



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)

**ISSUANCE OF LETTERS OF DEMAND TO MR. ZHANG ZHENCHENG AND
BOUNTY WAY INVESTMENTS LIMITED**

The Independent Directors of the Audit and Risk Committee (“**Independent Directors of the ARC**”) of Dasin Retail Trust Management Pte. Ltd., (the “**Trustee-Manager**”), as trustee-manager of Dasin Retail Trust (the “**Trust**”), and on behalf of the Board of Directors of the Trustee-Manager (the “**Board**”), refer to the announcements dated 20 December 2024 and 11 January 2025.

The Independent Directors of ARC wish to announce that they had, on behalf of the Board, on 10 January 2025 and 14 January 2025, issued letters of demand to Mr. Zhang Zhencheng (“**ZZC**”) for wrongfully disposing of his deemed interest in the units held by Bounty Way Investments Limited (“**BW**”) and Aqua Wealth Holdings Limited (“**AW**”) in the Trust in breach of irrevocable and unconditional written undertakings he had provided to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and to the Independent Directors of the ARC of the Trustee Manager.¹ A letter of demand was also issued to BW on 10 January 2025, as further elaborated upon below.

(1) Letter of demand to ZZC dated 10 January 2025 in relation to ZZC’s wrongful disposal of 100% of his interest in BW

In the letter of demand dated 10 January 2025, it was stated that ZZC has acted in breach of an undertaking which ZZC had signed in 13 April 2023, in favour of the SGX-ST and the Independent Directors of the ARC.

The letter stated that pursuant to the undertaking, ZZC had irrevocably and unconditionally undertaken not to, and to procure, AW and BW not to, directly or indirectly, without the prior written consent of SGX-ST and the IDs of ARC, offer, sell or contract to sell, amongst other things, ZZC’s deemed interest in units in the Trust held by BW and AW (“**Excluded Units**”), for the period commencing from the date of the undertaking until the date of issuance of the audited financial statements of the Trust immediately succeeding the undertaking (both dates inclusive), unless these units are subject to any encumbrances (as defined in the undertaking) as at the date of the undertaking.

As the Trust’s audited financial statements have not been issued since ZZC had provided the “*irrevocabl[e] and unconditiona[l]*” undertaking, and to the best of the Board’s knowledge, there are no encumbrances to the Excluded Units as defined in the undertaking, the letter stated that the undertaking is still in place and ZZC’s disposal of 100% of his deemed interest in BW as stated in the announcement dated 20 December 2024 constitutes a breach of the undertaking.

¹ Prior to the announcements dated 20 December 2024 and 11 January 2025, ZZC was the sole-shareholder of BW and which currently holds 28,208,759 units in the Trust, representing approximately 3.51% of the 804,472,757 total units in the Trust. ZZC also had deemed interest in AW, which currently holds 308,159,241 units in the Trust, representing approximately 38.31% of the 804,472,757 total units in the Trust.

The letter also stated that given recent events, it is evident why ZZC has wrongfully sought to dispose his deemed interest in BW.

- (i) The Trustee-Manager received a letter on 27 December 2024 signed by, amongst other parties, BW, requisitioning for the convening of an extraordinary general meeting (“**EGM**”) of unitholders to vote on certain resolutions, including amongst other things, for the trustee-manager function of the Trust to be internalised and for the Trustee-Manager to be replaced as the trustee-manager of the Trust with Banda Capital Pte Ltd (“**Banda Capital**”).
- (ii) It is clear that the internalisation of the trustee-manager function of the Trust and the replacement of the Trustee-Manager with Banda Capital as the Internal Trustee Manager is designed to benefit ZZC and his associates (as opposed to all unitholders as a whole).
 - a. With direct and indirect interests in 349,277,267 units in the Trust, which comprise approximately 43.42% of the total unitholding in the Trust, and only 30% of the shares in the Trustee-Manager, the internalisation would mean that ZZC would effectively have around 14% more ownership in the trustee-manager of the Trust should internalisation take place, thereby affording ZZC to a close to majority stake in both the Trust and the internalised trustee-management business.
 - b. Further, one of the directors of Banda Capital is Ms Wang Qiu, who is a close associate of ZZC, and is also the subject of various legal proceedings against the Trustee-Manager.
- (iii) ZZC’s wrongful disposal of his deemed interest in BW appears to be an attempt by ZZC to suggest that he no longer has any deemed interest in the units held by BW in the Trust, in order to meet the minimum threshold of 10% of total voting rights of all holders of units of the Trust to requisition the EGM, and for BW’s 3.51% interest in the Trust to be counted in the voting of the resolutions in the EGM.

The letter also stated that the circumstances of ZZC’s disposal of his interest in BW is highly suspicious and suggest that BW (and the units held by BW in the Trust) is effectively still owned and/or controlled by ZZC.

- (i) ZZC’s associate and nephew, Mr Zhang Guiming (“**ZGM**”) is a director of BW (and signed the requisition notice on 27 December 2024 on behalf of BW).
 - a. ZGM is the beneficiary of the Zhang Family Trust. ZGM has also in recent times acted in furtherance of ZZC’s desire to remove the Trustee-Manager as the trustee-manager of the Trust and for the trustee-manager function of the Trust to be internalised.
 - b. ZGM was one of the parties who had previously seconded the resolutions at the invalid EGM dated 19 February 2024 to remove the Trustee-Manager as the trustee-manager of the Trust. Indeed, in relation to the invalid EGM, ZZC had on 16 February 2024, through his lawyers from Eng and Co LLC, sought to instruct the Trustee-Manager to cast the votes for the units of the Trust that it held on ZZC’s behalf in favour of those resolutions; and
 - c. ZGM also commenced a winding up application against the Trustee-Manager on 17 February 2024 viz HC/CWU 55/2024.
- (ii) ZZC has not disclosed to whom ZZC has purportedly made the transfer of his shareholding in BW to, including whether the transferee is a related party and/or associate of his.
- (iii) ZZC has not disclosed the terms of this purported transfer, including whether the transaction was at arms-length and/or for any valuable consideration.

Accordingly, the letter stated that unless ZZC provided further information which suggests otherwise, the Board will deal with BW (and the units held by BW in the Trust) on the basis that these are part of ZZC’s deemed interest.

In the circumstances, the Independent Directors of ARC, on behalf of the Board, demanded that ZZC:

- (i) Provide the full and complete terms of the transaction which ZZC had purportedly entered into to dispose of ZZC interest in BW, including (a) whether the transferee is a related party and/or associate of his; and (b) whether the transaction was at arms-length and/or for any valuable consideration.
- (ii) Provide written confirmation that ZZC will henceforth comply with the undertaking, specifically, that ZZC will not offer, sell or contract to sell any Excluded Units as defined and subject to the terms set out in the 13 April undertaking.

The letter stated that if ZZC did not comply with the demands by 6pm, 13 January 2025, that the Board and/or the Trustee-Manager, shall take all necessary steps to protect the Trustee-Manager and the Trust's interests and rights without further reference or notice to ZZC, including the commencement of legal proceedings and seeking of remedies of injunction, specific performance and/or other equitable relief for ZZC's continued breach of the undertaking. In that event, the Board and/or DRTM shall hold ZZC liable for all costs and expenses thereby incurred.

As of this announcement, ZZC has not replied to the letter of demand nor complied with the demands.

- (2) Letter of demand to BW dated 10 January 2025 in relation to ZZC's wrongful disposal of 100% of his interest in BW

A separate letter of demand was also issued to BW on 10 January 2025.

Besides stating similar matters in the letter of demand to ZZC, the letter also stated that the Board have strong reason to believe that BW, through its director ZGM, was aware that ZZC had breached the undertaking when wrongfully disposing of his interest in BW. This is given the highly suspicious circumstances in which ZZC disposed of his interest, as stated in the letter of demand to ZZC above.

In the circumstances, the Independent Directors of ARC, on behalf of the Board, demanded that by 6pm, 13 January 2025, BW:

- (i) Provide the full and complete terms of the transaction which ZZC had purportedly entered into to dispose of his interest in BW.
- (ii) Confirm in writing that BW, its directors and/or shareholders will take the necessary steps to reverse any such disposal of ZZC's interest in BW.

As of this announcement, BW has not replied to the letter of demand nor complied with the demands.

- (3) Letter of demand to ZZC dated 14 January 2025 in relation to ZZC's wrongful disposal of 100% of his deemed interest in AW

On 14 January 2025, another letter of demand was issued to ZZC regarding his wrongful disposal of 100% of his deemed interest in AW.

The letter noted that ZZC has refused to comply with the demands set out in the 10 January 2025 letter and in fact, ZZC appears to have taken steps to wrongfully dispose of more of his deemed interest in the Excluded Units, in an attempt to cause the units to be counted in the voting of the resolutions in the upcoming EGM even though ZZC and his associates have a material interest in these resolutions, for the benefit of ZZC and his associates (as opposed to all unitholders as a whole).

As stated in the announcement published on SGXNet dated 11 January 2025, ZZC has purportedly disposed 100% of his deemed interest in AW, which is in further breach of the undertaking.

The letter stated that in ZZC's Forms 1 and 3 dated 10 January 2025 published on SGXNet, ZZC has stated that he allegedly no longer has any deemed interest in AW on the basis that "*additional members have been added to the Investment Committee ("IC") of the [Zhang Family Settlement Trust]*" and that

“[ZZC is] no longer the sole member of the [Investment Committee] (which would make decisions based on a majority of votes)”. The letter notes that this in effect constitutes a disposal of ZZC’s interest in the units held by AW in the Trust which is contrary to the undertaking.

The letter also stated that ZZC has failed to disclose who are the new members of the Investment Committee, including whether the new members of the Investment Committee are related parties and/or associates of ZZC.

Accordingly, the letter states that unless the Board receives further information which suggests otherwise, the Board will deal with the units held by AW in the Trust on the basis that these are part of ZZC’s deemed interest.

In the circumstances, the Independent Directors of ARC, on behalf of the Board, demanded that ZZC:

- (i) Comply with the demands set out in the 10 January 2025 letter, which ZZC has failed and/or neglected to comply with.
- (ii) Provide the names of the new members of the Investment Committee of the Zhang Family Settlement Trust, including whether they are related parties and/or associates of ZZC, as well as details of the function of the Investment Committee in relation to the ownership and/or exercise of rights of the units in the Trust.

The letter stated that if ZZC did not comply with the demands by 10am, 15 January 2025, that the Board and/or the Trustee-Manager, shall take all necessary steps to protect the Trustee-Manager and the Trust’s interests and rights without further reference or notice to ZZC, including the commencement of legal proceedings and seeking of remedies of injunction, specific performance and/or other equitable relief for ZZC’s continued breach of the undertaking. In that event, the Board and/or DRTM shall hold ZZC liable for all costs and expenses thereby incurred.

As of this announcement, ZZC has not replied to the letter of demand nor complied with the demands.

Given that this announcement pertains to claims against ZZC, who is therefore conflicted in respect of the matters relating to the announcement, this announcement has not been reviewed by ZZC and his alternate, Mr Zhang Zhongming (collectively, the “**Conflicted Directors**”). The opinion of the Board set out in this announcement should not be taken to represent the views of the Conflicted Directors.

The Trustee-Manager will make further announcement(s) on the SGXNet in the event there are any material developments which warrant disclosure, in compliance with its obligations pursuant to the Listing Manual of Singapore Exchange Securities Trading Limited.

On behalf of the Board
Dasin Retail Trust Management Pte. Ltd.
(Company Registration No. 201531845N)
(in its capacity as trustee-manager of Dasin Retail Trust)

Tan Huay Lim and Sonny Tan
Independent Directors of the Audit and Risk Committee of Dasin Retail Trust Management Pte. Ltd.

15 January 2025