



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)

Managed by Dasin Retail Trust Management Pte. Ltd.

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT
FIRST QUARTER ENDED 31 MARCH 2018

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DBS Bank Ltd. ("DBS") is the Sole Financial Adviser, Global Coordinator and Issue Manager for the Initial Public Offering ("Offering"). DBS, Bank of China Limited, Singapore Branch and Haitong International Securities (Singapore) Pte. Ltd. are the Joint Bookrunners and Underwriters for the Offering.

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Introduction

Dasin Retail Trust (the "Trust") was constituted by a trust deed dated 15 January 2016, supplemented by a first supplemental deed dated 27 December 2016 entered into by Dasin Retail Trust Management Pte. Ltd. as trustee-manager of the Trust (the "Trustee-Manager"). Dasin Retail Trust and its subsidiaries are collectively known as the "Group".

The Trust is listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 20 January 2017 (the "Listing Date") and gross proceeds of S\$146.4 million had been raised from the initial public offering. The principal investment strategy of the Trust is to invest in, own or develop land, uncompleted developments and income-producing real estate in Greater China, used primarily for retail purposes, as well as real estate-related assets with an initial focus on retail malls.

Portfolio

The Trust's property portfolio comprises the following four retail malls located in Zhongshan City in the People's Republic of China ("PRC"), with an aggregate gross floor area ("GFA") of approximately 434,567 sq m.

	Xiaolan Metro Mall	Ocean Metro Mall	Dasin E-Colour	Shiqi Metro Mall	Total
Address	No. 18 Shengping Middle Road, Xiaolan Town, Zhongshan, Guangdong Province, PRC	No. 28 Boai Six Road, Dongqu District, Zhongshan, Guangdong Province, PRC	South Tower, No. 4 Qitou New Village Longfeng Road, Shiqi District, Zhongshan, Guangdong Province, PRC	No. 2, South Dasin Road, Shiqi District, Zhongshan, Guangdong Province, PRC	
GFA (sq m)	108,690 (including carpark spaces of 20,455)	180,338 (including carpark spaces of 94,343)	25,857	119,682 (including carpark spaces of 18,097)	434,567
Net lettable area (sq m)	77,672	68,008	12,648	85,727	244,055
Carpark lots	626	1,991	-	545	3,162
Commencement of operations	September 2005	December 2014	May 2015	May 2004	

Occupancy rate of the four malls as at 31 March 2018 is 100%.

Zhongshan Xinteng Commercial Management Co., Ltd ("Xinteng Commercial"), Zhongshan Yuanxin Commercial Property Management Co., Ltd ("Zhongshan Yuanxin") and Zhongshan Xinrui Commercial Management Co., Ltd ("Xinrui Commercial") are the PRC property companies of Dasin E-Colour, Ocean Metro Mall and Xiaolan Metro Mall (collectively, the "Initial Portfolio" respectively). Zhongshan Xiaolan Dasin Xinduhui Commercial Management Co., Ltd ("Xiaolan Xinduhui") and Zhongshan Yicai Dasin Xinduhui Commercial Management Co., Ltd ("Yicai Xinduhui") are the PRC rental management companies of the Initial Portfolio. The Initial Portfolio and its rental management companies were acquired in March 2016.

Sheng Xin Holdings Pte. Ltd., Sheng Xin Properties Pte. Ltd., Sheng Xin Management Pte. Ltd., Zhongshan Xin Kong Commercial Management Co., Ltd ("Xin Kong Commercial") and Zhongshan Shiqi Dasin Xinduhui Commercial Management Co., Ltd ("Shiqi Xinduhui") (collectively, "Shiqi Acquisition") were acquired in June 2017. Xin Kong Commercial and Shiqi Xinduhui are the PRC property company and rental management company respectively of Shiqi Metro Mall.

As at Listing Date, the number of properties under Right of First Refusal ("ROFR") was 15 (including the Purchase Option for Doumen Metro Mall). Since then, the number of ROFR properties has increased to 20, with 5 additional properties, namely, Dongqu Metro Mall, Xinghui Metro Mall, Shunde Metro Mall, Xinjiayuan Metro Mall and Tanbei Metro Mall. Dongqu Metro Mall, Xinghui Metro Mall, Xinjiayuan Metro Mall and Tanbei Metro Mall are located within Zhongshan City, Guangdong Province, PRC while Shunde Metro Mall is located in Foshan City, Guangdong Province, PRC.

Distribution Policy

The Trust's distribution policy is to distribute 100.0% of its amount available for distribution to Unitholders for the years ended/ending 31 December 2017 and 2018. Thereafter, the Trustee-Manager will distribute at least 90.0% of the Trust's amount available for distribution with the actual level of distribution to be determined at the discretion of the Board of Directors of the Trustee-Manager.

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SUMMARY OF GROUP RESULTS

	Actual 1Q FY2018 S\$'000	Actual 1Q FY2017 S\$'000	% change	Actual ^(a) 1Q FY2018 S\$'000	Forecast ^(b) 1Q FY2018 S\$'000	% change
Revenue	18,495	9,982	85	18,495	17,498	6
Net property income	14,929	8,036	86	14,929	14,463	3
Amount available for distribution	5,345	3,683	45	5,345	5,288	1
Distribution per unit (cents):						
- With Distribution Waiver ^(c)	1.83	1.49	23	1.83	1.81	1
- Without Distribution Waiver ^(c)	0.96	0.67	43	0.96	0.95	1
Annualised distribution yield (%)						
- Based on Offering price of S\$0.80:						
- With Distribution Waiver	9.28	7.53	23	9.28	9.18	1
- Without Distribution Waiver	4.87	3.39	43	4.87	4.82	1
- Based on closing price of S\$0.88 at 29 March 2018:						
- With Distribution Waiver	8.43	6.84	23	8.43	8.35	1
- Without Distribution Waiver	4.42	3.08	43	4.42	4.39	1

Footnotes:

- (a) The actual results of the Trust's foreign operations are translated using the average RMB/SGD rate for the three months ended 31 March 2018 of 4.8083. Please refer to Section 9 of this announcement for details on the variance between actual and forecast.
- (b) The Forecast is derived from the Forecast Year 2018 as disclosed in the prospectus of the Trust dated 13 January 2017 (the "Prospectus"). For comparability, the Forecast has been translated at the actual average RMB/SGD rate for the three months ended 31 March 2018 of 4.8083.
- (c) The quarter's forecast distribution per unit of S\$0.0181 (with Distribution Waiver) and S\$0.0095 (without Distribution Waiver) were apportioned based on Forecast 2018 of S\$0.0720 (with Distribution Waiver) and S\$0.0378 (without Distribution Waiver) as shown in the Prospectus.

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1 (a)(i) Consolidated Income Statement and Distribution Statement

	Note	1Q FY2018 S\$'000	1Q FY2017 S\$'000	% change
Revenue	(1)	18,495	9,982	85
Property related taxes		(994)	(636)	56
Property and commercial management fees		(368)	(200)	84
Other property operating expenses		(2,204)	(1,109)	99
Property operating expenses		(3,566)	(1,946)	83
Net property income	(1)	14,929	8,036	86
Trustee-Manager's fees	(2)	(1,153)	(555)	NM
Other trust expenses	(3)	(352)	(29)	NM
Exchange gain/(loss)	(4)	3,275	(1,676)	NM
Other income	(5)	1,025	-	NM
Finance income		576	47	NM
Finance costs	(6)	(6,199)	(7,358)	(16)
Net income / (loss)		12,101	(1,535)	NM
Net change in fair value of investment properties		(490)	(286)	71
Profit / (loss) before income tax		11,611	(1,821)	NM
Income tax expense	(7)	(3,937)	(2,728)	44
Profit / (loss) for the period		7,674	(4,549)	NM
Attributable to:				
Unitholders of the Trust		7,674	(4,549)	NM
Distributable income attributable to Unitholders				
Profit / (loss) for the period		7,674	(4,549)	
Distribution adjustments	(8)	(2,329)	8,232	
Amount available for distribution		5,345	3,683	

NM – Not meaningful

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Notes to Consolidated Income Statement and Distribution Statement:

(1) Revenue

Net property income

Please refer to Section 8 for review of the performance.

(2) Trustee-Manager's fees

The Trustee-Manager's fees comprise the trustee fee, base management fees and performance management fee.

The Trustee-Manager's trustee fee is calculated at a rate not exceeding 0.02% per annum of the value of the trust property of the Group ("Trust Property"), adjusted for the number of days in the relevant period.

The Trustee-Manager's base management fee is calculated at a rate in accordance with the formula below, adjusted for the number of days in the relevant period.

- (a) Where the value of the Trust Property is less than or equal to S\$10.0 billion, the base management fee is calculated at 0.25% per annum of the value of the Trust Property.
- (b) Where the value of the Trust Property is greater than S\$10.0 billion, the base management fee will be:
 1. 0.25% per annum of the value of the Trust Property up to an amount of S\$10.0 billion; and
 2. 0.20% per annum of the value of the Trust Property which exceeds S\$10.0 billion.

As the Trustee-Manager is entitled to both the trustee fee and the base management fee with effect from the Listing Date, no fees are payable to the Trustee-Manager for the period from the date of constitution to 19 January 2017.

The Trustee-Manager's performance management fee is calculated at 25.0% of the difference in distribution per unit ("DPU") in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance management fee in each financial year) multiplied by the weighted average number of units for such financial year. No performance management fee is payable for the year 2017. For the year 2018, the performance management fee is calculated at 25.0% of the difference in actual distribution per unit ("DPU") in the year with the projected DPU in the Prospectus multiplied by the weighted average number of units for such financial year.

(3) Other trust expenses

	1Q FY2018 S\$'000	1Q FY2017 S\$'000
Audit fees	43	-
Facility agent and security agent fees	25	25
Professional fees ⁽ⁱ⁾	104	-
Unclaimable GST expenses on Trustee-Manager's fees	96	-
Investor relations	47	-
Others	38	4
	352	29

- (i) Professional fees for the quarter ended 31 March 2018 of S\$0.1 million included valuation, tax, internal audit and compliance fees payable to third-party professional entities necessary to meet the Trust's statutory obligations.

(4) Exchange gain/(loss)

Exchange gain for the quarter ended 31 March 2018 of S\$3.3 million is mainly due to unrealised exchange gain from the weakening of the USD against SGD on the USD-denominated bank loans of US\$134.3 million.

Exchange loss for the quarter ended 31 March 2017 of S\$1.7 million is mainly due to realised exchange loss from the settlement of RMB-denominated purchase consideration on 20 January 2017 in respect of the acquisition of the Initial Portfolio.

Unrealised exchange differences do not affect the distributable income of the Trust.

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(5) Other income

	1Q FY2018 S\$'000	1Q FY2017 S\$'000
Net change in fair value of derivative financial instruments ⁽ⁱ⁾	1,025	-
	1,025	-

- (i) Net change in the fair value of derivative financial instruments arose from the re-measurement of the interest rate swaps as at 31 March 2018, which were entered into by the Trust to hedge 40% of the floating interest rate risk of its offshore bank borrowings.

(6) Finance costs

	1Q FY2018 S\$'000	1Q FY2017 S\$'000
Interest expense on loans and borrowings ⁽ⁱ⁾	3,807	2,034
Commitment fee expense ⁽ⁱⁱ⁾	-	719
Amortisation of capitalised transaction costs ⁽ⁱⁱⁱ⁾	2,392	4,605
	6,199	7,358

- (i) The Group recognised interest expenses during the quarter ended 31 March 2018 and 31 March 2017 of S\$3.8 million and S\$2.0 million respectively. This is in relation to the onshore syndicated term loan of RMB400.0 million drawdowns on 18 January 2017 and the offshore syndicated term loan of approximately S\$429.2 million on 20 January 2017 (collectively, "the Onshore and Offshore Facilities"). Details of the Onshore and Offshore Facilities can be found on Section 1(b)(ii) of this announcement.
- (ii) This related to the commitment fee expense recognised on the undrawn but committed facilities of the offshore syndicated term loan for the period from 20 January 2017 to 31 March 2017.
- (iii) During quarter ended 31 March 2017, the Group also recognised an amortisation charge on the transaction costs relating to Xiaolan Xinduhui bank borrowings of S\$3.5 million following its repayment on 18 January 2017.

(7) Income tax expense

Income tax expense comprise the following:

	1Q FY2018 S\$'000	1Q FY2017 S\$'000
Current income tax expense - PRC ⁽ⁱ⁾	2,139	904
Withholding tax expense ⁽ⁱⁱ⁾	514	-
	2,653	904
Deferred income tax expense ⁽ⁱⁱⁱ⁾	1,284	1,824
	3,937	2,728

- (i) Current income tax expense for the three months ended 31 March 2018 of S\$2.1 million was attributable to PRC taxable profits of Yicai Xinduhui, Xiaolan Xinduhui and Shiqi Xinduhui of approximately S\$0.1 million, S\$1.1 million and S\$0.9 million respectively.

Current income tax expense for the three months ended 31 March 2017 of S\$0.9 million was attributable to PRC taxable profits of Yicai Xinduhui and Xiaolan Xinduhui of approximately S\$0.1 million and S\$0.8 million respectively.

Current income tax expense is computed based on the statutory income tax rate of 25% on the PRC taxable profits.

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- (ii) Withholding tax expense relates to the 5% tax withheld on dividends from PRC subsidiaries to their Singapore holding companies during the respective periods.
- (iii) Deferred income tax expense for the three months ended 31 March 2018 includes:
- tax charge of S\$1.5 million, computed at 25% on the temporary differences between the carrying amounts used, mainly derived for financial reporting purposes, and the amounts used for taxation purposes; and offset by
 - tax benefits of S\$0.2 million was attributed to 5% on the reduction in undistributed earnings of the PRC subsidiaries mainly due to payment of dividend.
- Deferred income tax expense for the three months ended 31 March 2017 includes:
- tax charge of S\$2.4 million, computed at 25% on the temporary differences between the carrying amounts used, mainly derived for financial reporting purposes, and the amounts used for taxation purposes; and offset by
 - tax benefits of S\$0.6 million, in respect of full amortisation of transaction costs upon early repayment of Xiaolan Xinduhui bank borrowings.

(8) Distribution adjustments

Distribution adjustments comprise the following:

	1Q FY2018 S\$'000	1Q FY2017 S\$'000
Amortisation of capitalised transaction costs	2,392	4,605
Commitment fee expense	-	719
Deferred income tax expense	1,284	1,824
Depreciation of plant and equipment	22	22
Net change in fair value of derivative financial instruments	(1,025)	-
Net change in fair value of investment properties	490	286
Recognition of rental income on a straight line basis over the lease term	(490)	(286)
Trustee-Manager's fees paid/payable in units	1,153	555
Unrealised exchange differences	(3,292)	(55)
Interest income on financial derivatives	(203)	-
Other adjustments ⁽ⁱ⁾	(2,660)	561
	(2,329)	8,232

- (i) Included in other adjustments for the three months ended 31 March 2018 is an amount of S\$2.7 million (31 March 2017: S\$ nil) which is set aside for future repayment of interest and related costs of the loan facilities.

1 (a)(ii) Consolidated Statement of Comprehensive Income

	1Q FY2018 S\$'000	1Q FY2017 S\$'000
Profit / (loss) for the period	7,674	(4,549)
Other comprehensive income:		
Items that are or may be reclassified subsequently to profit or loss:		
Foreign currency translation differences - foreign operations, net of tax	20,658	(19,659)
	20,658	(19,659)
Other comprehensive income for the period, net of tax	20,658	(19,659)
Total comprehensive income for the period	28,332	(24,208)
Attributable to:		
Unitholders of the Trust	28,332	(24,208)

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1 (b)(i) Consolidated Statement of Financial Position for the Group and Statement of Financial Position for the Trust

	Note	Group		Trust	
		As at 31 March 2018 ^(a)	As at 31 December 2017 ^(a)	As at 31 March 2018 ^(a)	As at 31 December 2017 ^(a)
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Investment properties	(1)	1,577,518	1,552,035	-	-
Plant and equipment		251	269	-	-
Interests in subsidiaries	(2)	-	-	521,700	524,959
Financial derivatives	(3)	1,394	517	1,394	517
		1,579,163	1,552,821	523,094	525,476
Current assets					
Trade and other receivables		7,931	7,336	141	46
Financial investments	(4)	48,425	36,589	-	-
Cash and bank balances	(5)	33,692	40,672	11,679	12,181
		90,048	84,597	11,820	12,227
Total assets		1,669,211	1,637,418	534,914	537,703
Non-current liabilities					
Loans and borrowings	(6)	314,445	482,226	234,239	403,913
Financial derivatives	(3)	25	173	25	173
Deferred tax liabilities	(7)	289,162	283,425	-	-
		603,632	765,824	234,264	404,086
Current liabilities					
Loans and borrowings	(6)	175,340	810	175,340	-
Trade and other payables		7,000	7,051	12,516	6,073
Security deposits	(8)	13,620	13,188	-	-
Current tax liabilities		1,681	1,654	-	-
		197,641	22,703	187,856	6,073
Total liabilities		801,273	788,527	422,120	410,159
Net assets		867,938	848,891	112,794	127,544
Represented by:					
Unitholders' funds		867,938	848,891	112,794	127,544

Footnotes:

(a) The net assets of the Trust's foreign operations are translated using the closing RMB/SGD rate as at 31 March 2018 of 4.7863 (31 December 2017: 4.8649).

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Notes to Consolidated Statement of Financial Position for the Group and Statement of Financial Position for the Trust:

(1) Investment properties

Investment properties of the Group as at 31 March 2018 and 31 December 2017 amounted to S\$1,577.5 million (RMB7,550.5 million) and S\$1,552.0 million (RMB7,550.5 million) respectively.

The investment properties were valued at 31 December 2017 by Colliers International (Hong Kong) Limited, using the average of the Discounted Cash Flow and Term and Reversion valuation methods, as follows:

	Market value As at 31 March 2018		Market value As at 31 December 2017	
	RMB million	S\$ million	RMB million	S\$ million
Xiaolan Metro Mall	2,386.5	498.6	2,386.5	490.6
Ocean Metro Mall	1,810.0	378.1	1,810.0	372.0
Dasin E-Colour	322.0	67.3	322.0	66.2
Shiqi Metro Mall	3,032.0	633.5	3,032.0	623.2
	<u>7,550.5</u>	<u>1,577.5</u>	<u>7,550.5</u>	<u>1,552.0</u>

(2) Interests in subsidiaries (Trust)

	As at 31 March 2018 S\$'000	As at 31 December 2017 S\$'000
Unquoted equity, at cost	-*	-*
Quasi-capital loans	521,700	524,959
	<u>521,700</u>	<u>524,959</u>

* Less than S\$1,000.

The quasi-capital loans form part of the Trust's investment in subsidiaries as at 31 March 2018 of S\$521.7 million (31 December 2017: S\$525.0 million) relate to the unsecured interest-free loans extended by the Trust to its subsidiary, Singapore Dasin Commercial Holdings Pte. Ltd., to fund the acquisitions of the Initial Portfolio and Shiqi Metro Mall. This forms part of the Trust's net investment in subsidiaries where settlement is neither planned nor likely to occur in the foreseeable future.

The Trust recognised an unrealised foreign exchange loss of S\$3.3 million on the USD-denominated balances during the three months ended 31 March 2018. The unrealised exchange loss has no impact on the distributable income of the Trust.

(3) Financial derivatives

Derivative financial instruments relate to the fair value of the floating-to-fixed interest rate swaps entered into for the purpose of hedging 40% of the floating interest rate risk on the offshore syndicated term loans.

(4) Financial investments

Financial investments of the Group as at 31 March 2018 and 31 December 2017 are stated at amortised cost and represent a RMB denominated principal-protected fixed income fund managed by a bank in the People's Republic of China, which invests into various short-term quoted and unquoted debt instruments with returns ranging from 2.7% to 4.0% per annum.

(5) Cash and bank balances

Cash and bank balances of the Group and the Trust included restricted cash, which were used to secure bank borrowings, as at 31 March 2018 of approximately S\$20.7 million (31 December 2017: S\$20.5 million) and S\$8.4 million (31 December 2017: S\$8.4 million) respectively.

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(6) Loans and borrowings

The Group drawdown an amount of RMB400.0 million (S\$82.2 million) and an aggregate amount equivalent to S\$180.0 million from the Onshore and Offshore Facilities on 18 January 2017 and 20 January 2017 respectively. The Group also drawdown an amount of approximately S\$249.2 million from the offshore syndicated term loan to fund the Shiqi Acquisition on 19 June 2017. During the quarter ended 31 March 2018, the Group drawdown an amount of S\$7.0 million from the Revolving Credit Facility for general working capital purposes.

The Group recognised unrealised foreign exchange gain of S\$3.5 million on the USD-denominated balances during the three months ended 31 March 2018. The unrealised foreign exchange gain has no impact on the distributable income of the Trust.

(7) Deferred tax liabilities

Deferred tax liabilities are provided in respect of the undistributed earnings of the PRC subsidiaries during the respective periods, the temporary differences between the carrying amounts used, mainly derived for financial reporting purposes, and the amounts used for taxation purposes and the temporary differences arising from recognition of rental income on a straight-line basis over the lease term, net of attributable property and commercial management fees.

The net increase in deferred tax liabilities is mainly attributed to:

- (i) deferred tax on the recognition of rental income on a straight-line basis and net fair value gain on the investment properties of S\$5.9 million; partially offset by
- (ii) decrease in deferred tax by S\$0.2 million arising from the reduction in the undistributed earnings of the PRC subsidiaries mainly due to payment of dividend.

(8) Security deposits

The increase is due to additional security deposits of approximately S\$0.3 million collected by Shiqi Metro Mall, Xiaolan Metro Mall and Ocean Metro Mall for the three months ended 31 March 2018.

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1 (b)(ii) Aggregate Amount of Borrowings and Debt Securities for the Group

	Group		Trust	
	As at 31 March 2018 S\$'000	As at 31 December 2017 S\$'000	As at 31 March 2018 S\$'000	As at 31 December 2017 S\$'000
Secured borrowings:				
- Amount repayable within one year	176,176	816	175,340	-
- Amount repayable after one year	331,619	502,578	249,719	421,584
	507,795	503,394	425,059	421,584
Unsecured borrowings:				
- Amount repayable within one year	-	-	-	-
- Amount repayable after one year	-	-	-	-
	-	-	-	-
Total gross borrowings	507,795	503,394	425,059	421,584
Less capitalised transaction costs	(18,010)	(20,358)	(15,480)	(17,671)
Total borrowings net of transaction costs	489,785	483,036	409,579	403,913

Details of any collaterals

The Group has a RMB400.0 million (S\$82.2 million) onshore syndicated term loan (the "Onshore Facility") and a SGD242.0 million and USD134.3 million (S\$179.6 million) offshore syndicated term loan equivalent to S\$421.6 million in aggregate (the "Offshore Facilities").

The Onshore Facility is secured by legal mortgage over the Initial Portfolio and a pledge over the sales proceeds, rental income and receivables derived from these properties. The Onshore Facility is a 4.5-year term loan facility. The repayment schedule of the Onshore Facility is as follows:

- 0.5% of the outstanding amount 6 months after the date of the drawdown;
- 0.5% of the outstanding amount for every 6 months thereafter up to 48 months after the date of the drawdown; and
- the remainder of the outstanding amount 54 months after the date of the drawdown.

The all-in interest rate of the Onshore Facility for the period ended 31 March 2018 was 5.28% (31 December 2017: 5.08%).

The Offshore Facilities are secured by way of first ranking charges over the entire issued share capital of each of the Singapore subsidiary companies and first ranking pledges over the entire issued share capital/equity interest of each of the PRC property companies and rental management companies. The repayment schedule of the Offshore Facilities is as follows:

- an amount of S\$106.6 million and US\$52.4 million 24 months after the date of its drawdown on 20 January 2017;
- an amount of S\$102.4 million and US\$62.0 million 36 months after the date of its drawdown on 20 June 2017; and
- an amount of S\$32.9 million and US\$19.9 million 48 months after the date of its drawdown on 20 June 2017.

The all-in interest rate of the Offshore Facilities for the period ended 31 March 2018 was 4.90% (31 December 2017: 4.61%).

In addition to the above facilities, the Group has also obtained a two-year Revolving Credit Facility of RMB 50 million (approximately S\$10.3 million). The facility was obtained mainly for the purpose of financing the general working capital of the Group. The credit facility is secured by the restricted cash from the subsidiary in China. The Group drawdown an amount of S\$7.0 million in March 2018.

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1 (c) Consolidated Statement of Cash Flows

	Group	
	1Q FY2018 S\$'000	1Q FY2017 S\$'000
Operating activities		
Profit / (loss) before income tax	11,611	(1,821)
Adjustments for:		
Depreciation of plant and equipment	22	22
Recognition of rental income on a straight-line basis over the lease term	(490)	(286)
Finance costs	6,199	7,358
Finance income	(576)	(47)
Trustee-Manager's fees paid/payable in units	1,153	555
Net change in fair value of derivative financial instruments	(1,025)	-
Net change in fair value of investment properties	490	286
Unrealised exchange differences on loans and borrowings	(3,525)	(116)
Operating cash flows before working capital changes	13,859	5,951
Changes in working capital:		
Trade and other receivables	(361)	3,750
Trade and other payables	(287)	4,318
Cash generated from operations	13,211	14,019
Income tax paid	(2,452)	(769)
Net cash flows from operating activities	(1) 10,759	13,250
Investing activities		
Net cash outflow from acquisition of subsidiaries	-	(276,553)
Interest received	260	31
Placement of financial investments	(11,836)	-
Net cash flows used in investing activities	(2) (11,576)	(276,522)
Financing activities		
Distributions paid	(10,438)	-
Decrease/(Increase) in cash pledged	4	(10,282)
Finance costs paid	(3,214)	(2,753)
Issuance of units	-	146,415
Payment of transaction costs on issuance of units	-	(10,992)
Payment of transaction costs on new bank borrowings	-	(27,013)
Proceeds from borrowings	7,000	263,006
Repayment of borrowings	(411)	(109,838)
Repayment of advances from related party	-	77,700
Repayment of entrusted loans	-	(30,161)
Net cash (used in)/from financing activities	(3) (7,059)	296,082
Net (decrease)/increase in cash and cash equivalents	(7,876)	32,810
Cash and cash equivalents at the beginning of the period	20,203	19,463
Effect of exchange rate changes on cash and cash equivalents	700	(223)
Cash and cash equivalents at the end of the period	13,027	52,050

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Notes:

- (a) An aggregate of 183,018,900 units were issued on the Listing Date, raising a gross IPO proceeds of approximately S\$146.4 million. This was utilised as partial satisfaction of the amount due to the vendors for the acquisition of the Initial Portfolio.
- (b) Transaction costs relating to the issue of units were paid out from the gross proceeds from the Offering. Such costs were incurred in accordance with the transaction costs as disclosed in the announcement on the listing of the Trust dated 20 January 2017.
- (c) For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents of the Group as at 31 March 2018 and 31 March 2017 are as follows:

	Group	
	As at 31 March 2018 S\$'000	As at 31 March 2017 S\$'000
Cash and bank balances in Statement of Financial Position	33,692	62,313
Less: Restricted cash	(20,665)	(10,263)
Cash and cash equivalents in Statement of Cash Flows	13,027	52,050

Cash Flows

- (1) During the quarter ended 31 March 2018, net cash generated from operating activities of S\$10.8 million was mainly due to rental collection. During the quarter ended 31 March 2017, net cash generated from operating activities of S\$13.2 million was mainly due to collection of security deposits and rental collection.
- (2) Net cash used in investing activities of S\$11.6 million was mainly due to placement of financial investments during the quarter ended 31 March 2018. In the quarter ended 31 March 2017, a net cash used in investing activities of S\$276.6 million was mainly due to acquisition of Initial Portfolio.
- (3) Net cash of S\$7.1 million used in financing activities during the quarter ended 31 March 2018 was mainly due to payment of distribution to unitholders of S\$10.4 million and payment of finance costs of S\$3.2 million offset by net proceeds from borrowings of S\$6.6 million. During the quarter ended 31 March 2017, net cash generated from financing activities of S\$296.1 million was mainly from net proceeds of borrowings of S\$153.2 million and repayment of advances from related party of S\$77.7 million, proceeds from the issuance of units through initial public offering of S\$146.4 million; offset by repayment of entrusted loans of S\$30.2 million, payment of transaction costs of S\$27.0 million on new bank borrowings, increase in restricted cash of S\$10.3 million and payment of transaction costs of S\$11.0 million in relation to issuances of units.

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1 (d)(i) Statement of Changes in Unitholders' Funds for the Group and the Trust

The Group	Units in issue S\$'000	Statutory surplus reserve ⁽¹⁾ S\$'000	Capital reserve ⁽²⁾ S\$'000	Foreign currency translation reserve ⁽³⁾ S\$'000	Accum- ulated profits S\$'000	Total S\$'000
As at 1 January 2018	150,929	57	680,619	(27,145)	44,431	848,891
Profit for the period	-	-	-	-	7,674	7,674
Other comprehensive income:						
Foreign currency translation differences - foreign operations, net of tax	-	-	-	20,658	-	20,658
Total other comprehensive income for the period	-	-	-	20,658	-	20,658
Total comprehensive income for the period	-	-	-	20,658	7,674	28,332
Transactions with Unitholders:						
Contributions by and distributions to Unitholders						
Distribution to Unitholders						
- Tax-exempt income	-	-	-	-	(728)	(728)
- Capital	(9,710)	-	-	-	-	(9,710)
Units to be issued as payment for Trustee-Manager's fees	1,153	-	-	-	-	1,153
Total transactions with Unitholders	(8,557)	-	-	-	(728)	(9,285)
As at 31 March 2018	142,372	57	680,619	(6,487)	51,377	867,938

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	Units in issue S\$'000	Statutory surplus reserve ⁽¹⁾ S\$'000	Capital reserve ⁽²⁾ S\$'000	Foreign currency translation reserve ⁽³⁾ S\$'000	Accum- ulated profits S\$'000	Total S\$'000
The Group						
As at 1 January 2017	13,716	57	439,459	(20,670)	25,575	458,137
Loss for the period	-	-	-	-	(4,549)	(4,549)
Other comprehensive income:						
Foreign currency translation differences - foreign operations, net of tax	-	-	-	(19,659)	-	(19,659)
Total other comprehensive income for the period	-	-	-	(19,659)	-	(19,659)
Total comprehensive income for the period	-	-	-	(19,659)	(4,549)	(24,208)
Transactions with Unitholders:						
Contributions by and distributions to Unitholders						
Issue of units - Initial Public Offering	146,415	-	-	-	-	146,415
Issue expenses	(14,404)	-	-	-	-	(14,404)
Units issued and to be issued as payment for Trustee-Manager's fees	555	-	-	-	-	555
Total transactions with Unitholders	132,566	-	-	-	-	132,566
As at 31 March 2017	146,282	57	439,459	(40,329)	21,026	566,495

Notes:

- (1) The statutory reserve refers to the reserve as required under the regulations of the PRC where a wholly-owned foreign enterprise must apportion 10% of its after-tax profit to the general reserve account until such reserve reaches 50% of the PRC company's registered capital.
- (2) The capital reserve represents the excess of the fair value of the net assets of the PRC property and rental management companies of the Initial Portfolio and Shiqi Metro Mall acquired over the consideration transferred.
- (3) The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations.

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The Trust	Units in issue S\$'000	Accum- ulated losses S\$'000	Total S\$'000
As at 1 January 2018	150,929	(23,385)	127,544
Loss for the period	-	(5,465)	(5,465)
Transactions with Unitholders:			
Contributions by and distributions to Unitholders			
Distribution to Unitholders			-
- Tax-exempt income	-	(728)	(728)
- Capital	(9,710)	-	(9,710)
Units to be issued as payment for Trustee-Manager's fees	1,153	-	1,153
Total transactions with Unitholders	<u>(8,557)</u>	<u>(728)</u>	<u>(9,285)</u>
As at 31 March 2018	<u>142,372</u>	<u>(29,578)</u>	<u>112,794</u>

The Trust	Units in issue S\$'000	Accum- ulated losses S\$'000	Total S\$'000
As at 1 January 2017	13,716	(55)	13,661
Loss for the period	-	(2,684)	(2,684)
Transactions with Unitholders:			
Contributions by and distributions to Unitholders			
Issue of units - Initial Public Offering	146,415	-	146,415
Issue expenses	(14,404)	-	(14,404)
Units to be issued as payment for Trustee-Manager's fee	555	-	555
Total transactions with Unitholders	<u>132,566</u>	<u>-</u>	<u>132,566</u>
As at 31 March 2017	<u>146,282</u>	<u>(2,739)</u>	<u>143,543</u>

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1 (d)(ii) Details of any Changes in Units

	1Q FY2018 '000	1Q FY2017 '000	1Q FY2018 '000	1Q FY2017 '000
Units in issue:				
As at beginning of period	553,793	366,587	553,793	366,587
- Initial Public Offering	-	183,019	-	183,019
	553,793	549,606	553,793	549,606
Units to be issued:				
Trustee-Manager's fees payable in units ^(a)	1,317	685	1,317	685
	1,317	685	1,317	685
Total issued and issuable units at the end of the period	555,110	550,291	555,110	550,291

Footnotes:

(a) 1,269,568 units are to be issued to the Trustee-Manager in relation to their trustee fee, base management fee and performance management fee for the first quarter ended 31 March 2018.

The Group and Trust do not hold any treasury units as at 31 March 2018 and 31 December 2017.

The Trust does not have any units as subsidiary holdings as at 31 March 2018 and 31 December 2017.

1 (d)(iii) Total number of issued Units excluding treasury Units as at the end of the current financial period and as at the end of the immediately preceding year

The total number of issued units excluding treasury units as at 31 March 2018 and 31 December 2017 were 553,792,946 and 552,443,682 respectively.

1 (d)(iv) Statement of all sales, transfers, cancellation and/or use of treasury Units as at the end of the current financial period

Not applicable.

1 (d)(v) Statement of all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period

Not applicable.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures for the three months ended 31 March 2018 and the comparative period for the three months ended 31 March 2017 have not been audited or reviewed.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in Section 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as that of the financial statements for the financial year ended 31 December 2017.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted International Financial Reporting Standard ("IFRS") 9 *Financial Instruments* that are effective for the financial period beginning 1 January 2018.

IFRS 9 Financial Instruments

IFRS 9 replaces most of the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carried forward the guidance on recognition and derecognition of financial instruments from IAS 39.

There was no change in measurement basis arising from the adoption of the new classification and measurement model. In assessing for impairment losses on financial assets, the Group had adopted the simplified approach and recorded lifetime expected losses on all trade receivables using the expected credit loss model.

The impact of the adoption of IFRS 9 to the financial statements of the Group is insignificant. Accordingly, the Group did not recognise any adjustments to the opening unitholders' funds on 1 January 2018.

Comparative Figures

Comparative figures in the consolidated income statement and financial position for the Group for the financial period ended 31 March 2017 have been restated due mainly to the following:

- Change of functional currency of the Singapore subsidiaries from RMB to SGD in accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates* as disclosed in note (4) of Section 1(d)(i) Statement of Changes in Unitholders' Funds for the Group and the Trust of the Unaudited Financial Statements Announcements for the Second Quarter and Half Year Ended 30 June 2017;
- Adjustments for the offsetting of related party receivables against payables of approximately S\$67 million in connection with the Pre-IPO Restructuring in 2016 inadvertently not reflected in the Consolidated Statement of Financial Position as at 31 March 2017 as disclosed in footnote (b) of Section 1(b)(i) Consolidated Statement of Financial Position for the Group and Statement of Financial Position for the Trust of the Unaudited Financial Statements Announcements for the Second Quarter and Half Year Ended 30 June 2017;
- Adjustments for the effect of changes in fair value of assets acquired and liabilities assumed in accordance with IFRS 3 *Business Combinations* and IFRS 13 *Fair Value Measurement* as disclosed in Section 1(d)(i) Statement of Changes in Unitholders' Funds for the Group and the Trust of the Unaudited Financial Statements Announcements for the Third Quarter and Nine Months Ended 30 September 2017.

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6 Earnings per Unit and Distribution per Unit

	1Q FY2018	1Q FY2017
Earnings per unit ("EPU"):		
Profit / (loss) for the period (S\$'000)	7,674	(4,549)
Weighted average number of units for the period ('000)		
Basic	552,729	549,606
Diluted	554,046	550,291
EPU (cents)		
Basic	1.39	(0.83)
Diluted	1.39	(0.83)
Distribution per unit ("DPU"):		
Amount available for distribution (S\$'000)	5,345	3,683
Number of units issued and issuable at end of period ('000)	555,110	550,291
Number of units not entitled to distribution under Distribution Waiver ('000)	(263,811)	(302,283)
Number of units entitled to distribution under Distribution Waiver ('000)	291,299	248,008
DPU (cents):		
- With Distribution Waiver	1.83	1.49
- Without Distribution Waiver	0.96	0.67

7 Net Asset Value per Unit

	Group		Trust	
	As at 31 March 2018	As at 31 December 2017	As at 31 March 2018	As at 31 December 2017
Number of issued units as at end of the period ('000)	553,793	552,444	553,793	552,444
Number of issuable units as at end of the period ('000)	1,317	1,349	1,317	1,349
Total number of issued and issuable units at the end of the period ('000)	555,110	553,793	555,110	553,793
Net asset value ("NAV") per unit (S\$):				
- Based on issued units as at end of the period	1.57	1.54	0.20	0.23
- Based on issued and issuable units at end of the period	1.56	1.53	0.20	0.23

8 Review of the performance

	1Q FY2018 S\$'000	1Q FY2017 S\$'000	% change
Revenue	18,495	9,982	85
Net property income	14,929	8,036	86

Analysis of the performance on revenue and net property income is as follows:

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Revenue by property:

	1Q FY2018 RMB'000	1Q FY2017 RMB'000	% change	1Q FY2018 S\$'000	1Q FY2017 S\$'000	% change
Revenue:						
Xiaolan Metro Mall	33,522	28,789	16	6,972	5,956	17
Ocean Metro Mall	19,442	15,862	23	4,043	3,281	23
Dasin E-Colour	3,857	3,602	7	802	745	8
Shiqi Metro Mall	32,107	-	NM	6,677	-	NM
	88,928	48,253	84	18,495	9,982	85

NM – Not meaningful

Revenue for the three months ended 31 March 2018 was S\$18.5 million, higher than revenue for the three months ended 31 March 2017 of S\$10.0 million by S\$8.5 million. The increase is mainly attributed to:

- (i) revenue recognised from Shiqi Metro Mall of S\$6.7 million for the three months ended 31 March 2018. Acquisition of Shiqi Metro Mall was completed on 19 June 2017; and
- (ii) positive effect of recognising future rent escalations contained in all leases of the Initial Portfolio on a straight-line basis in the three months ended 31 March 2018 of approximately S\$1.8 million.

Net property income by property:

	1Q FY2018 RMB'000	1Q FY2017 RMB'000	% change	1Q FY2018 S\$'000	1Q FY2017 S\$'000	% change
Net property income:						
Xiaolan Metro Mall	29,399	24,014	22	6,114	4,968	23
Ocean Metro Mall	14,654	11,842	24	3,048	2,450	24
Dasin E-Colour	2,606	2,990	(13)	542	618	(12)
Shiqi Metro Mall	25,126	-	NM	5,225	-	NM
	71,785	38,846	85	14,929	8,036	86

NM – Not meaningful

Net property income for the three months ended 31 March 2018 was S\$14.9 million, higher than net property income for the three months ended 31 March 2017 of S\$8.0 million by S\$6.9 million. The increase is mainly attributed to:

- (i) higher net revenue earned during the three months ended 31 March 2018 of S\$8.5 million; partially offset by
- (ii) property operating expense incurred by Shiqi Metro Mall of S\$1.5 million for the three months ended 31 March 2018.

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9 Variance between Actual and Forecast Results

	Note	Actual ^(a) 1Q FY2018 S\$'000	Forecast ^(b) 1Q FY2018 S\$'000	% change
Revenue	(1)	18,495	17,498	6
Property operating expenses		(3,566)	(3,035)	17
Net property income	(2)	14,929	14,463	3
Trustee-Manager's fees	(3)	(1,153)	(1,098)	5
Other trust expenses		(352)	(293)	20
Exchange gain	(4)	3,275	-	NM
Other income	(5)	1,025	-	NM
Finance costs (net)	(6)	(5,623)	(6,811)	(17)
Net income		12,101	6,261	93
Net change in fair value of investment properties	(7)	(490)	-	NM
Profit before income tax		11,611	6,261	85
Income tax expense		(3,937)	(2,518)	56
Profit for the period		7,674	3,743	NM
Attributable to:				
Unitholders of the Trust		7,674	3,743	NM
Distributable income attributable to Unitholders				
Profit for the period		7,674	3,743	NM
Distribution adjustments		(2,329)	1,545	NM
Amount available for distribution		5,345	5,288	1

NM – Not meaningful

Footnotes:

(a) The actual results of the Trust's foreign operations are translated using the average RMB/SGD rate for the year ended 31 March 2018 of 4.8083.

(b) The Forecast is derived from the Forecast Year 2018 as disclosed in the Prospectus. For comparability, the Forecast has been translated at the actual average RMB/SGD rate for the year ended 31 March 2018 of 4.8083.

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(1) Revenue

Revenue for the actual three months ended 31 March 2018 excluding the effect of recognising rental income on a straight-line basis of S\$0.5 million, was S\$18.0 million.

Revenue for actual three months ended 31 March 2018 was approximately S\$0.5 million (6%) higher compared to the forecast, mainly due to:

- (i) net increase in revenue earned from the Initial Portfolio of approximately S\$0.4 million; and
- (ii) net increase in revenue earned from Shiqi Metro Mall of S\$0.1 million.

(2) Net property income

Net property income for the three months ended 31 March 2018 excluding the effect of recognising rental income on a straight-line basis of S\$0.5 million, was S\$14.4 million.

Net property income for the actual three months ended 31 March 2018 was marked to the forecast, mainly due to:

- (i) net increase in net property income earned from the Initial Portfolio of approximately S\$0.3 million; offset by
- (ii) net decrease in net property income earned from Shiqi Metro Mall of approximately S\$0.3 million.

(3) Trustee-Manager's fees

The Trustee-Manager's fees comprise the trustee fee, base management fees and performance fee.

The basis of calculation for the Trustee-Manager's trustee fee, base management fee and performance fee can be found on note 2 in Section 1(a)(i) of this announcement.

(4) Exchange gain

Details of the exchange gain for the actual three months ended 31 March 2018 of S\$3.3 million can be found on note 4 in Section 1(a)(i) of this announcement.

(5) Other income

Details of other income for the actual three months ended 31 March 2018 of S\$1.0 million can be found on note 5 in Section 1(a)(i) of this announcement.

(6) Finance costs (net)

During the three months ended 31 March 2018, the Group recognised interest income earned from its bank deposits of S\$0.4 million, which was not included in the forecast. Actual finance costs for the three months ended 31 March 2018 was S\$0.6 million lower than forecast.

(7) Net change in fair value of investment properties

Net change in fair value of investment properties relates to the adjustment of the changes in the carrying value of the investment properties during the period. The net change in fair value of investment properties had not been included in the forecast.

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10 Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting and the next 12 months

According to the China's National Bureau of Statistics⁽¹⁾, economy grew 6.8% in the first quarter of 2018 to RMB19.9 trillion. National retail sales increased 9.8% year-on-year to RMB9.0 trillion, while national urban disposable income and expenditure per capita grew 8.0% and 5.7% respectively.

At the 13th National People's Congress⁽²⁾ held in March 2018, the Chinese government pledged to explore and harness the full potential of the distinctive strengths of Hong Kong and Macau and elevate their positions and roles in the opening up and development of China's economy.

At the special session of the Boao Forum for Asia Annual Conference 2018⁽³⁾ held in April 2018, the governor of Guangdong, Governor Ma Xingrui stated that steps to encourage free flow of talent, goods, capital and information within the Bay Area will be sped up together with the general planning of the Greater Bay Area to be released soon.

The number of assets under the "Right of First Refusal" stands at 12 completed properties with eight properties under development (including the Purchase Option for Doumen Metro Mall). The Trustee-Manager will undertake a prudent investment approach towards injecting new properties into the portfolio.

Source:

(1) <http://www.stats.gov.cn/english/>

(2) <http://www.npc.gov.cn>

(3) http://english.gov.cn/news/top_news/2018/04/10/content_281476107280860.htm

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- 11 Distribution**
- (a) **Any distribution declared / recommended for the current period?**
No.
- (b) **Any distribution declared / recommended for the previous corresponding period?**
No.
- (c) **Date Payable**
Not applicable.
- (d) **Books Closure Date**
Not applicable.
- 12 If no distribution has been declared / recommended, a statement to that effect**
Not applicable.
- 13 If the Group has obtained a general mandate from Unitholders for interested person transactions, the aggregate value of such transactions are required under Rule 920(1)(a)(ii). If no interested person transactions mandate has been obtained, a statement to that effect.**
The Group has not obtained a general mandate from the Unitholders for interested person transactions for the financial period under review. For reference, descriptions of present and ongoing interested person transactions are set out on pages 304 to 321 of the Prospectus.
- 14 Confirmation pursuant to Rule 705(5) of the Listing Manual**
The Board of Directors of the Trustee-Manager has confirmed to the best of its knowledge, nothing has come to its attention which may render the unaudited interim financial results of the Group and the Trust (comprising the statements of financial position as at 31 March 2018, consolidated income statement and distribution statement, consolidated statement of comprehensive income, consolidated statement of cash flows and statements of movements in Unitholders' funds for the quarter ended on that date), together with their accompanying notes, to be false or misleading, in any material respect.
- 15 Confirmation pursuant to Rule 720(1) of the Listing Manual**
The Trustee-Manager confirms that it has procured undertakings from all Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the Listing Manual.

On behalf of the Board of the Trustee-Manager

Zhang Zhencheng
Chairman and Non-Executive Director

Li Wen
Chief Executive Officer

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By Order of the Board

Dasin Retail Trust Management Pte. Ltd.

(as Trustee-Manager of Dasin Retail Trust)

(Company registration no. 201531845N)

Lun Chee Leong

Company Secretary

10 May 2018

This release may contain forward-looking statements that involve assumptions, 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, public policy changes, and the continued availability of financing. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Trustee-Manager's current view of future events.

The value of units in the Trust ("Units") and the income derived from them, if any, may fall or 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. The past performance of the Group is not necessarily indicative of the future performance of the Group.

Investors should note that they have no right to request the Trustee-Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.