



SASSEUR REIT – Growth in a Sunrise Industry

First Listed Outlet Mall REIT in Asia

DBS-SGX-REITAS Virtual Conference

15 June 2021

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Overview of Sasseur REIT



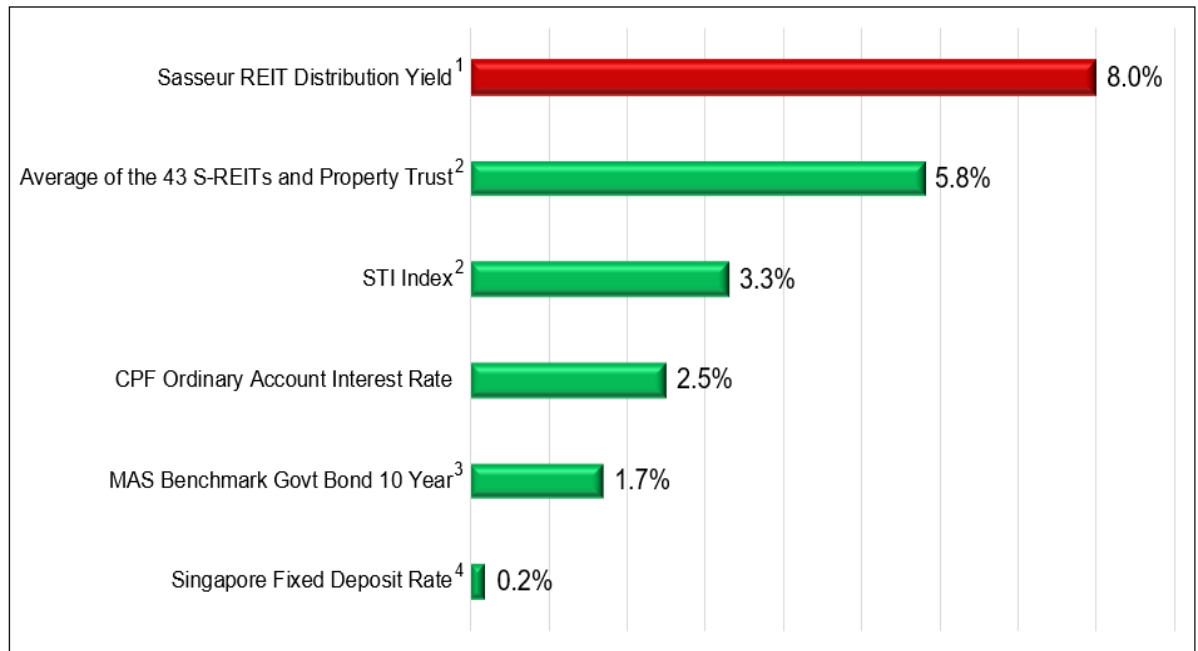
Sasseur REIT was listed on SGX Mainboard on 28 March 2018

China-Singapore (Chongqing) Demonstration Initiative on Strategic Connectivity (Financial Services)

Portfolio Information (as of 1Q 2021 unless otherwise stated)

 <p>Valuation RMB 8.142 billion 4Q 2020</p>	 <p>Sales RMB 1,136.6 million</p>
 <p>Net Lettable Area 312,844 sqm</p>	 <p>Weighted Average Lease Expiry 2.6 years</p>
 <p>Occupancy 93.5%</p>	 <p>Leverage 27.6%</p>

The only retail S-REIT with positive return in 2020*



Notes:

- 1. Distribution yield based on annualised DPU and closing price of S\$0.890 as at 31 March 2021
 - 2. Based on 12M Average Dividend Yield
 - 3. Based on 10 Year Yield
 - 4. 12M Bank fixed deposit rates from MAS as of 31 March 2021
- Source: Bloomberg, SGX, Central Provident Fund (CPF) Board, data as of 31 March 2021

* Source: SGX Publication "SREITs & Property Trusts Chartbook – January 2021" Report

Sponsor's Unique "Super Outlet" Business Model



- ▶ "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

$$A \times (1+N) \times DT$$



Outlet'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



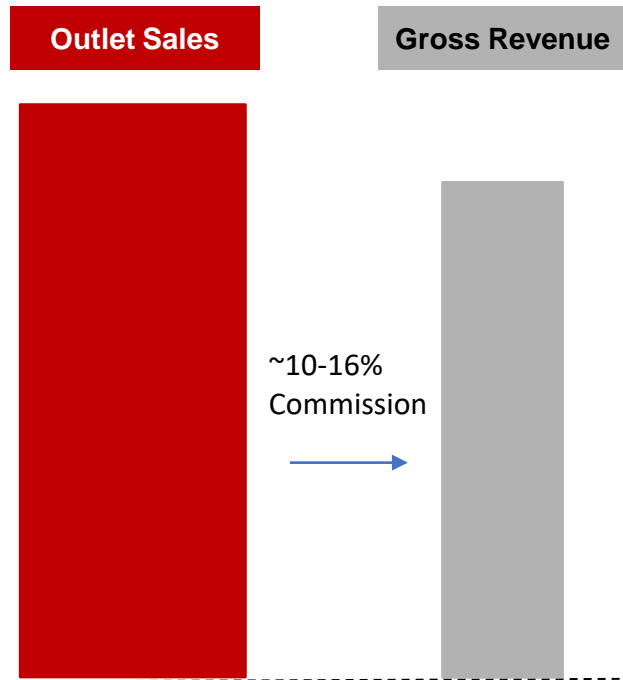
Why outlet is generally not impacted by e-commerce

- *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 fakes goods at outlet*

Entrusted Management Agreement Model

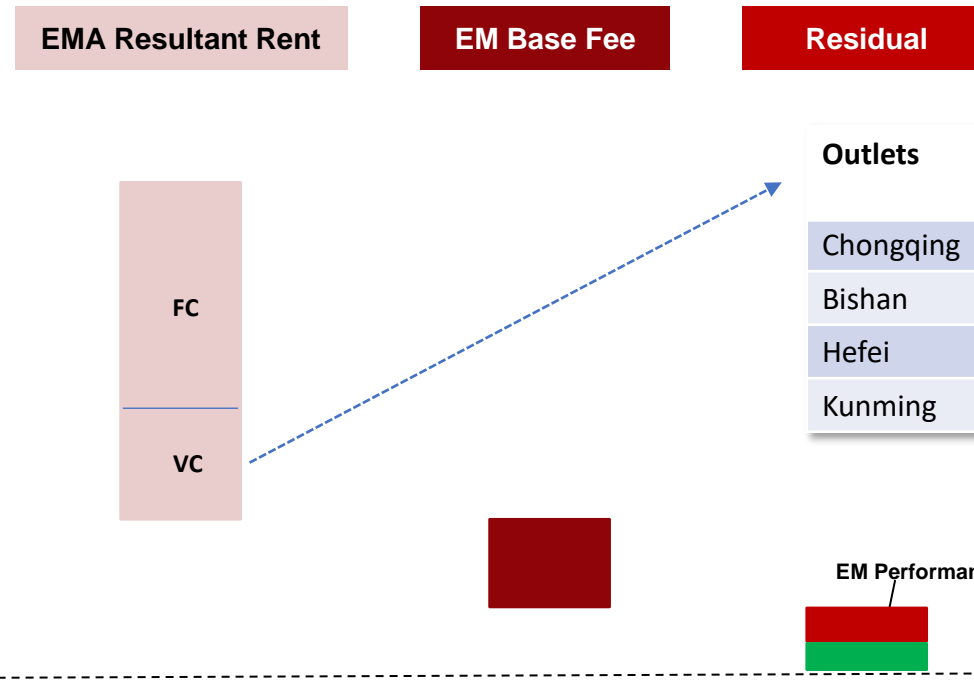


Business Model



- GR = Total rental receivable + Income from permissible investments

REIT Income Model



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

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

The EMA Model aligns the interest of the Operating Manager with the REIT.

Online-Offline Synergy



Online

Offline

- Complement sales through digital platforms
- Attract customers through social media advertisement and promotion

- Regularly organise festival themed events
- Collaborate with tenants to hold joint-sales campaigns



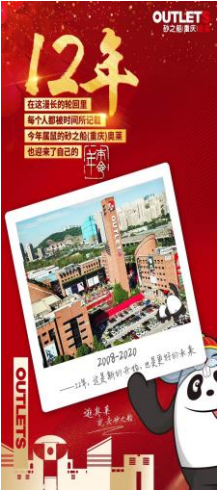






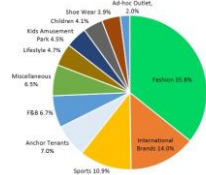




Reopening Day at Sassure (Hefei) Outlets in March 2020.

Managing crowds during sales events.

6 Keys Areas of Active Asset Management Strategy



RMB 10 mil Annual Sales	3+2 Promotions	Leveraging on All Media	VIP Membership	Tenant Mix Review	Synergy in Operations
<p>Elevating more brand tenants in Sasseur Outlets to achieve RMB 10 million sales annually</p> <p>3 Point-Plans</p> <ul style="list-style-type: none"> Raising awareness More promotional activities Increase publicity  <p>MICHAEL KORS</p>  <p>VERSACE</p>	<ul style="list-style-type: none"> 3 key events for the year 6 thematic events 6 brand events 	<ul style="list-style-type: none"> Social Media Joint programs with various media Continued use of traditional media like T.V. Widen coverage in all social, news and traditional media platforms   	<ul style="list-style-type: none"> Comprehensive members' service Widen the sources for new members Enhance members loyalty programs  <p>Platinum</p>  <p>Gold</p>  <p>Normal</p>	<ul style="list-style-type: none"> Frequent review of tenant mix Introduce upcoming brands Improve the varieties Improve overall image Improve shopping experience Enhance the attractiveness of all stores to shoppers 	<p>Two outlets, one operation</p> <p>Merging the operations of both Chongqing and Bishan to achieve :</p> <ul style="list-style-type: none"> Higher sales Economies of scale Efficient inventory management  

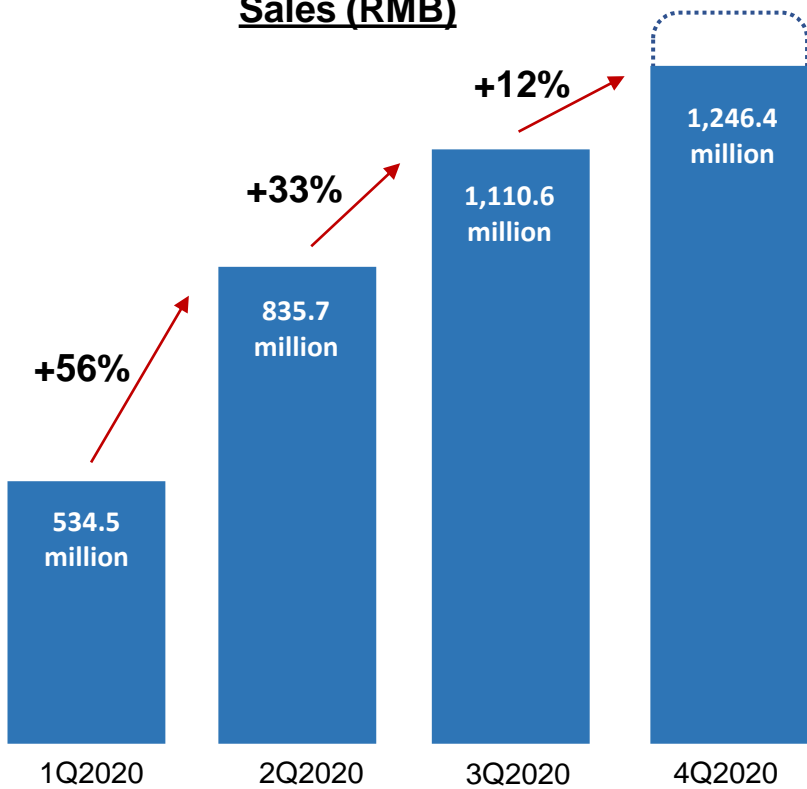
Strong Performance During Pandemic



Sales recovered strongly in FY2020

Strategies to accelerate recovery

Sales (RMB)



1Q2021 sales increased 113% y-o-y to 1,136.6 million

Omni-channel Shopping Experience



Asset Enhancement Initiatives

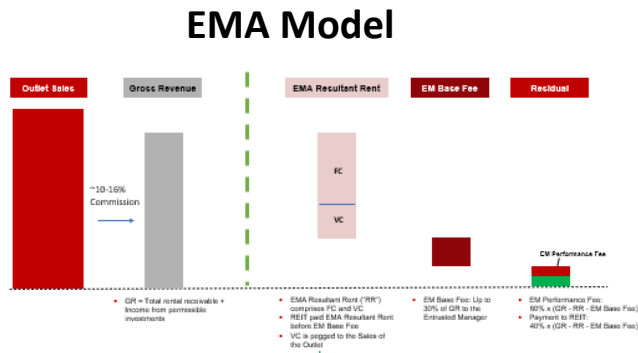


91% of 4Q2019 Sales

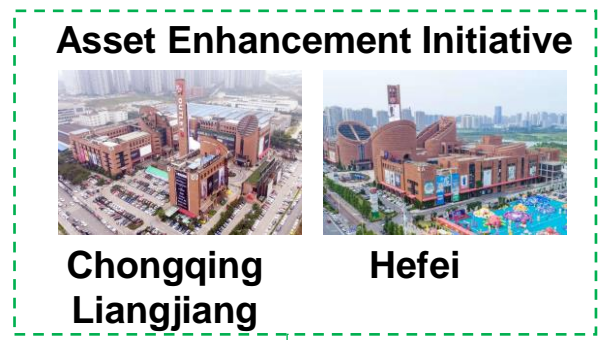
Tenant-mix Review



Why Invest In Sasseur REIT?



Leveraging on Strong Sponsor Support
 ✓ 2 ROFR, 12 pipelines





Thank You

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