



DASIN RETAIL TRUST
大信商用信托

(a business trust constituted on 15 January 2016
under the laws of the Republic of Singapore)

**THE PROPOSED ACQUISITION OF DOUMEN METRO MALL AS AN INTERESTED PERSON
TRANSACTION**

For illustrative purposes, certain RMB amounts have been translated into Singapore dollars. Unless otherwise indicated, such translations have been made based on the illustrative exchange rate of S\$1.00 = RMB5.00. Such translations should not be construed as representations that RMB amounts referred to could have been, or could be, converted into Singapore dollars, as the case may be, at that or any other rate or at all.

1. INTRODUCTION

Dasin Retail Trust Management Pte. Ltd., as trustee-manager of Dasin Retail Trust (the "**Trustee-Manager**"), is pleased to announce that the Trustee-Manager, on behalf of Dasin Retail Trust, has entered into a sale and purchase agreement (the "**Sale and Purchase Agreement**") with Mr. Zhang Zhencheng, the Chairman and Non-Executive Director of the Trustee Manager (the "**Vendor**") and Zhongshan Dasin Real Estate Co., Ltd. (the "**Sponsor**") to acquire Doumen Metro Mall located at No. 328 Zhongxing Middle Road, Jingan Town, Doumen District, Zhuhai, Guangdong Province, PRC (the "**Property**") via the acquisition of all the equity interests (the "**Sale Share**") in Singapore Jiaxin Commercial Holdings Pte. Ltd. (the "**Doumen Holdco**"), and the acquisition of the Property, the "**Acquisition**").

The Doumen Holdco is the holding company of Jia Xin Holdings Pte. Ltd., which in turn owns all the equity interests in Zhuhai Xinmingyang Investments Co., Ltd. (珠海新名扬投资有限公司) (the "**Doumen PRC Property Company**"), which holds the Property, and Zhuhai Doumen Dasin Metro-Mall Commercial Management Co., Ltd. (珠海市斗门大信新都汇商业管理有限公司) (the "**Doumen Rental Management Company**"), the rental management company of the Property, through its wholly-owned Singapore holding companies, Jia Xin Investments Pte. Ltd. and Jia Xin Management Pte. Ltd. (collectively, the "**Singapore Holding Companies**").

The Property was initially indirectly owned by Zhongshan Dasin Management and Investment Co., Ltd. ("**Dasin Management and Investment**") and the Sponsor holding 70.0% and 30.0% of the interests in the Doumen PRC Property Company, respectively. The Doumen Rental Management Company was initially owned by Zhongshan Dasin Metro-Mall Merchant Investment Co., Ltd. (中山市大信新都汇商业投资有限公司) ("**Dasin Merchant Investment**"), a subsidiary of Dasin Management and Investment. On 18 February 2019, the Vendor, through the Singapore Holding Companies, acquired from Dasin Management and Investment and the Sponsor their respective equity interests in the Doumen PRC Property Company, and acquired from Dasin Merchant Investment its equity interests in the Doumen Rental Management Company for approximately S\$77.7 million (RMB388.7 million) (the "**PRC Acquisition**").

2. THE PROPOSED ACQUISITION OF DOUMEN METRO MALL

2.1. Description of the Property

The Property is a shopping mall located at No. 328 Zhongxing Middle Road, Jingan Town, Doumen District, Zhuhai, Guangdong Province, PRC, with a gross floor area ("**GFA**") of approximately 168,268.7 sq m (including car park and other facilities space). The Property is a large-scale integrated shopping mall that provides a one-stop destination for leisure and entertainment, F&B and retail activities, and comprises two basement levels of car park space and six levels above ground.

The table below sets out a summary of selected information on the Property as at 31 March 2019 (unless otherwise stated).

Property	Doumen Metro Mall
Location	No. 328 Zhongxing Middle Road, Jingan Town, Doumen District, Zhuhai, Guangdong Province, PRC
Month of Commencement of Operations	October 2018
GFA	Approximately 168,268.7 sq m (including car park and other facilities space of 60,532.8 sq m)
Net Lettable Area ("NLA")	Approximately 75,637.9 sq m
Number of Storeys	Eight storeys (six storeys and two underground storeys)
Car Park Lots	Approximately 1,200 car park lots
Permitted Land Use	Commercial
Expiry of Land Use Rights	12 October 2052
Valuation by D&P China (HK) Limited ("D&P")	S\$422.4 million (RMB2,112.0 million)
Valuation by Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("JLL")	S\$420.0 million (RMB2,100.0 million)
Agreed Property Value¹	S\$317.1 million (RMB1,585.3 million)
Occupancy Rate	99.7%

¹ "**Agreed Property Value**" means the agreed property value of the Property, which was negotiated on a willing-buyer and willing-seller basis taking into account the independent valuations conducted by the Independent Valuers (as defined herein).

Weight Average Lease Expiry ("WALE")	By gross rental income for the month of March 2019: 5.8 years By NLA: 11.9 years
Pro forma Net Property Income ("NPI") Yield for FY2018²	4.6%

2.2. Share Consideration and Valuation

The share consideration, to be satisfied fully in cash, is estimated to be S\$61.3 million (RMB306.4 million) payable to the Vendor in connection with the Acquisition (the "**Share Consideration**") which is equal to the adjusted consolidated net asset value (the "**Adjusted NAV**") of Doumen Holdco and its subsidiaries as at completion of the Acquisition ("**Completion**") calculated based on the agreed purchase price for the Property of S\$317.1 million (RMB1,585.3 million) (the "**Agreed Property Value**") less the total net liabilities of Doumen Holdco and its subsidiaries of approximately S\$255.8 million (RMB1,278.9 million)³, and subject to post-Completion adjustments, but provided always that the final Share Consideration payable to the Vendor shall not in any case exceed S\$61.3 million (RMB306.4 million). The Trustee-Manager and the Vendor have agreed that the Vendor shall indemnify the Trustee-Manager for any decrease in the Adjusted NAV of Doumen Holdco and its subsidiaries as reflected in the completion balance sheet compared to the agreed Adjusted NAV of Doumen Holdco and its subsidiaries of S\$61.3 million (RMB306.4 million).

The Trustee-Manager has commissioned two independent property valuers, D&P and JLL (collectively, the "**Independent Valuers**"), to value the Property. In arriving at the open market value of the Property, both D&P and JLL relied on the discounted cash flow method and the income capitalisation method.

The Agreed Property Value of S\$317.1 million (RMB1,585.3 million) was negotiated on a willing-buyer and willing-seller basis after taking into account the two independent valuations of the Property by the Independent Valuers.

The Agreed Property Value of S\$317.1 million (RMB1,585.3 million) represents a discount of approximately 24.9% to D&P's valuation of S\$422.4 million (RMB2,112.0 million) and a discount of approximately 24.5% to JLL's valuation of S\$420.0 million (RMB2,100.0 million).

2.3. Certain Principal Terms and Conditions of the Sale and Purchase Agreement

The Trustee-Manager, on behalf of Dasin Retail Trust, has entered into the Sale and Purchase Agreement with the Vendor and the Sponsor dated 30 June 2019.

The key terms of the Sale and Purchase Agreement include, among others, the following conditions precedent:

- (i) the completion of the sale and purchase agreements in respect of the Doumen PRC Property Company and the Doumen Rental Management Company;
- (ii) there being no breach of any clause of the Sale and Purchase Agreement (including any of the warranties);

² The pro forma NPI yield of the Property for FY2018 is computed by dividing the pro forma NPI of the Property for FY2018 by the Agreed Property Value. The pro forma NPI and NPI yield have been provided for illustrative purposes only and should not be construed as a representation, projection or forecast of future NPI.

³ Based on the unaudited pro forma consolidated balance sheet of Doumen Holdco and its subsidiaries as at 31 December 2018.

- (iii) the passing at an extraordinary general meeting of the unitholders of Dasin Retail Trust (the "**Unitholders**") of a resolution to approve the acquisition of the Doumen Holdco; and
- (iv) there being no breach of the warranties given by the Vendor and the Sponsor in Schedule 4 of the Sale and Purchase Agreement.

The Sale and Purchase Agreement also provides for certain customary representations and warranties made by the Vendor and the Sponsor as sellers to the Trustee-Manager. In addition, it states that the Vendor and the Sponsor will jointly and severally indemnify the Trustee-Manager against any losses, damages, liabilities, costs (including, without limitation, legal costs), charges, expenses, deficiencies, actions, proceedings, claims and demands, including for the avoidance of doubt, any tax on any payment pursuant to any indemnity under the Sale and Purchase Agreement, which the Trustee-Manager or any of the Doumen Holdco and/or its subsidiaries may suffer arising out of or in connection with a breach of any of the warranties given by the Vendor and the Sponsor in the Sale and Purchase Agreement.

2.4. Property Manager and Commercial Manager in respect of the Property

In connection with the Acquisition, the Doumen Rental Management Company had on 28 June 2019 entered into a property management agreement with Zhongshan Jixin Property Management Co., Ltd, Zhuhai Branch (中山市基信物业管理有限公司珠海分公司) (the "**Property Manager**") to appoint the Property Manager to provide property management services in respect of the Property (the "**Property Management Agreement**") and a commercial management agreement with Zhongshan Commercial Property Management Co., Ltd., Zhuhai Branch (中山市大信商用物业管理有限公司珠海分公司) (the "**Commercial Manager**") to appoint the Commercial Manager to provide marketing services in respect of the Property (the "**Commercial Management Agreement**"), respectively, based on terms similar to the existing property management agreements and commercial management agreements entered into by Dasin Retail Trust with the Property Manager and the Commercial Manager in respect of the four properties comprised in its Existing Portfolio (as defined herein).

As both the Property Manager and the Commercial Manager are associated companies of the Sponsor and are therefore "interested persons" of Dasin Retail Trust, the fees and expenses payable to the Property Management under the Property Management Agreement and to the Commercial Manager under the Commercial Management Agreement will be included in the aggregated value of total interested person transactions pursuant to Rules 905 and 906 of the Listing Manual.

The aggregate fees payable to the Property Manager and the Commercial Manager under the Property Management Agreement and the Commercial Management Agreement, respectively, are estimated to be S\$9.7 million, which is approximately 1.2% of the audited net tangible assets ("**NTA**") of Dasin Retail Trust as at 31 December 2018.

The Trustee-Manager is also considering implementing a master property management agreement and a master commercial management agreement between Dasin Retail Trust and the Property Manager and the Commercial Manager (as the case may be) in order to streamline the property management services and commercial management services in respect of the four properties comprised in its Existing Portfolio as well as any other properties the Trustee-Manager may acquire in the future (including the Property). The entry into such master property management agreement and/or master commercial management agreement in the future will be subject to and in accordance with Rules 905 and 906 of the Listing Manual.

2.5. Estimated Total Acquisition Cost

The total cost of the Acquisition (the "**Total Acquisition Cost**") is currently estimated to be approximately S\$274.8 million (RMB1,373.7 million), comprising:

- (i) the Share Consideration estimated to be S\$61.3 million (RMB306.4 million) payable to the Vendor in connection with the Acquisition which is equal to the Adjusted NAV of the Doumen Holdco and its subsidiaries as at Completion calculated based on the Agreed Property Value of S\$317.1 million (RMB1,585.3 million) less the total net liabilities of Doumen Holdco and its subsidiaries of approximately S\$255.8 million (RMB1,278.9 million)⁴, and subject to post-Completion adjustments, but provided always that the final Share Consideration payable to the Vendor shall not in any case exceed S\$61.3 million (RMB306.4 million);
- (ii) the repayment of existing indebtedness of Doumen Holdco and its subsidiaries of approximately S\$201.2 million (RMB1,005.9 million), comprising (a) existing indebtedness of the Singapore Holding Companies of approximately S\$77.7 million (RMB388.7 million) due to Dasin Management and Investment, the Sponsor and Dasin Merchant Investment as consideration for the PRC Acquisition; (b) outstanding onshore construction loans of the Doumen PRC Property Company of approximately S\$98.0 million (RMB490.0 million); and (c) construction payables of approximately S\$25.5 million (RMB127.2 million) due to contractors in connection with construction works for the Property;
- (iii) an acquisition fee (the "**Acquisition Fee**") of approximately S\$2.0 million payable in units of Dasin Retail Trust ("**Units**") to the Trustee-Manager (the "**Acquisition Fee Units**"); and
- (iv) the estimated professional and other fees and expenses incurred or to be incurred by Dasin Retail Trust in connection with the Acquisition of approximately S\$10.3 million, comprising equity financing related expenses of approximately S\$2.5 million, acquisition related expenses of approximately S\$1.5 million and debt upfront fees of approximately S\$6.3 million.

2.6. Proposed Method of Financing the Acquisition

The Trustee-Manager intends to finance the Acquisition through a combination of debt and equity financing. The equity financing will be in the form of a proposed issue and private placement of new Units ("**New Units**") (the "**Private Placement**", which together with the Acquisition, will be collectively referred to as the "**Proposed Transaction**"), while debt financing will be in the form of a drawdown from Dasin Retail Trust's debt facilities.

2.7. Payment of Acquisition Fee in Units

Pursuant to the deed of trust dated 15 January 2016 constituting Dasin Retail Trust (as amended) (the "**Trust Deed**"), the Trustee-Manager has, at its discretion, elected to receive its Acquisition Fee in the form of Acquisition Fee Units. In accordance with the Trust Deed, the Acquisition Fee Units will be issued at the same issue price as the New Units issued under the Private Placement. Based on the illustrative issue price of S\$0.836 per Unit (the "**Illustrative Issue Price**"), the number of Acquisition Fee Units issued will be approximately 2.35 million.

2.8. The Aqua Wealth Placement

New Units may be placed to Aqua Wealth Holdings Limited ("**Aqua Wealth**") as part of the Private Placement (the "**Aqua Wealth Placement**"). To demonstrate its commitment to Dasin Retail Trust and to align its interest with other Unitholders, Aqua Wealth may subscribe for up to 14.0 million New Units under the Private Placement.

⁴ Based on the unaudited pro forma consolidated balance sheet of Doumen Holdco and its subsidiaries as at 31 December 2018.

3. RATIONALE FOR AND KEY BENEFITS OF THE PROPOSED TRANSACTION

The Trustee-Manager believes that the Proposed Transaction will bring the following key benefits to Unitholders:

3.1. Strengthening of foothold in the fast-developing Greater Bay Area

The Acquisition represents an opportunity for Dasin Retail Trust to acquire a prime asset in Doumen District in Zhuhai, within the fast-developing Guangdong-Hong Kong-Macau Greater Bay Area (the "**Greater Bay Area**").

As part of the Greater Bay Area, Zhuhai has regional development advantages and is favourably positioned to benefit from the spill-over consumption purchasing power of neighbouring cities such as Hong Kong, Macau, Guangzhou and Shenzhen. As at the end of 2018, Zhuhai's GDP increased by 8.0% year-on-year to RMB291.5 billion, with a resident population of 1,891,100⁵. Zhuhai is expected to benefit significantly from supportive governmental policies aimed at supporting the cooperation and development of the Greater Bay Area under the provincial Government's development plan.

Doumen District, where the Property is located, is the second largest district in Zhuhai in terms of resident population. The district is located at the intersection of Zhuhai, Zhongshan and Jiangmen and within the core circle of Guangdong, Hong Kong and Macau. As at the end of 2018, Doumen District's GDP grew 8.0% to RMB38.8 billion⁶. The total retail sales of social consumer goods increased by 7.3% year-on-year to RMB14.0 billion⁷. Doumen Metro Mall focuses on Jingan Town and some areas of Baijiao Town as the core business district, and strives to attract customers from Doumen and Zhuhai. The entry of Doumen Metro Mall is conducive to filling the gap in the commercial market, gradually expanding the scope of the business circle and seizing development opportunities.

The existing portfolio of Dasin Retail Trust comprises four retail malls in Zhongshan (the "**Existing Portfolio**"), and together with the Property, the "**Enlarged Portfolio**"). The Proposed Transaction will expand its presence beyond Zhongshan and increase its portfolio assets in the Greater Bay Area, thereby strengthening its foothold in the Greater Bay Area.

⁵ Source: 《2018年珠海市国民经济和社会发展统计公报》 published by the Statistics Bureau of Zhuhai at <http://www.stats-zh.gov.cn/tjsj/tjzl/tjpcqb/201904/P020190402320663300111.pdf> (last accessed on 28 June 2019). The Statistics Bureau of Zhuhai has not provided its consent to the inclusion of the information cited and attributed to it in this announcement and therefore is not liable for such information. While the Trustee-Manager has taken reasonable action to ensure that such information has been reproduced in its proper form and context, neither the Trustee-Manager nor any other party has conducted an independent review of such information or verified the accuracy of the contents of such information.

⁶ Source: 《2018年斗门区经济运行简况》 published by The People's Government of Doumen District, Zhuhai City at <http://www.doumen.gov.cn/doumen/tjxx/201902/7e7d40969f6e4eb4a5da5d64837eb2b9.shtml> (last accessed on 28 June 2019). The People's Government of Doumen District, Zhuhai City has not provided its consent to the inclusion of the information cited and attributed to it in this announcement and therefore is not liable for such information. While the Trustee-Manager has taken reasonable action to ensure that such information has been reproduced in its proper form and context, neither the Trustee-Manager nor any other party has conducted an independent review of such information or verified the accuracy of the contents of such information.

⁷ Source: 《2018年斗门区经济运行简况》 published by The People's Government of Doumen District, Zhuhai City at <http://www.doumen.gov.cn/doumen/tjxx/201902/7e7d40969f6e4eb4a5da5d64837eb2b9.shtml> (last accessed on 28 June 2019). The People's Government of Doumen District, Zhuhai City has not provided its consent to the inclusion of the information cited and attributed to it in this announcement and therefore is not liable for such information. While the Trustee-Manager has taken reasonable action to ensure that such information has been reproduced in its proper form and context, neither the Trustee-Manager nor any other party has conducted an independent review of such information or verified the accuracy of the contents of such information.

3.2. Strategic acquisition of a strong-performing asset

The Acquisition is consistent with the Trustee-Manager's strategy of acquiring quality income-producing real estate properties in Greater China that provide attractive cash flows and yields, to enhance returns to Unitholders and improve potential opportunities for future income and capital growth.

The competitive strengths of the Property include the following:

3.2.1. Strategic location with good accessibility

The Property is situated along Zhongxing Road, a main road with substantial traffic flow. Zhongxing Road is easily accessible via the Guangdong Western Coastal Expressway, which intersects the Jiangmen-Zhuhai Expressway near the Property. The strategic geographic location of the Property makes it easily accessible to shoppers within its vicinity and from the surrounding areas, contributing to strong footfall.

3.2.2. Large catchment in the Doumen District

Several large-scale residential communities are situated within the immediate neighbourhood of the Property. In addition, the district government office, several schools (including Doumen No. 2 Middle School, Doumen No. 4 Middle School, Doumen Shiyan Middle School and Doumen Radio and Television University), Doumen People's Hospital, Beiao Park as well as Mount Xia Park are located within approximately 2.0 km of the Property, providing a ready catchment population for the Property.

At present, there are only two shopping malls in Doumen District and the Property is significantly larger than its competitor. The Property also has the advantage of being located in Jingan Town, which has the largest resident population in Doumen District.

3.2.3. Strong operational performance and tenant mix

As at 31 March 2019, the Property had an occupancy rate of 99.7%, with a WALE of 5.8 years (by gross rental income for the month of March 2019) and 11.9 years (by NLA as at 31 March 2019). The Property also boasts well-known stores, as well as attractions such as an observation wheel and go-kart track located on the rooftop of the Property, which help to, and are expected to continue to help to, draw high footfall.

3.3. Enlarged portfolio providing greater income resilience

The Acquisition is expected to benefit Dasin Retail Trust in terms of further diversification in income streams and reduced asset concentration risk. Following the Acquisition, no single property is expected to contribute to more than 29.1% of Dasin Retail Trust's consolidated revenue for FY2018 on a pro forma basis, compared to 36.9% before the Acquisition.

3.4. Improvement in portfolio occupancy, WALE and NPI

The Acquisition will improve the overall occupancy rate of Dasin Retail Trust's portfolio. Following the Acquisition, the pro forma occupancy rate (by NLA) for the Enlarged Portfolio will be 98.1% as at 31 March 2019, compared to 97.6% as at 31 March 2019 for the Existing Portfolio.

In addition, the Acquisition will improve the lease expiry profile of Dasin Retail Trust's portfolio. Following the Acquisition, the WALE will increase from 4.0 years to 4.4 years (by gross rental income for the month of March 2019) and from 6.2 years to 7.5 years (by NLA as at 31 March 2019). The Acquisition will also extend the weighted average unexpired land lease term of Dasin Retail Trust's portfolio (by NLA as at 31 March 2019) by 2.2 years from 24.4 years for the Existing Portfolio to 26.6 years for the Enlarged Portfolio.

The Acquisition is also expected to have a positive impact on NPI yield. Following the Acquisition, the pro forma NPI yield for the Enlarged Portfolio for FY2018 will be 4.0%⁸, compared to the NPI yield of 3.9% for the Existing Portfolio for FY2018.

3.5. Attractive value proposition

The Trustee-Manager believes that the Property provides an attractive value proposition, given the discount of the Agreed Property Value from the independent valuations of the Property by the Independent Valuers. The Agreed Property Value of S\$317.1 million (RMB1,585.3 million) represents a discount of approximately 24.9% to D&P's valuation of S\$422.4 million (RMB2,112.0 million) and a discount of approximately 24.5% to JLL's valuation of S\$420.0 million (RMB2,100.0 million).

3.6. Positive impact on the Enlarged Portfolio

Based on the proposed method of financing, the Proposed Transaction is estimated to maintain Dasin Retail Trust's distribution per unit ("**DPU**"). Following the Proposed Transaction, while Dasin Retail Trust's pro forma DPU (with distribution waiver) for FY2018 for the Enlarged Portfolio will remain the same, at 7.22 cents⁹, Dasin Retail Trust's pro forma DPU (without distribution waiver) will increase from 3.81 cents to 4.27 cents.

3.7. Increase in market capitalisation and free float

Assuming (a) gross proceeds of approximately S\$68.8 million are raised from the Private Placement of New Units to partly finance the Acquisition and (b) the New Units to be issued under the Private Placement and the Acquisition Fee Units are issued at the Illustrative Issue Price of S\$0.836 per Unit, the number of New Units to be issued pursuant to the Acquisition will be 84,708,878, which is the sum of 82,354,432 New Units issued under the Private Placement and 2,354,446 Acquisition Fee Units.

This increase in the total number of Units in issue, which results in an increase in market capitalisation and free float, potentially improves the trading liquidity of the Units.

4. REQUIREMENT FOR UNITHOLDERS' APPROVAL

4.1. Relative Figures Computed on the Bases Set Out in Rule 1006 of the Listing Manual

Chapter 10 of the Listing Manual governs the acquisition or divestment of assets, including options to acquire or dispose of assets, by Dasin Retail Trust. Such transactions are classified into the following categories:

- (i) non-discloseable transactions;
- (ii) discloseable transactions;
- (iii) major transactions; and
- (iv) very substantial acquisitions or reverse takeovers.

⁸ The pro forma NPI yield of the Enlarged Portfolio for FY2018 is computed by dividing the pro forma NPI of the Enlarged Portfolio for FY2018 (computed by adding the pro forma NPI of the Property for FY2018 to the NPI of the Enlarged Portfolio for FY2018) by the value of the Enlarged Portfolio (assuming that the value of the Property is the Agreed Property Value). The pro forma NPI and NPI yield have been provided for illustrative purposes only and should not be construed as a representation, projection or forecast of future NPI.

⁹ DPU is derived after taking into consideration 263,811,038 Units as at 31 December 2018 held by Aqua Wealth and Bounty Way that are subject to a distribution waiver.

A transaction by Dasin Retail Trust may fall into any of the categories set out above depending on the size of the relative figures computed on, *inter alia*, the following applicable bases of comparison:

- (a) the net profits attributable to the assets acquired, compared with Dasin Retail Trust's net profits; and
- (b) the aggregate value of the consideration given, compared with Dasin Retail Trust's market capitalisation.

Where any of the relative figures computed on the bases set out above exceeds 20.0%, the transaction is classified as a major transaction under Rule 1014 of the Listing Manual which would be subject to the approval of Unitholders, unless such transaction is in the ordinary course of Dasin Retail Trust's business.

The relative figures for the Proposed Transaction using the applicable bases of comparison described above are set out in the table below.

Comparison of	Property	Dasin Retail Trust	Relative figure (%)
NPI (S\$ million)⁽¹⁾	15.5 ⁽²⁾	60.8 ⁽³⁾	25.5
Share Consideration against market capitalisation (S\$ million)	61.3	492.9 ⁽⁴⁾	12.4

Notes:

- (1) In the case of a business trust, the net property income is a close proxy to the net profits attributable to its assets.
- (2) Derived by annualising the NPI of the Property from 1 January 2019 to 31 March 2019 and assuming that the Property Management Agreement and Commercial Management Agreement were in place from 1 January 2019.
- (3) Based on the annualised unaudited financial statements of Dasin Retail Trust for 1Q2019.
- (4) Based on the closing price of S\$0.88 per Unit on the SGX-ST as at 28 June 2019, being the trading day immediately prior to the entry into of the Sale and Purchase Agreement.

The Trustee-Manager is of the view that the Acquisition is in the ordinary course of Dasin Retail Trust's business as the Property being acquired is within the investment mandate of Dasin Retail Trust and the Property is of the same asset class as Dasin Retail Trust's existing properties and is located in Greater China, which Dasin Retail Trust targets. As such, the Acquisition is, therefore, not subject to Chapter 10 of the Listing Manual.

4.2. Interested Person Transactions

As at the date of this Announcement, Aqua Wealth holds 336,757,772 Units, representing approximately 60.12% of the total number of Units in issue. DBS Trustee Limited holds the entire issued share capital of Aqua Wealth as the trustee of the Zhang Family Trust, of which the Vendor is the settlor and Mr. Zhang Chon Meng, son of the Vendor, and Mr. Zhang Gui Ming, nephew of the Vendor, are the two beneficiaries. The power to make investment decisions on behalf of the Zhang Family Trust is conferred solely on an investment committee, of which the Vendor is the sole member. Therefore, the Vendor is deemed to be interested in the Units held by Aqua Wealth.

In addition, as at the date of this Announcement, the Vendor holds 100.0% of the interests in Bounty Way, which in turn holds 28,208,759 Units, representing approximately 5.04% of the total number of Units in issue, and 99.0% of the interests in the Trustee-Manager, which in turn holds 6,347,035 Units, representing approximately 1.13% of the total number of Units in issue.

Therefore, the Vendor is also deemed to be interested in the Units held by each of Bounty Way and the Trustee-Manager.

In aggregate, as at the date of this Announcement, the Vendor is deemed interested in 371,313,566 Units, representing approximately 66.29% of the total number of Units in issue. Therefore, the Vendor is regarded as a "controlling unitholder" of Dasin Retail Trust under the Listing Manual.

Further, as the Vendor holds 99.0% of the interests in the Trustee-Manager, the Vendor is regarded as a "controlling shareholder" of the Trustee-Manager under the Listing Manual.

As the Vendor is a "controlling unitholder" of Dasin Retail Trust, as well as a "controlling shareholder" and Director of the Trustee-Manager, for the purposes of Chapter 9 of the Listing Manual, the Vendor is an "interested person".

Pursuant to the Sale and Purchase Agreement, each of the Vendor and the Sponsor will jointly and severally provide to the Trustee-Manager certain warranties and representations in respect of the Property and each of Doumen Holdco and its subsidiaries. The Sponsor is wholly-owned by Mr. Zhang Zhongming, Mr. Zhang Kaicheng and Mr. Zhang Jiucheng holding 25.0%, 37.5% and 37.5% of the interests respectively. Mr. Zhang Kaicheng and Mr. Zhang Jiucheng are the siblings of Mr. Zhang Zhencheng, the Chairman and Non-Executive Director of the Trustee-Manager. Therefore, for the purposes of Chapter 9 of the Listing Manual, the Sponsor is also an "interested person".

Upon Completion, using funds drawn down from Dasin Retail Trust's bank borrowings, the Singapore Holding Companies will pay approximately S\$77.7 million (RMB388.7 million) to Dasin Management and Investment, the Sponsor and Dasin Merchant Investment as consideration for the PRC Acquisition.

Dasin Management and Investment is wholly-owned by Mr. Zhang Zhongming, Mr. Zhang Kaicheng and Mr. Zhang Jiucheng holding 25.0%, 37.5% and 37.5% of the interests respectively, while Dasin Merchant Investment is a subsidiary of Dasin Management and Investment. Accordingly, for the purposes of Chapter 9 of the Listing Manual, each of Dasin Management and Investment and Dasin Merchant Investment is also an "interested person".

Therefore, the Acquisition will constitute an "interested person transaction" under Chapter 9 of the Listing Manual.

The aggregate value of (i) the Share Consideration of approximately S\$61.3 million (RMB306.4 million) and (ii) the amount payable by the Singapore Holding Companies to Dasin Management and Investment, the Sponsor and Dasin Merchant Investment as consideration for the PRC Acquisition of approximately S\$77.7 million (RMB388.7 million) is currently estimated to be approximately S\$139.0 million, which is approximately 17.9% of the audited NTA of Dasin Retail Trust as at 31 December 2018. As this value exceeds 5.0% of the latest audited NTA of Dasin Retail Trust, the Acquisition is subject to the approval of Independent Unitholders pursuant to Chapter 9 of the Listing Manual.

As at the date of this Announcement, Aqua Wealth holds 336,757,772 Units, representing approximately 60.12% of the total number of Units in issue. Therefore, Aqua Wealth is a "controlling unitholder" of Dasin Retail Trust.

As Aqua Wealth is a "controlling unitholder" of Dasin Retail Trust, the Aqua Wealth Placement would also constitute an "interested person transaction" under Chapter 9 of the Listing Manual.

If New Units are placed to Aqua Wealth, depending on the actual issue price and the number of New Units placed to Aqua Wealth, the value of New Units may exceed 5.0% of the value of Dasin Retail Trust's latest audited net tangible assets. In such circumstances, Rule 906 of the Listing Manual also requires Independent Unitholders' approval for placement of New Units to Aqua Wealth.

A circular (the "**Circular**") is expected to be issued to Unitholders in due course, together with a notice of extraordinary general meeting of Unitholders, for the purpose of seeking the approval of Unitholders for the Acquisition and the Aqua Wealth Placement.

4.3. Specific Approval from Unitholders for the Aqua Wealth Placement

Aqua Wealth is a "substantial unitholder" of Dasin Retail Trust. Pursuant to Rule 812(2) of the Listing Manual, the approval of Independent Unitholders by way of Ordinary Resolution is required for a placement of New Units to Aqua Wealth.

4.4. Interested Person Lease

The Doumen Rental Management Company had on 16 August 2018 entered into a lease agreement (the "**Doumen Xinxuan Lease Agreement**") with Zhuhai Doumen Xinxuan Food Services Co., Ltd. (珠海市斗门信轩餐饮服务有限公司) ("**Doumen Xinxuan**") for the lease of retail space of approximately 4,064.0 sq m in the Property for a term of 12 years commencing 16 August 2018. The aggregate rental and associated fees derived or to be derived from the Doumen Xinxuan Lease Agreement on Completion of the Acquisition (assuming Completion on 30 June 2019) until the end of the lease term is S\$4.0 million.

Upon Completion of the Acquisition, Dasin Retail Trust will take over all of the lease agreements with respect to the Property, including the Doumen Xinxuan Lease Agreement.

Doumen Xinxuan is an indirect wholly-owned subsidiary of Dasin Management and Investment, which is in turn majority-owned by the immediate family of Mr. Zhang Zhencheng, the Chairman and Non-Executive Director of the Trustee-Manager. Therefore, Doumen Xinxuan is an "interested person" of Dasin Retail Trust and the aggregate rental and associated fees derived or to be derived from the Doumen Xinxuan Lease Agreement will be included in the aggregated value of total interested person transactions pursuant to Rules 905 and 906 of the Listing Manual.

The aggregate rental and associated fees derived or to be derived from the Doumen Xinxuan Lease Agreement are estimated to be S\$4.0 million, which is approximately 0.5% of the audited NTA of Dasin Retail Trust as at 31 December 2018.

4.5. Existing Interested Person Transactions

As at the date of this Announcement, save for the Doumen Xinxuan Lease Agreement, the Property Management Agreement and the Commercial Management Agreement, the value of all interested person transactions entered into between Dasin Retail Trust and the Vendor, the Sponsor and Aqua Wealth and their associates during the course of the current financial year ending 31 December 2019 is approximately S\$7.3 million, which is approximately 0.9% of the audited NTA of Dasin Retail Trust as at 31 December 2018.

5. THE FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Proposed Transaction on the DPU and the NAV per Unit presented below are strictly for illustrative purposes only and were prepared based on the FY2018 Financial Statements, taking into account the Total Acquisition Cost, and assuming that:

- (i) approximately 82,354,432 New Units are issued at the Illustrative Issue Price of S\$0.836 per New Unit in connection with the Private Placement to raise gross proceeds of approximately S\$68.8 million;
- (ii) bank borrowings of S\$210.0 million are drawn down by Dasin Retail Trust in connection with the Acquisition, primarily to discharge approximately S\$201.2 million¹⁰ of the total

¹⁰ The S\$210.0 million from Dasin Retail Trust's bank borrowings will primarily be applied towards (a) the repayment of existing indebtedness of the Singapore Holding Companies of approximately S\$77.7 million

net liabilities of Doumen Holdco and its subsidiaries of S\$255.8 million as at 31 December 2018; and

- (iii) the Trustee-Manager's Acquisition Fee of approximately S\$2.0 million is paid in the form of approximately 2.35 million Acquisition Fee Units at the Illustrative Issue Price of S\$0.836 per Unit.

5.1. Pro Forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Proposed Transaction on Dasin Retail Trust's DPU for FY2018, as if the Proposed Transaction was completed on 1 January 2018, and as if Dasin Retail Trust held the Property through to 31 December 2018, are as follows.

	Before the Proposed Transaction	After the Proposed Transaction ⁽¹⁾
NPI (S\$'000)	57,323	72,858 ⁽²⁾
Distributable income attributable to Unitholders (S\$'000)	21,216	27,521 ⁽²⁾
Units issued and issuable at the end of the year ('000)	558,906	645,097 ⁽³⁾
Units entitled to distribution under distribution waiver ('000)	295,095	381,286
DPU (cents), with distribution waiver ⁽⁴⁾	7.22	7.22
DPU (cents), without distribution waiver	3.81	4.27
DPU accretion, with distribution waiver (%)	-	-
DPU accretion, without distribution waiver (%)	-	12.1

Notes:

- (1) Assuming that Dasin Retail Trust draws down bank borrowings of S\$210.0 million in connection with the Acquisition, primarily to discharge approximately S\$201.2 million of the total net liabilities of Doumen Holdco and its subsidiaries of S\$255.8 million as at 31 December 2018 and that approximately S\$2.0 million of the Acquisition Fee is paid in Units.
- (2) Assuming that (a) the Property had commenced operations in January 2018; (b) all tenancy agreements as at 31 March 2019 were in place since 1 January 2018; (c) turnover rental income for FY2018 is based on the actual turnover rent for 1Q2019 and turnover rent for January 2019 extrapolated for the remaining 9 months; (d) other income is based on the annualised actual financial performance for 1Q2019 and other adjustments; (e) the Property had achieved an operating cost structure similar to the stabilised operating cost structure of the Existing Portfolio, with operating expenses (excluding property related tax) representing approximately 14.0% of the rental revenue of the Property; (f) the trustee fee and management base fee were imposed since

(RMB388.7 million) due to Dasin Management and Investment, the Sponsor and Dasin Merchant Investment as consideration for the PRC Acquisition; (b) the repayment of outstanding onshore construction loans of the Doumen PRC Property Company of approximately S\$98.0 million (RMB490.0 million) to its PRC lending banks; and (c) the repayment of construction payables of approximately S\$25.5 million (RMB127.2 million) due to contractors in connection with construction works for the Property.

1 January 2018; and (g) interest 4.96% per annum is payable on the S\$210.0 million loan set out in footnote (1) above.

- (3) The total number of Units in issue as at 31 December 2018 includes (a) approximately 2.35 million Acquisition Fee Units, which are assumed to have been issued at the Illustrative Issue Price of S\$0.836 per Unit; (b) approximately 1.5 million new Units issued as payment to the Trustee-Manager as payment of the base management fee, which are assumed to have been issued at an illustrative issue price of S\$0.85342 (for illustrative purposes only and based on the 10-day VWAP up to 31 December 2018); and (c) approximately 82,354,432 new Units issued pursuant to the Private Placement, which are assumed to have been issued at the Illustrative Issue Price of S\$0.836 per new Unit.
- (4) DPU is derived after taking into consideration 263,811,038 Units as at 31 December 2018 held by Aqua Wealth and Bounty Way that are subject to a distribution waiver.

5.2. Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Proposed Transaction on the NAV per Unit as at 31 December 2018, as if the Proposed Transaction was completed on 31 December 2018, are as follows.

	Before the Proposed Transaction	After the Proposed Transaction ⁽¹⁾
NAV represented by Unitholders' funds (S\$'000)	775,948	924,218
Issued and issuable Units ('000)	558,906	643,614 ⁽²⁾
NAV per Unit (S\$)	1.39	1.44

Notes:

- (1) Assuming that Dasin Retail Trust draws down bank borrowings of S\$210.0 million in connection with the Acquisition primarily to discharge approximately S\$201.2 million of the total net liabilities of Doumen Holdco and its subsidiaries of S\$255.8 million as at 31 December 2018 and that approximately S\$2.0 million of the Acquisition Fee is paid in Units.
- (2) The total number of Units in issue as at 31 December 2018 includes (a) approximately 2.35 million Acquisition Fee Units, which are assumed to have been issued at the Illustrative Issue Price of S\$0.836 per Unit; and (b) approximately 82,354,432 new Units issued pursuant to the Private Placement, which are assumed to have been issued at the Illustrative Issue Price of S\$0.836 per new Unit.

5.3. Aggregate Leverage

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma aggregate leverage of Dasin Retail Trust as at 31 December 2018, as if the Proposed Transaction was completed on 31 December 2018, is as follows.

	Before the Proposed Transaction	After the Proposed Transaction
Aggregate Leverage (Pro forma as at 31 December 2018)	32.3%	35.2%

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

Based on the Register of Directors' Unitholdings maintained by the Trustee-Manager and save as disclosed in the table below, none of the Directors currently holds a direct or deemed interest in the Units as at the date of this Announcement:

Name of Director	Direct Interest		Deemed Interest		Total no. of Units held	%
	No. of Units held	%	No. of Units held	%		
Mr. Zhang Zhencheng	-	-	371,313,566	66.29	371,313,566	66.29
Mr. Zhang Zhongming	-	-	3,966,200	0.71	3,966,200	0.71
Dr. Cao Yong	-	-	-	-	-	-
Mr. Sun Shu	-	-	-	-	-	-
Mr. Tan Huay Lim	-	-	312,500	0.06	312,500	0.06

Based on the Register of Substantial Unitholders' Unitholdings maintained by the Trustee-Manager, the Substantial Unitholders and their interests in the Units as at the date of this Announcement are as follows:

Name of Substantial Unitholder	Direct Interest		Deemed Interest		Total No. of Units held	%
	No. of Units held	%	No. of Units held	%		
Mr. Zhang Zhencheng ⁽¹⁾	-	-	373,313,566	66.29	373,313,566	66.29
Aqua Wealth	336,757,772	60.12	-	-	336,757,772	60.12
DBS Trustee Limited ⁽²⁾	-	-	336,757,772	60.12	336,757,772	60.12
Mr. Zhang Chon Ming ⁽³⁾	-	-	336,757,772	60.12	336,757,772	60.12
Mr. Zhang Gui Ming ⁽⁴⁾	-	-	336,757,772	60.12	336,757,772	60.12
Bounty Way	28,208,759	5.04	-	-	28,208,759	5.04
China Orient Asset Management (International) Holding Limited	52,100,000	9.30	-	-	52,100,000	9.30
Wise Leader Assets Ltd ⁽⁶⁾	-	-	52,100,000	9.30	52,100,000	9.30
Dong Yin Development (Holdings) Limited ⁽⁶⁾	-	-	52,100,000	9.30	52,100,000	9.30

Name of Substantial Unitholder	Direct Interest		Deemed Interest		Total No. of Units held	%
	No. of Units held	%	No. of Units held	%		
China Orient Asset Management Co., Ltd. ⁽⁶⁾	-	-	52,100,000	9.30	52,100,000	9.30

Notes:

- (1) DBS Trustee Limited holds the entire issued share capital of Aqua Wealth as the trustee of the Zhang Family Trust, of which Mr. Zhang Zhencheng is the settlor of the Zhang Family Trust and Mr. Zhang Chon Meng, son of Mr. Zhang Zhencheng, and Mr. Zhang Gui Ming, nephew of Mr. Zhang Zhencheng, are the two beneficiaries. The power to make investment decisions on behalf of the Zhang Family Trust is conferred solely on an investment committee, of which Mr. Zhang Zhencheng is the sole member. Therefore, Mr. Zhang Zhencheng is deemed to be interested in the Units held by Aqua Wealth.

Mr. Zhang Zhencheng holds 100.0% of the interests in Bounty Way. Therefore, Mr. Zhang Zhencheng is deemed to be interested in the Units held by Bounty Way.

In addition, Mr. Zhang Zhencheng holds 99.0% of the interests in the Trustee-Manager, which in turn holds 6,347,035 Units, representing approximately 1.13% of the total number of Units in issue as at the date of this Announcement. Therefore, Mr. Zhang Zhencheng is deemed to be interested in the Units held by the Trustee-Manager.

- (2) DBS Trustee Limited holds the entire issued share capital of Aqua Wealth as the trustee of the Zhang Family Trust. DBS Trustee Limited is therefore deemed to be interested in the Units held by Aqua Wealth.
- (3) Mr. Zhang Chon Meng is one of the two beneficiaries of the Zhang Family Trust and is therefore deemed to be interested in the Units held by Aqua Wealth.
- (4) Mr. Zhang Gui Ming is one of the two beneficiaries of the Zhang Family Trust and is therefore deemed to be interested in the Units held by Aqua Wealth.
- (5) Mr. Zhang Zhencheng holds 100.0% of the interests in Bounty Way. Therefore, Mr. Zhang Zhencheng is deemed to be interested in the Units held by Bounty Way.
- (6) China Orient Asset Management Co., Ltd. ("**COAMC**") is a company incorporated in the PRC and is one of the state-owned asset management companies in the PRC. COAMC is the holding company of Dong Yin Development (Holdings) Limited ("**Dong Yin**"), a company incorporated in Hong Kong. Dong Yin is the indirect holding company of China Orient Asset Management (International) Holding Limited ("**COAMI**"), a company incorporated in Hong Kong, through its direct 50.0% shareholding and indirectly through its wholly-owned subsidiary Wise Leader Assets Ltd ("**Wise Leader**"), a company incorporated in the BVI. Each of COAMC, Dong Yin and Wise Leader are deemed to be interested in the Units held by COAMI.

7. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a Director of the Trustee-Manager in connection with the Proposed Transaction or any other transactions contemplated in relation to the Proposed Transaction.

8. OPINION OF THE INDEPENDENT FINANCIAL ADVISER AND STATEMENT OF THE INDEPENDENT DIRECTORS AND THE AUDIT AND RISK COMMITTEE

The Trustee-Manager has appointed PricewaterhouseCoopers Corporate Finance Pte. Ltd. (the "**IFA**") to advise the independent directors of the Trustee-Manager (the "**Independent Directors**") in relation to the Acquisition and the Aqua Wealth Placement. A copy of the letter from the IFA to the Independent Directors (the "**IFA Letter**"), containing its advice in full, will be set out in the Circular. Unitholders are advised to read the IFA Letter in its entirety carefully.

9. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection¹¹ during normal business hours at the registered office of the Trustee-Manager at 8 Marina Boulevard, #14-02 Marina Bay Financial Centre Tower 1, Singapore 018981 from the date of this announcement up to and including the date falling three months after the date of this announcement:

- (i) the Sale and Purchase Agreement;
- (ii) the independent valuation report issued by D&P in respect of the Property;
- (iii) the independent valuation report issued by JLL in respect of the Property; and
- (iv) the FY2018 Financial Statements.

The Trust Deed will also be available for inspection at the registered office of the Trustee-Manager for so long as Dasin Retail Trust is in existence.

10. FURTHER DETAILS

Further details of the Proposed Transaction will be contained in the Circular which will be issued by the Trustee-Manager in due course, together with a notice of extraordinary general meeting for the purpose of seeking Unitholders' approval for the Proposed Transaction. Unitholders are advised to refer to the Circular for any updates to the information contained in this announcement.

By Order of the Board

Dasin Retail Trust Management Pte. Ltd.

(Company Registration No. 201531845N)

(in its capacity as trustee-manager of Dasin Retail Trust)

30 June 2019

¹¹ Prior appointment with the Trustee-Manager will be appreciated.

IMPORTANCE NOTICE

This Announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, (including employee wages, benefits and training costs), property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Trustee-Manager's current view on future events.

This Announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units. The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Trustee-Manager, or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Trustee-Manager to redeem their Units while the Units are listed. It is intended that Unitholders of Dasin Retail Trust may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of Dasin Retail Trust is not necessarily indicative of the future performance of Dasin Retail Trust.

The information in this Announcement must not be published outside the Republic of Singapore and in particular, but without limitation, must not be published in any United States edition of any publication.