



For Immediate Release

Sasseur REIT Reports 3Q 2020 DPU of 1.764 cents, 16.7% higher than 2Q 2020 DPU

- **3Q 2020 distributable income of S\$21.2 million maintained at 100% distribution, DPU of 1.764 cents is 7.6% higher than 3Q 2019**
- **Portfolio sales rebounded strongly to nearly pre-COVID-19 levels in line with the economic recovery of China; four outlet malls generated total sales of RMB1.1 billion for 3Q 2020, 32.9% higher than 2Q 2020**
- **Completed early refinancing of loans due in March 2021 with no refinancing needed until March 2023, with lower interest costs and keeping a low gearing of 27.8%**

	3Q 2020	2Q 2020	Change (%) + / (-)	3Q 2019	Change (%) + / (-)
EMA Rental Income (RMB mil)	152.6	140.9	8.3	155.8	(2.1)
- Fixed Component (RMB mil)	102.4	102.4	-	99.8	2.5
- Variable Component (RMB mil)	50.2	38.5	30.3	56.0	(10.4)
EMA Rental Income (exclude straight-line adjustments) (S\$ mil)	30.3	28.0	8.2	30.6	(1.0)
Income Available for Distribution to Unitholders (S\$ mil)	21.2	18.2	16.9	19.6	8.5
Distribution Per Unit (SG cents)	1.764	1.512	16.7	1.640	7.6

Note: Average SGD: RMB rate of 1:5.0396 for 3Q 2020

Singapore, 13 November 2020 – Sasseur Asset Management Pte. Ltd. (“SAMPL”), manager of Sasseur Real Estate Investment Trust (“Sasseur REIT”; 砂之船房地产投资信托), is pleased to announce Sasseur REIT’s portfolio of four outlet malls in China has reported distributable income of S\$21.2 million for the quarter ended 30 September 2020 (“3Q 2020”), a 16.9% increase from S\$18.2 million in 2Q 2020.

The portfolio delivered robust sales growth in 3Q 2020 as shown in its higher EMA Rental Income due to a 30.3% higher variable rental income of RMB 50.2 million as compared to RMB 38.5 million in 2Q 2020. The REIT also registered lower interest expense which is in line with the reduction of Swap Offer Rate (“SOR”) for offshore loan and lower effective tax rate than corresponding periods. Sasseur REIT continues to maintain distribution of 100% for 3Q 2020; the distribution per unit (“DPU”) declared is 1.764 cents, 16.7% higher than 2Q 2020. Total DPU for the nine months ended 30 September 2020 at 4.610 cents is only 6% lower than the DPU of 4.904 cents for the corresponding period in 2019.

In September 2020, Sasseur REIT’s four outlet malls celebrated Sasseur’s group anniversary, the most anticipated event of the year. There were mega anniversary sales promotions across all the outlet malls



for a period of two weeks in September, followed by more promotions during China's 'golden week' holiday in the first week of October to celebrate China's national day. Both events recorded very encouraging sales as shoppers were drawn to the outlet malls through active, targeted marketing and advertising on the major social media platforms such as Tik Tok and WeChat. Shopper traffic has rebounded strongly, lifting sales across Sasseur REIT's four outlet malls to RMB 1.1 billion for 3Q 2020, a 32.9% increase from 2Q 2020.

Sasseur REIT's portfolio occupancy rate for 3Q 2020 remained stable at 93.1%. In addition, total VIP members of the four malls have increased to 1.96 million as of 30 September 2020, 23.4% higher than at the end of 2019.

The phased completion of the asset enhancement initiative ("AEI") works at Chongqing outlet has shown positive initial result. Chongqing's 3Q 2020 actual sales had surpassed the same period last year by 2.4%, and was especially strong during the September anniversary period. The higher sales were partly attributed to the entry of new brands like Versace and Armani Exchange, and boosted by successful overnight sales event with attractive discounts in the outlets. We expect to realise the full benefits of the AEI works when they are completed next year. This will come from increasing the leasable space to house more brands that will help improve both shoppers' traffic and sales.

Weighted average cost of debt (excluding upfront fees) decreased to 4.1% for the period ended 30 September 2020 compared to 4.4% for the corresponding period in 2019. Sasseur REIT successfully refinanced loans due in March 2021 by securing an offshore loan facility of an aggregate amount of S\$214 million and US\$20 million of term loan facilities, as well as S\$8 million of revolving credit facility. The refinancing exercise improves Sasseur REIT's loan portfolio and reduces financing cost. The full effect of the lower interest expense will be reflected from October 2020 onwards. Sasseur REIT's aggregate leverage remains healthy at 27.8% well below the regulatory limit of 50%, with no major refinancing needed until March 2023. Net asset value per unit is higher at S\$0.92 as at 30 September 2020, compared to S\$0.90 as at 30 June 2020.

Sasseur REIT congratulates its sponsor Sasseur group on the grand opening of its 12th outlet mall in Yangzhou, China on 19th September 2020. The new outlet covers over 100,000 square meters of total area and carries more than 400 international and domestic brands. The grand opening recorded RMB 52 million sales within 36 hours, a remarkable achievement in view of the pandemic situation. Sasseur Yangzhou Outlet Mall joins the strong line of pipeline projects for Sasseur REIT.

Mr Vito Xu, Chairman of SAMPL, said, "I am extremely pleased to see the continued recovery of our outlet malls' sales, thanks to the Sasseur group team who has stepped up marketing and customer engagement efforts. As the first major economy to recover from the COVID-19 pandemic, China reported 4.9% GDP growth in 3Q 2020¹. According to the latest economic outlook report released by the International Monetary Fund ("IMF") in October 2020, China will be the only economy in the world to show positive growth in 2020

¹ National Bureau of Statistics of China

as its GDP is predicted to expand 1.9 % in 2020. We are upbeat that the retail outlet industry will strengthen as China's economic prospects improve. The outlet sector has grown robustly as consumers continue to seek for value-for-money deals. Till date, our strong sales performance - 56.4% growth from 1Q to 2Q and 32.9% growth from 2Q to 3Q this year - has demonstrated the resilience of our outlet mall sector, which is underpinned by Sasseur group's operational expertise, and deep knowledge of the China consumer preferences and behaviour. Our customer base comprises predominantly domestic Chinese consumers, hence the global travel restriction has no impact on us. We expect the performance of Sasseur REIT's portfolio to remain strong in the coming months. Sasseur is a role model of China's so called "internal circulation" domestic economy."

Mr Anthony Ang, CEO of SAMPL, said, "Sasseur group's experience and expertise in managing outlet operations have stood us in good stead despite the ongoing pandemic. As our footfall and sales recover, we will continue to engage in lease renewal with our tenants and offer an attractive product and shopping experience for our customers. We are also pleased to have successfully completed our refinancing well ahead of the March 2021 maturity date and at a more favourable rate, which will translate into greater flexibility for stability and growth, and reducing interest cost, further enhancing value for our unitholders."

For its excellent performance in corporate governance and investor engagement, Sasseur REIT clinched, for the second consecutive year, three top awards – Best Retail REIT (Platinum), Best CEO (Platinum) and Best Investor Relations (Platinum) – for REITs under US\$ 1 billion market capitalisation at The Asia Pacific Best of the Breeds REITs Awards™ 2020. Sasseur REIT also jumped 20 spots to rank 25th in this year's Singapore Governance and Transparency Index's REITs and Business Trust Category, in recognition of its high standards of corporate governance and reporting.



Exciting events and promotions at Sasseur REIT's outlets during September 2020 anniversary sales.



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 the People's Republic of China (the "PRC") through its initial portfolio of four quality retail outlet mall assets strategically located in fast-growing cities in China such as Chongqing, Kunming and Hefei, with a net lettable area of 312,844 square metres.

Sasseur REIT is established with the investment strategy to investing 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 Manager, an indirect wholly-owned subsidiary of the Sponsor. The Manager's key responsibility is to manager Sasseur REIT's assets and liabilities for the benefit of Unitholders.

As the first retail outlet mall REIT listed in Asia, the 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 Manager's growth strategy is to identify and selectively pursue acquisition opportunities in quality income-producing properties used mainly for retail outlet mall purposes initially in the PRC and subsequently in other countries.

About the Sponsor – SASSEUR CAYMAN HOLDING LIMITED

The Sponsor Group is one of the leading premium outlet groups in the PRC, ranked within the top 500 service companies in the PRC. 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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