



Sasseur (Chongqing Liangjiang) Outlets



Sasseur (Chongqing Bishan) Outlets



Sasseur (Chongqing Liangjiang) Outlets



Sasseur (Hefei) Outlets



Sasseur (Kunming) Outlets



SASSEUR REIT

First Listed Outlet REIT in Asia

1Q 2022 Business and Operational Update

12 May 2022

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

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1Q 2022 Key Highlights

1Q 2022 Key Highlights

Record high 1Q distributable income of S\$24.7M, rose 4.7% year-on-year



S\$ 24.7 million

Distributable Income

Vs 4Q 2021: S\$25.3 million
Vs 1Q 2021: S\$23.6 million



RMB 1,096.2 million

Total Outlet Sales

Vs 4Q 2021: RMB 1,162.9 million
Vs 1Q 2021: RMB 1,136.6 million



**Debt Headroom
Supports Growth**

4.4% p.a.

Weighted Average Cost of Debt

Vs 31 Dec 2021: 4.4% p.a.

26.2%

Aggregate Leverage³

Vs 31 Dec 2021: 26.1%



1.822 cents

Distribution Per Unit¹

Vs 4Q 2021: 1.900 cents
Vs 1Q 2021: 1.759 cents



S\$33.8 million

EMA Rental Income²

Vs 4Q 2021: S\$33.6 million
Vs 1Q 2021: S\$32.3 million



**Driving Higher
Occupancies**

95.4%

Average Portfolio Occupancy⁴

Vs 4Q 2021: 94.4%

Vs 1Q 2021: 93.5%

2.6 years

WALE by NLA³

Vs 4Q 2021: 2.7 years

¹ Represent Distribution Per Unit (after retention for asset enhancement initiatives and/or working capital)

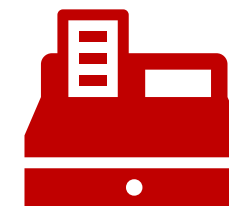
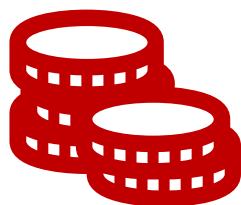
² Excluding straight-line accounting adjustments

³ As at 31 March 2022

⁴ Occupancy is calculated based on average of the last day of each month in the quarter

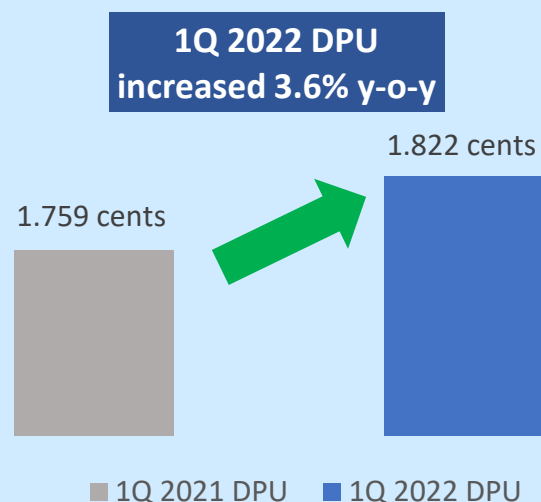
1Q 2022 Key Highlights

REIT delivers 3.6% year-on-year growth for 1Q 2022 DPU



Steady Growth

- 1Q 2022 Distributable Income and DPU both increased 4.7% and 3.6% year-on-year.



Stable Operations

- Portfolio occupancy edged higher to 95.4%, reaching pre-COVID-19 level of 96% as at end 2019.
- With completion of Chongqing Bishan Outlets AEI, its occupancy continues to improve, achieving 85.7% in 1Q 2022.
- Due to active leasing efforts, the lease expiry in 2022 by gross revenue has been reduced q-o-q from 63.6% to 52.7%

Prudent Capital Management

- Low gearing ratio of 26.2%, providing ample debt headroom to support growth.
- Strong interest coverage ratio of 5.1 times.
- Total borrowings hedged to fixed rate and stable interest rate amount to 72%¹.

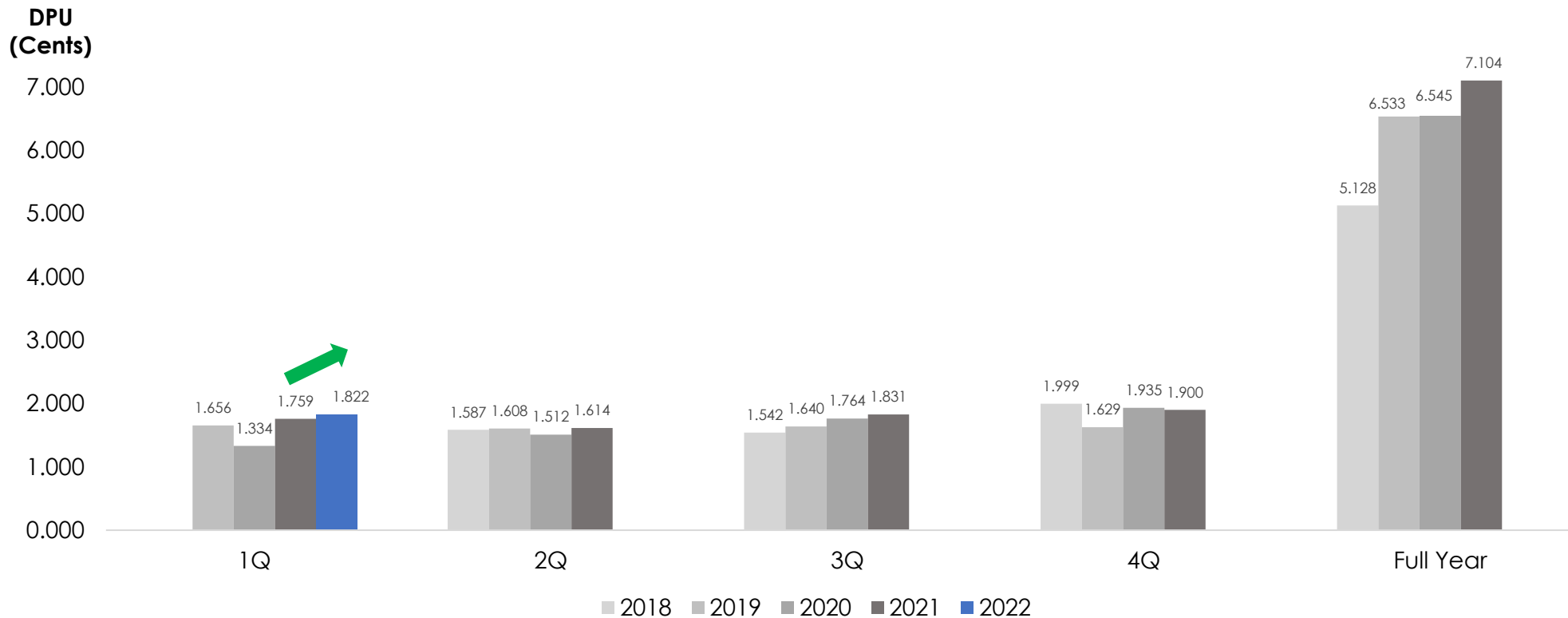
¹ 40% of the offshore borrowings are hedged to fixed rate. Onshore RMB borrowings account for 54% of total borrowings as at 31 March 2022. Chinese Central Bank rate is observed to be generally stable.

DPU Profile

Steady growth since listing



- 1Q 2022 DPU exceeded 1Q 2021 DPU by 3.6%.
- Highest 1Q DPU since listing.





1Q 2022 Financial Performance

1Q 2022 Key Financial Highlights

EMA rental income in SGD recorded 4.7% growth year-on-year



- 1Q 2022 outlet sales of RMB1,096.2 million was 3.6% lower than 1Q 2021 as a result of weaker buying sentiments after a new wave of COVID-19 outbreak occurred across several cities in China in early March. Sales were affected particularly in the month of March 2022. However, there was no known outbreaks of COVID-19 in the cities where the REIT's four outlets are located.
- 1Q 2022 recorded marginally higher EMA rental income in RMB by 0.7% y-o-y, cushioned by higher fixed component of EMA rental income in the EMA model. EMA rental income in SGD rose by 4.7% y-o-y in line with RMB appreciation against SGD by 4.0% y-o-y.
- After 10% retention of distributable income for working capital purposes, 1Q 2022 DPU stands at 1.822 cents, 3.6% higher than 1Q 2021.

	1Q 2022 ³	1Q 2021 ³	Change %
Sales (RMB mil)	1,096.2	1,136.6	(3.6)
Fixed component (RMB mil)	108.6	105.5	3.0
Variable component (RMB mil)	49.9	51.9	(4.0)
EMA rental income (RMB mil)¹	158.5	157.4	0.7
EMA rental income (\$\$ mil)¹	33.8	32.3	4.7
Income available for distribution to Unitholders (\$\$ mil)	24.7	23.6	4.7
DPU (SG Cents) before retention	2.024	1.955	3.5
DPU (SG Cents) after retention	1.822 ²	1.759	3.6

¹ Exclude straight-line accounting adjustments.

² DPU after retention of approximately S\$2.5 million.

³ Average SGD: RMB rate of 1:4.6850 for 1Q 2022 and 1:4.8730 for 1Q 2021.

Robust Balance Sheet

NAV remains stable, supported by capex and stronger RMB



- Investment properties are higher by 0.6% as at 31 Mar 2022, contributed by RMB appreciation against SGD and capitalisation of capital expenditure of S\$1.9 million undertaken in 1Q 2022.
- NAV per Unit as at 31 March 2022 was marginally higher at 99.22 cents.

S\$ million	As at 31 Mar 2022	As at 31 Dec 2021
Investment properties	1,812.4	1,801.0
Cash and short-term deposits	137.6	159.8
Total assets	1,977.2	1,989.8
Loans and borrowings	510.7	510.6
Total liabilities	761.5	780.6
Net assets	1,215.7	1,209.2
NAV per Unit (SG cents)¹	99.22	98.94

¹ Based on units in issue and to be issued of 1,225,173,776 and 1,222,205,028 as at 31 March 2022 and 31 December 2021 respectively.

Distribution Details

Record Date on 13 June 2022, with payout before end of June 2022



Distribution Period	1 January to 31 March 2022
Distribution Per Unit	1.822 Cents ¹
Distribution Timetable	
Notice of Record Date	12 May 2022
Ex-dividend Date	10 June 2022
Record Date	13 June 2022
Distribution Payment Date	28 June 2022

¹ Distribution Per Unit after retention of approximately S\$2.5 million.



Capital Management

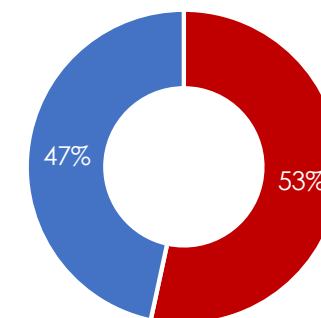
Well-balanced Debt Profile

Equal mix of onshore and offshore loans



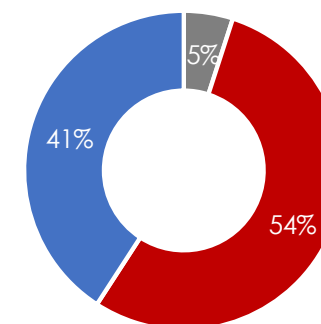
- The Manager is in active discussion with various lenders to refinance the loan and de-risk the current debt profile by staggering its debt maturity and amount.

Funding Sources



■ Onshore Loans ■ Offshore Loans

Debt Currency Profile



■ USD Loan ■ RMB Loans ■ SGD Loans

	Onshore Loans		Offshore Loans
Currency	RMB	SGD	USD
Outstanding Quantum ¹	RMB 1.30 billion	SGD 214 million	USD 20 million
	~SGD 276 million	n.a.	~SGD 27 million
Maturity	March 2023	March 2023	March 2023
Floating Rate	5-year LPR	SOR	USD LIBOR

¹ Based on SGD:RMB and USD:SGD exchange rates of 4.6932 and 1.3526 as at 31 March 2022 respectively.

Prudent Capital Management

Low gearing with considerable debt headroom, strong interest coverage



	31 Mar 2022	31 Dec 2021
Gross borrowings	S\$517.2 mil	S\$518.6 mil
Aggregate leverage	26.2%	26.1%
Average debt maturity	1.0 years	1.2 years
Debt headroom ^{1,2}	S\$943 mil	S\$952 mil
Available undrawn facilities	S\$8 mil	S\$8 mil
Weighted average cost of debt (p.a.) ³	4.4%	4.4%
Interest coverage ratio ⁴	5.1 times	5.1 times

¹ Debt headroom is computed based on total assets and assuming a corresponding increase in total assets with new debts raised.

² Based on MAS prescribed leverage limit of 50%.

³ Includes borrowing-related fees.

⁴ Based on dividing the trailing 12 months EBITDA (excluding the effects of any fair value changes of financial derivatives and investment properties, and foreign exchange translation) by the trailing 12 months interest expense and borrowing-related fees as set out in the CIS Code.

- Low gearing of 26.2% provides considerable debt headroom to pursue potential acquisition opportunities.
- Total borrowings hedged to fixed rate and stable interest rate amount to 72%⁵.

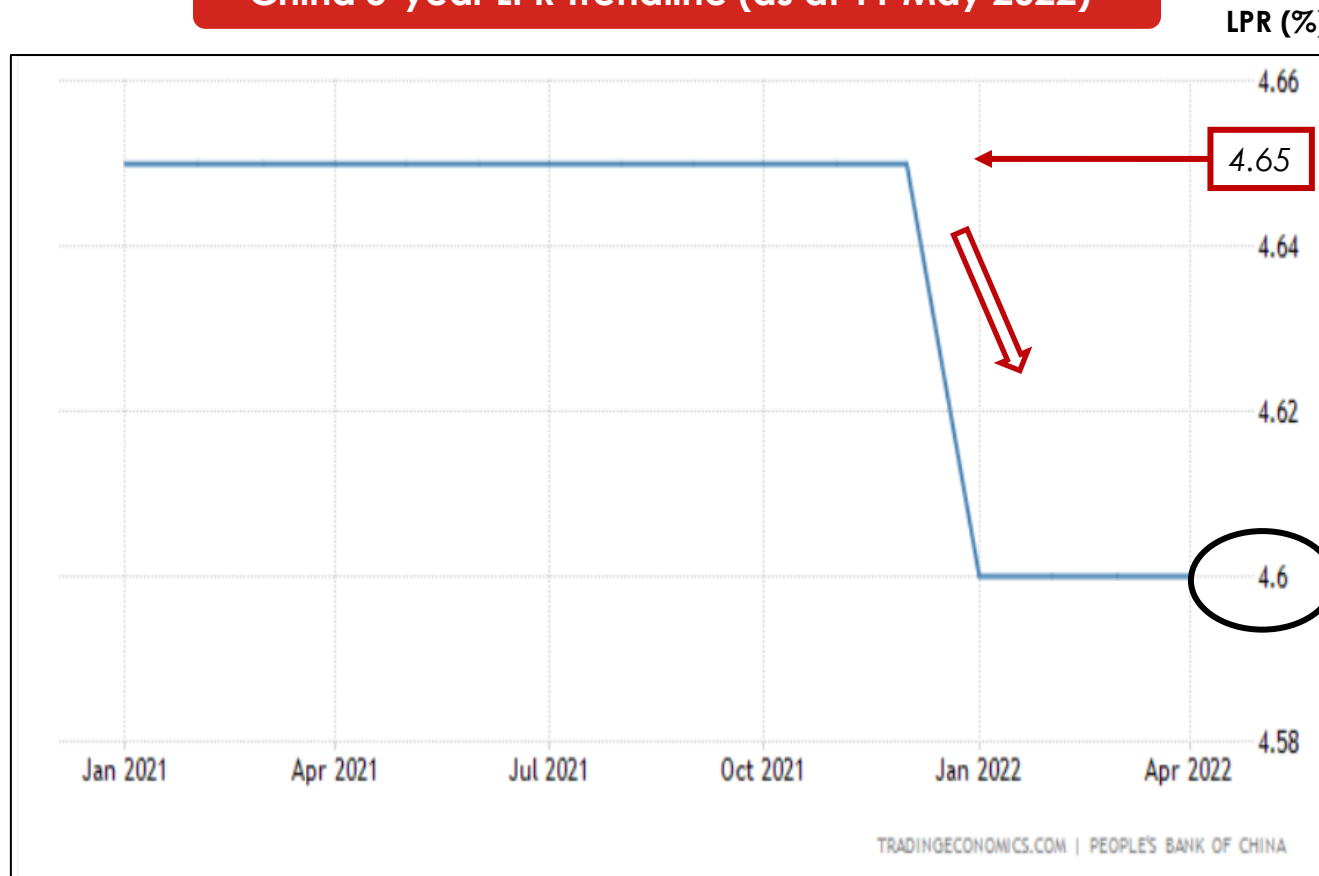
⁵ 40% of the offshore borrowings are hedged to fixed rate. Onshore RMB borrowings account for 54% of total borrowings as at 31 March 2022. Chinese Central Bank rate is observed to be generally stable.

China Loan Prime Rate (LPR)

Holding Steadily



China 5-year LPR Trendline (as at 11 May 2022)¹



- The 5-year LPR was lowered by 5 basis points from 4.65% to 4.6% — the first cut in nearly 2 years.
- As the LPR is observed to be stable with minimal changes to its rate, the hedging on RMB loans to reduce the interest rate volatility is not necessary.
- 54% of Sasseur REIT's borrowings are RMB denominated loans.

¹ Source: tradingeconomics.com as at 11 May 2022



Portfolio Update

Portfolio Summary

Quality properties in high growth cities with large population base



Portfolio of 4 outlets

Total Valuation* : RMB 8.50 billion / S\$1.80 billion

*Based on independent valuation as at 31 Dec 21 by Savills Real Estate Valuation (Beijing) Limited

As at 31 Dec Outlets	Valuation (RMB mil)		
	2019	2020	2021
Chongqing Liangjiang	2,973	2,982	3,121
Chongqing Bishan	824	809	838
Hefei	2,795	2,758	2,883
Kunming	1,620	1,593	1,655
Portfolio	8,212	8,142	8,497

Chongqing Liangjiang



Chongqing Bishan



Hefei



Kunming



1Q 2022 Outlet Sales Summary

Portfolio sales recorded 3.6% dip year-on-year due to lower sales in March



Outlet Sales	1Q 2022 (RMB mil)	4Q 2021 (RMB mil)	1Q 2022 vs 4Q 2021 (%)	1Q 2021 (RMB mil)	1Q 2022 vs 1Q 2021 (%)
Chongqing Liangjiang	566.1	601.8	-5.9%	560.6	+1.0%
Chongqing Bishan	108.4	102.9	+5.4%	111.3	-2.6%
Hefei	244.0	268.6	-9.1%	244.2	-0.1%
Kunming	177.7	188.6	-5.8%	220.6	-19.5%
Portfolio	1,096.2	1,161.9	-5.7%	1,136.6	-3.6%

Lower Quarter-on-Quarter Sales due to:

- Buying momentum continued into the first two months of 2022 with the Chinese New Year promotions.
- However, buying sentiments weakened after outbreaks of COVID-19 across cities in China in early March. The Annual Spring Festival was postponed to 2Q 2022 (except Kunming Outlets).

Lower Year-on-Year 1Q Sales due to:

- COVID-19 outbreaks across other China cities in 1Q 2022 which affected shopper traffic.
- Sharper drop for Kunming Outlets due to two key macro-factors :
 - a. Fall in local tourists' arrivals due to inter-city travel restrictions.
 - b. Supply-chain disruptions due to lockdowns in Shanghai & some major logistical hubs in Quanzhou & Suzhou, which affected the inventory level of some popular brands.

Diversified Trade Mix

Wide variety of carefully curated trade sectors



Retail Trend

vs 4Q21

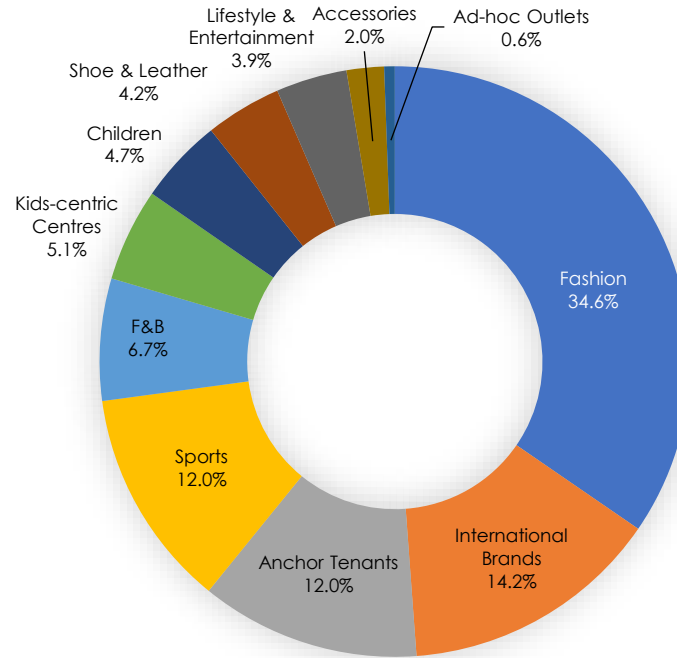
Fashion and Sports

- Contribution to Gross Revenue increased Q-o-Q, despite relatively similar NLA proportion.
- Due to:
 1. Promotional events during festive seasons.
 2. Additional contributions from online sales.

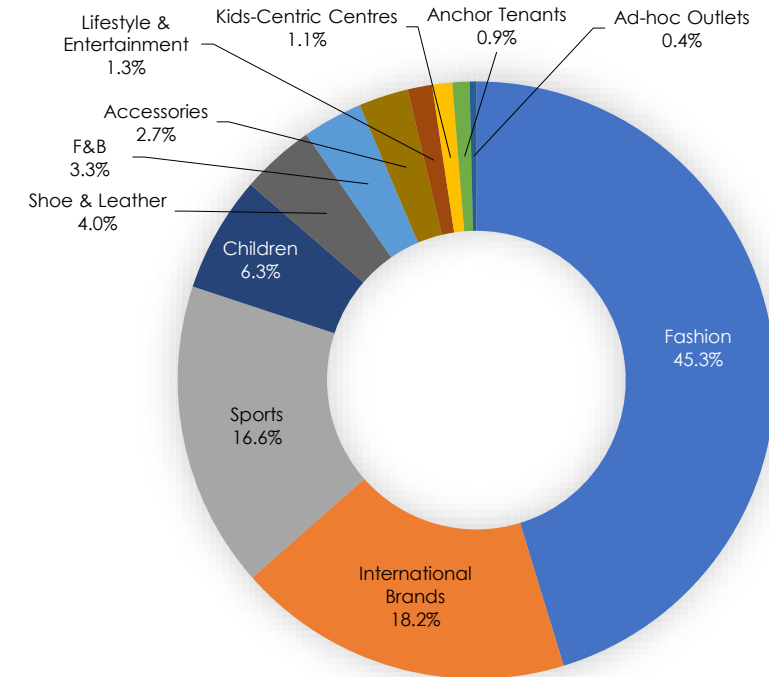
Domestic vs International brands

- Marginal drop in Gross Revenue contribution by International Brands, continuing to reflect the shift in preference of shoppers for domestic brands.

Breakdown of NLA¹ by Trade Sector



Breakdown of Revenue² by Trade Sector



Fashion, Sports and International Brands

60.8%

80.1%

¹. As percentage of the portfolio's net lettable area as at 31 Mar 2022

². As percentage of the portfolio's gross revenue as at 31 Mar 2022

Exciting Brands in 1Q 2022

Revamp completions and popular new tenants



New VICUTU Store with LED displays in Hefei Outlets



New RAIDY BOER Store in Kunming Outlets



NEW BALANCE Flagship Store at Chongqing Bishan Outlets



New MAXRIENY in Chongqing Liangjiang Outlets

New Sports Brands



New Fashion Brands

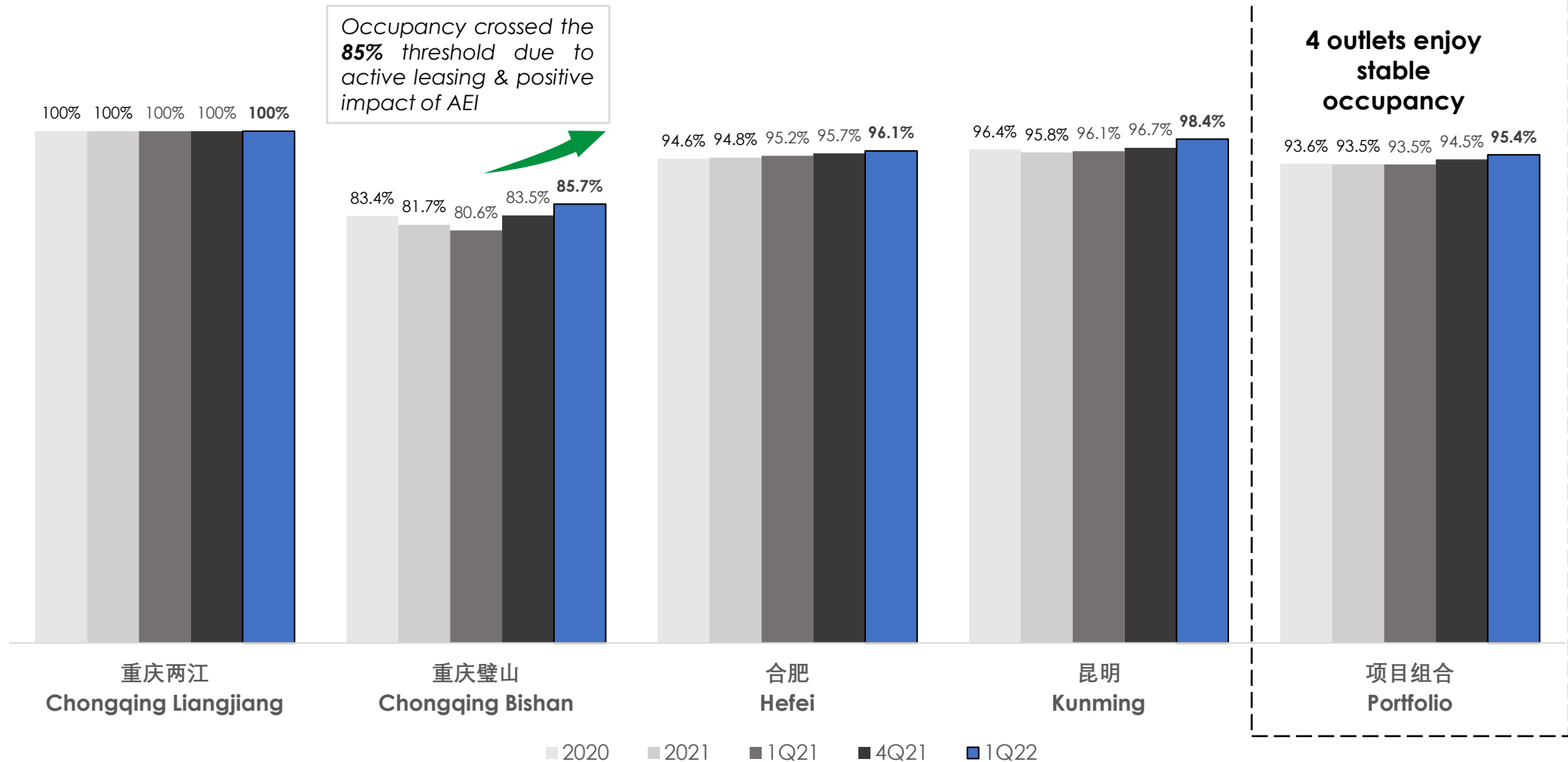


New F&B Brands



Portfolio Occupancy

Portfolio occupancy reaching pre-COVID-19 level of 96%



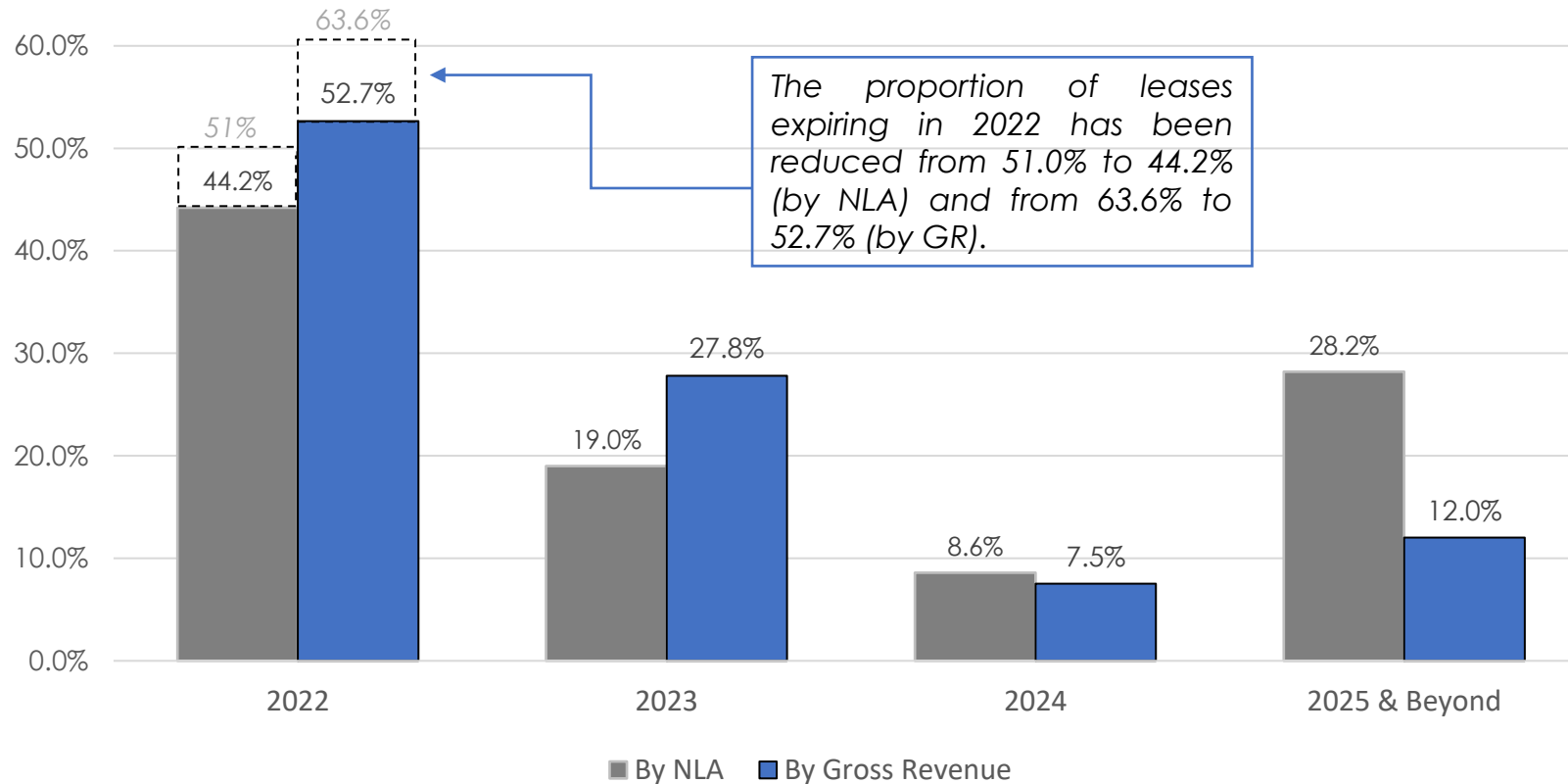
*Occupancy is calculated based on average of the last day of the 3 months (or 12 months for FY).

Weighted Average Lease Expiry (WALE)

Deliberate short lease to optimise tenant mix



Lease Expiry by NLA & Gross Revenue



Lease expiry as at 31 March 2022

**Weighted
Average Lease
Expiry (years)**

1.3

By Gross Revenue

2.6

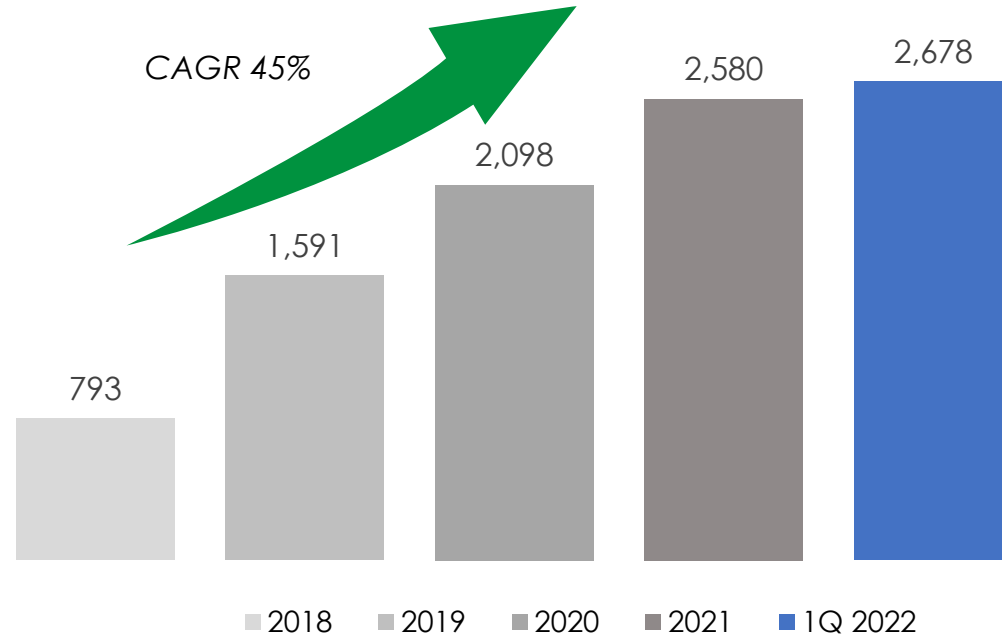
By Net Lettable Area

VIP Members - Growth by Outlets

Double digit growth Y-o-Y



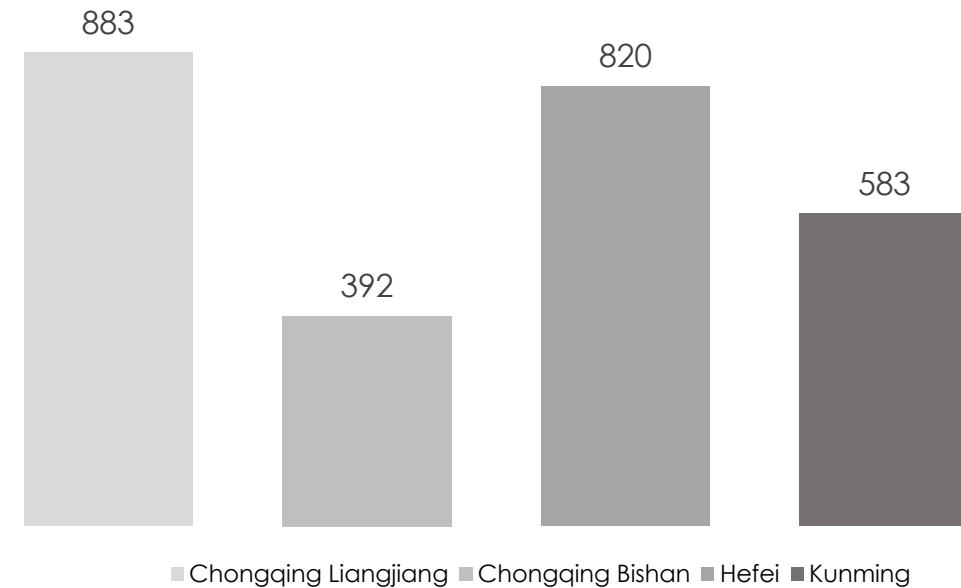
Total VIP Members on Portfolio ('000)



- Total VIP members as of 31 Mar 2021 is 2.68 million.
- Q-o-Q increase 3.8% (4Q 2021 vs 1Q 2022).
- Y-o-Y increase 22%¹ (1Q 2021 vs 1Q 2022).
- Contribution from VIP members >60%.

¹. Minor adjustment to sync with Entrusted Manager's upgraded data system

Total VIP Members by Outlets ('000)



- Chongqing Liangjiang Outlets account for 33% of total portfolio members.
- VIP members increase Q-o-Q for the Outlets located in Chongqing Liangjiang, Chongqing Bishan, Hefei and Kunming by 3.0%, 4.6%, 4.3% and 3.7% respectively.

Chongqing Bishan Outlets Asset Enhancement Initiative

Enhanced upside potential with completion of AEI



On 9 February 2022, the sports-themed zone and pedestrian walkway were unveiled. Flagship factory outlet stores like ANTA and FILA launched their new products series at the same time, attracting shoppers with appealing discounts.



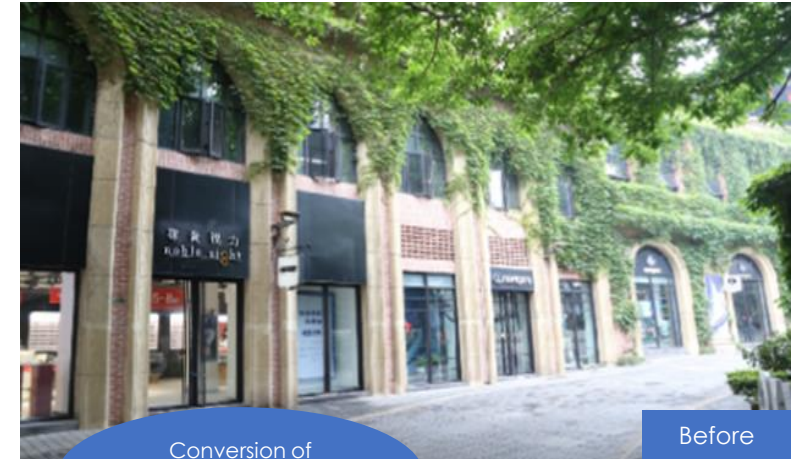
Improved store front
façade and footpath to
enhance shopper
experience

Before



Improved Façade
and store front

Before

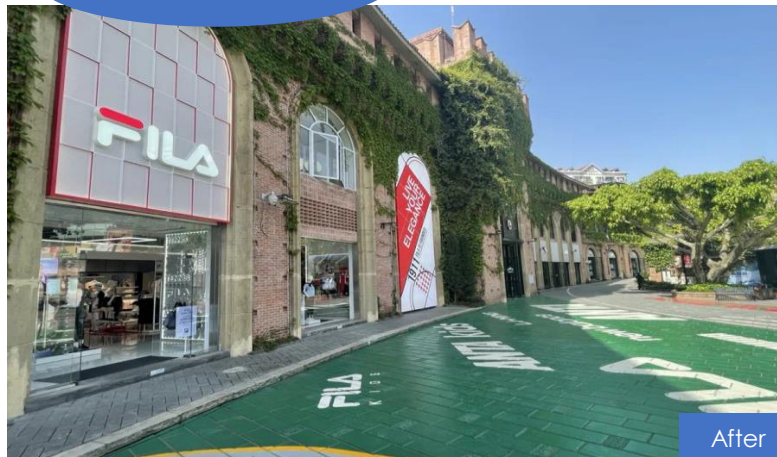


Conversion of
vehicular flow to
pedestrian walkway

Before



After



After



After

S A S S E U R R E I T

1Q 2022 Promotional Activities

Drawing shoppers through vibrant festive activities



Chinese New Year (14 Jan 2022 – 6 Feb 2022)



International Women's Day (8 Mar 2022)



Riding on Latest Trends to Engage Shoppers

Supporting tenants through omni-channel outreach events



Chongqing Liangjiang Outlets



Exclusive VIP members only events held by various luxury brands (COACH, Zegna, Bally and more).

Chongqing Bishan Outlets



Women's Day promotion: PT'SON livestream and free flowers with RMB 380 offline purchases.

Kunming Outlets



Tie dye design event organized for Women's Day to draw shoppers.

Hefei Outlets



WeChat livestreaming sales held every 1-2 weeks with giveaways to attract viewers.



Market Review

China's 2022 Macroeconomic Outlook

Supported by domestic consumption growth



China Y-o-Y	1Q 2022
GDP growth ¹	▲ 4.8%
Retail Sales Growth ²	▲ 3.3%
Disposal Income ³	▲ 6.3%

Outlook

- China's gross domestic product ("GDP") grew 4.8% year-on-year to RMB 27 trillion for 1Q 2022.
- China's retail sales of consumer goods grew 3.3% y-o-y to RMB 10.9 trillion.
- Despite new waves of COVID-19 outbreaks in cities across China, the country will adopt policy measures to boost consumption⁴.
- Relief policies for hard-hit sectors such as catering, retail, tourism, civil aviation, and road, waterway and railway transportation will rolled out quickly with full support and assistance from the provincial governments⁵.

Quote from Premier Li Keqiang's speech on 14 April 2022 :
"Consumption is a steady driver of economic growth and bears on ensuring and improving people's livelihood."

¹. GDP in 1Q 2022 reached RMB 27,017.8 billion – National Bureau of Statistics of China dated 19 April 2022

². RMB 10,865.9 billion - National Bureau of Statistics of China dated 19 April 2022

³. 1Q 2022 the national per capita disposable income was RMB 10,345

^{4&5}. State Council of the People's Republic of China dated 14 April 2022

Uncertain and Volatile Operating Environment

Challenging times ahead



- Weaker buying sentiments due to outbreak of COVID-19 resulted in lower sales in April and early May 2022.
- Our local operational teams are getting ready to launch aggressive marketing activities to attract shoppers and ensure a quick and strong rebound in our business once the COVID-19 outbreak in China eases.
- In addition, our unique EMA model, which has an in-built 3% annual escalation rate in the fixed component, will be able to mitigate the negative impact on weaker sales.



New COVID-19 Cases Trendline (as at 5 May 2022)¹

- China's adopts Dynamic Zero COVID-19 measures²
- The essence of this approach features swift and targeted response measures
- To prevent sporadic outbreaks from developing into a large-scale resurgence
- Vaccination totalled 3.32 billion³
- From 15 April 2022, new cases across the country has been trending downwards, with the exception of 28 April 2022, following which the number of new cases dropped even further.

^{1,3} Tencent COVID-19 Cases Daily Updates as at 5 May 2022

² People's Daily 25 March 2022 [Dynamic zero-COVID approach effective, necessary - Opinion - Chinadaily.com.cn](https://www.chinadaily.com.cn/opinion/2022/03/25/1616666666.html)



Key Focus & Priorities

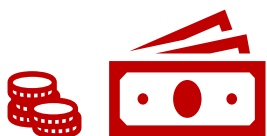
Management Focus & Priorities

Building resilience and preparing for next growth phase



Proactive Asset Management

- ✓ Attract shoppers through digitalization and proactive asset management strategy
- ✓ Maintain high portfolio occupancy > 95%
- ✓ Seek opportunities to consolidate higher ownership of Sasseur Hefei Outlets
- ✓ Sharpen appeal of outlets to take advantage of strong domestic consumption



Prudent Capital Management

- ✓ In active discussion with various lenders; target to complete the refinancing exercise by end of 2022
- ✓ De-risk current debt profile through staggered debt maturity at next refinancing opportunity
- ✓ Maintain robust balance sheet and acceptable gearing level



Acquisition-led Growth

- ✓ Priority to acquire Sponsor's ROFR and/or Pipeline properties
- ✓ Target cities in China with large population base and attractive growth potential
- ✓ Target income-producing properties with attractive fundamentals and long-term growth potential

'Crisis-Ready' Business Model

Resilient performance despite new waves of COVID-19 outbreaks*



*Portfolio occupancy crossed the 95% threshold with continued healthy demand for retail spaces

1+N

Unique 'Art-Commerce' business model ensure the design and lifestyle elements are frequently refreshed to attract consumers to our Outlets

Before AEI

Outlets Appeared Fatigue Physically

Poor Shopper Circulation

Unclear Trade-mix Focus

After AEI

Enhance Fashion Offerings

Enhanced Experiential for Family

Sports Themed Zones –Factory Outlets

Lifestyle+ Young+

Our Outlets are Future-Ready

S A S S E U R

Resilience

Supporting Tenants through :

1. Digital Platforms
2. Loyalty Programme



- ✓ 24/7 Online Shopping
- ✓ At least 10 Live streaming per quarter
- ✓ Attractive promotions



Advertising Banner to encourage customers to shop online



Our Outlets are Cyclically-Ready

R E I T

REIT's Outlets can tap into Sponsor's huge pool of VIP members

More than 8 million members

To widen the outlets' A&P program across China

Strategies to Propel Sales Growth

Attract shoppers through digitalization and proactive asset management strategy



Accelerate

- Expand outreach to capture online and offline customers
- Roll out innovative marketing techniques through livestreaming and group buy promotions



Online sales channel via WeChat mini-programme

Enhance and Strengthen

Stock Up Inventory of Popular Brands

- Build stronger relationship with brands.
- Negotiate for larger numbers of inventory for products with high demand.
- Offer more attractive discounts during promotional events.

Increase Proportion of Domestic Brands

- 76.4%¹ of China's Millennials² are keen to buy domestic brands.
- 40% of Millennials are very keen to buy domestic brands.
- >80% of those born after 2000s purchase only domestic brands.
- Our trade mix for domestic brands have increased from 58.9% to 70.2% from 2018 to 2021.

Create Lifestyle Destination Themes

- Create and develop an impactful 'sensory' shopping experience.
- Introduce non-core trade mix with exciting store-front.

¹. 极光调研 dated April 2022

². Born after 1995

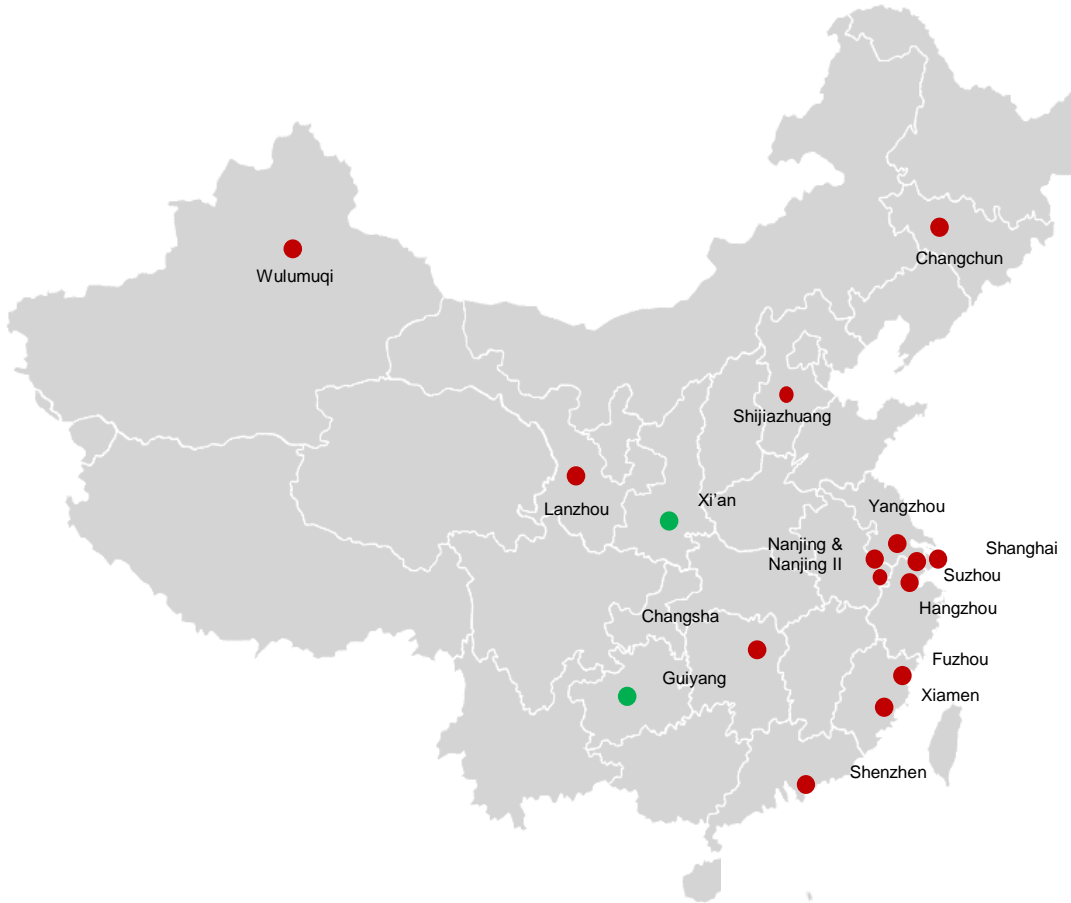
Potential Pipeline of Opportunities

Extending the growth prospects for Sasseur REIT



Sponsor's Growing Footprint in China

Enlarging presence, expanding Sasseur Outlets branding



- Pipeline properties are 3rd party owned assets which Sasseur Group has ROFR over it.
- Sasseur REIT will be granted ROFR automatically if Sasseur Group exercises its ROFR.

	Fuzhou	Nanjing II	Shijiazhuang	Shenzhen	Shanghai	Wulumuqi
Opening Date (Tentative)	Sep 2022	Sep 2022	May 2023	May 2023	Dec 2023	May 2024
GFA (sqm)	~190,000	~100,000	~83,000	~150,000	~109,000	~126,000
Car Park Lots	c.2,800	c. 1,100	c. 3,500	c.2,200	c.2,500	c.2,000



Sasseur Chongqing Liangjiang Outlets



Sasseur Hefei Outlets



Sasseur Hefei Outlets



Sasseur Chongqing Bishan Outlets



Sasseur Kunming Outlets



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