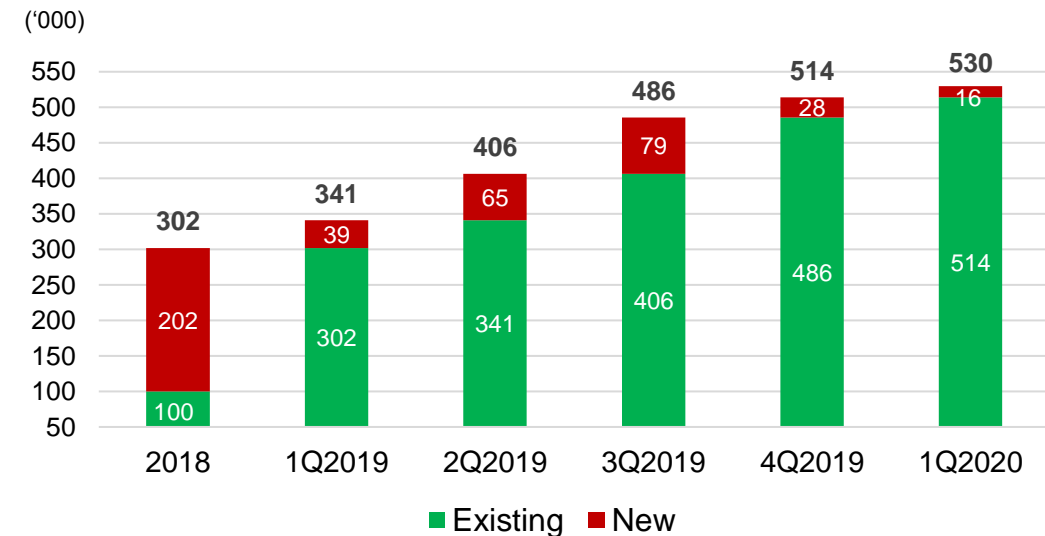


<b>Year Commenced Operations</b>	Sep 2008
<b>GFA (sqm)</b>	73,373
<b>NLA (sqm)</b>	50,885
<b>Occupancy Rate (% , 31 Mar 20)</b>	100
<b>No. of Tenants (31 Mar 20)</b>	406
<b>Top Brands/Tenants</b>	Nike, Adidas, +39 Space, Coach
<b>Car Park Lots</b>	500
<b>Valuation (RMB mil, 31 Dec 19)</b>	2,973

## Sales



## Outlet Members



# 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



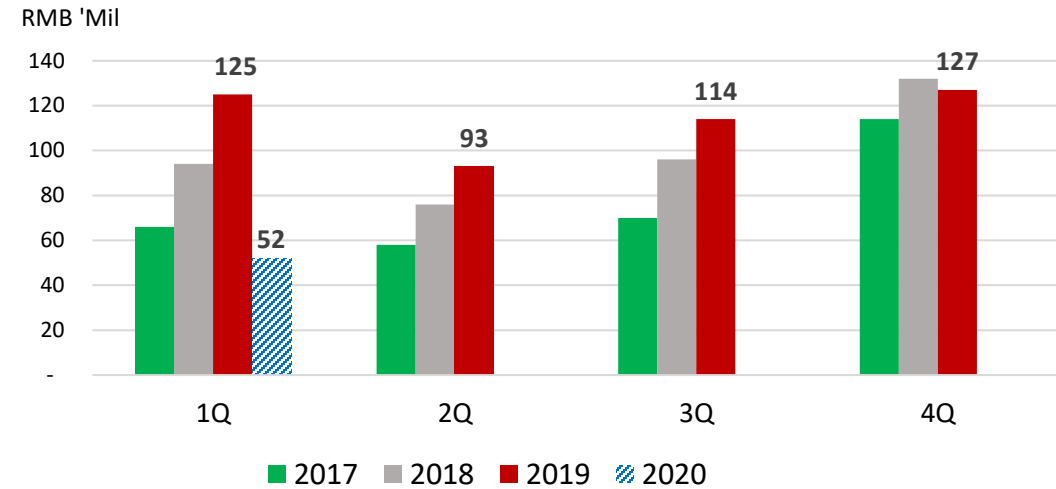


# Bishan Outlets

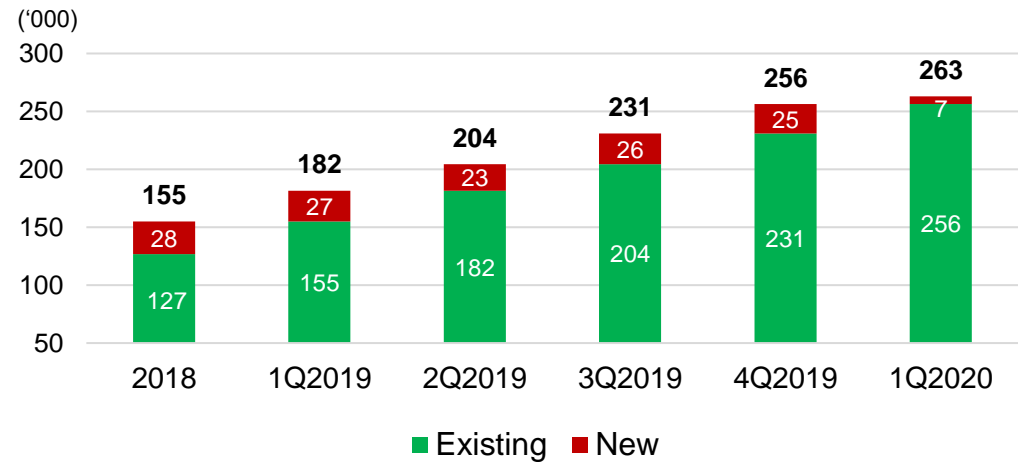


<b>Year Commenced Operations</b>	Oct 2014
<b>GFA (sqm)</b>	68,791
<b>NLA (sqm)</b>	47,308
<b>Occupancy Rate (% , 31 Mar 20)</b>	86.5
<b>No. of Tenants (31 Mar 20)</b>	186
<b>Top Brands/Tenants</b>	Adidas, Nike, Puma, +39 Space
<b>Car Park Lots</b>	400
<b>Valuation (RMB mil, 31 Dec 19)</b>	824

## Sales



## Outlet Members

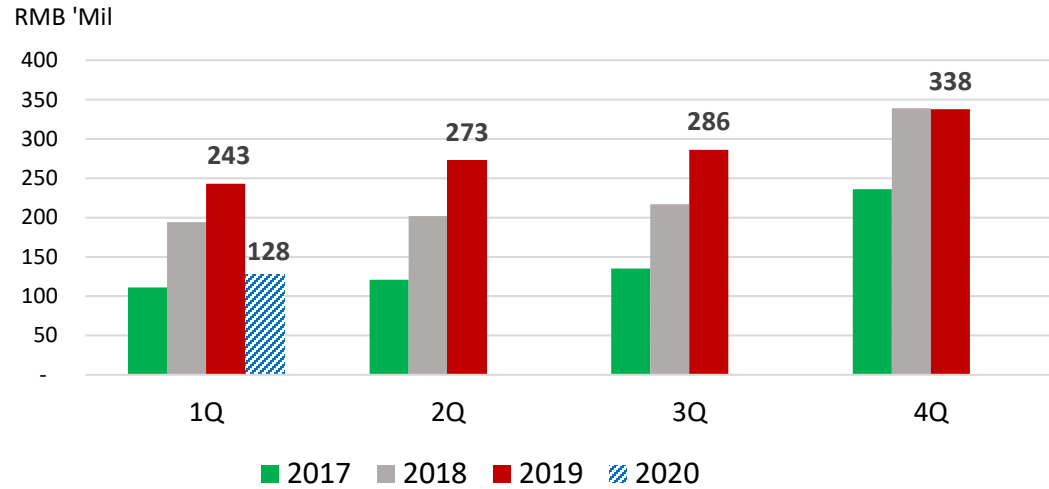


# Hefei Outlets

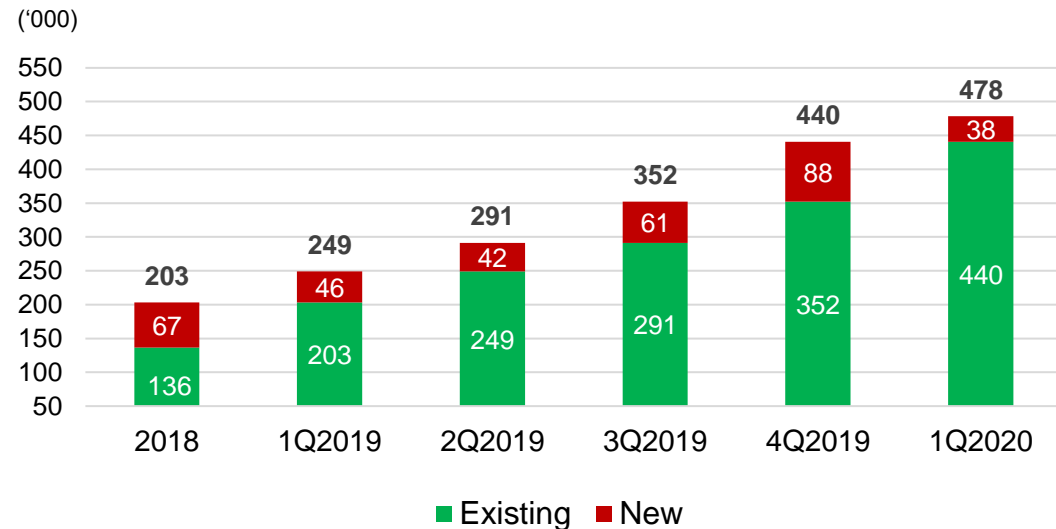


<b>Year Commenced Operations</b>	May 2016
<b>GFA (sqm)</b>	147,316
<b>NLA (sqm)</b>	144,583
<b>Occupancy Rate (% , 31 Mar 20)</b>	95.5
<b>No. of Tenants (31 Mar 20)</b>	310
<b>Top Brands/Tenants</b>	Adidas, Coach, Nike, Fila, Skechers
<b>Car Park Lots</b>	1,566
<b>Valuation (RMB mil, 31 Dec 19)</b>	2,795

## Sales



## Outlet Members



# 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



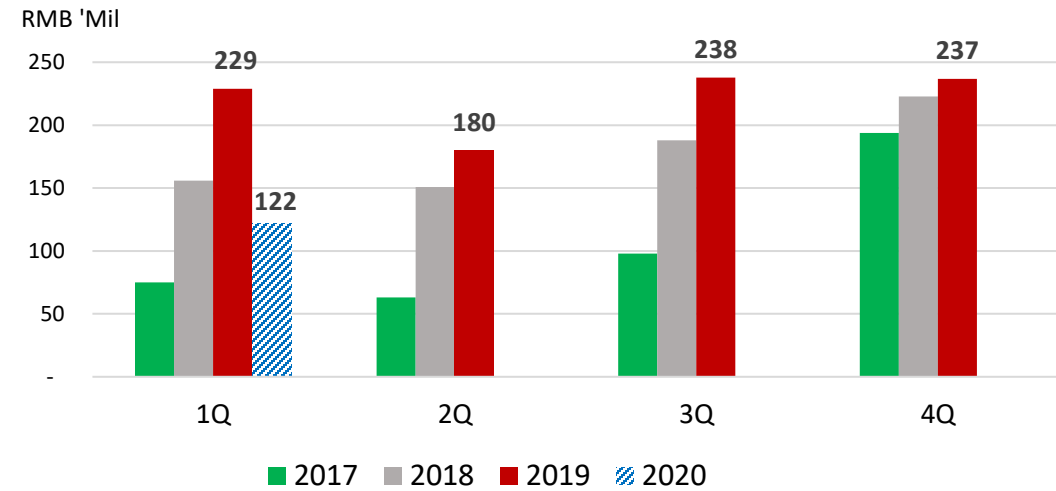
Indoor Zoo (interior)

# Kunming Outlets

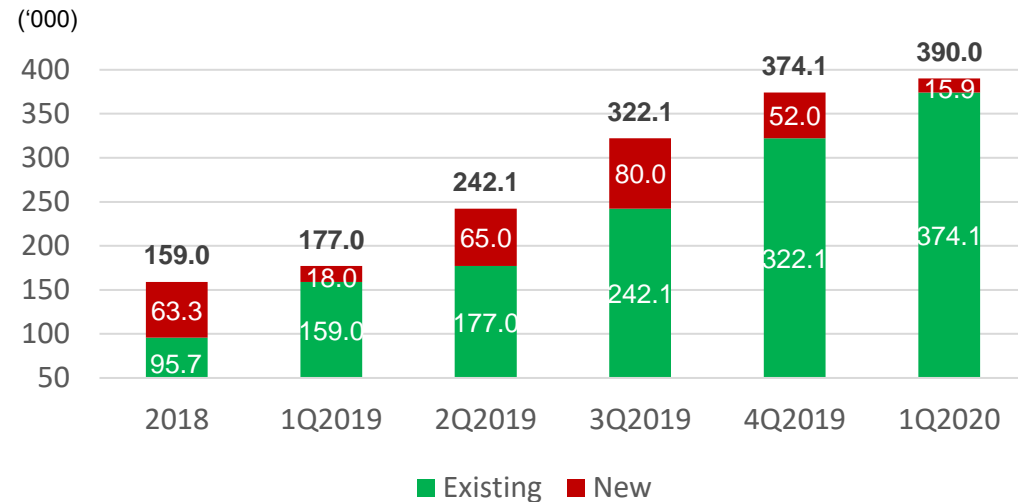


<b>Year Commenced Operations</b>	Dec 2016
<b>GFA (sqm)</b>	88,257
<b>NLA (sqm)</b>	70,067
<b>Occupancy Rate (% , 31 Mar 20)</b>	96.0
<b>No. of Tenants (31 Mar 20)</b>	224
<b>Top Brands/Tenants</b>	Nike, Adidas, Fila, +39 Space, Chow Tai Fook
<b>Car Park Lots</b>	2,000
<b>Valuation (RMB mil, 31 Dec 19)</b>	1,620

## Sales



## Outlet Members



# Reopening of Sasseur Outlets



Outlet	Reopen Date	Days of Closure
Chongqing	15 March	49
Bishan	15 March	49
Hefei	13 March	46
Kunming	11 March	44



# Sales Increased on Reopening Day versus Last Year

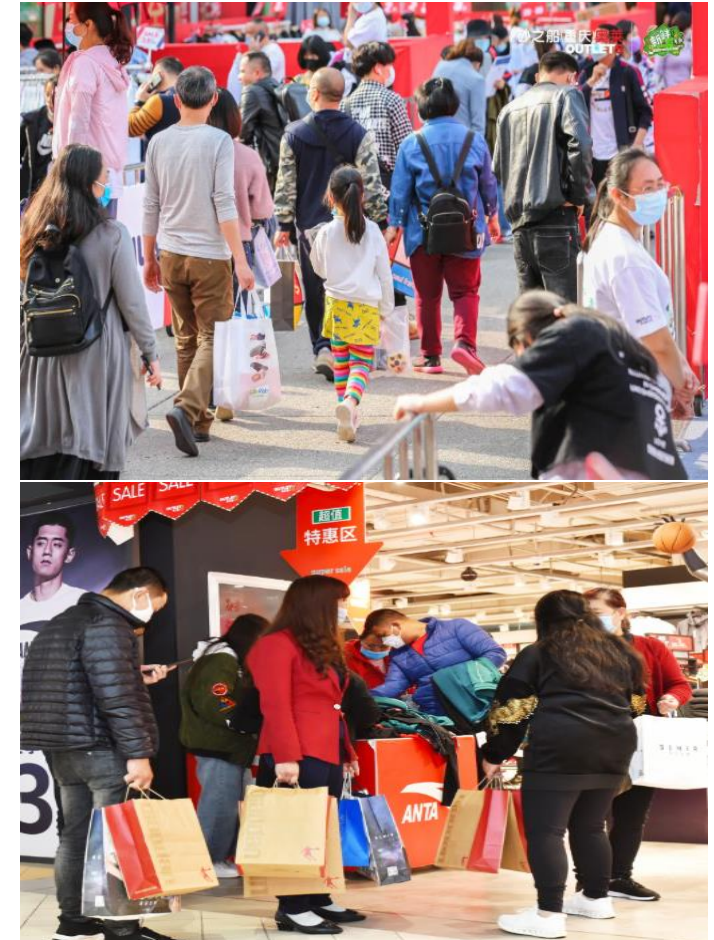


数字充分证明，砂之船奥莱始终是消费者喜爱的购物场所！

<b>Kunming 11 Mar</b>	<b>Hefei 13 Mar</b>	<b>Chongqing 15 Mar</b>	<b>Bishan 15 Mar</b>
<b>+171%</b>	<b>+57%</b>	<b>+131%</b>	<b>+228%</b>

# Spring Sale

Outlet	1 <sup>st</sup> Day Reopening Sale (RMB Million)	1 <sup>st</sup> Day Spring Sale (RMB Million)	Comparison
Chongqing	5.65	25.76	456%
Bishan	1.92	5.46	284%
Hefei	2.00	9.93	497%
Kunming	1.90	6.01	316%
Total	11.47	47.16	411%



# Spring Sale

## Return of shoppers at Sasseur Outlets





# 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



## Opening Soon

## Pipeline Properties

	Nanjing	Hangzhou	Changchun	Changsha	Lanzhou	Xiamen	Yangzhou	Shanghai	Shenzhen
Opening Date	May 2015	Jun 2011	Sep 2017	Dec 2018	Dec 2019	Sep 2020	Sep 2020	~3Q2021	~2022
GFA (sqm)	149,875	45,873	172,128	210,600	~100,000	~75,000	~85,000	~109,000	~150,000
Car Park Lots	c.8,000	c.5,000	c.4,000	c.2,084	c.2,500	c.2,000	c.1,200	c.2,500	c.2,200

# Investment Merits



SASSEUR (KUNMING) OUTLETS

# Key Milestone and Awards



## FTSE EPRA NAREIT Global Emerging Market Index Inclusion<sup>1</sup>

1

**Best IPO in Singapore  
2018**

By: The Asset Asian (Triple A) Awards  
2018

2

**Most Promising REIT in  
Asia**

By: Fortune Times REITs Pinnacle  
Awards 2018

3

**Gold Award Retail REITs  
(Singapore)**

(less than USD 1 billion market cap)  
By: 2018 Asia Pacific Best of Breeds  
REITs

4

**Best REIT Deal in  
Southeast Asia 2018**

By: Alpha Southeast Asia 12th Annual  
Best Deal & Solution Awards 2018

5

**REIT Company of The  
Year – Singapore 2019**

By: International Investor Magazine

6

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

1. Since 23 December 2019.

# Investment Merits



1

**Market Leadership:** Sasseur Group is the one of the largest operator of outlet malls in China, with 11 malls and over 12 years of operating experience

2

**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%

4

**Top Performing China S-REIT FY2019:** Total Return 52% as per SGX report

5

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



# 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**