



# An Introduction to Sasseur REIT

July 2018

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A light gray silhouette map of the Asian continent is centered on the slide. Two horizontal red lines are drawn across the map, one above and one below the main text. The text "First Outlet Mall REIT listed in Asia" is written in a bold, red, sans-serif font, centered over the map.

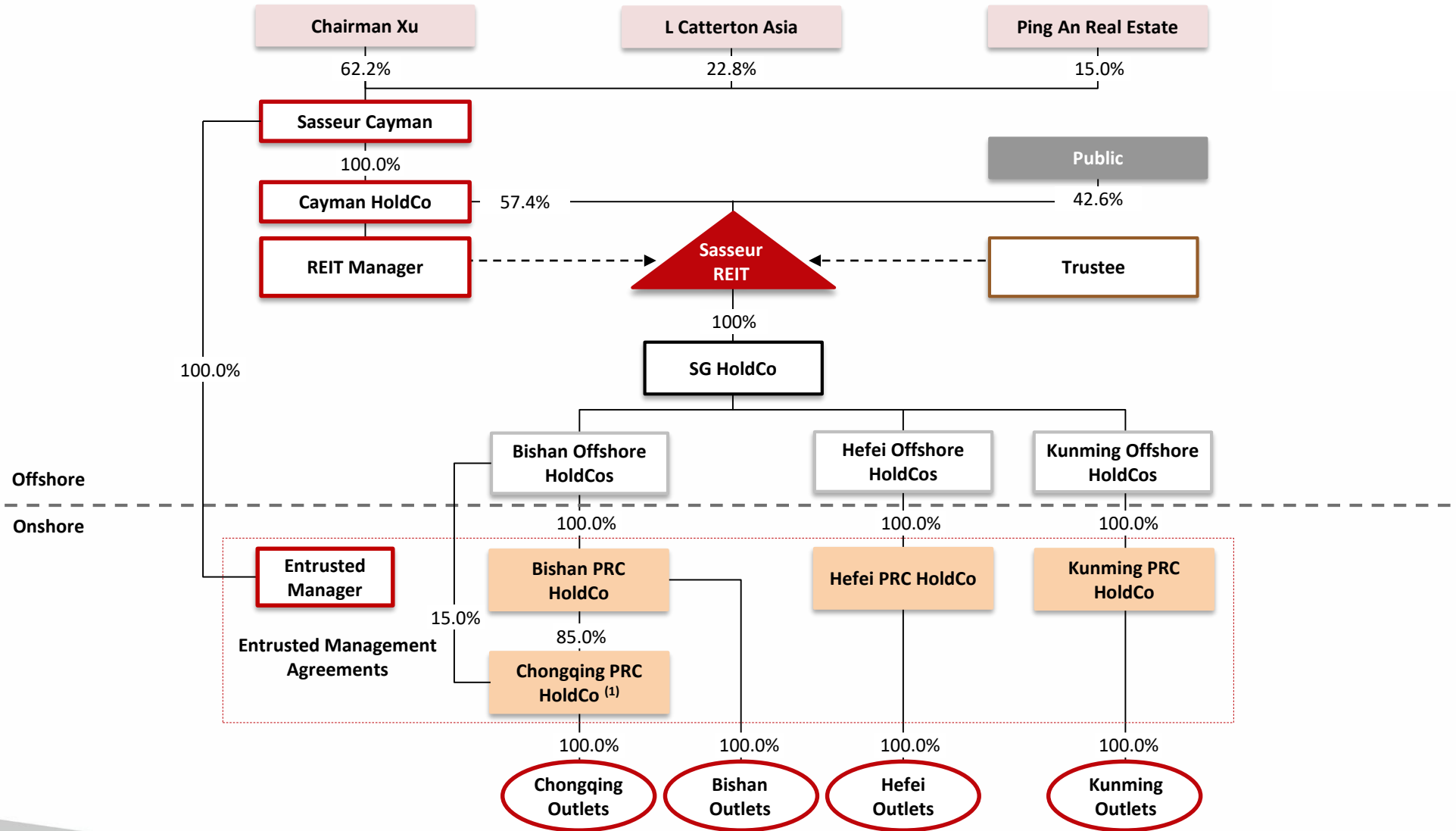
**First  
Outlet Mall REIT  
listed in Asia**

<b>Sponsor</b>	Sasseur Cayman Holding Limited (the “Sponsor” or “Sasseur Cayman”)
<b>REIT Manager</b>	Sasseur Asset Management Pte. Ltd.
<b>Market Capitalisation</b>	Approximately S\$944.2 mil <sup>(1)</sup>
<b>IPO Date</b>	28 March 2018
<b>Funds Raised</b>	Approximately S\$396.0 mil <sup>(2)</sup>
<b>Float</b>	23.16%
<b>Sponsor Stake</b>	57.42%
<b>Cornerstone Investors and their stake</b>	<p>The following 12 cornerstone investors hold 19.35% in Sasseur REIT:</p> <ul style="list-style-type: none"> <li>▪ Adroit Ideology Limited (JD.com)</li> <li>▪ Bangkok Life Assurance Pcl.</li> <li>▪ CKK Holdings Pte. Ltd. (CHARLES &amp; KEITH)</li> <li>▪ Credit Suisse AG</li> <li>▪ DBS Bank Ltd.</li> <li>▪ DBS Vickers Securities (Singapore) Pte. Ltd.</li> <li>▪ Entrepolis Limited (private investment holding company of Dr Robert Yap, the Executive Chairman of YCH Group Pte. Ltd.)</li> <li>▪ Great Achievement and Success Pte. Ltd.</li> <li>▪ Haitong International Financial Products (Singapore) Pte. Ltd.</li> <li>▪ Secoo Holding Limited</li> <li>▪ Sparkling Gateway Pte. Ltd. (wholly-owned by L Capital Asia 2 Pte. Ltd.)</li> <li>▪ TMB Asset Management Company Limited.</li> </ul>

(1) As of the IPO Date

(2) Without taking into consideration of greenshoe

# Sasseur REIT Structure



(1) Holds 40% interest in Chongqing West Outlets Brand Discount Commercial Co., Ltd. and Shanghai Pacific Rehouse Service Chongqing Co., Ltd.. Remaining 60% interest is held by Shanghai Pacific Rehouse Service Co. Ltd., an independent third party unrelated to the Sponsor (Sasseur Cayman Holding Limited) or Sasseur REIT



**First Outlet Mall  
REIT listed  
in Asia**

## Sponsor Management



### **Mr Xu Rongcan, Chairman & Founder**

- 28 years in the fashion retail business
- Built the first Sasseur outlet in 2008
- Won several personal awards and honors including the “Knight of the Order of the Italian Star” by the Italian government and “Outstanding Chinese Retailer of 2014-2015”



### **Ms Yang Xue, Non-Executive Director**

- 11 years in the fashion retail business
- Co-founder and Executive Director of Sasseur (Shanghai) Holding Company Limited, which provides enterprise management to 9 malls in 8 municipalities and provincial capitals in the PRC

## REIT Management



### **Mr Anthony Ang Meng Huat, CEO**

- 18 years of fund management experience
- Former CEO of the manager of Fortune REIT, CEO of ARA Asia Dragon Limited, senior positions with EDB, GIC Real Estate Pte. Ltd., and Vertex Management Pte. Ltd.
- Currently Singapore’s Non-Resident Ambassador to Tunisia



### **Mr Fred Chee Kin Yuen, CFO**

- 29 years of financial management in banking, real estate and property fund management
- Former CFO China of Sunway Group, Finance Director of ARA Managers (Asia Dragon) Pte Ltd, CFO Southeast Asia of Limitless LLC, and Head of Corporate Finance of Ascendas Pte Ltd.



### **Mr Ken Chew Hian Chin, CIO**

- Experienced in property-related investments and asset management
- Former Managing Director of Fosun Property Holdings, Vice President of CapitaMalls Asia Limited and Deputy General Manager of Mapletree Group in Japan



### **Mr Chen Zhen, Head of Investor Relations, Compliance and Risk Management**

- Former Deputy Director of Investment Risk Management in the Risk Management Department of the Monetary Authority of Singapore
- CFA Charterholder, CAIA Charterholder, and certified FRM

## Section 1

Overview of Sasseur Group

## Section 2

Overview of the Outlet Mall Industry

## Section 3

Sasseur REIT IPO Portfolio

## Section 4

Key Investment Highlights

## Section 5

Financial Information

## SECTION 1

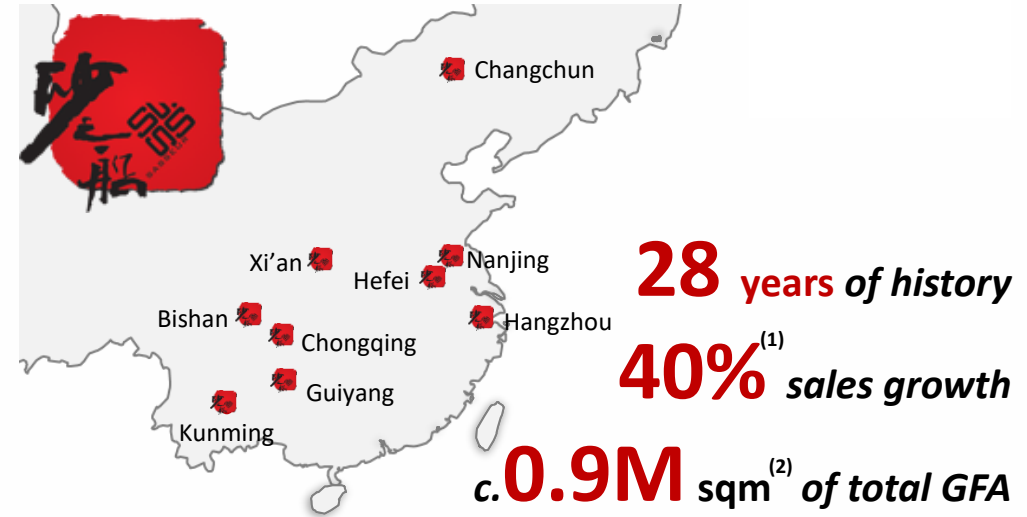
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# *Overview of Sasseur Group*



## Introduction to Sasseur Group

- Founded in 1989, Sasseur is one of the leading premium outlet groups in the People's Republic of China ("PRC"), that focuses on the development and operation of retail outlet malls in the PRC
- As of December 2017, Sasseur manages 9 outlet malls in 8 major Chinese cities
- Leverages on the founder's passion for art and culture to develop and design all of Sasseur's outlet malls, thus offering a unique lifestyle experience for its customers



## Founded by Chairman Xu



- **Chairman Xu** is the founder and chairman of Sasseur with a wealth of experience in the fashion industry.
- In 1992, he entered the clothing industry and created his own women's wear fashion line – Sasseur
- In 2008, he built the first Sasseur outlet in Chongqing, an art piece that has won numerous awards
- Recipient of numerous prestigious awards

## Supported by Strategic Shareholders



- Largest pan-Asian consumer-focused private equity firm that operates within a global L Catterton platform
- Manages over USD 1.6 billion AUM (USD 2.6 billion with co-investments)<sup>(3)</sup>
- Affiliate of the Fortune 500 company Ping An Insurance
- Professional real estate investment, development and management platform of Ping An Insurance
- AUM of approximately RMB 300 billion (USD 61 billion)<sup>(4)</sup>

(1) CAGR from 2009 to 2016; Sponsor Data

(2) By end 2017

(3) Provided by L Catterton Asia on 19 September 2017

(4) Extracted from Ping An Real Estate website (<http://realestate.pingan.com/realestate/html/about.html>) on 4 January 2018

# History & Development of Sasseur Group



Asia's First Outlet Mall REIT



- 1<sup>st</sup> in top 10 Fashion Landmarks of Chongqing



## 1989 – 1999

- Art inspired coffee shop
- Distributor for international brands
- Started high-end women's Sasseur brand

- Most Promising Chinese Enterprises
- New Mode Retail Sales



## 2012 – 2014

- Opened Bishan Outlets



## 2015 – 2016

- New strategic shareholders:
  - L Catterton Asia
  - Ping An Real Estate
- Opened:
  - Hefei Outlets
  - Kunming Outlets

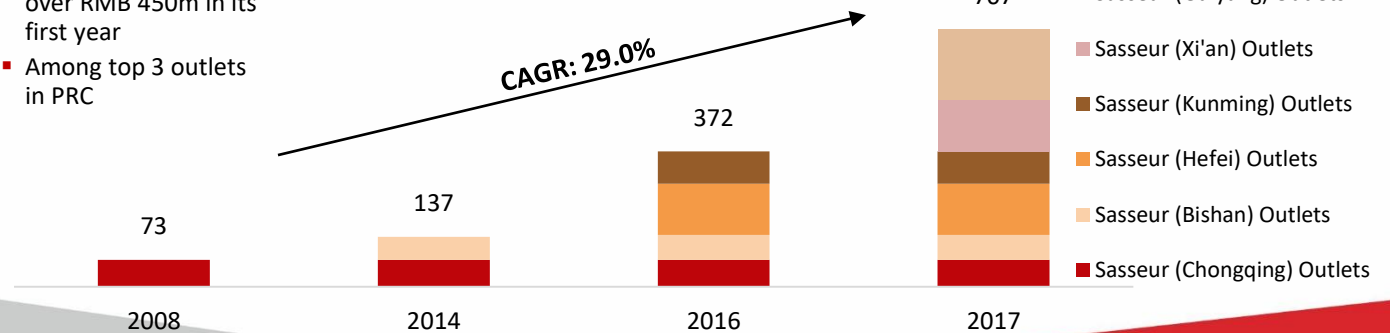
- 2016 Top 10 Outlets
- 2016 Innovative Outlets
- China Innovative Commercial Real Estate Project



## 2017

- Opened:
  - Xi'an Outlets
  - Guiyang Outlets
- As at the end of 2017, Sasseur Group:
  - managed 9 outlets
  - owned 6 of them

Opening of Outlet Malls (GFA in '000 sqm)



Source: Sponsor

## SECTION 2

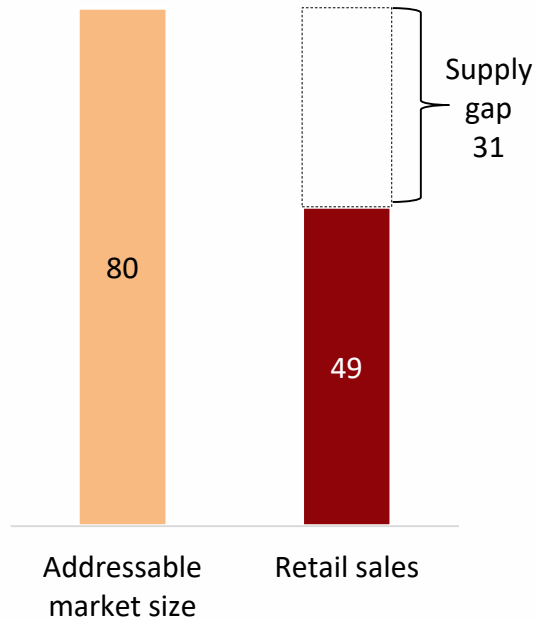
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# *Overview of the Outlet Mall Industry*

# Outlet industry in China has significant potential for growth

## Large supply gap presenting upside opportunity

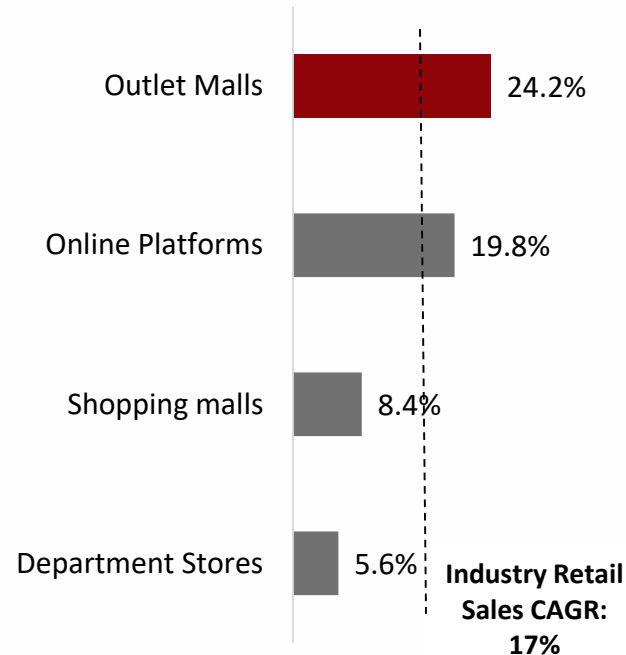
China's Outlet Industry in 2016  
(RMB billion)



- Supply gap represents market opportunity for the outlet industry

## Highest expected sales growth among major retail platforms

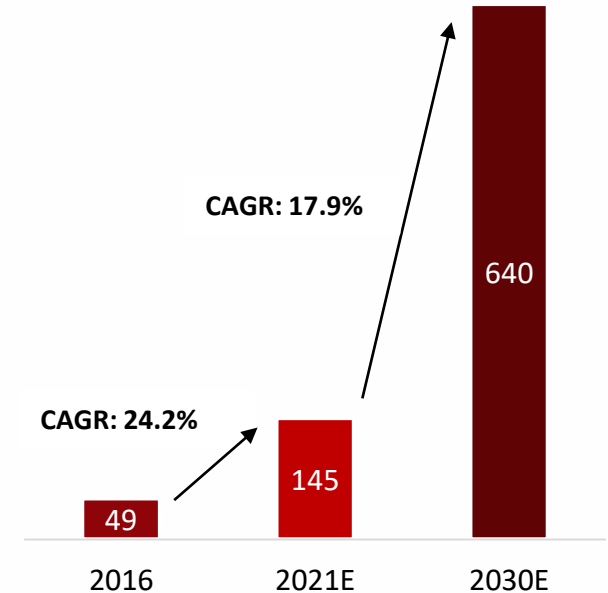
Growth of Retail Sales in China  
(CAGR from 2016 to 2021E)



- Outlet malls are expected to experience the highest growth in the China retail industry, from 2016 to 2021E with a CAGR of c.24.2%

## Outlet malls' sales estimated to grow significantly

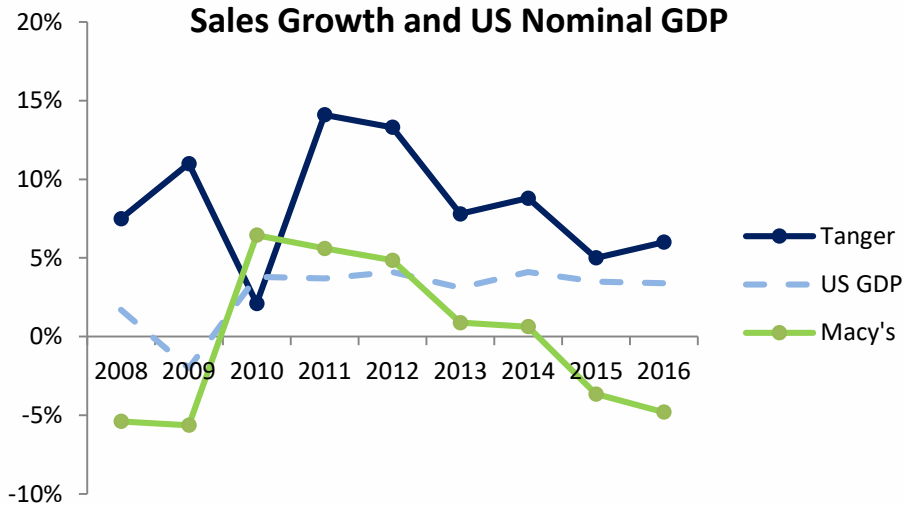
China's Outlet Industry  
(RMB billion)



- Sales is projected to grow exponentially from ~RMB 49 billion in 2016 to reach ~RMB 145 billion in 2021E to ~RMB 640 billion in 2030E

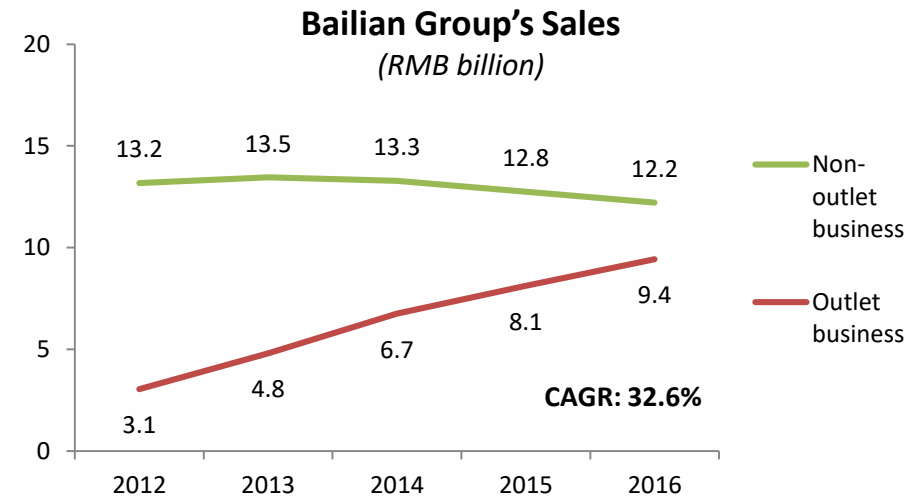
# Counter-cyclical nature of US outlet industry is expected to be seen in China

## US outlet industry exhibited consistent counter-cyclical behaviour



- Traditional department stores, such as Macy's, were adversely affected by the global financial crisis
- In 2008, Macy's had to close 6 stores. In contrast, in 2008, Tanger Factory Outlet Centers, Inc. continued to expand

## China outlet industry has shown counter-cyclical behavior as well



- From 2012 to 2016, the sales generated by Bailian Group's traditional retail business declined
- Conversely, its outlet business continued to grow

**In the last decade, the US outlet industry exhibited consistent counter-cyclical behaviour, and this is expected to happen for the Chinese outlet industry as well**

# Outlet model's competitive edge against other retail models

	Outlets	Department Store	Shopping Mall	Online Platform
Product Mix	Luxury and high-end brands	Middle to high-end brands	Middle to high-end brands	Low priced products
Pricing Strategy	Large Discounts	Normal	Normal	Low
Consumer Experience	✓	✗ (small area with compact layout)	✓	✗ (no in-store shopping experience)
Location	Suburbs	City Center	City Center	-
Segment	Middle Class	Mass Market	Mass Market	Mass Market
Authenticity	✓	✓	✓	Possibility of counterfeit goods

## Brand Owners

- Advantages Over Online
- Higher Profit Margin
- Quicker Payback Period
- Enhanced Inventory Management

## Outlet Malls' Competitive Edge

## Customers



- Better Shopping Experience
- Product Authenticity
- High Discounts
- Access to a Wide Range of Products

















## Leading private outlet specialist in PRC

	Outlet Operators	Operator category	Outlets (Operation and Planned)	NLA <sup>(1)</sup> (sqm)
1	Sasseur	Local Private Outlet Specialist	8 <sup>(2)</sup>	c.408,544 <sup>(3)</sup>
2	Bailian	SOE Retail Group	7	c.420,000
3	SCITECH	Real Estate Company	6	c.250,000
4	Beijing Capital Land	Real Estate Company	6	c.200,000
5	RDM	International Outlet Specialist	5	c.170,000

## Benefits of being a private outlet specialist

### Different Types of Outlet Operators in China

 Applicable  
 Not applicable

	Operational Experience	Brand Resources	Understanding of Local Market	Financial Strength
Local Private Outlet Specialists				
SOE Retail Groups				
Real Estate Companies				
International Outlet Specialists				

Mitigated by Sasseur's access to strategic partners  
(L Catterton Asia & Ping An Real Estate)

Source: China Insights Consultancy - Independent Market Research Report

<sup>(1)</sup> Only includes the NLA of outlet malls in operation as at 31 December 2016

<sup>(2)</sup> As of December 2017, Sasseur operates 9 outlet malls. This includes Guiyang Outlets which opened on 9 December 2017, earlier than the planned date of 1Q2018

<sup>(3)</sup> Inclusion of the 3 outlet malls that opened in 2017 will result in a total NLA of c.620,240 sqm

## SECTION 3

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# *Sasseur REIT IPO Portfolio*



# Overview of Sasseur REIT's IPO Portfolio

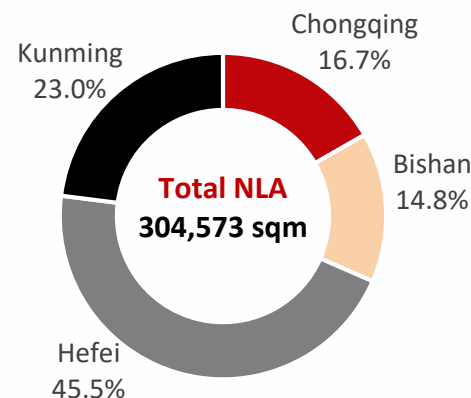
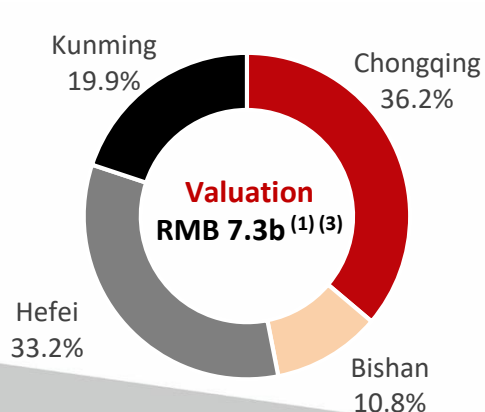


Asia's First Outlet Mall REIT



	Chongqing (2008)	Bishan (2014)	Hefei (2016)	Kunming (2016)	Total / Average

<b>GFA (sqm)</b>	73,373	68,791	141,182	88,257	371,603
<b>NLA (sqm)</b>	50,885	45,172	138,449	70,067	304,573
<b>Occupancy Rate as at 30-9-17 (%)</b>	96.0	85.6	93.3	90.7	91.8
<b>Occupancy Rate as at 23-2-18 (%)</b>	96.4	91.5	95.8	96.1	95.1
<b>No. of Tenants<sup>(1)</sup></b>	414	213	283	209	1,119
<b>Car Park Lots</b>	500	400	1,566	2,000	4,466
<b>Ownership Interests</b>	100%	100%	100% <sup>(2)</sup>	100%	-
<b>Valuation (RMB m)<sup>(1)(3)</sup></b>	2,654	789	2,435	1,460	7,338
<b>Implied Acquisition Price (RMB m)</b>	2,452	729	2,250	1,350	6,781
<b>Capitalisation Rates</b>	7.5%	7.5%	7.5%	8.5%	7.7%



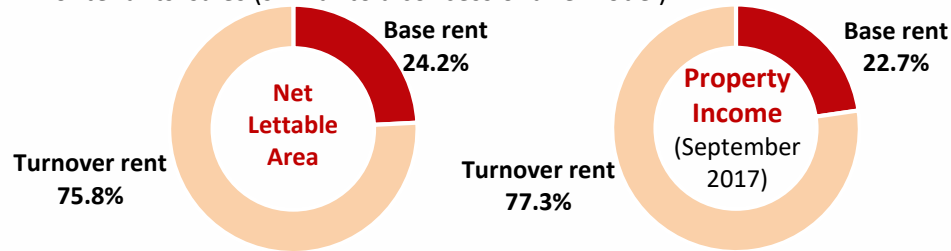
(1) As at 30 September 2017

(2) ~14% of the units (by NLA) have been strata-titled and sold

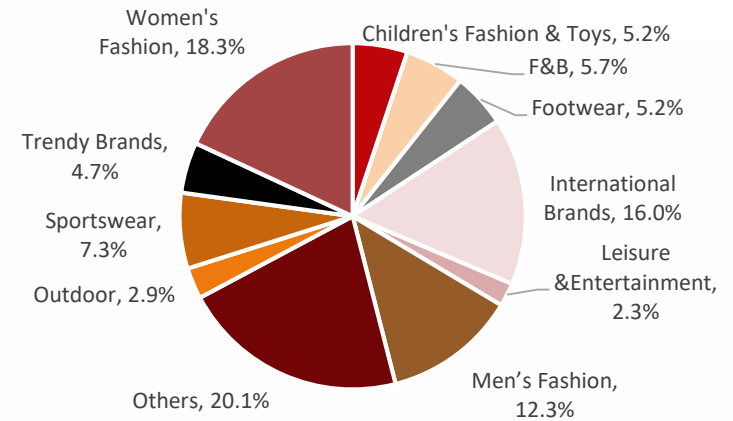
(3) Average independent valuation (with the Entrusted Management Agreements)

## Lease Structure

- **Fixed and higher of fixed or turnover (Base) rent leases:** Typically signed with F&B and entertainment (cinema) tenants, whereby there is a fixed rent component
- **Turnover rent leases:** Typically signed with domestic and international brands whereby Sasseur derives income based on an agreed percentage of tenants' sales (similar to a concessionaire model)

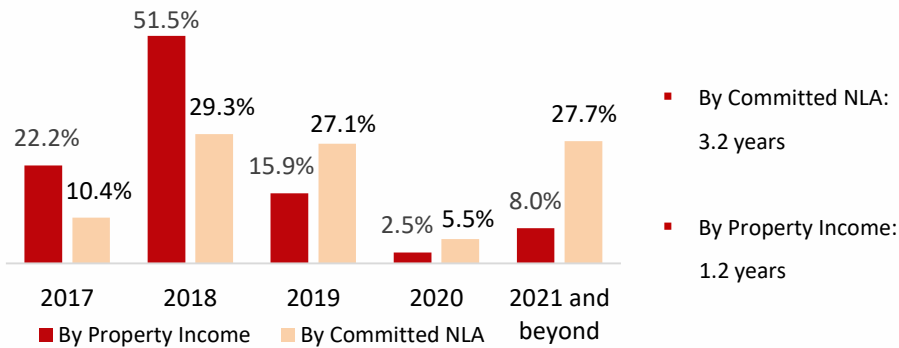


## Diversified mix of Tenants (Breakdown of NLA by Trade Sector)



## Lease Expiry Profile

## WALE



- **High percentage of sales-based and short-term leases provides organic income growth opportunities**

## Top 10 Tenants and Brands

- Top 10 tenants account for **13.4%** of Property Income in September 2017
- Each tenant accounts for **1.0% to 1.9%** of Property Income in September 2017
- Core brands within the outlet malls include:

<b>Luxury</b>	Gucci	Ermenegildo Zegna
	Coach	Salvatore Ferragamo
	Armani	Hugo Boss
	Michael Kors	Max Mara
		Bally
<b>Mid-Market</b>	Nike	Fila
	Adidas	Polo Sports
	New Balance	Calvin Klein

Source: Data as at 30 September 2017, obtained from Sponsor

# ROFR and Pipeline Properties

**5** cities

**2** ROFR Properties

**3** Pipeline Properties

**c.0.7M** sqm  
additional GFA



● **ROFR Properties**

**Xi'an (2017)**



GFA (sqm)	141,708
Car Park Lots	c.2,000

**Guiyang (2017)**



GFA (sqm)	193,520
Car Park Lots	c.1,000

● **Pipeline Properties**

**Nanjing (2015) - Operator**



GFA (sqm)	140,875
Car Park Lots	c.8,000

**Hangzhou (2011) - Operator**



GFA (sqm)	45,873
Car Park Lots	c.5,000

**Changchun (2017) - Operator**



GFA (sqm)	172,128
Car Park Lots	c.4,000

- Right of first refusal (“ROFR”) – 2 properties completed in 2H2017
- Third-party properties under management – 3 pipeline properties under management for which the Sponsor has been granted ROFR or, as the case may be, an option to purchase

Source: Sponsor

## SECTION 4

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# *Key Investment Highlights*

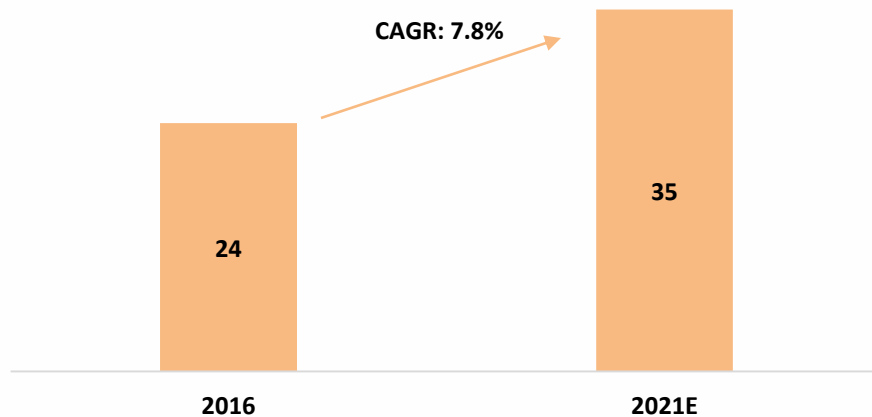


First  
Outlet Mall REIT  
listed in Asia

- 1 **S**weet spot of PRC's middle class segment
- 2 **S**trategically located properties across fast-growing cities
- 3 **S**uper outlet business model
- 4 **S**trong business fundamentals
- 5 **S**trategic reputable shareholders, committed Sponsor and experienced Management teams

## Increasing income levels in China

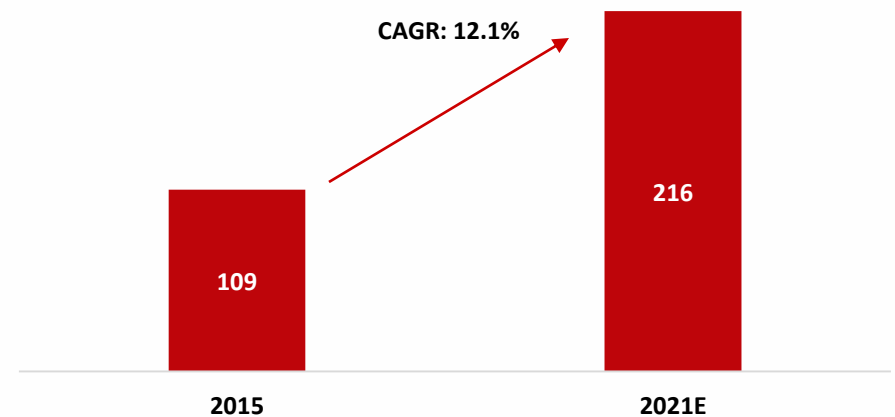
Per capita disposable income in China  
(RMB '000)



- The steady increase in income levels in the PRC would help to drive increased consumption, with a shift in consumer purchasing behaviour towards higher-quality, branded products

## Riding on the aspiration of PRC's fast growing middle class segment

Middle class population in China  
(million)



- Expected real GDP annual growth rate ranging between 6.6% and 5.8% from 2017 to 2021E
- Higher urbanization rates to help shift the economy towards a consumption-based model of economic growth

## 2 Strategically located properties across fast-growing cities

### Target high growth cities

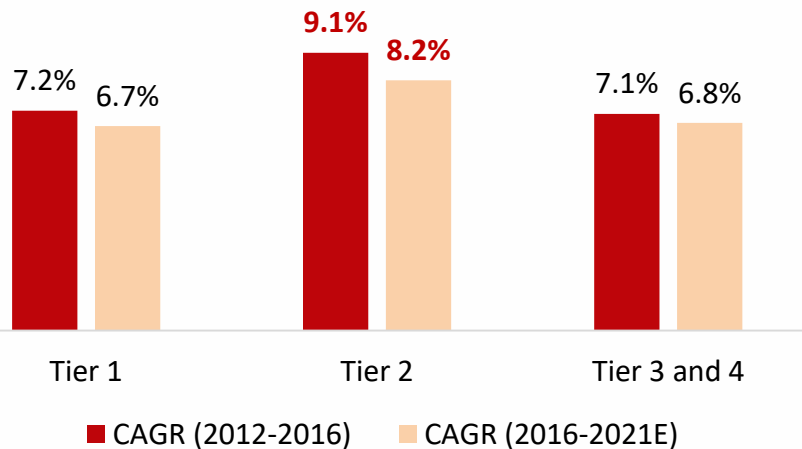
- Focus on high growth Tier-2 cities (Chongqing, Hefei and Kunming) that have rapidly expanding middle class populations with greater ability for discretionary spending



### Secure advantageous locations

- Focus on locations that offer
  - First-mover advantage
  - Large potential catchment market
- Outlet malls are in quality locations with easy access and transportation connectivity

CAGR of per capita consumption expenditure of urban households in China, from 2012-2021E



	Chongqing	Bishan	Hefei	Kunming
Accessibility by Public Transport	Walking distance from Chongqing Rail Transit 3, and Chongqing Rail Transit 10	Walking distance from several main roads, bus line No. 111, and Chongqing Rail Transit 1 (by 2018E)	20 mins' drive from the city centre and from Hefei airport via Metro Line 2	30 mins' drive from downtown area



1

## Proactive brand management and strong tenant relationship

- Brand database of approximately 1,770 international and domestic brands
- Symbiotic relationship with tenants, fostered through:
  - Joint operations to maximise sales and attract customers
  - Active consultations with tenants on organising promotional or marketing events
  - Ability to offer multiple locations to brands

2

## Comprehensive lifestyle and retail platform

- “1 + N” business model

3

## Art-inspired architectural design and commerce

- Create a unique lifestyle shopping experience



### 3 Super outlet business model – “1+N” Business Model

Super Outlets: A comprehensive lifestyle and retail platform focusing on the outlet malls



- With the introduction of proprietary amenities under various terms, Sasseur’s aim is to create a lifestyle and retail platform centred around the outlet malls to create Super Outlets
- Incorporation of such cultural and lifestyle elements enrich the collective experience of the shoppers and their families, and differentiating Sasseur from its competitors

# 4 Strong business fundamentals – Stable distribution with growth

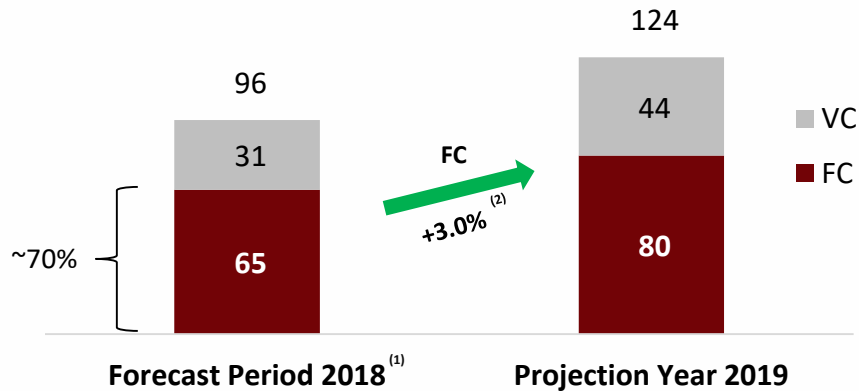
## EMA Resultant Rent

### EMA Resultant Rent



- Fixed Rent with stable growth escalation of **3%** annually from 2018
- % of total sales** for each property

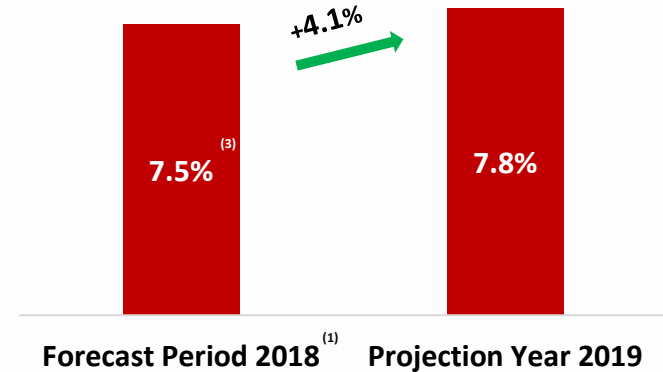
### Projected EMA Resultant Rent (SGD million)



### Growth in distributable income is driven by:

- (i) 3% annual escalation in FC and**
- (ii) VC being % of total sales**

## Stable distributable income with growth (Illustrative DPU yield)<sup>(4)</sup>



### Stable distributable income guaranteed at 2 levels:

- (i) ~70% of RR locked in at property level via guaranteed FC, and**
- (ii) Guaranteed EMA Resultant Rent ("RR") at portfolio level for two consecutive years ("Minimum Rent")**

Outlets	Variable Component (% of Sales)
Chongqing	4.0%
Bishan	4.5%
Hefei	5.5%
Kunming	5.0%

(1) Forecast Period 2018 is defined as 1 March 2018 – 31 December 2018

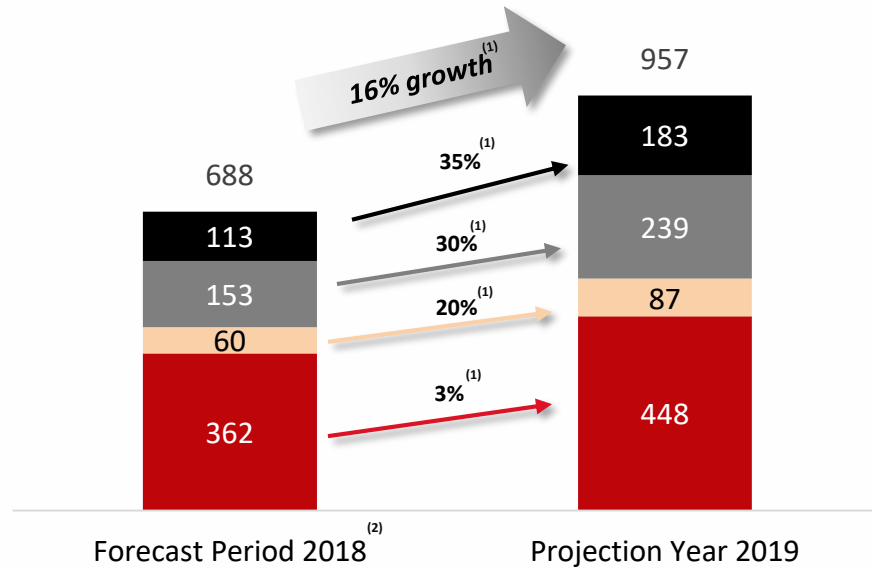
(2) Growth rates are based on numbers annualised from Forecast Period 2018 (1 March 2018 – 31 December 2018) to Calendar Year 2018 (1 January 2018 – 31 December 2018)

(3) Annualised from Forecast Period 2018 (1 March 2018 – 31 December 2018) to Calendar Year 2018 (1 January 2018 – 31 December 2018)

(4) Presented on an annualised basis, and based on the Offering Price and the accompanying assumptions in the Prospectus. In the absence of the Entrusted Management Agreements, the distribution yield for the Initial Portfolio is: (a) 6.1% on an annualised basis for Forecast Period 2018; and (b) 7.8% for Projection Year 2019 based on the Offering Price. Such yield will vary accordingly for investors who purchase Units in the secondary market at a market price different from the Offering Price and such yield is not guaranteed.

## Total Sales by Property

(SGD million)

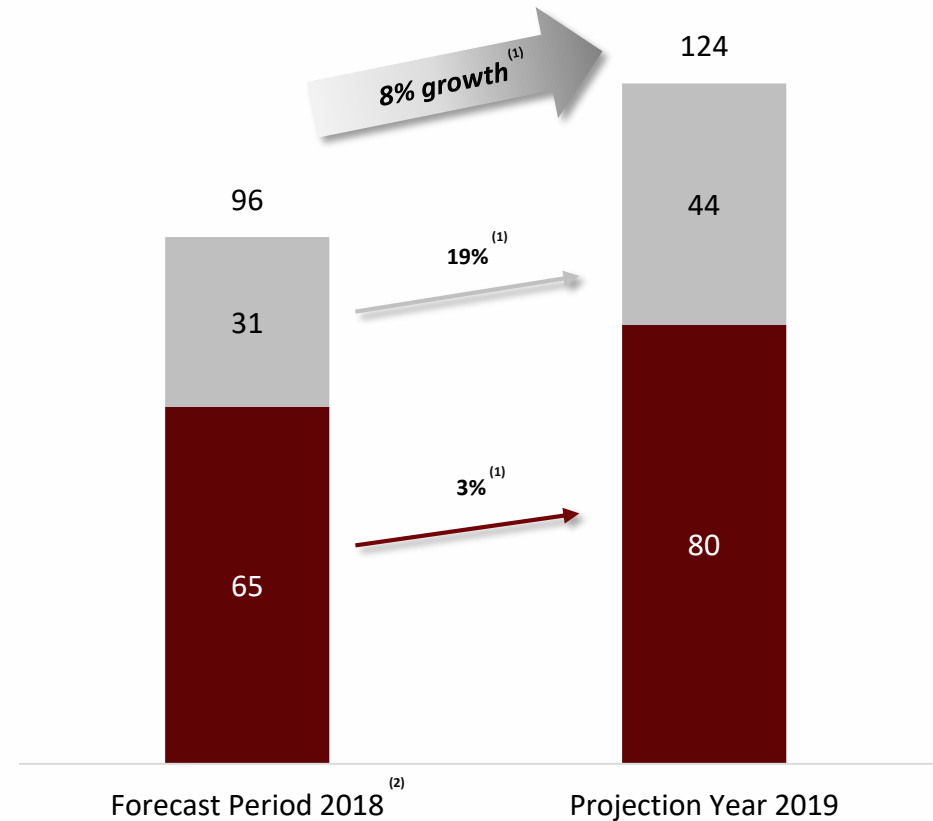


■ Chongqing Outlets ■ Bishan Outlets ■ Hefei Outlets ■ Kunming Outlets

Outlets	Commencement of Operations	Occupancy (as at 23 February 2018)
Chongqing	Sep 2008	96.4%
Bishan	Jan 2014	91.5%
Hefei	May 2016	95.8%
Kunming	Dec 2016	96.1%

## EMA Rental Income

(SGD million)



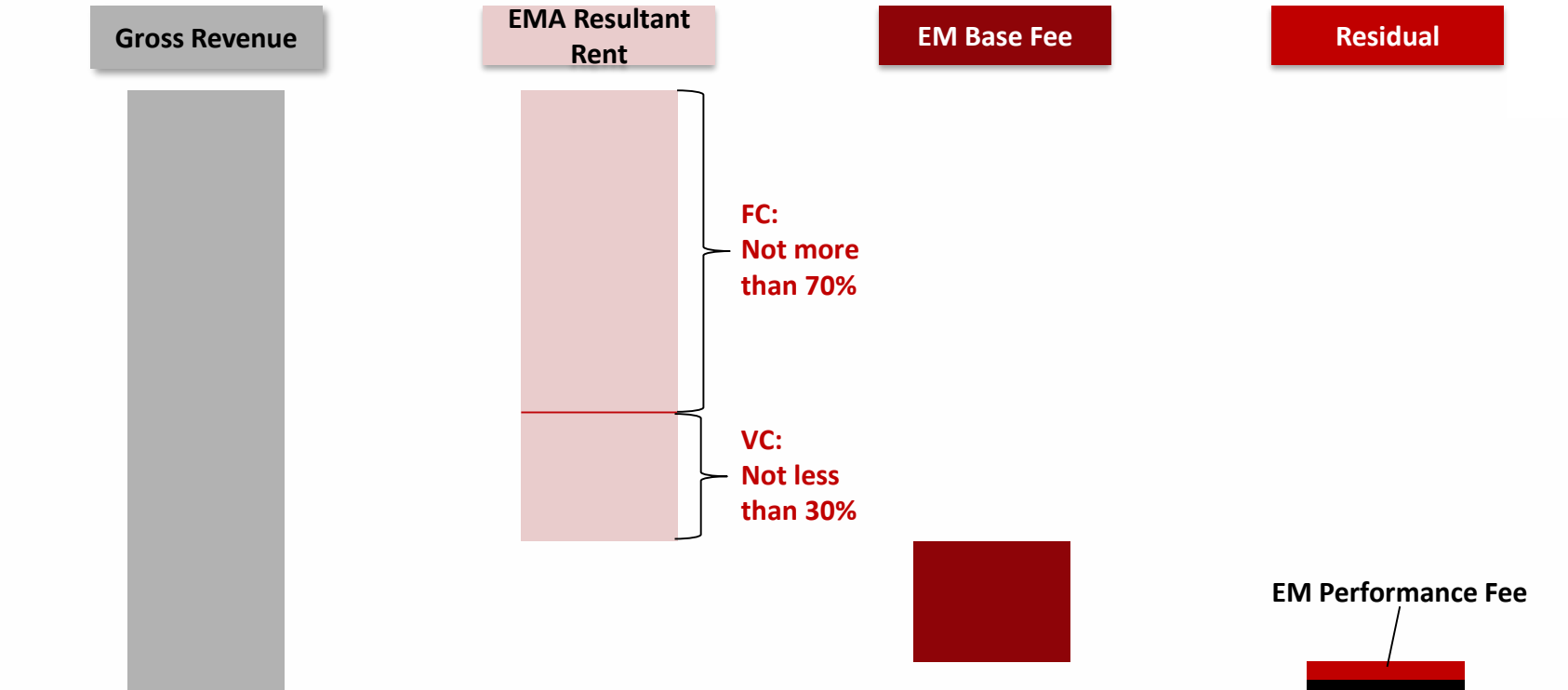
■ Fixed Component ■ Variable Component

(1) Growth rates are based on numbers annualised from Forecast Period 2018 (1 March 2018 – 31 December 2018) to Calendar Year 2018 (1 January 2018 – 31 December 2018)

(2) Forecast Period 2018 is defined as 1 March 2018 – 31 December 2018

Note: All calculations are done according to the SGD to RMB exchange rate of 4.93

**4 Strong business fundamentals – Stable income with growth based on a 10-year Entrusted Management Agreement**



- Gross Revenue (“GR”) = Total rental receivable + Income from permissible investments

- EMA Resultant Rent (“RR”) comprises FC and VC
- REIT paid EMA Resultant Rent before EM Base Fee

- EM Base Fee: Up to 30% of GR <sup>(1)</sup>

- EM Performance Fee: 60% x (GR - RR - EM Base Fee)
- Payment to REIT: 40% x (GR - RR - EM Base Fee)

The EM Fee arrangement is pegged to the performance of the Properties so as to incentivise the Entrusted Manager and align its interest with the long-term interest of the REIT and its unitholders



## Strong Sponsor with strategic shareholders

- 28 years of retail industry experience provides the Sponsor with extensive knowledge in outlet operation and management and deep insights into consumption needs and purchasing behaviour of Chinese consumers
- Unique business model targeting PRC's middle class provides a sustainable business development platform
- Sponsor retains approximately 57.4% of the REIT, providing for a strong alignment of interest
- L Catterton Asia and Ping An Real Estate are the other two indirect shareholders of the Sponsor, providing strong endorsement and support
- Through L Catterton Asia, strategic partnerships are forged, providing a strong basis for growing brand portfolios and future business opportunities
- The Sponsor can leverage on Ping An's extensive real estate network to develop new sites, thus providing potential third party asset acquisition opportunities
- L Catterton Asia (Dr Wang Jun) and Ping An Real Estate (Dr Zhou Yimin) are represented on Sasseur REIT's Board of Directors



## Experienced management teams

- Locally hired Entrusted Management team possess a very good understanding of the outlet mall business and management of PRC properties
- REIT management team comprises veterans from the industry, each with over 10 to 20 years of relevant industry experience

**Board of Directors**



**Mr Xu Rongcan**  
Chairman



**Ms Yang Xue**  
Non-Executive Director



**Dr Wang Jun**  
Non-Executive Director



**Dr Zhou Yimin**  
Non-Executive Director



**Mr Mario Boselli**  
Independent Director



**Dr Gu Qinyang**  
Lead Independent Director



**Mr Cheng Heng Tan**  
Independent Director



**Mr Wu Geng**  
Independent Director

**REIT Management Team**



**Mr Anthony Ang Meng Huat**  
CEO



**Mr Fred Chee Kin Yuen**  
CFO



**Mr Ken Chew Hian Chin**  
CIO



**Mr Chen Zhen**  
Head of Investor Relations,  
Compliance and Risk Management

✓ Led by Chairman Xu, founder and chairman of Sasseur

✓ Representatives from L Catterton Asia and Ping An Real Estate

✓ Robust Board of Directors with extensive experience in their respective fields

✓ REIT Management Team possesses years of relevant experience in the S-REIT space



First Outlet Mall REIT listed  
in Asia

- 1 **S**weet spot of PRC's middle class segment
- 2 **S**trategically located properties across fast-growing cities
- 3 **S**uper outlet business model
- 4 **S**trong business fundamentals
- 5 **S**trategic reputable shareholders, committed Sponsor and experienced Management teams

Sasseur REIT and its innovative business model represents an opportunity for investors to gain exposure to the growing outlet malls sector in PRC

## SECTION 5

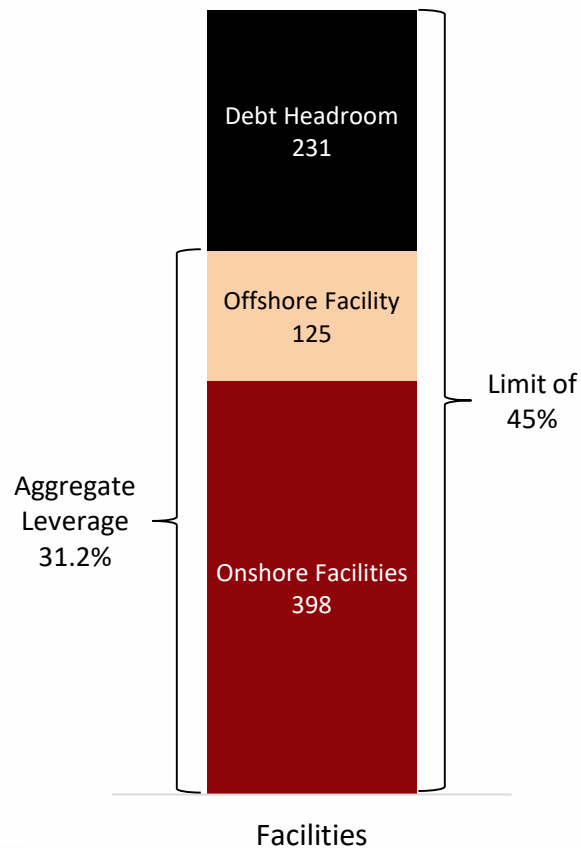
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# *Financial Information*



# Prudent Capital Management and Leverage with Headroom for Acquisitions

## Debt Facilities (SGD million)



	Onshore Facilities	Offshore Facility	Total
<b>Currency</b>	RMB	SGD	
<b>Quantum</b>	~SGD 398 million (RMB 1.96 billion)	SGD 125 million (~RMB 0.6 billion)	~SGD 523 million (~RMB 2.6 billion)
<b>Proportion</b>	76%	24%	100%
<b>Tenure</b>	5 years	3 years	
<b>Floating Rate</b>	PBOC benchmark 1-5 years lending rate	Singapore SOR	
<b>Projected Weighted Average All-in Finance Costs (p.a.)</b>	5.9%	4.0%	

Note: All calculations are done according to the SGD to RMB exchange rate of 4.93

# Fees are Aligned with Unitholders' Interests

Payable to	Fee Type	Fee Basis	Remarks	
<b>REIT Manager</b>	<b>Base Fee</b>	10% p.a. of Distributable Income	<ul style="list-style-type: none"> <li>Strong alignment with Unitholders' interests</li> </ul>	
	<b>Management Fee</b>	<b>Performance Fee</b>	25% of the difference in DPU	<ul style="list-style-type: none"> <li>Not payable in 2018</li> <li>For 2019, Performance Fee is determined using the difference between the actual DPU in 2019 and the actual DPU in 2018</li> </ul>
		<b>Form of Payment</b>	100% in Units	<ul style="list-style-type: none"> <li>Until end of Projection Year 2019</li> </ul>
	<b>Acquisition Fee</b>	<b>From Related Parties</b>	0.75%	
		<b>All other acquisitions</b>	1.0%	
<b>Entrusted Manager</b>	<b>Entrusted Management Fee</b>	EM Base Fee + EM Performance Fee	<ul style="list-style-type: none"> <li>For the management of the Properties</li> </ul>	

# Unaudited Pro Forma Statements of Financial Position of Pro Forma Group

	As at 31 December 2016	As at 30 September 2017		As at 31 December 2016	As at 30 September 2017
	SGD million	SGD million		SGD million	SGD million
<b>Assets</b>			<b>Non-current liabilities</b>		
<b>Non-current assets</b>			Loans and borrowings	502	502
Investment properties	1,386	1,386	Non-current liabilities	502	502
Deferred tax assets	2	6			
Non-current assets	1,389	1,392	<b>Current liabilities</b>		
<b>Current assets</b>			Trade payables	16	27
Trade receivables	2	1	Other payables and accruals	39	67
Prepayments, deposits and other receivables	4	7	Loans and borrowings	26	33
Pledged deposits	44	42	Tax payable	2	2
Cash and bank balances	68	109	Current liabilities	83	129
Current assets	118	160	<b>Total liabilities</b>	<b>585</b>	<b>630</b>
<b>Total assets</b>	<b>1,507</b>	<b>1,552</b>	<b>Net assets</b>	<b>922</b>	<b>922</b>

# Overview of Sasseur Group (Sponsor)

## Introduction to Sasseur Group

- Founded in 1989, Sasseur is one of the leading premium outlet groups in the People's Republic of China ("PRC"), that focuses on the development and operation of retail outlet malls in the PRC
- As of December 2017, Sasseur manages 9 outlet malls in 8 major Chinese cities
- Leverages on the founder's passion for art and culture to develop and design all of Sasseur's outlet malls, thus offering a unique lifestyle experience for its customers
- Reputable strategic shareholders include L Catterton and Ping An Real Estate



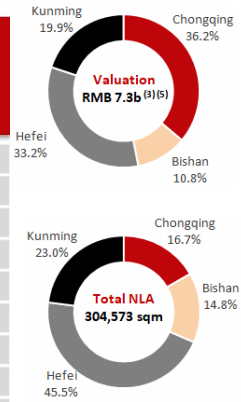
**L CATTERTON** ASIA 平安不动产 专业实践  
PING AN REAL ESTATE

**28 years of history**  
**40%<sup>(1)</sup> sales growth**  
**c.0.9M sqm<sup>(2)</sup> of total GFA**

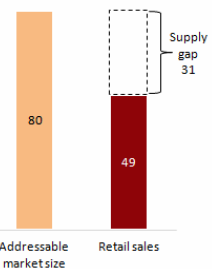
## Overview of Sasseur REIT's IPO Portfolio



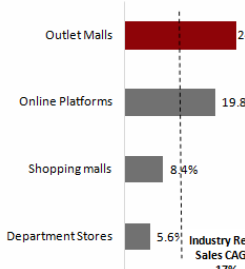
	Chongqing (2008)	Bishan (2014)	Hefei (2016)	Kunming (2016)	Total / Average
<b>GFA (sqm)</b>	73,373	68,791	141,182	88,257	371,603
<b>NLA (sqm)</b>	50,885	45,172	138,449	70,067	304,573
<b>Occupancy Rate as at 30-9-17 (%)</b>	96.0	85.6	93.3	90.7	91.8
<b>Occupancy Rate as at 23-2-18 (%)</b>	96.4	91.5	95.8	96.1	95.1
<b>No. of Tenants<sup>(3)</sup></b>	414	213	283	209	1,119
<b>Car Park Lots</b>	500	400	1,566	2,000	4,466
<b>Ownership Interests</b>	100%	100%	100% <sup>(4)</sup>	100%	-
<b>Valuation (RMB m)<sup>(3)(5)</sup></b>	2,654	789	2,435	1,460	7,338
<b>Implied Acquisition Price (RMB m)</b>	2,452	729	2,250	1,350	6,781
<b>Capitalisation Rates</b>	7.5%	7.5%	7.5%	8.5%	7.7%



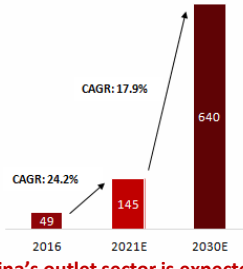
### China's Outlet Industry in 2016 (RMB billion)



### Growth of Retail Sales in China (CAGR from 2016 to 2021E)



### China's Outlet Industry (RMB billion)



Large supply gap presenting upside opportunity

Highest expected sales growth among major retail platforms

Outlet malls' sales estimated to grow significantly

Supply gap represents market opportunity for the outlet industry

Outlet malls are expected to experience the highest growth in the China retail industry, from 2016 to 2021E with a CAGR of c.24.2%

Sales is projected to grow exponentially from ~RMB 49 billion in 2016 to reach ~RMB 145 billion in 2021E to ~RMB 640 billion in 2030E

Source: China Insights Consultancy - Independent Market Research Report

**China's outlet sector is expected to become the world's largest outlet market by 2030**

## Outlet not affected by e-commerce & competitive edge against other retail models

	Outlets	Department Store	Shopping Mall	Online Platform
<b>Product Mix</b>	Luxury and high-end brands	Middle to high-end brands	Middle to high-end brands	Low priced products
<b>Pricing Strategy</b>	Large Discounts	Normal	Normal	Low
<b>Consumer Experience</b>	✓	✗ (small area with compact layout)	✓	✗ (no in-store shopping experience)
<b>Location</b>	Suburbs	City Center	City Center	-
<b>Segment</b>	Middle Class	Mass Market	Mass Market	Mass Market
<b>Authenticity</b>	✓	✓	✓	Possibility of counterfeit goods

Source: China Insights Consultancy - Independent Market Research Report

### Brand Owners

- Advantages Over Online
- Higher Profit Margin
- Quicker Payback Period
- Enhanced Inventory Management

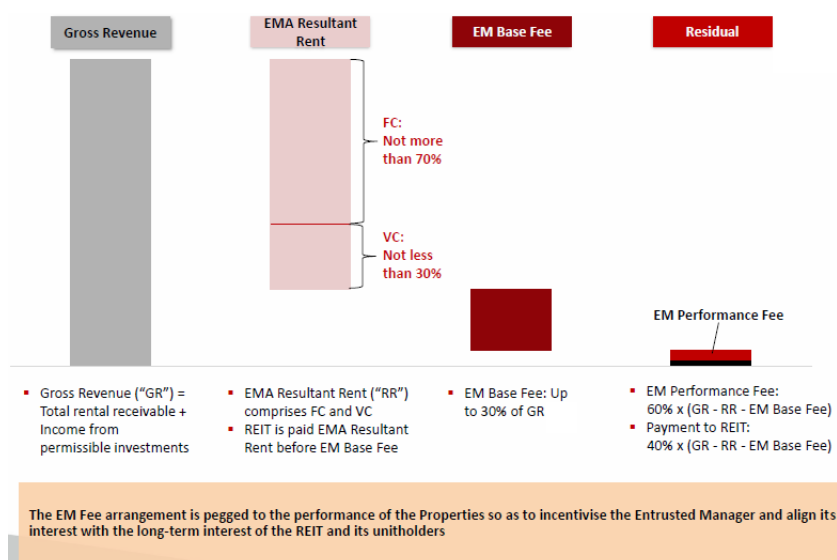
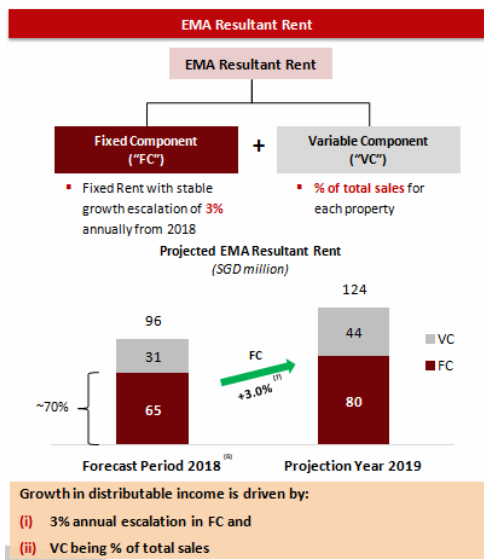
### Customers

- Better Shopping Experience
- Product Authenticity
- High Discounts
- Access to a Wide Range of Products

Outlet Malls' Competitive Edge

(1) CAGR from 2009 to 2016; Sponsor Data  
(2) By end 2017  
(3) As at 30 September 2017  
(4) ~14% of the units (by NLA) have been strata-titled and sold  
(5) Average independent valuation (with the Entrusted Management Agreements)

# Entrusted Management Agreements



## ROFR Properties

Property	GFA (sqm)	Car Park Lots
Xi'an (2017)	141,708	c.2,000
Guiyang (2017)	193,520	c.1,000

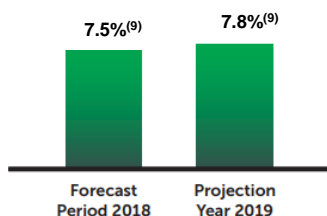
## Pipeline Properties

Property	GFA (sqm)	Car Park Lots
Nanjing (2015) - Operator	140,875	c.8,000
Hangzhou (2011) - Operator	45,873	c.5,000
Changchun (2017) - Operator	172,128	c.4,000

## Strong business fundamentals

- Stable and growing distributions through organic growth opportunities

### Attractive Distribution Yield (with Entrusted Management Agreements)



- Inorganic growth opportunities as further engines of growth

## Key Investment Highlights

- S**weet spot of PRC's rapidly growing middle class segment
  - Growing middle-class population in the PRC creates a large potential customer base for the outlet mall market in the PRC
  - Resulting increase in spending power represents a sweet spot for the retail outlet mall industry
  - The PRC's outlet industry expected to become the world's largest outlet market in terms of sales revenue by 2030<sup>(10)</sup>
- S**trategically located properties across fast-growing cities
  - Leading privately-owned outlet mall operator in the Chinese outlet mall industry<sup>(10)</sup>
  - First-mover advantage in the Tier-2 PRC cities with an increasing addressable market size<sup>(11)</sup>
  - Diversified mix of tenants across various trade sectors
- S**uper outlet business model
  - Integrated destination shopping combining "1+N" business model (outlet + various lifestyle activities) in the design and operation of Sasseur REIT's outlet malls
  - Enhances resilience to competition from online retail platforms by providing a unique lifestyle shopping experience
  - Robust and proactive brand management
  - Symbiotic relationships with the tenants of the Properties to implement sound mall operational and promotional strategies
  - More than 809,000 VIP members across the Initial Portfolio<sup>(12)</sup>
- S**trategic reputable shareholders, committed Sponsor and experienced Management teams
  - Committed Sponsor with reputable strategic shareholders (L Catterton and Ping An Real Estate)
  - Experienced and professional REIT management team, with each member having at least 15 to 20 years of relevant industry experience
  - Entrusted Manager team with proven track record

## First Outlet Mall REIT listed in Asia

(6) Forecast Period 2018 is defined as 1 March 2018 – 31 December 2018  
 (7) Growth rates are based on numbers annualised from Forecast Period 2018 (1 March 2018 – 31 December 2018) to Calendar Year 2018 (1 January 2018 – 31 December 2018)  
 (8) Annualised from Forecast Period 2018 (1 March 2018 – 31 December 2018) to Calendar Year 2018 (1 January 2018 – 31 December 2018)  
 (9) Presented on an annualised basis, and based on the Offering Price and the accompanying assumptions in the Prospectus. In the absence of the Entrusted Management Agreements, the distribution yield for the Initial Portfolio is: (1) 6.1% on an annualised basis for Forecast Period 2018; and (2) 7.8% for Projection Year 2019 based on the Offering Price. Such yield will vary accordingly for investors who purchase Units in the secondary market at a market price different from the Offering Price and such yield is not guaranteed.  
 (10) Source: China Insights Consultancy.  
 (11) Defined as the sales revenue opportunity available in the outlet industry after considering information such as economic development, population size, residents' disposable income and outlets penetration.  
 (12) As at 23 February 2018.

Important Notes:  
 - Holders of Units ("Unitholders") have no right to request that the Manager redeem or purchase their Units while the Units are listed; and  
 - 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.