



For Immediate Release

Sasseur REIT's DPU for FY2018¹ Exceeds IPO Forecast by 12.6%

- DPU of 3.541 Singapore cents for 2H 2018 together with earlier distribution gives an annualised distribution yield of 9.4% based on closing price of S\$0.71 on 18 February 2019.
- Distribution to switch from semi-annually to quarterly from FY2019; on-going focus will be on sustaining DPU growth.
- Rental Income for FY 2018 exceeded forecast, despite the lower-than-forecasted Renminbi.

Singapore, 18 February 2019 – Sasseur Asset Management Pte. Ltd (SAMPL), the manager of Sasseur Real Estate Investment Trust (Sasseur REIT; 砂之船房地产投资信托), announced today that Sasseur REIT has achieved a distributable Income of S\$60.5 million for FY2018¹. The total DPU for FY2018 was 5.128 Singapore cents, comprising 3.541 cents declared for 2H2018, and 1.587 cents paid for the period from 28 March 2018 to 30 June 2018. The annualised distribution yield based on the total DPU was 9.4% at the closing unit price of S\$0.71 on 18 February 2019, as well as 8.4% at the IPO offering price of S\$0.80, surpassing the IPO forecasted yield of 7.4% for FY2018 and 7.8% for FY2019 respectively. The books closure date is 5 March 2019.

Mr Vito Xu, Chairman of SAMPL said, “***We are pleased to beat our IPO forecasts in our first year of listing. In fact, Sasseur REIT distribution yield of 10.3%² is double the 12-month distribution yield of 5.1% for the FTSE ST REIT Index as at 31 December 2018. This is due to our partnership incentive system implemented by the Sponsor that has aligned strongly the interest of the operation management team with the performance of the business, including sales performance, customer satisfaction and cost management. In addition, China's softening economic growth has generally resulted in slower sell-through rate of branded products in full price stores; this increased supply for outlets. In slower economic environment, customers also actively look for bargains and this has benefited Sasseur's business. Sasseur's outlets has therefore been able to offer more choices and better value-for-money purchases to their customers, boosting our outlet sales.***”

The Sasseur Group also pioneered a unique art-commerce business model that caters to the material and lifestyle preferences of the growing middle-class in China. We are confident our outlet malls will continue to draw more shoppers and enjoy stronger sales with our experiential

¹ Financial period from 28 March 2018 to 31 December 2018

² Based on 31 December 2018 closing price of S\$0.65



outlet shopping concepts. This augurs well for sustaining the growth of distributable income for Sasseur REIT.”

Mr Anthony Ang, CEO of SAMPL said, **“We will strive to improve the DPU for FY2019 with a combination of organic and inorganic growth. For organic growth, we plan to grow the number of VIP members to generate more repeat sales, improve the occupancy rates especially for Bishan and Kunming, leverage on asset enhancement initiatives such as the Super Farm in Hefei to draw crowds and exert greater control over product prices to boost sales. For inorganic growth, we will actively look to acquisition opportunities if they are yield accretive, with a preference for projects in China managed by our Sponsor.”**

Table 1: Results Summary

	FY 2018			4Q 2018		
	Actual	Forecast	Variance	Actual	Forecast	Variance
EMA Rental Income³ (RMB mil)	444.7	433.2	+2.6%	156.8	151.3	+3.7%
- Fixed Component	291.2	291.2	-	95.7	95.7	-
- Variable Component	153.5	142.0	+8.1%	61.1	55.6	+9.9%
EMA Rental income³ (S\$ mil)	89.9	87.9	+2.2%	31.2	30.7	+1.6%
Distributable Income (S\$ mil)	60.5	53.8	+12.6%	23.6	18.4	+28.1%
DPU (cents)	5.128	4.554	+12.6%	1.999	1.561	+28.1%

Note: Average exchange rate – S\$/RMB4.930 for forecast, S\$/RMB4.948 for actual (FY2018), S\$/RMB 5.033 for actual (4Q2018)

The four malls owned by Sasseur REIT generated combined sales of RMB3.4 billion for FY2018, exceeding the IPO forecast by 7.9%. The EMA Rental Income of S\$89.9 million for FY2018 was 2.2% above IPO forecast, as sales growth helped to offset a softening Renminbi. For 4Q2018, the EMA Rental Income similarly beat forecast by 1.6%, despite the average exchange rate hitting a high of S\$/RMB5.033. The robust sales performance and resultant increase in EMA Rental income were attributed to strong pick-up in consumer spending and shopper traffic at all four outlet malls, especially the newer and larger Hefei and Kunming outlet malls.

Sasseur’s growth in FY 2018 is due to its proactive asset management strategy as well as effective advertising and promotional activities planned throughout the year. These programmes are themed according to the seasons, local festivities and year-end promotions.

The Distributable Income beat forecast by a larger margin of 12.6%, due mainly to better operational results and lower expenses. Going forward, Sasseur REIT will switch the distribution payment from semi-annually to a quarterly basis.

- End -

³ Excluding straight-line accounting adjustment



About Sasseur REIT

Sasseur REIT is the first outlet mall REIT listed in Asia. Sasseur REIT offers investors with 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 net lettable area of 306,709.1 square metre.

Sasseur REIT is established with the investment strategy of 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 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 acquisition 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 arts commerce, the Sponsor Group has become Asia's famous outlet operator for its strategic approach of integrating emotion, aesthetics, scenario planning and prudent capital management, as well as its "(1+N) x Big Data" 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.