



# SASSEUR REIT

*First Listed Outlet REIT in Asia*

Financial Results for 2Q 2019

6 August 2019

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DBS Bank Ltd. was the sole financial adviser and issue manager for the initial public offering of Sasseur REIT (the "**Offering**"). DBS Bank Ltd. and Bank of China Limited, Singapore Branch were the joint global coordinators to the Offering. DBS Bank Ltd., Bank of China Limited, Singapore Branch, China International Capital Corporation (Singapore) Pte. Limited, Citigroup Global Markets Singapore Pte. Ltd., Credit Suisse (Singapore) Limited, Haitong International Securities (Singapore) Pte. Ltd. and Maybank Kim Eng Securities Pte. Ltd. were the joint bookrunners and underwriters to the Offering.

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# 2Q 2019 Key Highlights



SASSEUR (KUNMING) OUTLETS

# 2Q 2019 DPU Exceeds Projection by 10.5%



2Q 2019 and 1H 2019						
SGD'000	2Q2019 Actual <sup>1</sup>	2Q2019 Projection <sup>2</sup>	Change %	1H2019 Actual <sup>1</sup>	1H2019 Projection <sup>2</sup>	Change %
EMA rental income (exclude straight-line adjustment)	29,129	29,222	-0.3%	60,003	59,373	+1.1%
Income available for distribution to Unitholders	19,168	17,339	+10.5%	38,852	35,354	+9.9%
Distribution per Unit (DPU) (SGD cents)	<b>1.608</b>	1.455	<b>+10.5%</b>	<b>3.264</b>	2.970	<b>+9.9%</b>

## Annualised Distribution Yield<sup>3</sup>:

- 2Q 2019: 8.1% exceeds Projection 7.3% by 10.5%
- 1H 2019: 8.2% exceeds Projection 7.5% by 9.9%

(1) The actual results of the REIT Group's foreign subsidiaries were translated using the average SGD:RMB rate of 1:5.0094 and 1:4.9880 for 2Q 2019 and 1H 2019 respectively.

(2) The projection figures were derived from the seasonal projection for 2Q 2019, based on the Projection Period 2019 as disclosed in Sasseur REIT's Prospectus dated 21 March 2018 (the "Prospectus"). An exchange rate for SGD:RMB of 1:4.930 was adopted in the projection.

(3) The annualised distribution yield for 2Q 2019 and 1H 2019 was for 91 days and 181 days based on the listing price of S\$0.80.

# 2Q 2019 DPU Yield at 8.1% Exceeds Last Year by 6.6%



On 91 days basis, 2Q19 EMA rental income increased by 2.7% and DPU increased by 5.9%

2Q 2019 and 1H 2019						
SGD'000	2Q2019 <sup>1</sup>	28 March to 30 June 2018 <sup>1</sup>	Change %	2Q2019	2Q2018 <sup>2</sup>	Change %
EMA rental income (exclude straight-line adjustment)	29,129	29,599	-1.6.%	29,129	28,353	+2.7
Income available for distribution to Unitholders	19,168	18,743	+2.3%	19,168	17,953	+6.8
Distribution per Unit (DPU) (SGD cents)	1.608	1.587	+1.3%	1.608	1.520	+5.9
Annualised DPU yield (%) <sup>3</sup> - Based on listing price of S\$0.80	8.1%	7.6%	+6.6	8.1%	7.6%	+6.6

(1) Average SGD:RMB rate of 1:5.0094 and 1:4.7990 were used for 2Q 2019 and 28 March to 30 June 2018 respectively.

(2) The period for 2Q 2019 comprises of 91 days whereas the period from 28 March 2018 (Listing Date) to 30 June 2018 comprises of 95 days. For more meaningful comparison, the results for 28 March to 30 June 2018 are presented based on 91 days

(3) The annualised distribution yield for 2Q 2019 and 28 March to 30 June 2018 was on 91 days and 95 days respectively based on the listing price of S\$0.80.

# Strong Operating Performance



## 2Q 2019 - Key Portfolio Metrics

**NAV per unit**

\$0.863

▲ 7.9% as at IPO

**High Occupancy Rate**

95.8%

**Aggregate Leverage**

29.7%

▼ from 36.0% as at IPO

**Weighted Average Debt**

**Maturity**

3.24 years

# Financial Results



SASSEUR (CHONGQING) OUTLETS



# EMA Rental Income and Distribution



	2Q 2019			1H 2019		
	Actual	Projection	Change %	Actual	Projection	Change %
Fixed Component (RMB mil)	98.5	98.5	-	197.1	197.1	-
Variable Component (RMB mil)	47.5	45.6	+4.2%	102.2	95.6	+6.9%
EMA Rental Income <sup>1</sup> (RMB mil)	146.0	144.1	+1.3%	299.3	292.7	+2.3%
Exchange Rate (RMB/S\$)	5.0094	4.930	+1.6%	4.9880	4.930	+1.2%
EMA Rental Income <sup>1</sup> (S\$ mil)	29.1	29.2	-0.3%	60.0	59.4	+1.1%
Distributable Income (S\$ mil)	19.2	17.3	+10.5%	38.9	35.4	+9.9%
DPU (S cents)	1.608	1.455	+10.5%	3.264	2.967	+9.9%

<sup>1</sup> Excluding straight-line accounting adjustment

# EMA Rental Income and Distribution



	2Q2019	28 March to 30 June 2018	Change %	2Q2019	2Q2018 <sup>2</sup>	Change %
Fixed Component (RMB mil)	98.5	99.9	-	98.5	95.7	+2.9%
Variable Component (RMB mil)	47.5	42.2	+12.3%	47.5	40.4	+17.3%
EMA Rental Income <sup>1</sup> (RMB mil)	146.0	142.1	+2.7%	146.0	136.1	+7.2%
Exchange Rate (RMB/S\$)	5.0094	4.7990	+4.4%	5.0094	4.7990	+4.4%
EMA Rental Income <sup>1</sup> (S\$ mil)	29.1	29.6	-1.6%	29.1	28.3	+2.7%
Distributable Income (S\$ mil)	19.2	18.7	+2.3%	19.2	18.0	+6.8%
DPU (S cents)	1.608	1.587	+1.3%	1.608	1.520	+5.9%

<sup>1</sup> Excluding straight-line accounting adjustment

<sup>2</sup> The period for 2Q 2019 comprises of 91 days whereas the period from 28 March 2018 (Listing Date) to 30 June 2018 comprises of 95. For more meaningful comparison, the results for 28 March to 30 June 2018 are presented based on 91 days

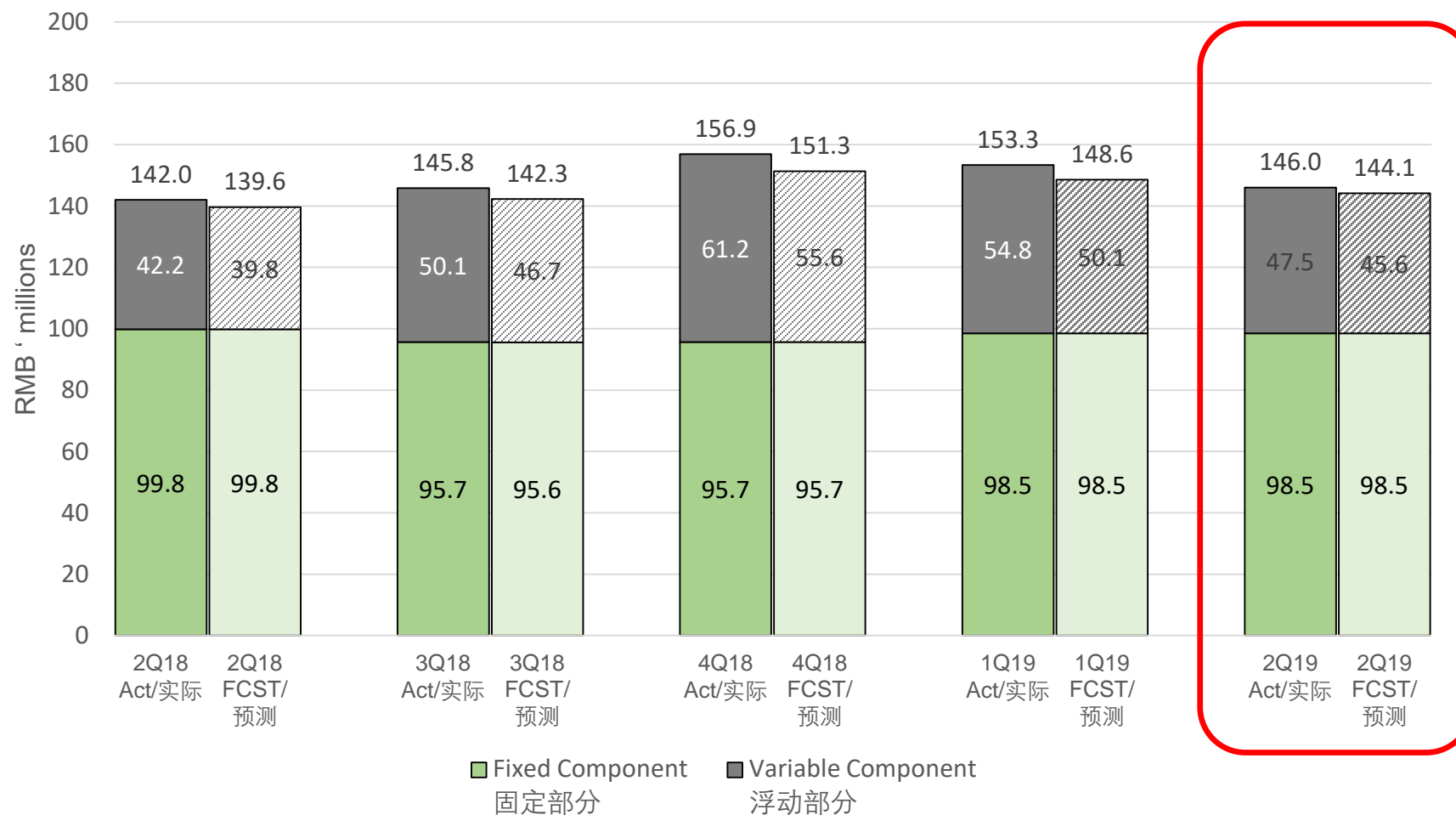
# Healthy Balance Sheet



S\$ mil	Actual 30 June 2019	Actual 31 Dec 2018
Investment properties	1,538.2	1,539.5
Cash and short-term deposits	129.3	203.6
Other assets	27.8	25.6
<b>Total Assets</b>	<b>1,695.3</b>	<b>1,768.7</b>
Loans and borrowings	486.4	493.3
Other liabilities	178.5	201.4
<b>Total Liabilities</b>	<b>664.9</b>	<b>694.7</b>
<b>Net Assets</b>	<b>1,030.5</b>	<b>1,074.0</b>
NAV per unit (cents) <sup>1</sup>	86.30	90.33
Aggregate Leverage	29.7%	29.0%
Debt Headroom	260.0	283.0

(1) Based on units in issue and issuable of 1,194,037,129 and 1,188,953,352 as at 30 June 2019 and 31 December 2018 respectively.

# EMA Rental Income exceeds projections for five consecutive quarters



# Distribution Details



**Distribution Period**  
**Distribution Per Unit<sup>1</sup>**

1 April to 30 June 2019  
**1.608 Singapore cents**

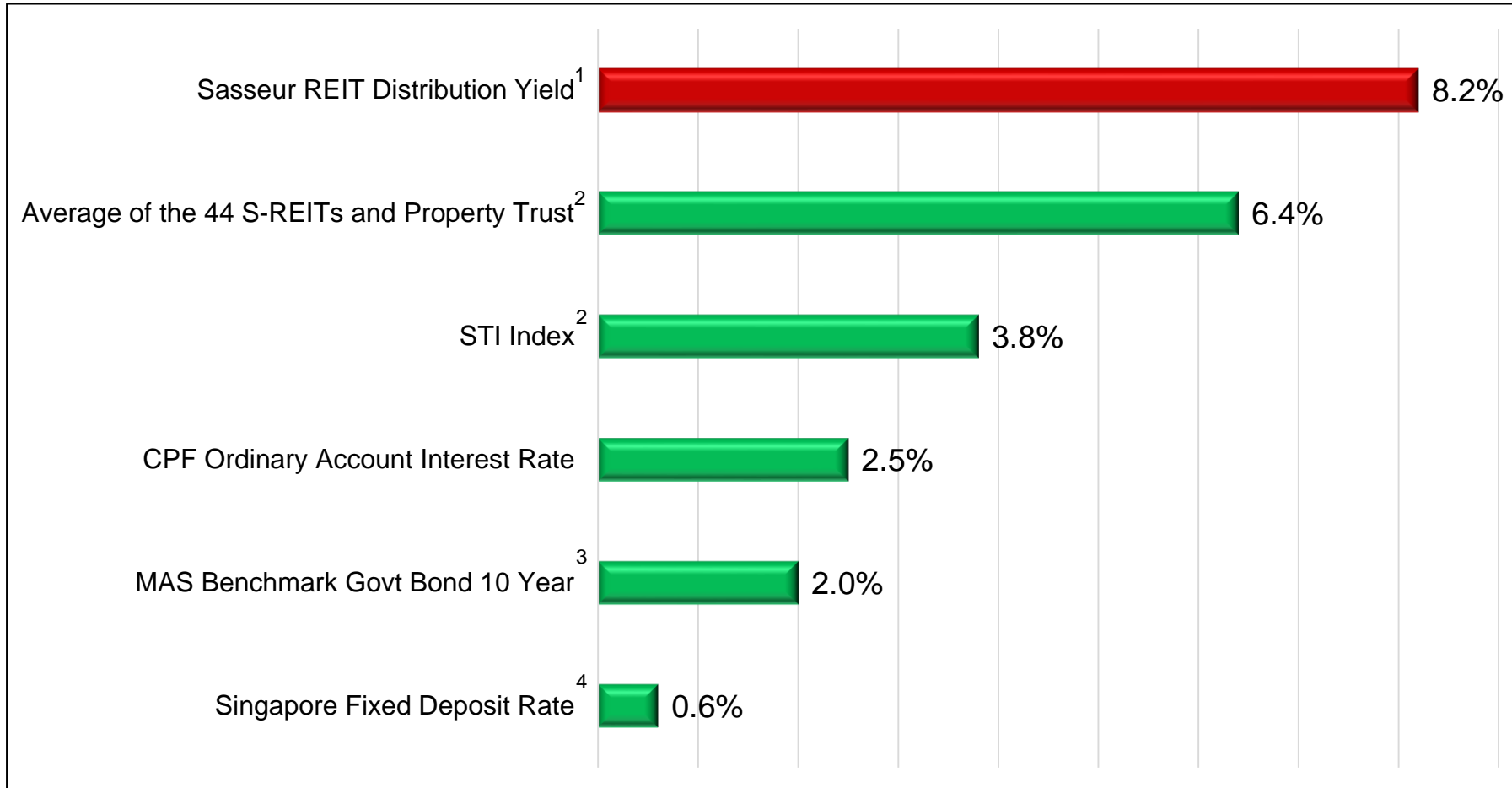
## Distribution Timetable

Notice of Books Closure Date	6 August 2019
Ex-dividend Date	22 August 2019
Books Closure Date	23 August 2019
Distribution Payment Date	26 September 2019

**Distribution pay-out has changed to quarterly pay-out  
with effect from 1 January 2019**

<sup>1</sup> Based on 1,191,624,144 units in issue as at 30 June 2019

# Sasseur REIT has highest yield vs other asset classes



**Notes:**

1. Annualised distribution yield for 1H2019 based on the listing price of S\$0.80
2. Based on 12M Average Dividend Yield
3. Based on 10 Year Yield
4. Bank fixed deposit rates from MAS

# Capital Management



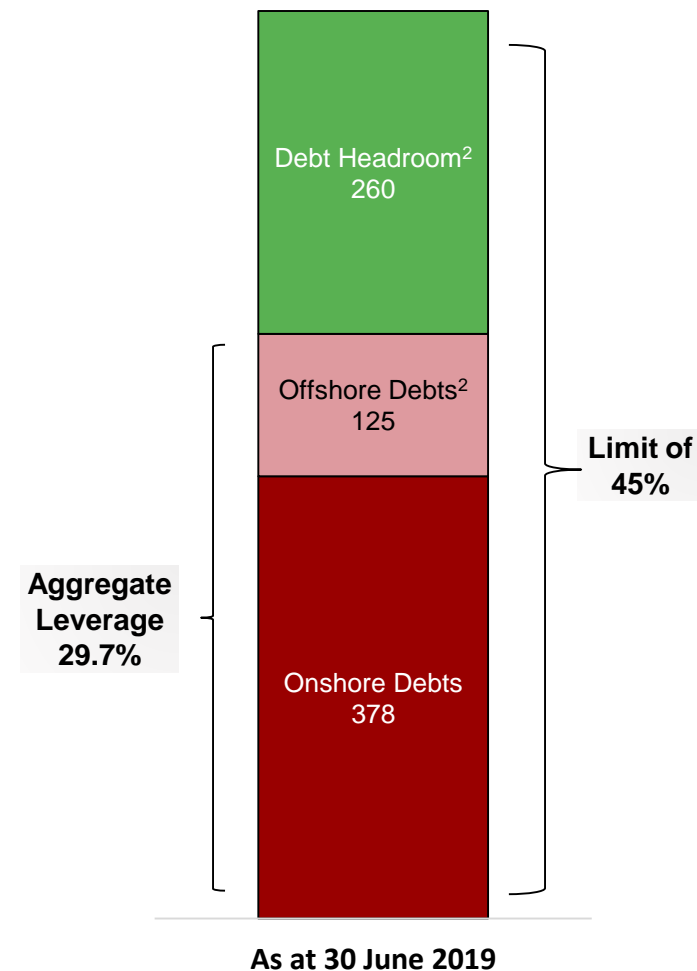
SASSEUR (HEFEI) OUTLETS

# Prudent Capital Management



	Onshore Facilities	Offshore Facility	TOTAL
Currency	RMB	SGD	-
Quantum	~SGD 378 million (RMB 1.92 billion)	SGD 125 million <sup>1</sup> (~RMB 0.64 billion)	~SGD 503 million (~RMB 2.56 billion)
Proportion	75.2%	24.8%	100%
Tenure	5 years	3 years	4.5 years (weighted average)
Weighted Average Cost of Borrowings (p.a.) (exclude upfront debt-related costs)	4.75%	3.53%	4.45%
Interest Cover	-	-	1H19: 4.8 times (FY2018: 4.1 times)
Floating Rate	PBOC benchmark 1-5 years lending rate	Singapore SOR	-

## Debt Facilities (SGD million)



1. 50% of Offshore Loan is hedged

2. Debt headroom is computed based on corresponding periods' deposited property value or total assets value

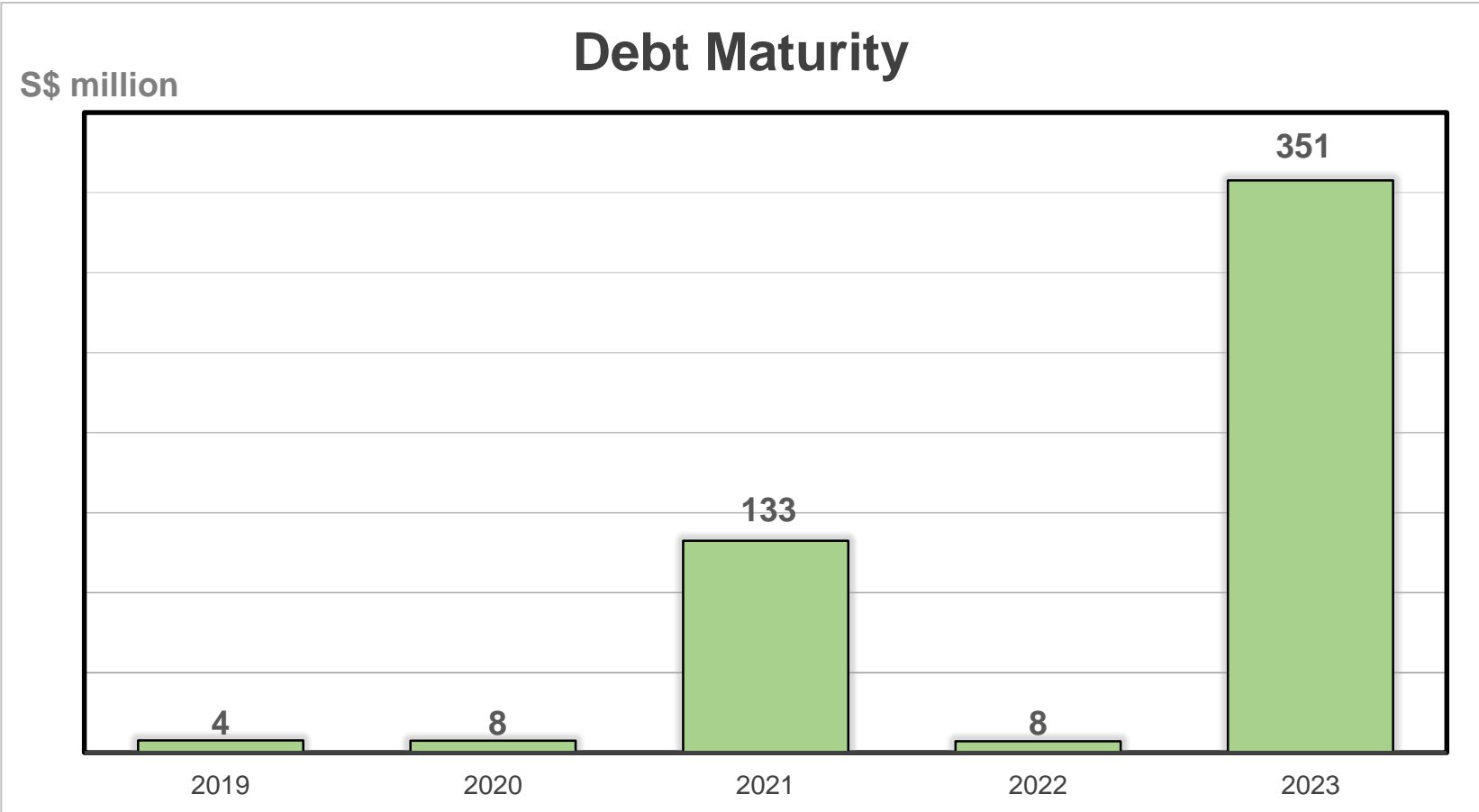
Note: All calculations are done according to the SGD to RMB exchange rate of 5.0805 as at 30 June 2019



# Debt Maturity Profile



Weighted average debt maturity is 3.24 years with no major re-financing until 2021



# Portfolio Update




SASSEUR (HEFEI) OUTLETS

# Portfolio Summary

Portfolio
Valuation* : 7,810 mil
NLA : 312,844 sqm
Occupancy^ : 95.8%




Hefei Outlet Mall
Valuation : 2,624 mil
NLA : 144,583 sqm
Occupancy : 93.3%




Bishan Outlet Mall
Valuation : 790 mil
NLA : 47,308 sqm
Occupancy : 92.7%



Kunming Outlet Mall
Valuation : 1,495 mil
NLA : 70,067 sqm
Occupancy : 97.9%

*\*Based on independent valuation as at 31 Dec 18 by Savills (RMB million) and the average independent valuation as at 28 Feb 2019 by Savills and JLL for the shop units in Hefei Outlet which was acquired on 14 May 19.*



Chongqing Outlet Mall
Valuation : 2,901 mil
NLA : 50,885 sqm
Occupancy : 100%

^Occupancy for 2Q 2019

# Q2 2019 Outlets Summary

**1H 2019 Total Outlet Sales Increased 19.9%**

Outlets	NLA (sqm)	Occupancy (%)	Q2 2019 <sup>1</sup> Sales (RMB'mil)	Q2 2019 vs Q2 2018 <sup>2</sup> Change (%)	1H 2019 <sup>3</sup> Sales (RMB'mil)	1H 2019 vs 1H 2018 <sup>4</sup> Change (%)
Chongqing	50,885	100.0	480.2	+4.0	1,089.3	+10.0
Bishan	47,308	92.7	93.1	+22.8	218.0	+28.1
Hefei	144,583	93.3	273.2	+35.4	516.1	+30.5
Kunming	70,067	97.9	180.2	+19.6	409.3	+33.6
<b>Portfolio</b>	<b>312,844</b>	<b>95.8</b>	<b>1,026.7</b>	<b>+15.4</b>	<b>2,232.7</b>	<b>+19.9</b>

<sup>1</sup>Q2 2019: 01 April 2019 – 30 June 2019

<sup>2</sup>Q2 2018: 01 April 2018 – 30 June 2018

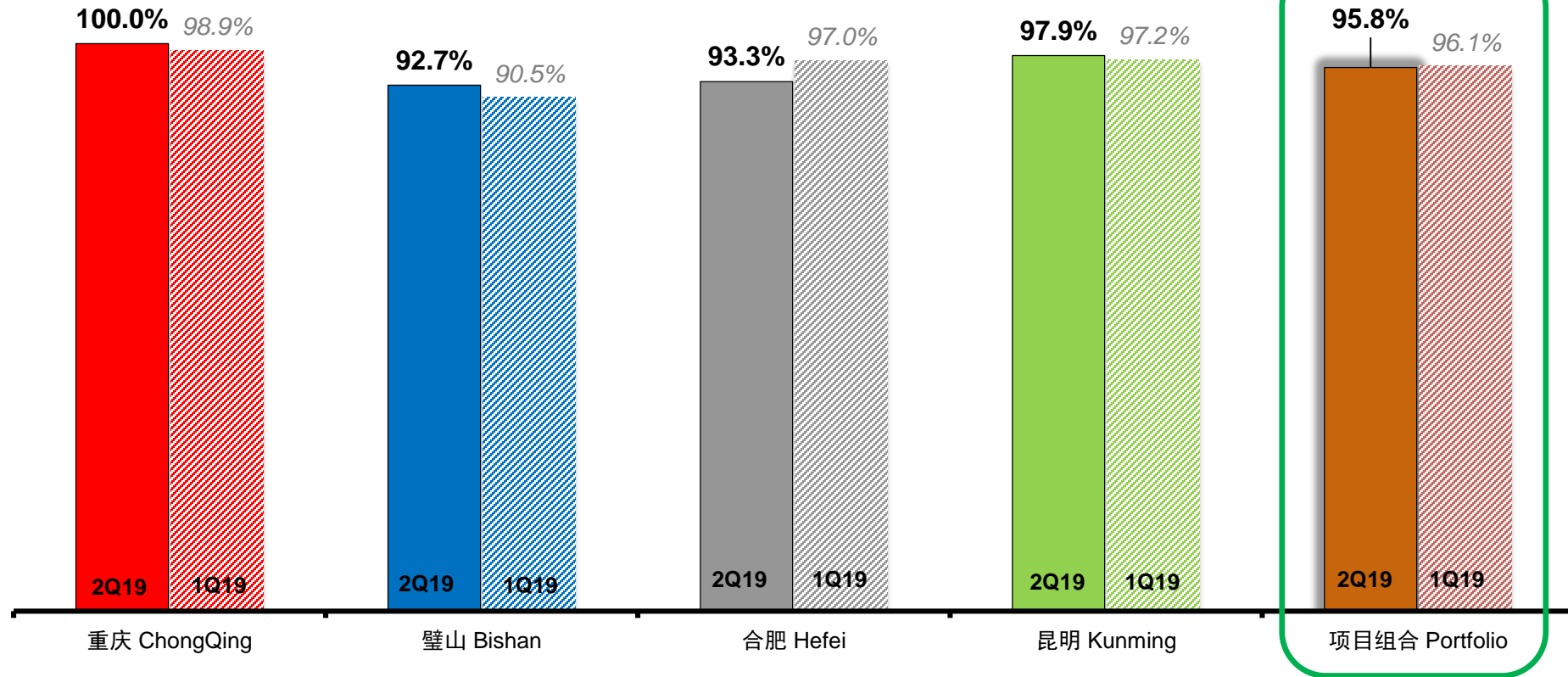
<sup>3</sup>1H 2019: 01 January 2019 – 30 June 2019

<sup>4</sup>1H 2018: 01 January 2018 – 30 June 2018

# Portfolio Occupancy (2Q 2019 vs 1Q 2019)



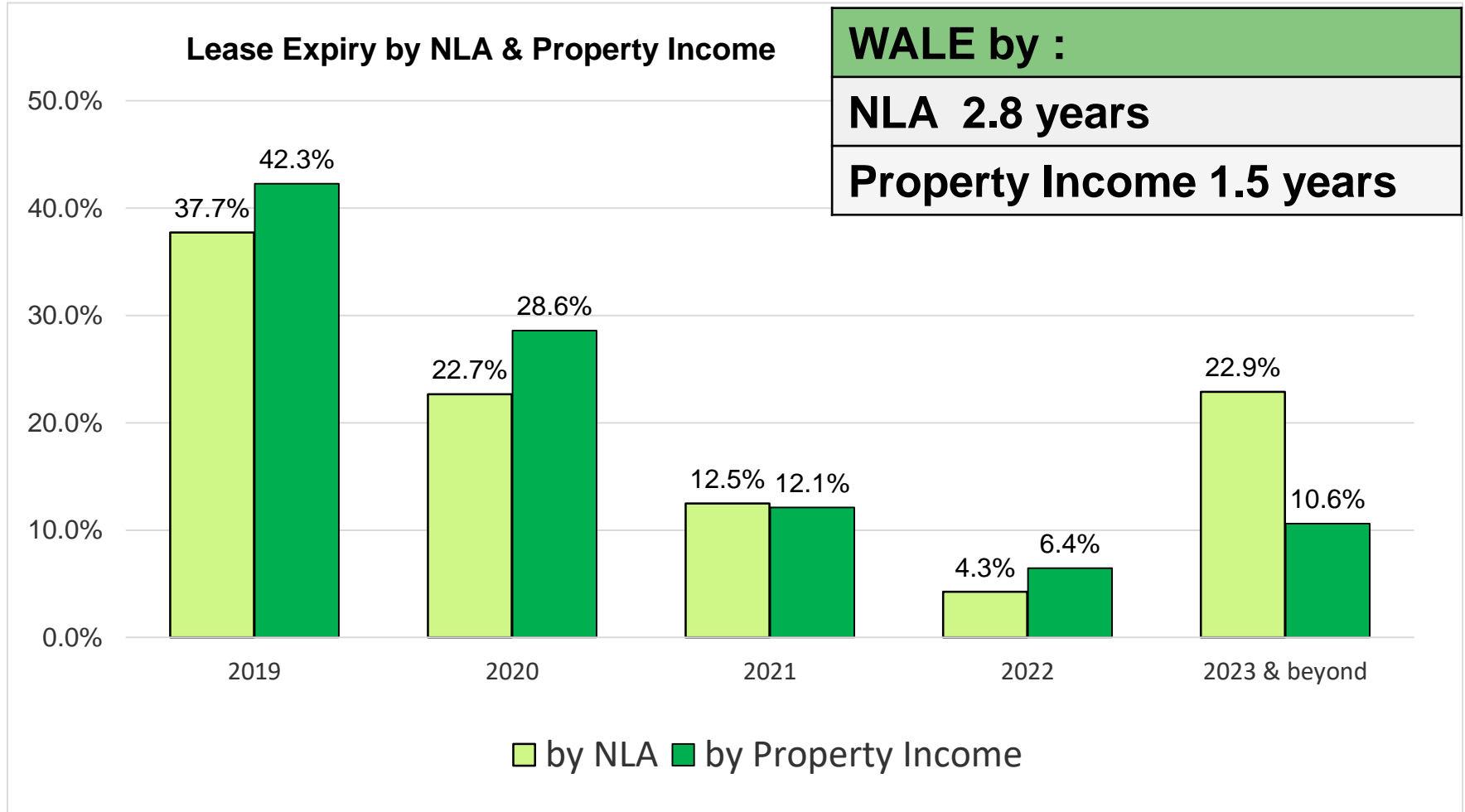
4 Outlets Malls enjoy high stable occupancy



# Weighted Average Lease Expiry (WALE)

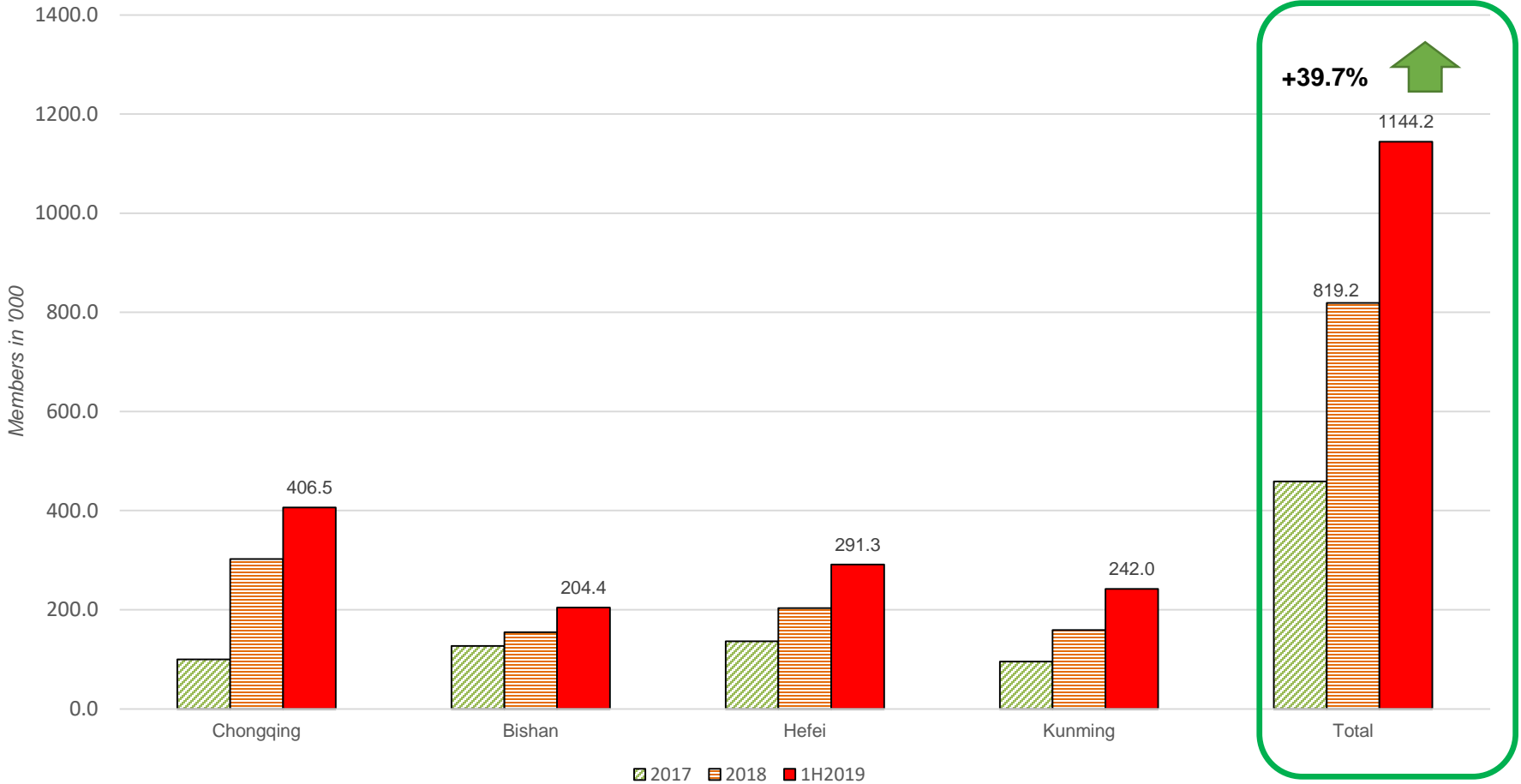


**Deliberate short lease to optimise tenant mix**



As at 30 June 2019

# VIP Members' Growth by Outlets

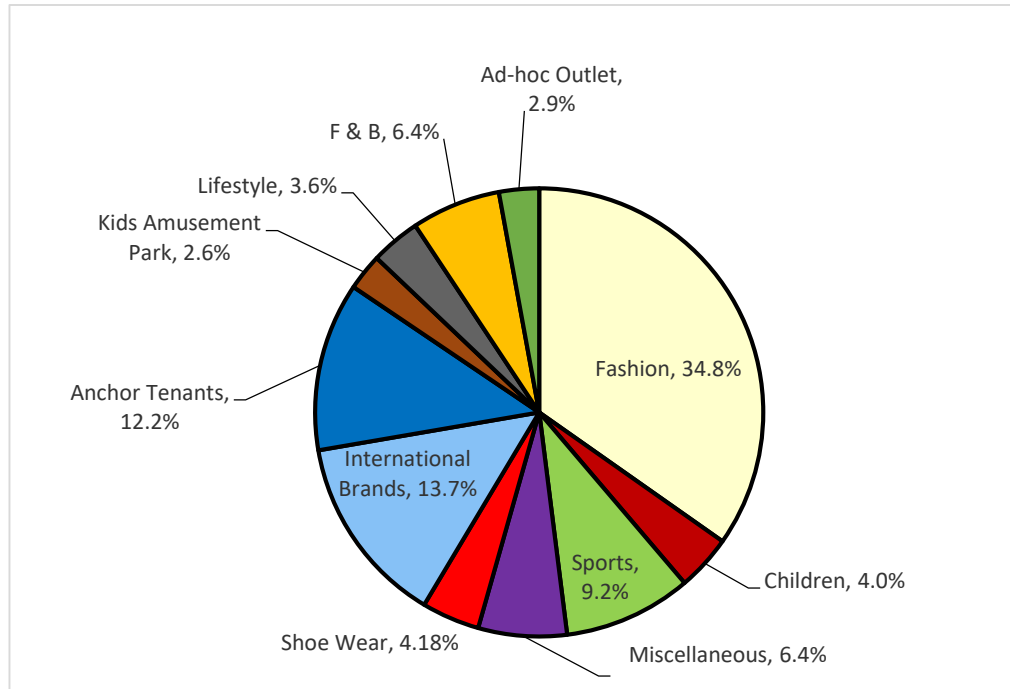


**Total VIP members have jumped 39.7% from end of 2018 to reach 1.1442 million**

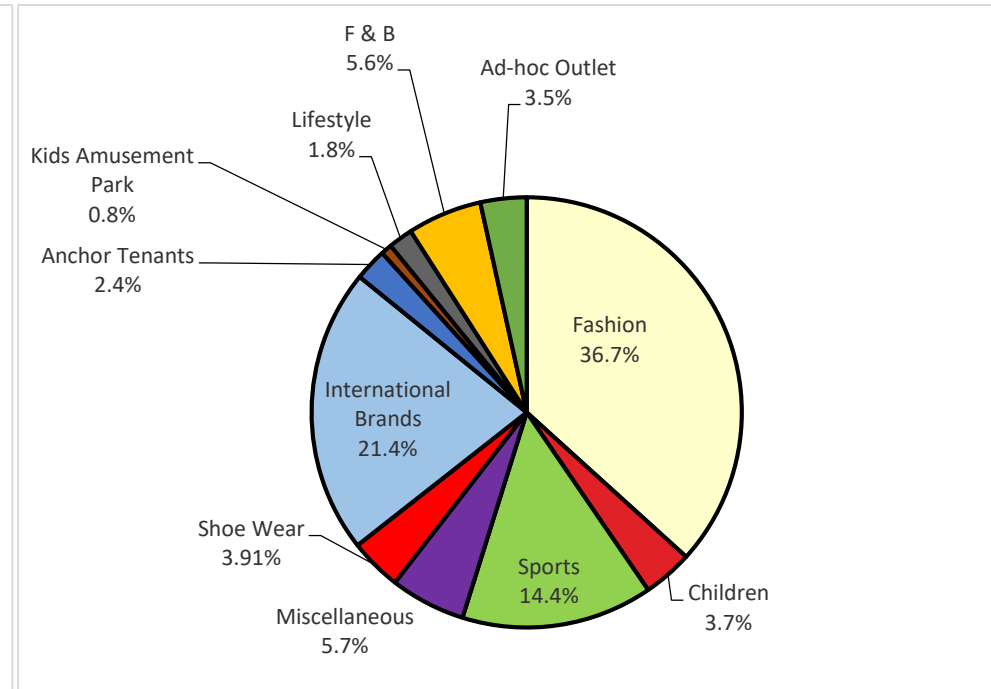
# Well Diversified Portfolio Tenants' Mix



## Breakdown of NLA<sup>1</sup> by Trade Sector



## Breakdown of Revenue<sup>2</sup> by Trade Sector



## Fashion, Sports and International Brands

**57.7%**

**72.5%**

<sup>1</sup>. As percentage of the portfolio's net lettable areas as at 30 June 2019

<sup>2</sup>. As percentage of the portfolio's gross revenue as at 30 June 2019

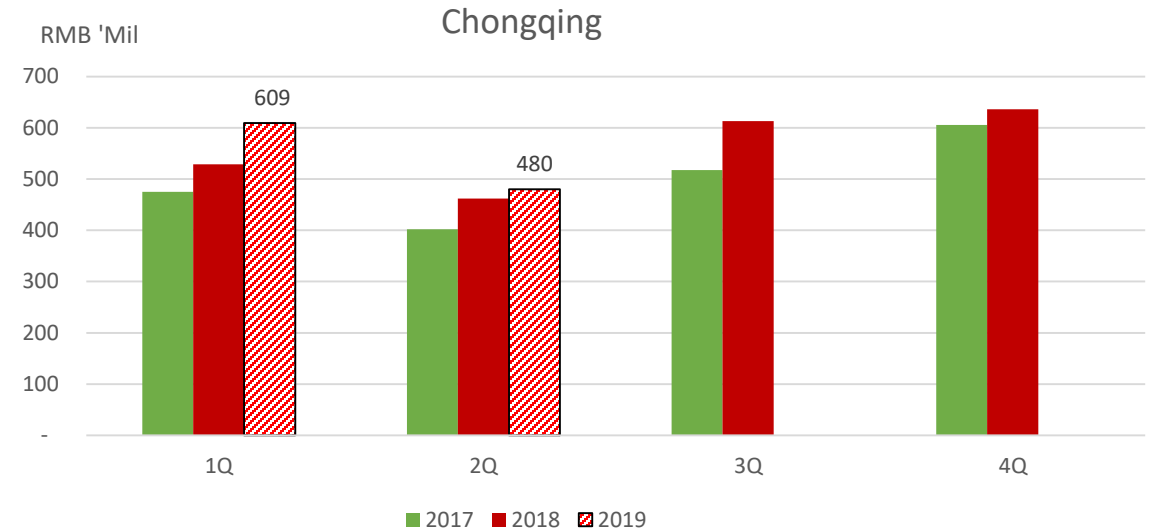


# Chongqing Outlets

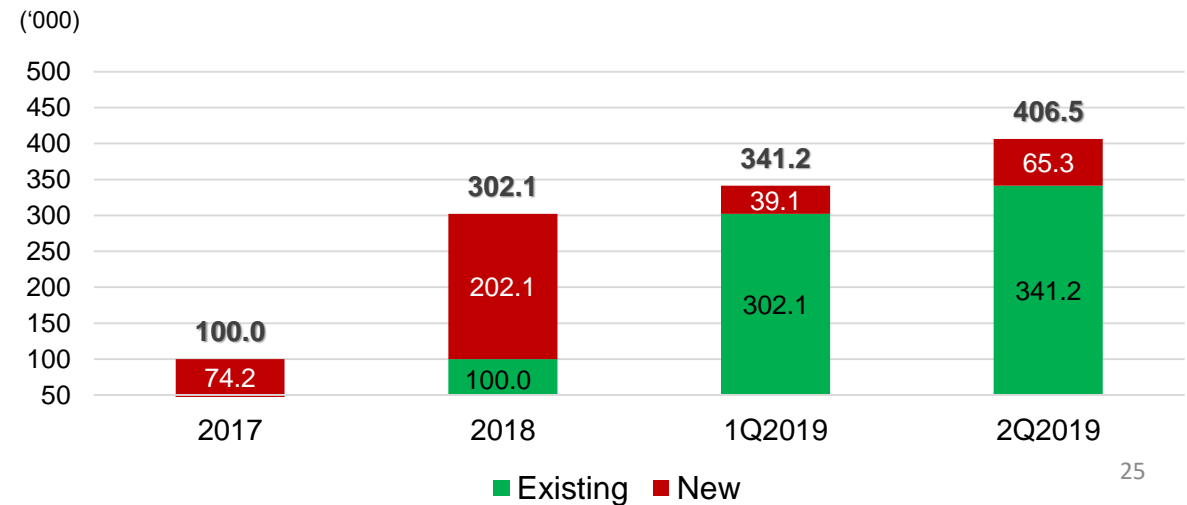


Year Commenced Operations	Sep 2008
GFA (sqm)	73,373
NLA (sqm)	50,885
Occupancy Rate (% , 30 June 19)	100
No. of Tenants (30 June 19)	411
Top Brands	FILA, Adidas, Cartelo, +39 Space, High Wave
Car Park Lots	500
Valuation (RMB mil, 31 Dec 18)	2,901

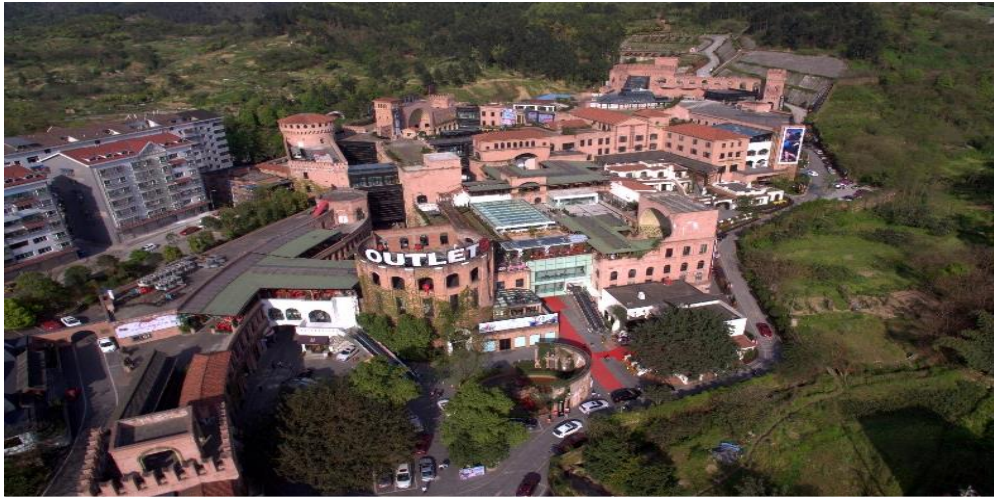
## Sales



## Outlet Members

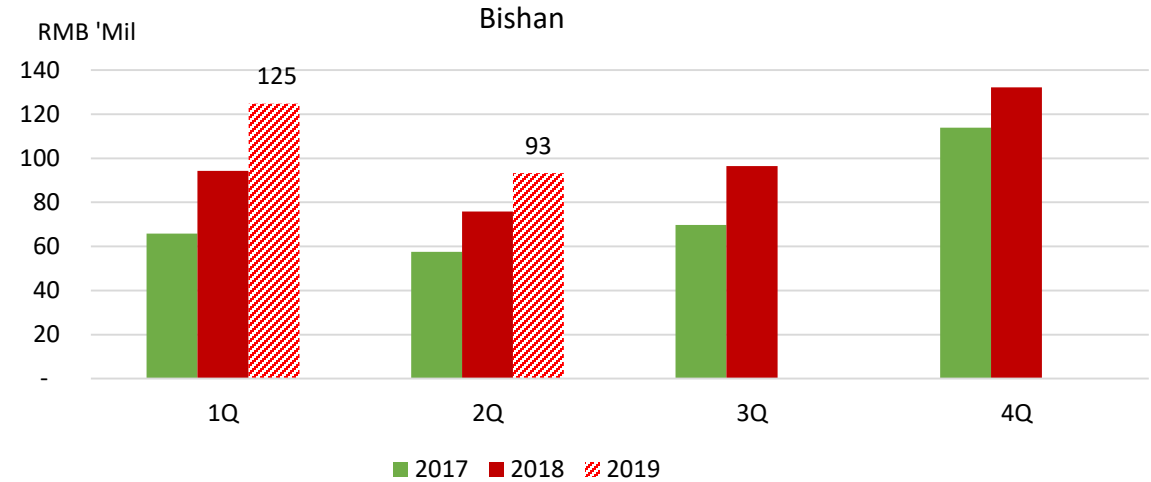


# Bishan Outlets

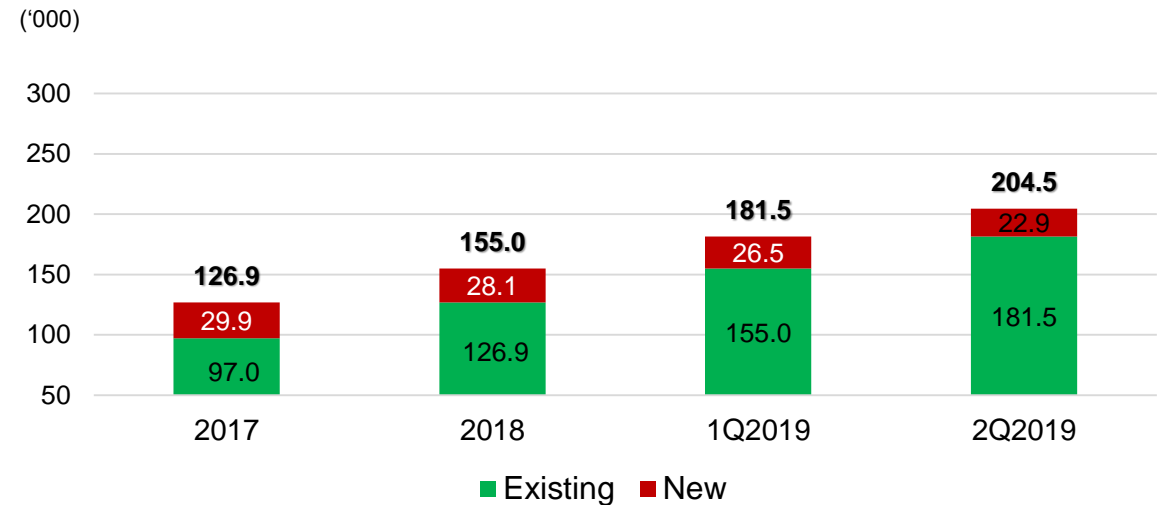


<b>Year Commenced Operations</b>	Oct 2014
<b>GFA (sqm)</b>	68,791
<b>NLA (sqm)</b>	47,308
<b>Occupancy Rate (% , 30 June 19)</b>	92.7
<b>No. of Tenants (30 June 19)</b>	201
<b>Top Brands</b>	Adidas, Nike, Polo Sport, OBEG, +39 Space
<b>Car Park Lots</b>	400
<b>Valuation (RMB mil, 31 Dec 18)</b>	790

## Sales



## Outlet Members

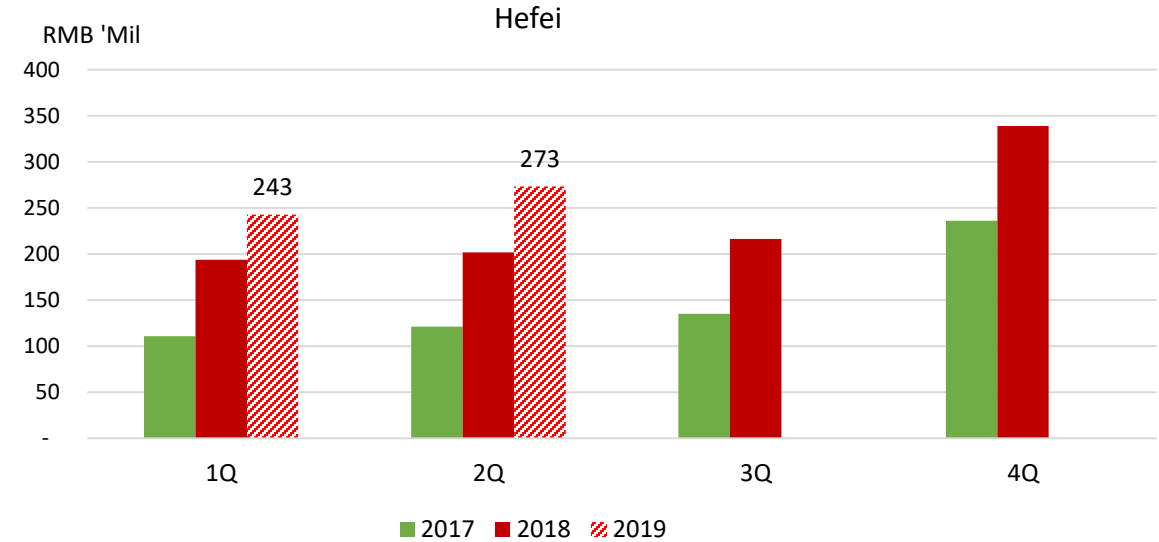


# Hefei Outlets

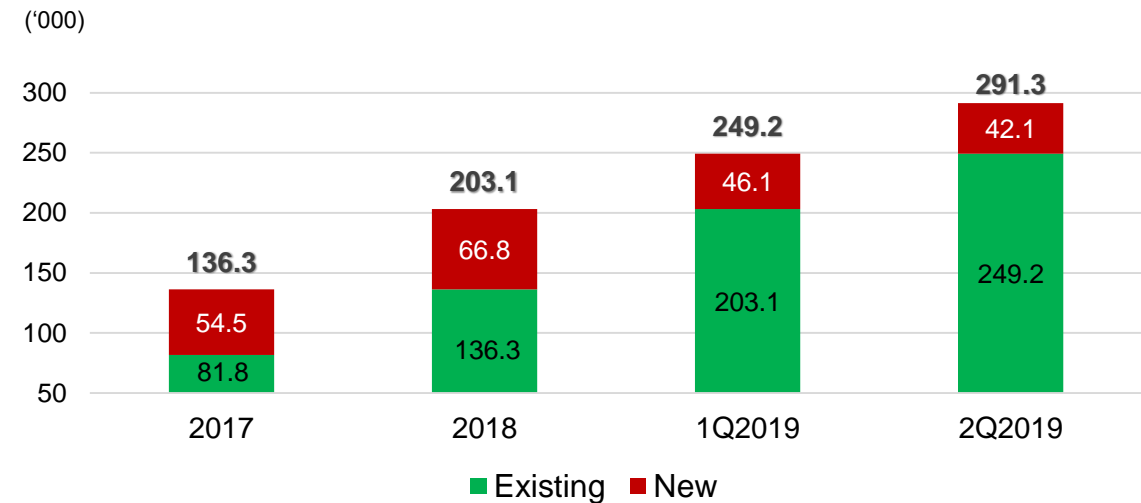


<b>Year Commenced Operations</b>	May 2016
<b>GFA (sqm)</b>	147,316
<b>NLA (sqm)</b>	144,583
<b>Occupancy Rate (% , 30 June 9)</b>	93.3
<b>No. of Tenants (30 June 19)</b>	327
<b>Top Brands</b>	Adidas, Coach, Michael Kors, Nike, Hazzys
<b>Car Park Lots</b>	1,566
<b>Valuation (RMB mil)</b>	2,624

## Sales



## Outlet Members

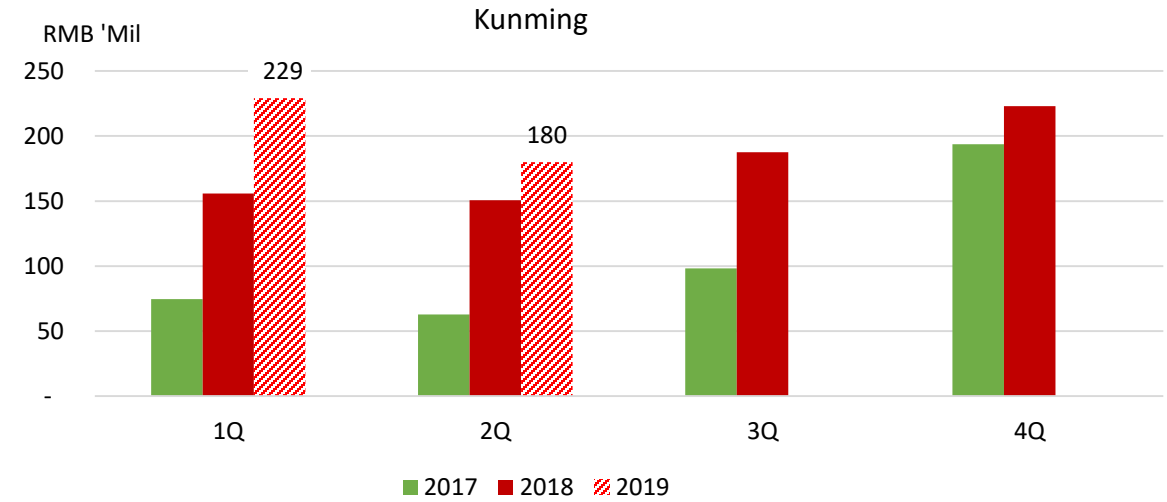


# Kunming Outlets

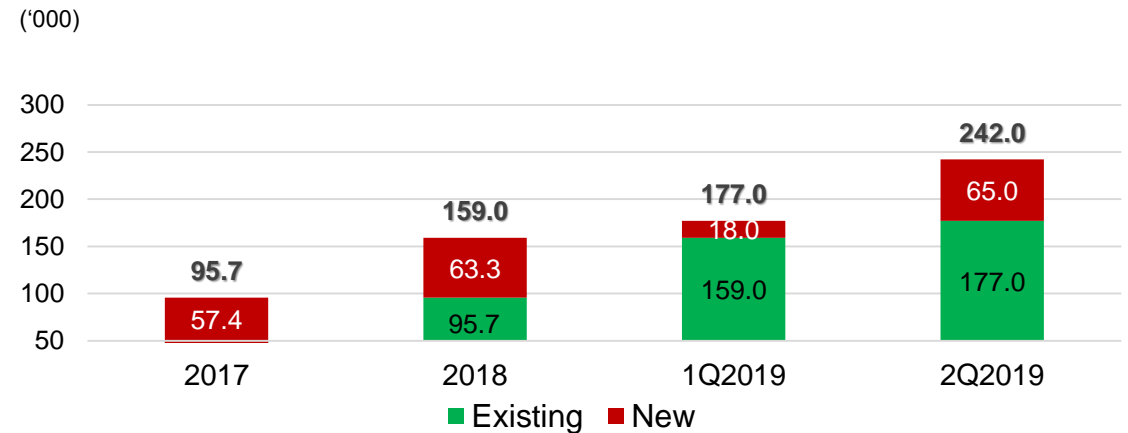


Year Commenced Operations	Dec 2016
GFA (sqm)	88,257
NLA (sqm)	70,067
Occupancy Rate (% , 30 June 19)	97.9
No. of Tenants (30 June 19)	246
Top Brands	Nike, Adidas, Fila, Polo Sport, +39 Space
Car Park Lots	2,000
Valuation (RMB mil, 31 Dec 18)	1,495

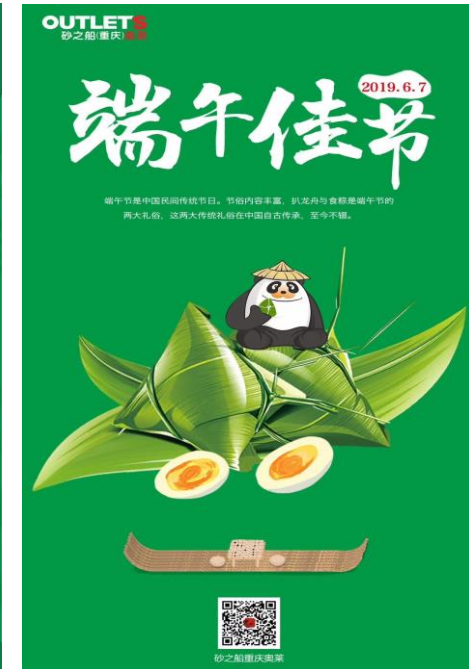
## Sales



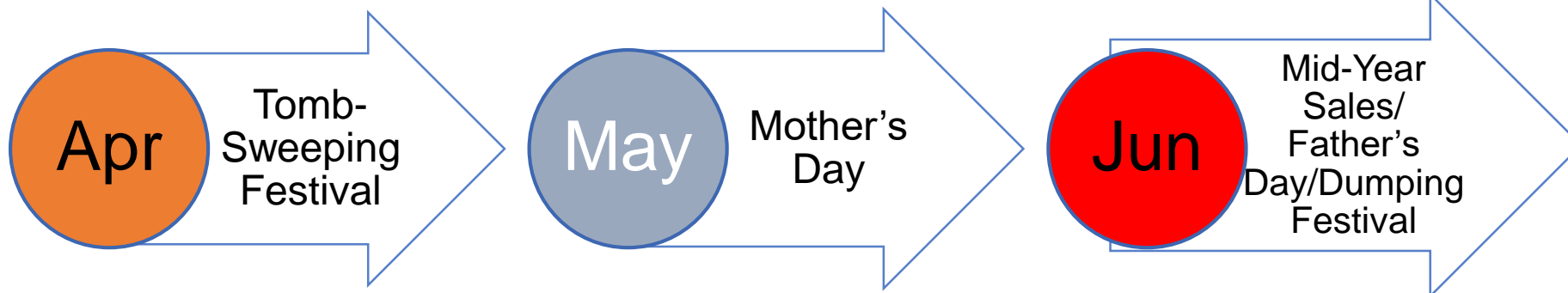
## Outlet Members



# Exciting Events to Drive Shoppers' Traffic



## Key Events for 2Q 2019



# Exciting Events to Drive Shoppers' Traffic (Con't)



**Strong Turnout of Shoppers to Outlets' Various Promotional Events**



# Potential Pipelines



- All acquisitions must be yield accretive
- First China, then the World
- Pipeline Properties increased from 3 to 7

## ROFR Properties

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



## Pipeline Properties

	Nanjing	Hangzhou	Changchun
Opening Date	May 2015	Jun 2011	Sep 2017
GFA (sqm)	149,875	45,873	172,128
Car Park Lots	c.8,000	c.5,000	c.4,000

## New Pipeline Properties

	Changsha	Lanzhou	Yangzhou	Shenzhen
Opening Date	Dec 2018	~4Q 2019	~4Q 2020	~4Q 2020
GFA (sqm)	210,600	~100,000	~85,000	~150,000
Car Park Lots	c.2,084	c.2,500	c.1,200	c.2,200

# Investment Merits



SASSEUR (KUNMING) OUTLETS



# Investment Merits



1

**Market Leadership:** Sasseur Group is the largest operator of outlet malls in China, with 10 malls and over 11 years of operating experience

2

**Unique Art-Commerce Business Model:** Aligns interests of tenants, unitholders and entrusted managers, with potential to share upside

3

**5 Consecutive Quarters of DPU Outperformance Since Listing:** Beating forecast for 2018 and projection for 2019

4

**One of the top-performing S-REITs in 1H2019:** 30.1% return for the first half of 2019

5

**Strong Partnership:** Longstanding business relationships with leading premium international and local retail brands



# Thank You

For enquiries, please contact:

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