



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)

**SIGNING OF SALE AND PURCHASE AGREEMENT
FOR THE ACQUISITION OF SHIQI METRO MALL**

1. INTRODUCTION

- 1.1. The trustee-manager of Dasin Retail Trust (the "**Trustee-Manager**") wishes to make reference to the prospectus issued by Dasin Retail Trust dated 13 January 2017 and registered by the Monetary Authority of Singapore on 13 January 2017 (the "**Prospectus**"), where it was stated that Singapore Dasin Commercial Holdings Pte. Ltd. had entered into a framework agreement with Mr. Zhang Zhencheng and Zhongshan Dasin Management and Investment Co., Ltd. (the "**Shiqi Framework Agreement**") on 13 January 2017 for Dasin Retail Trust to acquire Shiqi Metro Mall and Zhongshan Shiqi Dasin Xinduhui Commercial Management Co., Ltd., the rental management company of Shiqi Metro Mall (the "**Shiqi Rental Management Company**"). Capitalised terms used herein, unless otherwise defined, have the meanings as defined in the Prospectus.
- 1.2. Pursuant to the Shiqi Framework Agreement, Mr. Zhang Zhencheng's wholly-owned Singapore incorporated subsidiary, Sheng Xin Holdings Pte. Ltd. ("**Sheng Xin Holdings**"), through two of its wholly-owned Singapore incorporated subsidiaries, namely Sheng Xin Management Pte. Ltd. ("**Sheng Xin Management**") and Sheng Xin Properties Pte. Ltd. ("**Sheng Xin Properties**") had entered into the following sale and purchase agreements in the PRC to purchase Shiqi Metro Mall and the Shiqi Rental Management Company (collectively, the "**PRC Sale and Purchase Agreements**"):
- a sale and purchase agreement on 2 June 2017 with Zhongshan Dasin Management and Investment Co., Ltd. ("**Dasin Management and Investment**") for the acquisition by Sheng Xin Properties of Zhongshan Xin Kong Commercial Management Co., Ltd. ("**Xin Kong**"), which is the property holding company of Shiqi Metro Mall; and
 - a sale and purchase agreement on 19 May 2017 with Dasin Management and Investment for the acquisition by Sheng Xin Management of the Shiqi Rental Management Company.

The PRC Sale and Purchase Agreements have been completed on 15 June 2017.

DBS Bank Ltd. is the Sole Financial Adviser, Global Coordinator and Issue Manager for the initial public offering of Dasin Retail Trust (the "**Offering**"). DBS Bank Ltd., Bank of China Limited, Singapore Branch, and Haitong International Securities (Singapore) Pte. Ltd. are the Joint Bookrunners and Underwriters for the Offering (collectively, the "**Joint Bookrunners**").

The Joint Bookrunners for the Offering assume no responsibility for the contents of this announcement.

- 1.3. Under the Shiqi Framework Agreement, Mr. Zhang Zhencheng has also agreed to enter into the sale and purchase agreement for the sale of Sheng Xin Holdings to Dasin Retail Trust (via Singapore Dasin Commercial Holdings Pte. Ltd.) (the "**Shiqi Holdco Sale and Purchase Agreement**"), a form of which had been appended to the Shiqi Framework Agreement. As disclosed in the Prospectus, the entry into and fees and charges payable by Dasin Retail Trust under the Shiqi Framework Agreement (which includes the Shiqi Holdco Sale and Purchase Agreement), which constitutes an Interested Person Transaction, were deemed to have been specifically approved by the Unitholders upon subscription of the Units and are therefore not subject to Rules 905 and 906 of the Listing Manual to the extent that specific information on the Shiqi Framework Agreement and Shiqi Holdco Sale and Purchase Agreement had been disclosed in the Prospectus and there is no subsequent change to the rates and/or bases of the fees charged thereunder which will adversely affect Dasin Retail Trust.
- 1.4. The Trustee-Manager wishes to announce that Dasin Retail Trust (through its wholly-owned subsidiary, Singapore Dasin Commercial Holdings Pte. Ltd. (the "**Purchaser**")) has on 16 June 2017 entered into the Shiqi Holdco Sale and Purchase Agreement with Mr. Zhang Zhencheng (the "**Vendor**") to acquire Sheng Xin Holdings (which indirectly holds (i) Shiqi Metro Mall through Sheng Xin Properties and Xin Kong, and (ii) the Shiqi Rental Management Company through Sheng Xin Management) for a cash consideration of RMB 1,224.0 million (the "**Proposed Acquisition**") which will be fully funded by debt.

2. **INFORMATION ON SHIQI METRO MALL AND THE SHIQI RENTAL MANAGEMENT COMPANY AND RATIONALE FOR THE PROPOSED ACQUISITION**

- 2.1. Shiqi Metro Mall is a shopping mall located at No. 2, South Dasin Road, Shiqi District, Zhongshan, Guangdong Province, PRC, with a GFA of 119,681.95 sq m (including car park space of 18,096.8 sq m). As at 31 March 2017, the occupancy rate of Shiqi Metro Mall is 99.9%. Including Shiqi Metro Mall, the overall occupancy rate of the Initial Portfolio and Shiqi Metro Mall as at 31 March 2017 is 99.9%.
- 2.2. The Shiqi Rental Management Company was initially incorporated by the Sponsor, Zhongshan Dasin Real Estate Co., Ltd. and its subsidiaries (the "**Sponsor Group**") with the primary purpose of administering and monitoring the collection of rental and deposits in respect of Shiqi Metro Mall, and for arrears management on behalf of the Sponsor Group, as well as to facilitate rental negotiations with the tenants of Shiqi Metro Mall. So as not to affect the existing leases between the tenants and the Shiqi Rental Management Company, Dasin Retail Trust will also be acquiring the Shiqi Rental Management Company. This will allow Dasin Retail Trust to have full access to the total rental income collected in respect of Shiqi Metro Mall. The Shiqi Rental Management Company has entered into a property management agreement and commercial management agreement with the Property Manager and Commercial Manager respectively (both terms as defined in the Prospectus), pursuant to which the Property Manager has been appointed as the property manager of Shiqi Metro Mall to provide property management services in respect of Shiqi Metro Mall and the Commercial Manager has been appointed as the commercial manager of Shiqi Metro Mall to provide marketing services to Shiqi Metro Mall.
- 2.3. The Proposed Acquisition is in line with the Trustee-Manager's growth strategy of acquiring quality income-producing real estate properties in Greater China that provide attractive cash flows and yields, so as to enhance returns to Unitholders and improve potential opportunities for future income and capital growth.

3. PRINCIPAL TERMS OF THE SHIQI HOLDCO SALE AND PURCHASE AGREEMENT

The principal terms of the Shiqi Holdco Sale and Purchase Agreement include, among others, the following:

3.1. Consideration

The consideration for the one ordinary share of Sheng Xin Holdings (the "**Sale Share**"), being the whole of the issued ordinary share capital in Sheng Xin Holdings, will be RMB 1,224.0 million (the "**Consideration**"), which was agreed upon between Dasin Retail Trust and the Vendor after arm's length negotiation and arrived at on a willing buyer-willing seller basis, taking into consideration the independent valuations conducted on Shiqi Metro Mall by two independent valuers which were commissioned by the Trustee-Manager, namely, Savills Valuation and Professional Services Limited and Colliers International (Hong Kong) Ltd (the "**Independent Valuers**") as at 31 March 2017 (the "**Valuations**").

The table below sets out the valuations of the Shiqi Metro Mall and the valuation methodologies used:

Independent Valuer	Valuation of Shiqi Metro Mall as at 31 March 2017 ⁽¹⁾ (RMB million)	Valuation Methodology
Savills Valuation and Professional Services Limited	2,822.0	Income capitalisation method and discounted cash flow method
Colliers International (Hong Kong) Ltd	2,978.0	Income capitalisation method and discounted cash flow method

Note:

(1) Calculated based on the average of the valuations obtained from the two valuation methods.

The purchase consideration of RMB 1,224.0 million represents a discount of approximately 57.8% to the appraised value of Shiqi Metro Mall as at 31 March 2017 based on RMB 2,900.0 million, being the average of the two Valuations conducted by the Independent Valuers.

The Consideration shall be paid in cash to the Vendor, or such other person(s) as the Vendor may direct, within ten (10) business days from the date of completion (the "**Completion Date**") of the Proposed Acquisition ("**Completion**"). The Completion Date is expected to be no later than 30 June 2017, subject to the fulfilment of the conditions precedent under the Shiqi Holdco Sale and Purchase Agreement.

3.2. Conditions Precedent to Completion

Completion shall be subject to and conditional upon, among others:

- (a) save for the first ranking mortgage over Shiqi Metro Mall pursuant to the syndicated term loan facility of RMB 400.0 million that was granted to Zhongshan Yuanxin Commercial Property Management Co., Ltd. (中山市远信商用物业管理有限公司) which is an indirect wholly-owned subsidiary of Dasin Retail Trust for the purposes of the Offering, the Vendor procuring the discharge of all encumbrances over Shiqi Metro Mall;

- (b) there being no material damage to Shiqi Metro Mall which in the reasonable opinion of the Purchaser, acting on the recommendation of the Trustee-Manager, will have a material adverse effect on the financial condition, prospects, earnings, business, undertaking or assets of the Group Companies or on Shiqi Metro Mall, in each case, taken as a whole;
- (c) there being no compulsory acquisition or expropriation of the assets of each of Sheng Xin Holdings, Sheng Xin Management, Sheng Xin Properties, Xin Kong, the Shiqi Rental Management Company (each a "**Group Company**") (including without limitation, any of the equity interest held in any of the Group Companies or Shiqi Metro Mall) or any part of it, and no notice of such intended compulsory acquisition or resumption has been given, by the government or other competent authority;
- (d) the completion of the PRC Sale and Purchase Agreements;
- (e) there being no breach of any clause of the Shiqi Holdco Sale and Purchase Agreement (including any of the warranties) which, in the reasonable opinion of the Purchaser, acting on the recommendation of the Trustee-Manager, will have or is likely to have a material adverse effect on the financial condition, prospects, earnings, business, undertaking or assets of the Group Companies, taken as a whole;
- (f) the licences, authorisations, orders, grants, confirmations, consents, permissions, registrations and other approvals necessary for or in respect of the proposed acquisition of Sheng Xin Holdings having been obtained from third parties (including governmental or official authorities, courts or other regulatory bodies on terms reasonably satisfactory to the Purchaser and such licences, authorisations, orders, grants, confirmations, consents, permissions, registrations and other approvals remaining in full force and effect and not being subject to any new or additional conditions and/or requirements;
- (g) no statute, regulation or decision which would prohibit, restrict or materially delay the sale and purchase of the Sale Share or the operation of each Group Company having been enacted or taken by any governmental or official authority;
- (h) the listing and trading of the units of Dasin Retail Trust on the SGX-ST; and
- (i) there being no breach of the warranties given by the Vendor in the Shiqi Holdco Sale and Purchase Agreement unless such breach (if any) is waived in writing by the Purchaser (in its absolute discretion).

3.3. Completion

If Completion does not take place on or before 30 June 2017 due to a material breach of contract by Dasin Management and Investment and/or the Vendor of the Shiqi Framework Agreement (including a failure to meet any conditions precedent stipulated in the Shiqi Framework Agreement or otherwise) or the Shiqi Holdco Sale and Purchase Agreement (as the case may be), Dasin Management and Investment and the Vendor shall jointly and severally compensate the Purchaser by paying to the Purchaser an amount of RMB 3.3 million every month from 1 July 2017 until (i) the date of Completion; (ii) the date of termination by the Purchaser; or (iii) 31 December 2017, whichever is earlier, provided that the aggregate compensation payable to the Purchaser for the period from 1 January 2017 to 31 December 2017 (both dates inclusive) shall not exceed RMB 19.6 million. If the Completion does not take place on or before 31 December 2017, due to a material breach by Dasin Management and

Investment and/or the Vendor of the Shiqi Framework Agreement or the Shiqi Holdco Sale and Purchase Agreement (as the case may be), Dasin Management and Investment and the Vendor shall jointly and severally compensate the Purchaser by paying to the Purchaser an amount of RMB 4.7 million every month from 1 January 2018 until (i) the date of Completion; (ii) the date of termination by the Purchaser; or (iii) 31 December 2018, whichever is earlier, provided that the aggregate compensation payable to the Purchaser for the period from 1 January 2018 to 31 December 2018 (both dates inclusive) shall not exceed RMB 56.2 million. If Completion does not take place on or before 31 December 2018, then the Purchaser may terminate the Shiqi Holdco Sale and Purchase Agreement without liability on the part of the Purchaser.

In consideration of the Purchaser agreeing to enter into the Shiqi Framework Agreement with Dasin Management and Investment and the Vendor, Dasin Management and Investment had on 13 January 2017 provided the Purchaser with a banker's guarantee of RMB 19.6 million procured from the Bank of China Limited, Zhongshan Branch (中国银行中山分行), which shall be effective for the period from 1 July 2017 to 31 December 2017 (both dates inclusive). If Completion does not take place on or before 31 December 2017, Dasin Management and Investment undertakes to provide the Purchaser, or to such person that the Purchaser may direct, with RMB 56.2 million in the form of banker's guarantee by 31 December 2017, which shall be effective for the period from 1 January 2018 to 31 December 2018 (both dates inclusive).

4. PRO FORMA FINANCIAL EFFECTS

The pro forma financial effects of the Proposed Acquisition presented below are strictly for illustrative purposes and do not reflect the actual financial position of Dasin Retail Trust following the completion of the Proposed Acquisition. They have been prepared based on the latest unaudited financial statements of Dasin Retail Trust for the period commencing on 1 January 2017 and ended on 31 March 2017 ("**DRT Unaudited Financial Statements**"), taking into account the Consideration as well as the assumption that the Proposed Acquisition is intended to be fully funded by debt and no acquisition fee will be payable by Dasin Retail Trust to the Trustee-Manager for the Proposed Acquisition.

4.1. Pro Forma Net Profit

The pro forma net profit attributable to the Proposed Acquisition for the period commencing on 1 January 2017 and ended on 31 March 2017 is approximately S\$2.3 million (approximately RMB 11.1 million¹).

4.2. Pro Forma Net Asset Value ("NAV")

The pro forma financial effects of the Proposed Acquisition on the NAV per Unit as at 31 March 2017, as if the Proposed Acquisition was completed on 1 January 2017 are as follows:

	Effects of the Proposed Acquisition	
	Before the Proposed Acquisition	After the Proposed Acquisition
NAV (S\$'000)	585,878	815,366
Issued and issuable Units ('000)	550,291 ⁽¹⁾	550,681

¹ This figure is based on the exchange rate of S\$1: RMB 4.8795 as at 31 March 2017.

NAV per Unit (S\$)	1.06	1.48
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Note:

(1) Number of issued and issuable Units as at 31 March 2017 as stated in the DRT Unaudited Financial Statements.

4.3. Pro Forma Distributable Income per Unit² ("DPU")

The pro forma financial effects of the Proposed Acquisition on Dasin Retail Trust's DPU for the period commencing on 1 January 2017 and ended on 31 March 2017, as if Dasin Retail Trust had completed the Proposed Acquisition on 1 January 2017 and held and operated Shiqi Metro Mall through to 31 March 2017, are as follows:

	Effects of the Proposed Acquisition	
	Before the Proposed Acquisition	After the Proposed Acquisition
Net profit before tax (S\$'000)	1,195	2,019
Distributable income (S\$'000)	3,687	4,893
Issued and issuable Units ('000)	550,291 ⁽¹⁾	550,681
DPU (cents)		
- With Distribution Waiver	1.49	1.97
- Without Distribution Waiver	0.67	0.89

Note:

(1) Number of issued and issuable Units as at 31 March 2017 as stated in the DRT Unaudited Financial Statements.

5. DISCLOSURES UNDER THE LISTING MANUAL

5.1. Major Transaction

The relative figures for the Proposed Acquisition in relation to (i) the net profit attributable to the assets acquired or disposed of, compared with Dasin Retail Trust's net profits; and (ii) the aggregate value of the Consideration given, compared with Dasin Retail Trust's market capitalisation are set out in the table below.

Comparison of	Proposed Acquisition	Dasin Retail Trust	Relative figure (%)
Net profit after tax (S\$ million)	2.3 ⁽¹⁾	0.2 ⁽²⁾	1,016.5

² Rule 1010(9) of the Listing Manual requires that the issuer discloses the effect of the transaction on the earnings per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the beginning of that financial year. The effect of the Proposed Acquisition on the distributable income per Unit for the period commencing on 1 January 2017 and ended on 31 March 2017 is disclosed instead as Dasin Retail Trust was listed on the SGX-ST on 20 January 2017 and the distributable income per Unit is a more appropriate measure for a business trust.

Consideration against market capitalisation (S\$ million)	248.7 ⁽³⁾	439.7 ⁽⁴⁾	56.6
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No Units will be issued to the Vendor as consideration for the Proposed Acquisition.

Notes:

- (1) This figure is based on the unaudited pro forma results of Sheng Xin Holdings for the period from 1 January 2017 to 31 March 2017.
- (2) This figure is based on the DRT Unaudited Financial Statements.
- (3) This figure is based on the exchange rate of S\$1: RMB 4.92128 as at 15 June 2017 being the day immediately prior to the entry of the Shiqi Holdco Sale and Purchase Agreement.
- (4) This figure is based on the last traded price of S\$0.80 per Unit on the SGX-ST as at 15 June 2017 being the day immediately prior to the entry of the Shiqi Holdco Sale and Purchase Agreement.

5.2. Method of Financing to fund the Proposed Acquisition

The Trustee-Manager intends to fund the Proposed Acquisition and obtain financing for the payment of the Consideration of RMB 1,224 million by drawing down the equivalent of approximately S\$250.0 million from the Offshore Facilities (as defined in the Prospectus). The pro forma aggregate leverage ratio as at 31 March 2017 is expected to increase from 24.7% to 30.8% upon completion of the Proposed Acquisition.

No acquisition fee is payable by Dasin Retail Trust to the Trustee-Manager for the Proposed Acquisition.

5.3. Interests of Directors and Controlling Unitholders

The interests of directors of the Trustee-Manager and controlling Unitholders of Dasin Retail Trust in the Proposed Acquisition are as follows:

- (a) Mr. Zhang Zhencheng, the Chairman and Non-Executive Director of the Board, is the Vendor;
- (b) Mr. Zhang Zhongming, a Non-Executive Director of the Board, is the nephew of Mr. Zhang Zhencheng; and
- (c) Mr. Zhang Zhencheng, the Vendor, is also the settlor of the Zhang Family Trust, a controlling Unitholder of Dasin Retail Trust as it holds more than 15.0% of the Units.

Save as disclosed in this announcement, none of the directors of the Trustee-Manager or controlling Unitholders has any other interest, direct or indirect, in the Proposed Acquisition, other than through their respective Unitholdings in Dasin Retail Trust.

5.4. Directors' Service Contracts

No person is proposed to be appointed as a director as a result of the Proposed Acquisition or any other transactions contemplated in relation to the Proposed Acquisition.

6. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours (10.00 a.m. to 5.00 p.m.)³ 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 thereafter:

- (a) the Shiqi Holdco Sale and Purchase Agreement; and
- (b) the valuation reports on Shiqi Metro Mall issued by each of the Independent Valuers.

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)

16 June 2017

IMPORTANT NOTICE

This announcement is for information only and does not constitute or form part of an offer, invitation or solicitation of any offer, to acquire, purchase or subscribe for Units in Singapore or any other jurisdiction, nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

Unitholders of Dasin Retail Trust and potential investors are advised to exercise caution in trading the Units in Dasin Retail Trust as there is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed.

The value of the Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, the Trustee-Manager, the Sponsor, the Sole Financial Adviser, Global Coordinator and Issue Manager, the Joint Bookrunners or any of their respective affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Unitholders 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.

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 other companies and venues for the sale or distribution of goods and services, shifts in customer demands, customers and partners, changes in

³ Prior appointment with the Trustee-Manager will be appreciated.

operating expenses (including employee wages, benefits and training costs), 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 view of future events. The past performance of Dasin Retail Trust and the Trustee-Manager are not necessarily indicative of the future performance of any of them.

Unitholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take.