



# SASSEUR REIT – Growing in a Sunrise Industry

*First Listed Outlet Mall REIT in Asia*

**SGX- Bank of China (SG Branch) – SREIT Webinar**

19 May 2020



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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.

# Content

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<b>Section 1</b>	<b>Key Investment Highlights</b>
<b>Section 2</b>	<b>Overview of PRC's Outlet Market</b>
<b>Section 3</b>	<b>About Sasseur REIT</b>
<b>Section 4</b>	<b>About Sasseur Group</b>
<b>Section 5</b>	<b>Entrusted Management Agreement ("EMA") Model</b>
<b>Section 6</b>	<b>FY2020 1Q Financial Results</b>
<b>Section 7</b>	<b>Capital Management</b>
<b>Section 8</b>	<b>Portfolio Update</b>
<b>Section 9</b>	<b>Investment Merits</b>

# Key Investment Highlights



## EXPOSURE TO THE PRC'S FAST-GROWING RETAIL OUTLET MALL SECTOR

- ▶ Growing middle-class population in the PRC creates a large potential customer base for the outlet mall market in the PRC
- ▶ Resulting increase in spending power represents a sweet spot for the retail outlet mall industry
- ▶ **The PRC's outlet industry expected to become the world's largest outlet market in terms of sales revenue by 2030<sup>(1)</sup>**



## STRONG GROWTH POTENTIAL

- ▶ Two right of first refusal properties ("ROFR Properties") and nine Pipeline Properties
- ▶ Assuming Sasseur REIT acquires the full interest in the ROFR Properties and Pipeline Properties, it will almost quadruple the total gross floor area of the Initial Portfolio



## STRATEGICALLY LOCATED PORTFOLIO IN FAST-GROWING CITIES

- ▶ Leading privately-owned outlet mall operator in the Chinese outlet mall industry<sup>1</sup>
- ▶ First-mover advantage in the Tier-2 PRC cities with an increasing addressable market size<sup>(2)</sup>
- ▶ Diversified mix of tenants across various trade sectors

(1) Source: China Insights Consultancy

(2) Defined as the sales revenue opportunity available in the outlet industry after considering information such as economic development, population size, residents' disposable income and outlets penetration

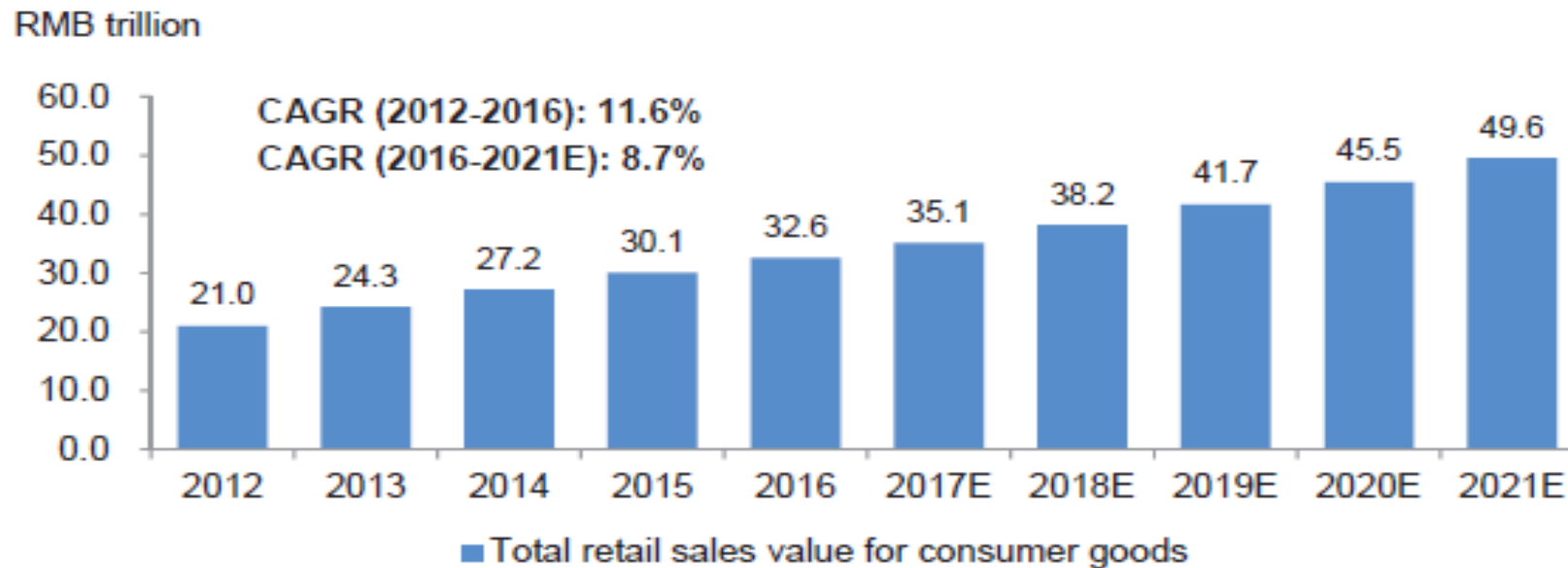
# Overview of PRC's Outlet Market



## Robust retail sales performance in PRC

PRC's total retail sales value for consumer goods is expected to grow at CAGR of 8.7% between 2016 to 2021, in line with growth in GDP and income levels.

Total retail sales value of consumer goods, China, 2012-2021E



Source: *Extracted from National Bureau of Statistics of China (March, 2017)*  
*China Insights Consultancy (March, 2017)*

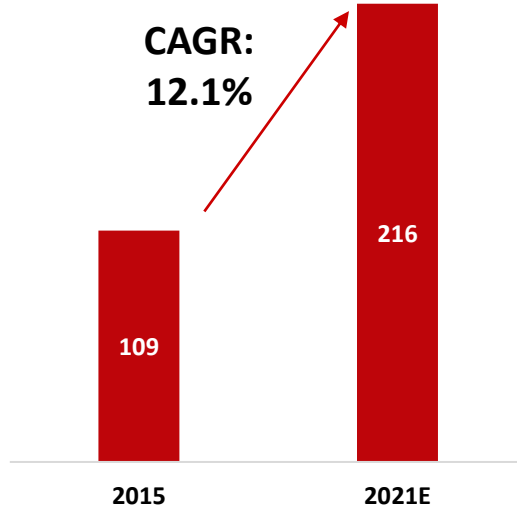
# Overview of PRC's Outlet Market (Con't)



1

## Riding on the aspiration of PRC's fast growing middle class

Middle class population in China (million)

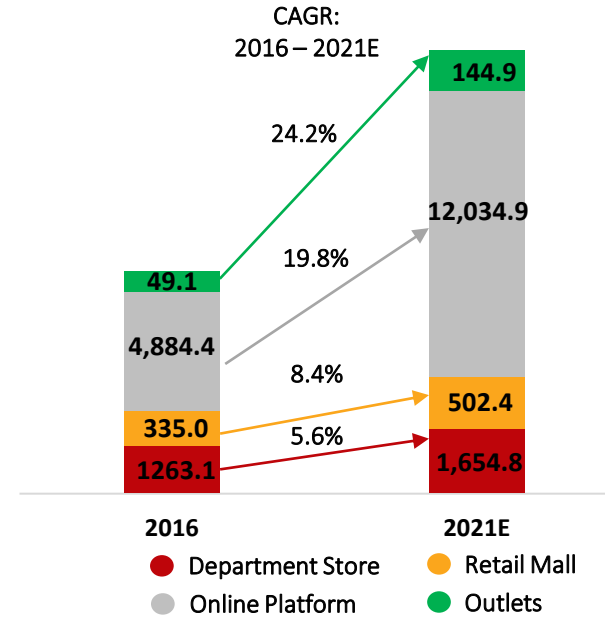


Higher urbanization rates to help shift the economy towards a consumption-based model of economic growth

2

## Retail Market Growth Projection

Total Sales in China Retail (RMB billion)

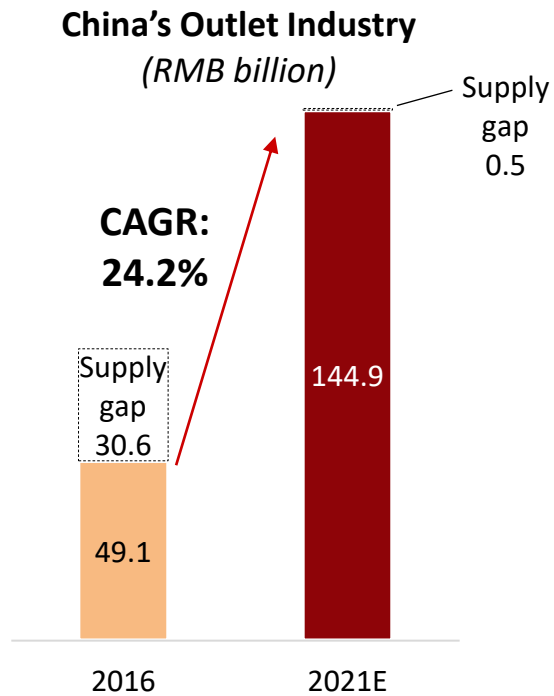


A young industry – outlet market size is only approximately 1% of online platform.

# Overview of PRC's Outlet Market (Con't)

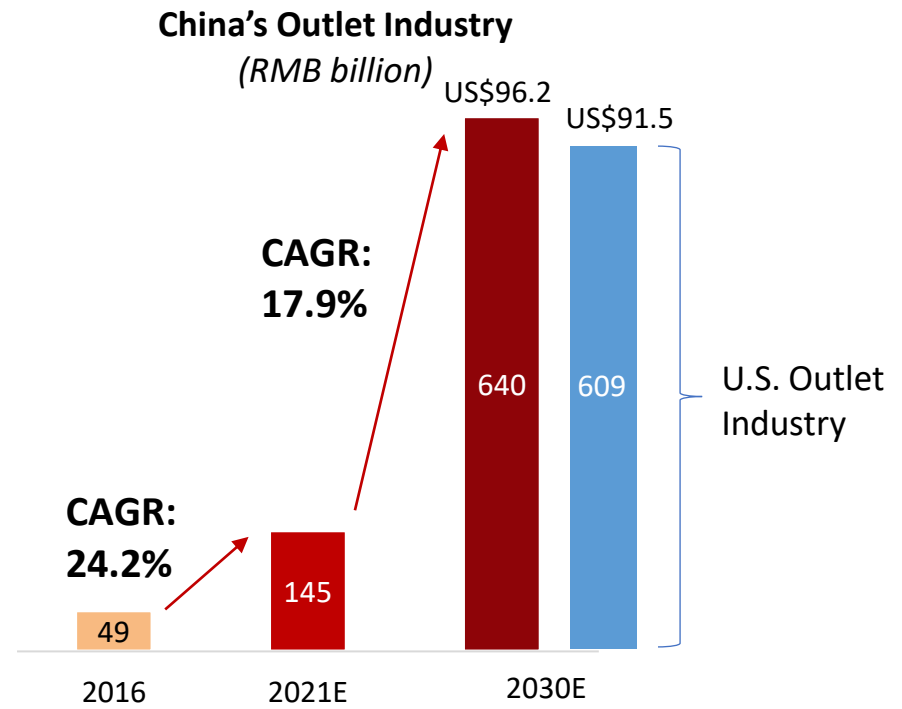


## 3 Large supply gap presenting upside opportunity



Supply gap represents market opportunity for the outlet industry

## 4 Young industry with ample room to grow further



Projected PRC vs U.S. outlet industry in 2030  
 RMB 640 billion (US\$96.2 billion) VS US\$91.5 billion



# About Sasseur REIT

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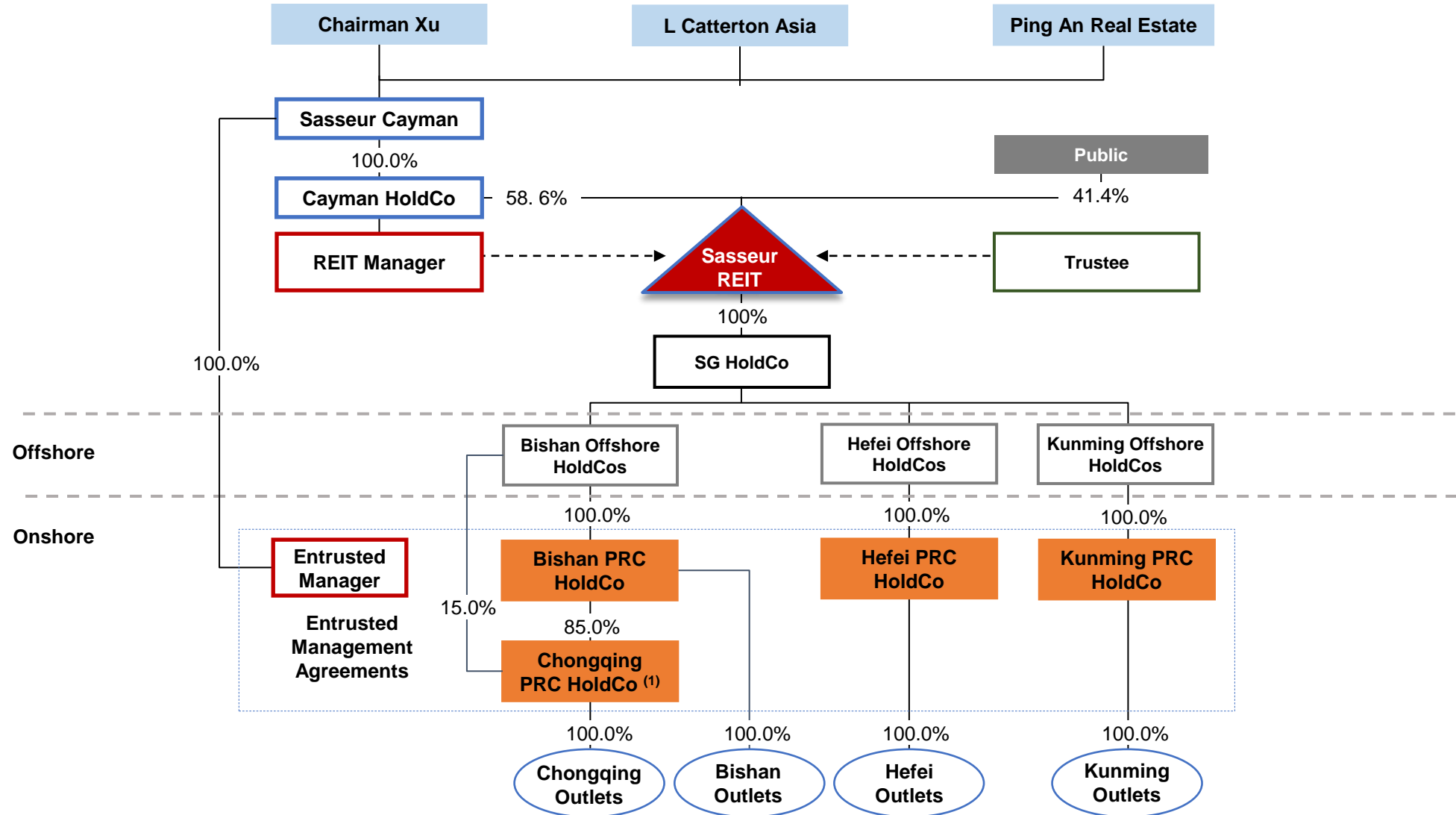
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**First  
Outlet Mall REIT  
listed in Asia**

A grey silhouette map of the Asian continent is centered on the slide. Two horizontal red lines are drawn across the map, one above and one below the text.

# Sasseur REIT Structure



(1) Holds 40% interest in Chongqing West Outlets Brand Discount Commercial Co., Ltd. and Shanghai Pacific Rehouse Service Chongqing Co., Ltd.. Remaining 60% interest is held by Shanghai Pacific Rehouse Service Co. Ltd., an independent third party unrelated to the Sponsor (Sasseur Cayman Holding Limited) or Sasseur REIT

# About Sasseur Group – Strong Sponsor



## Introduction to Sasseur Group

- Founded in 1989, Sasseur is one of the leading premium outlet groups in the People's Republic of China ("PRC"), that focuses on the development and operation of retail outlet malls in the PRC
- As of April 2020, Sasseur manages 11 outlet malls in 10 major Chinese cities
- Leverages on the founder's passion for art and culture to develop and design all of Sasseur's outlet malls, thus offering a unique lifestyle experience for its customers



**31** years of history

## Founded by Vito Xu



- **Vito Xu** is the founder and chairman of Sasseur with a wealth of experience in the fashion industry.
- In 1992, he entered the clothing industry and created his own women's wear fashion line – Sasseur
- In 2008, he built the first Sasseur outlet in Chongqing, an art piece that has won numerous awards
- Recipient of numerous prestigious awards

## Supported by Strategic Shareholders



- Largest pan-Asian consumer-focused private equity firm that operates within a global L Catterton platform
- Manages over USD 1.6 billion AUM (USD 2.6 billion with co-investments)<sup>(2)</sup>



- Affiliate of the Fortune 500 company Ping An Insurance
- Professional real estate investment, development and management platform of Ping An Insurance
- AUM of approximately RMB 420 billion (USD 60 billion)<sup>(3)</sup>

(1) Provided by L Catterton Asia on 19 September 2017

(2) Extracted from Ping An Real Estate website (<http://realestate.pingan.com/realestate/html/about.html>) on 2 January 2020

# About Sasseur Group – Strong Sponsor (Con't)



## Highly Recognised Enterprise

- 2019 Chongqing Top 100 Enterprise (Service Industry) – Ranked 15<sup>th</sup> place
- 2019 Chongqing Top 100 Enterprise – Ranked 39<sup>th</sup> Place with Revenue Over RMB 10 Billion
- 2019 China Top 500 Enterprise in Service Industry – Ranked 313<sup>th</sup> place
- Awarded National Enterprise Credit Grade AAA

## One of the Leading Operators in China's Outlet Industry

- 11 Outlets Under Management, 4 More in the Pipeline
- Among the 11 outlets in operation, 5 outlets achieve sales above RMB 1 billion in 2019
- 1,700 International and Local Brands
- >55 Million Outlet Visitors in 2019
- 4.2 Million VIP Members across All Outlets

Source: Sasseur Group 2019 Performance Figures

## 2019 Sales Revenue

> RMB 2.5 Billion



Sasseur (Chongqing) Outlet

> RMB 1.5 Billion



Sasseur (Nanjing) Outlet

> RMB 1.5 Billion



Sasseur (Xi'an) Outlet

> RMB 1.0 Billion



Sasseur (Hefei) Outlet

> RMB 1.0 Billion



Sasseur (Guiyang) Outlet

# Chairman Vito Xu - Profile



THE SASSEUR STORY

“ DIALOGUE BETWEEN ART AND BUSINESS ”



Mr Vito Xu  
Founder and Chairman

“ We want our malls to have a soul that creates affinity with shoppers. ”

The 1980s was a time of wonder, dreams and romance for mainland China, a golden age of spiritual and philosophical enlightenment, freedom and artistic expression. During those days of transition from a planned to a more capitalist economy, life was hard and material goods were scarce. That was when a large number of China's most outstanding post-modern poets, novelists, painters and musicians emerged and whose influence continues to this day.

**ART COMMERCE**  
Xu Rongcan's affinity with artistry in the practice of business (what he termed "Art Commerce") had its roots in Southwest China Normal University located at Beibei, a scenic town in the outskirts of Chongqing. As a young man of 20, on a creaking old bicycle, with wind caressing his hippie styled hair, rucksack on his shoulder, his most valuable possessions were his youthful passion, dreams of artistry and an old camera. Xu, with his keen sense of art aesthetics, captured what he saw with his lens and expressed

what he felt with films. He loved using black and white films to describe his feelings about the world. From literature, art, to music and life, Xu was surrounded by other young people who shared his dreams; they would often meet over beer while enjoying guitar music through the night together.

To Xu, art was not two dimensional. He believed art could be experiential. In 1989, he invested RMB 6,500 and started his first brick and mortar business based on his unique art commerce concept.



From grossing his first million yuan in revenue from his shop in 1992, Mr Vito Xu, Singapore-listed Sasseur REIT last week nudged a billion dollars in market capitalisation before easing to \$562 million at last Friday's market close. PHOTO: SASSEUR

## Vito Xu, don of Asian outlet malls

**While Chinese retail is struggling, Sasseur profits runs a bunch of profitable outlet malls**



Ravi Velloor  
Associate Editor

In some ways, Mr Vito Xu's life mirrors the special case of China and its rise to a superpower. After the late Deng Xiaoping opened the economy to foreign investment four decades ago, setting in motion history's most amazing economic leap by any nation.

The name stems from his first business, a cafe whose member translates in Chinese as "ship of song", after a famous scene of the time by a Taiwanese singer.

Sasseur is apparently a French translation, suggested by a Frenchman partner who was in Chongqing learning the language.

**ART COMMERCE**  
His corporate philosophy, he said, is art commerce - artistry and sophistication blended with commerce. As for his company's corporate culture, the decision didn't take long. He borrowed the national colors of Italy.

That dual approach - fascination with the foreign and the eye for the quality home-grown - is attested by the brands he has sold for the mall, which have shops selling the biggest global brand names such as Burberry, Chanel, Louis Vuitton and Armani, there are plenty of Chinese brands as well with names like A.Song and its cousin.

That leads me to wonder about why Asia, with its wealthy expanding purchasing power and vast pool of creativity, hasn't had more home-grown fashion brands. Could Sasseur play a role to address that gap?

"There are some good Chinese brands and many top and coming young designers," said Mr Xu. "But it remains to be seen how much international recognition. Seven years ago, I went to see outlets for Chinese brands, so that's how Sasseur came to be." He is chasing global trends but he sees a gap in the market for high-end fashion trends at home and display them in his outlets.

In the popular perception of counterfeits and knock-offs of global brands with weak protection for intellectual property. But things are changing.

Earlier this year, Shiseido chief executive Masahiko Umetani met up with Sasseur to launch a joint venture - a cosmetics platform company, to be called Shiseido Cosmetics.

When I expressed surprise to Mr Umetani, he said that he had met with Alibaba, he gave me a terrific up-to-date and reasonable explanation.

With Alibaba, he told me, there are two channels. One is a low-end offering like Taobao, which supplies cost-conscious customers. The other

channel, with which he is involved, is focused on growing high-end brands.

"Every time I meet Jack Ma or his management people, I find them keen to grow the brand. So, we give them even the best of our treasure, our most high-end product. They do not discounting and knock these product segments, and know how to precisely target the affluent customers who buy those products."

This was news to me at the time. So, I asked Mr Xu about how he perceived the issue himself.

His own company, he said, imposed strict penalties on any store in his outlet selling counterfeit goods. At the same time, Chinese increasingly prefer to buy genuine high-end products, if they could afford them. Indeed, thousands of stores have been going from online to offline to sell these goods, they prefer to do it in local and street and outdoor experience, he explained, shunning off-line online sales. But it turns out that the experience had me gone so well and the company discovered that the company's regular stores was no more than \$ per cent of the

**Fast Facts**  
**THE CHAIRMAN**  
Mr Vito Xu is chairman of the Sasseur group and its Singapore-listed real estate investment trust (REIT), Sasseur REIT. He is 54 years old.  
Born into a farming family in Chongqing, Mr Xu was educated at Southwest Normal University. In 1989, with 6,500 yuan, he started his journey of "art commerce" by creating the Sasseur brand with a coffee house.  
In 1992, he entered the clothing industry, opening a garment store and working as an agent for the Italian brand "Armani".  
He then created his own women's wear brand - Sasseur.  
In 2008, he built Sasseur (Chongqing) Western Outlets, the first outlet mall in China's Top 10 Fashion Landmark cities.  
The Sasseur Group today has 10 outlet malls in China.

inaction. The middle-income households that Sasseur outlets serve live within 10km from their workplaces and look for lifestyle activities outside their shopping. Online shoppers, on the other hand, tend to buy cheaper and more standardised products and tend to buy further away.

**WY SINGAPORE?**  
Most Chinese companies looking for overseas investments tend to use Hong Kong if they need a convenient window to the world and I am curious to know why Sasseur picked Singapore to list its real estate investment trust. Mr Xu said he did so at the advice of a key investor, consumer-focused private equity firm I. Caterston.

To run the REIT, he hired the veteran Anthony Ang, an Imperial College and Insead alumnus and included in the 30-year career included senior positions in ARA Group, GIC Real Estate and the Economic Development Board.

Mr Ang explains that, while Hong Kong stock market is significantly larger than Singapore's, its REIT market is smaller, with just 17 of the entities listed there compared with about 45 in Singapore. The S-Reit are also more international, tending to attract global investors seeking an Asian play.

"On a personal level, Mr Xu enjoys the island's orderliness and is

Mr Xu was awarded Knight of the Order of the Italian Star by the Italian government in 2015. Married to Ms Sasseur Yang, he has three children, one of them from a previous marriage. Mr Xu's favourite hobby is tennis.

**THE COMPANY**  
Sasseur REIT is a Singapore-listed real estate investment trust that started trading on the Singapore Exchange in March last year.

The first listed outlet mall in Asia, its initial portfolio comprises four retail outlet malls in China, located in Chongqing, Beijing, Hefei and Suzhou, with a combined leasable area of 312,844 sq m and an occupancy rate of about 80 per cent.

Sasseur REIT is managed by Sasseur Asset Management, which is an indirect wholly owned subsidiary of Sasseur Capital Holding.

The REIT has a market capitalisation of \$662 million, based on its closing price last Friday.

frequently in Singapore over weekends. Indeed, he chose to send his three children here to give them international exposure, including their at Stanford American School. His fashion-export wife Yang Xu, now home, he believed the name Sasseur as a mark of affection and gratitude, lives here.

Sasseur REIT has had a good run in the year past. Its listing saw growth of 20 per cent. Mr Xu sees an affinity in maintaining that pace, more so since three of the four properties in its care are, and he plans to add more assets to the REIT in time to come.

As for concerns that a falling yuan could hurt profits when translated into Singapore dollars, he said there has been enough currency hedging to compensate. Besides, the Singdollar itself has had a recent swoon. The long-term growth rate, Singdollar rate, should be fairly stable.

The other Sasseur Group has 20 outlet malls, including the four S-Reit in the REIT. The group, he said, is looking at unprecipitated growth opportunity. The next decade will be the golden era for the outlet business in China and the many distressed REIT assets of the traditional malls offer his firm a tremendous opportunity to go asset-light and turn around the Asian play.

In the past 18 months, no fewer than 10 REIT portfolios have been placed in front of him. The Sasseur team has been looking forward that it new made, and these will be up and running in the next three years.

Liu wants to know his views on Singapore retail, now that he visits the island to explore it.

The Singapore retail sector is well developed but it suffers from a common ailment - over saturation of world over - most establishments lack in the life and spirit that can excite shoppers, he said. "Retail should reflect more of local culture and character to create an emotional connect."

The number of malls seems to be rising in Asia, its initial portfolio comprises four retail outlet malls in China, located in Chongqing, Beijing, Hefei and Suzhou, with a combined leasable area of 312,844 sq m and an occupancy rate of about 80 per cent.

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Mr Xu did 13 years ago and his father, now 84, lives in their home in Chongqing. Among his many hobbies, he said, is that his wife's most interests with law for art, what having his lady love as a business partner.

I asked the 64-year-old Mr Xu about his favourite to read of clothing for personal use.

"I like to see how they are cut in a way that fits me better than any other brand I know."

velloor@sp.com.sg

# Sponsor's Unique "Super Outlet" Business Model



- ▶ "1" represents the outlet mall business platform and "N" reflects the various lifestyle options offered in each of the outlet malls
- ▶ Unique lifestyle experience based on a combination of art in the design and decoration of its outlet malls, and as a one-stop shopping and lifestyle experience, provides resilience against competition from e-commerce



# Sasseur – Leading private outlet specialist in PRC



## Leading private outlet specialist in PRC

Outlet Operators	Operator category	Outlets
Beijing Capital Grand 首创	Real Estate Company	12
Sasseur 砂之船	Local Private Outlet Specialist	11
Bailian 百联	SOE Retail Group	7
Wangfujing SCITECH 王府井赛特	Real Estate Company	7
RDM	International Outlet Specialist	6

## Benefits of being a private outlet specialist

Different Types of Outlet Operators in China

■ Applicable  
 Not applicable

	Operational Experience	Brand Resources	Understanding of Local Market	Financial Strength
Local Private Outlet Specialists				
SOE Retail Groups				
Real Estate Companies				
International Outlet Specialists				

Mitigated by Sasseur's access to strategic partners (L Catterton Asia & Ping An Real Estate)

# Sponsor's Unique "Super Outlet" Business Model



1

Integrated destination shopping combining "1+N" business model in the design and operation of Sasseur REIT's outlet malls

2

Enhances resilience to competition from online retail platforms by providing a unique lifestyle shopping experience

3

Robust and proactive brand management

4

Alignment of interest with tenants through sales-based leases

5

More than 1.66 million VIP members across the portfolio



# Outlet's Competitive Edge Against Other Retail Models



	Outlets	Department Store	Shopping Mall	Online Platform
Product Mix	Luxury and high-end brands	Middle to high-end brands	Middle to high-end brands	Low priced products
Pricing Strategy	Large Discounts	Normal	Normal	Low
Consumer Experience	✓	✗ (small area with compact layout)	✓	✗ (no in-store shopping experience)
Location	Suburbs	City Center	City Center	-
Segment	Middle Class	Mass Market	Mass Market	Mass Market
Authenticity	✓	✓	✓	Possibility of counterfeit goods



## Why outlet is generally not impacted by e-commerce

- **Product mix** - per transaction via online platform ~ RMB200 vs per transaction at the outlet malls ~ RMB800/1000 => minimal product overlap
- **Economics** – online sales of outlet brands incur ~ 20% commission vs 10-16% commission at the outlets.
- **Authenticity** – 10X penalty / reward for selling by merchants / reporting by customers, of fake goods ensure no fakes goods at outlet

# Entrusted Management Agreement (“EMA”) Model



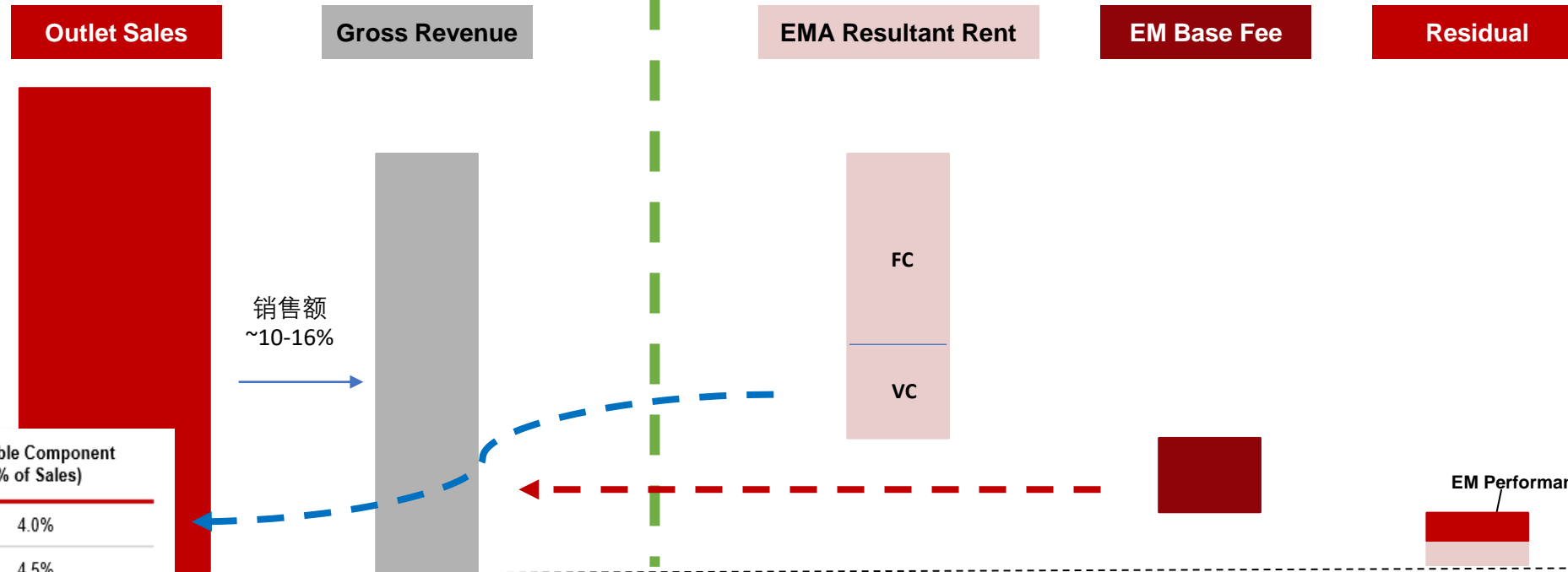
SASSEUR (BISHAN) OUTLETS

# Entrusted Management Agreement Model



## Business Model

## REIT Income Model



Outlets	Variable Component (% of Sales)
Chongqing	4.0%
Bishan	4.5%
Hefei	5.5%
Kunming	5.0%

- GR = Total rental receivable + Income from permissible investments

- EMA Resultant Rent ("RR") comprises FC and VC
- REIT paid EMA Resultant Rent before EM Base Fee
- VC is pegged to the Sales of the Outlet

- EM Base Fee: Up to 30% of GR to the Entrusted Manager

- EM Performance Fee:  $60\% \times (GR - RR - EM \text{ Base Fee})$
- Payment to REIT:  $40\% \times (GR - RR - EM \text{ Base Fee})$

**The EMA Model aligns the interest of the Operating Manager with the REIT.**

# FY202 1Q Results

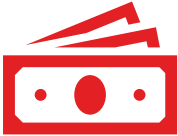





SASSEUR (KUNMING) OUTLETS

# 1Q 2020 Key Highlights



DPU yield 9.1% based on closing price \$0.590 as at 31 Mar 2020

 <b>EMA Rental Income<sup>1</sup></b>	 <b>Distributable Income</b>	 <b>Distribution Per Unit<sup>2</sup></b>	 <b>NAV Per Unit</b>
<b>S\$25.3</b> million	<b>S\$16.0</b> million	<b>1.334</b> S Cents	<b>92.58</b> S Cents
↓ 18.2% y-o-y	↓ 18.7% y-o-y	↓ 19.4% y-o-y	↑ 15.7% as at IPO

1. Excluding straight-line accounting adjustment

2. For 1Q 2020, the Manager has resolved to distribute 100% of the income distribution to Unitholders.

# 1Q 2020 EMA Rental Income Decrease 18.2% y-o-y



	1Q 2020	1Q 2019	Change %
Fixed Component (RMB mil)	102.4	98.5	+3.9
Variable Component (RMB mil)	24.8	54.8	-54.8
EMA Rental Income <sup>1</sup> (RMB mil)	127.2	153.3	-17.1
Exchange Rate <sup>2</sup> (RMB/S\$)	5.0339	4.9665	+1.4
EMA Rental Income <sup>1</sup> (S\$ mil)	25.3	30.9	-18.2
Distributable Income (S\$ mil)	16.0	19.7	-18.7
DPU (S cents)	1.334	1.656	-19.4

1. Excluding straight-line accounting adjustment

2. Using the average SGD:RMB rate for the period

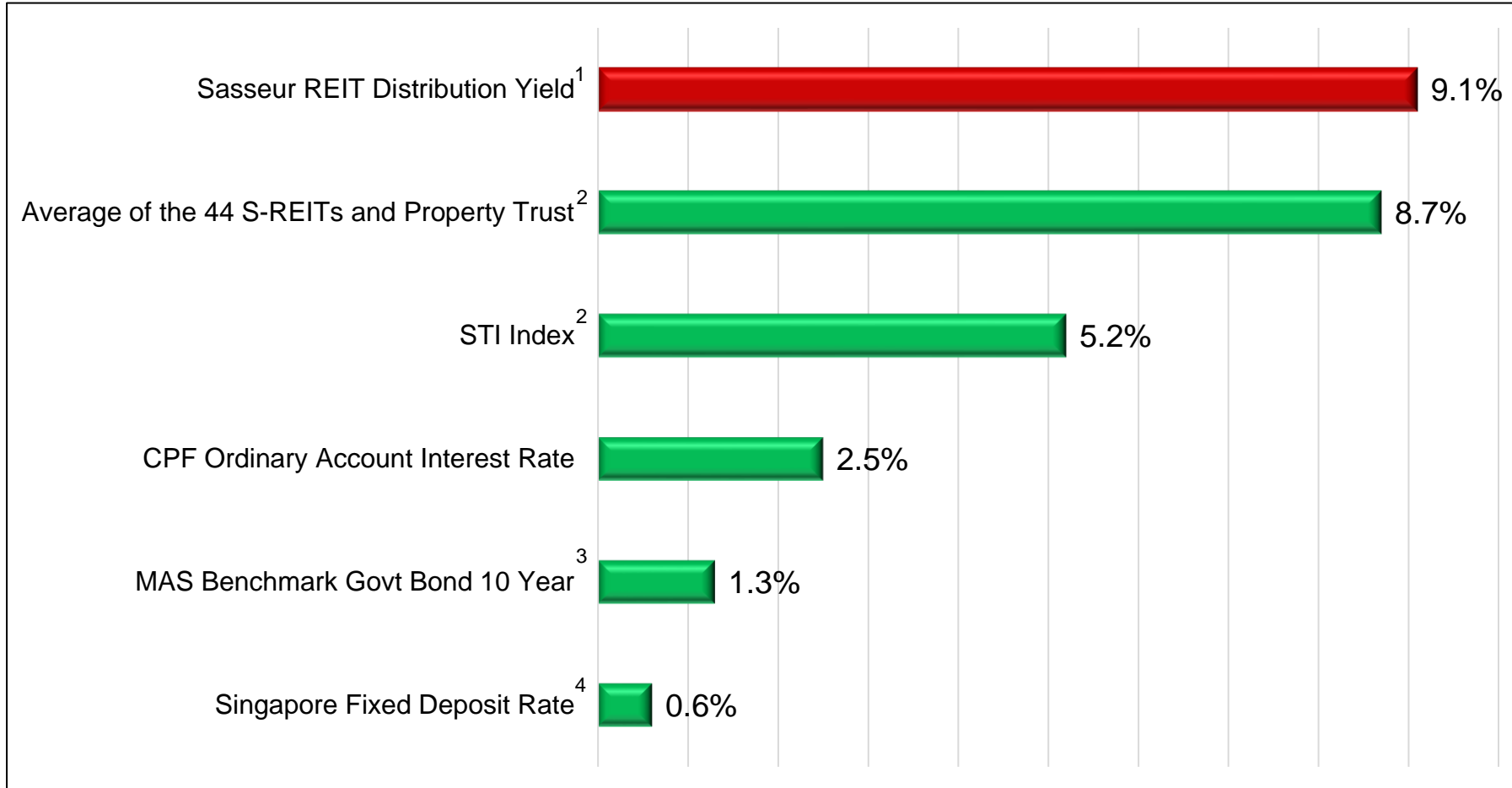
# Distribution History



## Quarterly Distribution from 1 Jan 2019

Quarter	DPU (SG Cents)	Ex-dividend Date
28 Mar to 30 Jun 2019	<b>1.587</b>	20 Aug 2018
1 Jul to 31 Dec 2018	<b>3.541</b>	4 Mar 2019
2018 总股息	<b>5.128</b>	-
1Q 2019	<b>1.656</b>	27 May 2019
2Q 2019	<b>1.608</b>	22 Aug 2019
3Q 2019	<b>1.640</b>	28 Nov 2019
4Q 2019	<b>1.629</b>	5 Mar 2020
2019总股息	<b>6.533</b>	-
1Q 2020	<b>1.334</b>	28 May 2020

# Sasseur REIT Yield vs Other Asset Classes



**Notes:**

- 1. Distribution yield based on closing price of S\$0.590 as at 31 March 2020
- 2. Based on 12M Average Dividend Yield
- 3. Based on 10 Year Yield
- 4. 12M Bank fixed deposit rates from MAS as of 31 March 2020

Source: Bloomberg, SGX, Central Provident Fund (CPF) Board, data as of 31 March 2020



# Capital Management



SASSEUR (HEFEI) OUTLETS

# Healthy Balance Sheet



S\$ mil	Actual 31 Mar 2020	Actual 31 Dec 2019
Investment properties	1,652.5	1,587.2
Cash and short-term deposits	73.6	154.7
Other assets	37.3	28.5
<b>Total Assets</b>	<b>1,763.5</b>	<b>1,770.4</b>
Loans and borrowings	490.3	478.6
Other liabilities	161.0	222.7
<b>Total Liabilities</b>	<b>651.3</b>	<b>701.3</b>
<b>Net Assets</b>	<b>1,112.2</b>	<b>1,069.2</b>
NAV per unit (cents) <sup>1</sup>	92.58	89.20
Aggregate Leverage	28.5%	27.8%

1. Based on units in issue and issuable of 1,201,377,552 and 1,198,678,588 as at 31 March 2020 and 31 December 2019 respectively.

# Prudent Capital Management



	 <b>Aggregate Leverage</b>	 <b>Average Debt Maturity</b>	 <b>Interest Coverage Ratio</b>	 <b>Weighted Average Cost of Debt</b>
1Q 2020	<b>28.5%</b>	<b>2.49 years</b>	<b>4.7 times</b>	<b>4.34% p.a.</b>
4Q 2019	<b>27.8%</b>	<b>2.73 years</b>	<b>4.8 times</b>	<b>4.41% p.a.</b>

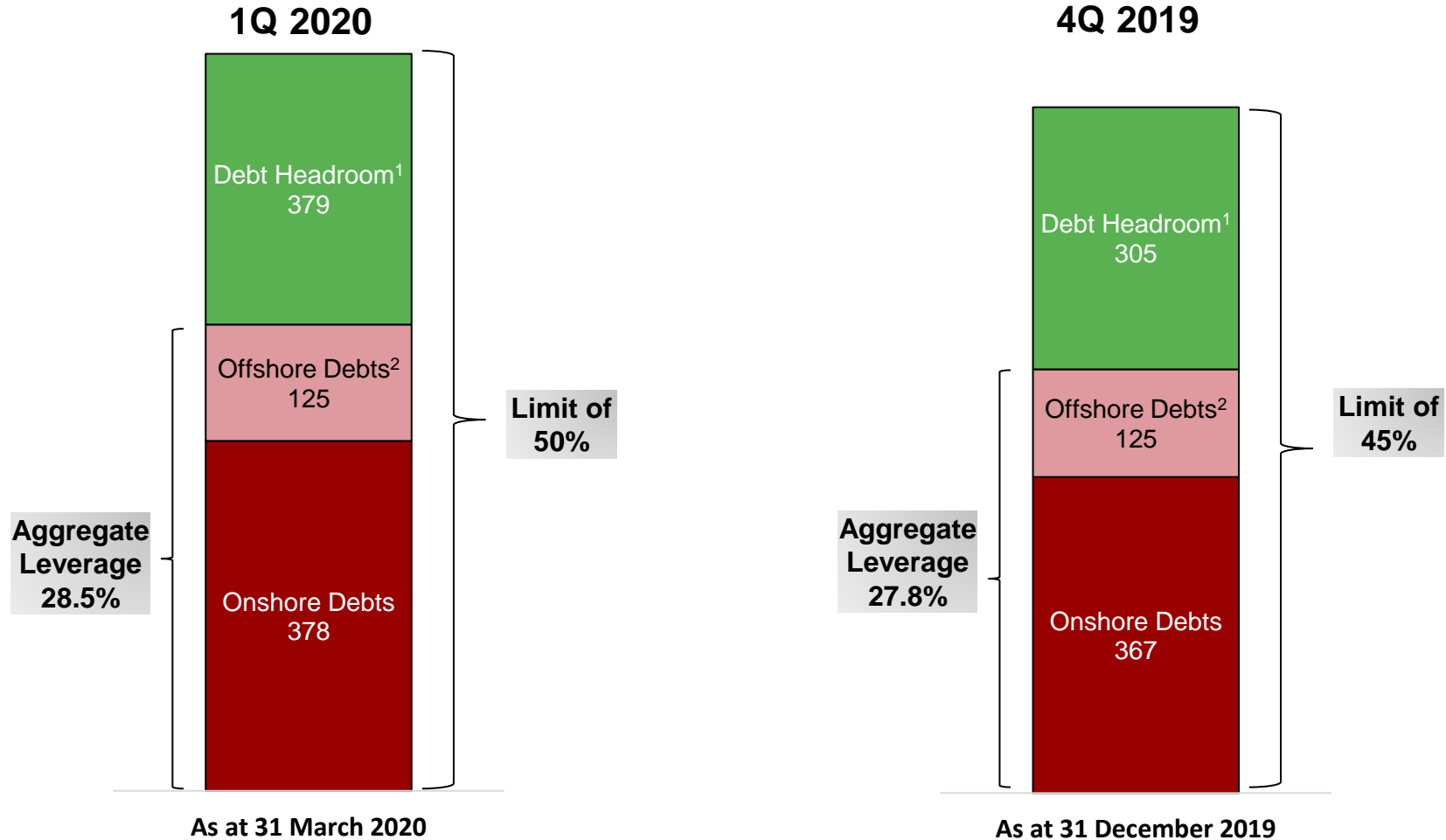
<b>Loan Facilities</b>	<b>Onshore</b>	<b>Offshore</b>
<b>Currency</b>	RMB	SGD
<b>Outstanding Quantum<sup>2</sup></b>	~SGD 378 million (RMB 1.88 billion)	SGD 125 million (~RMB 0.62 billion)
<b>Maturity</b>	March 2023	March 2021
<b>Floating Rate</b>	PBOC benchmark 1-5 years lending rate	Singapore SOR <sup>1</sup>

1. 50% of offshore loan is hedged
2. Based on SGD to RMB exchange rate of 4.9724 as at 31 March 2020

# Prudent Capital Management



## Debt Facilities (SGD million)



1. Debt headroom is computed based on corresponding periods' deposited property value or total assets value

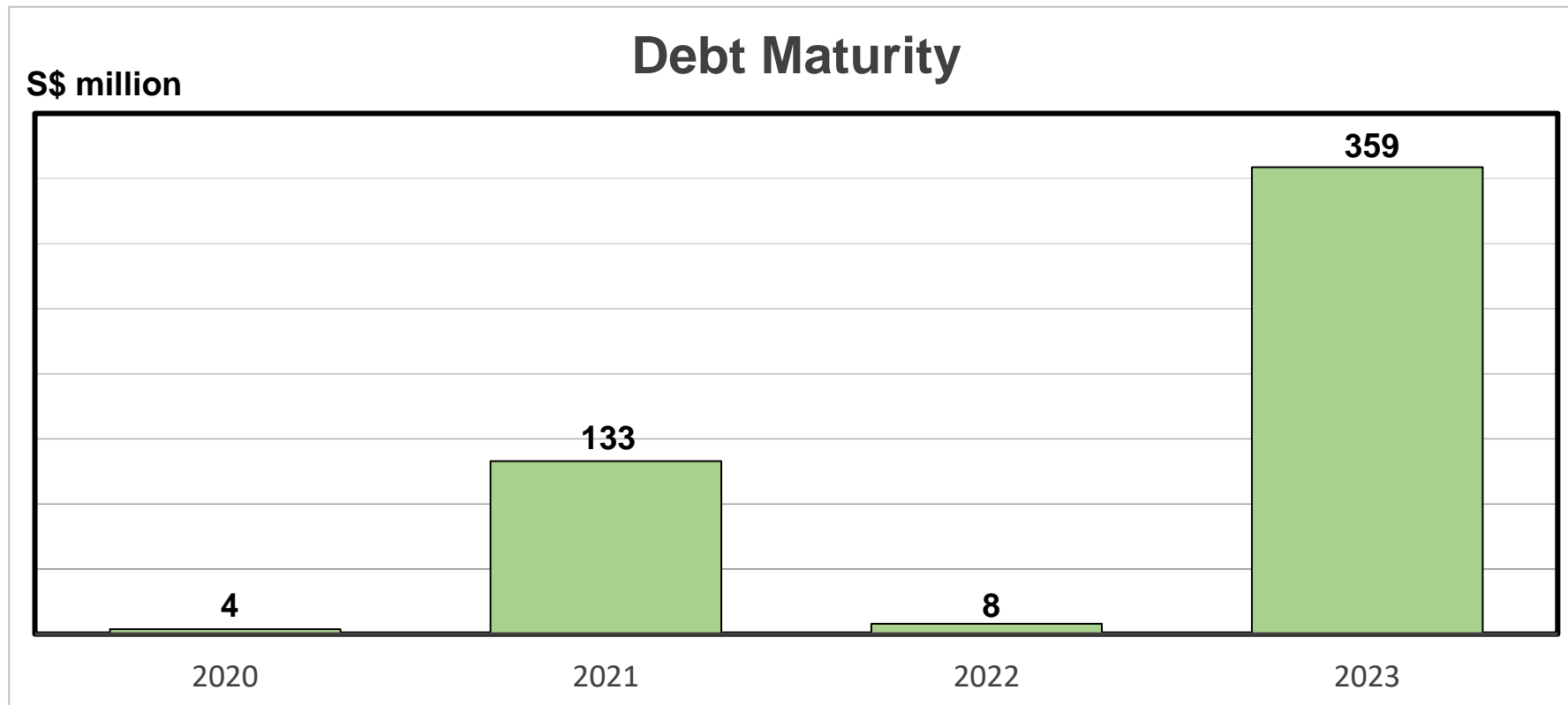
2. 50% of Offshore Loan is hedged

Note: All calculations are done according to the SGD to RMB exchange rate of 5.1739 as at 31 December 2019 and 4.9724 as at 31 March 2020

# Debt Maturity Profile



**Weighted average debt maturity is 2.49 year  
Refinancing discussion in progress**



# Portfolio Update



SASSEUR (HEFEI) OUTLETS

# Portfolio Summary

## Portfolio

Valuation\* : 8,212 mil

NLA : 312,844 sqm

Occupancy ^ : 94.8%



Hefei Outlet Mall

Valuation : 2,795 mil

NLA : 144,583 sqm

Occupancy : 95.5%



Bishan Outlet Mall

Valuation : 824 mil

NLA : 47,308 sqm

Occupancy : 86.5%



Kunming Outlet Mall

Valuation : 1,620 mil

NLA : 70,067 sqm

Occupancy : 96.0%



Chongqing Outlet Mall

Valuation : 2,973 mil

NLA : 50,885 sqm

Occupancy : 100%

*\*Based on independent valuation as at 31 Dec 19 by JLL (RMB million).*

*^Occupancy for 1Q 2020*

# 1Q 2020 Outlets Summary

**1Q 2020 Total Outlet Sales Decreased 55.7%**

Outlets	NLA (sqm)	Occupancy (%)	1Q 2020 <sup>1</sup> Sales (RMB'mil)	1Q 2020 vs 1Q 2019 <sup>2</sup> Change (%)
Chongqing	50,885	100.0	232.5	-61.8
Bishan	47,308	86.5	51.9	-58.4
Hefei	144,583	95.5	128.4	-47.2
Kunming	70,067	96.0	121.8	-46.8
<b>Portfolio</b>	<b>312,844</b>	<b>94.8</b>	<b>534.5</b>	<b>-55.7</b>

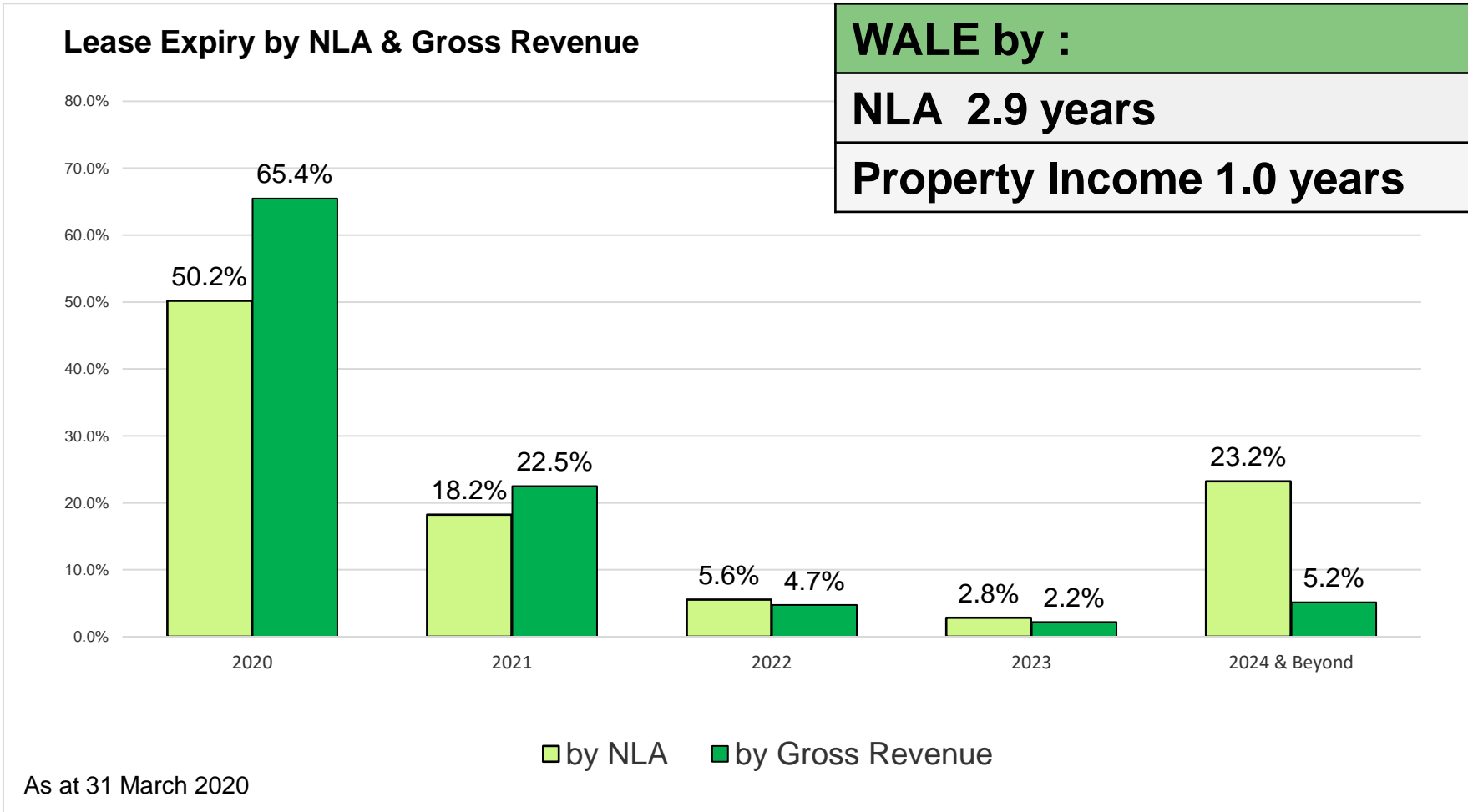
1. 1Q 2020: 01 Jan 2020 – 31 Mar 2020
2. 1Q 2019: 01 Jan 2019 – 31 Mar 2019



# Weighted Average Lease Expiry (WALE)



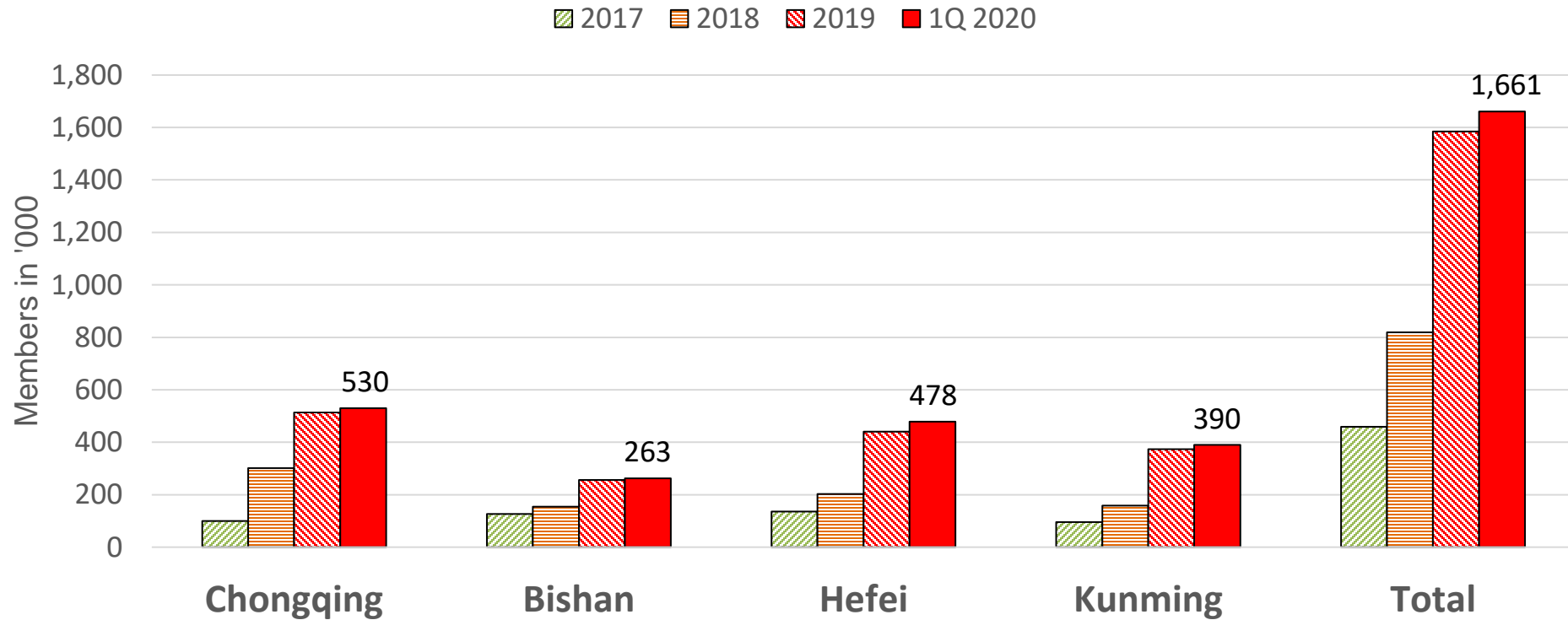
**Deliberate short lease to optimise tenant mix**



# VIP Members - Growth by Outlets



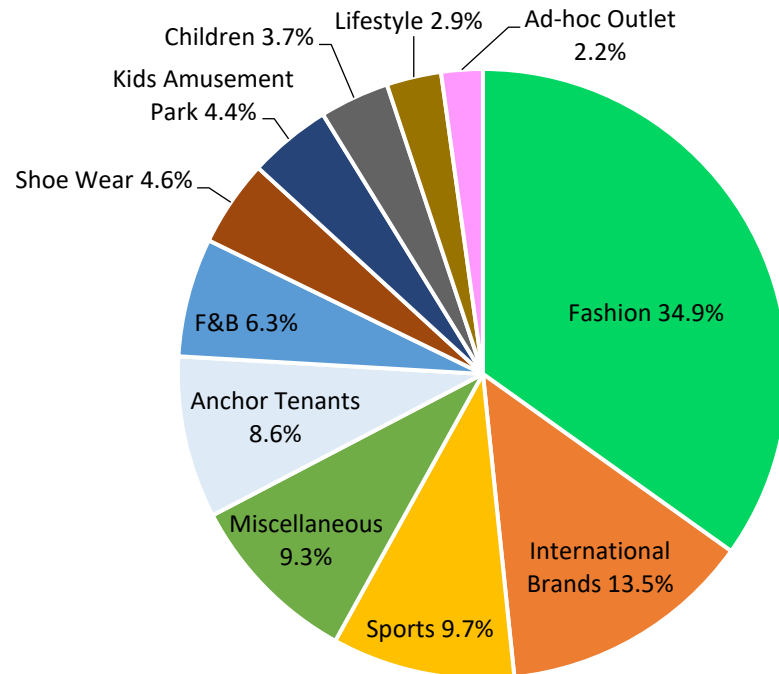
Total VIP members increased 4.8% in 1Q 2020 to reach 1.66 million



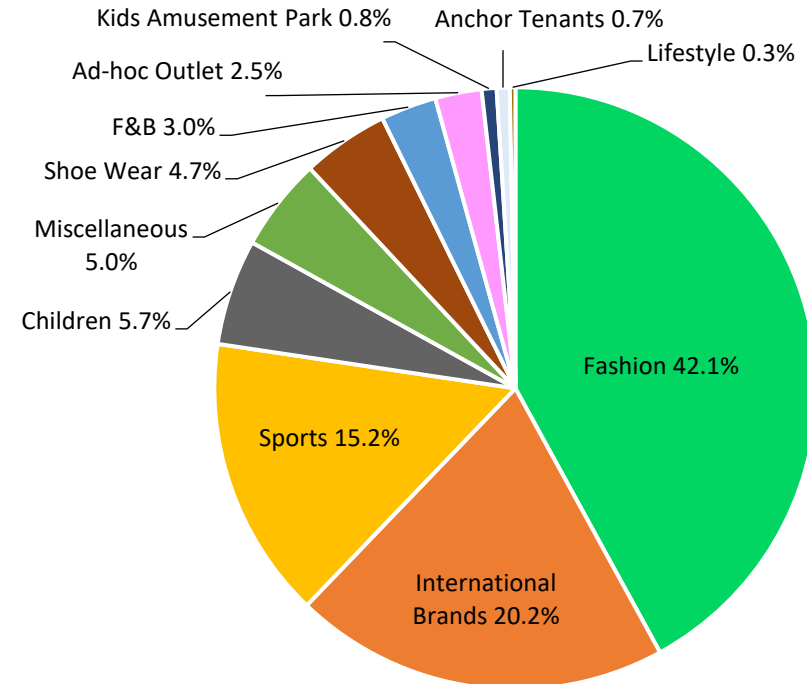
# Well Diversified Trade Mix



## Breakdown of NLA<sup>1</sup> by Trade Mix



## Breakdown of Revenue<sup>2</sup> by Trade Sector



## Fashion, Sports and International Brands

**58.0%**

**77.4%**

1. As percentage of the portfolio's net lettable areas as at 31 March 2020

2. As percentage of the portfolio's gross revenue as at 31 March 2020

# Potential Pipelines



- All acquisitions must be yield accretive
- Reduce concentration risk, explore other parts of the World
- 11 properties for potential acquisition

## ROFR Properties

	Xi'an	Guiyang
Opening Date	Sep 2017	Dec 2017
GFA (sqm)	141,708	193,520
Car Park Lots	c.2,000	c.1,000



## Opening Soon

## Pipeline Properties

	Nanjing	Hangzhou	Changchun	Changsha	Lanzhou	Xiamen	Yangzhou	Shanghai	Shenzhen
Opening Date	May 2015	Jun 2011	Sep 2017	Dec 2018	Dec 2019	Sep 2020	Sep 2020	~3Q2021	~2022
GFA (sqm)	149,875	45,873	172,128	210,600	~100,000	~75,000	~85,000	~109,000	~150,000
Car Park Lots	c.8,000	c.5,000	c.4,000	c.2,084	c.2,500	c.2,000	c.1,200	c.2,500	c.2,200

# COVID-19 Update

- From 26 Jan: temporarily closed outlets for about 7 weeks to prevent the spread of COVID-19.
- Swiftly established digital platform to allow customers to shop online.



# COVID-19 Update

- Complement sales through digital platform such as WeChat and Tik Tok
- Attract customers through social media advertisement and promotion



# COVID-19 Update

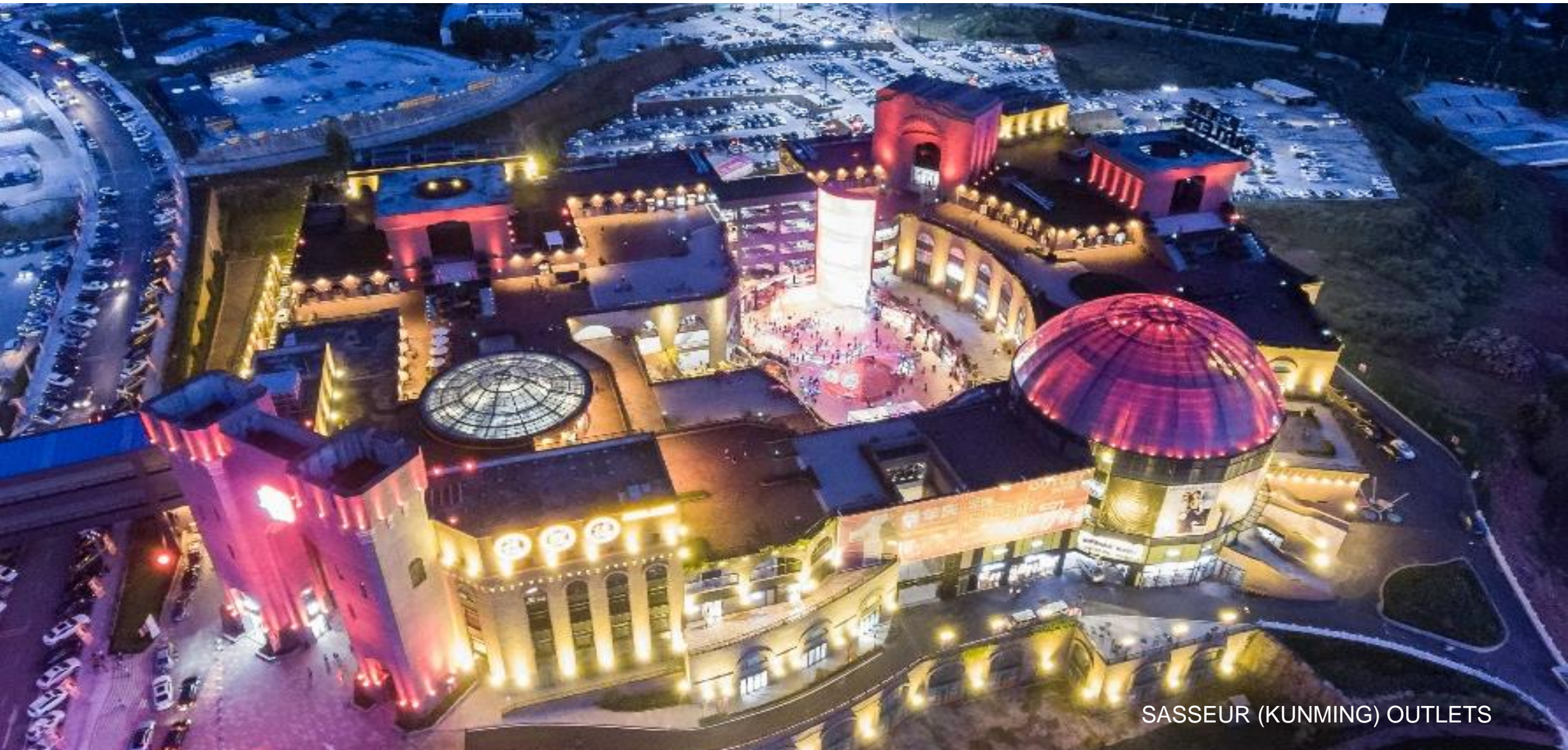
- 11/13/15 March: reopening of outlets, 1<sup>st</sup> day sales is 129% higher than same period in previous year
- Total sales for Spring Sales is 411% of reopening day.



奥莱项目	复业首日销售 (人民币 百万)	与2019年同期 比较	春购首日销售 (人民币 百万)	与2020年复业 首日比较
昆明	1.90	+171%	6.01	+316%
合肥	2.00	+57%	9.93	+497%
重庆	5.65	+132%	25.76	+456%
璧山	1.92	+228%	5.46	+284%
总销售	11.47	+129%	47.16	+411%



# Investment Merits



SASSEUR (KUNMING) OUTLETS



# Investment Merits



1

**Market Leadership:** Sasseur Group is the one of the largest operator of outlet malls in China, with 11 malls and over 12 years of operating experience

2

**Unique Art-Commerce Business Model:** Aligns interests of tenants, unitholders and entrusted managers, with potential to share upside

3

**Outperformance:** Exceeding 2019 DPU projection by 4.7%

4

**Top Performing China S-REIT FY2019:** Total Return 52% as per SGX report

5

**Strong Partnerships:** Longstanding business relationships with leading premium international and local retail brands

# Awards and Achievement



## FTSE EPRA NAREIT Global Emerging Index Inclusion <sup>1</sup>

1

The Asset Asian (Triple A) Awards 2018  
**Best IPO in Singapore 2018**

2

Fortune Times REITs Pinnacle Awards 2018  
**Most Promising REIT in Asia**

3

2018 Asia Pacific Best of Breeds REITs (less than USD 1 billion market capitalization) - **Gold Award Retail REITs (Singapore)**

4

Alpha Southeast Asia 12<sup>th</sup> Annual Best Deal & Solution Awards 2018 - **Best REIT Deal in Southeast Asia 2018** as Southeast Asia's largest REIT IPO S\$396 mil for 2018

5

International Investor Magazine  
**REIT Company of The Year – Singapore 2019**

6

6th Asia Pacific REITs Awards 2019  
**Best Retail REIT (Platinum)**  
**Best CEO (Platinum)**  
**Best Investor Relations (Gold)**



1. Since 23 December 2019



# Thank You

For enquiries, please contact:

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