



For Immediate Release

**Sasseur REIT's 1H 2023 EMA Rental Income
Up 8.0% Year-on-Year to RMB326 million;
Highest First Half Year Portfolio's Outlet Sales,
Surpassing Pre-COVID Level**

- Highest first half year portfolio's outlet sales of approximately RMB2.3 billion, increasing by 20.5% year-on-year
- Chongqing Liangjiang Outlet also recorded highest first 6-month sales of RMB1.2 billion since Sasseur REIT's listing in March 2018
- Portfolio average occupancy rate reached record high of 97.2% in 2Q 2023
- Portfolio is expected to continue the positive trajectory given its resilient operational metrics, strong leasing momentum coupled with the outlets' signature Anniversary sales events and other major promotional activities slated for the second half of this year
- Balance sheet remained robust with low gearing of 26.2% and a diversified debt maturity profile

Summary of Results:

	2Q 2023	2Q 2022	Change %	1H 2023	1H 2022	Change %
EMA Rental Income (RMB mil)	155.4	143.4	8.4	326.0	301.8	8.0
- Fixed Component (RMB mil)	111.9	108.6	3.0	223.8	217.2	3.0
- Variable Component (RMB mil)	43.5	34.8	25.0	102.2	84.6	20.8
EMA Rental Income (exclude straight-line adjustments) (S\$ mil)	29.5	29.7	(0.5)	62.6	63.5	(1.4)
Distributable Income (S\$ mil)	20.2	20.3	(0.4)	43.9	45.1	(2.4)
Amount Retained (S\$ mil)	(2.0)	(0.9)	(>100)	(2.9)	(3.3)	12.5
Distribution Per Unit (S cents)	1.473	1.588	(7.2)	3.322	3.410	(2.6)

Note: Average S\$:RMB rate of 1:5.2583 for 2Q 2023, 1:4.8219 for 2Q 2022, 1:5.2094 for 1H 2023 and 1:4.7535 for 1H 2022



Singapore, 11 August 2023 – Sasseur Asset Management Pte. Ltd. (“**SAMPL**” or “**REIT Manager**”), the manager of Sasseur Real Estate Investment Trust (“**Sasseur REIT**”), is pleased to announce that Sasseur REIT has achieved an EMA Rental Income for the first half year ended 30 June 2023 (“**1H 2023**”) of RMB326.0 million, up 8.0% year-on-year (“**YoY**”). The higher EMA Rental Income was driven by a 20.8% YoY rise in the variable component, underpinned by the portfolio’s strong outlet sales performance in 1H 2023 of approximately RMB2.3 billion, 20.5% higher YoY.

In Singapore Dollar terms, EMA Rental Income for 1H 2023 was lower by 1.4% YoY at S\$62.6 million, due to the impact of foreign currency translation. The strength of the Singapore Dollar against the Renminbi as well as higher finance costs also affected distributable income which was lower by 2.4% YoY. Against the Singapore Dollar, Renminbi has depreciated 8.7% for 1H 2023 as compared to the same period in 2022.

For 1H 2023, Sasseur REIT recorded a distribution per unit (“**DPU**”) of 3.322 cents, lower by 2.6% YoY. On a like-for-like currency basis, 1H 2023 DPU would have been higher by 8.1% YoY at 3.687 cents¹. The 1H 2023 DPU comprises the second quarter 2023 (“**2Q 2023**”) DPU of 1.473 cents which will be paid to Unitholders on 26 September 2023.

Ms Cecilia Tan, CEO of SAMPL said, “Sasseur REIT’s operational performance in the first half of 2023 exceeded our expectations. We are very pleased that the portfolio’s outlet sales reached an all-time high, even surpassing pre-COVID level in the first half of 2019 with Chongqing Liangjiang Outlet’s 1H 2023 sales also setting a new record high. This once again demonstrates the continuing resilience of our outlet business against the background of a mixed recovery in China’s economic growth, particularly in the second quarter of this year.

On the asset management front, we continue to be proactive in curating diverse, new and experiential brand concepts for Sasseur REIT’s outlets to enhance shoppers’ experiences. As part of our multi-pronged strategy to create more value through organic growth in Sasseur REIT’s portfolio, we undertook an asset enhancement initiative (“**AEI**”) in Kunming Outlet in July this year with the infusion of new food & beverage (“**F&B**”) offerings featuring popular KFC and Erlanggang Chongqing Hotpot (二郎岗). The AEI will position the outlet for steadily improving domestic tourism in Kunming city as well as tapping on the city’s recovery in F&B sales seen in 1H 2023.

Historically, Sasseur REIT’s outlets’ sales in the second half of the year have been stronger than the first half, due to retail seasonality factors and mega sales events lined up in the second

¹ Assuming the same retention rate of 3.8% and 10% for first quarter of 2023 and second quarter of 2023 respectively.



half such as the signature Anniversary sales (周年庆). Barring any unforeseen circumstances, we expect the trend to continue.

Sasseur REIT's gearing remains low at 26.2%, well below the regulatory limit of 50%. The debt maturity profile of the REIT is now better diversified with the bulk of the loans maturing only in 2026. Looking ahead, we will continue to be prudent in capital management and will actively seek suitable refinancing opportunities to manage the cost and maturity profile of the existing debt. We also actively manage foreign exchange and interest rate volatilities through appropriate hedging strategies.

In terms of corporate governance, we are pleased that Sasseur REIT has continued to receive recognition for good corporate transparency. In the 2023 Singapore Governance and Transparency Index (“SGTI”) released on 2 August 2023, Sasseur REIT achieved its highest score since its inclusion in the 2019 SGTI ranking. Sasseur REIT also improved its ranking by two places to 17th out of 43 REITs and Business Trusts, compared to 2022.”

Portfolio Updates

In 2Q 2023, the REIT's portfolio average occupancy rate across the four properties rose to 97.2%, exceeding FY2019's pre-COVID and 2Q 2022 occupancy rates of 96.0%. The all-time high occupancy rate was contributed mainly by Kunming Outlet due to new leases secured in 2Q 2023, as well as Chongqing Bishan Outlet which achieved a record high occupancy rate of 95.9% on the back of the successful AEI completed in 2022. Both Chongqing Liangjiang Outlet and Hefei Outlet continued to maintain stable occupancy rates in 2Q 2023.

As at 30 June 2023, more than 90% of the remaining leases (by gross revenue) expiring in FY2023 has been pre-committed. The REIT's tenant trade mix also remains well-diversified, with the top 10 tenants contributing 15.4% of the portfolio's gross revenue² and no single tenant contributing more than 5% of gross revenue².

In July 2023, Sasseur REIT has also embarked on an AEI to strengthen the F&B offerings at Kunming Outlet, with the objective to lengthen shoppers' dwell time and attract more footfall to retail zones with low traffic. Multinational fast-food chain, KFC, will take over a retail space on Level 1 by end-August 2023 while well-established Erlanggang Chongqing Hotpot has taken over a previously vacant unit on Level 4 rooftop in early August 2023.

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



Capital Management

Sasseur REIT continues to maintain a prudent balance sheet. As at 30 June 2023, its aggregate leverage remained low at 26.2%, one of the lowest amongst S-REITs³, with a healthy interest coverage ratio⁴ of 4.0 times. The low aggregate leverage indicates a sizeable debt headroom for funding potential acquisitions.

Approximately 77% 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 3.3 years as at 30 June 2023. Approximately 54% of Sasseur REIT's total loans are denominated in RMB. As part of China's efforts to bolster economic growth, the government has reduced the 5-year Loan Prime Rate ("LPR") by 10 basis points to 4.2% per annum in June this year, the lowest level since January 2020 when the 5-year LPR was 4.8% per annum. This will help to cushion Sasseur REIT's overall cost of debt.

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.

Outlook

China's Gross Domestic Product ("GDP") grew 6.3%⁵ in 2Q 2023 on a YoY basis, compared to 2.9% growth and 4.5% growth for the fourth quarter of 2022 and first quarter of 2023 respectively. This brings the GDP growth for 1H 2023 to 5.5%, mainly driven by a recovery in domestic consumption since the re-opening of the economy in December 2022. The International Monetary Fund ("IMF") has reiterated its 2023 real GDP growth for China at 5.2%⁶.

Chairman of SAMPL, Mr Vito Xu, said, "We are seeing a more pronounced shift in Chinese consumers' preferences towards high-quality and lower-cost products during economic uncertainty. The outlet industry in China has shown counter-cyclical characteristics in the past and displayed greater resilience under weak or uncertain economic growth conditions. We are confident that consumer spending at outlets in China will remain robust in the second half of this year. This bodes well for Sasseur REIT's outlets in providing value-for-money bargains for consumers while positioning the outlets as "go-to" shopping destinations with uniquely curated lifestyle and experiential components at the same time.

³ SGX Research, "S-REITs actively manage impact of rising rates", 26 June 2023.

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).

⁵ National Bureau of Statistics of China, Press Release dated 17 July 2023.

⁶ International Monetary Fund, "World Economic Outlook", July 2023.



Given the Chinese government's recently intensified measures to boost economic growth and domestic consumption, we remain cautiously optimistic on the country's economic outlook for the rest of the year. The stimulus measures will also benefit Sasseur REIT's outlets, all of which are strategically located in high-growth cities such as Chongqing and Hefei with a large middle-class population base. Chongqing, where two of Sasseur REIT's outlets are located, was ranked fourth in Forbes' list of *China's Most Dynamic Cities* in May 2023⁷. Hefei was recently ranked top amongst 16 cities in Anhui Province in terms of 1H 2023 GDP⁸.

As the Sponsor of Sasseur REIT, we will continue to render our utmost support for the continued success of Sasseur REIT through the operational resources and expertise we have. We are breaking new ground on many fronts through our innovative marketing outreach, supported by our operational teams' strong drive for excellence, decades of experience in the outlet industry and deep knowledge in understanding customers' preferences.

For Sasseur Group which operates 16 outlets including the four owned by Sasseur REIT, we have also seen the Group's 1H 2023 outlet sales surpassing pre-COVID levels, testifying to the strong recovery in China's outlet industry. We remain confident that Sasseur REIT's outlets are well-positioned to benefit from China's current recovery in domestic consumption demand, given its operational resilience and counter-cyclicality in navigating economic cycles, as well as the outlets' focus on the growing Chinese middle-class population."

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⁷ 重庆本地宝, “官宣! 重庆, 全国第四!”, 5 July 2023; Forbes' ranking based on 6 main criteria including per capita consumption expenditure of urban residents.

⁸ 合肥晚报, “6.1%! 合肥刚刚发布!”, 30 July 2023.



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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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.