



For Immediate Release

Sasseur REIT Reports 1Q 2020 EMA Rental Income RMB 127.2 million and DPU of 1.334 SG cents

- **Maintains 100% distribution in 1Q 2020 with DPU of 1.334 SG cents**
- **Rebound in sales across all four malls since re-opening in mid-March, reflecting the resilience and potential of China's large consumer base and pent-up demand**

	1Q 2020	1Q 2019	Change (%) +/(-)
EMA Rental Income (RMB mil)	127.2	153.3	(17.1)
- Fixed Component (RMB mil)	102.4	98.5	3.9
- Variable Component (RMB mil)	24.8	54.8	(54.8)
EMA Rental Income (exclude straight-line adjustment) (S\$ mil)	25.3	30.9	(18.2)
Total Return Available for Distribution to Unitholders (S\$ mil)	16.0	19.7	(18.7)
Distribution Per Unit (SG cents)	1.334	1.656	(19.4)

Note: Average SGD:RMB rate of 1:5.0339 for 1Q 2020

Singapore, 14 May 2020 – 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), wishes to announce Sasseur REIT’s financial performance for the quarter ended 31 March 2020 (“1Q 2020”).

The four outlet malls in China owned by Sasseur REIT generated combined sales of RMB 534.5 million in 1Q 2020, 55.7% lower than 1Q 2019, as a result of the operational disruptions and temporary closure (44-49 day, 48%-54% of the total operating days in 1Q 2020) due to the outbreak of COVID-19. However, EMA Rental Income registered a much lower decrease of 17.1% of RMB 127.2 million compared to RMB153.3 million, supported by the fixed component income of RMB 102.4 million. Under the EMA model, the fixed component income comprises a majority of the overall rental income, thereby providing stability to the EMA Rental Income despite the temporary closure period. The fixed component income has a built-in annual escalation of 3%. Distribution per Unit for the quarter is 1.334 Singapore cents, representing 100% of the total distributable income of S\$16.0 million.



SAMPL plans to undertake asset enhancement initiatives during 2Q 2020, including repositioning Chongqing Outlets as a lifestyle and shopping destination for both local consumers and tourists from other parts of China. Block B of Hefei Outlets will be repositioned into a sports themed shopping complex, with space maximisation and conversion of pedestrian walkway to increase shopper traffic between Blocks A and B.

Operational Performance and Capital Management

Overall portfolio occupancy for 1Q 2020 dipped to 94.8% from 96.0% in 4Q 2019 due to lower occupancy at the Bishan and Hefei outlets. Total VIP members of the four malls reached 1.66 million at the end of 1Q 2020, 4.8% higher than 1.58 million at the end of 2019.

Sasseur REIT's balance sheet remains robust with gearing at 28.5% and healthy interest coverage ratio of 4.7 times. The recent relaxation of the gearing limit for Singapore Exchange-listed REITs – from 45% to 50% – provides Sasseur REIT with higher debt headroom and capital management flexibility to pursue growth through yield-accretive acquisitions of new assets.

Outlook

China's economy was the first to have been affected by movement restrictions and the overall dampening of consumer sentiment related to COVID-19. As Sasseur REIT's assets are located in China, it was affected by the outbreak disruption earlier than other S-REITs.

However, the intensive marketing efforts, online engagement and event organisation by the Sasseur team have helped to generate and retain customer interest and mitigate the impact of COVID-19 during this period. China is also among the first countries to begin to recover and restart its economy since April 2020. Sasseur REIT is thus in a position to recover its performance from 2Q 2020 onwards.

Mr Vito Xu, Chairman of SAMPL, said, "1Q 2020 has turned in a respectable performance despite the temporary closure period which resulted in malls suspending operations for up to seven weeks. We are very heartened to see an encouraging return of shoppers during our special reopening and the recent Spring Sales events.

While the COVID-19 situation in China remains a significant concern for the wellbeing of the Chinese people, we have implemented health and safety measures at the malls and offices and will continue to prioritise this for our staff, tenants and customers. The retail outlet industry is counter-cyclical, and hence continues to be more resilient against economic downturns. We look forward to further recovery of the domestic economy and a stronger performance for Sasseur REIT in the coming quarters."

Mr Anthony Ang, CEO of SAMPL, said, "Rental income in 1Q 2020 has been less impacted by the COVID-19 disruptions compared to other malls and REITs due to our Entrusted Management

Agreement (“EMA”) rental income model. Our unique business model fully aligns interest among all stakeholders. Supported by a strong team organising special events, our sales are recovering steadily and our VIP member base has increased despite the challenges brought on by COVID-19 outbreak. Going forward we will continue to maintain customer engagement and increase sales, through our online sales and social media platforms, as well as at our malls through multiple promotional events in the coming months.”



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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 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 manager 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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