



For Immediate Release

Sasseur REIT Reports 2Q 2020 Distributable Income of S\$18.2 Million

- **Maintains 100% distribution in 2Q 2020 DPU of 1.512 cents, 13.3% higher than 1Q 2020 DPU of 1.334 cents**
- **Rapid recovery of sales close to pre-COVID level; total sales of RMB 835.7 million recorded in 2Q 2020 is 56% higher than RMB 534.5 million in 1Q 2020**
- **Asset enhancement works progressing well for Chongqing and Hefei Outlets**

	2Q 2020	1Q 2020	Change (%) +/-	2Q 2019	Change (%) +/-	1H2020	1H2019	Change (%) +/-
EMA Rental Income (RMB mil)	140.9	127.2	10.8	146.0	(3.5)	268.1	299.3	(10.4)
- Fixed Component (RMB mil)	102.4	102.4	-	98.5	3.9	204.8	197.1	3.9
- Variable Component (RMB mil)	38.5	24.8	55.4	47.5	(18.8)	63.3	102.2	(38.1)
EMA Rental Income (exclude straight-line adjustments) (S\$ mil)	28.0	25.3	10.7	29.1	(4.0)	53.2	60.0	(11.3)
Total Return Available for Distribution to Unitholders (S\$ mil)	18.2	16.0	13.6	19.2	(5.2)	34.2	38.9	(12.1)
Distribution Per Unit (SG cents)	1.512	1.334	13.3	1.608	(6.0)	2.846	3.264	(12.8)

Note: Average SGD: RMB rate of 1:5.0381 for 2Q 2020

Singapore, 14 August 2020 – Sasseur Asset Management Pte. Ltd. (“SAMPL”), manager of Sasseur Real Estate Investment Trust (“Sasseur REIT”; 砂之船房地产投资信托), is pleased to announce that Sasseur REIT’s portfolio of four outlet malls in China has delivered higher 2Q 2020 sales, rental income and distributable income as compared to 1Q 2020, showing positive signs that business recovery is firmly underway across its portfolio.

The ongoing COVID-19 pandemic has impacted the economic conditions and consumer sentiment in China, particularly in the 1Q 2020 where the outbreak was most severe in China. By implementing prudent and effective control measures, China has effectively brought the infection cases under control in April 2020. Although there were new COVID-19 infection cases discovered, the authorities were quick to take action to control the spread of the virus. The robust measures are important and will speed up the economic recovery in China. Riding on the recovery, Sasseur REIT’s outlet malls located in Chongqing, Hefei, Kunming and Bishan generated combined sales of RMB 835.7 million in the quarter ended 30 June 2020 (“2Q 2020”), which is just 18.6% lower than the same period last year (“2Q 2019”), comparing favourably with other retail businesses hit by the pandemic. The figure is also 56% higher than the combined sales of RMB 534.5 million in 1Q 2020, representing a significant and quick recovery in the business.



EMA Rental Income for this quarter recorded a slight decrease of 3.5% year-on-year from RMB 146.0 million in 2Q 2019 to RMB 140.9 million in 2Q 2020, mitigated by the higher fixed component of RMB 102.4 million, which grew 3.9% y-o-y, while the variable component increased by 55% from 1Q 2020 to RMB 38.5 million due to higher sales recorded in 2Q 2020. Overall, EMA Rental Income in 2Q 2020 is 10.8% higher than the RMB 127.2 million recorded in 1Q 2020.

Sasseur REIT maintains a 100% payout of distributable income in 2Q 2020 and deliver DPU of 1.512 cents, which is 13.3% higher than the 1.334 cents DPU for 1Q 2020, bringing a total DPU of 2.846 cents for the first 6 months of 2020.

Operational Performance and Asset Enhancement Initiatives

Overall portfolio occupancy of 93.6% for 2Q 2020 showed slight decrease compared to 1Q 2020, which is mainly due to the decrease of occupancy rate of Bishan Outlets, as a result of impact of the virus. Sasseur team continues to work closely with all mall tenants to attract more customers and drive up sales during this period of recovery. Despite the temporary mall closure and movement restrictions implemented at the beginning of 2020, the intensified marketing and customer engagement efforts implemented by the entrusted manager have helped to drive a 14.1% rise in total VIP membership to 1.8 million as at 30 Jun 2020, as compared to the end of 2019.

Asset enhancement initiatives (AEIs) for Hefei and Chongqing Outlets are underway. Improvements to the pedestrian walkway to increase connectivity between Block A and B of Hefei Outlets have been completed, receiving positive feedback from shoppers. The conversion of Block B into a sports themed section of the mall is on track and expected to be completed by 1Q 2021. A major AEI is being undertaken to achieve better asset yield and sustainable income-growth for the Chongqing Outlets. These include the re-configuration of the retail units and floor plates to achieve better efficiency to enhance rental potential, and other related works that include retro-fitting and refurbishing the interior of the outlets to improve the shopping experience for shoppers.

Outlook

While there still remains economic uncertainty and health concerns across the globe, China has thankfully recovered from the worst of the virus outbreak. Businesses are gradually reopening and the people are gradually resuming their normal activities. There has been concerted effort to promote internal consumption by the authorities in China in a bid to balance volatile external environment. This will benefit our outlet sales.

The heightened marketing and customer engagement efforts by the Sasseur team, especially during the temporary closure period between January and March 2020, helped the four outlet malls to reopen successfully, attracting large crowds and achieving strong sales. As the situation in China continues to improve, SAMPL believes that the remaining quarters of 2020 will deliver stronger performances and sales will return to pre-pandemic levels.

Mr Vito Xu, Chairman of SAMPL, said, “We are extremely pleased to see that business has recovered significantly since four of our outlets reopened in March 2020. As a leading outlet operator, we have remained resilient and mitigated the overall impact of the pandemic on our business. As a result of China’s tight control measures, efforts to contain the spread of the virus has been very successful, enabling businesses to recover more quickly and people to return to their normal routines. Outlet business is counter-cyclical and actually benefit from difficult times when budgets are tighter, as people seek better value-for-money bargains. Sasseur has been in the outlet business since the beginning in China, and has the experience and expertise to successfully grow our business in good and bad times. With the support and hard work of all Sasseur Group staff and tenants, we look forward to more robust performance in the coming quarters.”

Mr Anthony Ang, CEO of SAMPL, said, “Our Entrusted Management Agreement (EMA) income model has been vital in mitigating the negative impact on sales during the COVID-19 outbreak. Our intensified efforts to engage with both tenants and customers have also paid off, as our footfall and sales figures continue to recover. Even though our malls were temporarily closed for up to seven weeks at the beginning of this year, we have seen strong growth in our VIP membership in the last six months. Sasseur REIT maintains 100% distribution payout since we listed in March 2018, as we are confident of our performance in the coming quarters.”





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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