



Press Release - For Immediate Release

## Sasseur REIT's Financial and Operating Performance Remains Steady and Defensive in FY2024 Robust 2H 2024 DPU of 2.929 cents Driven by Higher Distributable Income

- Stable FY2024 EMA Rental Income and Distributable Income, supported by lower finance cost and tax expenses despite reduced sales year-on-year
- Portfolio occupancy at record high of nearly 99%; 4Q 2024 outlet sales up 4.8% YoY, reversing downward trend
- Healthy balance sheet with historically low gearing of 24.8%, underpinned by stable property valuations
- Diversified debt maturity profile with no refinancing needs in 2025

### Summary of Results:

	2H 2024	2H 2023	Change %	FY2024	FY2023	Change %
<b>EMA Rental Income (RMB mil)</b>	<b>335.1</b>	<b>332.5</b>	<b>0.8</b>	<b>664.1</b>	<b>658.5</b>	<b>0.9</b>
- Fixed Component (RMB mil)	230.5	223.8	3.0	461.0	447.5	3.0
- Variable Component (RMB mil)	104.6	108.7	(3.8)	203.1	211.0	(3.7)
<b>EMA Rental Income (exclude straight-line adjustments) (S\$ mil)</b>	<b>62.2</b>	<b>62.3</b>	<b>(0.3)</b>	<b>124.5</b>	<b>124.9</b>	<b>(0.4)</b>
Distributable Income (S\$ mil)	40.6	39.4	3.1	83.3	83.4	(0.1)
Amount Retained (S\$ mil)	(4.0)	(3.1)	(30.2)	(7.4)	(6.0)	(23.5)
<b>Distribution Per Unit (S cents)</b>	<b>2.929</b>	<b>2.927</b>	<b>0.1</b>	<b>6.082</b>	<b>6.249</b>	<b>(2.7)</b>

Note: Average S\$:RMB rate of 1:5.3360 for FY2024 and 1:5.2715 for FY2023.

**Singapore, 20 February 2025** – Sasseur Asset Management Pte. Ltd. (“**SAMPL**” or “**REIT Manager**”), the manager of Sasseur Real Estate Investment Trust (“**Sasseur REIT**”), is pleased to announce a Distribution Per Unit (“**DPU**”) of 2.929 Singapore cents for the second half of 2024 (“**2H 2024**”), representing a 0.1% year-on-year (“**YoY**”) increase. This growth was supported by resilient EMA Rental Income of RMB 335.1 million, reflecting a 0.8% YoY improvement. In Singapore Dollar terms, Distributable Income for 2H 2024 increased 3.1%



YoY to S\$40.6 million, primarily due to lower finance cost and tax expenses. The DPU for 2H 2024 will be paid to unitholders on 27 March 2025.

For the financial year ended 31 December 2024 (“**FY2024**”), EMA Rental Income amounted to RMB 664.1 million, a 0.9% YoY increase. The growth was driven by a 3.0% rise in the fixed component, which offset a 3.7% YoY decline in the variable component, in line with a 3.9% drop in the portfolio’s outlet sales. In Singapore Dollar terms, EMA Rental Income for FY2024 decreased marginally by 0.4% YoY to S\$124.5 million, primarily due to currency translation effects.

For FY2024, Sasseur REIT recorded a total DPU of 6.082 Singapore cents, reflecting a 2.7% YoY decrease. The decline was mainly attributed to a lower DPU in the first half of the year, as well as higher retention to support onshore loan principal amortisation and future capital expenditures.

Ms. Cecilia Tan, CEO of SAMPL, commented, “While consumer confidence in China remains subdued, we are seeing some positive trends. We are particularly encouraged by the steady recovery in outlet sales, which rose 4.8% YoY in fourth quarter 2024 (“**4Q 2024**”) reversing the downward trend in the first three quarters, driven by strong performance during Golden Week and year-end promotional campaigns. Overall portfolio sales ended the year with a lower-than-expected decline of 3.9% compared to 2023, which had a higher base. The EMA model demonstrated resilience in generating stable rental income, underscoring the strength and defensiveness of our outlet business even amid the challenging consumer environment.

A key driver of performance was Sasseur REIT’s proactive asset management, which focused on optimising the tenant mix and enhancing retail and lifestyle offerings to align with evolving consumer preferences. Strategic collaborations with leading brands also contributed to the success of major promotional events such as Golden Week Sales, Red Festival, and year-end promotions.

Preliminary sales data from this year’s Lunar New Year season indicate strong buying momentum, with a double-digit sales growth across the portfolio’s outlets in January 2025. Given these positive indicators, we remain cautiously optimistic about the sales outlook for our portfolio’s outlets in 2025.



In terms of capital management, we have maintained a prudent approach while actively exploring new funding channels to diversify the REIT's debt profile. Notably, in December 2024, we extended the existing RMB 308 million Sponsor loan from 2025 to 2030 and re-priced this loan to floating interest rate referenced to the China five-year Loan Prime Rate (“5Y LPR”). Additionally, in preparation for the refinancing of loans due in 2026, we secured a new Sponsor loan of up to RMB 430 million for a five-year term, on a floating interest rate basis referenced to the 5Y LPR. This aligns with our strategy to gradually increase the REIT's exposure to lower-cost RMB-denominated loans, capitalising on China's accommodative monetary policies to reduce overall financing costs while providing natural hedging. This achievement further highlights the ongoing strong support and commitment from our Sponsor. Moreover, the REIT's recent attainment of an 'AAA' investment-grade rating from China Lianhe Credit Rating Co., Ltd. enhances our ability to access a wider range of funding options within China.”

### **Capital Management**

Sasseur REIT's aggregate leverage improved to 24.8% as of 31 December 2024, a historical low for the REIT and the lowest among S-REITs<sup>1</sup>, providing ample debt headroom for future growth. Interest coverage ratio strengthened to 4.6 times as at 31 December 2024. Approximately 87% of total borrowings are hedged to fixed rate or pegged to stable interest rates, with a weighted average debt maturity of 2.5 years. In line with China's economic policies, the government reduced the five-year LPR three times in 2024 to 3.60%, which is expected to help mitigate Sasseur REIT's overall debt cost over time.

### **Portfolio Updates**

Throughout the year, Sasseur REIT undertook four major asset enhancement initiatives, including advertisement billboards, façade and roof top garden upgrades at Hefei Outlet. At Kunming Outlet, enhancements included the addition of 400 car parking spaces ahead of its Anniversary Sales and the refinement of its “Super Sports” and “Super Kids” themes which enhanced shopping experience at the outlet. Additionally, visibility and accessibility at Bishan Outlet improved with the opening of a second entrance. As a result, the REIT's portfolio occupancy reached all time high of 98.9% in 4Q 2024, 1.3 percentage point higher YoY. The REIT's portfolio tenant trade mix remained well-diversified, with no single tenant contributing more than 5% of gross revenue<sup>2</sup> as of 31 December 2024.

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<sup>1</sup> SGX Research, “Chartbook: SREITs & Property Trusts”, 4Q 2024.

<sup>2</sup> Gross revenue is computed based on average monthly gross revenue for the period January – December 2024.



## Portfolio Valuation

As of 31 December 2024, the portfolio valuation was RMB 8,420 million, reflecting a slight decrease of RMB 77 million (0.9%) compared to the previous year. In Singapore Dollar terms, the valuation increased by 0.1%, driven by a favourable Renminbi exchange rate. The portfolio valuation has stayed firm, supported by resilient outlet revenue.

## Outlook

China's economy maintained steady growth in 2024, achieving a 5% GDP expansion in line with the government's target, according to official data from the National Bureau of Statistics released on January 17, 2025<sup>3</sup>.

Consumer confidence in 2024 remained cautious, with spending primarily focused on essential goods rather than discretionary items. McKinsey's 2024 China Consumer Sentiment Report highlights a growing preference for saving and value-driven purchases<sup>4</sup>. However, despite subdued sentiment, younger consumers, particularly in lower-tier cities, showed a greater willingness to spend on experiences and cost-effective products. This shift presents opportunities for retailers that can adapt to evolving consumer preferences.

Mr. Vito Xu, Chairman of SAMPL, stated, "The Chinese government has identified nine key tasks for 2025, with vigorously boosting consumption, improving investment efficiency, and expanding domestic demand across all sectors as the top priority<sup>5</sup>. As consumption plays an increasingly vital role in economic growth, we expect new opportunities to emerge in creating innovative consumer experiences, strengthening supply chains, and unlocking untapped market potential.

As the Sponsor of Sasseur REIT, we stay committed to providing strategic, financial, and operational support to drive the REIT's long-term sustainable growth."

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<sup>3</sup> China Briefing. China's Economy Report Card for 2024: GDP, Trade, FDI. 20 January 2025.

<sup>4</sup> McKinsey & Company. Getting Granular: In Search of Pockets of Growth in China. July 2024.

<sup>5</sup> National Development and Reform Commission "焦点访谈 | 九项重点任务指明方向" 23 December 2024



## **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 is responsible for managing Sasseur REIT's assets and liabilities in the best interests of Unitholders.

As the first retail outlet mall REIT listed in Asia, the REIT Manager aims to leverage Sasseur REIT's first-mover advantage to acquire properties with strong investment potential, both within Asia and internationally. The REIT Manager's growth strategy focuses on identifying and selectively pursuing acquisition opportunities for high-quality, income-generating properties primarily used for retail outlet mall purposes, starting with China and expanding to other regions in the future.

## **About the Sponsor – SASSEUR CAYMAN HOLDING LIMITED**

The Sponsor Group is a leading premium outlet operator in China, ranked among the top 500 service companies in the country. With nearly 30 years of experience in art-commerce, the Sponsor Group has earned recognition in Asia for its strategic approach to outlet management, integrating emotion, aesthetics, scenario planning, and prudent capital management. The Group is also known for its innovative "A x (1+N) x DT x S" Super Outlet business model.

For more information about the Sponsor, please visit <http://www.sasseur.com/>.

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## **IMPORTANT NOTICE**

*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.*

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