

**Issuer:** Dasin Retail Trust Management Pte. Ltd.

**Security:** Dasin Retail Trust

**Meeting details:**

Date: 18 April 2018

Time: 2.30 p.m.

Venue: Pacific 1, Level 1, Pan Pacific Hotel 7 Raffles Boulevard Singapore 039595

**Company Description**

Dasin Retail Trust specializes in the investments and owns, develops, and operates land, uncompleted developments, and income-producing real estate properties in Greater China, mainly for retail use.

(Source: [http://www.sgx.com/wps/portal/sgxweb/home/company\\_disclosure/stockfacts?code=CEDU](http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=CEDU))

1. As noted in the Letter to Unitholders, with the acquisition of the trust's fourth property, Shiqi Metro Mall, on 20 June 2017, the trust ended the year with a portfolio of four retail malls located in Zhongshan City in Guangdong, PRC valued at RMB7.55 billion.

Based on the trust's prospectus dated 13 January 2017, the trust's principal investment mandate is to "invest in, own or develop land, uncompleted developments and income-producing real estate in Greater China (comprising PRC, Hong Kong and Macau), used primarily for retail purposes, as well as real estate-related assets, with an initial focus on retail malls".

The trust holds the purchase option for Doumen Metro Mall and 19 Right of First Refusal ("ROFR") properties granted by the Sponsor as at 31 December 2017.

- (i) **Can the Trustee-Manager update unitholders on the status of Doumen Metro Mall? When is the mall expected to be completed and to commence operations?**
- (ii) **As the Doumen Purchase Option will expire upon the issuance of the mall's completion certificate, can the Trustee-Manager tell unitholders the expected issuance date and the trust's plans with regard to the new Doumen mall?**
- (iii) **Has the board considered the benefits of having a more geographically diversified portfolio, given that the trust's assets are currently all in Zhongshan City?**

2. In FY2017, the group secured new syndicated term loans of SGD242.0 million and USD134.3 million offshore (equivalent to S\$421.6 million in aggregate) (the "Offshore Facilities").

Other than distribution to unitholders that are made in Singapore Dollar ("SGD"), the trust receives cash flows and pays out in Chinese Renminbi ("RMB") for most of its operations. The Offshore facilities introduced currency risks to the trust.

The weighted average cost of debt for the trust's onshore borrowings was 5.18% and 4.61% for its offshore borrowings (page 4).

- (i) **Has the Audit and Risk Committee (ARC) evaluated the currency risks of the offshore debt? Can the ARC share with unitholders the cost-benefit analysis of taking on United States Dollar ("USD") and SGD currency risks?**
- (ii) **What are the Trustee-Manager's views of the fluctuations and the mid-long term trends of the RMB and USD against the Singapore Dollar ("SGD")?**

3. In the consolidated statement of profit or loss (page 99), the following is disclosed:

Profit for the year/period	22	18,856
<b>Attributable to:</b>		
Unitholders of the Trust		18,856
<b>Distributable income attributable to Unitholders</b>		
Profit for the year		18,856
Distribution adjustments	23	(847)
<b>Amount available for distribution</b>	23	18,009
<b>Distribution per unit (cents)</b>		
- With Distribution Waiver		7.16
- Without Distribution Waiver		3.25
<b>Earnings per unit (cents)</b>	24	
- Basic and diluted		3.42

(Source: Annual report)

Without the Distribution Waiver, the DPU is 3.25 cents compared to the announced DPU of 7.16 cents.

The trust has received Distribution Waiver Undertakings from Aqua Wealth and Bounty Way that they will waive a portion of its entitlement to distributions. The number of units not entitled to distribution from 2017 to 2021 is as follows (page 132):

Each of Aqua Wealth and Bounty Way has on 13 January 2017 provided the Trustee-Manager a Distribution Waiver Undertaking pursuant to which each of Aqua Wealth and Bounty Way has agreed to waive a portion of its entitlement to distributions from the Trust over a period of approximately five years, commencing from the Listing Date (the "Distribution Waiver Period") to 31 December 2021.

Distribution Waiver Period	Aggregate number of Aqua Wealth and Bounty Way Units not entitled to Distributions	% of total number of Units on Listing Date
Listing Date to 31 December 2017	302,283,481	55.0%
1 January 2018 to 31 December 2018	263,811,038	48.0%
1 January 2019 to 31 December 2019	247,322,848	45.0%
1 January 2020 to 31 December 2020	192,362,214	35.0%
1 January 2021 to 31 December 2021	82,440,948	15.0%

(Source: Annual report)

In FY2018, the percentage of units eligible to receive distributions will increase from 45% to 52%. There will be a 16% increase in units eligible to receive distributions while the asset base stays the same.

- (i) **Can the board provide unitholders with a projection of the DPU from 2018 to 2021 based on the distribution waiver schedule?**
- (ii) **In the board's opinion, how likely can the DPU be maintained or increased in FY2018 and beyond?**