



For Immediate Release

Sasseur REIT Delivers 1H 2022 DPU of 3.410 Singapore Cents; Portfolio Occupancy Returns to Pre-pandemic Level

- Highest 1H 2022 DPU in four years¹; includes 2Q 2022 DPU of 1.588 Singapore cents
- Portfolio occupancy rate of 96.0% in 2Q 2022 returns to pre-pandemic level
- Debt refinancing on track to be completed by end-2022

Summary of Results:

	2Q 2022	2Q 2021	Change %	1Q 2022	Change %	1H 2022	1H 2021	Change %
EMA² Rental Income (RMB mil)	143.4	145.8	(1.6)	158.4	(9.5)	301.8	303.2	(0.5)
- Fixed Component (RMB mil)	108.6	105.5	3.0	108.6	-	217.2	210.9	3.0
- Variable Component (RMB mil)	34.8	40.3	(13.9)	49.8	(30.1)	84.6	92.3	(8.3)
EMA Rental Income (exclude straight-line adjustments) (S\$ mil)	29.7	30.2	(1.7)	33.8	(12.1)	63.5	62.5	1.6
Distributable Income (S\$ mil)	20.3	21.7	(6.5)	24.7	(17.8)	45.1	45.4	(0.7)
Amount Retained (S\$ mil)	(0.9)	(2.2)	59.1	(2.4)	62.5	(3.3)	(4.5)	26.3
Distribution Per Unit (S cents)	1.588	1.614	(1.6)	1.822	(12.8)	3.410	3.373	1.1

Note: Average S\$:RMB rate of 1:4.8219 for 2Q 2022, 1:4.8302 for 2Q 2021, 1:4.6850 for 1Q 2022, 1:4.7535 for 1H 2022 and 1:4.8516 for 1H 2021

Singapore, 12 August 2022 – Sasseur Asset Management Pte. Ltd. (“**SAMPL**” or “**REIT Manager**”), the manager of Sasseur Real Estate Investment Trust (“**Sasseur REIT**”), announced a distribution per unit (“**DPU**”) for the first half year ended 30 June 2022 (“**1H 2022**”) of 3.410 Singapore cents, up 1.1% year-on-year (“**YoY**”). This marked the REIT’s highest first half year DPU in four years¹.

The 1H 2022 DPU comprises the second quarter 2022 (“**2Q 2022**”) DPU of 1.588 Singapore cents which dipped by 1.6% YoY, as distributable income (before retention of S\$0.9 million) declined by 6.5% YoY to S\$20.3 million, mainly due to the impact of widespread COVID-19 lockdowns in a few major Chinese cities from mid-March to end-May 2022. Restrictions on inter-city travels have weighed on consumer sentiments, leading to lower YoY shopper traffic and sales in 2Q 2022 at Sasseur REIT’s outlets, with the exception of the Chongqing Bishan Outlet which enjoyed stronger occupancy and sales during the quarter, following the completion of asset

¹ Since first half year of 2019; Sasseur REIT was listed on 28 March 2018

² Entrusted Management Agreement (“**EMA**”)



enhancement works in March 2022.

EMA Rental Income stood at RMB 301.8 million in 1H 2022, a marginal 0.5% decrease from 1H 2021's RMB 303.2 million. For 2Q 2022, EMA Rental Income fell by 1.6% YoY to RMB 143.4 million, due to a 13.9% YoY decline in the variable component, in line with a 12.9% YoY fall in outlet sales during the same quarter. The decline in the variable component of the EMA Rental Income was cushioned by the fixed component which increased 3.0% YoY.

On a quarter-on-quarter basis, the portfolio's outlet sales in 2Q 2022 were 29.3% lower, due to retail seasonal factors such as the stronger Chinese New Year-induced consumer purchases in the first quarter of 2022.

Ms Cecilia Tan, CEO of SAMPL said, "Sasseur REIT has performed commendably in the first half of 2022, proving the robustness of its business model, despite a seasonally subdued quarter and ripple effects of the widespread lockdowns on our outlets' sales. A key driver for the results was our proactive asset management efforts to optimise the tenant mix at the outlets, strengthen our retail and lifestyle offerings as well as implement targeted asset enhancement works. In the second quarter of 2022, the REIT's portfolio occupancy rate has already reverted to its pre-COVID level in FY2019, against the backdrop of a slowing economy. As we move into the second half of this year with the peak retail season coming up, we will continue to roll out interactive and exciting thematic events to engage shoppers and ramp up sales. On the debt refinancing front, we remain focused on completing the exercise within the year, ahead of March 2023 maturity."

The 2Q 2022 DPU of 1.588 Singapore cents will be paid to Unitholders on 27 September 2022.

Portfolio Updates

The REIT's portfolio average occupancy rate across the four properties rose to 96.0% in 2Q 2022, outperforming the 95.4% in the first quarter of 2022 ("1Q 2022") and returning to FY2019's pre-COVID occupancy of 96.0%.

When compared against 1Q 2022, both the Chongqing Bishan and Hefei Outlets recorded higher occupancy rates in 2Q 2022 due to new leases secured and completion of asset enhancement works at the Bishan Outlet. The Kunming Outlet's occupancy rate in 2Q 2022 was affected by travel restrictions, given its larger exposure to tourists from other domestic cities.

As at 30 June 2022, approximately 92.6% of the remaining leases (by gross revenue) expiring in FY2022 has been pre-committed. The REIT's tenant trade mix also remains well-diversified, with the top 10 tenants contributing 15.2% of the portfolio's gross revenue³ and no single tenant contributing more than 5.0% of gross revenue³.

³ Gross revenue is computed based on average monthly gross revenue for the period January – June 2022



Capital Management

Sasseur REIT continues to maintain a prudent balance sheet. As at 30 June 2022, its aggregate leverage remained low at 26.5%, with a healthy interest coverage ratio⁴ of 5.0 times. The low aggregate leverage indicates a sizeable debt headroom for making potential acquisitions. With onshore and offshore debts of approximately S\$510.9 million maturing in March 2023, the REIT Manager is currently working on a deal with several regional banks and expects its debt refinancing to be completed by the end of 2022. Through the refinancing exercise, the Manager is targeting to diversify and de-risk the REIT's debt profile by staggering its debt maturities and loan amounts over time.

Outlook

China's Gross Domestic Product ("GDP") grew 0.4%⁵ in 2Q 2022 on a YoY basis, compared to 4.0% growth and 4.8% growth for the fourth quarter of 2021 and first quarter of 2022 respectively.

The muted growth came after a strong start in early 2022 and was the weakest in two years after dozens of cities including Shanghai, imposed lockdowns since early March 2022, to contain the COVID-19 outbreaks. The World Bank has projected China's real GDP growth to slow to 4.3%⁶ in 2022, 0.8 percentage points lower than their last forecast. For the second half of 2022, the World Bank expects the country's economic growth momentum to rebound, supported by aggressive government's policy stimulus to mitigate the economic downturn. China's government's economic priorities for the second half of 2022 would be to boost demand and enhance credit support to businesses in a bid to attain the best possible outcomes for economic growth this year⁷.

On 29 June 2022, the government announced that they will no longer indicate in digital travel passes whether a person has recently visited cities with high risk of COVID-19 exposure, lifting a major hurdle for domestic travel and facilitating inter-city movements⁸.

Chairman of SAMPL, Mr Vito Xu, said, "We are encouraged that our outlets have seen some year-on-year rebound in sales in June 2022, compared to the year-on-year declines in April and May, amidst easing pandemic restrictions and macroeconomic policy support. This trend is in line with the country's retail sales of consumer goods which have seen a similar rebound during the same month.

⁴ The interest coverage ratio is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding the effects of any fair value changes in financial instruments and investment properties, and foreign exchange translation), by the trailing 12 months interest expense and borrowing-related fees (including amortisation of borrowing-related transaction costs)

⁵ National Bureau of Statistics of China, Press Release dated 15 July 2022

⁶ The World Bank, "China Economic Update, June 2022"

⁷ China Daily, "[China sets out economic priorities for 2nd half](#)", 28 July 2022

⁸ South China Morning Post, "[China relaxes intercity travel restrictions by removing indication of Covid-19 risk on digital passes](#)", 29 June 2022



While there may be some short-term impact from the COVID-19 situation in the country, the long-term growth potential of the economy remains intact. The government is taking strong steps to boost domestic consumption as a key driver for the economy and Sasseur REIT's outlets are well-positioned to leverage this structural growth trend, as the middle-income population steadily grows over time."

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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 combined net lettable area of 310,242 square metres.

Sasseur REIT is established with the investment strategy to invest 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 manage 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 for 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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*The value of the units of 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, the Manager, DBS Trustee Limited, as trustee of Sasseur REIT, Sasseur Cayman Holding Limited, as the 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. Holders of Units (the "**Unitholders**") have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.*
