



For Immediate Release

Sasseur REIT Reports 4Q 2020 DPU of 1.935 cents, 18.8% Higher Than 4Q 2019, Despite COVID-19 Pandemic

- FY 2020 Distributable Income and DPU are higher than FY 2019 pre-COVID levels
- Strong results in FY 2020 underpinned by a resilient portfolio of quality outlet malls, proactive asset management and strong operational capabilities, interest savings from early refinancing of debt, lower tax expenses and strengthening RMB
- Recognised as only retail S-REIT with positive returns in 2020¹; delivered total returns of 24.6% since IPO in March 2018²
- Well positioned to capitalise on China's strong domestic market and GDP growth of 8% in 2021 as projected by International Monetary Fund³

| | 4Q 2020 | 3Q 2020 | Change (%) +/- (-) | 4Q 2019 | Change (%) +/- (-) | FY 2020 | FY 2019 | Change (%) +/- (-) |
|---|---------|---------|--------------------|---------|--------------------|---------|---------|--------------------|
| EMA Rental Income (RMB mil) | 159.1 | 152.6 | 4.3 | 162.5 | (2.1) | 579.8 | 617.6 | (6.1) |
| - Fixed Component (RMB mil) | 102.4 | 102.4 | - | 99.4 | 3.0 | 409.6 | 396.3 | 3.3 |
| - Variable Component (RMB mil) | 56.7 | 50.2 | 13.1 | 63.1 | (10.0) | 170.2 | 221.3 | (23.1) |
| EMA Rental Income (exclude straight-line adjustments) (S\$ mil) | 32.3 | 30.3 | 6.5 | 31.5 | 2.5 | 115.8 | 122.1 | (5.2) |
| Income Available for Distribution to Unitholders (S\$ mil) | 23.3 | 21.2 | 9.9 | 19.5 | 19.7 | 78.7 | 77.9 | 1.0 |
| Distribution Per Unit (SG cents) | 1.935 | 1.764 | 9.7 | 1.629 | 18.8 | 6.545 | 6.533 | 0.2 |

Note: Average SGD: RMB rate of 1:4.9223 for 4Q 2020 and 1: 5.0085 for FY 2020

Singapore, 26 February 2021 –Sasseur Real Estate Investment Trust (“Sasseur REIT” ; 砂之船房地产投资信托), which operates four retail outlet malls in China, recorded a 18.8% y-o-y increase in its distribution per unit (“DPU”) for the quarter ended 31 December 2020 (“4Q 2020”), reflecting the strength of its business model and recovery from the COVID-19 pandemic, its manager Sasseur Asset Management Pte. Ltd. (“SAMPL” or “REIT Manager”) announced today.

Sasseur REIT recorded Entrusted Management Agreement (“EMA”) rental income of RMB 159.1 million in 4Q 2020, 4.3% higher than 3Q2020, with the variable component rising 13.1% to RMB 56.7 million in

1. Source: SGX Publication “SREITs & Property Trusts Chartbook - January 2021” Report
 2. Total return is calculated based on closing price of \$0.820 on 31 Dec 2020 and total DPU since IPO
 3. Source: World Economic Outlook Report published by International Monetary Fund



tandem with higher sales in 4Q2020. The four outlet malls generated RMB 1.25 billion of sales in 4Q 2020, a significant improvement of 12.2% from 3Q 2020, boosted by year-end promotions and seasonal events such as Christmas, the Winter Solstice and New Year.

For the whole of FY 2020, EMA rental income dipped 6.1% to RMB 579.8 million compared to FY 2019 due to the temporary shutdown of its malls for up to 44 days in the first half of FY 2020. However, income available for distribution and DPU are higher in FY 2020 compared to FY 2019. This is attributable to the rapid rebound of the Chinese economy in the second half of 2020, following China's stringent control of COVID, as well as the strong operational capabilities of and proactive asset management actions taken by the Entrusted Manager, lower tax expenses and a strengthening RMB. In addition, the early refinancing exercise completed by the REIT Manager in September 2020 contributed to lower weighted average cost of debt (from 4.41% to 3.90% excluding upfront fees). The net asset value per unit of Sasseur REIT rose 2.5% year-on-year to \$0.914 as at 31 December 2020, compared to \$0.892 as at 31 December 2019.

Sasseur REIT's portfolio occupancy level remained stable at 93.5% in Q4 2020. VIP membership of the four outlets continued to grow rapidly in 2020, reaching 2.11 million as of 31 December 2020, 33% higher as compared to 31 December 2019. During 2020, the Entrusted Manager implemented targeted asset management strategies to strengthen the positioning of the outlet malls, increasing its appeal to the local customers. Sasseur (Hefei) Outlets had been repositioned with strong sports theme which drew higher consumer traffic to the mall. The tenant mix at Sasseur (Chongqing) Outlets was also revamped to cater to changing consumer preferences.

Mr Vito Xu, Chairman of SAMPL, said, " We are very encouraged with the better than expected full year performance of Sasseur REIT in 2020 considering that the COVID pandemic led to significant business disruptions and losses globally. Among the 9 retail REITs listed on SGX, Sasseur REIT was the only REIT with positive returns. We are heartened that we have delivered total returns of 24.6% to investors since IPO in March 2018.

In January 2020, COVID-19 pandemic broke out in China. Most retail establishments did not respond to cease operations. Sasseur, believing that safety of our customers and staff must be our first priority, made a bold decision to close our outlets as the first outlet operator to act so quickly. It proved to be a very good decision as zero COVID-19 infection happened in our outlets. When we closed the outlets for 45 days, we also seized the opportunity to gear up the outlets by adopting new operational measures and intensive marketing activities, to continue attracting shoppers and ensure a quick and strong rebound in our businesses.

Sasseur group operates in a niche China outlet market, supported by a large middle class population which continues to grow in size and sophistication, together with our extensive marketing efforts, customer engagement and ability to offer a distinctive physical shopping experience, will allow us to seize more

opportunities in the retail outlet mall sector. China's economy is projected to grow at 8% in 2021³. We are confident that the strong domestic consumption and expanding middle income class in China will continue to propel Sasseur REIT to greater heights in 2021."

Mr Anthony Ang, CEO of SAMPL, said, "Despite the pandemic and temporary shutdowns, recovery has been strong and Sasseur REIT's DPU for the fourth quarter has increased 18.8% year-on-year. Sasseur REIT's DPU in 2020 grew every quarter, averaging 13% increase per quarter. Our EMA Rental Income has remained resilient. This underscores the strength of our business model which mitigated risks through the fixed and variable components of rental income. Sasseur REIT's large and diversified tenant base with low dependence on any single tenant or trade sector will continue to underpin its portfolio resilience. The Entrusted Manager team and the REIT Manager team will build on the momentum for 2021 to further improve performance. We will continue to unlock greater value from the portfolio through the planned asset enhancement initiatives of Chongqing and Hefei outlets in the first half of 2021 and to seek suitable accretive acquisition opportunities by leveraging on the wide network and pipeline assets of our Sponsor."

On 23 November 2020, Sasseur REIT secured its fourth accolade for 2020. It was named Best Commercial REIT Asia 2020 by London-based Capital Finance International Awards, in recognition of its high standards of corporate governance and reporting, as well as its excellent performance in corporate governance and investor engagement. Sasseur REIT also bagged awards for Best Retail REIT, Best CEO and Best Investor Relations for second consecutive years at Asia Pacific REITs Awards 2020, in September 2020.

Sasseur group, the sponsor of Sasseur REIT, opened its 13th outlet mall on 7 November 2020. Located in Xiamen, Fujian, the 75,000 square metre outlet mall has over 300 well-known domestic and foreign brands and 1.5 million merchandises. In addition, Sasseur REIT added three more outlet malls managed by Sasseur group to its pipeline, in Suzhou, Nanjing (2nd Project) and Shijiazhuang projects in the 4th quarter, further demonstrating the strength of Sasseur group's expansion strategy in China and its ambition to continue to be the leading outlet specialist in China.



Promotions at Sasseur (Chongqing) Outlets



Grand opening at Sasseur (Xiamen) Outlets



Groundbreaking Ceremony at Sasseur
(Shijiazhuang) Outlets



Artist Impression of Sasseur (Shijiazhuang)
Outlets

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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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