



SASSEUR REIT – Growth in a Sunrise Industry

First Listed Outlet Mall REIT in Asia

CLSA Group Call Investor Presentation

18 May 2021

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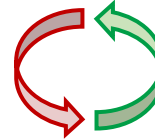


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Key Investment Highlights



Retail Outlet – A Sunrise Industry



Sasseur - Leading Outlet Operator



Fast-growing retail outlet sector projected to become world's largest by 2030¹



Growing middle-class population & spending power



Exposure to high-growth tier-2 PRC cities



Leading privately-owned outlet mall operator



Deep understanding of local retail market & diverse brand relationships



2 ROFR and 12 pipeline projects for potential acquisition

(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

Growth of PRC Outlet Market



Between 2015 to 2019, the number of outlets which surpassed RMB >1 billion sales had more than doubled

16
outlets



Total Sales
RMB >30 Billion

Year 2015

34
outlets



Total Sales
RMB >70 Billion

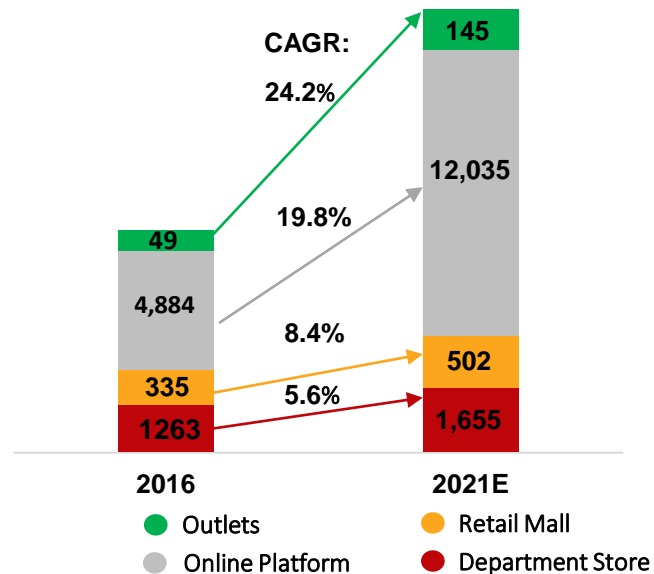
Year 2019

Projected Growth of PRC Outlet Market



Retail Market Growth Projection

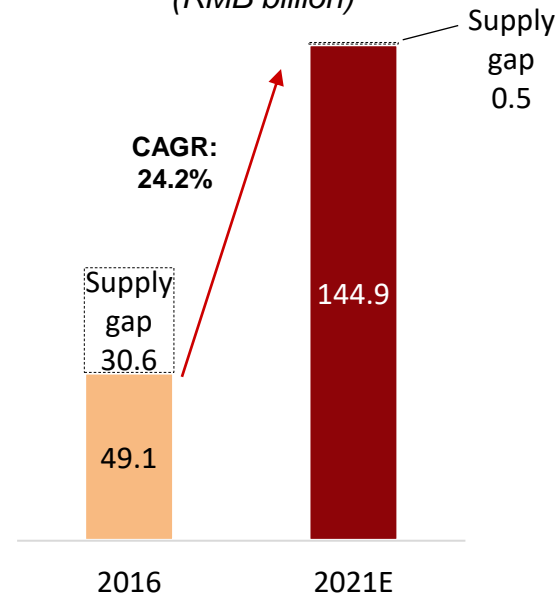
China Retail Sales
(RMB billion)



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

Large Supply Gap Presenting Upside Opportunity

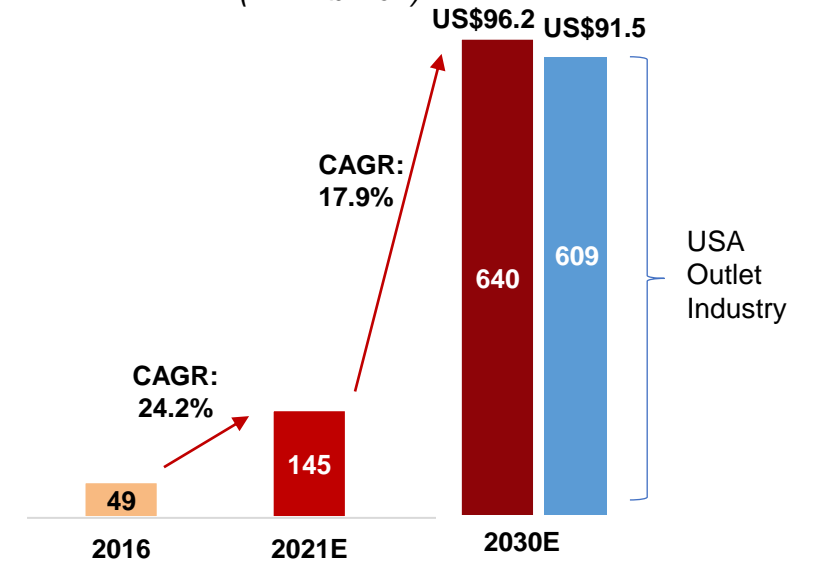
China's Outlet Industry
(RMB billion)



Supply gap represents market opportunity for the outlet industry

Young Industry with Room for Further Growth

China's Outlet Industry
(RMB billion)



Outlet Industry Year 2030 Projection
PRC vs U.S.A
US\$96.2B vs US\$91.5B

PRC's Outlet Fundamentals Remain Attractive



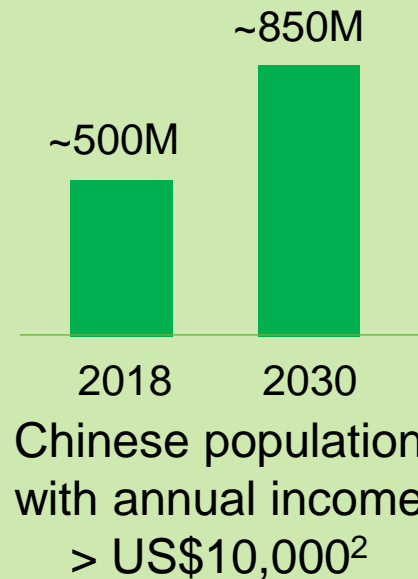
Fast Growing Middle Class Population

12.1%
CAGR

Projected to grow 12.1% annually from 2015 to reach 216 million in 2021¹



Rising Affluence



High Demand for Luxury Brands

Annual Spending
US\$111
Billion

Chinese consumers purchase more than a third of the world's luxury goods³

1. Source: China Insights Consultancy - Independent Market Research Report

2. World Bank, Legal & General IM Estimates

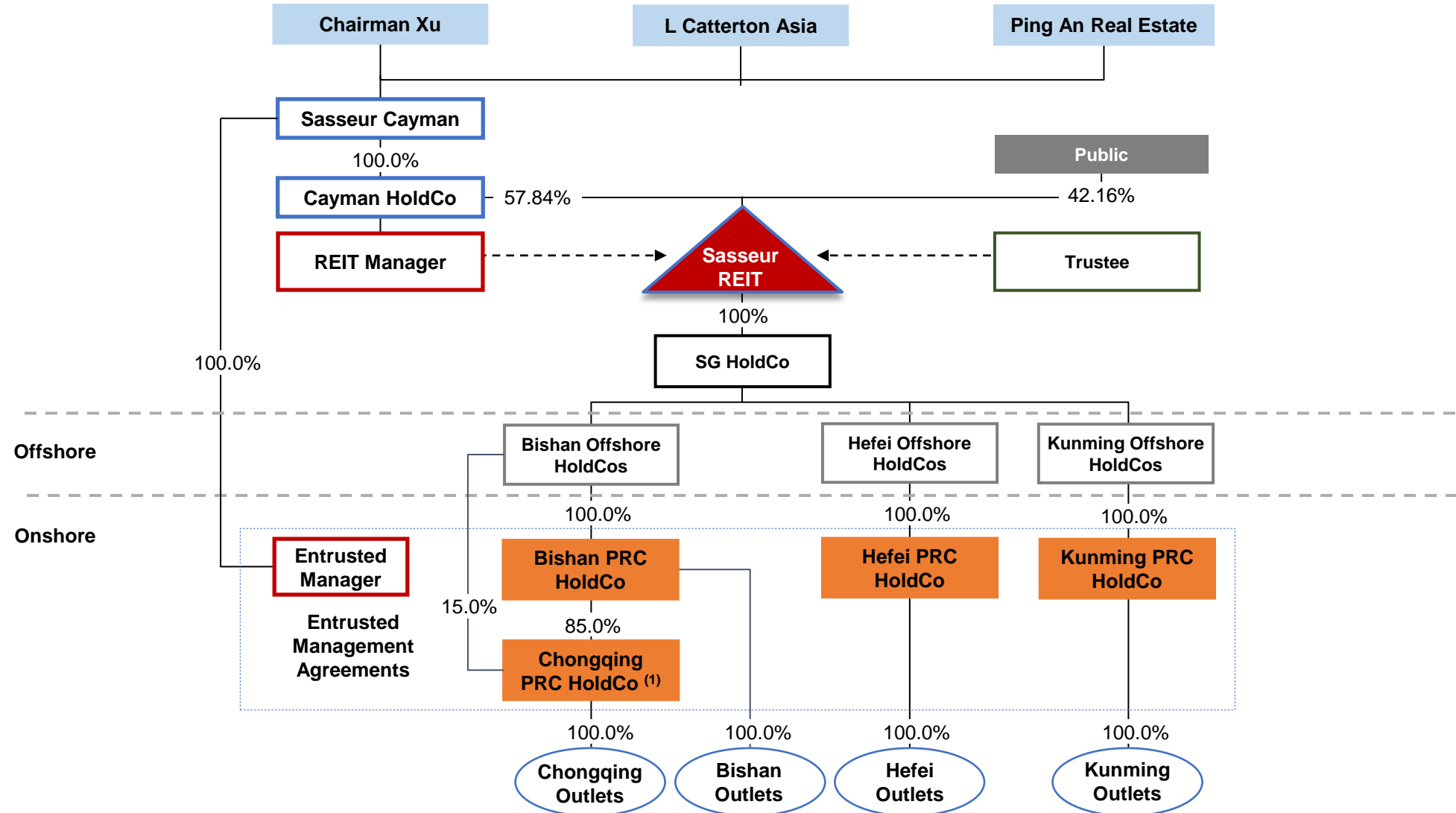
3. Business Times Article "Covid-19 has trapped US\$111 billion of luxury spending in China", 9 July 2020.

About Sasseur REIT

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

**First
Outlet Mall REIT
listed in Asia**

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
- Sasseur manages 13 outlet malls in 12 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



32 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)⁽¹⁾
- 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)⁽²⁾

(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



Highly Recognised Enterprise

- 2020 China Top 10 Influential Commercial Enterprise Award
- 2020 Chongqing Top 100 Enterprise – Ranked 34th Place with Revenue Over RMB 10 Billion
- 2020 China Top 500 Enterprise in Service Industry – Ranked 304th place
- China Commercial Real Estate Operation and Innovation Award

One of the Leading Operators in China's Outlet Industry

- 13 Outlets Under Management, 5 More in the Pipeline
- Among the 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

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

$$A \times (1+N) \times DT$$



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 2.25 million VIP members across Sasseur REIT’s portfolio

Sasseur – Leading Private Outlet Specialist in PRC



Leading private outlet specialist in PRC		
Outlet Operators	Operator category	Outlets
Sasseur 砂之船	Local Private Outlet Specialist	13
Beijing Capital Grand 首创	Real Estate Company	13
Shanshan 杉杉	Conglomerate	9
Bailian 百联	SOE Retail Group	7
Wangfujing SCITECH 王府井赛特	Real Estate Company	7
RDM	International Outlet Specialist	6

Source: Company Website

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)

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

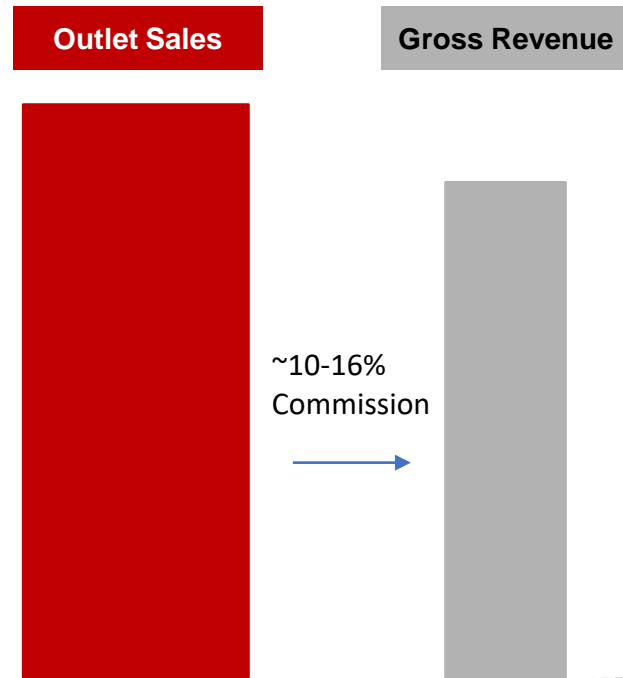


SASSEUR (BISHAN) OUTLETS

Entrusted Management Agreement Model

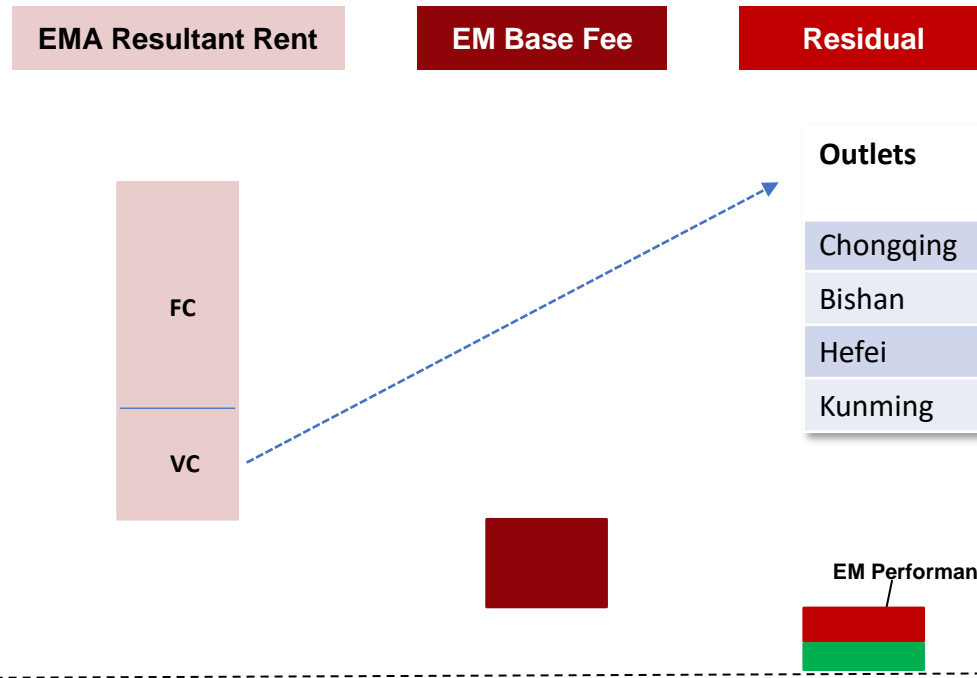


Business Model



- GR = Total rental receivable + Income from permissible investments

REIT Income Model



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

- 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.

1Q 2021 Financial Results



SASSEUR (KUNMING) OUTLETS

1Q 2021 Key Highlights



**Sasseur REIT share price has recovered 70%
from a low of \$0.525 in April 2020 to \$0.890 in March 2021**

1Q 2021	1Q 2020	Y-o-Y ¹
EMA Rental Income²		
S\$32.3 million	S\$25.3 million	27.8%
Distributable Income		
S\$23.6 million	S\$16.0 million	47.8%
Distribution Per Unit³		
1.759 SG cents	1.334 SG cents	31.9%
NAV Per Unit		
92.22 SG cents	92.58 SG cents	(0.4%)

Sales
RMB 1,136.6
million

Occupancy
93.5%

**Weighted
Average
Lease
Expiry⁴**
2.6 years

**Aggregate
Leverage**
27.6%

1. Y-o-Y comparison refers to 1Q 2021 vs 1Q 2020

2. Excluding straight-line accounting adjustments

3. For 1Q 2021, Sasseur REIT elected to distribute 90% of the distributable income to Unitholders

4. Weighted average lease expiry by net lettable area

Financial Results



SASSEUR (CHONGQING LIANGJIANG) OUTLETS

1Q 2021 DPU Increased 31.9% vs 1Q 2020



	1Q 2021	4Q 2020	Change %	1Q 2020	Change %
Fixed Component (RMB mil)	105.5	102.4	+3.0	102.4	+3.0
Variable Component (RMB mil)	51.9	56.7	-8.5	24.8	+109.4
EMA Rental Income ¹ (RMB mil)	157.4	159.1	-1.1	127.2	+23.7
EMA Rental Income ^{1, 2} (S\$ mil)	32.3	32.3	+0.1	25.3	+27.8
Distributable Income (S\$ mil)	23.6	23.3	+1.3	16.0	+47.8
DPU (SG cents)	1.759	1.935	-9.1	1.334	+31.9

1. Excluding straight-line accounting adjustments.

2. Using the average SGD:RMB rate for the period 1Q 2021 4.8730, 4Q 2020 4.9223, 1Q 2020 5.0339.

Healthy Balance Sheet



S\$ mil	31 Dec 2020	31 Mar 2021
Investment properties	1,651.1	1,670.5
Cash and short-term deposits	155.9	154.2
Other assets	51.2	33.7
Total Assets	1,858.2	1,858.4
Loans and borrowings	504.3	499.5
Other liabilities	248.5	241.1
Total Liabilities	752.8	740.6
Net Assets	1,105.4	1,117.8
NAV per unit (cents) ¹	91.40	92.22
Aggregate Leverage	27.9%	27.6%

1. Based on units in issue and issuable of 1,209,412,000 and 1,212,114,636 as at 31 December 2020 and 31 March 2021 respectively.

Distribution Details



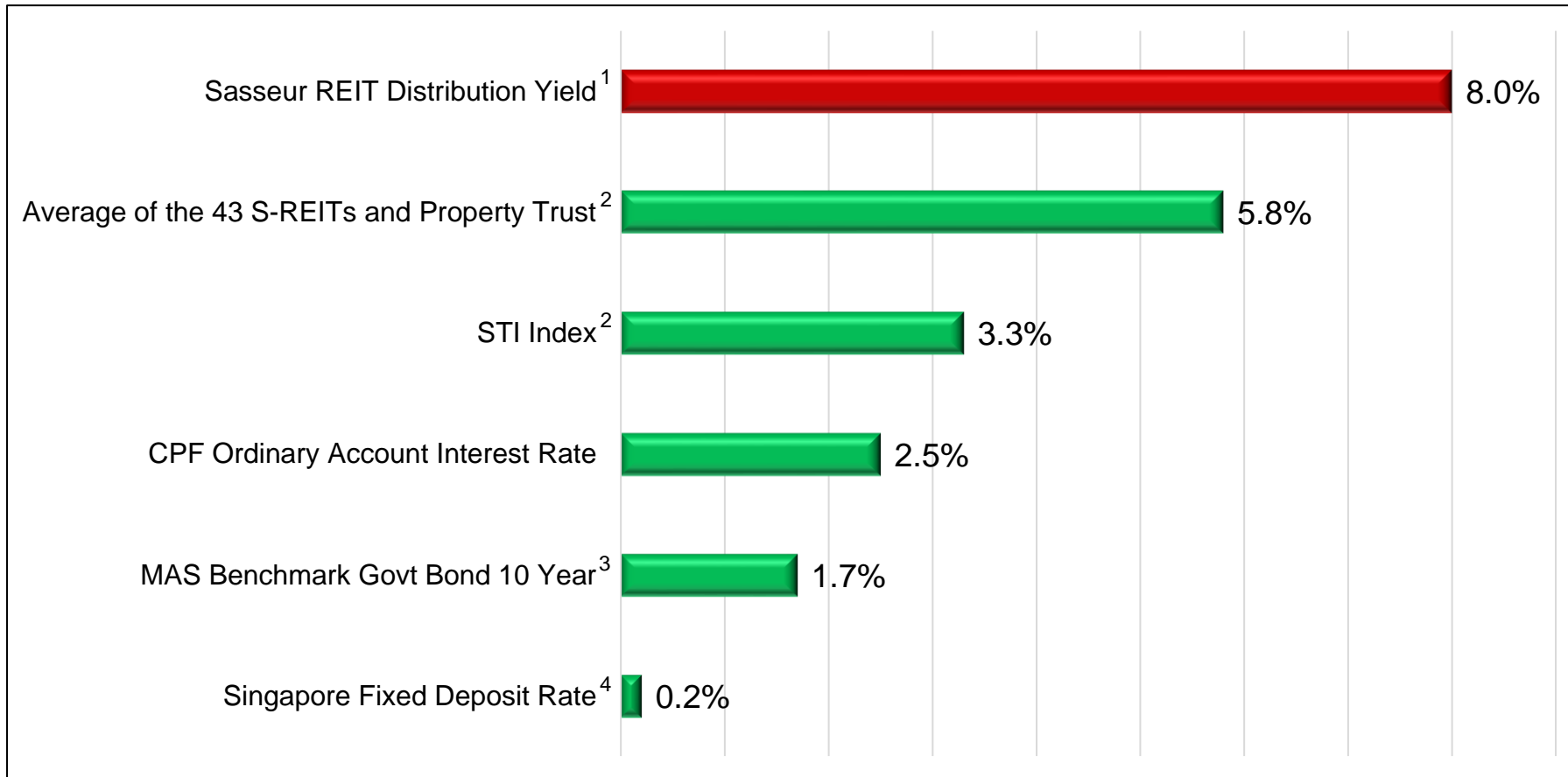
Distribution Period
Distribution Per Unit¹

1 January to 31 March 2021
1.759 Singapore cents

1. Based on 90% distribution pay-out ratio

Distribution Timetable	
Notice of Books Closure Date	12 May 2021
Ex-dividend Date	10 June 2021
Books Closure Date	11 June 2021
Distribution Payment Date	25 June 2021

Sasseur REIT Yield vs Other Asset Classes



Notes:

1. Distribution yield based on annualised DPU and closing price of S\$0.890 as at 31 March 2021

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 2021

Source: Bloomberg, SGX, Central Provident Fund (CPF) Board, data as of 31 March 2021

Capital Management



SASSEUR (HEFEI) OUTLETS

Prudent Capital Management



Aggregate leverage at 27.6% provides debt headroom for acquisition

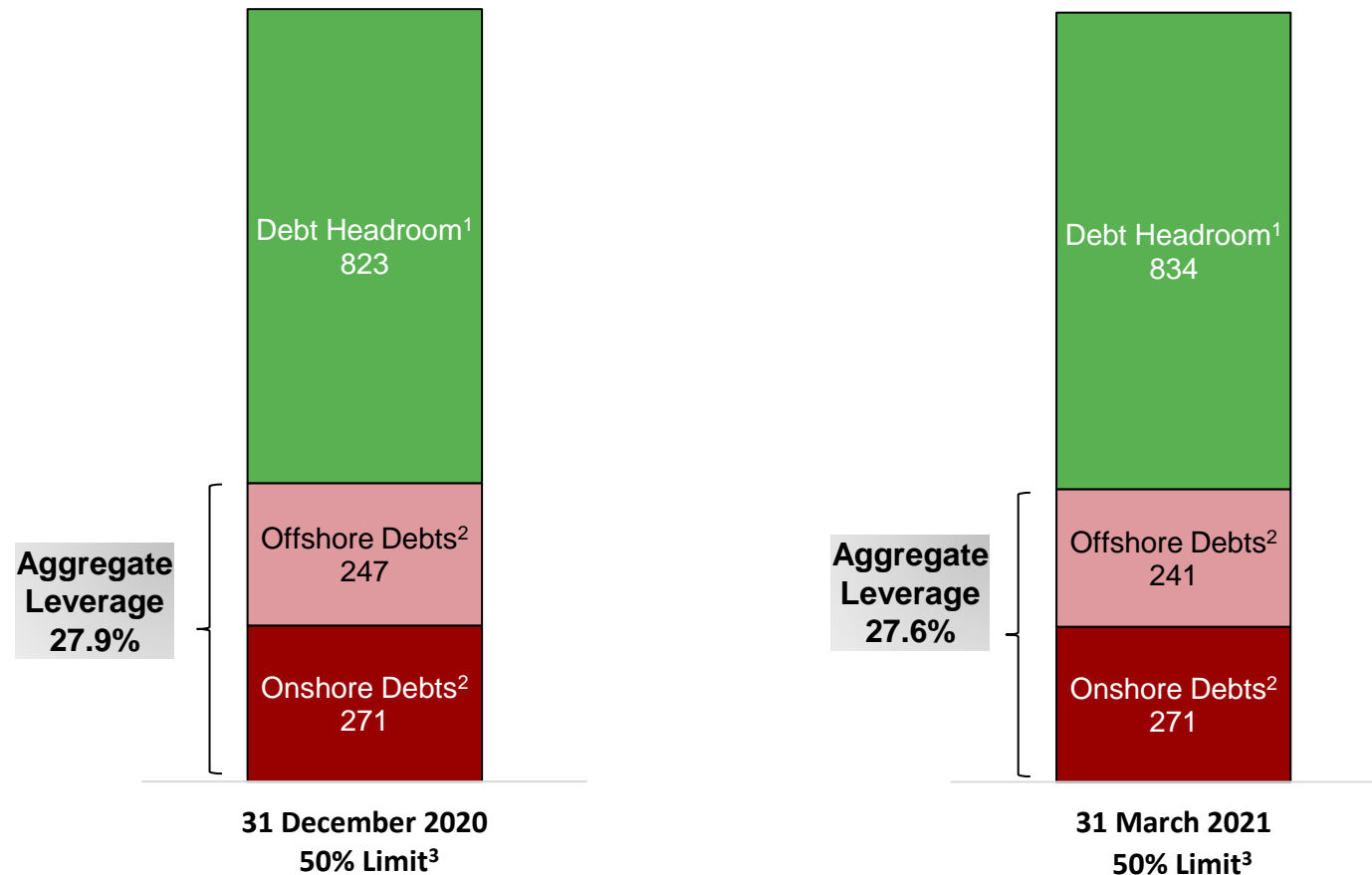
 Aggregate Leverage	 Average Debt Maturity	 Interest Coverage Ratio	 Weighted Average Cost of Debt
31 Mar 2021 27.6%	31 Mar 2021 2.0 years	1Q 2021 7.5 times	1Q 2021 3.3% p.a.
31 Dec 2020 27.9%	31 Dec 2020 2.2 years	1Q 2020 4.7 times	1Q 2020 4.3% p.a.

Loan Facilities	Onshore	Offshore	
Currency	RMB	SGD	USD
Outstanding Quantum ¹	~SGD 271 million (RMB 1.32 billion)	SGD 214 million (~RMB 1.04 billion)	USD 20 million (~RMB 0.13 billion)
Maturity	March 2023	March 2023	March 2023
Floating Rate	5-year LPR	Singapore SOR	USD LIBOR

1. Based on SGD:RMB exchange rate of 4.8768 as at 31 Mar 2021

Prudent Capital Management

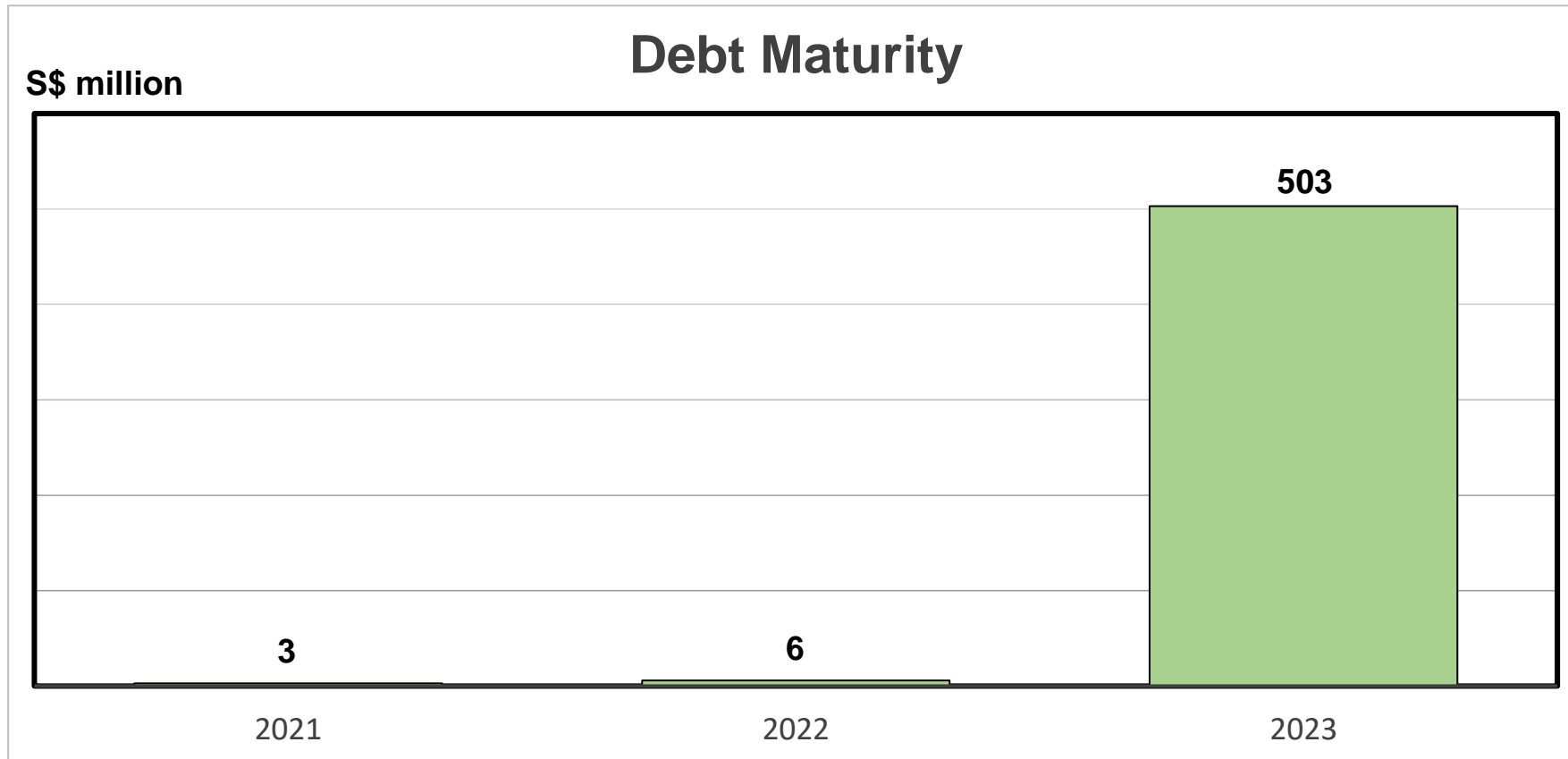
Debt Facilities (SGD million)



1. Debt headroom is computed based on total assets and assuming a corresponding increase in total assets with new debts raised.
2. Debt amounts are translated using exchange rates as at each period end.
3. 50% leverage limit is based on MAS's leverage limit.

Debt Maturity Profile

Weighted average debt maturity is 2.0 years



Portfolio Update



SASSEUR (HEFEI) OUTLETS

Portfolio Summary

Portfolio

Valuation* : 8,142 mil

NLA : 312,844 sqm

Occupancy ^ : 93.5%

**Based on independent valuation as at 31 Dec 20 by JLL (RMB million).*

^Occupancy for 1Q 2021



Hefei Outlets

Valuation : 2,758 mil

NLA : 144,583 sqm

Occupancy : 95.2%



Chongqing Bishan Outlets

Valuation : 809 mil

NLA : 47,308 sqm

Occupancy : 81.0%



Kunming Outlets

Valuation : 1,593 mil

NLA : 70,067 sqm

Occupancy : 96.1%



Chongqing Liangjiang Outlets

Valuation : 2,982 mil

NLA : 50,885 sqm

Occupancy : 100%

1Q 2021 Outlet Sales Summary

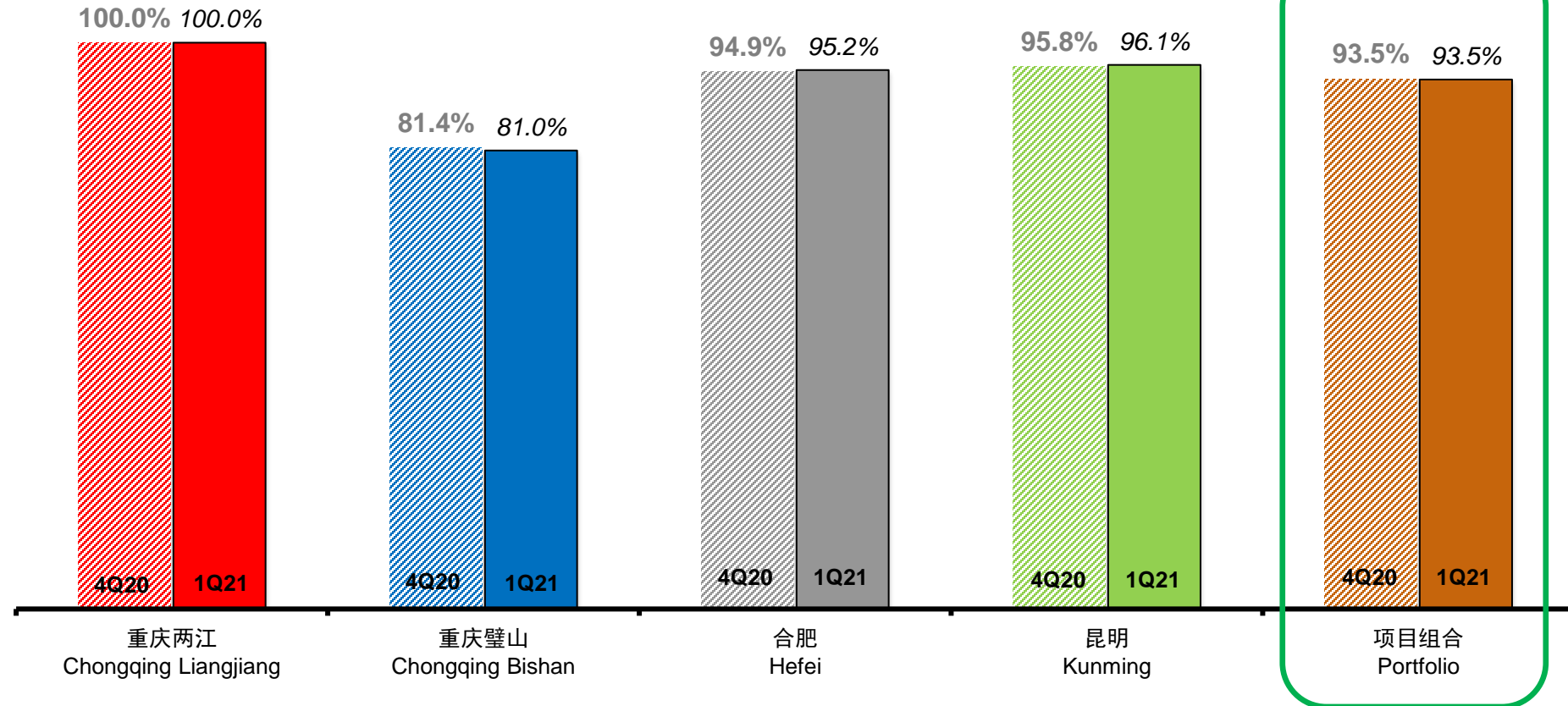
Outlet sales are 112.6% higher than 1Q 2020 but 5.8% lower than 1Q 2019

Outlets	1Q 2021 Sales (RMB'mil)	1Q 2021 vs 1Q 2020 (%)	1Q 2021 vs 1Q 2019 (%)	1Q 2021 vs 4Q 2020 (%)
Chongqing Liangjiang	560.5	+141.1	-8.0	-11.1
Chongqing Bishan	111.3	+114.6	-10.8	-15.5
Hefei	244.2	+90.2	+0.5	-11.5
Kunming	220.6	+81.1	-3.7	+5.9
Portfolio	1,136.6	+112.6	-5.8	-8.8

1. 1Q 2021: 01 Jan 2021 - 31 Mar 2021
2. 4Q 2020: 01 Oct 2020 - 31 Dec 2020
3. 1Q 2020: 01 Jan 2020 - 31 Mar 2020
4. 1Q 2019: 01 Jan 2019 - 31 Mar 2019

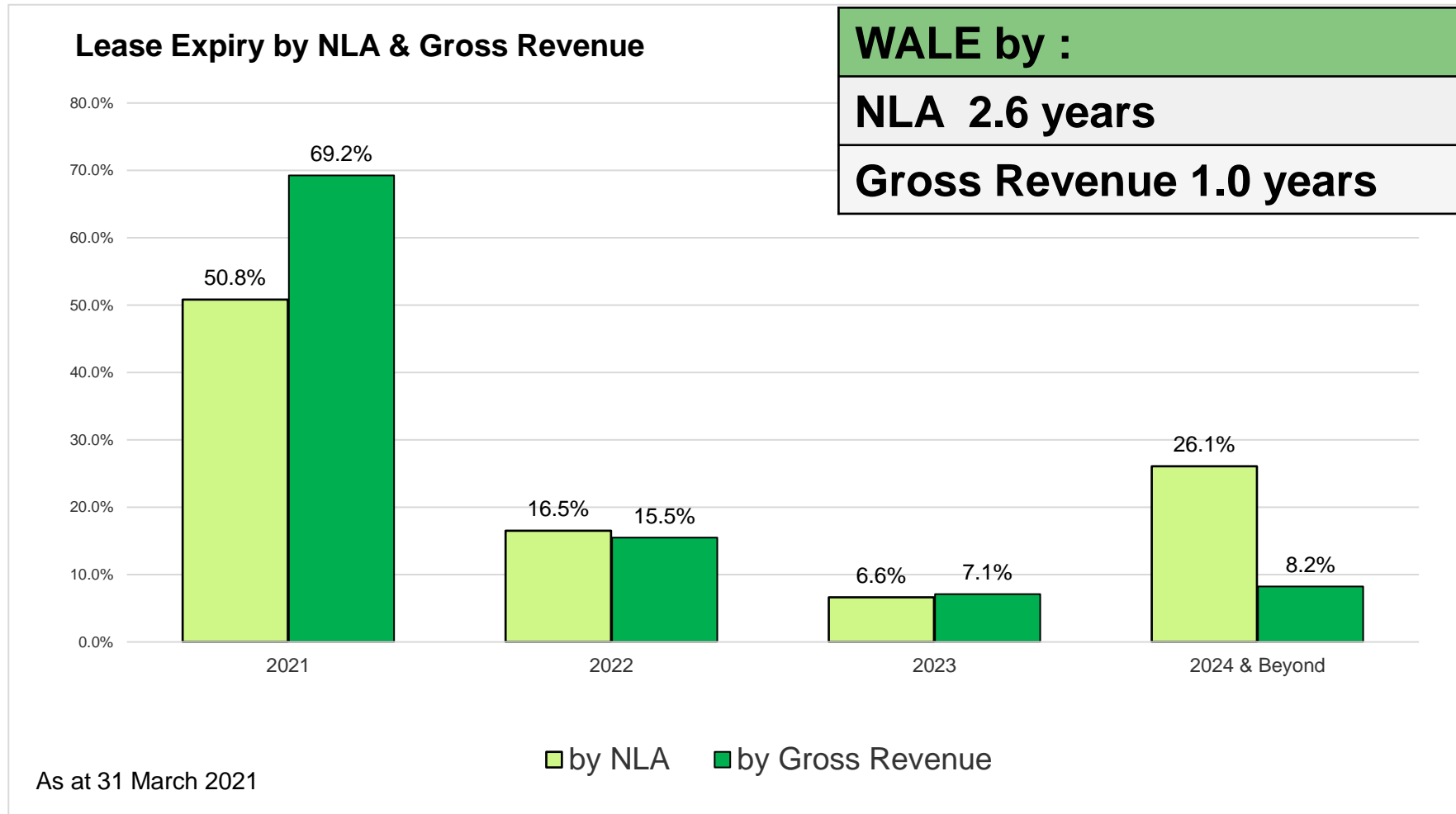
Portfolio Occupancy

4 Outlets enjoy stable occupancy



Weighted Average Lease Expiry (WALE)

Deliberate short lease to optimise tenant mix

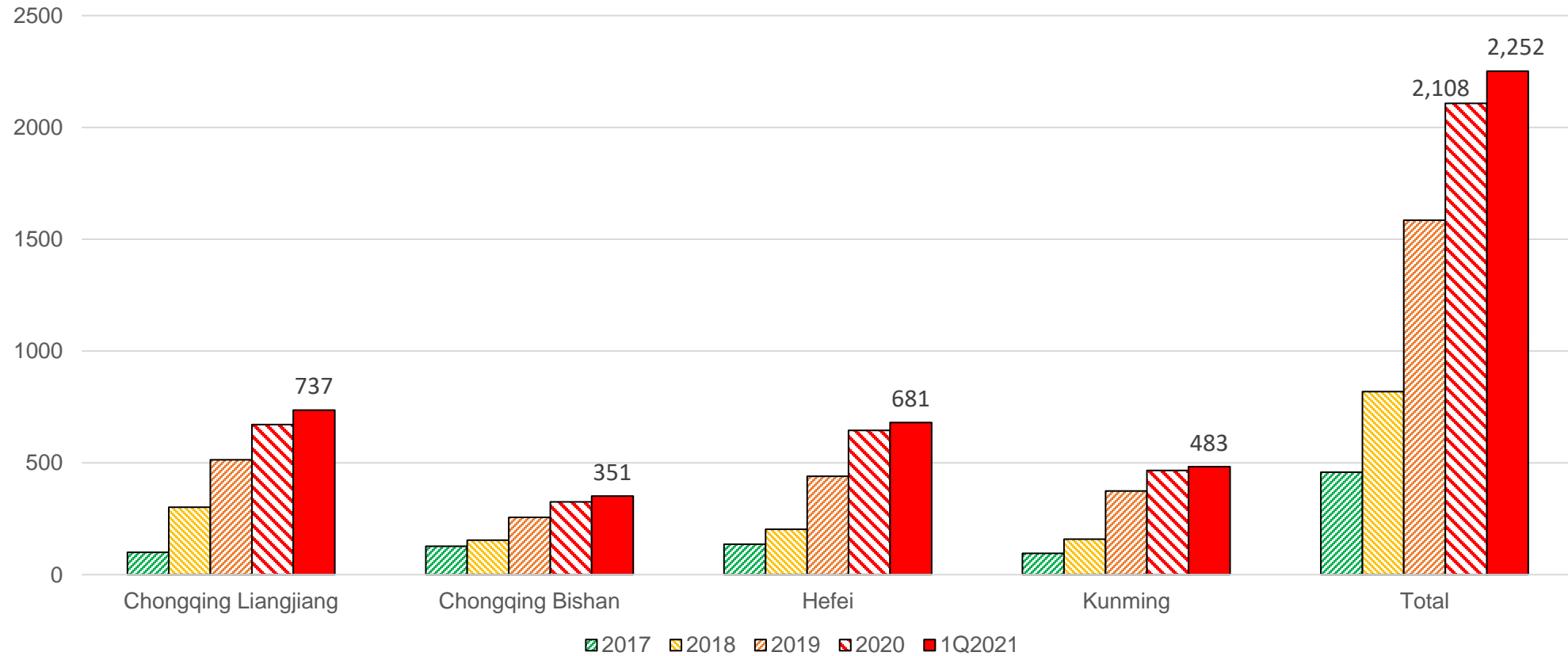


VIP Members - Growth by Outlets



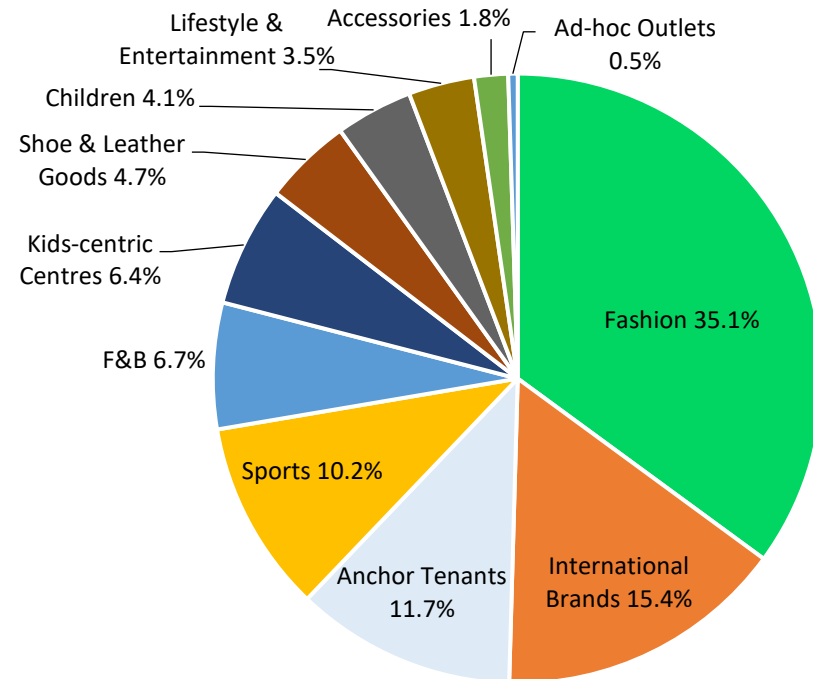
Total VIP members increased 6.8% in 1Q 2021 to reach 2.25 million

Members in '000

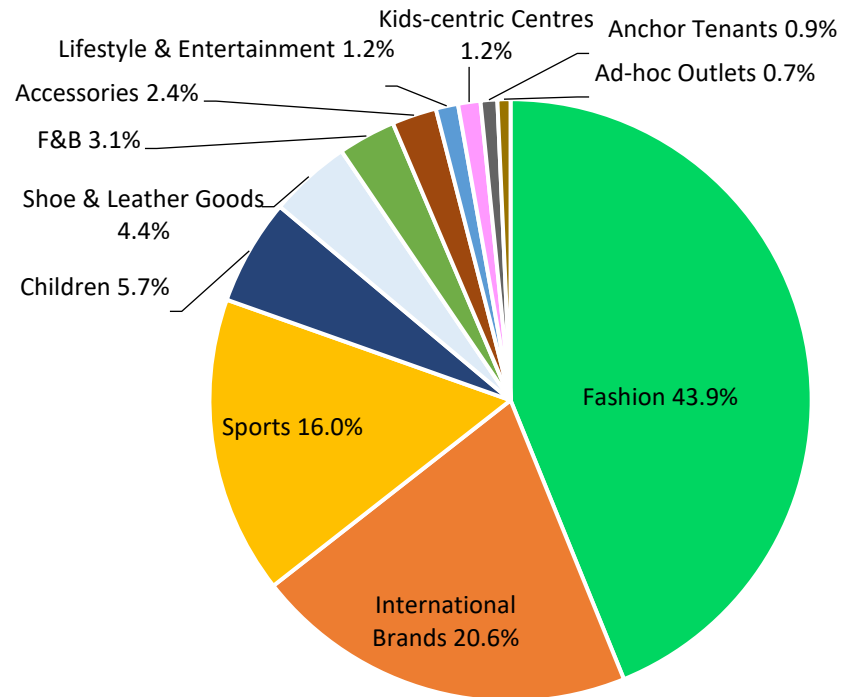


Well Diversified Trade Mix

Breakdown of NLA¹ by Trade Sector



Breakdown of Revenue² by Trade Sector



Fashion, Sports and International Brands

60.7%

80.5%

1. As percentage of the portfolio's net lettable areas as at 31 Mar 2021

2. As percentage of the portfolio's gross revenue as at 31 Mar 2021

Exciting Promotional Activities to draw Shoppers

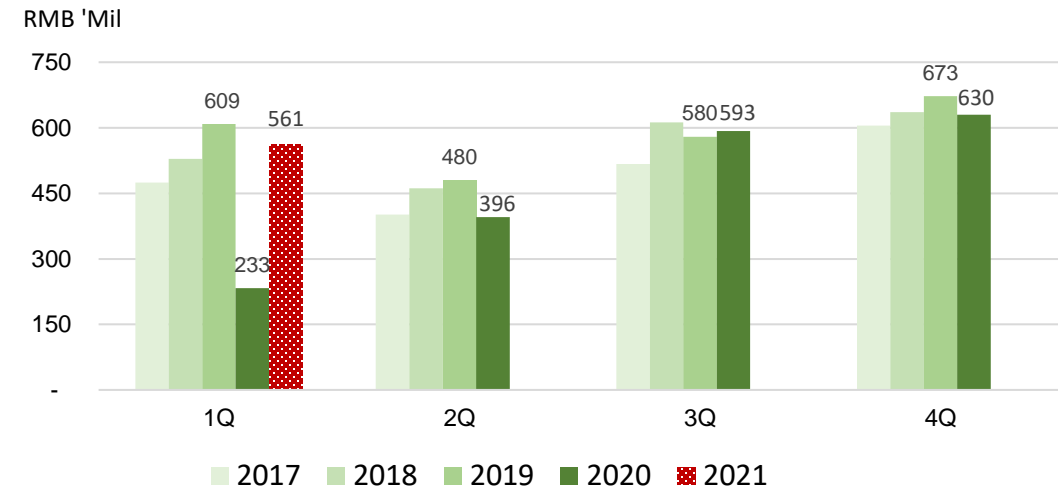


Chongqing Liangjiang Outlets

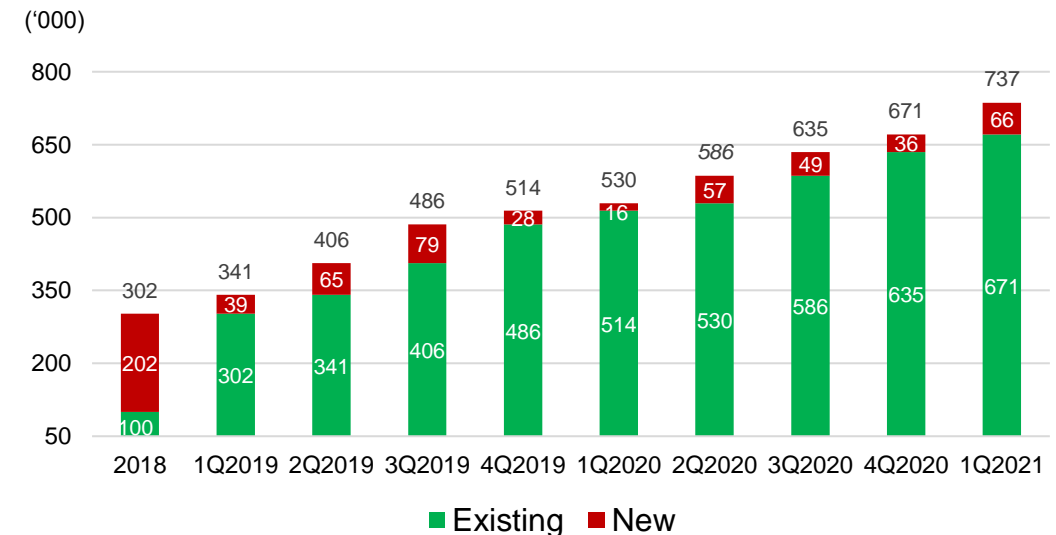


Year Commenced Operations	Sep 2008
GFA (sqm)	73,373
NLA (sqm)	50,885
Occupancy Rate (% , 31 Mar 21)	100
No. of Tenants (31 Mar 21)	384
Top Brands/Tenants	+39 Space, Coach, Adidas, FILA
Car Park Lots	500
Valuation (RMB mil, 31 Dec 20)	2,982

Sales



Outlet Members

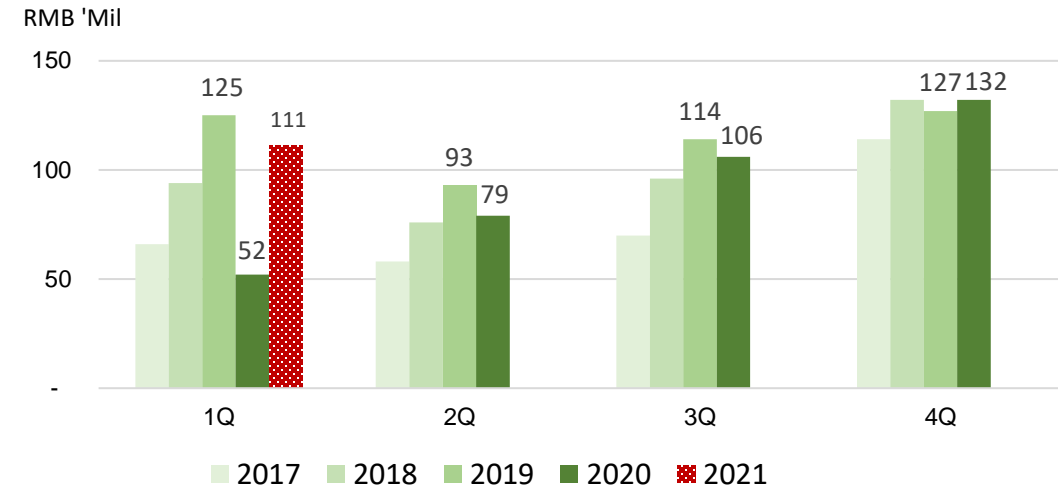


Chongqing Bishan Outlets

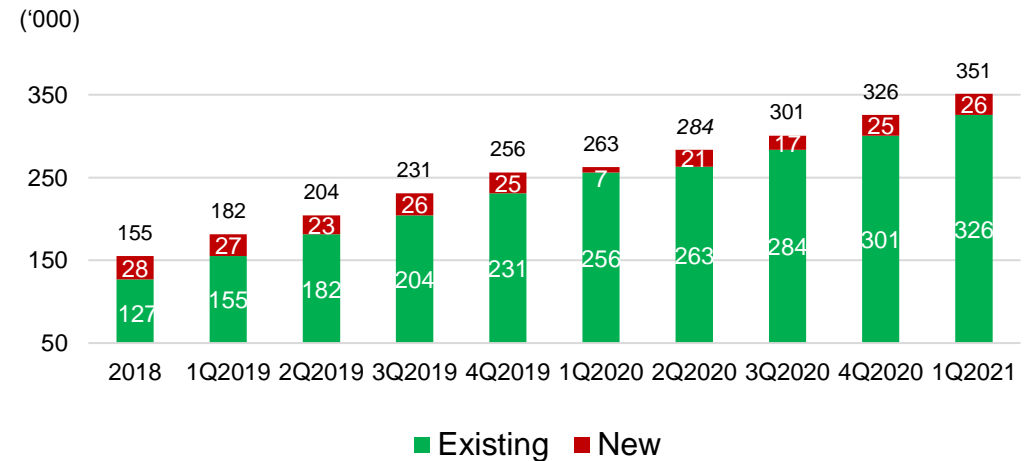


Year Commenced Operations	Oct 2014
GFA (sqm)	68,791
NLA (sqm)	47,308
Occupancy Rate (% , 31 Mar 21)	81.0
No. of Tenants (31 Mar 21)	201
Top Brands/Tenants	Nike, +39 Space, Adidas, FILA, Maniform
Car Park Lots	400
Valuation (RMB mil, 31 Dec 20)	809

Sales



Outlet Members

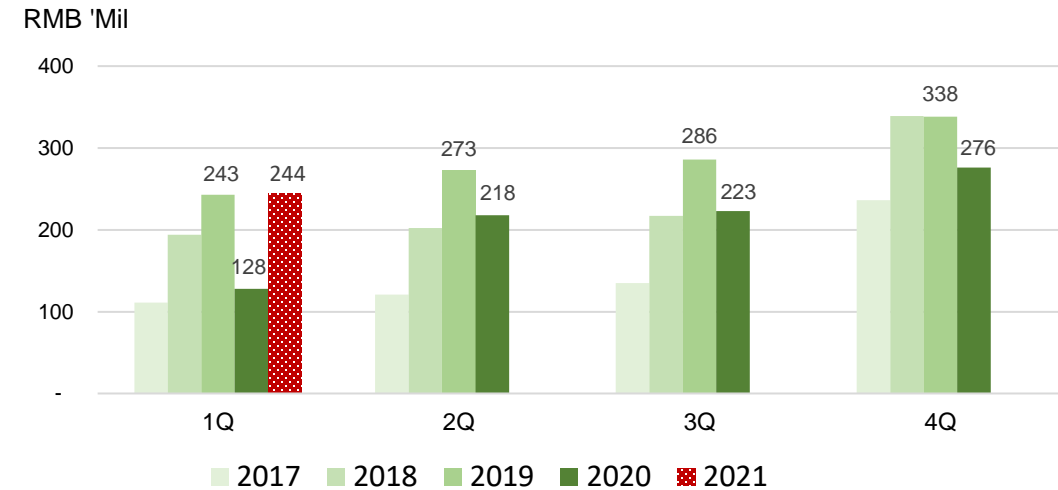


Hefei Outlets

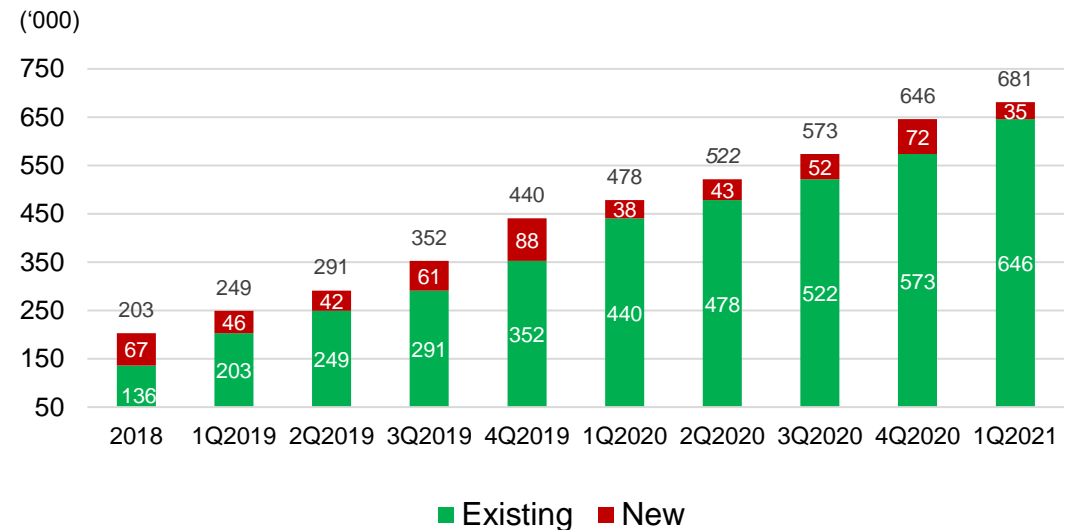


Year Commenced Operations	May 2016
GFA (sqm)	147,316
NLA (sqm)	144,583
Occupancy Rate (% , 31 Mar 21)	95.2
No. of Tenants (31 Mar 21)	346
Top Brands/Tenants	Nike, Adidas, +39 Space, Coach, FILA
Car Park Lots	1,566
Valuation (RMB mil, 31 Dec 20)	2,758

Sales



Outlet Members

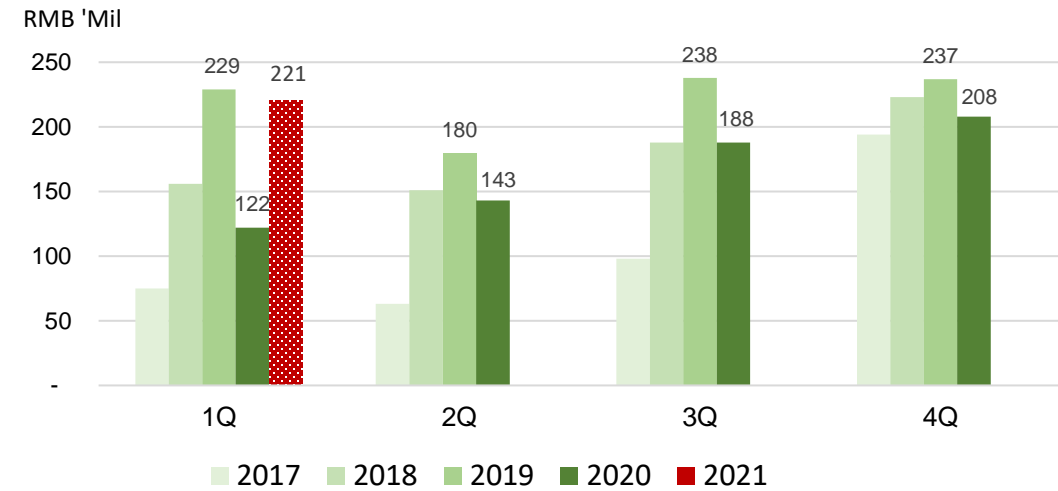


Kunming Outlets

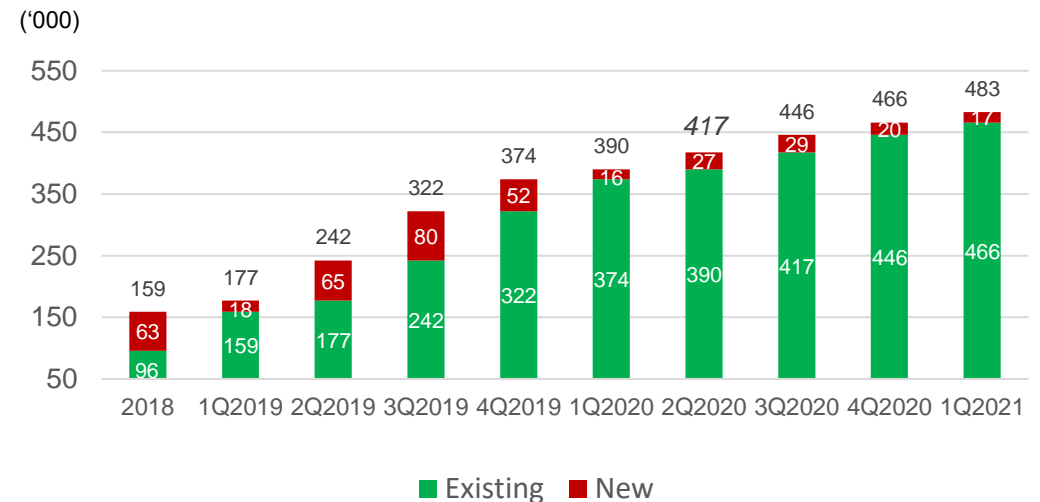


Year Commenced Operations	Dec 2016
GFA (sqm)	88,257
NLA (sqm)	70,067
Occupancy Rate (% , 31 Mar 21)	96.1
No. of Tenants (31 Mar 21)	245
Top Brands/Tenants	Nike, Adidas, +39 Space, Coach, Li-Ning, FILA
Car Park Lots	2,000
Valuation (RMB mil, 31 Dec 20)	1,593

Sales



Outlet Members



Potential Pipelines



- All acquisitions must be yield accretive
- Reduce concentration risk, explore other parts of the World
- 7 out of 12 Pipeline Properties are in operation

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	Yangzhou	Xiamen	Suzhou	Nanjing II	Shijiazhuang	Shanghai	Shenzhen
Opening Date	May 2015	Jun 2011	Sep 2017	Dec 2018	Dec 2019	Sep 2020	Nov 2020	Sep 2021	Apr 2022	Sep 2022	~ 2022	~ 2022
GFA (sqm)	149,875	45,873	172,128	210,600	~100,000	114,650	74,987	~77,843	~100,000	~83,000	~109,000	~150,000
Car Park Lots	c.8,000	c.5,000	c.4,000	c.2,084	c.2,500	c.1,200	c.1,500	c. 1,500	c. 1,100	c. 3,500	c.2,500	c.2,200

Investment Merits



SASSEUR (KUNMING) OUTLETS

Key Milestone and Awards



FTSE EPRA NAREIT Global Emerging Market Index Inclusion¹

1

Most Promising REIT in Asia

By: Fortune Times REITs Pinnacle Awards 2018

2

Best Retail REIT (Platinum)

Best CEO (Platinum)

Best Investor Relations (Gold)

By: 6th Asia Pacific REITs Awards 2019

3

Best REIT Deal in Southeast Asia 2018

By: Alpha Southeast Asia 12th Annual Best Deal & Solution Awards 2018

4

REIT Company of The Year – Singapore 2019

By: International Investor Magazine

5

Best Retail REIT (Platinum)

Best CEO (Platinum)

Best Investor Relations (Platinum)

By: 7th Asia Pacific REITs Awards 2020

6

Best Commercial REIT Asia 2020

By: Capital Finance International

1. Since 23 December 2019.

Investment Merits



1

Market Leadership: Sasseur Group is one of the largest outlet operator in China, with 13 outlets and over 13 years of operating experience

2

Unique Art-Commerce Business model : Full alignment of interests of tenants, REIT unitholders, the REIT and entrusted managers, with the potential for sharing upsides

3

Proactive Asset Management Strategy : Focus on asset enhancement and organic growth and yield accretive acquisitions

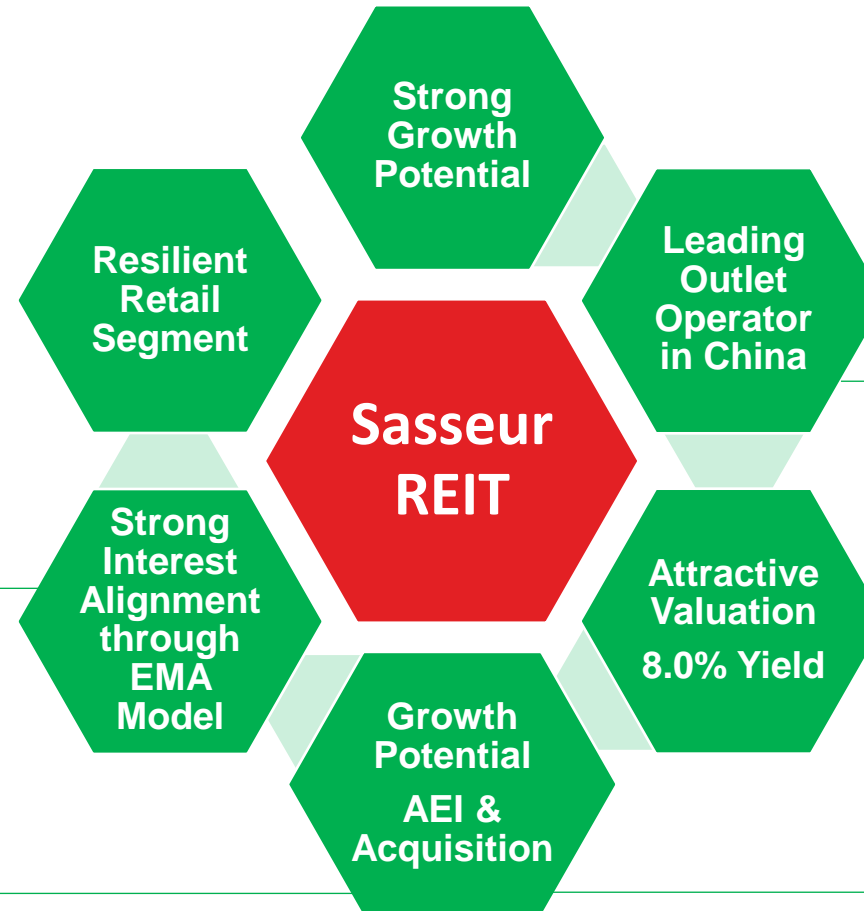
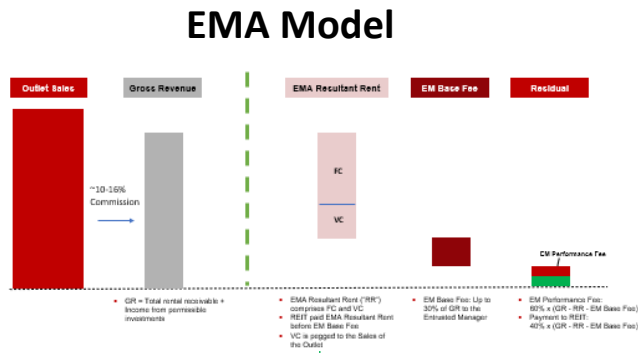
4

Resilient Retail Segment : High growth sector offering attractive value-for-money branded products that cater to the rising aspirations and demand of the expanding Chinese middle class

5

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

Why Sasseur REIT ?



13 Outlets



Leveraging on Strong Sponsor Support
✓ 2 ROFR, 12 pipelines

Ongoing AEI



Chongqing



Hefei



Thank You



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