

For Immediate Release

Sasseur REIT Exceeds Projections For Fifth Consecutive Quarter

- One of the top-performing S-REITs for 1H 2019 (SGX), with total return of more than 30%¹
- DPU of 1.608 Singapore cents for 2Q 2019 exceeds projection by 10.5%
- Combined sales from outlet malls at RMB 1.03 billion for 2Q 2019, a year-on-year increase of 15.4%²

	2Q 2019		
	Actual	Projection	Variance (%)
EMA Rental Income (RMB mil)	146.0	144.1	+1.3
- Fixed Component (RMB mil)	98.5	98.5	-
- Variable Component (RMB mil)	47.5	45.6	+4.2
EMA Rental Income (S\$ mil)	29.1	29.2	-0.3
Distributable Income (S\$ mil)	19.2	17.3	+10.5
DPU (SG cents)	1.608	1.455	+10.5

Note: Average exchange rate – S\$/RMB 1:50094 for actual 2Q2019, S\$/RMB 1:4.930 for projection

Singapore, 6 August 2019 – 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 a distributable income of S\$19.2 million for the quarter ended 30 June 2019 (“2Q 2019”), exceeding its projection of \$17.3 million by 10.5%, its manager Sasseur Asset Management Pte. Ltd. (“SAMPL”) announced today. Sasseur REIT’s distribution per unit (“DPU”) for the period came in at 1.608 Singapore cents.

The annualised distribution yield based on the total DPU was 8.2% at the closing unit price of S\$0.79 on 28 June 2019, and 8.1% at the IPO offering price of S\$0.80, exceeding the IPO projected yield of 7.8% for FY2019.

The four outlet malls owned by Sasseur REIT generated sales of RMB 1.03 billion for 2Q 2019, RMB 136.7 million or 15.4% higher than Q2 2018². EMA rental income (excluding straight-line rental accounting adjustment) at S\$ 29.1 million was in-line with projection³.

1 Source: Bloomberg, SGX data as of 28 June 2019. Based on Total Returns (%)

2 Total outlet sales for the period from 28 March 2018 (listing date) to 30 June 2018 (Q2 2018) has been restated based on the same 91 days as Q2 2019.

3 If the period from 28 March 2018 to 30 June 2018 is similarly restated for comparison purpose, the EMA rental income for 2Q 2019 would be 2.7% higher compared to same period last year.

For the first half 2019, the four outlet malls generated total sales of RMB2.23 billion, which is 19.9% higher than previous corresponding period. The EMA rental income (excluding straight-line rental accounting adjustment) for the first half 2019 was S\$60.0 million, which is also 1.1% higher than projection.

The commendable growth was mainly due to growth of outlet industry, together with Sasseur REIT's unique 'double destination' shopping positioning as both an outlet and lifestyle experiential mall, its emphasis on an unique art-commerce business model, as well as seasonal sales promotions which boosted sales.

Portfolio occupancy rate for 2Q 2019 remained stable at 95.8%, highlighting the successful partnership between tenants and the entrusted manager of the outlet malls under the EMA rental income model.

After the successful acquisition of Hefei shop units, the new tenants, e.g. indoor zoo, all performed very well and contributed stable rental income. On top of that, total VIP members of the four malls have reached 1.14 million as of 30 June 2019, which is 39% higher than end of 2018.

Mr Vito Xu, Chairman of SAMPL, said, "Due to our unique business model and best-in-class management system, sales at Sasseur Outlets grew by 15.4% in 2Q 2019 despite slower macro economy growth. This is testament to our quality product and service offerings that meet the needs of our customers. We will continue to monitor customer preferences and behaviour to adapt to changing consumer trends and increase sales at all Outlets for the rest of the year."

Mr Anthony Ang, CEO of SAMPL, said, "Although the second quarter is seasonally a period with lower customer traffic for the retail industry, our DPU continues to outperform projections which bodes well for Sasseur's overall performance this year. Despite the on-going trade tension between US and China, our outlet sales in China has not been impacted by external trade factors as it is largely fuelled by domestic consumption. For the third quarter, we are cautiously optimistic that sales and footfall will pick up again in view of Sasseur's major overnight annual promotion events that will be held in September."

Sasseur REIT has hedged 50% of its offshore term loan using floating-for-fixed interest rate swap. To mitigate the impact of foreign currency fluctuations, Sasseur REIT intends to hedge a substantial portion of its distributional income into Singapore dollars. The aggregate leverage of the REIT remains healthy at 29.7%, well below the regulatory limit of 45%.

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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 312,844 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 <https://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 "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.