



Sasseur (Kunming) Outlets



DBS-SGX-REITAS-CSOP Bangkok Conference 2022

24 November 2022

Disclaimer



Not for release, publication or distribution in or into the United States, Canada, Japan or the People's Republic of China.

This presentation is for information only and does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of Sasseur REIT in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever. The value of the units in 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, Sasseur Asset Management Pte. Ltd. (as Manager of Sasseur REIT) (the "**Manager**"), DBS Trustee Limited, as trustee of Sasseur REIT, Sasseur Cayman Holding Limited, as 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. Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that unitholders of Sasseur REIT may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of Sasseur REIT is not necessarily indicative of the future performance of Sasseur REIT.

This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. These forward-looking statements speak only as at the date of this presentation. No assurance can be given that future events will occur, that projections will be achieved, or that assumptions are correct. Representative example of these factors include (without limitation) general industry and economic conditions, interest rate trends, costs of capital and capital availability, competition from similar developments, shifts in expected levels of rental revenue, changes in operating expenses, property expenses, governmental and public policy changes and the continued availability of financing in the amounts and the terms to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements which are based on the current view of management on future events.

Unless otherwise stated, all references to currencies are in Singapore dollars and cents, as the case may be.

Contents

About Sasseur Group & Sasseur REIT

3Q / 9M 2022 Key Highlights

Financial Performance

Portfolio Performance

Sustainability

Looking Forward



Sasseur (Chongqing Bishan) Outlets

About Sasseur Group & Sasseur REIT

Sasseur (Chongqing Liangjiang) Outlets

Strong Sponsor – Sasseur Group

Founded by Chairman Vito Xu



Introduction to Sasseur Group

- Founded in 1989, Sasseur Group is one of the leading premium outlet groups in China that focuses on the development and operation of retail outlet malls
- Sasseur Group manages 15 outlets (including 4 owned by Sasseur REIT) in China, with another 3 upcoming outlets
- Leveraging on the founder's passion for art and culture in its design, offering a unique lifestyle experience for Sasseur outlets' customers

Founder and Chairman: Vito Xu



- Vito Xu is founder and chairman of Sasseur Group with a wealth of experience in the fashion industry
- In 1992, he entered the clothing industry and created his own women's fashion wear line – [砂之船] "Sasseur"
- Recipient of numerous prestigious awards including "Asia's Top Entrepreneur 2019" by Fortune Times
- Co-founded Sasseur brand with his spouse, Yang Xue



Yang Xue, co-founder of Sasseur Outlets, was awarded 'Most Stylish Figure of the Year' in 2020 by Yaok Institute

Strong Sponsor – Sasseur Group

30 years' experience focusing on outlet operations in China



2001
Built headquarters in
Bishan, Chongqing



2010
Sasseur Group invited to
open outlet in Hangzhou,
kicking off expansion to
other tier 2 cities in China



2018
Public listing of
Sasseur REIT on
the Singapore
Exchange

1989 - 1999

- Distributor for international brands
- Started high-end women's Sasseur brand

2008

Commencement of
operations of 1st Sasseur
outlet, Chongqing Liangjiang;
generated sales of over
RMB 450m in 1st year

2012

Sasseur Chongqing
Liangjiang achieved
industry-leading sales
of RMB 1.2b in 4th year

2022

Soft opening of 15th
Sasseur outlet in
Fuzhou



Strong Sponsor – Sasseur Group

Excellence in outlet operations



A leading operator in China's outlet industry

- Manages 15 outlets (including 4 owned by Sasseur REIT) in China
- 6 outlets achieved sales of >RMB 1b each in 2021
- Boasts more than 3,500 international and local brands
- More than 9m VIP members across all outlets

Sep 2022: Soft Opening of Latest Outlet in Fuzhou

Sasseur Group welcomed its latest outlet in Fuzhou, which spreads across 330,000 sqm and offers more than 500 brands



Outlets' 2021 Sales revenues



Sasseur (Chongqing Liangjiang) Outlets*



Sasseur (Nanjing) Outlets



Sasseur (Xi'an) Outlets^



Sasseur (Changsha) Outlets



Sasseur (Changchun) Outlets



Sasseur (Guiyang) Outlets^

* Owned by Sasseur REIT.

^ Right of First Refusal assets for Sasseur REIT.

Source: All sales figures above extracted from Sasseur Group's FY2021 performance figures.

Sponsor's Growing Footprint and Brand Reach

Sasseur REIT leveraging full Sponsor support



Sasseur Group (57.35% stake in Sasseur REIT¹)

30 years' experience focusing on outlet operations in China

15 operating outlets in China², with another **3** upcoming outlets



● Operating Outlets
★ Upcoming Outlets

1. As at 30 Sep 2022.

2. Including the 4 outlets owned by Sasseur REIT.

Sponsor's upcoming outlets

	Nanjing II	Shijiazhuang	Wulumuqi
Opening Date (Tentative)	Dec 2022	May 2023	May 2024
GFA (sqm)	~100,000	~83,000	~126,000
Car Park Lots	c. 1,100	c. 3,500	c.2,000

Sasseur REIT's acquisition pipeline

- Acquisition priority: Xi'an and Guiyang Outlets, granted Right of First Refusal (ROFR) from Sponsor
- Assets in the pipeline: 3rd party owned assets which Sasseur Group has ROFR to acquire from the owners

Sasseur Group – Leader in the Outlet Industry

Multiple industry awards and accolades



2021 Influential Commercial Real Estate Enterprise (Top 30)

2022 Van Sound Club Annual Awards

2021 Influential Commercial Real Estate Business Leader: President of Sasseur Group, Xu Jun

2022 Van Sound Club Annual Awards

Sasseur Group clinched 25 awards, including

- 2021 China Outlets RMB 2 billion Club: Chongqing Liangjiang Outlets
- 2021 China Outlets RMB 1 billion Club: Hefei Outlets
- Top 20 Influential Outlets: Chongqing Liangjiang Outlets

2022 China Outlets Leader Summit



Sasseur Group: Highly Recognised Enterprise

- 2021 China Top 500 Service Enterprise (283th place)
- 2021 Chongqing Top 100 Service Enterprise (14th place)
- 2021 Chongqing Top 100 Enterprise (32nd place)
- 2021 Retail & Commercial Real Estate Enterprise Top 100 (37th place)
- 2021 Outstanding Commercial Real Estate Operator
- China Top 100 Retail Enterprises in 2021 (43rd place)
 - > One of the 48 companies within the RMB 10b club

Sasseur Group Tapping on a Sunrise Industry

Deep knowledge and wide brand network



China's Outlets – A Sunrise Industry



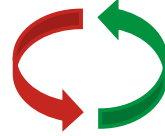
Fast-growing outlet sector projected to become world's largest by 2030¹



Growing middle-class population and spending power



Exposure to high-growth tier-2 Chinese cities



Sasseur Group – Leading Outlet Operator



Leading privately-owned outlet operator



Deep understanding of local retail markets and strong relationships with diverse retail brands



Unique “Art-commerce” business model with “Super Outlet” concept

1. Source: China Insights Consultancy, 2018.

Competitive Landscape

Sasseur Group: A privately-owned outlet specialist with deep understanding of the local market



Leading Private Outlet Specialist in China

Outlet operators	Operator category	Number of outlets
Sasseur Group 砂之船集团	Local Private Outlet Specialist	15
Shanshan 杉杉	Conglomerate	15
Beijing Capital Grand 首创	Real Estate Company	14
Wangfujing SCITECH 王府井赛特	Real Estate Company	14
Bailian 百联	SOE Retail Group	8
RDM	International Outlet Specialist	6

Source: Company websites, outletsCN.com, 16 Nov 2022.

Benefits of 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				

Outlet's Competitive Edge Against Other Retail Models

Unique value proposition to brand owners and consumers



	Outlet	Departmental Store	Shopping Mall	Online Platform
Product Mix	Middle to 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 Centre	City Centre	-
Segment	Middle Class	Mass Market	Mass Market	Mass Market
Authenticity	✓	✓	✓	Possibility of counterfeit goods



Why are outlets generally not impacted by e-commerce?

- Product mix – per transaction via online platform ~ RMB200 vs per transaction at the outlet malls ~ RMB800/1000 => minimal product overlap
- Economics – online sales of outlet brands incur ~ 20% commission vs 10-16% commission at the outlets
- Authenticity – 10X penalty / reward for selling by merchants / reporting by customers, of fake goods ensure no fake goods at outlets

Sasseur REIT: First Outlet REIT Listed in Asia

Exposure to China's fast-growing outlet mall sector



Stock & Portfolio Information

As at 30 Sep 2022

Stock code	CRPU (SGX)
Date listed	28 March 2018
Total issued units	1,227,847,440
Unit price	S\$0.705
Net asset value per unit ¹	S\$0.92
Market capitalisation ²	S\$866m
Average daily trading volume ³	S\$1.4m
Portfolio valuation ⁴	RMB 8.5b



1. Based on units in issue and to be issued of 1,231,092,058 as at 30 Sep 2022.
2. As at 30 Sep 2022, extracted from SREITs & Property Trusts Chartbook – Oct 2022.
3. Based on average daily trading volume of 1,947,229 units for the period 1 Jan 2022 to 30 Sep 2022.
4. Based on independent valuation as at 31 Dec 2021 by Savills Real Estate Valuation (Beijing) Limited.

Portfolio Snapshot¹



Outlets 奥特莱斯	Chongqing Liangjiang 重庆两江	Chongqing Bishan 重庆璧山	Hefei 合肥	Kunming 昆明
Year of Commenced Operations	2008	2014	2016	2016
GFA (sqm) ²	73,373	68,791	147,316	88,257
NLA (sqm) ²	50,885	44,706	144,583	70,067
Occupancy Rate (%) ³	100%	94.8%	96.2%	96.9%
Number of Tenants	391	230	341	268
Top Brands/Tenants (by sales)	NIKE, +39	NIKE, Adidas	NIKE, Coach	NIKE, Adidas
Valuation (RMB m, 31 Dec 21)	3,121	838	2,883	1,655
% of Portfolio Valuation	36.7%	9.9%	33.9%	19.5%

1. As at 30 Sep 2022, unless otherwise stated.

2. Figures are rounded to the nearest whole numbers.

3. Occupancy is calculated based on average of the last day's occupancy of each month in the third quarter of 2022.

Sasseur Group's Unique “Super Outlet” Business Model

Positioning the outlets as a lifestyle destination for the whole family

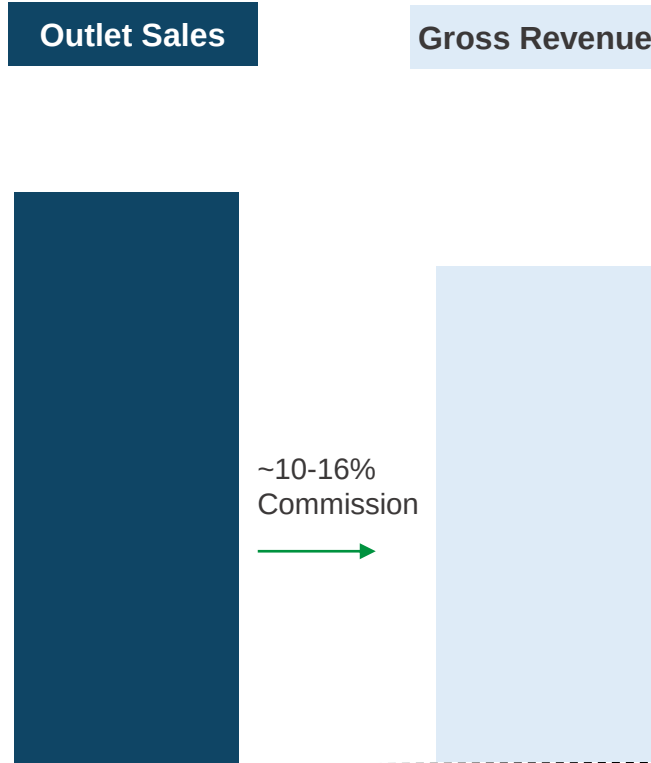


- Sasseur Group's “Super Outlet” Formula: $A \times (1 + N) \times DT$
- “1” represents the outlet mall business platform and “N” reflects the various lifestyle options offered in each of the outlet malls
- Unique lifestyle experience based on a combination of art in the design and decoration of its outlet malls, and as a one-stop shopping and lifestyle experience, provides resilience against competition from e-commerce

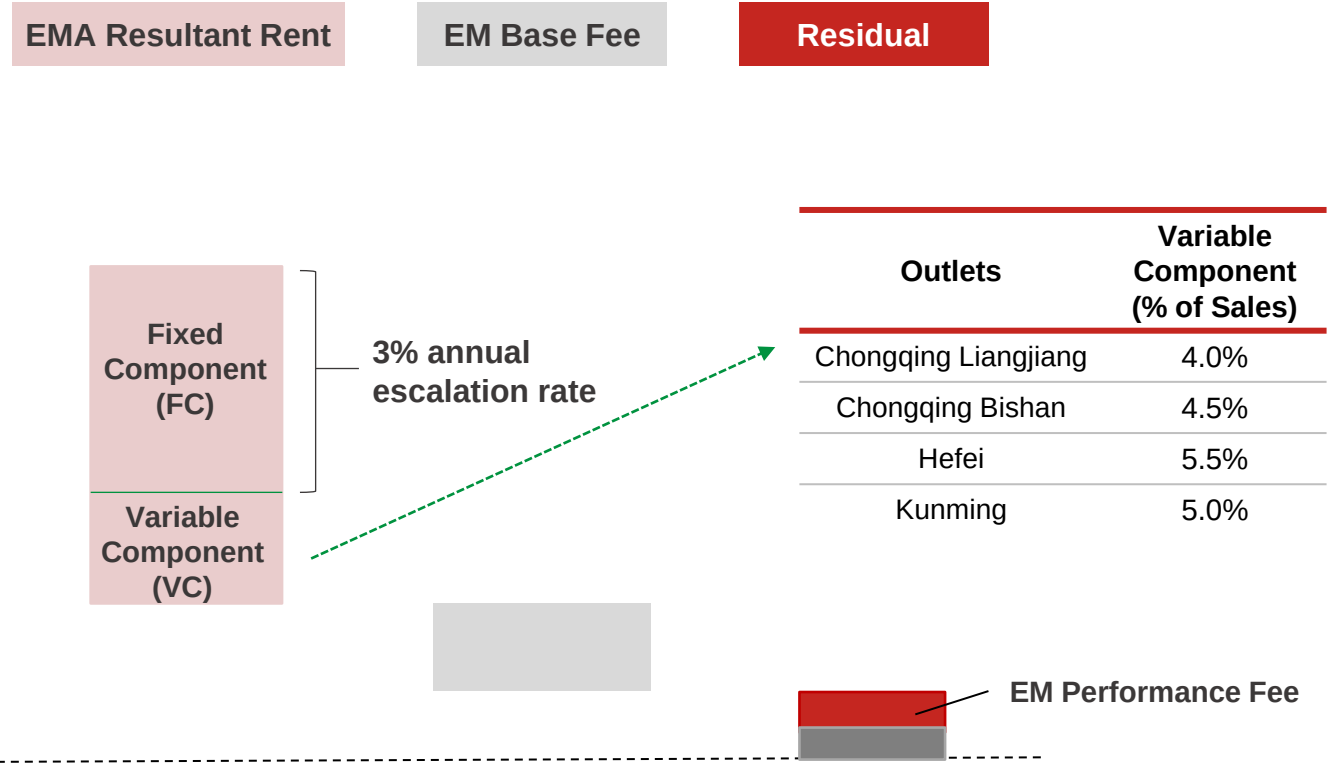


Entrusted Management Agreement (EMA) Model

Business Model



REIT Income Model



- 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
- VC is pegged to the Sales of the Outlet

- EM Base Fee: Up to 30% of GR to the Entrusted Manager

- EM Performance Fee:
 - > $60\% \times (GR - RR - EM \text{ Base Fee})$
- Payment to REIT:
 - > $40\% \times (GR - RR - EM \text{ Base Fee})$

Aligning the interests of the Entrusted Manager, REIT Manager and Unitholders

3Q / 9M 2022 Key Highlights

Sasseur (Chongqing Liangjiang) Outlets



3Q and 9M 2022 Key Highlights

Resilient performance, despite COVID-19 disruptions



Financials

3Q 2022

S\$30.8m
EMA Rental Income¹
-2.1% year-on-year

S\$23.5m
Distributable Income
+1.2% year-on-year

1.838 cents
Distribution Per Unit²
+0.4% year-on-year

9M 2022

S\$94.3m
EMA Rental Income¹
+0.4% year-on-year

S\$68.6m
Distributable Income
Unchanged year-on-year

5.248 cents
Distribution Per Unit²
+0.8% year-on-year



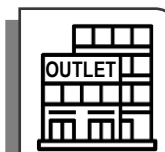
Capital Management

As at 30 Sep 2022

4.7% p.a.
Weighted Average Cost of Debt
Vs 31 Dec 2021: 4.4% p.a.

26.4%
Aggregate Leverage
Vs 31 Dec 2021: 26.1%

4.9x
Interest Coverage Ratio
Vs 31 Dec 2021: 5.1x



Portfolio

3Q 2022

RMB 962.2m
Total Outlet Sales
-3.5% year-on-year

96.9%
Portfolio Occupancy³
Highest in 4 years,
surpassed pre-COVID-19
occupancy

2.7 years
Weighted Average Lease
Expiry by net lettable area
Vs 2Q 2022: 2.5 years

9M 2022

RMB 2,833.2m
Total Outlet Sales
-6.3% year-on-year

1. Excluding straight-line accounting adjustments.

2. Represent Distribution Per Unit after retention for working capital purposes.

3. Portfolio occupancy rate for 3Q 2022. Occupancy is calculated based on average of the last day's occupancy of each month in the quarter.

Mixed Recovery from COVID-19 for China in 3Q 2022

Stringent COVID-19 controls and real estate industry weakness weigh on economic growth¹



- **Pick-up in China's growth in 3Q from 0.4% in 2Q, exceeding broad expectations¹**

> GDP²: 3Q 2022 ▲ 3.9% YoY; 9M 2022 ▲ 3.0% YoY



- **Inflation remains relatively controlled in China, while elevated inflation is currently a challenge globally**

> Consumer price index²: ▲ 2.8% YoY in Sep 2022



- **Pace of retail sales' growth eased in Sep due to continuing COVID-19 disruptions**

> Retail sales of consumer goods³

> Sep 2022: ▲ 2.5% YoY (versus ▲ 2.7% YoY in Jul 2022 and ▲ 5.4% YoY in Aug 2022)

> 9M 2022: ▲ 0.7% YoY



- **Disposable income up in 9M 2022**

> Disposable income per capita of urban households⁴: ▲ 2.3% YoY in 9M 2022, after accounting for inflation

1. CNBC, "China GDP beats with a bounce in the third quarter, delayed data shows", 24 Oct 2022.

2. CNBC, "China's consumer prices jump by the most in more than two years", 13 Oct 2022.

3. National Bureau of Statistics of China, 25 Oct 2022.

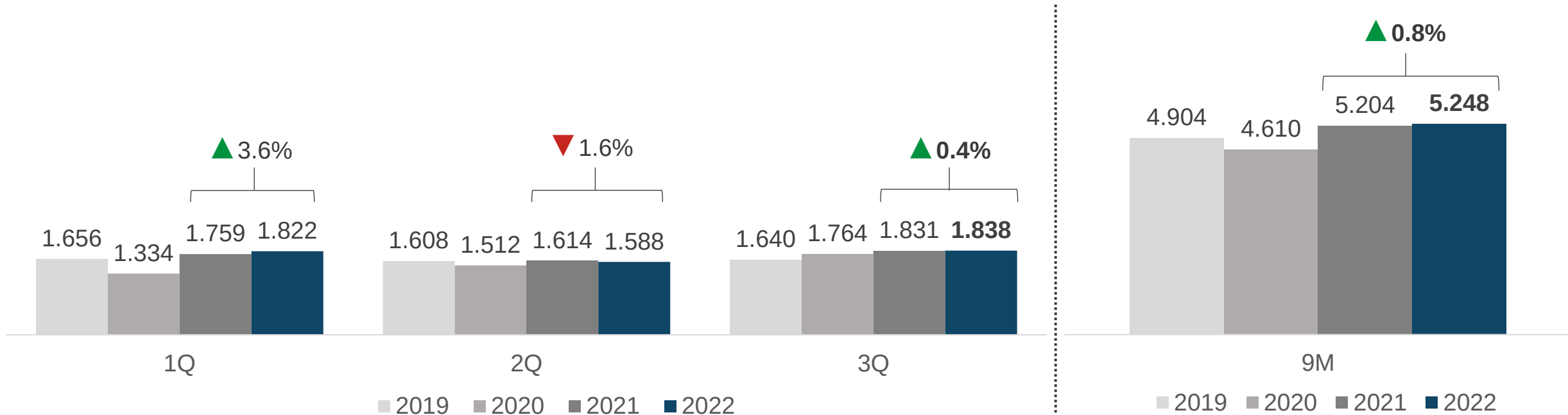
4. National Bureau of Statistics of China, 24 Oct 2022.

DPU Profile

3Q 2022 DPU is highest 3Q DPU in 4 years, supported by EMA model



Distribution per Unit (DPU), S cents



Distribution Payment

Distribution period

1 Jul to 30 Sep 2022

Distribution per Unit

1.838 S cents¹

Notice of Record Date

11 Nov 2022

Ex-dividend date

9 Dec 2022

Record date

12 Dec 2022

Payment date

28 Dec 2022

¹. Distribution Per Unit after retention of S\$0.9 million.



Financial Performance

3Q and 9M 2022 DPU Higher Year-on-Year

DPU growth underpinned by strength of EMA model



- 3Q 2022 EMA rental income (RMB) ▲ 1.1% year-on-year (YoY)
 - > Mainly due to ▼ 3.3% YoY variable component income; cushioned by ▲ 3.0% YoY higher fixed component income in the EMA model¹
- Decline in variable component income was mainly due to
 - > Sporadic COVID-19 outbreaks in China from Aug–Sep 2022, leading to temporary closures of 2 outlets and reduced shopper traffic
 - > Extreme weather in both Chongqing Liangjiang Outlets and Chongqing Bishan Outlets in Aug 2022 which resulted in shortened opening hours in order to reduce the city's energy consumption
- Increase in distributable income to Unitholders is mainly due to income tax refund of S\$2.1m relating to Chongqing Liangjiang Outlets

	3Q 2022	3Q 2021	Variance %	9M 2022	9M 2021	Variance %
Sales (RMB m)	962.2	996.6	(3.5)	2,833.2	3,022.7	(6.3)
EMA rental income (RMB m)²	152.0	150.4	1.1	453.9	453.6	0.1
- Fixed component (RMB m)	108.6	105.5	3.0	325.9	316.4	3.0
- Variable component (RMB m)	43.4	44.9	(3.3)	128.0	137.2	(6.7)
EMA rental income (S\$ m)^{2,3}	30.8	31.4	(2.1)	94.3	93.9	0.4
Distributable income to Unitholders (S\$ m)	23.5	23.2	1.2	68.6	68.6	—
Amount retained (S\$ m)	(0.9)	(1.0)	6.0	(4.3)	(5.5)	22.6
DPU (S cents)	1.838	1.831	0.4	5.248	5.204	0.8

1. More details on the Entrusted Management Agreement (EMA) model on slide 16.

2. Exclude straight-line accounting adjustments.

3. Average S\$:RMB rate of 1:4.9338 for 3Q 2022, 1:4.7820 for 3Q 2021, 1:4.8136 for 9M 2022 and 1:4.8284 for 9M 2021.

Robust Balance Sheet

Stable asset values despite foreign exchange volatilities



- Net asset value (NAV) per unit as at 30 Sep 2022 ▼7.1%
 - > Due to the weakening of RMB against S\$ by 5.1% as compared to 31 Dec 2021

S\$ m	As at 30 Sep 2022	As at 31 Dec 2021	Variance	Variance %
Investment properties	1,712.7	1,801.0	(88.3)	(4.9)
Cash and short-term deposits ¹	157.4	159.8	(2.4)	(1.5)
Total assets	1,897.8	1,989.8	(92.0)	(4.6)
Loans and borrowings	496.2	510.6	14.4	2.8
Total liabilities	765.1	780.6	15.5	2.0
Net assets	1,132.7	1,209.2	(76.5)	(6.3)
NAV per Unit (S\$) ²	0.92	0.99	(0.07)	(7.1)

1. Includes S\$88.6 million as at 30 Sep 2022 (31 Dec 2021: S\$102.0 million) relating to sales proceeds collected from outlets' customers on behalf of tenants.

2. Based on units in issue and to be issued of 1,231,092,058 and 1,222,205,028 as at 30 Sep 2022 and 31 Dec 2021 respectively.

Prudent Capital Management

Low gearing; healthy interest coverage ratio



- Sensitivity to interest rates

- > Every **+100bps in interest rate** translates to **-0.2 cents in DPU** p.a.¹



26.4%

Low
aggregate
leverage



4.9x

Healthy
interest
coverage
ratio



S\$896.7m

Sizeable
debt
headroom



70.9%

of Borrowings
pegged to

① **stable interest rate**²

② **hedged to fixed
interest rate**



	As at 30 Sep 2022	As at 31 Dec 2021
Gross borrowings	S\$500.5m	S\$518.6m
Aggregate leverage	26.4%	26.1%
Average debt maturity	0.5 years	1.2 years
Debt headroom ^{3,4}	S\$896.7m	S\$952.0m
Available undrawn facilities	S\$8.0m	S\$8.0m
Weighted average cost of debt per year	4.7%	4.4%
Interest coverage ratio	4.9 times	5.1 times

1. Based on units in issue of 1,227,847,440 as at 30 Sep 2022.

2. Stable rate refers to China's 5-year Loan Prime Rate.

3. Debt headroom is computed based on total assets and assumes a corresponding increase in total assets with new debts raised.

4. Based on MAS' prescribed leverage limit of 50.0%.

Well-balanced Debt Profile

Equal mix of onshore and offshore loans



	Onshore loans	Offshore loans	
Amount outstanding, as at 30 Sep 2022 ¹	RMB 1.3b (~S\$ 258.0m)	S\$ 214.0m	US\$20.0m (~S\$ 28.6m)
Maturity	March 2023		
Lending rate	China's 5-year Loan Prime Rate (LPR)	Swap Offer Rate	US\$ London Interbank Offered Rate
	Stable rate	40% hedged to fixed rate 60% floating rate	

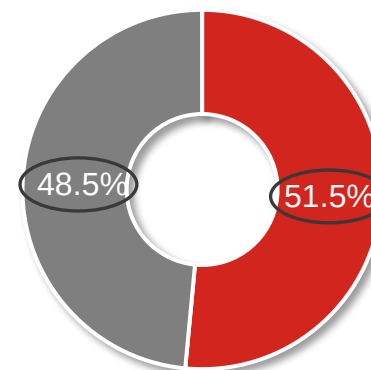
70.9%²

of borrowings pegged to

① Stable interest rate

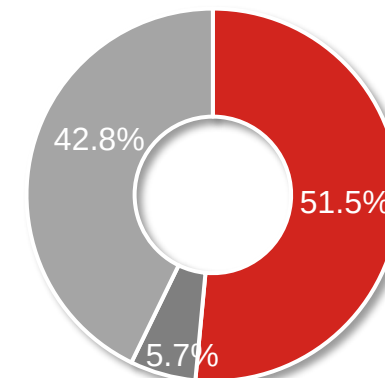
② Hedged to fixed interest rate

Funding sources



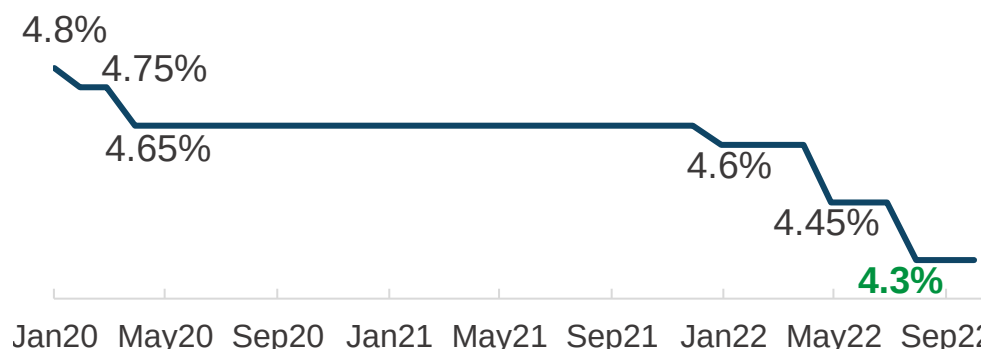
■ Onshore loans
■ Offshore loans

Debt currency profile



■ RMB Loan
■ US\$ Loan
■ S\$ Loan

China's 5-year LPR (per annum) trending lower³



1. Based on S\$:RMB and US\$:S\$ exchange rates of 4.9717 and 1.4280 as at 30 Sep 2022 respectively.

2. Based on summation of 51.5% onshore loan proportion's 'Stable Rate' and 19.4% 'Hedged to Fixed Rate' (derived from 40% of 48.5% offshore loan proportion)

3. Source: tradingeconomics.com.

Refinancing Progress on Track

Deal at advanced stages



- Sasseur REIT's existing borrowings due in Mar 2023
 - > Refinancing in progress: At advanced stage of process and loan documentation progressing well
 - > Participating banks are a group of regional banks with presence in Singapore and/or Hong Kong/China



Targeting a well-staggered debt profile over time

Forging banking relationships with a larger base of lenders, including existing and new lenders

Total loan profile to be split into two separate loans;
New facilities will comprise different tenors with different lending rates

Portfolio Performance

Sasseur (Kunming) Outlets



3Q 2022 Outlet Sales Resilient Despite COVID Curbs

Shortened operating hours and temporary closures due to external factors



RMB m	Contribution ¹ %	3Q 2022	3Q 2021	YoY Variance %	2Q 2022	QoQ Variance %
Chongqing Liangjiang	55.8%	536.3	544.9	-1.6%	431.7	+24.2%
Chongqing Bishan	7.8%	75.4	82.2	-8.4%	79.3	-5.0%
Hefei	21.3%	205.0	188.6	+8.7%	146.8	+39.7%
Kunming	15.1%	145.5	180.9	-19.6%	117.0	+24.4%
Portfolio	100.0%	962.2	996.6	-3.5%	774.8	+24.2%

- Year-on-Year (YoY) ▼, except Hefei Outlets, due to
 - > Local government's directives to conserve electricity during the heatwave period; Chongqing Liangjiang and Chongqing Bishan Outlets had shorter operating hours for 10 and 6 days² in Aug respectively
 - > Sporadic COVID-19 cases which led to mandated temporary closures of Chongqing Bishan and Kunming Outlets³
- Quarter-on-Quarter (QoQ) ▲, except Chongqing Bishan Outlets, due to
 - > Lower sales in 2Q 2022 as a result of inter-city travel restrictions during COVID-19 outbreaks in Mar-May, affecting many cities across China
 - > The 2nd quarter is typically the off-peak retail season for the year, coupled with lower prices of summer apparel sold which led to the lower sales in 2Q 2022
 - > 3Q 2022 sales was boosted by the Anniversary Sales events held in Sep
 - > Sales of Chongqing Bishan Outlets were affected by a combination of shortened operating hours and temporary closure³

1. Based on 3Q 2022 sales contribution.

2. Operating hours: Chongqing Liangjiang Outlets 17-21 Aug (cut by 1 hour daily), 22-26 Aug (cut by 7 hours daily); Chongqing Bishan Outlets 20-21 Aug (cut by 1 hour daily), 22-25 Aug (cut by 6.5 hours daily).

3. Temporary closures: Chongqing Bishan Outlets 26 Aug-1 Sep 2022 (7 days) ; Kunming Outlets 8-12 Sep 2022 and 25 Sep-6 Oct 2022 (total 11 days in 3Q 2022).

9M 2022 Outlet Sales Affected by External Challenges

Resilient 9M 2022 sales from Chongqing Liangjiang, Chongqing Bishan and Hefei Outlets



RMB m	Contribution ¹ %	9M 2022	9M 2021	YoY Variance %
Chongqing Liangjiang	54.2%	1,534.1	1,576.3	-2.7%
Chongqing Bishan	9.3%	263.1	271.1	-3.0%
Hefei	21.0%	595.8	631.8	-5.7%
Kunming	15.5%	440.2	543.4	-19.0%
Portfolio	100.0%	2,833.2	3,022.7	-6.3%

- Chongqing Liangjiang, Chongqing Bishan and Hefei Outlets' sales relatively resilient, despite
 - > COVID-19 outbreaks across China from mid-Mar to end-May 2022
 - > Shortened operating hours for Chongqing Liangjiang and Chongqing Bishan Outlets in Aug 2022²
 - > Chongqing Liangjiang and Chongqing Bishan Outlets' Anniversary Sales events straddling Sep and Oct 2022 while in 2021, the events were held in Sep only
 - > Mandated temporary closure of Chongqing Bishan Outlets³
- Kunming Outlets' sales more affected due to active COVID-19 cases in the city for prolonged periods, resulting in
 - > 11 days' temporary closure in Sep³
 - > Lower inflow of domestic tourists visiting Kunming due to pandemic travel restrictions

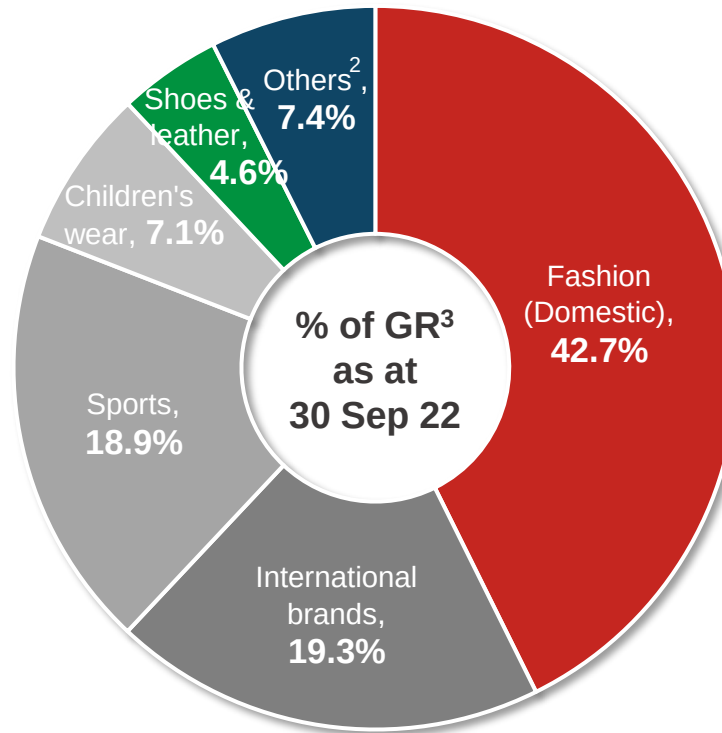
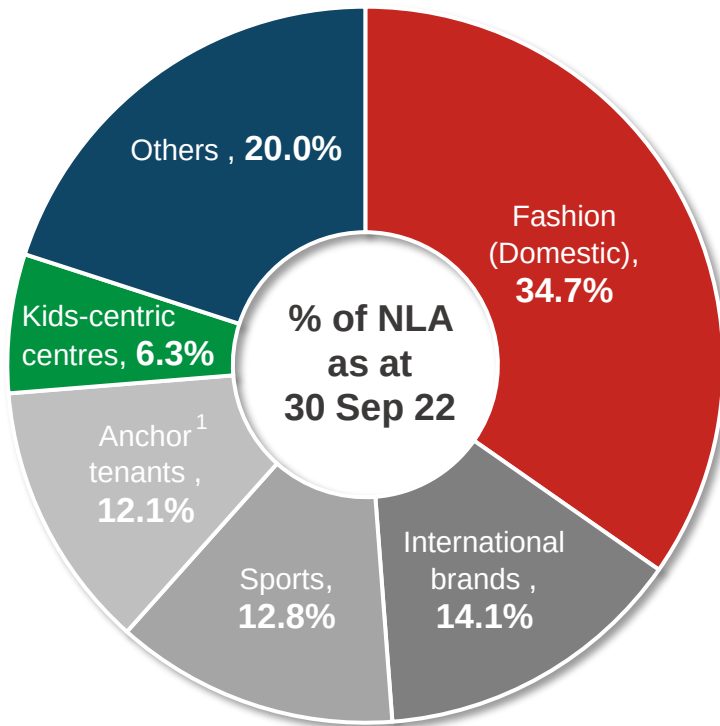
1. Based on 9M 2022 sales contribution.

2. Operating hours: Chongqing Liangjiang Outlets 17-21 Aug (cut by 1 hour daily), 22-26 Aug (cut by 7 hours daily); Chongqing Bishan Outlets 20-21 Aug (cut by 1 hour daily), 22-25 Aug (cut by 6.5 hours daily).

3. Temporary closures: Chongqing Bishan Outlets 26 Aug-1 Sep 2022 (7 days); Kunming Outlets 8-12 Sep 2022 and 25 Sep-6 Oct 2022 (total 11 days in 3Q 2022).

Diversified Trade Mix

Approximately 17% of portfolio's gross revenue contributed by top 10 tenants



Top 10 tenants contribute **16.6%**

of the portfolio's gross revenue

No single tenant accounts for **>5%**

of the portfolio's gross revenue

Retail trends: 3Q 2022 vs 2Q 2022

- Trade mix for 3Q 2022 versus 2Q 2022 is relatively stable
- Slight drop in the proportion of Fashion (Domestic Brands) and an increase in the proportion of Sports brands, partially due to higher demand for sports-related brands during the Anniversary Sales events held in Sep 2022

1. 'Anchor tenants' are fixed rental leases, such as cinema, hotels and gym.

2. 'Others' comprises Accessories, Food & beverage, Anchor tenants, Lifestyle, Kids-centric centres and Ad-hoc; 'Ad-hoc' refers to temporary leases.

3. GR refers to Gross Revenue which is calculated based on average monthly gross revenue for period Jan-Sep 2022.

Portfolio Occupancy Highest in 4 Years

Occupancy boosted by effective leasing strategies & completed asset enhancements

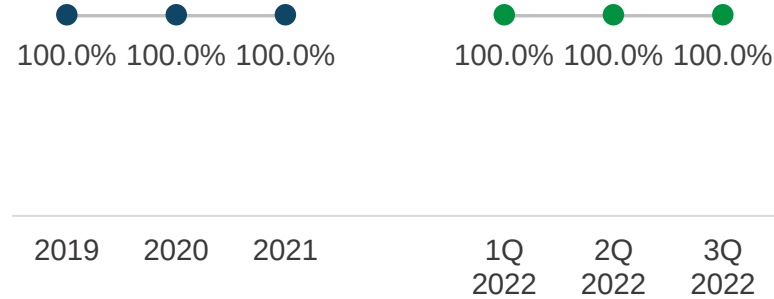


Improving Portfolio Occupancy^{1,2}



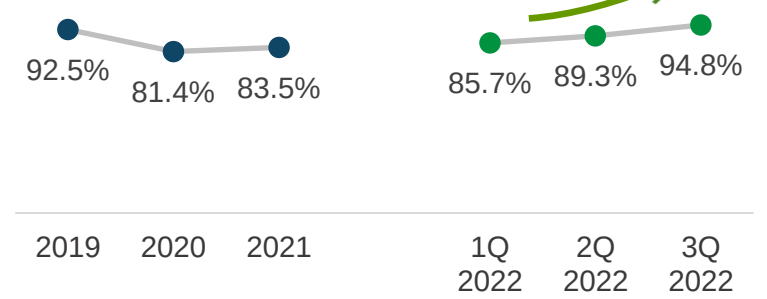
- Portfolio occupancy **exceeded pre-COVID level** in 2019
- Bishan Outlets' occupancy surpassed **90%** in 3Q 2022
- Hefei and Kunming Outlets have relatively higher vacancy rates due to **tenant mix adjustments**

Chongqing Liangjiang



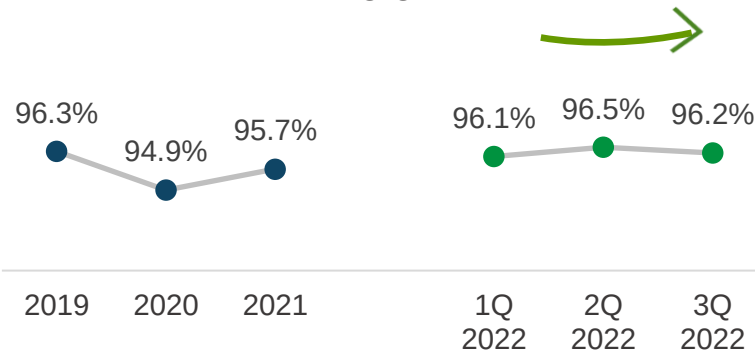
Occupancy remains at 100%

Chongqing Bishan



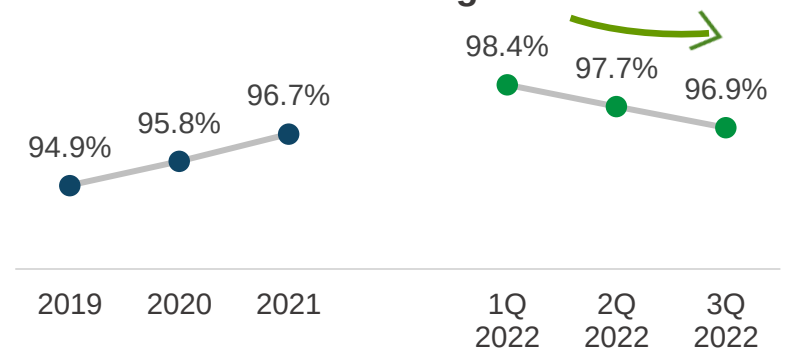
Occupancy surpassed 90%, demonstrating results of active leasing & asset enhancements

Hefei



Stable occupancy observed in Hefei Outlets

Kunming



Marginal decline due to tenant mix adjustments

1. For 1Q 2022, 2Q 2022 and 3Q 2022, occupancy is calculated based on average of the last day's occupancy of each month for each quarter.

2. For the financial years of 2019, 2020 and 2021, occupancy is calculated based on average of the last day's occupancy of each month in the fourth quarter of the year.

Weighted Average Lease Expiry (WALE)

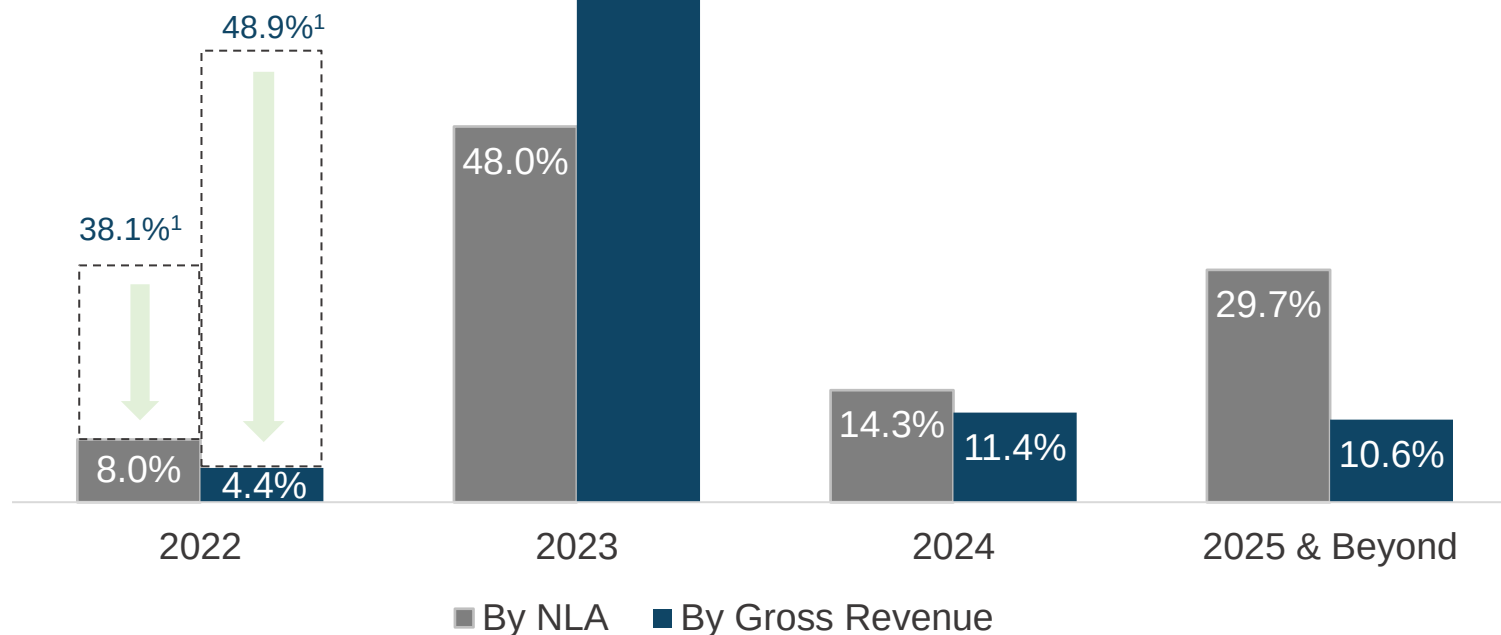
Bulk of remaining leases by gross revenue expiring in 2022 already pre-committed



Lease Expiry Profile

As at 30 Sep 2022

The majority of leases expiring in 2022 had been renewed by 3Q 2022, demonstrating the tenants' confidence in Sasseur outlets.



WALE (years)

2.7

By Net Lettable Area

1.3

By Gross Revenue

Deliberate short leases to optimise tenant mix

- Adapting to fast-changing consumer preferences in China
- Provides flexibility to replace non-performing tenants with new successful brands

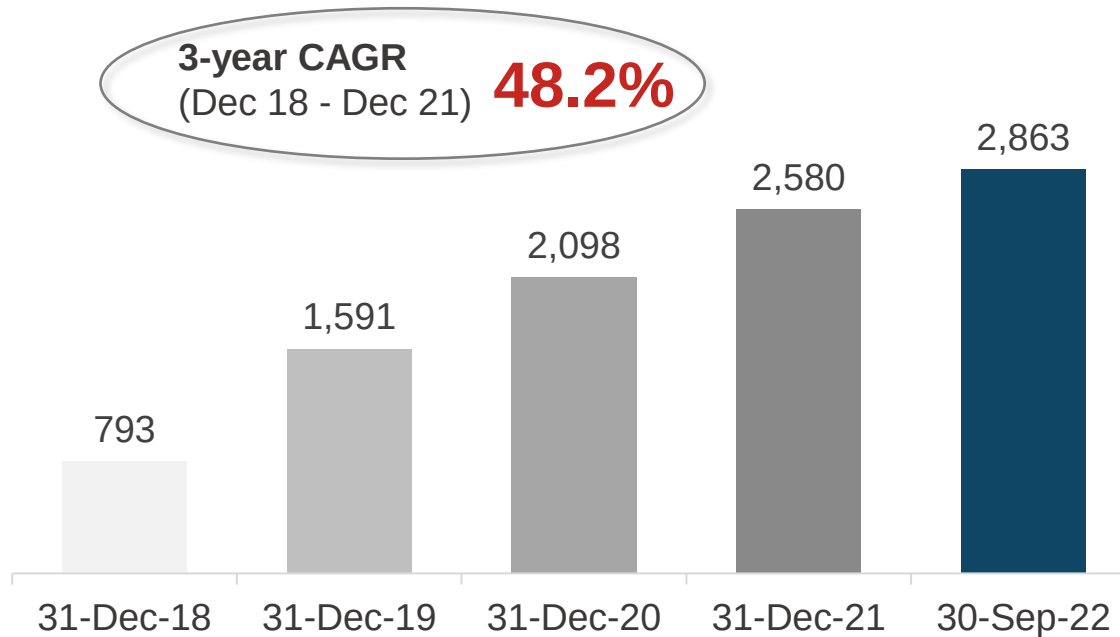
¹ As at 30 Jun 2022

Growing Number of VIP Members

VIP membership is an important driver for outlet sales



Number of VIP Members in Portfolio ('000)

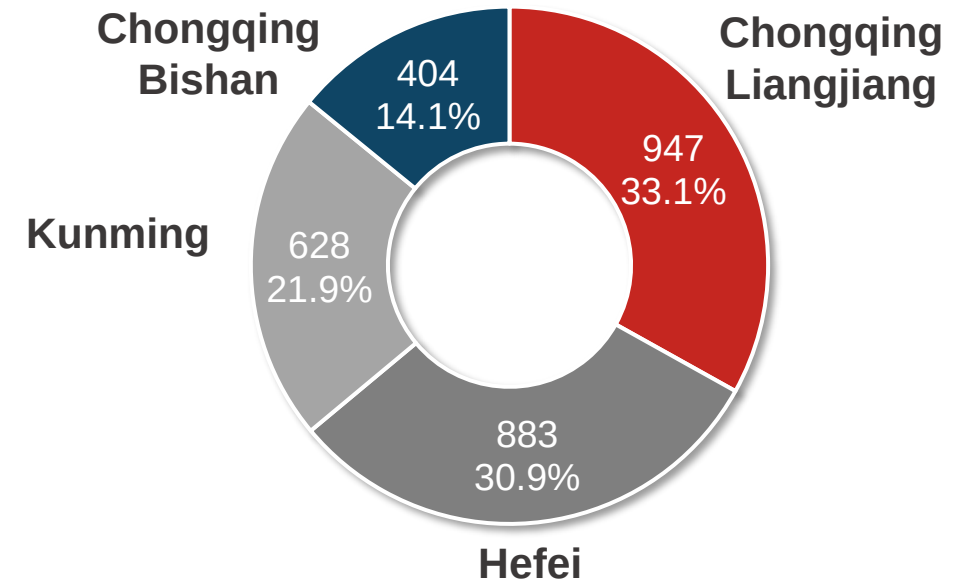


• Number of VIP members, as at 30 Sep 2022

> ▲ 16.9% YoY, ▲ 3.8% QoQ

Total VIP Members by Outlets ('000)

As at 30 Sep 2022



>60% contribution
to the portfolio's
3Q 2022 outlet sales

Asset Enhancement to Upgrade VIP Lounge

Providing exclusive VIP experiences to our key customer base



Revamp of Chongqing Liangjiang Outlets' VIP Lounge

- Focus on enhancing the Outlets' bespoke VIP services
- Continue to allow high-spending VIP members to enjoy specially curated experiences, so as to enhance customer loyalty and retention
- Tier-based zones:
 - > Members' Centre (all VIP members)
 - > Elite Lounge (Gold card members)
 - > Premium Lounge (Platinum card members)
- Asset enhancement expected to be completed by end-2022

1. Above pictures are artist impressions.

Exciting New Brands & Upgrades in 3Q 2022

Variety of fresh experiential offerings at Sasseur outlets



New MLB Store at Chongqing Liangjiang Outlets



New PUMA Store at Kunming Outlets



Revamped Timberland Store at Hefei Outlets



New Strawberry Farm at Chongqing Bishan Outlets

Sports Brands



Children's Wear Brands



Food & Beverage Brands



2022 Anniversary Sales: Portfolio's 1st Day Sales Up YoY

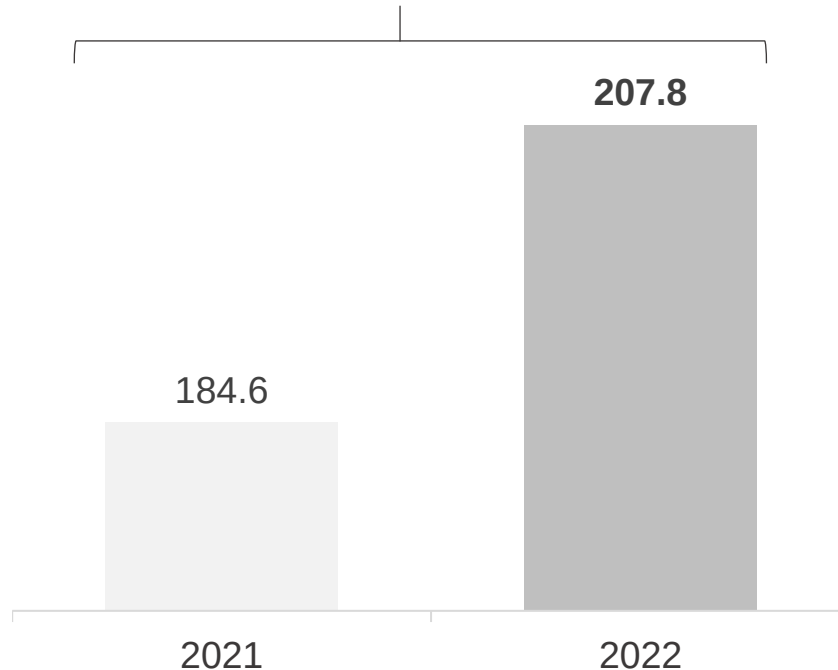
Chongqing Liangjiang and Kunming Outlets generated record sales on 1st day of event



Portfolio's 1st Day Combined Sales:
RMB 207.8m

Portfolio's 1st Day Anniversary Sales (RMB m)

▲ 12.5% YoY



Record 1st day sales
for Chongqing Liangjiang & Kunming Outlets



**Chongqing
Liangjiang Outlets**
RMB 147.1m
▲ 10.0% YoY



Kunming Outlets
RMB 34.6m
▲ 19.1% YoY

Highlights from Anniversary Sales in Sep 2022

Exciting entertainment events plus shopping in the wee hours



Heavy Vehicle Traffic Streaming Into Outlets

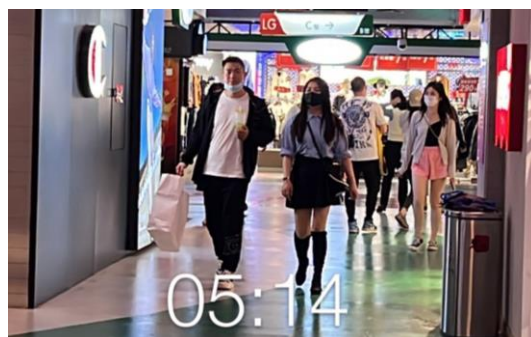
Fully packed car parks with cars lining up along the roads



Kunming Outlets

Round-the-clock Shopping

Shopping through the night; with shoppers still thronging the outlets past 5am



Chongqing Liangjiang Outlets

Anniversary Celebrations

Sharing the joyous birthday occasion at all Sasseur outlets across different cities



Hefei Outlets

Fringe Activities

Entertaining shoppers with live bands, Sichuan opera and fashion runway shows



Chongqing Bishan Outlets



Chongqing Bishan Outlets



Kunming Outlets



Chongqing Liangjiang Outlets



Hefei Outlets

Media Features on Anniversary Sales Events

Talk of the Town



Anhui Wanjia Hotline 安徽万家热线

倒计时4天! 砂之船(合肥)奥莱6周年狂欢庆典即将开启!

安徽万家热线 2022-09-05 20:29 Posted on 安徽



[4 days countdown! Sasseur \(Hefei\) Outlets' 6th anniversary celebration craze is about to begin!](#)

Upstream News 上游新闻

国庆假期两江新区商圈活动人气旺 前五日客流同比增长10.8%

上游新闻 2022-10-07 17:26 | 重庆晨报上游新闻官方账号 关注

10月6日,在两江新区寸滩国际新城时尚消费区,砂之船(重庆两江)奥莱(以下简称:两江奥莱)人气旺盛。虽然周年庆活动已接近尾声,但全场品牌均参加了超大力度折上折、精心搭建的“夜玩、夜购、夜味”夜间消费平台等活动,让两江奥莱持续吸引客流。



记者从两江奥莱了解到,截至目前,周年庆活动销售业绩已突破3亿元。而在9月23日活动首日,销售业绩就突破1.47亿元,创了两江奥莱周年庆首日销售业绩的历史新高。

同样在时尚消费区,9月30日,两江新区“约惠两江·订车有礼”活动开幕,正式拉开两江新区“约惠两江·礼迎国庆”系列促消费活动。本次活动人流量超30万人次。

初秋时节,正是户外玩耍的好时候。美联广场举办的山野潮流运动集市,也成为市

[Commerce in Liangjiang is booming with activities this golden week, shopper traffic up 10.8% YoY](#)

Linkshop 联商网

linkShop 联商网 10-20 from 新版微博 weibo.... 成人礼

【“通宵不打烊”火爆依旧,砂之船超级周年庆带来哪些启发?】9月,作为奥莱行业领跑者,砂之船集团自创营销IP“砂之船超级周年庆”如期而至。长沙、合肥、南京、苏州、重庆、昆明、长春、西安、兰州、扬州、福州等城市的砂之船奥莱再次点燃了消费者购物热情。即使在疫情承压之下,砂之船... Full Text



[“Opening the whole night long” still popular as ever, what inspirations does Sasseur bring?](#)

Chongqing Fashion 重庆时尚范儿

砂之船(重庆璧山)奥莱 九周年庆超级庆典完美收官

重庆时尚范儿 2022-10-13 15:12 关注

10月7日,砂之船(重庆璧山)奥莱“好戏连台,9你好看”九周年庆活动完美收官。据了解,本次活动亮眼活动不断,超低的活动折扣,超丰富的品牌与货品组合,再度“点燃”了区域消费者的购物热情。从活动开始直至活动结束,历时14天,为本地过节的消费者带来了不间断的“好戏连台”,进一步释放消费潜力,激活市场活力,提振区域经济。

超级周年庆区域消费热点

9月24日落幕的砂之船(重庆璧山)奥莱“好戏连台,9你好看”九周年庆活动,通过超低的促销活动,商品折扣,带来了丰富的客流红利。据砂之船(重庆璧山)奥莱相关负责人介绍,活动期间客流同比上升25%,持续辐射周边热点生活区域和周边区县,成为周年庆及国庆期间的区域消费热点。



[Sasseur \(Chongqing Bishan\) Outlets Anniversary Sales ends on a perfect note](#)

Sustainability

Sasseur (Hefei) Outlets



Commitment to Sustainability Goals

Making headway on sustainability journey



- Conduct **physical climate risk assessment** of all Sasseur REIT's outlets; **identify risks and opportunities** in the short, medium and long term
- **Identify actual and potential impacts** on the business, strategy and financial planning

- ✓ Established **sustainability governance structure**, with Board having oversight of sustainability performance, risks and opportunities
- ✓ Adopted **TCFD framework** to assess climate risks and opportunities
- ✓ Board & management team attended **workshops on climate-related risks & opportunities**

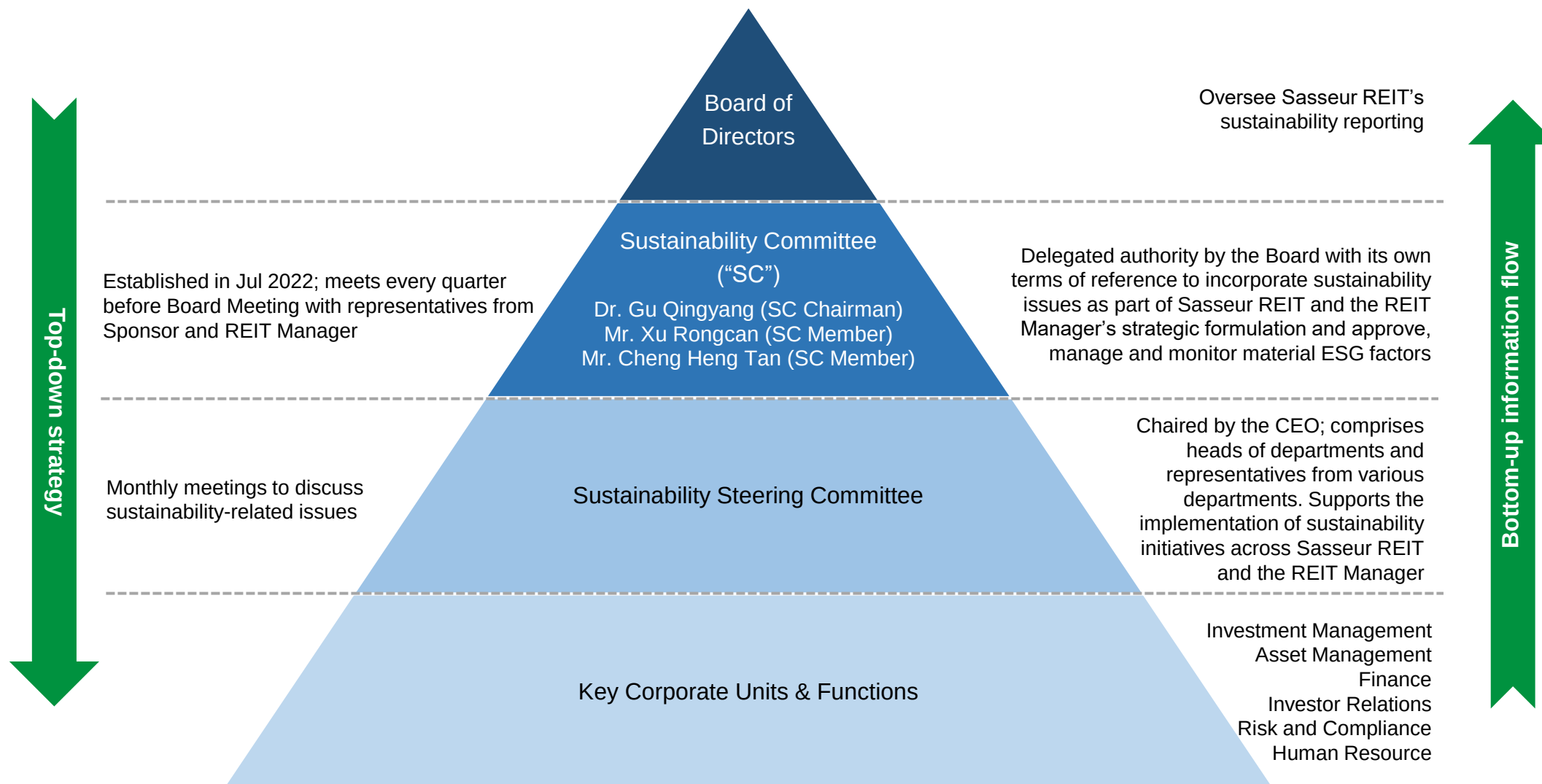
- Conduct **scenario analysis of impacts** including a 2°C or lower scenario
- **Integrate climate-related risks** into overall risk management framework
- Enhance the **process of managing climate-related risks**

- Set up **processes to identify, manage and integrate climate-related risks**
- **Establish metrics and targets** to measure GHG emissions and related risks
- To fulfil **disclosure of 26 out of 27 core ESG metrics** identified by SGX



Strengthening Sustainability Governance Structure

Formalising the Sustainability Committee as part of commitment to sustainability



Sustainability Achievements

Energy savings at Sasseur REIT's outlets



Centralisation of Air-Conditioning System

Chongqing Liangjiang Outlets

- ✓ Estimated electricity savings of **1.5** million kWh per annum

Centralised air-conditioning system and re-adjusted lowest temperature, keeping it at not below 18°C and 26°C during winter and summer seasons respectively, since Aug 2021.



Adjustment to Air-Conditioning Running Time

Chongqing Bishan Outlets

- ✓ Saved ~ **8,000** kWh of electricity monthly

Since Jun 2022, air-con compressor switched off 1 hour before business day ends.

Floodlight Timing Adjusted Based on Sunset Timing

Kunming Outlets

- ✓ Saved ~ **25,200** kWh of electricity during the first 6 months of implementation

Floodlights switched on according to time of sunset instead of at a fixed time daily, since Jan 2022.

Installation of Solar-powered Lights

Kunming Outlets

- ✓ **1,800** kWh of electricity generated during first 6 months of implementation
- ✓ Enough to power lights at the car park and common areas for **8** hours

Installation of solar-powered lights at car park and outdoor walkways since Feb 2022.



Sustainability Achievements

Water savings and reduction of greenhouse gases at Sasseur REIT's outlets



Tapping of Spring Water

Chongqing Bishan Outlets

- ✓ Reduction of **36,000 m³** of water annually

Started the tapping of spring water in 2018 to water plants, clean the outlet and refill water fountain.



Expansion of Green Areas

Chongqing Bishan Outlets, Chongqing Liangjiang Outlets & Kunming Outlets

- ✓ Green landscapes at Chongqing Liangjiang, Chongqing Bishan and Kunming Outlets expanded by **6,000 sqm**, **6,400 sqm** and **3,000 sqm** respectively

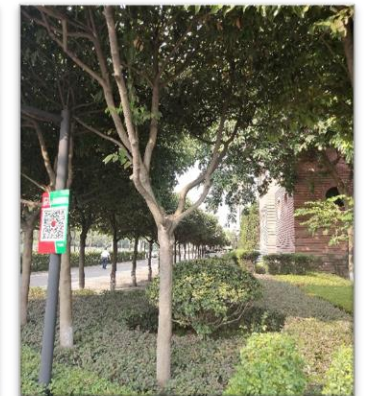
Expanding green spaces through planting of trees and enhancing landscapes at Chongqing Liangjiang, Chongqing Bishan and Kunming starting from 2008, 2014 and 2015 respectively, increasing the absorption of greenhouse gases.

Recycling of Collected Waste Water

Kunming Outlets

- ✓ Reduced **2,100 m³** of water annually

Set up a central collection point in Jul 2021 for waste water to be treated and recycled for the watering of plants.



Industry Recognition for Corporate Governance

Focusing on building a more sustainable business in the long run



Accolades



Runner-Up

**Singapore Corporate Governance Award 2022,
REITs & Business Trusts Category**

Runner-up for 2nd consecutive year



Sole foreign asset REIT
to win an award in this award category

Rankings

Ranked 19th out of 44 REITs and Business Trusts

in the Singapore Governance and Transparency Index (SGTI)

Sasseur REIT's score of 88.0 is

- An improvement of 1.1 points from 2021 and above the mean score of 85.3 under the REITs and Business Trusts category
- Highest achieved score since 2019 when the REIT was first included in the SGTI rankings

Ranked 21st out of 43 REITS and Business Trusts

**in the Governance Index for Trusts
(GIFT) 2022**

- 20th place in 2021, an improvement from 34th place in 2020



Looking Forward



Business Environment Remains Uncertain in the Short-term



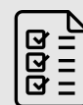
Chinese government's zero-COVID strategy remains a key challenge

- **China's economic growth expected to moderate in 2022**
 - > OECD has projected China's real GDP growth to slow to 3.2% in 2022 and may rebound to 4.7% in 2023¹
- **Government committed to implementation of measures to boost domestic consumption as key growth driver²**
 - > Boosting demand through employment and higher incomes
 - > Financial and fiscal policies to support infrastructure spending

Recent policy shifts to ease headwinds to China's growth outlook



- Guidelines to recalibrate zero-COVID restrictions³, including:
- ✓ Halt excessive anti-COVID measures by local governments
 - ✓ Cut isolation for close contacts to 5 days at a central facility and 3 days at home, down from 7+3
 - ✓ Cut quarantine for new arrivals to 5 days in hotel and 3 at home, from previous 7+3
 - ✓ Remove mass testing in most areas
 - ✓ Scrap circuit breaker bans for incoming flights and cut pre-flight PCR testing to 1 from 2



- Measures to support ailing property sector⁴, including:
- ✓ Stabilise the issuance of property development loans
 - ✓ Developers' outstanding bank loans and trust borrowings due within 6 months can be extended for no more than 1 year
 - ✓ Local governments encouraged to set 'reasonable' down-payment thresholds and mortgage rate floors

1. OECD Economic Outlook, Interim Report Sep 2022.
2. Bloomberg, "China's Premier Li Keqiang pledges faster growth after third-quarter expansion was 'no easy feat'", 28 Oct 2022.
3. Bloomberg, "These are China's 20 new guidelines for easing Covid Zero", 11 Nov 2022.
4. Business Times, "China regulators urge more financing support for property firms: sources", 13 Nov 2022.

Navigating Short-term Headwinds

REIT Manager maintaining disciplined approach to long-term growth



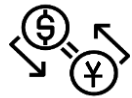
Localised COVID measures and lockdowns

- Chinese government implementing package of policies with **focus on domestic consumption**, to shore up economy recovery
- Long-term potential of **growing urbanisation and middle-class consumer spending** remains intact
- Sasseur outlets to continue rolling out **interactive and exciting thematic marketing events**



Global inflationary pressures

- **Insulation from rising property operating costs** due to inflation, as Sasseur REIT's Sponsor bears all the operating expenses related to the running of all the outlets under the EMA model



Foreign exchange volatilities

- Sasseur REIT's **hedging policy** to progressively hedge at least 30% and up to 100% of foreign currency exposure on committed net cashflows using hedging instruments with settlement dates within six months from the date of contract



Rising interest rates affecting cost of debt

- Financial flexibility with Sasseur REIT's **low aggregate leverage** of 26.4%, one of the lowest amongst S-REITs¹
- Mitigated by China's **decreasing loan prime rate**, lowering cost of the REIT's onshore debt

1. SGX Research S-Reits & Property Trusts Chartbook, "Five S-Reits with the lowest gearing ratios", 12 Sep 2022.

Promotional Events in Nov and Dec 2022

To increase consumer engagement and bolster tenants' sales



Double 11 Carnival

双十一

1 Nov – 13 Nov 2022

- Online orders are eligible for higher discounts
- Spend up to RMB 500 to enjoy additional RMB 50 discount
- Purchased points can be exchanged for RMB 50 and RMB 100 vouchers

Domestic Brands Promotions

红色第五季

18 Nov – 27 Nov 2022

- Annual event organised by all 4 Sasseur outlets
- Popular promotional events due to growing consumer preferences for domestic brands
- Featuring domestic brands like Li-Ning, ANTA, 361 Degrees etc.

Christmas & Year-end Promotions

跨年购

End Dec 2022 to Early Jan 2023

- Major promotional event for 4Q
- Customers eagerly anticipate the event because of the wide product range available and attractive prices
- Extra points are awarded for each purchase

藝術商業 超級奧萊

Art Commerce Super Outlets



Thank You

For enquiries, please contact:
Ms Jeanette Pang, Investor Relations

✉ ir@sasseurreit.com

☎ (65) 6360 0290

📍 **Sasseur Asset Management Pte. Ltd.**
7 Temasek Boulevard, #06-05,
Suntec Tower One, Singapore 038987

