

## **Press Release**

### **Dasin Retail Trust completes acquisition of Shunde Metro Mall and Tanbei Metro Mall for an agreed property value of S\$375 million (RMB1,946 million)**

- **Asset valuation has expanded by nearly three times since IPO to about RMB12.1 billion**
- **Further strengthen foothold in the fast-developing Guangdong-Hong Kong-Macau Greater Bay Area (“GBA”) and improve the performance of the portfolio**

**Singapore, 8 July 2020** - Dasin Retail Trust Management Pte. Ltd., the Trustee Manager of Dasin Retail Trust (“DRT”), is pleased to announce the completion of the acquisition of Shunde Metro Mall and Tanbei Metro Mall (collectively, the “Properties”) (the “Acquisition”) for an agreed property value of S\$375 million (RMB1,946 million). With the Acquisition, the valuation of the portfolio has been expanded by nearly three times to about RMB12.1 billion from RMB4.6 billion within three years from listing.

Ms. Wang Qiu, CEO of the Trustee-Manager of DRT, said, **“We are delighted and excited to complete the acquisition of the Properties, bringing our total retail malls to 7. This Acquisition marks a significant milestone for DRT as this is our second acquisition in a short span of 3 years of listing. In addition, the Acquisition is also in line with our commitment to enhance unitholders’ values and improve potential opportunities for future income and capital growth.”**

The Trustee-Manager financed the Acquisition through a combination of debt, equity financing and internal funding. On 26 June 2020, the private placement was about 1.2 times subscribed at an issue price of S\$0.78 with an issuance of about 120.5 million units, raising gross proceeds of about S\$94 million. The issue price represents a 6.0% discount to the volume-weighted average price of S\$0.83 per unit for trades done on June 25. The oversubscription and relatively lower discounted issue price demonstrated new and existing investors’ confidence in the Sponsor, DRT and the future development of GBA.

### **The Properties**

Located in Daliang Town of Shunde District, Foshan City, Shunde Metro Mall is a large-scale integrated shopping mall with a gross floor area (“GFA”) of about 177,276 sqm that provides a one-stop destination for leisure and entertainment, F&B and retail activities, and comprises three basement levels and six levels above ground. Daliang Town, which is the district centre and has the largest residential population in the Shunde District. There are large scale residential

communities, schools and relatively mature commercial zone within Daliang Town and the nearby Ronggui Town.

Tanbei Metro Mall is located at Dongsheng Town, Zhongshan with a GFA of about 13,640 sqm. It is the only shopping mall in Dongsheng town, and enjoys a strong catchment area with a convenient transportation network and comprehensive supporting municipal facilities, surrounded by many residential quarters and completed supporting commercial facilities. It is a lifestyle shopping mall, with key trade mix including supermarket, retail, F&B and children's playground.

### **Rationale and Benefits**

The addition of the Properties to the existing portfolio will further strengthen DRT's foothold in the fast-developing GBA with high growth potential. The development of GBA is also one of the main key topics in China's "Two Sessions". This shows that the Chinese government attaches great importance to the development projects in the GBA and is committed to make it a success. The GBA will promote regional economic development, encouraging population and tourism growth. This would augur well for DRT as our assets are strategically located in GBA.

Following the completion of the acquisition, the GFA of DRT's enlarged portfolio will increase by 31.7% to a total of 793,752 sqm. The total portfolio will also be better diversified in terms of income streams and reduced asset concentration risk, providing greater income resilience to DRT.

The Properties have well-balanced tenant mix which increases the portfolio's resilience against any market fluctuation affecting a particular trade sector. Further to underpinning rental income for the DRT, the high-quality credit-worthy tenant base also improves the occupancy rate as well as the lease expiry profile by net lettable area and gross rental income.

Furthermore, the inclusion of the Properties will have a positive impact on the enlarged portfolio. Pro forma net property income for FY2019 will increase by 28.3% from approximately S\$60.0 million for the existing portfolio to about S\$77.0 million for the enlarged portfolio. Besides, DRT's pro forma distribution per Unit ("DPU") (with distribution waiver) for FY2019 for the enlarged portfolio is expected to increase from 6.82 cents to 7.20 cents, while DRT's pro forma DPU (without distribution waiver) will increase from 3.95 cents to 4.70 cents. In addition, the pro forma distributable income attributable to unitholders for the enlarged portfolio for FY2019 will be S\$33.4 million, compared to S\$23.3 million for the existing portfolio for FY2019 which represents a growth of 43.6%.

Ms Wang added, **“Lastly, I would like to take this opportunity to thank the professional parties who have put in great effort in making this transaction a great success.”**

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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.

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.

### **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>1</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>1</sup> **“Sponsor Group”** refers to the Sponsor, its existing or future subsidiaries, as well as its affiliates.

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**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.