



For Immediate Release

Sasseur REIT Beats EMA Rental Income and DPU Projections for Two Consecutive Years

- Top-performing China S-REIT for FY 2019, with total return of 52%¹
- EMA rental income (RMB) and DPU exceed IPO projections for two consecutive year since listing
- Full-year DPU exceeded projection for FY 2019 by 4.7%
- Four outlet malls generated RMB 1.4 billion of sales in 4Q 2019, 3.4% higher than 4Q 2018

	4Q 2019			FY 2019		
	4Q 2019	4Q 2018	Change (%)	FY 2019	Projection	Change (%)
EMA Rental Income² (RMB mil)	162.5	156.8	+3.6	617.6	611.4	+1.0
- Fixed Component (RMB mil)	99.4	95.7	+3.9	396.3	394.1	+0.6
- Variable Component (RMB mil)	63.1	61.1	+3.1	221.3	217.3	+1.9
EMA rental Income (S\$ mil)	31.5	31.2	+0.9	122.1	124.0	-1.6
Distributable Income³ (S\$ mil)	19.5	23.6	-17.4	77.9	74.5	+4.7
Distribution Per Unit (SG cents)	1.629	1.999	-18.5	6.533	6.241	+4.7

Note: Average exchange rate – S\$/RMB 1:5.0326 for 4Q 2018, S\$/RMB 1:5.1675 for 4Q 2019, S\$/RMB 1:5.0600 for FY 2019, S\$/RMB 1:4.930 for projection

Singapore, 20 February 2020 – Sasseur Real Estate Investment Trust (“Sasseur REIT”; 砂之船房地产投资信托), which owns retail outlet malls in China, recorded an Entrusted Management Agreement (“EMA”) rental income (excluding straight-line adjustment) of S\$31.5 million for the quarter ended 31 December 2019 (“4Q 2019”), 0.9% higher than 4Q 2018, its manager Sasseur Asset Management Pte. Ltd. (“SAMPL”) announced today. The growth was primarily driven by combined outlet sales of RMB 1.4 billion for 4Q 2019, 3.4% higher than 4Q 2018.

Sasseur REIT delivered a distribution per unit (“DPU”) of 1.629 SG cents for 4Q 2019, and a DPU of 6.533 SG cents for the full year, 4.7% above FY 2019 projection. The DPU for 4Q 2019 is slightly lower than 4Q 2018 DPU of 1.999 SG cents, due to lower income tax expense in 4Q 2018, resulting from utilisation of

1. Source: SGX StockFacts, Thomson Reuters, Bloomberg (Data as of 31 December 2019)

2. Excluding straight-line adjustment

3. 4Q 2019 distributable income is lower mainly due to lower tax expense in 4Q 2018 and one-off adjustment in 4Q 2018 relating to statutory reserve set aside during 2Q and 3Q of 2018



available tax losses in that quarter, and one-off adjustment in 4Q 2018 relating to statutory reserves set aside during 2Q and 3Q 2018⁴. The annualised distribution yield based on the total DPU for FY 2019 was 7.4% at the closing unit price of S\$0.885 on 31 December 2019, and 8.2% at the IPO offering price of S\$0.800, well above the yield of 7.8% for FY 2019 projected at the IPO completed in March 2018.

FY 2019 marked a second consecutive year of outperformance by Sasseur REIT of its IPO forecast and projections for EMA rental income (in RMB) and DPU. This reflects the strong and sustainable fundamentals of Sasseur's outlet business, with its unique art commerce operating model. Sasseur REIT recorded full-year EMA rental incomes of RMB 444.7 million and RMB 617.3 million for FY 2018 and FY 2019, respectively. These exceeded its IPO projections of RMB 433.2 million and RMB 611.4 million, respectively, for each year. It achieved DPU yields of 8.4% and 8.2% for FY 2018 and FY 2019, respectively, ahead of its projections of 7.5% and 7.8%, respectively, for each year.

Portfolio occupancy rate for 4Q 2019 edged up to 96.0% from 95.4% in 3Q 2019, due to a more active leasing strategy and focused tenant management. Total VIP members for the four malls in the REIT portfolio rose 93% to 1.58 million as of 31 December 2019 from a year ago due to stronger sales, promotion efforts and active engagement with VIP members.

In 2019, Sasseur REIT was recognised for its business performance and investor relations efforts:

- Named REIT Company of the year by International Investor Magazine in September 2019;
- Bagged awards for Best Retail REIT, Best Investor Relations and Best CEO at Asia Pacific REITs Awards 2019 in October 2019;
- Included in the FTSE EPRA NAREIT Global Emerging Market Index from 23 December 2019; and
- Mr Vito Xu, Chairman of Sasseur Group and Chairman of SAMPL, was named Asia's Top Entrepreneur for 2019 by Fortune Times in December 2019.

As announced on 28 January 2020, SAMPL has temporarily closed the four outlet malls in the REIT portfolio in Chongqing, Bishan, Hefei and Kunming. Sasseur Group has also temporarily closed its seven other outlet malls in Hangzhou, Changsha, Nanjing, Lanzhou, Xi'an, Guiyang and Changchun. In addition, the Sponsor has undertaken precautionary measures such as daily disinfecting of common areas in each outlet mall and regular temperature screening for on-duty staff to ensure their health and safety.

By leveraging on technology and its large VIP membership base, Sasseur Group has developed both online offline marketing channels, to enable customers to continue shopping from home, including using WeChat, one of China's largest messaging, social media and mobile payment app. These initiatives will

4. Provision of statutory reserves is no longer required as the quantum of statutory reserves has already reached 50% of each of the subsidiaries' registered capital



allow customers to continue enjoying the products and services offered at Sasseur Outlets during the mall closure and home confinement periods.

Mr Vito Xu, Chairman of SAMPL, said, “When the COVID-19 outbreak started, Sasseur Group swiftly established an epidemic prevention committee and team to implement preventive measures and controls immediately. To date, there has been no infection cases among the 40,000 staff in Sasseur group’s 11 malls. Sasseur Group has a long-term business philosophy; despite the temporary closure, we are constantly innovating for breakthroughs and would use this opportunity to improve our overall management system. We believe in pushing ourselves hard, especially during such challenging times; the management team and all our staff have maintained close communication with brand partners, VIP members and government authorities, in preparation for the business to rebound when our outlet malls reopen.”

Mr Anthony Ang, CEO of SAMPL, said, “Sales for 4Q 2019 have grown year-on-year by a healthy 3.4%. The COVID-19 situation may affect footfall at malls all over China in the short term due to mall closures and government restrictions. However, we remain confident of the long-term prospects of the China market and Sasseur REIT’s sales and overall performance. As part of our efforts to build long-term value for stakeholders in 2020, we intend to undertake strategic initiatives to strengthen our online and offline sales channels, and engage tenants, customers and VIP members better. We are also exploring asset enhancement opportunities for Chongqing Outlets, the most mature mall in the REIT.”

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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, Hefei and Kunming, with a net lettable area of 312,844 square metres.

Sasseur REIT is established with the investment strategy to investing 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 in 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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Sponsorship Statement:

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.