

Sasseur REIT FY2022 Annual General Meeting

20 April 2023



Sasseur (Hefei) Outlet

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Unless otherwise stated, all references to currencies are in Singapore dollars and cents, as the case may be.



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FY2022 Key Highlights

Sasseur (Chongqing Bishan) Outlet

FY2022 Key Highlights

Operations impacted by sporadic COVID-19 lockdowns;
China's re-opening expected to spur economic activities towards normalisation in 2023



Financials

FY2022

EMA Rental Income¹

S\$121.3m

▼4.8% YoY

Distributable Income

S\$88.5m

▼5.8% YoY

DPU²

6.550 cents

▼7.8% YoY



Portfolio

FY2022

Total Outlet Sales

RMB 3,534.8m

▼15.5% YoY

Portfolio Occupancy³

97.2%

Record high since IPO

Weighted average lease expiry
(by NLA)

2.6 years

As at 31 Dec 2022



Capital Management

As at 31 Dec 2022

Aggregate Leverage

27.6%

Vs 31 Dec 2021: 26.1%

Interest Coverage Ratio

4.4x

Vs 31 Dec 2021: 5.1x

1. Excluding straight-line accounting adjustments.

2. Represent distribution per Unit (DPU) after retention.

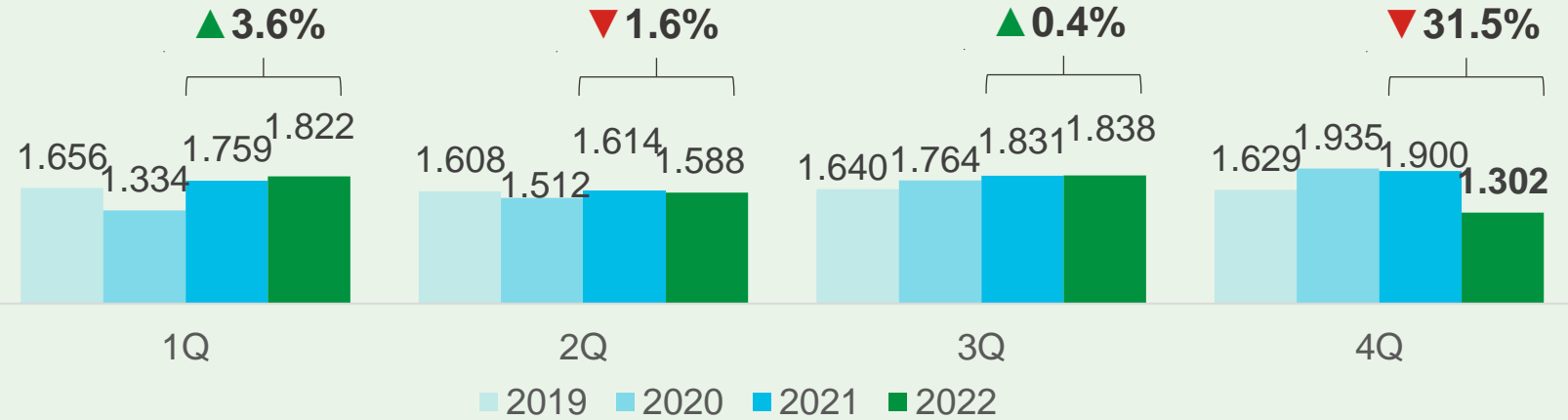
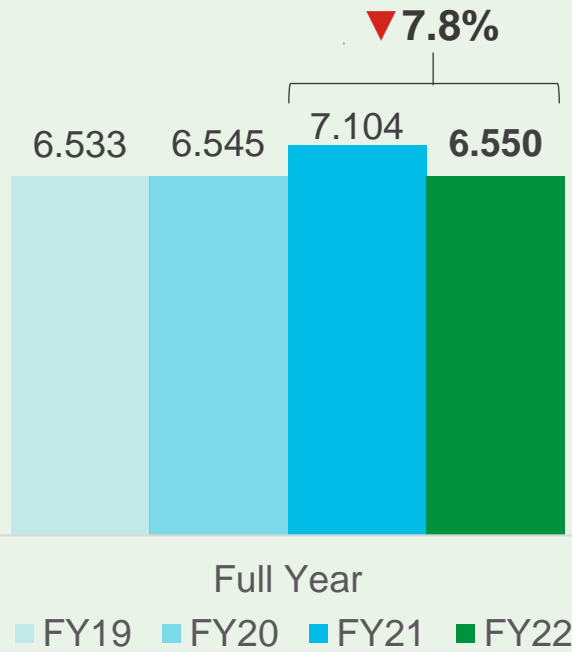
3. Portfolio occupancy rate for 4Q 2022. Occupancy is calculated based on average of the last day's occupancy of each month in the quarter.

Stable and Growing DPU Profile

Supported by the strength and resilience of the unique Entrusted Management Agreement (EMA) model



Distribution per Unit (DPU), Singapore cents

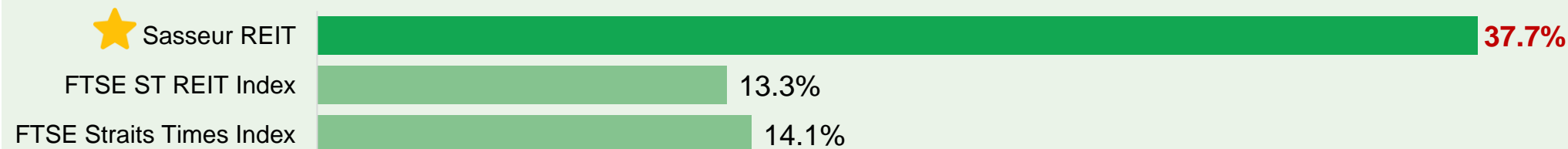


Total Return, Comparative Yields & Trading Volume

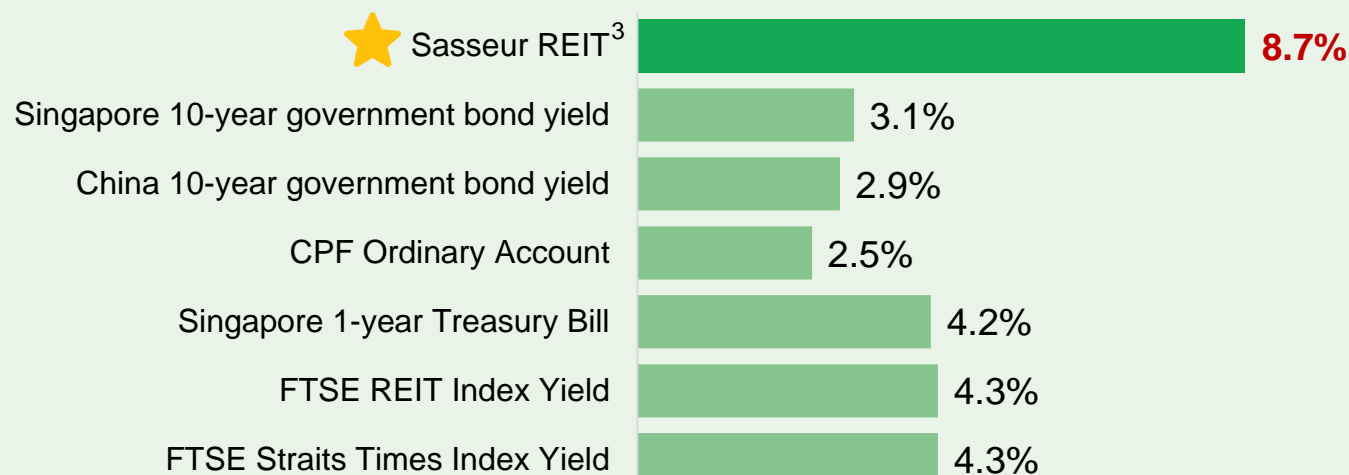
Growing from strength to strength



Total Return¹ from IPO date to 31 Dec 2022

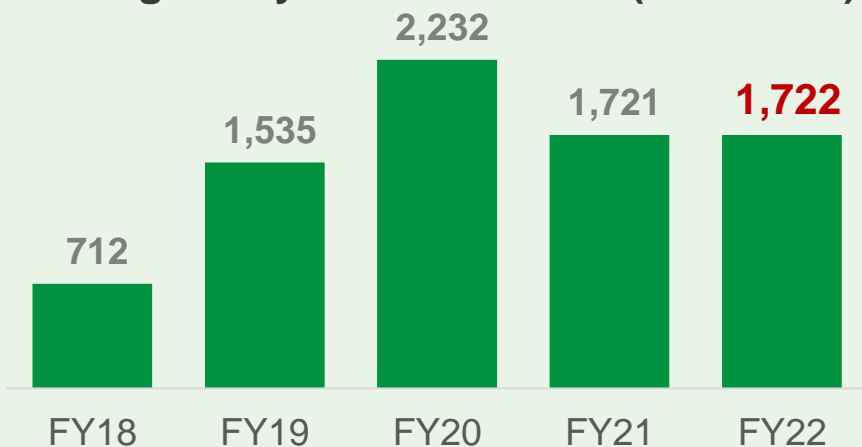


Comparative Yields² (As at 30 Dec 2022)



▲ 242% since IPO in 2018

Average daily volume traded⁴ ('000 Units)



1. Source: Bloomberg.

2. Sources: Bloomberg, Monetary Authority of Singapore, Central Provident Fund (CPF) Board.

3. Based on FY2022 distribution per Unit of 6.550 Singapore cents and the closing Unit price of \$0.755 on 30 Dec 2022.

4. Source: ShareInvestor.

FY2022 Year in Brief & Achievements

Sasseur REIT continues to progress and gain recognition on the corporate governance front



April

4th Annual General Meeting

With all proposed resolutions duly passed

February

Record high FY2021 DPU

7.104 Singapore cents DPU is third consecutive year of growth, surpassing pre-COVID level

August

Ranked 19th out of 44 REITs and Business Trusts

in the Singapore Governance and Transparency Index (SGTI) 2022; score of 88.0 is an improvement of 1.1 points from 2021 and above the mean score of 85.3 under the REITs and Business Trusts category

Highest first half year (1H) DPU in four years; Portfolio occupancy returns to pre-COVID level

1H 2022 DPU of 3.410 Singapore cents

October

Runner-up, Singapore Corporate Governance Award for second consecutive year (REITs & Business Trusts category)

Only pure foreign asset Singapore REIT to win an award in this award category



December

Ranked 40th out of 100 public companies in Singapore (9th among 29 REITs and Business Trusts)

which were listed in the biennial ASEAN Corporate Governance Scorecard 2021

July

1st Sustainability Committee meeting

after the formation of the Sustainability Committee at the Board level

November

Highest third quarter (3Q) DPU in four years; Portfolio occupancy exceeded pre-COVID level

3Q 2022 DPU of 1.838 Singapore cents

Ranked 21st out of 43 REITs and Business Trusts

in the Governance Index for Trusts (GIFT) 2022; Sasseur REIT's score of 67.5 is above the overall mean score of 66.0



Outlets' Awards Received in 2022

Outlets received numerous industry awards despite a difficult year



SASSEUR (CHONGQING LIANGJIANG) OUTLET

- **China Outlets Leader Summit**
 - **Excellent Outlets Leader**
 - > Ms Ying Jinyou, General Manager of Sassey (Chongqing Liangjiang) Outlet
 - **2021 China Outlets RMB 2 billion Club**
 - **Top 20 Influential Outlets**
- **Love Chongqing · 2022 Chongqing International Retail Consumption**
 - Year 2022 “Love Chongqing · Chongqing International Retail Consumption”
 - Year 2022 “Love Chongqing · Chongqing Shopper Experience”



SASSEUR (CHONGQING BISHAN) OUTLET

- **China Outlets Leader Summit**
 - **Excellent Outlets Leader**
 - > Ms Ying Jinyou, General Manager of Sassey (Chongqing Bishan) Outlet
- **Love Chongqing · 2022 Chongqing International Retail Consumption**
 - Year 2022 “Love Chongqing · Chongqing International Retail Consumption”
 - Year 2022 “Love Chongqing · Chongqing Shopper Experience”



SASSEUR (KUNMING) OUTLET

- **China Outlets Leader Summit**
 - **Top 50 Influential Outlets**



SASSEUR (HEFEI) OUTLET

- **China Outlets Leader Summit**
 - **2021 China Outlets RMB 1 billion Club**
 - **Top 50 Influential Outlets**



Financial Performance

Sasseur (Kunming) Outlet

FY2022 DPU Lower YoY Mainly on COVID Curbs

FY2022 DPU's decline mitigated by support from EMA model

- FY2022 EMA rental income (RMB) ▼ 2.8% YoY
 - > Mainly due to ▼ 15.7% YoY variable component income; cushioned by ▲ 3.0% YoY higher fixed component income in the EMA model
- Decline in variable component income mainly due to
 - > COVID-19 curbs, leading to shortened operating hours and temporary closures of outlets
 - > Extreme weather in Aug 2022 which resulted in shortened opening hours for Chongqing Liangjiang Outlet and Chongqing Bishan Outlet in order to reduce the city's energy consumption
- 9.2% of distributable income retained in FY2022

	FY2022	FY2021	Variance %
Sales (RMB m)	3,534.8	4,184.6	(15.5)
EMA rental income (RMB m)¹	594.7	611.9	(2.8)
- Fixed component (RMB m)	434.5	421.8	3.0
- Variable component (RMB m)	160.2	190.1	(15.7)
EMA rental income (S\$ m)^{1,2}	121.3	127.5	(4.8)
Distributable income to Unitholders (S\$ m)	88.5	93.9	(5.8)
Amount retained (S\$ m)	(8.2)	(7.7)	(6.1)
DPU (S cents)	6.550	7.104	(7.8)

1. Exclude straight-line accounting adjustments.

2. Average S\$:RMB rate of 1:4.9020 for FY2022 and 1:4.7991 for FY2021.

FY2022 Distributable Income

Lower FY2022 distributable income partially offset by tax refund and preferential tax rate for Chongqing Liangjiang Outlet



- FY2022 distributable income impacted by
 - > S\$6.2m lower EMA rental income; outlet sales were affected by widespread COVID-19 outbreaks in China in 2H 2022
 - > S\$2.1m higher finance costs due to higher interest rates on the offshore loans for FY2022 as compared to FY2021
- Partially offset by
 - > Chongqing Liangjiang Outlet's preferential tax rate of 15% (FY2021: 25%) which is applicable for years 2021–2030^{1,2}
 - > Tax refund of S\$2.1m relating to FY2021 was received in FY2022

S\$ m	FY2022	FY2021	Variance %
EMA rental income	121.3	127.5	(4.8)
Trust expenses	(1.6)	(1.6)	(5.2)
Finance costs	(19.8)	(17.7)	(11.9)
Other income ³	0.1	0.7	(85.7)
Tax expenses	(11.5)	(15.0)	23.8
Distributable income to Unitholders	88.5	93.9	(5.8)
Less: Amount retained	(8.2)	(7.7)	(6.1)
Amount to be distributed to Unitholders	80.3	86.2	(6.8)

1. China's Ministry of Finance and the State Administration of Taxation, “[关于延续西部大开发企业所得税政策的公告](#)”, 23 Apr 2020.

2. China's Ministry of Commerce, “[鼓励外商投资产业目录 \(2022年版\)](#)”, 26 Oct 2022.

3. Other income includes realised exchange differences as well as finance income.

Robust Balance Sheet

Net Asset Value's (NAV) decline due to foreign exchange volatilities



- NAV per Unit as at 31 Dec 2022 ▼12.1% YoY
 - > Mainly due to ▼9.0% YoY in investment properties' valuation (in S\$) as RMB weakened against S\$ by ▼9.0%
 - > Without the impact of the RMB weakness, investment properties' valuation in RMB would have been stable at ▼0.02% YoY

S\$ m	As at 31 Dec 2022	As at 31 Dec 2021	Variance	Variance %
Investment properties	1,639.0	1,801.0	(162.0)	(9.0)
Cash and short-term deposits ¹	100.8	159.8	(59.0)	(36.9)
Total assets	1,767.8	1,989.8	(222.0)	(11.2)
Loans and borrowings	487.4	510.6	23.2	4.5
Total liabilities	700.0	780.6	80.6	10.3
Net assets	1,067.8	1,209.2	(141.4)	(11.7)
NAV per Unit (S\$) ²	0.87	0.99	(0.1)	(12.1)

1. Includes S\$50.2 million as at 31 Dec 2022 (31 Dec 2021: S\$102.0 million) relating to sales proceeds collected from outlets' customers on behalf of tenants.

2. Based on Units in issue and to be issued of 1,233,752,149 and 1,222,205,028 as at 31 Dec 2022 and 31 Dec 2021 respectively.

Prudent Capital Management

Low gearing; healthy interest coverage ratio



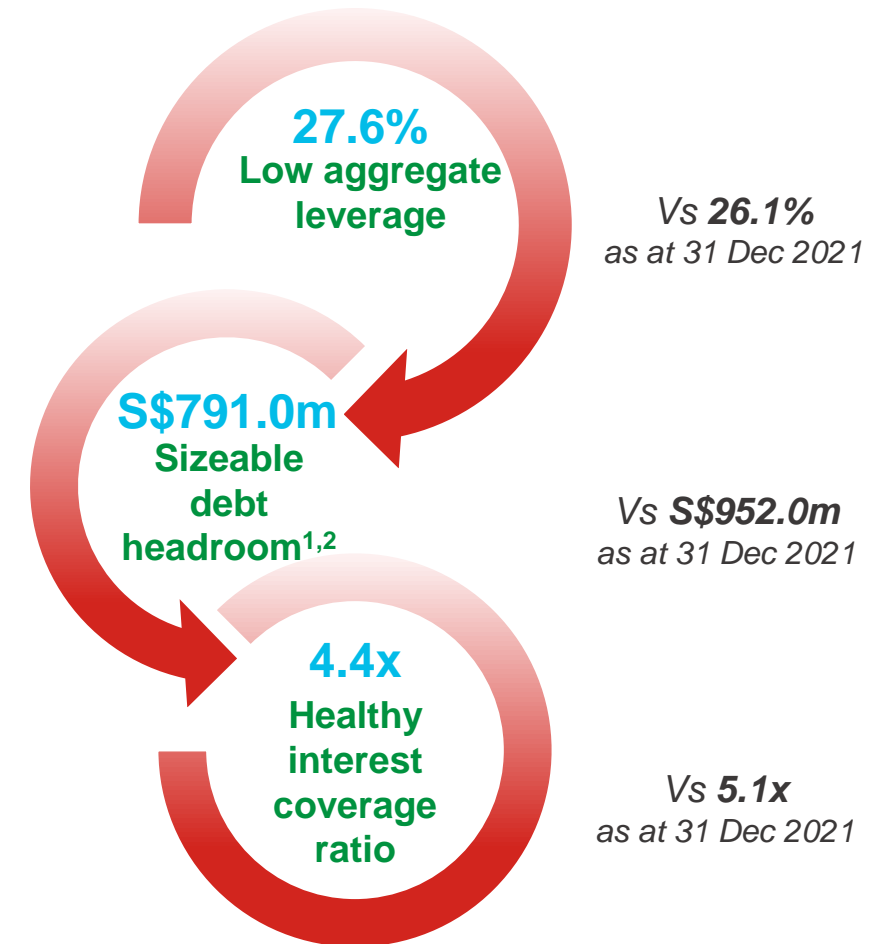
Completed refinancing of loans ahead of Mar 2023 maturity

	As at 31 Dec 2022	As at 31 Dec 2021
Gross borrowings	S\$488.3m	S\$518.6m
Average debt maturity	Refinanced 0.2 years	1.2 years
Available undrawn facilities	S\$8.0m	S\$8.0m
Weighted average cost of debt per year	4.9%	4.4%

Post refinancing

Weighted average debt to maturity will improve to
3.6 years from 0.2 years

As at 31 Dec 2022



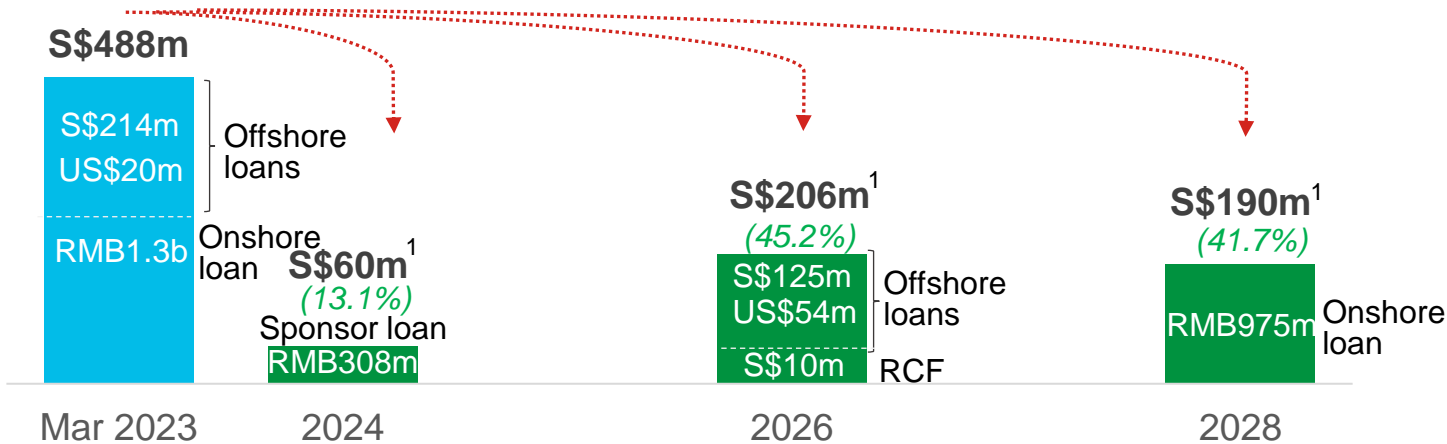
1. Debt headroom is computed based on total assets and assumes a corresponding increase in total assets with new debts raised.
2. Based on MAS' prescribed leverage limit of 50.0%.

Diversification and De-risking of Debt Profile

Unencumbering of Kunming Outlet enhances financial flexibility



Debt maturity profile



Lending rates for new loans

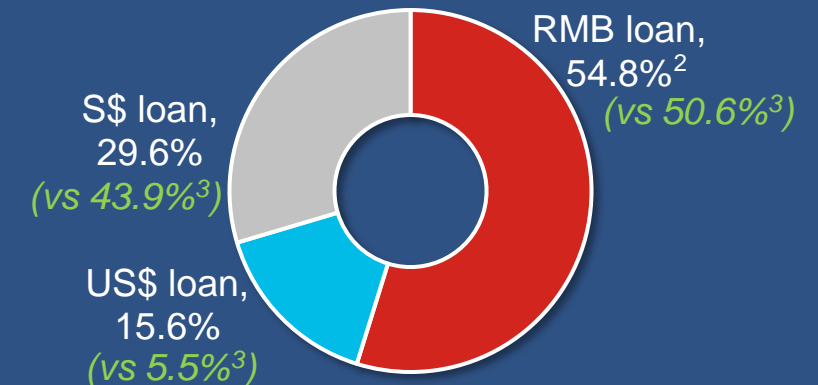
Offshore loans:	
3-year secured S\$ loan	Singapore Overnight Rate Average (SORA)
3-year secured US\$ loan	Secured Overnight Financing Rate (SOFR)
Revolving credit facility (RCF)	Singapore Overnight Rate Average (SORA)
Onshore 5-year secured loan	China's 5-year Loan Prime Rate
Sponsor's unsecured 1-year loan (with the option to extend up to another year on mutual agreement)	Fixed interest rate

Post refinancing

Funding sources



Debt currency profile



1. Based on illustrative S\$:RMB and US\$:S\$ exchange rates of 5.1387 and 1.3112 respectively.

2. Includes S\$60m Sponsor loan.

3. Percentage breakdown as at 31 Dec 2022.

Portfolio Performance

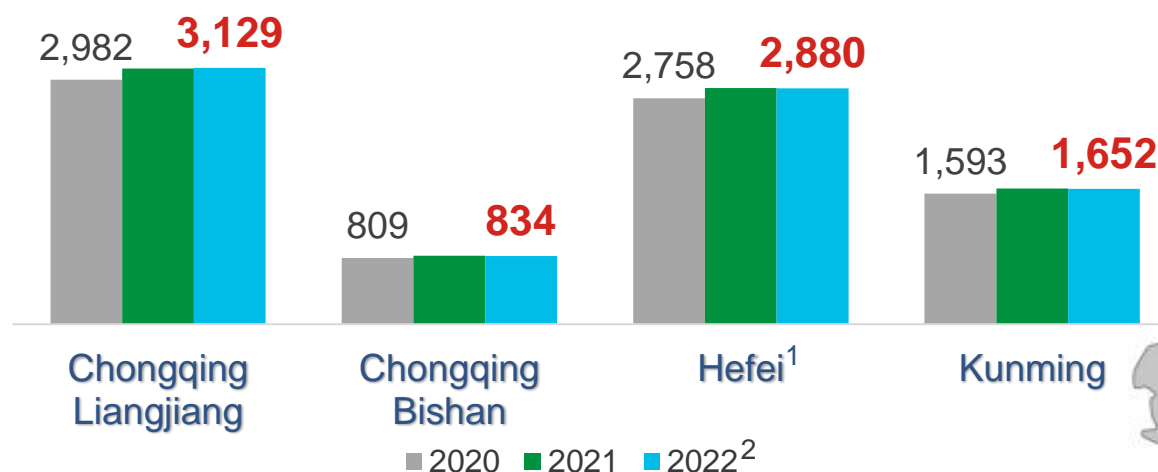
Sasseur (Chongqing Bishan) Outlet

Stable Valuations as at 31 Dec 2022

Driven by resilience in outlets' performance



Valuations (RMB m) as at 31 Dec by outlet



Portfolio Valuation (RMB m) as at 31 Dec



1. Hefei's valuation is only reflective of Sasseur REIT's ownership stake in the outlet, which is approximately 81% of total gross floor area.

2. Based on independent valuation as at 31 Dec 2022 by Colliers Appraisal & Advisory Services Co., Ltd.

FY2022 Outlets' Sales Resilient Despite External Challenges

Sales affected mainly by strict COVID measures



RMB m	Contribution ¹ %	FY2022	FY2021	YoY Variance %
Chongqing Liangjiang	53.0	1,875.0	2,178.2	-13.9
Chongqing Bishan	9.4	330.6	374.0	-11.6
Hefei	22.1	781.0	900.4	-13.3
Kunming	15.5	548.2	732.0	-25.1
Portfolio	100.0	3,534.8	4,184.6	-15.5

- On a portfolio basis, outlets' sales declined 15.5% YoY, on the back of external challenges:
 - > Rising COVID-19 outbreaks in China with number of cases at its peak in 4Q 2022², coupled with lockdowns and mobility restrictions
 - > Local government's directives to conserve electricity during heatwave period in Aug 2022; Chongqing Liangjiang and Chongqing Bishan Outlets saw shorter operating hours for 6-10 days in Aug
- Kunming Outlet was more impacted by COVID-19 measures as the impact of travel restrictions affected the number of domestic tourists (from other Chinese cities) visiting Kunming

1. Based on FY2022 sales contribution.

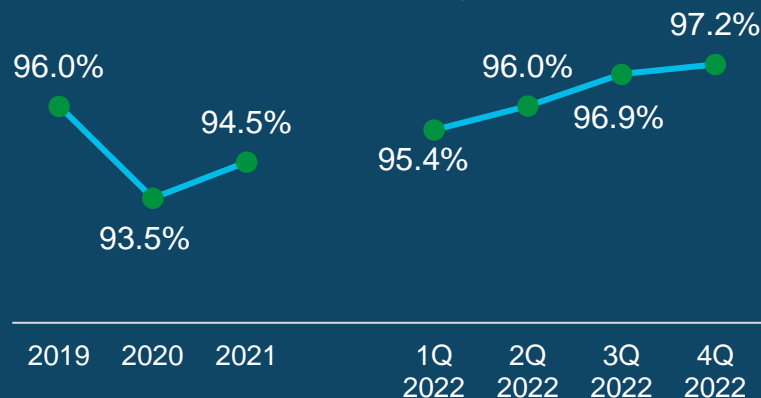
2. World Bank, "China Economic Update", Dec 2022.

Portfolio Occupancy Highest in 4 Years

Occupancy boosted by effective leasing strategies and completed asset enhancements

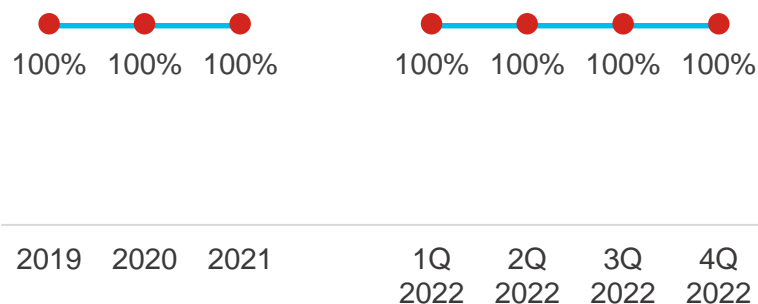


Improving Portfolio Occupancy^{1,2}



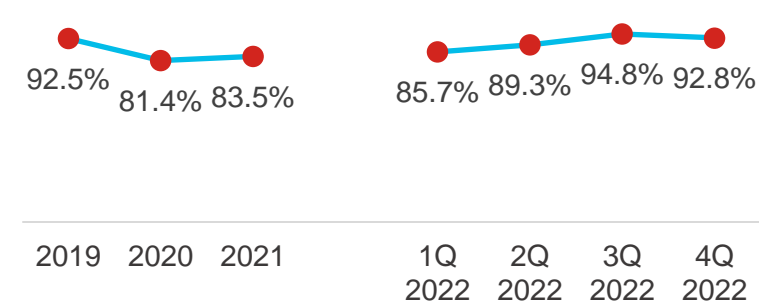
- Portfolio occupancy **exceeded pre-COVID level** in 2019
- 4Q 2022 occupancy at Chongqing Bishan Outlet was **above 90%**

Chongqing Liangjiang



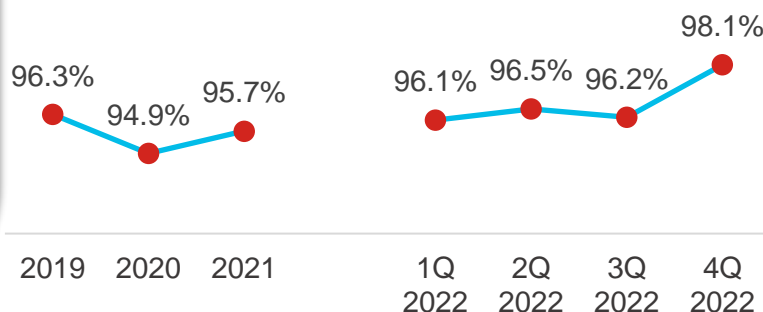
Occupancy remains at 100%

Chongqing Bishan



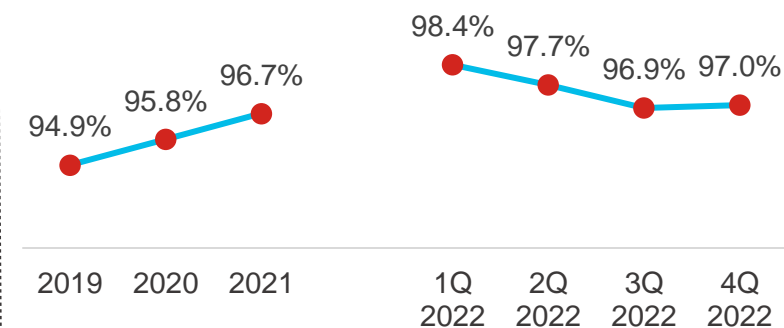
Occupancy maintained well above 90%, showing sustained impact of completed AEI

Hefei



Active leasing efforts and tenant mix adjustments boosted occupancy rates

Kunming



Stable occupancy of above 95%

1. For 1Q 2022, 2Q 2022, 3Q 2022 and 4Q 2022, occupancy is calculated based on average of the last day's occupancy of each month for each quarter.

2. For the financial years of 2019, 2020 and 2021, occupancy is calculated based on average of the last day's occupancy of each month in the fourth quarter of the year.

Weighted Average Lease Expiry (WALE)

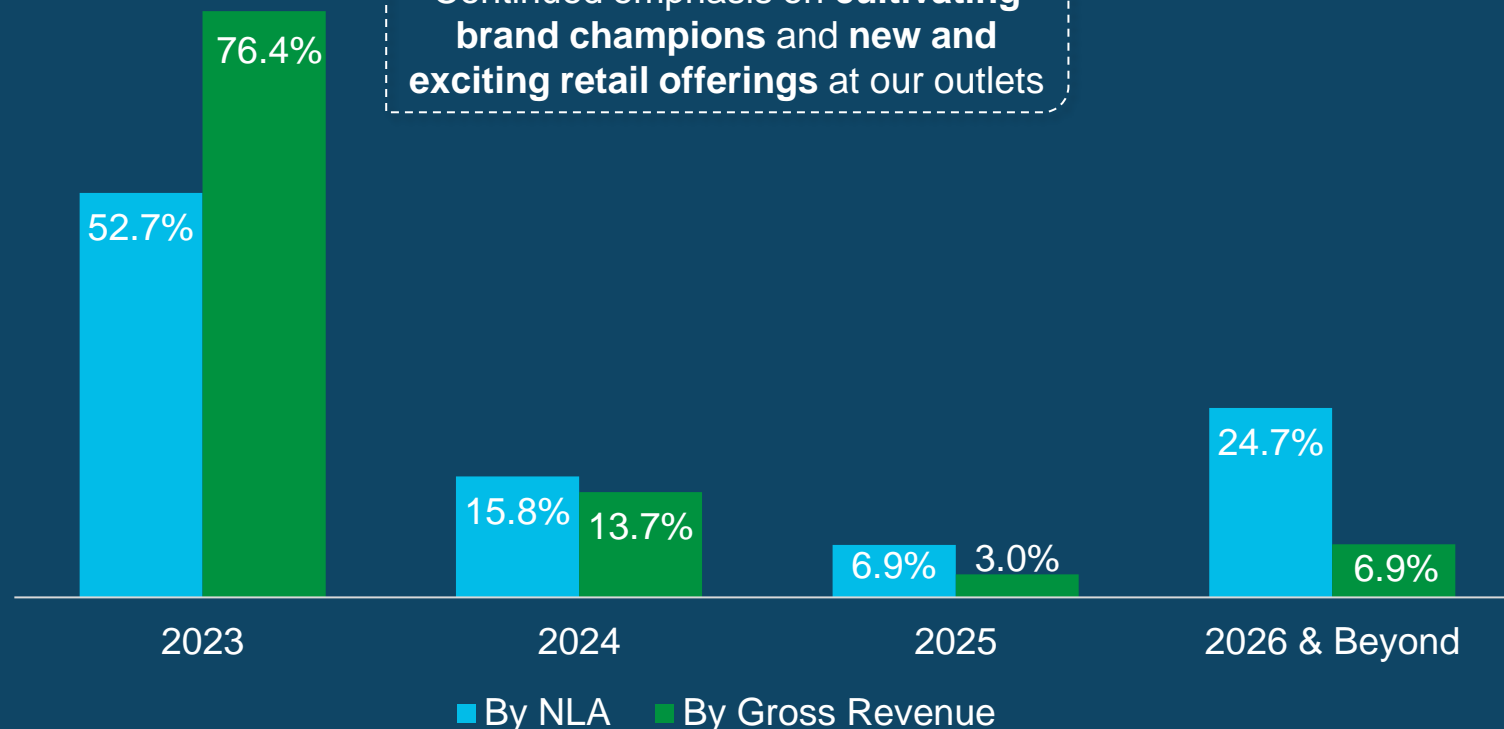
Proactive efforts currently underway to renew leases expiring in 2023



Lease expiry profile

As at 31 Dec 2022

Continued emphasis on **cultivating brand champions** and **new and exciting retail offerings** at our outlets



WALE (years)

2.6 by Net Lettable Area

1.0 by Gross Revenue

Deliberate short leases to optimise tenant mix

- Adapting to fast-changing consumer preferences in China
- Provides flexibility to replace non-performing tenants with new successful brands

FY2022 Sustainability Highlights

Integrating sustainability into our business



ESG HIGHLIGHTS

JULY 2022

Established a Board-level Sustainability Committee with delegated authority to define and review Sasseur REIT's and the Manager's strategies relating to ESG

GREENHOUSE GAS EMISSIONS

Developed a baseline of our Scope 1,2 (all emissions), and 3 (tenant emissions only)

ENVIRONMENTAL PERFORMANCE

SCOPE 1 AND 2 EMISSIONS

26.15%
reduction from FY2021

ENERGY CONSUMPTION

0.07%
reduction from FY2021

ENERGY INTENSITY

0.07%
reduction from FY2021

SOME KEY WATER MANAGEMENT INITIATIVES

WASTEWATER RECYCLING

~3,600m³
water saved in FY2022

Treat up to 150 m³ of wastewater per day; recycled water used for landscape irrigation

SPRING WATER EXTRACTION

~35,000m³
reduction in usage of third-party water per year

Used for landscape irrigation, cleaning and water features; reduce water stress in the area

GOVERNANCE PERFORMANCE

ZERO
INCIDENTS

of socioeconomic and environmental non-compliance that result in fines and non-monetary sanctions

ZERO
INSTANCES

of bribery, corruption and fraud

of counterfeit reports

of customer data loss



More details can be found in Sasseur REIT's Annual Report 2022: <https://investor.sasseurreit.com/ar.html>



Looking
Forward

Consumption Recovery Expected in 2023

Light at the end of the tunnel for China's economy



China's real GDP growth **target set by government at approximately 5% in 2023**; focus on **raising incomes**

- JP Morgan and Citigroup upgraded China's 2023 full-year GDP growth forecast to **6.4%** and **6.1%** respectively¹
- **1Q 2023 GDP grew 4.5%**, faster than the 2.9% in 4Q 2022 and beating analyst forecasts of 4%²



Government to promote a **consumption recovery as major growth driver of the economy**³

- Committed to maintain a **stable yuan** and **ease cross-border travel**
- Plans to **further expand China's scale of consumption and investment by 2035**⁴



Some signs of **normalisation of economic activities in China**

- **Official composite purchasing managers' index (PMI) saw 3rd month of expansion** in Mar 2023, driven by domestic orders, job creation and consumption^{5,6}
- **China's retail sales ▲3.5% YoY** for Jan and Feb 2023⁷; **▲10.6% YoY** in Mar 2023, higher than 7.5% forecast by economists⁸
- **Consumer spending improved** in the cities in which Sasseur REIT's outlets are located
 - > Chongqing ▲3.4% YoY⁹; Hefei ▲3.8% YoY¹⁰; Kunming ▲2.7% YoY¹¹

1. Channel News Asia, "JP Morgan, Citi upgrade China's 2023 full-year GDP growth forecast", 18 Apr 2023.

2. The Business Times, "China's economic recovery picks up speed as Covid-19 curbs end", 18 Apr 2023.

3. Reuters, "China aims to boost consumption and imports as global demand cools", 28 Jan 2023.

4. Business Times, "China plans to expand domestic demand to spur economy", 15 Dec 2022.

5. Reuters, "China March services activity accelerates on new orders – Caixin PMI", 6 Apr 2023.

6. South China Morning Post, "China's economic recovery 'on track' as services activity hits 12-year high in March", 31 Mar 2023.

7. National Bureau of Statistics of China, "Total retail sales of consumer goods from January to February 2023", 16 Mar 2023.

8. The Edge Singapore, "China economic growth bounces back as consumers spend again". 18 Apr 2023.

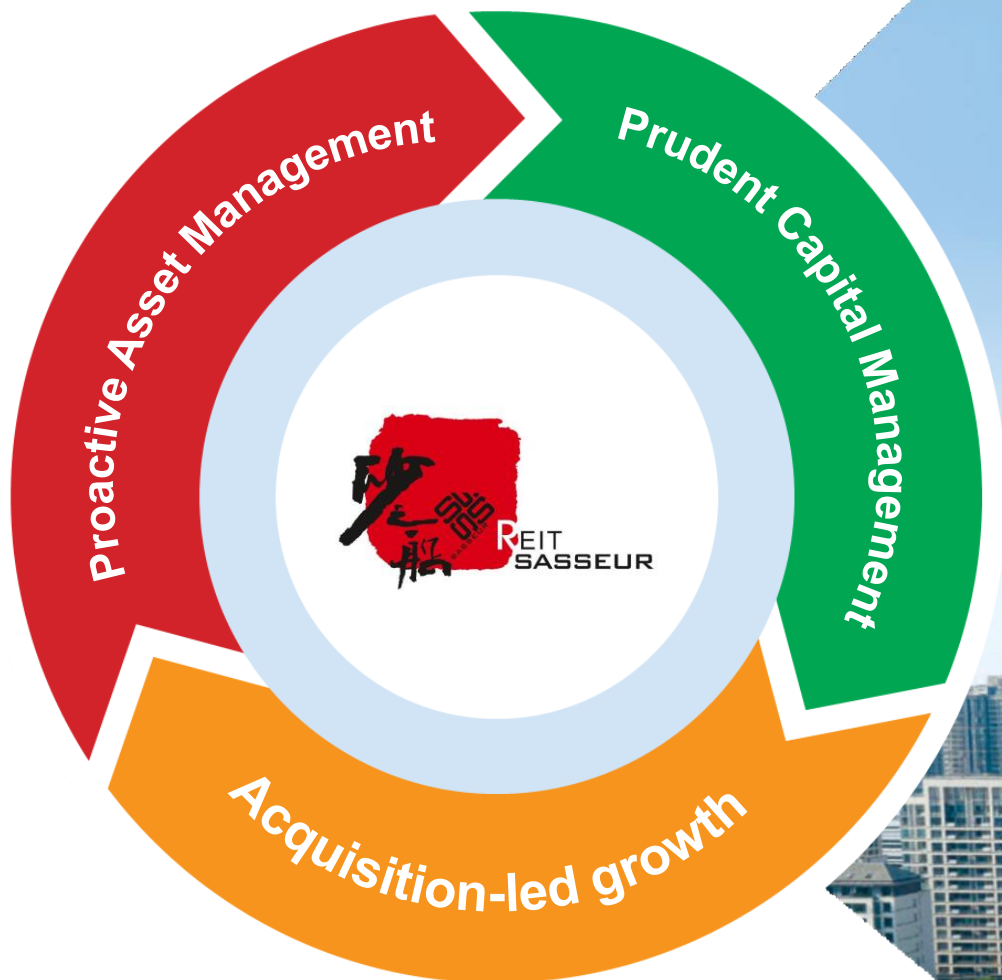
9. Chongqing Municipal People's Government, "重庆经济发展呈现企稳回升势头——市统计局解读全市1—2月经济运行数据", 25 Mar 2023.

10. 大皖新闻, "合肥发布前两月消费市场情况 限上住宿、餐饮业零售额超31亿元", 24 Mar 2023.

11. 开屏新闻, "消费市场活力增强, 1-2月昆明市社会消费品零售总额同比增长2.7%", 20 Mar 2023.

Key Management Focus for 2023

Gearing up for the next growth phase



Proactive Asset Management

- Adopt active and flexible approach to optimise tenant mix
- Accelerate digitalisation efforts to capture sales and mindshare
- Recruit more new VIP members and enhance current loyalty benefits
- Continue to roll out interactive and exciting thematic events
- Enhance value through asset enhancement initiatives (AEI), where necessary



Prudent Capital Management

- Maintain robust balance sheet and prudent level of aggregate leverage
- Broaden lending relationships
- Explore new sources of funding



Acquisition-led growth

- Target cities in China with large population base and attractive growth potential
- Acquisition priority: Xi'an and Guiyang Outlets; granted Right of First Refusal (ROFR) from Sponsor

Sponsor's Growing Footprint and Brand Reach

Sasseur REIT leveraging full Sponsor support



Sasseur Group (57.46% stake in Sasseur REIT¹)

30 years' experience focusing on outlet operations in China

16 operating outlets in China², with another **2** upcoming outlets



● Operating Outlets
★ Upcoming Outlets

1. As at 31 Dec 2022.

2. Including the 4 outlets owned by Sasseur REIT.

Sponsor's upcoming outlets

	Shijiazhuang	Urumqi
Opening Date (Tentative)	May 2023	May 2024
GFA (sqm)	~83,000	~126,000
Car Park Lots	c. 3,500	c.2,000

Sasseur REIT's acquisition pipeline

- Acquisition priority: Xi'an and Guiyang Outlets, granted ROFR from Sponsor
- Assets in the pipeline: 3rd party owned assets which Sasseur Group has ROFR to acquire from the owners

藝術商業 超級奧萊

Art Commerce Super Outlets



Thank You

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