



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)

**RESPONSE TO THE SGX-ST'S QUERIES REGARDING
THE TRUST'S ANNOUNCEMENT DATED 14 APRIL 2021**

The Board of Directors (the “**Board**”) of Dasin Retail Trust Management Pte. Ltd. (the “**Trustee-Manager**”), as trustee-manager of Dasin Retail Trust (the “**Trust**”), wishes to announce the information set out below in response to the queries from the Singapore Exchange Securities Trading Limited (the “**SGX Queries**”) received on 27 April 2021 in relation to the Trust’s announcement dated 14 April 2021 on the material uncertainty related to going concern raised by its independent auditors, in relation to its financial statements for the financial year ended 31 December 2020 (“**FY2020**”).

SGX Query

- (a) “the Board of Directors’ assessment of the Group’s ability to continue operating as a going concern and the bases for the said assessment;”

Trustee-Manager’s response

In preparing the financial statements for FY2020, the Board of Directors of the Trustee-Manager has determined the operations of the Group and the Trust as a going concern is appropriate notwithstanding that the Group and the Trust were in a negative working capital position with net current liabilities of \$406,694,000 and \$481,648,000 respectively as at 31 December 2020, after taking into consideration of the following:-

- (i) The negative working capital position were mainly due to re-classification of \$242,000,000 and USD134,286,000 (\$177,483,000) offshore syndicated term loan equivalent to \$419,483,000 in aggregate of the Group and the Trust, and RMB386,000,000 (\$78,143,000) onshore syndicated term loan of the Group (the “Term Loans”) from non-current liabilities to current liabilities, as these Term Loans were due and payable in July 2021.
- (ii) The Group’s business fundamentals are reasonably sound throughout the COVID-19 pandemic.
- (iii) The Group generated \$59,328,000 net positive cash flows from operating activities in FY2020.
- (iv) As disclosed in the financial statements for FY2020 on page 123 of the Annual Report dated 12 April 2021, the Board, having reviewed the Group’s ability to generate positive cash flows from its operating activities and the cashflow forecast for the next 12 months from the date of approval of the financial statements for FY2020, is of the opinion that

the Group and the Trust have sufficient cash and cash equivalents and adequate bank facilities to support its operations and meet its payment obligations as and when they fall due.

- (v) The controlling unitholders of the Trust remain supportive to the Trust and the Group.
- (vi) The Group had on 21 April 2021 announced that the Chairman and controlling shareholder of the Trustee-Manager entered into a non-binding memorandum of understanding with ARA Capital Group Limited to pursue a strategic partnership. ARA Asset Management Limited, the parent company of ARA Capital Group Limited, is a leading APAC real assets fund manager which operates a diversified platform across assets, strategies and geographies, with approximately S\$116 billion in gross assets under management globally.
- (vii) The Group met the financial covenants stipulated by the lenders during the year and up to the date of this announcement.
- (viii) The Group receives continued financial support from the lenders.
- (ix) The Trustee-Manager is in active and advanced stage of negotiations with the lenders and the Board believes that the refinancing of the Term Loans is achievable within the stipulated timeframes based on the indicative terms discussed with the various lenders.

SGX Query

- (b) “the Board of Directors’ opinion as to whether trading of the Company’s shares should be suspended pursuant to Listing Rule 1303(3); and”

Trustee-Manager’s response

Based on (a) above, the Board is of the view that the Group will be able to continue as a going concern, and therefore, trading in the Trust’s units should not be suspended.

SGX Query

- (c) “the Board of Directors’ confirmation as to whether all material disclosures have been provided for trading of the Company’s units to continue in an orderly manner; and the bases for its views.”

Trustee-Manager’s response

The Board is continuously monitoring the Group’s operations and receives reports from management in relation to the Group’s performance and financial status, and nothing material has come to the Board’s attention that warrants further disclosure to unitholders. In this regard, to the best of its knowledge and belief, the Board is of the opinion that sufficient information has been disclosed to unitholders to enable trading of the Group’s units to continue in an orderly manner.

In the meantime, the Board wishes to advise unitholders and potential investors to exercise caution when dealing in the units of the Trust. In the event of any doubt, they should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board

Dasin Retail Trust Management Pte. Ltd.

(Company Registration No. 201531845N)

(in its capacity as trustee-manager of Dasin Retail Trust)

Wang Qiu

Chief Executive Officer

28 April 2021

IMPORTANT NOTICE

The value of the units of Dasin Retail Trust (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 or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Trustee-Manager to redeem their Units while the Units are listed. It is intended that unitholders of Dasin Retail Trust 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.

The past performance of Dasin Retail Trust is not necessarily indicative of the future performance of Dasin Retail Trust.

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 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 current view on future events.