17 August 2026

BUY
TP: SGD 0.87
▲ 23.2%

Sasseur REIT

SASSR SP

Robust 1H26 DPU growth

1H26 DPU increased +10% YoY to S$3.366c (~55% of our FY26E forecast), underpinned by +7.4% YoY increase in variable component (in RMB terms) and strengthening of RMB. SASSR saw record 1H portfolio tenant sales (+7.4% YoY in 1H26), with Chongqing Liangjiang and Chongqing Bishan outlets delivering stable sales growth. It also lowered its borrowing costs by -0.2ppt QoQ to 3.7% at 30Jun26. We maintained our FY26-28E DPU forecasts. SASSR trades attractively at 9.2% FY27E yield. Reiterate BUY.

- **1H26 results broadly within our expectations:** 1H26 EMA rental income increased +4.7% YoY to S$62.5m, largely due to an increase in variable component (in RMB terms) and strengthening of RMB. Similarly, 1H26 DI increased by +11.5% YoY to S$47.3m, mainly due to lower finance costs. After retaining 10% of 1H26 DI for onshore loan principal repayment and Capex, its 1H26 DPU increased by +10.2% YoY to S$3.366c, forming 55% of our FY26E forecast.
- **Record 1H portfolio tenant sales:** Its portfolio tenant sales increased by +2.1% YoY in 2Q26, bringing 1H26 figure to RMB2,345m (+7.4% YoY), with Chongqing Liangjiang and Chongqing Bishan outlets generating stable sales growth (+3.7% and +3.5% YoY, respectively). Meanwhile, tenant sales growth at Hefei and Kunming outlets decelerated in 2Q26, due to AEI and tenant mix reconfiguration. Nevertheless, we expect tenant sales at these two outlets to rebound in 2H26.
- **Sustaining robust portfolio occupancies:** 2Q26 portfolio occupancies were lower by -1.3ppt QoQ to 97.2%, mainly due to the turnover of major F&B tenants and the resulting lower occupancy at Hefei outlet (-3.5ppt to 93.7%). However, SASSR has already secured replacement tenants, which should drive a rebound in Hefei outlet's occupancy in 2H26. SASSR plans to reposition its premium international brands to another building to anchor a retail zone in 3Q26, with the former retail space to be transformed into a sports and athleisure hub in 4Q26.
- **Lower borrowing costs on QoQ basis:** SASSR has structured 100% of its bank borrowings in RMB to maximise natural hedging and mitigate the impact of FX fluctuations. It also lowered its borrowing costs by -0.2ppt QoQ to 3.7% at 30Jun26. SASSR has continued to maintain a low gearing ratio of 25.6% at 30Jun26.
- **Reiterate BUY:** We maintained our FY26-28E DPU forecasts. Nevertheless, we raised our DDM-based TP to S$0.87/unit as we rolled forward our valuation to FY27E. SASSR trades attractively at 0.9x FY27E P/B and 9.2% yield, with DPU growing at a CAGR of 2.9% from FY25-27E.

Financial highlights

Y/E 31 Dec (SGD'm)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	124	121	128	134	140
Distribution income	83	86	86	91	95
Outstanding shares (M)	1,251	1,260	1,272	1,285	1,298
DPU (SGD cts)	6.1	6.1	6.1	6.5	6.8
DPU growth (%)	-2.7%	0.9%	-0.3%	6.2%	4.3%
Yield (%)	8.6%	8.6%	8.6%	9.2%	9.5%
BV per share	0.83	0.79	0.80	0.79	0.79
P/B (x)	0.9	0.9	0.9	0.9	0.9

Source: Company, SSCM Research; Prices based on 14 August 2026

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PRICE CLOSE (14 August 2026)
SGD 0.710

MARKET CAP
SGD 898.0 mln
USD 702.0 mln

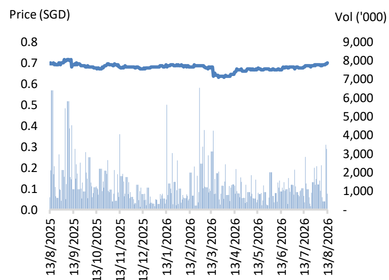
SHARES O/S
1,264.7 mln

FREE FLOAT
55.8%

3M AVG DAILY VALUE
SGD 0.890 mln / USD 0.692 mln

52 WK HIGH	52 WK LOW
SGD 0.720	SGD 0.630

Target Price	SGD 0.87



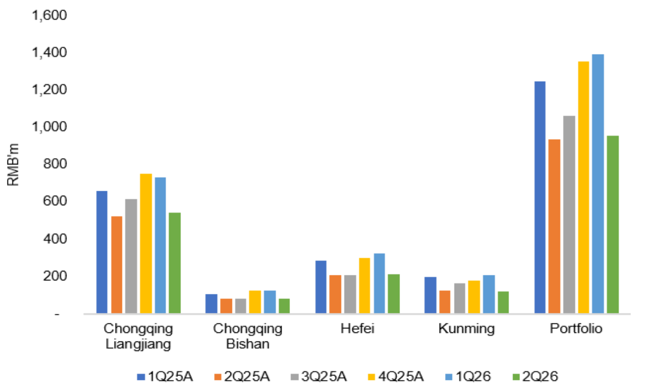
Operational Review

Fig 1 - 1H26 Results Highlights

FY 31Dec (S$'m)	1H26	1H25	*YoY %*	2H25	*HoH %*	FY26E	*% FY26E*	Remarks
EMA Rental Income	62.5	59.7	*4.7%*	61.3	*1.9%*	127.7	*49%*	
EMA Rental Income (exclude straight-line adjustments)	65.4	61.3	*6.8%*	62.9	*4.0%*	130.9	*50%*	Due to RMB strengthening and +7.4% YoY rise of variable component in RMB terms
Finance Costs	(8.3)	(11.9)	*-29.8%*	(11.7)	*-29.1%*	(21.6)	*39%*	Avg. cost of debt declined from 4.4% in FY25 to 3.7% in 1H26
Net Income	33.7	42.9	*-21.5%*	20.4	*65.3%*	80.4	*42%*	
Distributable Income	**47.3**	**42.4**	***11.5%***	**43.3**	***9.4%***	**85.6**	***55%***	Change in the REIT Manager's base fee to 40% in cash (vs 30% in 1H25)
Distribution to Unitholders	**42.6**	**38.4**	***11.0%***	**38.8**	***9.6%***	**77.9**	***55%***	Retention of 10% of DI in 1H26 (vs 9.5% in 1H25)
DPU (S$c)	**3.366**	**3.055**	***10.2%***	**3.083**	***9.2%***	**6.131**	***55%***	

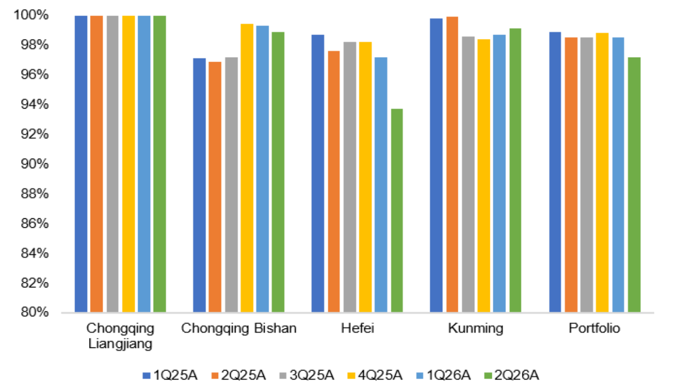
Source: SSCM Research, Company

Fig 2 - Portfolio tenant sales +2.1% YoY in 2Q26



Source: Company

Fig 3 - Portfolio occupancies at 97.2% in 2Q26



Source: Company

Peer Comparison

Fig 4 - Peer Comparison Table for Singapore and China Retail REIT

Ticker	Name	Market Cap (S$m)	P/B (x)	FY25-27E DPU Growth (%)	Dividend yield (%) FY26E	Dividend yield (%) FY27E
SASSR SP	SASSEUR REIT	885	0.89	2.9	8.6	9.2
Singapore Retail REITs Avg.			**0.86**	**3.0**	**5.9**	**6.1**
CICT SP Equity	CapitaLand Integrated Commercial Trust	19,329	1.14	3.8	4.9	5.1
FCT SP Equity	Frasers Centrepoint Trust	4,486	0.98	2.0	5.5	5.7
LREIT SP Equity	Lendlease Global Commercial REIT	1,880	0.81	4.1	6.7	6.9
MPACT SP Equity	Mapletree Pan Asia Commercial Trust	6,764	0.74	0.6	6.3	6.3
SGREIT SP Equity	Starhill Global REIT	1,231	0.75	1.3	7.2	7.2
SUN SP Equity	Suntec Real Estate Investment Trust	4,531	0.75	6.2	5.0	5.2
China Retail REITs Avg.			**0.64**	**-1.0**	**7.2**	**7.2**
CLCT SP Equity	CapitaLand China Trust	1,142	0.64	-1.0	7.2	7.2

Source: SSCM Research, Bloomberg, Prices based on 14Aug26

Financial Statements

Income Statement

Y/E 31 Dec (in SGD'm)	FY24A	FY25A	FY26E	FY27E	FY28E
Gross Revenue	123.7	121.0	127.7	133.7	140.3
Gross Revenue Growth Rate	***-2.4%***	***-2.2%***	***5.6%***	***4.7%***	***4.9%***
Property Expenses	0.0	0.0	0.0	0.0	0.0
Net Property Income	**123.7**	**121.0**	**127.7**	**133.7**	**140.3**
Trustee-Manager's fees	(8.3)	(8.8)	(8.6)	(10.3)	(10.4)
Trustee's fee	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Trust and administrative expenses	(0.9)	(1.4)	(1.4)	(1.4)	(1.4)
EBIT	**114.2**	**110.5**	**117.5**	**121.8**	**128.2**
EBIT Margin	***92.3%***	***91.3%***	***92.0%***	***91.1%***	***91.4%***
Interest Income	0.3	0.1	0.2	0.2	0.2
Interest Expense	(24.7)	(23.6)	(21.6)	(19.9)	(19.9)
Exceptional Gains/(Losses)	(2.4)	(0.7)	0.0	0.0	0.0
EBT	**87.4**	**86.3**	**96.1**	**102.1**	**108.5**
Tax	(17.2)	(15.2)	(18.9)	(20.0)	(22.3)
Net Income	**70.2**	**71.1**	**77.2**	**82.1**	**86.2**
Net Gains from revaluation of properties	(14.2)	(7.8)	3.2	3.2	3.2
Total Return for the year	**56.1**	**63.3**	**80.4**	**85.3**	**89.4**
Income available for distribution	**83.3**	**85.7**	**85.6**	**90.7**	**95.1**
DPU (cents)	**6.08**	**6.14**	**6.12**	**6.50**	**6.78**
DPU Growth Rate	***-2.7%***	***0.9%***	***-0.3%***	***6.2%***	***4.3%***

Balance Sheet

Y/E 31 Dec (in SGD'm)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash	174.3	182.1	197.7	212.3	227.4
Trade Receivables	4.8	5.4	5.8	6.1	6.5
Other Current Assets	15.2	16.8	16.8	16.8	16.8
Current Assets	**194.4**	**204.3**	**220.3**	**235.2**	**250.7**
Investment Properties	1,582.3	1,536.3	1,536.3	1,536.3	1,536.3
Plant & Equipment	0.5	0.4	0.4	0.4	0.4
Non-Current Assets	**1,582.8**	**1,536.6**	**1,536.6**	**1,536.6**	**1,536.6**
Total Assets	**1,777.2**	**1,740.9**	**1,756.9**	**1,771.8**	**1,787.3**
Trade Payables	141.2	139.3	147.8	155.7	164.3
OD & ST Debt	5.5	7.0	7.0	7.0	7.0
Current Tax Liabilities	42.8	40.3	40.3	40.3	40.3
Other ST Liabilities	0.1	0.0	0.0	0.0	0.0
Current Liabilities	**189.5**	**186.7**	**195.2**	**203.0**	**211.6**
LT Debt	372.3	214.1	213.8	213.6	213.4
Deferred Tax Liabilities	119.5	119.5	119.5	119.5	119.5
Other LT Liabilities	57.9	215.5	215.5	215.5	215.5
Non-Current Liabilities	**549.7**	**549.1**	**548.8**	**548.6**	**548.4**
Total Liabilities	**739.2**	**735.7**	**744.0**	**751.7**	**760.0**
Total Unitholders' Equity	**1,038.0**	**1,005.2**	**1,012.9**	**1,020.2**	**1,027.3**
Total Liabilities and Equity	**1,777.2**	**1,740.9**	**1,756.9**	**1,771.8**	**1,787.3**

Cash Flow Statement

Y/E 31 Dec (in SGD'm)	FY24A	FY25A	FY26E	FY27E	FY28E
Pre-tax Profit	87.4	86.3	96.1	102.1	108.5
Interest received	0.2	0.2	0.2	0.2	0.2
Tax Paid	(9.4)	(10.4)	(18.9)	(20.0)	(22.3)
Other Non-Cash Adjustments	34.2	35.3	29.8	28.4	28.6
Changes in Non-Cash Work Cap	3.4	(4.9)	8.1	7.5	8.2
Cash From Operations	**115.9**	**106.5**	**115.3**	**118.2**	**123.2**
Acquisition of Investment Properties	0.0	0.0	0.0	0.0	0.0
CapEx on investment properties	(1.1)	(1.1)	0.0	0.0	0.0
Addition of Plant & Equipment	(0.5)	0.0	0.0	0.0	0.0
Cash from Investing Activities	**(1.6)**	**(1.1)**	**0.0**	**0.0**	**0.0**
Distribution to Unit Holders	(56.9)	(75.0)	(77.9)	(83.5)	(88.0)
Net Change in Gross Debt	(5.4)	(156.4)	(0.2)	(0.2)	(0.2)
Issue of Units (net of Expenses)	0.0	0.0	0.0	0.0	0.0
Other Financing Activities	(20.0)	143.2	(21.6)	(19.9)	(19.9)
Cash from Financing Activities	**(82.3)**	**(88.3)**	**(99.7)**	**(103.6)**	**(108.1)**
Net Changes in Cash	**32.0**	**17.2**	**15.6**	**14.6**	**15.1**

Per Share Data

Y/E 31 Dec (SGD)	FY24A	FY25A	FY26E	FY27E	FY28E
EPU	0.04	0.05	0.06	0.07	0.07
DPU	0.06	0.06	0.06	0.06	0.07
BVPU	0.83	0.79	0.80	0.79	0.79

Valuation Ratios

Y/E 31 Dec (x)	FY24A	FY25A	FY26E	FY27E	FY28E
P/E	15.8	14.1	11.2	10.6	10.3
P/B	0.9	0.9	0.9	0.9	0.9

Financial Ratios

Y/E 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
Profitability & Return Ratios (%)					
EBIT margin	92.3	91.3	92.0	91.1	91.4
Net profit margin	56.8	58.8	60.5	61.4	61.4
ROE	6.8	7.1	7.6	8.0	8.4
ROCE	7.2	7.1	7.5	7.8	8.1
Working Capital & Liquidity Ratios					
Receivables (days)	1.0	1.1	1.1	1.2	1.2
Payables (days)	1.0	1.1	1.1	1.2	1.2
Current ratio (x)	0.9	1.0	1.0	1.0	1.1
Turnover & Leverage Ratios (x)					
Total asset turnover	0.07	0.07	0.07	0.08	0.08
Gearing Ratio	0.25	0.25	0.25	0.25	0.24

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