



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)

FY2021 ANNUAL GENERAL MEETING
RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM UNITHOLDERS

The board of directors (the “**Board**”) of Dasin Retail Trust Management Pte. Ltd. (“**DRTM**” or the “**Trustee-Manager**”), as trustee-manager of Dasin Retail Trust (the “**Trust**”), refers to the Trust’s notice of annual general meeting (“**AGM**”) dated 11 April 2022 and wishes to thank all unitholders who have submitted their questions in advance of the AGM to be convened by electronic means on at 4.30 p.m. 26 April 2022 (Singapore time).

The Trustee-Manager wishes to inform that the responses to substantial and relevant questions which have been submitted by unitholders shall be published in this announcement.

Please refer to **Annex A** hereto for the list of questions, and the Trustee-Manager’s responses to these questions.

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)

Wang Qiu

Chief Executive Officer

22 April 2022

ANNEX A: RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM UNITHOLDERS

<p>1.</p>	<p>Could you update the progress of the proposed sale of Shiqi Metro Mall and Xiaolan Metro Mall? Are you able to dispose the two assets closer to their valuations?</p> <p>How can the trustee manager protect the shareholders on the impending divestment of the two malls, that they are of arms-length and not at a discount to the valuation perform by JLL?</p> <p>With reference to the valuation performed by the independent valuers on Shiqi Metro Mall and Xiaolan Metro Mall which amount to RMB2,812m and RMB 2,023m respectively as of 31 December 2021.</p> <p>a. Will such potential divestment of the two malls be subjected to an independent financial advisor concurrence as to protect the shareholders?</p> <p>b. Will the divestment be subject to an EGM and to be approved by the shareholders?</p>
	<ul style="list-style-type: none"> • The terms of the Put Option and the Proposed Divestment as stated in Dasin Retail Trust's announcement dated 19 March 2022 are still subject to discussions between the Trustee-Manager and the Parties. No definitive agreements have been entered as at the date of this announcement. • Unitholders of the Trust should note that there is no certainty that any transaction will arise from these discussions or that any definitive or binding agreement will be entered into pursuant to these discussions, and/or that the Proposed Divestment will even materialise. • The Trustee-Manager will make further announcements in the event of any definitive agreements are entered into by the Parties or when there are any material developments which warrant disclosure, in accordance with its obligations under the Listing Manual of the Singapore Exchange Securities Trading Limited. • In the event if the MOU materialised to a potential divestment transaction, the Trustee-Manager will need to appoint an independent financial advisor to provide an opinion as to whether the proposed divestment, as an interested person transaction, is on normal commercial terms and not prejudicial to the interests of the Trust and its minority unitholders. Unitholders' approvals will also be sought at an EGM if and when the MOU on the proposed divestment materialised. In addition, there is the possibility of it to be classified as a major transaction, subject to further information then which will also require Unitholders' approvals via an EGM.
<p>2.</p>	<p>Shiqi Metro and Xiaolan Metro are the two largest revenue contributors to the group. Why disposing the crown jewels instead of the other malls?</p>
	<ul style="list-style-type: none"> • The net proceeds from the sale of these properties pursuant to the exercise of the Put Option shall be used to reduce the Trust's offshore and onshore syndicated loans. • However, the non-binding memorandum of understanding is not yet a definitive agreement and that there is no certainty or assurance that any transaction will occur from the discussions between the Trustee-Manager and the parties involved, and/or that the proposed divestment will even materialise. • Apart from the mature assets such as Shiqi Metro Mall and Xiaolan Metro Mall, the Trust's portfolio also comprises quality growth assets including Ocean Metro Mall, Doumen Metro Mall and Shunde Metro Mall supported by healthy weighted average lease to expiries and occupancies, which will provide growth opportunities.

3.	Two term loan facilities are due on July 15 and September 19 amounting to S\$238 million. How is the group going to refinance the debt considering that its outstanding debt of \$430 million and RMB 400 million are still pending?																																				
	<ul style="list-style-type: none"> The Trustee-Manager is in informal discussions with lenders in regards to the refinancing of the offshore syndicated term loan facility of up to the equivalent of S\$132.9 million relating to acquisition of Shunde Metro Mall and Tanbei Metro Mall due on 15 July 2022, and the offshore syndicated term loan facility relating to acquisition of Doumen Metro Mall of up to equivalent of S\$105.7 million due on 19 September 2022. The Trustee-Manager is also in active negotiations with the banks to secure the refinancing of offshore syndicated term loan facilities of up to the equivalent of S\$430.0 million in aggregate, and the onshore syndicated term loan facilities of up to the equivalent of RMB400.0 million in aggregate. Nothing material has developed since the announcement dated 21 March 2022, which warrants further disclosure to unitholders. The Trustee-Manager will make timely disclosure should there be any material development relating to the refinancing exercise. 																																				
4.	Could you provide the ROIC (Return on Invested Capital) of the group in the past five years?																																				
	<table border="1" data-bbox="300 898 1385 1503"> <thead> <tr> <th data-bbox="300 898 703 1055">S\$('000)</th> <th data-bbox="708 898 839 1055">FY2021</th> <th data-bbox="844 898 975 1055">FY2020</th> <th data-bbox="979 898 1110 1055">FY2019</th> <th data-bbox="1115 898 1246 1055">FY2018</th> <th data-bbox="1251 898 1385 1055">FY2017</th> </tr> </thead> <tbody> <tr> <td data-bbox="300 1061 703 1133">Net Property Income (NPI)</td> <td data-bbox="708 1061 839 1133">78,410</td> <td data-bbox="844 1061 975 1133">70,693</td> <td data-bbox="979 1061 1110 1133">59,982</td> <td data-bbox="1115 1061 1246 1133">57,323</td> <td data-bbox="1251 1061 1385 1133">46,560</td> </tr> <tr> <td data-bbox="300 1140 703 1245">Net Property Income After Tax (NPIAT)</td> <td data-bbox="708 1140 839 1245">58,808</td> <td data-bbox="844 1140 975 1245">53,020</td> <td data-bbox="979 1140 1110 1245">44,987</td> <td data-bbox="1115 1140 1246 1245">42,992</td> <td data-bbox="1251 1140 1385 1245">34,920</td> </tr> <tr> <td data-bbox="300 1252 703 1335">Debt</td> <td data-bbox="708 1252 839 1335">954,084</td> <td data-bbox="844 1252 975 1335">939,474</td> <td data-bbox="979 1252 1110 1335">705,513</td> <td data-bbox="1115 1252 1246 1335">500,511</td> <td data-bbox="1251 1252 1385 1335">483,036</td> </tr> <tr> <td data-bbox="300 1341 703 1424">Invested Capital</td> <td data-bbox="708 1341 839 1424">1,948,533</td> <td data-bbox="844 1341 975 1424">1,899,321</td> <td data-bbox="979 1341 1110 1424">1,475,550</td> <td data-bbox="1115 1341 1246 1424">1,207,267</td> <td data-bbox="1251 1341 1385 1424">1,291,255</td> </tr> <tr> <td data-bbox="300 1431 703 1503">ROIC¹</td> <td data-bbox="708 1431 839 1503">3.0%</td> <td data-bbox="844 1431 975 1503">2.8%</td> <td data-bbox="979 1431 1110 1503">3.0%</td> <td data-bbox="1115 1431 1246 1503">3.6%</td> <td data-bbox="1251 1431 1385 1503">2.7%</td> </tr> </tbody> </table> <p data-bbox="300 1509 1385 1615">Note: (1) Derived by dividing net property income after tax over invested capital. Invested capital was calculated by adding total assets less off total liabilities and cash, and adding total loans and borrowings, as at end of the respective financial years.</p>	S\$('000)	FY2021	FY2020	FY2019	FY2018	FY2017	Net Property Income (NPI)	78,410	70,693	59,982	57,323	46,560	Net Property Income After Tax (NPIAT)	58,808	53,020	44,987	42,992	34,920	Debt	954,084	939,474	705,513	500,511	483,036	Invested Capital	1,948,533	1,899,321	1,475,550	1,207,267	1,291,255	ROIC¹	3.0%	2.8%	3.0%	3.6%	2.7%
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5.	Any plan to liquidate the group considering that your NTA is \$1.40?																																				
	<ul style="list-style-type: none"> The Trustee-Manager has no plans to liquidate and will endeavour to make strategic decisions which are aligned with the interest of Unitholders. The Board is of the opinion that the Trust and the Group will be able to continue as going concerns as the Trust has sufficient cash and cash equivalents and is able to generate positive cash flow from its operations to meet its day-to-day working capital needs. Besides that, the business fundamentals of the Trust are reasonably stable even during the COVID-19 pandemic and the Group met its loan repayment obligations and complied 																																				

	<p>with the stated financial covenants during the year and up to the date of this financial statements.</p> <ul style="list-style-type: none"> The Trust will continue to prioritise our efforts in expediting the completion of the refinancing exercise by working closely with the lenders.
6.	<p>Making reference to the announcement dated 20 March 2022 whereby the Trust entered into a non-binding memorandum on the potential divestment SHIQI Metro-Mall and XIAOLAN METRO-Mall to a buyout fund managed jointly by GSUM Real Estate Fund Management Co., Ltd. and a subsidiary of Sino-Ocean Capital Holding Limited; and making reference to the announcement dated 20 December 2021, on new requests made by the minority lenders.</p> <p>a. Are there any related party relationship between the minority lenders and the buyout funds?</p>
	<ul style="list-style-type: none"> There are no related party relations which the Trustee-Manager is aware of.
	<p>b. Are there any related party relationship between the buyout funds and GSUM Real Estate Fund Management Co., Ltd. and a subsidiary of Sino-Ocean Capital Holding Limited?</p>
	<ul style="list-style-type: none"> Other than Wuhu Yuanche Bisheng Investment Center (Limited Partnership) is a buyout fund managed jointly by GSUM Real Estate Fund Management Co., Ltd. and Sino-Ocean Capital, there are no related party relations which the Trustee-Manager is aware of.
	<p>c. Can we say that the new requests made by the minority lenders lead to the inability of the trust to re-finance?</p>
	<ul style="list-style-type: none"> The lenders of both the Onshore and Offshore Facilities have granted an extension of three months from 20 December 2021 to allow lenders more time to discuss new requests made by minority lenders. Subsequently, an extension of three months from 19 March 2022 was granted to allow the Trust to explore the proposal in the announcement on 20 March 2022 titled Entry Into Non-Binding Memorandum of Understanding For Sale of Shiqi Metro Mall and Xiaolan Metro Mall.
	<p>d. What was the quantum of loans that this particular group of minority lenders making the new requests?</p>
	<ul style="list-style-type: none"> The quantum is approximately less than 15%.
	<p>e. What are the requests made by the minority lenders?</p>
	<ul style="list-style-type: none"> The key request made by the minority lenders was for the Trustee-Manager to consider or explore other strategies such as the potential divestment of assets for repayment of the offshore and onshore syndicated loans pertaining to the Initial Portfolio and Shiqi Metro Mall.
	<p>f. Can the re-finance be satisfied other lenders, or alternatively can a portion of the loan undertake by a rights issue and the forgo of dividends during this difficult period?</p>
	<ul style="list-style-type: none"> The loans involve a syndicate of lenders where a mutual decision has to be reached by all lenders for granting the refinancing. The Trustee-Manager is of

	<p>the opinion that the current business environment is not conducive for having rights issue and the option of forgoing dividends are not aligned with the interest of the Unitholders.</p>
	<p>g. Is there a need to divest two properties to the buyout funds? With SHIQI Mall being valued at RMB 2.8B (SGD 596m), taking a haircut of 20% which will amount to RMB 2.24B (SGD 476m), is this still not enough with the remaining outstanding to be satisfied by rights/forgo of dividends/existing cash?</p>
	<ul style="list-style-type: none"> The MOU was entered into with the aim of providing for the long-term interests of Unitholders and an action for the sustainability of the Trust.
7.	<p>The inability of the trust to get any refinancing done, has it got to do with the major shareholders/sponsor on their existing businesses?</p>
	<ul style="list-style-type: none"> The Trustee is not aware that the existing businesses of the Sponsor has any impact on the refinancing.
8.	<p>Why didn't the management foresee the outstanding (short-term) loan resulting in depressing stock price impacting investors returns? Any plan to boost the stock price?</p>
	<ul style="list-style-type: none"> The fluctuation in share price is a result of the market forces as stock prices are affected by supply and demand. This is beyond the control of the Trust. New Harvest Investments Limited ("New Harvest") has become a controlling shareholder of the Trustee-Manager, holding a total of 70% of the total issued and paid-up share capital. New Harvest is an affiliate of Sino-Ocean Capital, a top domestic real estate fund management company and an outstanding alternative asset management company in China The Trust will continue to prioritise our efforts in expediting the completion of the refinancing exercise by working closely with the lenders.
9.	<p>Will the resolution 3, allows the trustee-manager to issue units at a significant to the NAV?</p>
	<ul style="list-style-type: none"> In the event of issuance of units, the issue price is normally determined based on the volume weighted average price as at the actual date.
10.	<p>Should we relook at how the trustee-manager are to be paid? Instead of using property-income, should we consider that part of the distribution in units to the trustee-manager should have taken into account of the underlying NAV? This will help to align the share prices of the trust to be not far off against the NAV.</p>
	<ul style="list-style-type: none"> The Trustee-Manager's fees are based on the value of the Trust Property as at end of each quarter. Please refer to pages 123 and 124 of the Trust's Annual Report 2021 which is available on our corporate website and SGXNET. Thank you for your valuable suggestion. We will take your suggestion into consideration and explore the possibilities of this approach.

IMPORTANT NOTICE

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in Dasin Retail Trust.

The value of the 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, Zhongshan Dasin Real Estate Co., Ltd., as the sponsor to the Offering, DBS Bank Ltd., as the sole financial adviser, global coordinator and issue manager, and a joint bookrunner and underwriter, Bank of China Limited, Singapore Branch, as a joint bookrunner and underwriter, Haitong International Securities (Singapore) Pte. Ltd., as a joint bookrunner and underwriter, or any of its respective affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Trustee-Manager redeem or purchase their Units while the Units are listed. It is intended that holders of Units 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.