

## Press Release

### **Dasin Retail Trust's 1H2020 DPU decreased by 43.4% due to impact of COVID-19**

- Revenue increased approximately 5.2% yoy, mainly due to the contribution from Doumen Metro Mall which was acquired in September 2019 partially offset by lower rental income from other malls and rental rebates provided to the tenants
- Monthly turnover rent recovered to 90.4% of 4Q2019 average in June 2020
- Focus promotional activities on attracting local shopper traffic, in view of easing domestic travel restrictions and continuing overseas travel restrictions

**Singapore, 13 August 2020** - Dasin Retail Trust Management Pte. Ltd., the Trustee Manager of Dasin Retail Trust ("DRT"), is pleased to announce DRT's results for the first half of 2020 ("1H2020"). Based on an annualised 1H2020 distribution per unit ("DPU") of 1.92 Singapore cents and DRT's offering price per unit of S\$0.80, DRT's distribution yield is 4.8%. The books closure date was 6 July 2020 and the 1H2020 DPU of 1.92 cents is expected to be paid on 28 September 2020.

#### **Summary of Results**

<b>(S\$'000)</b>	<b>1H2020</b>	<b>1H2019</b>	<b>Change (%)</b>
	<b>Actual</b>	<b>Actual</b>	
<b>Revenue</b>	37,077	35,247	5.2
<b>NPI</b>	30,270	28,456	6.4
<b>Amount available for distribution</b>	8,828	10,651	(17.1)
<b>DPU (cents) (With distribution waiver)</b>	1.92	3.39	(43.4)
<b>DPU (cents) (Without distribution waiver)</b>	1.35	1.90	(28.7)

Revenue for 1H2020 was higher than 1H2019 by approximately S\$1.8 million mainly due to the contribution from Doumen Metro Mall which was acquired in September 2019, partially offset by lower rental income from Ocean Metro Mall, Shiqi Metro Mall, Xiaolan Metro Mall and Dasin E-Colour arising from the impact of COVID-19 as well as rental rebates provided to the tenants.

During the 1H2020 period, the Trustee-Manager helped to drive tenant sales and mitigate the decline in shopper traffic through “Dasin Hui” (大信荟) WeChat Mini Program which connects to more than 650,000 members. From March to June 2020, DRT organised live broadcasts hosted by online influencers to promote a wide variety items available at the malls. Coupled with an easing in lockdown measures, monthly turnover rent recovered to 90.4% of 4Q2019 average in June 2020, from 36.1% of 4Q2019 average in February 2020.

DRT’s portfolio continued to demonstrate resilience, ending the half year with a stable occupancy rate of 97.0% and registered weighted lease to expiry of 4.0 years (by gross rental income) and 6.5 years (by net lettable area).

NPI margin for 1H2020 was approximately 81.6% while that of 1H2019 was approximately 80.7%. The NPI margin for 1H2020 was higher mainly due to lower operating expenses resulted from lower electricity charges and property tax as well as property tax rebates provided by local government.

Despite the current uncertainties, the underlying value of DRT’s assets is supported by growing demand for properties in the Greater Bay Area. The China government has recently eased home ownership and employment rules for Hong Kong residents in the Greater Bay Area, and this is expected to spur economic activity and property demand. Furthermore, new exchanges taking shape in Guangzhou (for carbon emission futures trading) and Macau (NASDAQ-like market that helps start-ups) could transform the area into Asia’s largest financial market. According to an article on the South China Morning Post<sup>1</sup>, the population for Greater Bay Area is forecast to grow by 43% over the next 15 years to around 100 million. The continued growth in population and income levels provides a strong foundation to support property prices in the longer term.

Mr. Zhang Zhencheng, Chairman of the Trustee-Manager of DRT, said, **“We have completed the acquisition of Shunde Metro Mall and Tanbei Metro Mall for an agreed property value of S\$375 million. This would further strengthen foothold in the fast-developing GBA and**

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<sup>1</sup> Exchanges take shape in Macau, Guangzhou to turbocharge southern China’s Greater Bay into Asia’s largest financial market, <https://www.scmp.com/business/banking-finance/article/3090756/exchanges-take-shape-macau-guangzhou-turbocharge-southern>

**improve the performance of the portfolio. With this, the valuation of the portfolio has been expanded by nearly three times to about RMB11.7 billion from RMB4.6 billion within three years from listing.”**

Ms. Wang Qiu, CEO of the Trustee-Manager of DRT, said, **“The successful acquisition of Shunde Metro Mall and Tanbei Metro Mall is a testament to the ability of the Trustee Manager in executing the growth strategy to strengthen its presence in the Greater Bay Area as well as enhance its returns to the Unitholders. We will continue to undertake a prudent and disciplined investment approach to inject quality properties to enhance the performance of Dasin Retail Trust’s portfolio.”**

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### **ABOUT DASIN RETAIL TRUST**

Dasin Retail Trust is the only China retail property trust providing direct exposure to the fast-growing Guangdong-Hong Kong-Macau Greater Bay Area listed on the Main Board of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 20 January 2017. Dasin Retail Trust’s principal investment mandate is to invest in, own or develop land, uncompleted developments and income-producing real estate in Greater China (comprising People’s Republic of China (“PRC”), Hong Kong and Macau), used primarily for retail purposes, as well as real estate-related assets, with an initial focus on retail malls. The portfolio of Dasin Retail Trust comprises seven retail malls strategically located in Foshan, Zhuhai and Zhongshan Cities in PRC<sup>2</sup>.

Dasin Retail Trust is managed by Dasin Retail Trust Management Pte. Ltd. (the “Trustee Manager”). The Trustee-Manager’s key objectives are to provide Unitholders of Dasin Retail Trust with an attractive rate of return on their investment through regular and stable distributions to Unitholders and to achieve long-term sustainable growth in DPU and net asset value per Unit, while maintaining an appropriate capital structure for Dasin Retail Trust.

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<sup>2</sup> Included Shunde Metro Mall and Tanbei Metro Mall which were acquired in July 2020.

Scan the QR code below or search for *DASIN\_RETAIL\_TRUST* to subscribe to Dasin Retail Trust on WeChat:



### **ABOUT THE SPONSOR – ZHONGSHAN DASIN REAL ESTATE CO., LTD.**

Zhongshan Dasin Real Estate Co. Ltd. (中山市大信置业有限公司) (the “Sponsor”) was established on 13 July 2001 in Zhongshan City, Guangdong Province, PRC. The Sponsor Group’s<sup>3</sup> principal business is focused on the development and management of real estate, including the development and operation of retail malls, hotels, educational facilities and residential properties.

The Sponsor Group has mainly been involved in the construction and development of various real estate projects in the Guangdong-Hong Kong-Macau Greater Bay Area. Over the past 19 years, the Sponsor has established itself as one of the leading developers in Zhongshan, winning a number of national-level industry awards.

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<sup>3</sup> “Sponsor Group” refers to the Sponsor, its existing or future subsidiaries, as well as its affiliates.

## **IMPORTANT NOTICE**

This press release is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in Dasin Retail Trust (the “Units”). A potential investor should read the Prospectus and make their own assessment of the future performance of Dasin Retail Trust before deciding whether to subscribe for or purchase the Units.

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.

This press release may contain forward-looking statements that involve risks and uncertainties. Such forward-looking statements and/or financial information involve a number of factors, risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, the present and future business strategies, the environment in which Dasin Retail Trust will operate in the future, 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, property expenses and governmental and public policy changes, and the continued availability of financing. The actual results, performance or achievements of Dasin Retail Trust or the Trustee-Manager, or industry results, may be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and/or financial information, as these statements and financial information reflect the Manager’s current views concerning future events and necessarily involve risks, uncertainties and assumptions. Prospective investors and Unitholders are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of the Trustee-Manager on future events.